

TO:- Council

Councillor Meg Barrow , Councillor Andrew Adams , Councillor Helen Adams , Councillor Penny Allen , Councillor Jeff Ashley , Councillor Barry Bond M.B.E. , Councillor John Brindle , Councillor Gary Burnett , Councillor Val Chapman , Councillor Bob Cope , Councillor Mike Davies , Councillor Philip Davis , Councillor Steph Dufty , Councillor Robert Duncan , Councillor Sue Duncan , Councillor Christopher Evans , Councillor Mark Evans , Councillor Warren Fisher , Councillor Sam Harper-Wallis , Councillor Dr Paul Harrison M.B.E. , Councillor Rita Heseltine , Councillor Diane Holmes , Councillor Fiona Hopkins , Councillor Matthew Jackson , Councillor Victor Kelly , Councillor Dan Kinsey B.E.M , Councillor Roger Lees J.P. , Councillor Vincent Merrick , Councillor John Michell , Councillor Rob Nelson , Councillor Kath Perry M.B.E. , Councillor Martin Perry , Councillor Ray Perry , Councillor Robert Reade , Councillor Gregory Spruce , Councillor Christopher Steel , Councillor Wendy Sutton , Councillor Sue Szalapski , Councillor Bernard Williams , Councillor David Williams , Councillor Kath Williams , Councillor Victoria Wilson

Notice is hereby given that a meeting of the Council will be held as detailed below for the purpose of transacting the business set out below.

Date: Tuesday, 27 June 2023

Time: 19:00

Venue: Council Chamber, Council Offices, Wolverhampton Road, Codsall, South Staffordshire, WV8 1PX
Community Hub, Wolverhampton Road, Codsall, South Staffordshire, WV8 1PX



D. Heywood
Chief Executive

AGENDA**Part I – Public Session****1** Priority Business (if any)

To dispose of any business required by statute or by the Council's Procedure Rules to be brought before the Council before any other business.

2 Minutes**5 - 14**

To approve the Minutes of the meeting of Council held on 23 May 2023.

3	Apologies	
	To receive any apologies for non-attendance.	
4	Declarations of Interest	
	To receive any declarations of interest.	
5	Questions pursuant to Council Procedure Rule 11.4	
	Note: A Councillor may ask the Chairman of the Council, a member of the Cabinet or the Chairman of any Committee, Sub-Committee or Panel a question on any matter in relation to which the Council has powers or duties or which affects the District of South Staffordshire provided that:-	
	(a) they have given at least seven working days' notice in writing of the question to the Chief Executive; or	
	(b) the question relates to urgent matters, they have the consent of the Cabinet Member to whom the question is to be put, and the content of the question is given to the Chief Executive by 11.00 a.m. on the day of the meeting. Every question shall be put and answered without discussion but the person to whom the question has been put may decline to answer.	
6	Leader's Report	15 - 26
	Report of the Leader of the Council.	
7	Committee Update Report	27 - 30
	Report of the Committee Chairmen	
8	Treasury Management Strategy and Prudential Indicators 2023/24 - 2027/28	31 - 66
	Report of the Corporate Director Finance and Resources.	
9	Chairman's Announcements	
	To receive any announcements which the Chairman wishes to bring to the attention of the members.	
10	Exclusion of Press and Public	
	To resolve that the Press and Public be excluded from the meeting during consideration of the following items on the grounds that they are likely to involve the disclosure of exempt information as defined in paragraphs 1 and 3 of Part 1 of Schedule 12(A) to the Local Government Act 1972.	
11	A Review of Corporate Leadership Team Roles and Responsibilities	67 - 72
	Report of the Personal Development Review and Appointments Panel.	
	These papers have now been made public on the authority of the Monitoring Officer as the reason for the exemption no longer applies following the approval of the decision by the Council on 27.06.23	

RECORDING

Please note that this meeting will be recorded.

PUBLIC ACCESS TO AGENDA AND REPORTS

Spare paper copies of committee agenda and reports are no longer available. Therefore should any member of the public wish to view the agenda or report(s) for this meeting, please go to www.sstaffs.gov.uk/council-democracy.

Minutes of the meeting of the **Council**
South Staffordshire Council held in the
Council Chamber Community Hub,
Wolverhampton Road, Codsall, South
Staffordshire, WV8 1PX on Tuesday, 23
May 2023 at 19:00

Present:-

Councillor Andrew Adams, Councillor Helen Adams, Councillor Penny Allen, Councillor Jeff Ashley, Councillor Meg Barrow, Councillor John Brindle, Councillor Gary Burnett, Councillor Val Chapman, Councillor Bob Cope, Councillor Mike Davies, Councillor Philip Davis, Councillor Steph Dufty, Councillor Robert Duncan, Councillor Sue Duncan, Councillor Christopher Evans, Councillor Mark Evans, Councillor Warren Fisher, Councillor Sam Harper-Wallis, Councillor Dr Paul Harrison, Councillor Rita Heseltine, Councillor Fiona Hopkins, Councillor Matthew Jackson, Councillor Victor Kelly, Councillor Dan Kinsey, Councillor Roger Lees, Councillor Vincent Merrick, Councillor John Michell, Councillor Rob Nelson, Councillor Kath Perry, Councillor Martin Perry, Councillor Ray Perry, Councillor Robert Reade, Councillor Gregory Spruce, Councillor Christopher Steel, Councillor Wendy Sutton, Councillor Sue Szalapski, Councillor Bernard Williams, Councillor David Williams, Councillor Kath Williams, Councillor Victoria Wilson

1 ELECTION OF CHAIRMAN OF THE COUNCIL

Councillor Meg Barrow was proposed by Councillor Kath Perry MBE and seconded by Councillor Dan Kinsey BEM and it was

RESOLVED: that Councillor Meg Barrow be elected Chairman of the Council for the Municipal Year 2023/24.

2 ELECTION OF VICE-CHAIRMAN OF THE COUNCIL

Councillor Dan Kinsey BEM was proposed by Councillor Mark Evans and seconded by Councillor Martin Perry and it was

RESOLVED: that Councillor Dan Kinsey BEM be elected Vice-Chairman of the Council for the Municipal Year 2023/24.

3 MINUTES

RESOLVED: that the minutes of the Council meeting held on 21 March 2023 be approved and signed by the Chairman.

4 APOLOGIES

Apologies were received for Councillors B Bond MBE and D Holmes.

5 DECLARATIONS OF INTEREST

There were no declarations of interest.

6 ELECTION OF THE LEADER OF THE COUNCIL

Councillor Roger Lees was proposed by Councillor Robert Reade and seconded by Councillor Victoria Wilson. A named vote was taken with all present voting in favour with the exception of Councillors J Ashley, S Dufty, S Harper-Wallis, P Harrison and G Spruce who abstained.

7 NOTIFICATION BY THE LEADER OF THE COUNCIL OF THE COUNCILLORS APPOINTED TO THE CABINET

The Leader of the Council, Councillor Roger Lees, announced his Cabinet as follows:

Business Enterprise and Community Infrastructure - Councillor Victoria Wilson

Community Services - Councillor Kath Perry MBE

Corporate Services - Councillor Roger Lees

Digital Technology and Service Transformation - Councillor David Williams

Regulatory Services - Councillor Rita Heseltine

Welfare Services - Councillor Robert Reade

Deputy Leader - Councillor Victoria Wilson

8 **ANNUAL REVIEW OF THE CONSTITUTION**

It was proposed by Councillor Roger Lees and seconded by Councillor Victoria Wilson and

RESOLVED: that the revised Constitution be adopted by Council and replace all previous versions of the Constitution.

9 **POLITICAL BALANCE REPORT**

It was proposed by Councillor Roger Lees and seconded by Councillor Victoria Wilson and

RESOLVED: that the overall proportions for committees set out in paragraph 4.5 of the report be approved.

10 **PLANNING COMMITTEE**

RESOLVED: that for the Municipal Year 2023/24:

a) a Planning Committee be appointed in accordance with the Constitution of the Council comprising Councillors H Adams, B Bond MBE, V Chapman, P Davis, R Duncan, M Evans, R Heseltine, D Holmes, V Kelly, K Perry MBE, R Reade, W Sutton, B Cope, C Steel, S Harper-Wallis, G Spruce, G Burnett, J Ashley

b) Councillor M Evans be elected Chairman of the Planning Committee

c) Councillor B Cope be elected Vice-Chairman of the Planning Committee

11 **OVERVIEW AND SCRUTINY COMMITTEE**

RESOLVED: that for the Municipal Year 2023/24

a) a Overview and Scrutiny Committee comprising all members of the Council who are not members of the Cabinet be appointed in accordance with the constitution of the Council

b) Councillor Mike Davies be appointed Chairman of the Overview and

Scrutiny Committee

c) Councillor P Davis be appointed Vice-Chairman of the Overview and Scrutiny Committee

12

STANDARDS AND RESOURCES COMMITTEE

RESOLVED: that for the Municipal Year 2023/24

a) a Standards and Resources Committee be appointed in accordance with the Constitution of the Council comprising Councillors B Bond MBE, M Davies, P Davis, S Duncan, D Holmes, D Kinsey BEM, S Szalapski, R Reade, P Allen, Dr P Harrison MBE, G Burnett, J Brindle

b) Councillor B Bond MBE be appointed Chairman of the Standards and Resources Committee

c) Councillor D Holmes be appointed Vice-Chairman of the Standards and Resources Committee

d) Parish Councillors R Tucker, M Roberts, L Emery, C Taylor, K Elder and Dr R Taylor be appointed to the Standards and Resources Committee

13

STANDARDS AND RESOURCES SUB-COMMITTEE - HEARINGS

RESOLVED: that for the Municipal Year 2023/24

a) a Standards and Resources Hearings Sub Committee be appointed in accordance with the Constitution of the Council comprising Councillors P Allen, B Bond MBE, G Burnett, P Davis, S Duncan, D Holmes

b) Parish Councillors R Tucker, C Taylor, R Taylor be appointed to the Standards and Resources Hearings Sub Committee

14

STANDARDS AND RESOURCES SUB-COMMITTEE - ASSESSMENT

RESOLVED: that for the Municipal Year 2023/24

a) a Standards and Resources Assessment Sub Committee be appointed in accordance with the Constitution of the Council comprising Councillors J Brindle, M Davies, Dr P Harrison MBE, D Kinsey BEM, R Reade, S Szalapski

b) Parish Councillors M Roberts, L Emery, K Elder be appointed to the Standards and Resources Assessment Sub Committee

