

Cabinet

Wednesday, 20 January 2016

10.00 am

Oak Room, County Buildings, Stafford

John Tradewell
Director of Strategy, Governance and Change
12 January 2016

A G E N D A

1. **Apologies**
2. **Declarations of Interest in accordance with Standing Order 16**
3. **Decision notice of the meeting held on 16 December 2015** (Pages 1 - 4)
4. **Leader's Update**
Oral report of the Leader of the Council
5. **Sportshire: progress and future aspirations** (Pages 5 - 26)
Cabinet Member for Economy, Environment and Transport
6. **Treasury Management, Annual Investment and Minimum Revenue Provision Strategies 2016/17** (Pages 27 - 56)
Deputy Leader and Cabinet Member for Strategy, Finance and Corporate Issues
7. **Dove First School: Outcome of Consultation on a Change from Community School to Church of England Voluntary Controlled (VC) School** (Pages 57 - 68)
Cabinet Member for Learning and Skills
8. **Quarter 3, Performance Report: October - December 2015** (Pages 69 - 78)
Leader of the Council and Deputy Leader and Cabinet Member for Strategy, Finance and Corporate Issues
9. **Decisions taken by Cabinet Members under Delegated Powers** (Pages 79 - 80)
10. **Forward Plan of Key Decisions** (Pages 81 - 84)

11. Exclusion of the Public

The Chairman to move:-

“That the public be excluded from the meeting for the following items of business which involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A (as amended) of Local Government Act 1972 indicated below”.

PART TWO

(All reports in this section are exempt)

12. The Future Business Model for the Shugborough Estate

(Pages 85 - 108)

(exemption paragraph 3)

Deputy Leader and Cabinet Member for Strategy, Finance and Corporate Issues and Cabinet Member for Economy, Environment and Transport

Membership	
Philip Atkins (Chairman)	Ian Parry
Ben Adams	Mark Winnington
Mike Lawrence	Alan White

Note for Members of the Press and Public

Filming of Meetings

The Open (public) section of this meeting may be filmed for live or later broadcasting or other use, and, if you are at the meeting, you may be filmed, and are deemed to have agreed to being filmed and to the use of the recording for broadcast and/or other purposes.

Recording by Press and Public

Recording (including by the use of social media) by the Press and Public is permitted from the public seating area provided it does not, in the opinion of the chairman, disrupt the meeting.

DECISION NOTICE

Cabinet Meeting - 16 December 2015

Present: Philip Atkins (Chairman), Ben Adams, Mike Lawrence, Ian Parry, Mark Winnington and Alan White.

Cabinet Support Members in attendance - Mark Deaville, Gill Heath and Mark Sutton.

Also in attendance - Chris Cooke and John Taylor.

PART ONE

49. Decision notice of the meeting held on 18 November 2015

Decision – That the notes of the meeting held on 18 November 2015 be approved.

50. Leader's Update

Decision – That the oral report of the Leader of the County Council looking back over 2015 and reflecting on the significant achievements for Staffordshire and its people be noted.

51. Strategic Plan and Medium Term Financial Strategy 2016-2021



“Over the past five years we have shaped a more affordable, efficient and effective county council, not afraid of challenge or change.

Against a back drop of reduced public spending, Staffordshire continues to attract more investment into the county and as a council we are determined to work even closer with partners to ensure we deliver the maximum value from the public purse for the benefit of Staffordshire residents.”

Philip Atkins, Leader of the County Council.



“We want to strike the right balance between what we need to spend on key areas such as caring for the elderly and the children in our care against delivering an affordable, fair budget.

Undoubtedly we face more tough decisions before we finalise our budget, but as a county council we are committed to both managing and meeting the challenge that lies ahead.”

Ian Parry, Deputy Leader and Cabinet Member for Strategy, Finance and Corporate Issues

Reasons for the Decision – To update Cabinet on the work to date in reviewing the Strategic Plan, the Business Plan and the Medium Term Financial Strategy (MTFS) which provides details of how the Council’s operations will be funded over the period 2016-2021.

Decision – (a) That the progress made in developing the Strategic Plan be noted.

(b) That the financial outlook facing the County Council be noted.

(c) That the work that has been done to develop savings options be noted.

(d) That work continue to identify additional proposals needed to address the funding gap in 2016/17.

(e) That the Corporate Review Committee be requested to scrutinise the proposed pressures and savings