15

LICENSING AND REGULATORY COMMITTEE

RESOLVED: that for the Municipal Year 2023/24

a) a Licensing and Regulatory Committee be appointed in accordance with the Constitution of the Council comprising Councillors A Adams, M Barrow, M Davies, R Heseltine, M Jackson, V Merrick, J Michell, S Szalapski, B Williams, D Williams, P Allen, R Nelson, S Harper-Wallis, G Burnett, J Brindle

b) Councillor V Merrick be appointed Chairman of the Licensing and

Regulatory Committee

c) Councillor M Davies be appointed Vice-Chairman of the Licensing and Regulatory Committee

16 **AUDIT AND RISK COMMITTEE**

RESOLVED: that for the Municipal Year 2023/24

a) an Audit and Risk Committee be appointed in accordance with the Constitution of the Council comprising Councillors A Adams, B Bond MBE, C Evans, J Michell, M Perry, S Szalapski, W Fisher, S Dufty

b) Councillor J Michell be appointed Chairman of the Audit and Risk Committee

c) Councillor A Adams be appointed Vice-Chairman of the Audit and Risk Committee

17 **INVESTIGATORY AND DISCIPLINARY COMMITTEE**

RESOLVED: that for the Municipal Year 2023/24 an Investigatory and Disciplinary Committee be appointed in accordance with the Constitution of the Council comprising Councillors H Adams, R Lees, J Michell, M Perry, D Williams, W Fisher, S Dufty

18 **DISCIPLINARY AND GRIEVANCE APPEALS COMMITTEE**

RESOLVED: that for the Municipal Year 2023/24 a Disciplinary and Grievance Appeals Committee be appointed in accordance with the Constitution of the Council comprising Councillors R Heseltine, M Jackson, D Kinsey BEM, V Merrick, R Perry, C Steel, Dr P Harrison MBE

19 **HOUSING REVIEW PANEL**

RESOLVED: that for the Municipal Year 2023/24 a Housing Review Panel be appointed in accordance with the Constitution of the Council comprising Councillors D Williams, V Kelly and C Steel; and Councillors R Lees, A Adams and P Allen be appointed as Substitute members

20 **WELLBEING SELECT COMMITTEE**

RESOLVED: that for the Municipal Year 2023/24

a) a Wellbeing Select Committee be appointed in accordance with the Constitution of the Council comprising Councillors M Barrow, V Chapman, C Evans, D Holmes, W Sutton, S Szalapski, B Williams, K Williams, R Nelson, Dr P Harrison MBE, F Hopkins, J Ashley

b) Councillor V Chapman be appointed Chairman of the Wellbeing Select Committee

c) Councillor K Williams be appointed Vice-Chairman of the Wellbeing Select

Committee

d) Councillor J Abrahams was confirmed as the County Lead Member

21 LOTTERY ADVISORY PANEL

RESOLVED: that for the Municipal Year 2023/24 a Lottery Advisory Panel be appointed in accordance with the Constitution of the Council comprising Councillors;

Locality 1 – S Harper-Wallis and V Kelly

Locality 2 – D Holmes and S Szalapski

Locality 3 – J Brindle and C Steel

Locality 4 – M Barrow and R Heseltine

Locality 5 – M Perry and V Wilson

22 ASSET SCRUTINY PANEL

RESOLVED: that for the Municipal Year 2023/24

a) an Asset Scrutiny Panel be appointed in accordance with the Constitution of the Council comprising Councillors V Chapman, M Davies, P Davis, M Perry, W Sutton, B Cope, Dr P Harrison MBE

b) Councillor P Davis be appointed Chairman of the Asset Scrutiny Panel

c) Councillor M Davies be appointed Vice-Chairman of the Asset Scrutiny Panel

23 LOCAL JOINT COMMITTEE

RESOLVED: that for the Municipal Year 2023/24 a Local Joint Committee be appointed in accordance with the Constitution of the Council comprising Councillors V Kelly, R Lees, R Perry, B Williams, B Cope, Sam Harper-Wallis

24 DISCRETIONARY HOUSING PAYMENTS SCHEME

RESOLVED: that Councillors H Adams, S Duncan, R Heseltine, D Holmes, R Lees, D Williams, C Steel, S Harper-Wallis be appointed members from whom the Municipal Year 2023/24 panels will be drawn to consider disputes arising from the Discretionary Housing Payments Scheme

25 PERSONAL DEVELOPMENT REVIEW AND APPOINTMENTS PANEL

RESOLVED: that for the Municipal Year 2023/24 a Personal Development Review and Appointments Panel be appointed in accordance with the Constitution of the Council comprising Councillors B Bond MBE, M Davies, R Lees, V Wilson, B Cope, F Hopkins

APPOINTMENT OF REPRESENTATIVES TO SERVE ON OUTSIDE BODIES

RESOLVED: that for the Municipal Year 2023/24 the following appointments be made to Outside Bodies;

STAFFORDSHIRE COUNTY COUNCIL:-

(a) Health Select Committee

Chairman of Wellbeing Select Committee Councillor V Chapman. (Substitute – Councillor K Williams)

(b) Staffordshire Planning Forum

Cabinet Member for Business Enterprise and Community Infrastructure Councillor V Wilson. (Substitute – Councillor R Lees)

(c) Corporate Parenting Panel

Councillor W Sutton

(2) Bilbrook Playing Fields Committee

Councillor G Burnett

(3) 2078 Boscobel Squadron Air Training Corps

Councillor R Duncan

(4) Campaign to Protect Rural England

Cabinet Member for Community Services Councillor K Perry MBE

(5) Cannock Chase Area of Outstanding Natural Beauty Joint Committee

Cabinet Member for Business Enterprise and Community Infrastructure – Councillor V Wilson. Substitute – Councillor K Perry MBE)

(6) Codsall Village Hall and Playing Fields Committee

Councillors M Barrow and V Chapman

(7) Environmental Protection UK

Cabinet Member for Community Services Councillor K Perry MBE and Councillor M Jackson

(8) Forest of Mercia Members' Advisory Panel

Councillors B Cope and D Williams

(9) Four Ashes Energy Recovery Facility Local Liaison Committee

Cabinet Member for Business Enterprise and Community Infrastructure
Councillor V Wilson plus Councillors B Cope and W Sutton

(10) Hilton Main Recreation and Social Welfare Fund Grant Panel

Councillor B Cope

(11) Marsh Recreation Ground and Community Centre Trust

Councillor G Spruce

(12) Leisure Centre Management Committees

(a) Cheslyn Hay Leisure Centre

Councillors R Perry and B Williams

(b) Codsall Leisure Centre

Councillors M Barrow and V Chapman

(c) Wombourne Leisure Centre

Councillors D Kinsey BEM and V Wilson

(13) Local Government Association

(a) Association

Primary Representative – Leader of the Council. 2nd Representative - Deputy
Leader of the Council

(b) District Council Network

Leader of the Council

(14) Midlands Joint Advisory Clean Air Council – YES

Cabinet Member for Community Services Councillor K Perry MBE

(15) Monckton Recreation Management Committee

Councillor A Adams

(16) PATROL (Traffic Penalty Tribunal) Adjudication Joint Committee

Cabinet Member for Regulatory Services Councillor R Heseltine (Substitute –
Cabinet Member for Business Enterprise and Community Infrastructure

Councillor V Wilson)

(17) PFCC Strategic Community Safety Forum

Councillor V Merrick

(18) Perton Playing Fields Association - YES

Councillor P Davis

(19) Shoal Hill Common Joint Committee

Councillors H Adams, B Cope and D Williams

(20) South Staffordshire Partnership Leadership Board

Leader of the Council and the Chief Executive

(21) Sow and Penk Internal Drainage Management Board

Councillor V Kelly (by agreement with Stafford Borough Council)

(22) Staffordshire Destination Management Partnership Board (Enjoy Staffordshire)

Cabinet Member for Business Enterprise and Community Infrastructure
Councillor V Wilson

(23) Staffordshire Joint Police and Crime Panel

Leader of the Council

(24) Staffordshire Playing Fields Association

Councillor K Perry MBE

(25) Trysull and Seisdon Playing Fields Committee

Councillor V Wilson

(To hold office from AGM of the Management Committee in October 2023 to the AGM in October 2024)

(26) West Midlands Employers

Confirmation of appointment of the Chief Executive

(27) Wolverhampton Business (Halfpenny Green) Airport Consultative Committee

Councillors B Bond MBE and R Lees

(28) Wombourne and District Community Association

Councillor D Kinsey BEM

(29) Saredon Quarry Liaison Committee

Councillor B Cope

(30) Seisdon Quarry Liaison Committee

Councillor V Wilson

(31) Council Company

Councillor R Lees

(32) iESE

Councillor R Lees

(33) Staffordshire Sustainability Board

Cabinet Member for Community Services Councillor K Perry MBE

(34) Staffordshire Leaders Board

Leader of the Council

27 INDEPENDENT MEMBERS' REMUNERATION PANEL

RESOLVED: that for the Municipal Year 2023/24 an Independent Members' Remuneration Panel be appointed in accordance with the Constitution of the Council comprising;

Mr R Garbett - Retired Businessman

Mr A McLaughlin - Local Businessman

Alderman R Wright - Former Councillor

28 APPOINTMENT OF INDEPENDENT PERSON

RESOLVED: that Stephen Cork be appointed as the Independent Person for the Municipal Year 2023/24

29 APPOINTMENT OF INDEPENDENT MEMBERS OF COMPLAINTS PANEL

RESOLVED: that for the Municipal Year 2023/24 S Cork, N Davies and A Hamlyn be appointed as Independent Members to the Council's

Complaints Panel.

30 **CALENDAR OF MEETINGS 2023-2024**

A revised calendar of meetings had been circulated. It was proposed by Councillor Roger Lees and seconded by Councillor Victoria Wilson and **RESOLVED:** that the Calendar of meetings be approved

31 **TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS 2023/24 - 2027/28**

With the consent of the Chairman this item was withdrawn from the agenda

32 **QUESTIONS PURSUANT TO COUNCIL PROCEDURE RULE 11.4**

There were no questions pursuant to Council Procedure Rule 11.4

33 **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman of the Council, Councillor Meg Barrow, presented a certificate to former Councillors to mark their service; Len Bates, Joyce Bolton, Nigel Caine, Jo Chapman, Matt Ewart, Lin Hingley, Steve Hollis, Ve Jackson, Janet Johnson, Mike Lawrence, Dave Lockley, Terry Mason, Christine Raven, John Raven, Ian Sadler, Bob Spencer and Henry Williams.

The Chairman announced that her chosen charity would be Motor Neurone Disease. The Chairman's Civic Sunday was planned for 23 July at the Wergs Golf Club. The Chairman thanked all staff for the work undertaken.

The Meeting ended at: 20:10

CHAIRMAN



Council Plan 2020 – 2024

"Shaping South Staffordshire's future"

Report of the Leader of the Council

Date: 27th June 2023

Introduction and Overview

The Council Plan 2020-2024 sets the Council's vision of "Shaping South Staffordshire's future" and within this prioritises "Prosperous Communities" and "Vibrant Communities".

A number of key performance measures and targets have been set in order to monitor delivery against this vision. These 'hard' measures and targets are monitored and reported through the Council's Integrated Performance Management Report.

This report provides a commentary on matters which are not covered within the Integrated Performance Management Report, but which are nevertheless important activities and developments within each Cabinet area.



Council Plan 2020 – 2024

“Shaping South Staffordshire’s future”

CORPORATE SERVICES

Lead Cabinet Member: Councillor Roger Lees, Leader

1. Activities and Developments

Elections

Local district and parish elections took place on 4 May. The introduction of Voter ID requirements presented additional planning challenges, but a successful and safe election was delivered, ensuring the democratic process was upheld. The Returning Officer has complied with national requirements regarding the completion of statistical returns.

Finance

The Finance team is focused on producing the draft Statement of Accounts ahead of Grant Thornton’s arrival on site towards the end of June to audit the accounts.

Community Safety

The South Staffordshire Community Safety Plan for 2023-2026 has recently launched and brings together all agencies in the district who can have an impact on crime, anti-social behaviour and the fear of crime. The Key emphasis of the plan is keeping communities safe is everyone’s responsibility and can’t be achieved in isolation.

The plans priorities for the 2023-2026 will focus on the high-level priorities:

- Cross Border Crime – focus on vehicle crime
- Serious violence – includes domestic abuse and violence against women and girls
- Anti-social behaviour
- Community Cohesion
- Perception vs Reality

The Community Safety Partnership will work through the Community Safety Partnership governance structure to:

- To reduce all recorded crime by 2%
- To reduce vehicle crime by 2%
- To increase the number of repeat victims of domestic abuse accessing services by 20%
- To reduce serious violence, including domestic abuse and violence against women and girls by 2%
- To reduce anti-social behaviour by 3%
- To maintain the high level of feeling of safety during the day (88%)
- To improve the feeling of safety after dark (67%)



Council Plan 2020 – 2024

“Shaping South Staffordshire’s future”

Over the past 3 years (between April 2019 and March 2022) all crime has seen a reduction of 22% (from 5097 to 3958 recorded crimes) and anti-social behaviour has seen a reduction of 6% (from 1597 to 1498 recorded incidents). These years included COVID-19 lockdowns which will have impacted on crime and anti-social behaviour numbers.

Recently theft of motor vehicles has seen an increase of 35% when comparing May 2022 to May 2023, from 22 to 33 reported crimes. The Community Safety Partnership is reminding drivers to ensure their keyless vehicles are kept secure. The Community Safety Partnership has offered residents the opportunity to collect a free Faraday Bag from the Council offices and will continue to do so over the year.

BUSINESS ENTERPRISE & COMMUNITY INFRASTRUCTURE

Lead Cabinet Member: Councillor Victoria Wilson

1. Activities and developments

Council Shortlisted for Royal Town Planning Institute Award

South Staffordshire Council is one of two authorities shortlisted for Planning Authority of the Year for West Midlands. The awards celebrate planning excellence on a national scale and acknowledge the positive contribution that planning professionals make to the communities they serve. The planning team comprises Development Management, Planning Enforcement, Strategic Planning including Local Plans and Housing Strategy. Up against Birmingham City Council, the winners will be announced on 30th June at an awards ceremony to be held at Millennium Point.





Council Plan 2020 – 2024

“Shaping South Staffordshire’s future”

Local Plan Review

The review of the Local Plan remains paused awaiting the outcome of the government’s consultation into proposed changes to national planning policy. We are mindful that previous government proposals to change national policy have changed significantly between consultation stages and being finalised. Indications are that it may be late summer/early Autumn before anything is published and we continue to press the government for timescales. However, if significant alterations to the plan, in light of any national changes, are necessary, we will consult on the plan again.

Work continues on the consideration of the representations to the previous consultation and the formulation of responses to the issues raised.

Local Plans

The council’s Annual Monitoring Report for 2022 has now been published online: [amr_2022_final.pdf \(sstaffs.gov.uk\)](#) The report sets out how we have implemented the Local Plan review timetable (Local Development Scheme); how policies set out in the Local Plan/Core Strategy are being achieved, including performance against housing delivery targets; the progress of Supplementary Planning Documents (SPDs); progress in relation to neighbourhood planning: Community Infrastructure Levy (CIL) proposals, and the steps taken under the Duty to Cooperate (DtC).

Housing land supply annual monitoring is close to being finalised for 2022/2023 and will inform the council’s 5-year housing land supply, which is an important consideration for Members and officers in the determination of planning applications.

Kinver Neighbourhood Plan

The Regulation 16 Consultation for the Kinver Neighbourhood Plan closed on 6 March 2023 and 27 representations were received. These were passed on to the independent Planning Inspector carrying out the Examination into the Neighbourhood Plan under Regulation 17. We have now received the Inspector’s Report for fact checking and once this has been agreed the next stage is for the Neighbourhood Plan to go out to referendum in the parish.

For more information and to view representations and Examination documents visit: [Kinver Neighbourhood Plan South Staffordshire Council \(sstaffs.gov.uk\)](#)

Housing Strategy

Our strong track record of providing affordable homes continues with a total of 156 being completed in South Staffordshire in 2022/23. This includes 71 homes for social rent, and 85 for shared ownership. Most completions were on sites allocated through the Council’s Site Allocations



Council Plan 2020 – 2024

“Shaping South Staffordshire’s future”

Document (SAD) 2018, in the following locations: Bilbrook, Brewood, Cheslyn Hay, Codsall, Featherstone and Wombourne.

Warmer Homes

Our Warmer Homes scheme was nominated for the public health category in the Local Government Chronical Awards 2023. The Warmer Homes scheme aims to reduce cold related illnesses and fuel poverty, as well as providing energy efficient home improvements. To achieve this, we work in partnership with the other Staffordshire and Stoke On Trent local authorities, the charity organisation Beat The Cold, energy provider E.ON, and Broad Oak - a property company. Although not a winner this time round, making it to the final was the result of hard work and dedication by all partners.

Over the past year working with Beat The Cold, the council has received nearly 700 advice line enquires, split almost equally between disadvantaged households with health conditions or residents of old age and vulnerable, and disadvantaged households with benefits. We have helped residents obtain an estimated £92,400. through the household support fund and almost £50K through water tariff savings via bills, discounts, and referral schemes.

Development Management

As part of the recent service review, 2 new posts have been filled in the Development Management Team for a Senior Conservation Officer and Senior compliance Officer.

The service remains fully staffed, reinforcing the council’s employer of choice aspirations, and which bucks the trend nationally as there is a national shortage of planners.

The team is progressing several large housing development site proposals with developers, including the provision of new infrastructure, which is an important issue for members and residents alike. Updates will be provided when planning applications are received and more information is available.

Extensive training is being undertaken with members around the DM process and with the new planning committee following the election of new members and changes to the members who sit on committee.

Planning Enforcement

Planning appeals for two Traveller sites were determined by the Planning Inspectorate in the last quarter. Planning permission was refused for a Travellers’ site on land off Micklewood Lane, Penkridge, however permanent planning permission was granted for a Travellers’ site on land off Teddesley Road, Penkridge. The council is in the process of applying to the High Court to appeal



Council Plan 2020 – 2024

“Shaping South Staffordshire’s future”

the Teddesley Road decision as the decision was not consistent with two recent Traveller site appeal decisions in South Staffordshire.

Compliance monitoring continues for a site in Gospel End in which the applicant lost an appeal against an enforcement notice for unauthorised change of use of land to residential garden land, and the unauthorised importation of large quantities of material to significantly change the ground levels.

Enterprise – Business Support

The Council has launched its UK Shared Prosperity Fund (UKSPF) prospectus. The prospectus sets out the council's priorities for delivery of the fund up to March 2025. South Staffordshire District Council has been allocated £3.82 million to support revenue schemes and capital projects. An additional allocation of £489,391 Rural England Prosperity Fund will support the rural community and business infrastructure. The prospectus is available to view at www.sstaffs.gov.uk/uk-shared-prosperity-funding.

The South Staffordshire Business Partnership collaborated with the Stoke and Staffordshire Growth Hub and the Kingswood Trust to host the latest themed networking event, focusing on corporate social responsibility (CSR). Guest speakers included Mark Carnaghan, MD of Eurofins UK Division and Karen Woolley, Federation of Small Businesses Development Manager. Helen Heywood, Kingswood Trust, showcased the amazing facilities at Kingswood Trust, much of which was made possible through the generous support of the local business community and volunteers. Attendees provided excellent feedback, highlighting the strength and importance of the business partnership.

Asset Strategy

Work to deliver the Asset Management Plan continues. Following the completion of a feasibility exercise, the roofing and decarbonisation works at Landywood Enterprise Centre have now been approved. Work will comprise the installation of PV solar panels and LED lighting in addition to roof corrosion protection and decoration of the industrial units. Works are due to be completed during summer 2023.

Following completion of phase one of the redevelopment of Wombourne Enterprise Park, existing tenants have now relocated to their new units at the park. Due to the liquidation of main contractors, a procurement tender exercise is now underway to appoint a new main contractor to complete further phases.



Council Plan 2020 – 2024

“Shaping South Staffordshire’s future”

REGULATORY SERVICES

Lead Cabinet Member: Councillor Rita Heseltine

1. Activities and developments

Food and Safety

Following several visits from officers to the Navigation Pub at Greenforge, where unsatisfactory conditions were repeatedly found, the food business operator has been prohibited from running a food business. The owner pleaded guilty to nine offences contrary to Food Hygiene Regulations and five offences contrary to Health and Safety legislation.

High-risk food was left out overnight and mouldy and out-of-date food was found in the fridges. Officers also reported the incorrect usage of coloured cutting boards contrary to the pub’s own system – presenting a cross-contamination risk.

Rodent droppings were also found in the bar and a putrefied mouse was discovered on a shelf behind the beer pulls. No action had been taken to deal with a long-standing rodent issue at the premises, nor suitable cleaning undertaken of these areas.

Cannock Magistrates stated that some recent improvements had been made but felt that these were far too little too late and that repeated visits had been made by the officers to try to assist him in getting the business up to standard. The magistrates considered there had been a disregard for the advice from the officers, the safety of his staff and customers.

The owner was also ordered to pay fines and costs totalling £7,899.

Environmental Protection

Over the past 2 months the team have received 160 complaints. The complaints vary in nature and relate to a wide variety of issues and concerns.

The team are currently continuing to investigate a number of particularly complex issues including a complaint of odour from a commercial premises affecting a neighbouring residential dwelling and a complex drainage issue. Officers are working in conjunction with relevant partner agencies to investigate the cause of the issues and working towards finding resolutions.

Licensing

Since January, the team have issued over 200 licences of various types to licensed individuals and businesses in South Staffordshire, including 14 applications for new premises licences. Several of which have been subject to representations/objections and had to be referred to a licensing sub-committee to determine the application.



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Envirocrime

It’s been a positive start to the financial year with a reduction of 41% on the monthly fly tipping figures compared to April last year. This trend has also continued into May with a reduction of instances of fly tipping for the same period last year, down to 81 from 93.

April

During April we had a fly tipping case in court where the defendant was fined £80, and the council were awarded £960 costs. One fixed penalty notice (FPN) was issued for littering, which was witnessed by a staff member who provided a statement and photograph. We also issued a FPN for breach of a Community Protection Notice (CPN) order which relates to the tidy up of private land which has been fly tipped and littered over a prolonged period of time.

May

During May one FPN was issued for a littering offence which was captured on a covert camera. We have also issued 2 Community Protection Warnings (CPWs) to address issues of persistent dog fouling, where the culprit has been identified by the neighbour and reported it to the council.

DIGITAL TECHNOLOGY & SERVICE TRANSFORMATION

Lead Cabinet Member: Councillor David Williams

1. Activities and developments

Customer Experience Improvement Programme

Following the launch of the council’s new website in March 2023, the focus of the Customer Experience Improvement Programme has turned to online forms.

The first set of online forms released in May 2023 enable residents to:

- Access and register with a customer portal containing online forms
- Subscribe to the garden waste collection service
- Arrange a bulky waste collection
- View their Council Tax bill and payments



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On average, approximately ten residents per week use the online form to arrange a bulky waste collection.

Further online forms to enable residents to make payments and for reporting issues, such as graffiti, will be released during summer 2023.

New laptops for Members

From September 2022 to March 2023 Members participated in a “Your Council Challenge Panel” on Digital Adoption. The purpose of the Challenge Panel was to consider measures to enable Members to move to be able to fully adopt paperless or paper-lite meetings and associated ways of working.

During the period of the Challenge Panel, Members trialled and assessed several digital devices to support their ways of working. Members identified a clear preference for a Windows 11 laptop, which the Digital Services team have now provided to all Members along with device familiarisation sessions.

Cyber security

Cyber security and the protection of the council’s digital assets, data and services against exploitable vulnerabilities and malicious attacks is a constant consideration. Independent inspection and testing of our cyber security controls and defences is a regular occurrence.

iESE, who awarded the council ‘Council of the Year’ in 2022, have recently established a Cyber Centre of Excellence (CCoE). The CCoE’s mission is to make the UK the safest place to live, work and play in the digital world. One of the actions of the CCoE is an annual assessment of the security of the 382 UK councils.

Publication of the recent CCoE annual assessment ranks South Staffordshire Council as one of the best councils in the UK, in sixth place. Work has already started to address some of the improvements identified in the assessment.



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WELFARE SERVICES

Lead Cabinet Member: Councillor Robert Reade

1. Activities and developments

UK Shared Prosperity Fund

We are launching our People and Skills programme, “Creating Brighter Futures” on the 22 June at Codsall Community hub.

Creating Brighter Futures is delivered through personalised and intensive support by individual caseworkers who will also refer to relevant local training provision, skills and education providers and other specialist support that may be required.

The project promotes the importance of work to help people to live healthier and more independent lives, alongside building future financial resilience, and improving career opportunities.

- Offering a range of support and our experienced staff will help people prepare for work and/or access training.
- Providing 1-2-1 support from a member of our team to work with individuals to identify their needs and consider options for the individual to move forward into work or progress in work.
- We are working in partnership with many local and national employers, training and education providers, volunteering organisations and the DWP (Job Centres)

Cost of Living

The Welfare Support team have continued to attend community group events to support those who are struggling with the cost-of-living pressures. Advice is available about discretionary schemes for those who are struggling with payments of rent and Council Tax, as well as signposting and referrals to other organisations for additional support.

Housing and Homelessness

There has been a similar number of homeless approaches compared to the same period last year. However, the reasons for these approaches have changed significantly with an increase of more than 130% in the number of young adults approaching for support after been asked to leave the family home by parents/carers. These cases can be difficult to resolve as availability of emergency temporary accommodation for single adults is very limited.

There is continued pressure to support people at risk of homelessness to find available accommodation that is suitable or affordable, either through social housing or privately rented.



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COMMUNITY SERVICES

Lead Cabinet Member: Councillor Kath Perry

1. Activities and developments

Environmental Volunteering

During June, we will be promoting two ‘balsam bash’ environmental conservation events through the staff volunteering policy. Through the scheme, staff will be encouraged to take up volunteering opportunities across the district, promote our corporate social responsibility and also support our communities.

The ‘balsam bash’ events will see volunteers remove the invasive species Himalayan Balsam from two council owned sites and help to improve the habitat for native flora. The events will be held at the open space off Tollhouse Way in Wombourne and Jubilee Wood in Bilbrook. Joining staff will be volunteers from Wombourne Parish Council, Wombourne BKV group and the Friends of Bilbrook.

Waste & Recycling

During May, we supported delivery of the first of the Council’s new webforms; an updated version of the bulky waste booking form, and a new garden waste collection sign up form. These forms include new self-service features allowing residents more control over their bookings and orders without the need to contact us.

We closed Year 3 of the garden waste collection service with over 31,000 subscribers. Year 4 has recently opened and has over 15,000 subscribers as of June 9, 2023.

Leisure Services

Funding from the Police & Crime Commissioner has been agreed to continue operating the SPACE scheme across the Council’s leisure centres this, Summer. The funding of circa £6k allows for the subsidised access to swimming, gym and 3G pitch activities for 8–17-year-olds for a 4 week period during the school holidays.

Cheslyn Hay Leisure Centre celebrated 45 years of operation on 7th June.



South Staffordshire Council

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SOUTH STAFFORDSHIRE COUNCIL

COUNCIL – 27 JUNE 2023

COMMITTEE UPDATES

REPORT OF THE COMMITTEE CHAIRMEN

1. SUMMARY OF PROPOSALS

To update Council on the work undertaken by the Council's Committees for the period from 21 February 2023 to 27 June 2023.

2 INFORMATION

2.1 Audit and Risk Committee

23 March 2023

The Committee considered the following items:

- Treasury Management Strategy and Prudential Indicators 2023/24 – 2027/28
- Risk Management Report
- Internal Audit – External Quality Assessment Report
- Review of Internal Audit Charter
- 2 confidential items

The agenda papers can be seen [here](#).

20 June 2023

The Committee considered the following items:

- 2023/24 Committee Work Programme
- Internal Audit Strategy and Plan 2023/24
- Treasury Management Report Q4 2022/23
- Accounting Policies, Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The agenda papers can be seen [here](#).

2.2 **Licensing and Regulatory Committee**

16 March 2023

The Committee considered the following items:

- Driver Safety Enclosures
- Private Water Supply Regulations 2016 – Charging Scheme

The agenda papers can be seen [here](#).

There have been four meetings of the Licensing Sub-Committee to determine individual applications and details can be seen [here](#).

2.3 **Wellbeing Select Committee**

6 June 2023

The Committee considered the following items:

- Code of Joint Working Arrangements for Health Scrutiny
- South Staffordshire Community Safety Partnership Action Plan 2023/2026
- Health Watch Staffordshire Update
- Work Plan 2023/24

The agenda papers can be seen [here](#).

2.4 **Planning Committee**

28 March 2023

The Committee considered the following items:

- Determination of 3 planning applications
- Monthly Update Report

The agenda papers can be seen [here](#).

25 April 2023

The Committee considered the following items:

- Determination of 4 planning applications
- Monthly Update Report

The agenda papers can be seen [here](#).

20 June 2023

The Committee considered the following items:

- Determination of 2 planning applications
- Monthly Update Report

The agenda papers can be seen [here](#).

2.5 Standards and Resources Committee

9 March 2023

The Committee considered the following items:

- Equality and Diversity Progress Report
- Workforce Employment Trends
- Corporate Health and Safety Update

The agenda papers can be seen [here](#).

8 June 2023

The Committee considered the following item:

- Monitoring Officer Update Report/Work Programme

The agenda papers can be seen [here](#).

3. BACKGROUND PAPERS

Reports to Committees on the above dates.

4. RECOMMENDATION

- 4.1 That Council notes the contents of the report.

Report prepared by: Lorraine Fowkes – Director Legal and Governance

SOUTH STAFFORDSHIRE COUNCIL

FULL COUNCIL – 27 JUNE 2023

TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS 2023/24 – 2027/28

REPORT OF THE CORPORATE DIRECTOR FINANCE & RESOURCES

PART A – SUMMARY REPORT

1. SUMMARY OF PROPOSALS

1.1 The Council is required to annually approve a Treasury Management Strategy that, in light of the Council's approved budget, establishes investment and borrowing policies for the Council for the current and future financial years. The Strategy also includes the Council's Prudential Indicators and sets out the expected treasury operations for the period 2023/24 – 2027/28. Prudential Indicators are designed to demonstrate that the Council has a prudent, affordable and sustainable approach to financing its capital spending plans. It fulfils four key legislative requirements:

- The reporting of the **prudential indicators** setting out the expected capital activities (as required by the CIPFA Prudential Code for Capital Finance in Local Authorities - Appendix A);
- The Council's **Minimum Revenue Provision (MRP) Policy**, which sets out how the Council will pay for capital assets through revenue each year (as required by Regulation under the Local Government and Public Involvement in Health Act 2007 – Also Appendix A);
- The **Treasury Management Strategy** which sets out how the Council's treasury service will support the capital decisions taken above, the day to day treasury management and the limitations on activity through treasury prudential indicators. The key indicator is the **Authorised Limit**, the maximum amount of debt the Council could afford in the short term, but which would not be sustainable in the longer term. This is the Affordable Borrowing Limit required by s3 of the Local Government Act 2003. This is in accordance with the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code and shown at Appendix A;
- The **Investment Strategy** which sets out the Council's criteria for choosing investment counterparties and limiting exposure to the risk of loss. This strategy is in accordance with the sector's Investment Guidance and also shown in Appendix A.

2. RECOMMENDATIONS

2.1 Full Council is asked to approve:

- 1) The Prudential Indicators and Limits for 2023/24 - 2027/28 contained within Appendix A of the report.
- 2) The Minimum Revenue Provision (MRP) Statement contained within Appendix A (paragraph 2.3) which sets out the Council's policy on MRP.
- 3) The Treasury Management Strategy 2023/24 - 2027/28 contained within Appendix A.
- 4) The Authorised Limit Prudential Indicator contained within Appendix A (para 3.2).
- 5) The Investment Strategy 2023/24 contained in the Treasury Management Strategy (Appendix A), and the detailed criteria (included in Appendix B)

3. SUMMARY IMPACT ASSESSMENT

POLICY/COMMUNITY IMPACT	Do these proposals contribute to specific Council Plan objectives?	
	Yes	Maximising investment income whilst managing risks and minimising borrowing costs helps to support the council's overall financial position and therefore the delivery of all policy objectives.
	Has an Equality Impact Assessment (EqIA) been completed?	
	No	The setting of a Treasury Management Strategy does not impact on equalities.
SCRUTINY POWERS APPLICABLE	No (Council decision)	
KEY DECISION	No (Council decision)	
TARGET COMPLETION/ DELIVERY DATE	May 2023	
FINANCIAL IMPACT	Yes	Where appropriate these are detailed in the body of the report.
LEGAL ISSUES	Yes	The Council's Treasury Strategy has to comply with the relevant statute, codes and guidance which are set out both in the main body of this report and Appendix A. The Corporate Director Finance & Resources (Section 151 Officer) has responsibility for the administration of the financial affairs of the Council. In providing this report the Corporate Director Finance & Resources is meeting one of the key responsibilities of the post.
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	The key opportunities and risks associated with treasury management activities are set out in the body of the report and in the Treasury Management Strategy and Policy approved by Council and will be regularly monitored throughout the year.
IMPACT ON SPECIFIC WARDS	No	

PART B – ADDITIONAL INFORMATION

- 4.1 The Prudential Code operates by the provision of prudential indicators which highlight particular aspects of capital expenditure planning. Each indicator has been updated and provided for the next three years and included in Appendix A section 2. This is in accordance with the Prudential Code which requires that the Council approves as a minimum, certain mandatory prudential indicators.
- 4.2 The purpose of the indicators is to provide a framework for capital expenditure decision-making. It is intended to highlight, through the prudential indicators, the level of capital expenditure, the impact on investment levels and the overall controls in place to ensure the activity remains affordable, prudent and sustainable.

- 4.3 The Treasury Management Strategy outlined in detail in Appendix A sets the Council's **operational boundary limit** for external debt at £42 million and the **authorised limit** at £45 million. These limits are based on prior years spend on the capital programme as well as the planned capital programme of £20.556 million as approved by Council on 21 February 2023. Should these plans change, these limits will be revisited.
- 4.4 Within this overall capital expenditure framework there is a clear impact on the Council's treasury management activity through the application of investment balances. As a consequence, the Treasury Management Strategy for 2023/24 is also included at Appendix A (section 3) to the report to draw out the expected treasury activity. This report also includes the treasury prudential indicators. The production of the Treasury Management Strategy covers the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the CIPFA Treasury Management Code and the sector's MRP and Investment Guidance.
- 4.5 The Treasury Management Strategy requires the formulation of an Annual Investment Strategy. In accordance with guidance, and in order to minimise the risk to investments, the Council has clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. The detailed criteria utilised are included in Appendix B.
- 4.6 Security, Liquidity and Yield has always been at the forefront of the councils thinking when making investment decisions, however we will now also consider non-financial factors when making investment decisions, these include any ethical considerations as well as any environmental, social and governance (ESG) factors, this is detailed further in Appendix A 4.1.
- 4.7 The above policies and parameters provide an approved framework within which officers undertake the day-to-day capital and treasury activities.
- 4.8 It should be noted that this strategy is closely aligned to the Councils Capital Strategy with the Capital Programme being the main determinant of the councils borrowing need.
- 4.9 It should also be noted that at the time of writing this report, there are various geo-political events taking place both nationally and internationally that are impacting financial markets. The impacts of these are continuously monitored and any political or economic shocks that require any adjustment to the Treasury Management Strategy will be reported back to the Audit and Risk Committee (and Council) at a later date.

5. **IMPACT ASSESSMENT – ADDITIONAL INFORMATION**

- 5.1 None identified

6. **PREVIOUS MINUTES**

- 6.1 Not Applicable

7. **BACKGROUND PAPERS**

Appendix A - Treasury Management Strategy and Capital Prudential Indicators 23/24 – 27/28
 Appendix B - Credit and Counterparty Risk Management
 Appendix C - Approved Countries for Investment
 Appendix D - Treasury Management Scheme of Delegation
 Appendix E – Prospect for Interest Rates & Economic Background

Report by:

Pete Shakespear, Corporate Director Finance & Resources

John Mayhew, Finance Team Manager

Steven Johnson, Senior Accountant

Treasury Management Strategy and Capital Prudential Indicators 2023/24 to 2027/28

1 INTRODUCTION

1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's risk appetite, providing adequate liquidity initially before considering investment return.

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

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. 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.

CIPFA defines treasury management as:

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

Following reporting requirements introduced in 2019/20 (re the MHCLG Investment Guidance, the MHCLG Minimum Revenue Provision (MRP) Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code) this Strategy now links to the Council's Capital Strategy which provides a longer-term framework for our capital plans.

1.2 Reporting Requirements

1.2.1 Capital Strategy

The CIPFA Prudential Code for Capital Finance in Local Authorities (the code) requires all local authorities to prepare a 'Capital Strategy'.

The Council's Capital Strategy (approved by Council in June 2022) builds upon the Council's Commercial Asset Strategy and Treasury Management Strategy in order to:

- Set the long term context in which capital expenditure and investment decisions are made in a sustainability way;
- Set the basis upon which risk and reward and priority outcomes are considered as an integral part of capital decisions;

- Set the context within which capital decision making is consistent with the concepts of value for money, public stewardship and prudence;
- Report explicitly on the deliverability, affordability and risk associated with Capital Strategy.

The Capital Strategy should be viewed as a working document for ongoing decisions including the prioritisation of capital expenditure decisions, the setting of capital budgets, spend and borrowing decisions and how risk is managed.

The term of this Capital Strategy is 2022/23 to 2026/27 although all the elements included should be seen as integral to an overarching twenty-five-year strategic Capital vision.

1.2.2 Treasury Management reporting

Members receive for approval, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

- 1. 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).
- 2. A periodic treasury management report** – This will update members with the progress of the capital position, amending prudential indicators if necessary, and whether the treasury strategy and/or policies require revision.
- 3. An annual treasury report** – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

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

1.3 Treasury Management Strategy for 2023/24

The strategy for 2023/24 covers two main areas:

Capital issues

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

Treasury management issues

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

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

1.4 Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny of the policy and operations. Training events are run for all members (including the Cabinet member for Corporate, who has responsibility for treasury management) by Link Group our treasury management advisors.

The training needs of treasury management officers are periodically reviewed.

1.5 Treasury Management Consultants

The Council uses Link Group as its external treasury management advisors.

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.

2 THE CAPITAL PRUDENTIAL INDICATORS 2023/24 – 2027/28

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

2.1 Capital Expenditure

This prudential indicator is a summary of the Council's capital expenditure plans. The capital expenditure forecasts to 2027/28 (which form part of the Capital Programme and was approved by Council on 21 February 2023) are as follows:

Capital expenditure £000s	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Corporate	9,356	0	0	0	0
Business Transformation	360	45	335	55	45
Welfare Services	1,127	1,127	1,127	1,127	1,127
Community Services	891	3,836	0	0	0
Planning & Business Enterprise	0	0	0	0	0
Total	11,733	5,008	1,462	1,182	1,172

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 borrowing need (to be met either through internal funds or external borrowing).

Capital expenditure £000s	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Total	11,733	5,008	1,462	1,182	1,172
Financed by:					
Capital Receipts	1,172	45	335	55	45
Capital Grants & Other Contributions	1,127	1,127	1,127	1,127	1,127
Revenue	3,100	0	0	0	0
Revenue Grant	0	0	0	0	0
Total Internal Financing	5,399	1,172	1,462	1,182	1,172
Net External Financing Requirement	6,335	3,836	0	0	0

2.2 The Council's Borrowing Need (the Capital Financing Requirement)

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

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

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 and so the Council is not required to separately borrow for these schemes.

Audit & Risk Committee is asked to recommend to Full Council that the following CFR projections are approved:

Capital Financing Requirement (CFR) £000s	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Capital Financing Requirement (CFR)	37,926	41,030	40,177	39,379	38,575
Movement in CFR	5,784	3,104	-853	-798	-804
Movement in CFR is represented by					
Net financing need for the year	6,335	3,836	0	0	0
Less MRP & other financing movements	-551	-732	-853	-798	-804
Movement in CFR	5,784	3,104	-853	-798	-804

The above table shows that as a result of the Council's capital plans (as set out in 2.1) the CFR (which essentially is a measure of the Council's underlying borrowing need) will increase to £41.030m in 2024/25 before starting to reduce from 2025/26 as the planned capital spend slows down and MRP contributions are made.

2.3 Liability Benchmark

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

Liability Benchmark £000s	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
PWLB Loans	15,000	17,500	20,000	20,000	20,000
Existing Loan Debt Outstanding	15,000	17,500	20,000	20,000	20,000
Opening Loan Debt	15,000				
Less: opening treasury investments	-18,150				
Plus: planned prudential borrowing	2,500	2,500	0	0	0
Less: MRP & Capital Receipts set aside	-551	-732	-853	-798	-804
+/- other forecast cashflows	3,944	2,365	3,334	4,176	4,722
Net Loans Requirement (forecast net loan debt)	2,743	6,876	9,357	12,735	16,653
Opening Loans CFR	15,000				
Plus: planned Prudential Borrowing	2,500	2,500	0	0	0
Less: MRP & Capital Receipts set aside	-551	-732	-853	-798	-804
Loans CFR	16,949	18,717	17,864	17,066	16,262
Liquidity allowance above net debt (liquidity buffer)	15,000	15,000	15,000	15,000	15,000
Liability Benchmark (Gross Loans Requirement)	17,743	21,876	24,357	27,735	31,653
Forecast Investments	15,000	15,000	15,000	15,000	15,000
(Over)/Under Liability Benchmark	2,743	4,376	4,357	7,735	11,653

2.4 Minimum Revenue Provision (MRP) Policy Statement

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP). DLUHC regulations have been issued which require the full Council to approve **an MRP Statement** in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement:

For capital expenditure which in the future will be Supported Capital Expenditure, the MRP policy will be based on the CFR.

From 1 April 2008 for all unsupported borrowing (including finance leases) the MRP policy will be based on the Asset life methodology:

- MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction) (option 3).

This option provides for a reduction in the borrowing need over approximately the asset's life. Finance leases are applied to revenue as MRP.

MRP Overpayments - A change introduced by the revised MHCLG MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision (MRP), voluntary revenue provision or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. At the date of this report the council has not made, nor has any plans to make, any VRP overpayments.

2.5 Core Funds (available to invest or cover the borrowing position)

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 prudent estimates of the year end balances for each resource and anticipated day to day cash flow balances.

Year End Resources £000s	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
General Fund Balance	6,589	5,269	3,297	-824	-5,501
Capital Receipts Reserve	1,226	1,181	846	791	746
Earmarked Reserves	5,503	4,503	3,476	3,476	3,476
Total Core Funds	13,318	10,953	7,619	3,443	-1,279
Working Capital*	1,000	1,000	1,000	1,000	1,000
Total Core Funds Available to Invest	12,318	9,953	6,619	2,443	-2,279

3 TREASURY MANAGEMENT

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

3.1 Current Portfolio Position

The current treasury position as at 31.12.22 and the estimated portfolio as at 31.03.23 are shown below for both investments and borrowing

Treasury Position £000s	Current 31.12.22	Estimated 31.03.23
Investments		
CCLA	11,000	8,800
Federated MMF	7,700	5,350
Internal Investments	8,000	4,000
Total Investments	26,700	18,150
External Borrowing		
PWLB	15,000	15,000
Total External Borrowing	15,000	15,000

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.

External Debt £000s	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Debt at 1 April	15,000	17,500	20,000	20,000	20,000
Expected change in Debt	2,500	2,500	0	0	0
Actual gross debt at 31 March	17,500	20,000	20,000	20,000	20,000
The Capital Financing Requirement	37,926	41,030	40,177	39,379	38,575
Under / (over) borrowing	20,426	21,030	20,177	19,379	18,575

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

The Corporate Director Finance & Resource reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future – as set out in the above table. This view takes into account current commitments, existing plans, and the proposals in this budget report.

3.2 Treasury Indicators: Limits to borrowing activity

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 internally available funds.

Operational boundary £000s	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Debt	38,000	41,000	40,000	39,000	39,000
Other long-term liabilities	1,000	1,000	1,000	1,000	1,000
Total	39,000	42,000	41,000	40,000	40,000

The authorised limit for external debt. A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by 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.

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.

Audit and Risk Committee is asked to recommend to Full Council that the following authorised limit is approved:

Authorised Limit £000s	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Debt	41,000	44,000	43,000	39,000	39,000
Other long-term liabilities	1,000	1,000	1,000	1,000	1,000
Total	42,000	45,000	44,000	40,000	40,000

In order to ensure that the Council has the overall scope to borrow, the Authorised Limit has been adjusted upwards to reflect the approved Capital Programme. This provides the flexibility to borrow, but not the obligation.

The authorised limit has been set at a level higher than the (net) external borrowing need in 3.1. This provides some headroom for changes in available funds/working balances.

It should be noted that these limits have been set based on the current planned capital programme. Should proposals come forward for additional capital items these limits would be reviewed and risks and rewards reconsidered.

3.3 Borrowing Strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used.

The table below summarises the council forecast under-borrowing position.

Year End Resources £000s	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Under borrowing	20,426	21,030	20,177	19,379	18,575

The Corporate Director Finance & Resource 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 delayed or taken short term.*
- *if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity, or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.*

Any decisions will be reported to the Audit and Risk Committee at the next available opportunity.

Treasury Management Limits on Activity

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

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments;
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

Audit and Risk Committee is asked to recommend to Full Council that the following treasury indicators and limits are approved:

Interest Rate Exposures £000s	2023/24 Upper	2024/25 Upper	2025/26 Upper	2026/27 Upper	2027/28 Upper
Limits on fixed interest rates	41,000	44,000	43,000	39,000	39,000
Limits on variable interest rates	14,000	15,000	14,000	13,000	13,000

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.

Audit and Risk Committee is asked to recommend to Full Council that the following treasury indicators and limits are approved:

Maturity structure of variable interest rate borrowing 2022/23		
	Lower	Upper
Under 12 months	0%	50%
12 months to 2 years	0%	50%
2 years to 5 years	0%	50%
5 years to 10 years	0%	50%
10 years and above	0%	50%

**Please note that this excludes other long term liabilities (leases)*

There are no limits to fixed rate borrowing which can be upto 100% of our debt portfolio.

3.4 Policy on Borrowing in Advance of Need

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.

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.

3.5 Debt Rescheduling

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 Audit & Risk Committee, at the earliest meeting following its action.

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

All rescheduling will be reported to the Audit & Risk Committee, at the earliest meeting following its action.

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

The Public Works Loans Board (PWLB) forms part of HM treasury, part of its function is to provide loans to local authorities in the UK, primarily to fund capital projects. The council has the ability to borrow from PWLB at the Certainty Rate, which is a rate set at 0.20% below its standard interest rate.

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

- Local authorities (primarily shorter dated maturities out to 3 years or so – 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).

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

3.7 Approved sources of long- and short-term borrowing

On Balance Sheet	Fixed	Variable
PWLB	●	●
Municipal bond agency	●	●
Local authorities	●	●
Banks	●	●
Pension funds	●	●
Insurance companies	●	●
UK Infrastructure Bank	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Market (LOBOs)	●	●
Stock issues	●	●
Local temporary	●	●
Local Bonds	●	
Local authority bills	●	●
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Finance leases	●	●

4 ANNUAL INVESTMENT STRATEGY

4.1 Investment policy – Management of risk

The DLUHC and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of assets regeneration, are covered in the Capital Strategy, (a separate report).

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

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

The Council’s investment priorities will be security first, portfolio liquidity second and then yield, (return).

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

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 Council will engage with its advisors to maintain a monitor on market pricing such as “**credit default swaps**” and overlay that information on top of the credit ratings.
3. **Other information sources** used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
4. This authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in appendix B 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.
 - **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. **Non-specified investments limit.** The Council has determined that it will limit the maximum total exposure to non-specified investments as being 40% of the total investment portfolio, (see Appendix B).

6. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in paragraph 4.2.
7. **Transaction limits** are set for each type of investment in paragraph 4.2.
8. This authority will set a limit for the amount of its investments which are invested for **longer than 365 days**, (see paragraph 4.4).
9. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, (see paragraph 4.3).
10. This authority has engaged **external consultants**, (see paragraph 1.5), 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.
11. All investments will be denominated in **sterling**.
12. As a result of the change in accounting standards for 2022/23 under IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. In November 2018, the Ministry of Housing, Communities and Local Government (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.

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, (see paragraph 4.5). Regular monitoring of investment performance will be carried out during the year.

It is also recognised that Security, Liquidity and Yield should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector in relation to the economic and political environments in which institutions operate. In addition, there are other risks of material importance to the treasury portfolio from an ethical, environmental, social and governance perspective. It is important, therefore, to assess these categories as well and to understand if these create potential longer-term financial and reputational risks for the Council, and if there are any commonalities with the Council's key objectives in this regard. To this end, the Council will use information sources and its advisors as appropriate to assist it in scrutinising and understanding if these might affect the suitability of potential counterparties.

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

4.2 Creditworthiness policy

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

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

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

•	Yellow	5 years*
•	Dark Pink	5 years for Enhanced money market funds (EMMFs) with a credit score of 1.25
•	Light pink	5 years for Enhanced money market funds (EMMFs) with a credit score of 1.5
•	Purple	2 year
•	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

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

Typically, the minimum credit ratings criteria the Council use will be a short-term rating (Fitch or equivalents) of F1 and a long-term rating of A-. 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.

All credit ratings are regularly monitored. The Council is alerted to changes to ratings of all three agencies through its use of the Link 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 European Financials benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

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

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

	Colour (and long-term rating where applicable)	Money and / or % Limit	Time Limit
Banks	Yellow	£4m / 25%	5 years
Banks	Purple	£3m / 25%	2 years
Banks	Orange	£3m / 25%	1 year
Banks – part nationalised	Blue	£3m / 25%	1 year
Banks	Red	£1m / 10%	6 months
Banks	Green	£1m / 10%	100 days
Banks	No colour	Not to be used	
Limit 3 category – Council's banker (not meeting Banks 1)	n/a	£10m	14 days
Other institutions limit*	-	£100,000	3 years
DMADF	AAA	100%	6 months
Local authorities	n/a	£4m / 25%	3 years
	Fund rating	Money and / or % Limit	Time Limit
Money market funds	AAA	£15m per MMF	liquid
Ultra-Short Dated Bond funds with a credit score of 1.25	Dark pink / AAA	£4m / 25%	liquid
Ultra-Short Dated Bond funds with a credit score of 1.5	Light pink / AAA	£3m / 25%	liquid

*The Council, from time to time, may also issue small short term loans to local parishes, charities and similar organisations. These organisations do not have a credit rating and so fall outside of the normal credit rating assessments; however these are covered under other institutions within the criteria set above

4.3 Other limits

Due care will be taken to consider the exposure of the Council's total investment portfolio to non-specified investments, countries, groups and sectors.

- a) **Non-specified treasury management investment limit.** The Council has determined that it will limit the maximum total exposure of treasury management investments to non-

specified treasury management investments as being 40% of the total treasury management investment portfolio.

- b) **Country limit.** The Council has determined that it will only use approved counterparties from the UK and from countries with a **minimum sovereign credit rating of AA1** 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 C. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.
- c) **Other limits.** In addition:
- no more than 50% will be placed with any non-UK country at any time;
 - limits in place above will apply to a group of companies;
 - sector limits will be monitored regularly for appropriateness.

4.4 Investment strategy

In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

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

Investment returns expectations.

Interest rate forecast are included in Appendix E. Interest rates have continued to increase since the autumn of 2022 with current BoE base rate sitting at 4% at the time of writing this report, these increases are expected to continue to rise over the short term before reducing slightly over the medium term.

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

Average earnings in each year	
2022/23 (remainder)	4.00%
2023/24	4.40%
2024/25	3.30%
2025/26	2.60%
2026/27	2.50%

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

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

Maximum principal sums invested longer than 365 days					
£m	2023/24	2024/25	2025/26	2026/27	2027/28
Principal sums invested longer than 365 days*	£4m	£4m	£4m	£4m	£4m

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 in order to benefit from the compounding of interest.

*Please note that currently the council does not have any investments invested for more than 365 days.

4.5 Property Funds

The Council current uses CCLA as one of its main Money Market Funds, CCLA also offer investments in property funds. The use of these instruments can be deemed capital expenditure, and as such will be an application (spending) of capital resources. This Authority will seek guidance on the status of any additional funds it may consider using. Appropriate due diligence will also be undertaken before investment of this type is undertaken.

The council does not currently have any investments in property funds.

4.6 End of year investment report

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

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

SPECIFIED INVESTMENTS: All such investments will be sterling denominated, with **maturities up to maximum of 1 year**, meeting the minimum ‘high’ quality criteria where applicable.

NON-SPECIFIED INVESTMENTS: These are any investments which do not meet the specified investment criteria. A maximum of 40% will be held in aggregate in non-specified investment

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	£ limit per institution / Max % of total investment	Max. maturity period
Specified			
DMADF – UK Government	N/A	100%	6 months
UK Government gilts	UK sovereign rating	£4 million / 50%	1 Year
UK Government Treasury bills	UK sovereign rating	£4 million / 50%	1 Year
Bonds issued by multilateral development banks	AAA (or state your criteria if different)		
Local authorities	N/A	£4m / 25%	3 Years
Council’s banker (Barclays)		£10 million	14 days
Money Market Funds CNAV	AAA	£15 million Per fund	Liquid
Money Market Funds VNAV	AAA	£15 million per fund	Liquid
Money Market Funds LVNAV	AAA	£15 million per fund	Liquid

Ultra-Short Dated Bond Funds with a credit score of 1.25 *		£4 million / 25%	Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.5*		£3 million / 25%	Liquid
Term Deposits with part nationalised banks	Blue Orange Red Green	£3 million / 25%	1 Year 1 Year 6 Months 100 days
Term deposits with banks and building societies	Blue Orange Red Green	£3million/ 25%	1 Year 1 Year 6 Months 100 days
CDs or corporate bonds with banks and building societies	Blue Orange Red Green	£3million/ 25%	1 Year 1 Year 6 Months 100 days
Non-Specified			
Term Deposits with part nationalised banks	Red Green	£1 million / 10%	6 months 100 days
Term deposits with banks and building societies	Red Green	£1 million / 10%	6 months 100 days
CDs or corporate bonds with banks and building societies	Red Green	£1 million / 10%	6 months 100 days
Ultra-Short Dated Bond Funds with a credit score of 1.25*		£4 million / 25%	Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.5*		£3 million / 25%	Liquid
Property funds - The use of these instruments will normally be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. The key exception to this is an investment in the CCLA Local Authorities Property Fund. This Authority will seek guidance on the status of any fund it may consider using.	AAA	£4 million / 25%	10 years

*Any investments in ultra-short dated bond funds will be considered on an individual basis due to the complex nature of this type of investment. These types of funds do not always have an official rating, in

the event that the Council wishes to invest in the type of fund the council will seek guidance from its treasury advisors and undertake additional due diligence prior to any decision.

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, Norway and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link credit worthiness service.

Based on lowest available rating

AAA

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

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Qatar
- U.K.

THIS LIST IS CORRECT AS AT 25.01.23

Treasury management scheme of delegation

(i) Full Council

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

(ii) Audit & Risk Committee (responsibility for scrutiny)

- 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;
- reviewing the treasury management policy and procedures and making recommendations to the responsible body.
- receiving and reviewing regular monitoring reports and acting on recommendations;

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.

Prospects for Interest Rates

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 19 December 2022. These are forecasts for certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View	19.12.22													
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	
BANK RATE	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50	
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50	
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60	
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70	
5 yr PWLB	4.20	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10	
10 yr PWLB	4.30	4.40	4.40	4.30	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.30	
25 yr PWLB	4.60	4.60	4.60	4.50	4.40	4.20	4.10	4.00	3.90	3.70	3.60	3.50	3.50	
50 yr PWLB	4.30	4.30	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.30	3.20	3.20	

Additional notes by Link on this forecast table: -

Our central forecast for interest rates was updated on 19 December and reflected a view that the MPC would be keen to further demonstrate its anti-inflation credentials by delivering a succession of rate increases. Bank Rate stands at 3.5% currently but is expected to reach a peak of 4.5% in H1 2023.

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

The CPI measure of inflation looks to have peaked at 11.1% in Q4 2022 (currently 10.7%). Despite the cost-of-living squeeze that is still taking shape, the Bank will want to see evidence that wages are not spiralling upwards in what is evidently a very tight labour market.

Regarding the plan to sell £10bn of gilts back into the market each quarter (Quantitative Tightening), this has started and will focus on the short, medium and longer end of the curve in equal measure, now that the short-lived effects of the Truss/Kwarteng unfunded dash for growth policy are firmly in the rear-view mirror.

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

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

PWLB RATES

- The yield curve movements have become less volatile of late and PWLB 5 to 50 years Certainty Rates are, generally, in the range of 4.10% to 4.80%.
- We view the markets as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the elevated inflation outlook.

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

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

- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly and for a longer period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project or even necessitates a further series of increases in Bank Rate.
- **The Government** acts too quickly to cut taxes and/or increases expenditure in light of the cost-of-living squeeze.
- **The pound weakens** because of a lack of confidence in the UK Government's fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Longer term **US treasury yields** rise strongly and pull gilt yields up higher than currently forecast.
- Projected **gilt issuance, inclusive of natural maturities and QT**, could be too much for the markets to comfortably digest without higher yields consequently.

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

Our suggested budgeted earnings rates for investments up to about three months' duration in each financial year are rounded to the nearest 10bps as follows: -

Average earnings in each year	
2022/23 (remainder)	4.00%
2023/24	4.40%
2024/25	3.30%
2025/26	2.60%
2026/27	2.50%
Years 6 to 10	2.80%
Years 10+	2.80%

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

Our 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.

Economic Update

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

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

	UK	Eurozone	US
Bank Rate	3.5%	2.0%	4.25%-4.50%
GDP	-0.2%q/q Q3 (2.4%y/y)	+0.2%q/q Q3 (2.1%y/y)	2.6% Q3 Annualised
Inflation	10.7%y/y (Nov)	10.1%y/y (Nov)	7.1%y/y (Nov)

Unemployment Rate	3.7% (Oct)	6.5% (Oct)	3.7% (Nov)
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Q2 of 2022 saw UK GDP revised upwards to +0.2% q/q, but this was quickly reversed in the third quarter, albeit some of the fall in GDP can be placed at the foot of the extra Bank Holiday in the wake of the Queen's passing. Nevertheless, CPI inflation has picked up to what should be a peak reading of 11.1% in October, although with further increases in the gas and electricity price caps pencilled in for April 2023, and the cap potentially rising from an average of £2,500 to £3,000 per household, there is still a possibility that inflation will spike higher again before dropping back slowly through 2023.

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

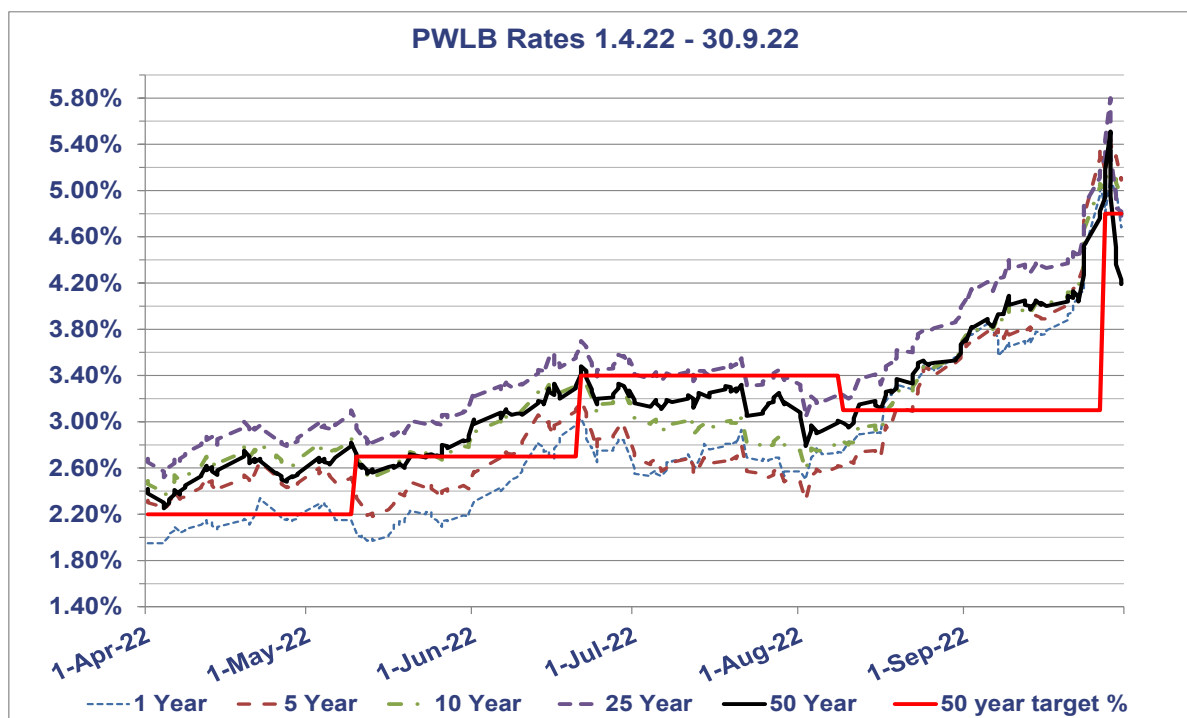
Throughout Q3 Bank Rate increased, finishing the quarter at 2.25% (an increase of 1%). Q4 has seen rates rise to 3.5% in December and the market expects Bank Rate to hit 4.5% by May 2023.

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

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

The £ has strengthened of late, recovering from a record low of \$1.035, on the Monday following the Truss government's "fiscal event", to \$1.22. Notwithstanding the £'s better run of late, 2023 is likely to see a housing correction of some magnitude as fixed-rate mortgages have moved above 5% and affordability has been squeezed despite proposed Stamp Duty cuts remaining in place.

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



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

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

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

CENTRAL BANK CONCERNS – DECEMBER 2022

In December, the Fed decided to push up US rates by 0.5% to a range of 4.25% to 4.5%, whilst the MPC followed by raising Bank Rate from 3% to 3.5%, in line with market expectations. EZ rates have also increased to 2% with further tightening in the pipeline.

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

Regarding UK market expectations, although they now expect Bank Rate to peak within a lower range of 4.5% - 4.75%, caution is advised as the Bank of England Quarterly Monetary Policy Reports have carried a dovish message over the course of the last year, only for the Bank to have to play catch-up as the inflationary data has proven stronger than expected.

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

SOUTH STAFFORDSHIRE COUNCIL

COUNCIL – 27 JUNE 2023

**CONFIDENTIAL REPORT OF THE PERSONAL DEVELOPMENT REVIEW &
APPOINTMENTS PANEL**

A REVIEW OF CORPORATE LEADERSHIP TEAM ROLES AND RESPONSIBILITIES

PART A – SUMMARY REPORT

1. SUMMARY OF PROPOSALS

- 1.1 At its meeting of 28 April 2023 Personal Development Review and Appointments Panel considered a report of the Chief Executive setting out interim and longer-term proposals arising from the departure of a member of Corporate Leadership Team.
- 1.2 Personal Development Review and Appointments Panel approved the following changes with effect from 1 July 2023, subject to approval from Council.

2. RECOMMENDATIONS

2.1 That Council approve

- The appointment of the Finance Manager as the Council's interim s 151 Officer
- A regrade of the post of Director Legal & Governance to Corporate Director Governance.
- Provide authorisation to the Council's Monitoring Officer to make any necessary staffing changes to the constitution arising from this report.

3. IMPACT

POLICY/COMMUNITY IMPACT	Do these proposals contribute to Council Plan objectives?	
	Yes	Flexible and skilled Council.
	Has an Equality Impact Assessment (Beqaa) been completed?	
	No	Not required.
SCRUTINY POWERS	N/A	
KEY DECISION	No	
TARGET DATE	Yes	1 July 2023
FINANCIAL IMPACT	Yes	This is set out in para 5.1.
LEGAL ISSUES	Yes	The decision in respect of appointment at CLT level is reserved to Council. Council also needs to agree the appointment of an officer acting as Section 151 Officer.

OTHER IMPACTS, RISKS & OPPORTUNITIES	N/A	Workforce planning is essential in mitigating risks of failure to recruit or retain business critical skills.
IMPACT ON SPECIFIC WARDS	No	

PART B – ADDITIONAL INFORMATION

4. BACKGROUND

- 4.1 The current Corporate Director Finance and Resource (s151) is leaving at the end of June this year. It is a requirement of the Local Government Act 1972 that Local Authorities make arrangements for the proper administration of their financial affairs. The Council's Finance Manager will therefore be appointed on an interim basis to undertake the role of s 151 Officer until a new postholder is appointed.
- 4.2 The departure of the Corporate Director Finance and Resource (s 151) provides an opportunity to review the current Leadership Team responsibilities to ensure the Council continues to remain in a strong position to respond to both internal and external pressures.
- 4.3 Regularly refreshing the corporate leadership roles have been essential in ensuring there has been the capacity for the Council to develop at pace and have sufficient head room to plan ahead and importantly mitigate against constant firefighting and service cuts as central government funding continues to be squeezed.
- 4.4 The approach taken has resulted in positive outcomes for both our residents and businesses and importantly our day-to-day service provision has consistently been delivered to a high standard, as demonstrated through our annual performance of the Council Plan priorities and targets set. This has been recognised through numerous national awards over the last four years and importantly the Council recently received an excellent LGA Peer Review.
- 4.5 A key component to the success and delivery of the above has been the continued organisation of the workforce and the ongoing interaction between the Corporate Leadership Team and Members. The Council's values and work mantra of 'one team one council' continues to drive how the Council operates. In the Councils 2022 resident survey over 80% of residents said they would recommend South Staffordshire as a place to live and 93% of staff in a recent survey said they would recommend the Council as a place to work.
- 4.6 It will be important that the Council is able to continue to respond to the challenges ahead and work at the existing pace to deliver a wide range of services and community support and crucially maintain a high standard of service.

- 4.7 To deliver these ambitions, several operational changes are being made to the Corporate Leadership Team. In summary going forward there will be three Corporate Directors and one Director of Finance. An overview of the updated roles and responsibilities affecting Corporate Leadership Team is in appendix one.
- 4.8 The Director of Legal & Governance, will now take a greater strategic role along with increased additional roles and responsibilities. It is therefore proposed to change the post title to Corporate Director of Governance and regrade the post to the Corporate Director grade with effect from 1st July 2023.
- 4.9 Director of Finance (s 151). This post is a redesignation of the Corporate Director of Finance and Resource (s 151) post. Salary circa £77,000-£90,000 which is based on the grade of our existing director pay band with additional headroom to respond to the market which could include offering a golden hello and/or a market supplement.
- 4.10 The current Finance Manager will be paid an additional payment to act up as s 151 Officer until the Director of Finance post has been appointed to and commenced in post.
- 4.11 The corporate directors' corporate responsibilities include activities such as monthly corporate challenge boards that focus on key operational priorities; regular forward planning and future proofing exercises; Member 'ward walks;' and targeted staff corporate activities. The wider corporate role excludes the Director of Finance, although the position will still be part of the Corporate Leadership Team and will be an active member of the weekly leadership team meetings and Cabinet Weekly Briefing.
- 4.12 It is anticipated that these changes will be implemented from 1 July 2023 to coincide with the departure of the current Corporate Director Finance and Resource (s 151).
- 4.13 Full Council approved a 2 yearly market review of senior pay (officers on JNC Conditions) on 14 September 2021. A current exercise is taking place to assess the market pay of senior manager posts in comparable size councils. Budgetary provision has accounted for any possible financial implications arising from this in the MTFS and will be subject to a separate report to Personal Development Review and Appointments Panel and in relation to Corporate Leadership posts, Full Council.

5. FINANCIAL IMPLICATIONS

- 5.1 All financial implications arising from this report can be met within existing resources, as identified in the MTFs, and approved by Members in February 2022.

6. CONSULTATION

- 6.1 Consultation has taken place with post-holders regarding any changes to duties and responsibilities.

7. POLICY CONSIDERATIONS

- 7.1 The proposal to appoint a new Director of Finance (s151) requires agreement by Council following consideration of the Personal Development Review and Appointments Panel.
- 7.2 The Council's Pay Policy Statement will be updated to reflect any changes as appropriate and brought to a future Council meeting for formal approval. It should be noted that the proposals are not contrary to the existing Pay Policy but the changes if approved would need to be reflected in the detailed list of posts within that Policy.

8. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

- 8.1 N/A.

9. BACKGROUND PAPERS

- 9.1 N/A

10. APPENDICES

- 10.1 Appendix one -Summary of changes to roles and responsibilities.

Report prepared by Mr Dave Heywood, Chief Executive on behalf of the Personal Development Review & Appointments Panel.

Summary of Corporate Leadership Team roles & responsibilities

Chief Executive (CEO) (DH)

Continue to have overarching responsibility – Lead the strategic direction of the Council to create the right culture and environment to deliver a dynamic and forward-thinking organisation to ensure the needs of our residents and wider communities are met. Overseeing strategic direction for Corporate Leadership Team, Cabinet/Members, Council Plan, Elections, Evolution Programme, Policy, HR, and Workforce.

Corporate Director - Chief Operating Officer (COO) – (JS)

Overarching responsibility – Lead organisational performance and change to influence frontline services that impact directly on our customers. This position will focus on the ‘margins’ as described as a priority at our last LGA Peer Review.

Functions	Services
<ul style="list-style-type: none"> • Integrated performance management • Council Plan performance • Service standards • Digital dashboards • Service planning • Communications • Customer interaction – community hub • Emergency planning & business continuity • Community safety • Data intelligence/analysis -customer, community insight & equalities 	<ul style="list-style-type: none"> • Community Service teams • Welfare Service teams: <i>housing support, homelessness prevention, refugee, and asylum support.</i> • Digital & transformation team • Customer service teams

Corporate Director of Place and Communities – (AR)

Overarching responsibility – take a leadership role and responsibility for a broad portfolio of both place based and community focused services and functions.

Functions	Services
<ul style="list-style-type: none"> • Economic growth • Skills and employment • Communities/Localities/Schools liaison • Business Place Partnership • Public Sector Partnership • Cost of Living • 3 tier working • Voluntary sector • Climate Change 	<ul style="list-style-type: none"> • Planning/Local Plan/Enforcement Teams • Enterprise Team • Locality Team

**NOT FOR PUBLICATION BY VIRTUE OF PARAGRAPH 1 & 3 OF PART 1 OF SCHEDULE 12(A)
TO THE LOCAL GOVERNMENT ACT 1972**

Corporate Director Governance (Regraded post) (LF)

Overarching responsibility – Responsible for ensuring compliance and giving clear trusted legal and governance advice to Members and officers and leading the external legal partnership.

Functions	Services
<ul style="list-style-type: none"> • Monitoring Officer • Member Liaison • Legal Partnership • Parish Governance liaison • Deputy Returning Officer • Audit risk and assurance • Corporate compliance 	<ul style="list-style-type: none"> • Audit Services • Legal Team • Executive/Democratic Team • Elections Team

Director of Finance s 151 (vacant)

Overarching responsibility – Maintaining effective financial administration, stewardship and delivering sound financial plans and orchestrating creative solutions wherever possible.

Functions*	Services
<ul style="list-style-type: none"> • Section 151 Officer (JM) • Financial planning and accounting (JM) • Procurement (JS) • Resource Planning and Prioritisation (JM/DH) • Debtors/creditors (JM) • Risk management (LF) • Property/assets (AR) • Commercial investment projects (JS) 	<ul style="list-style-type: none"> • Finance Team (DH) • Revenues and Benefit Teams (JS) • Asset and Estates Team (AR)

*(Initials) Denotes temporary interim act up arrangements pending the appointment of the Director of Finance (s 151).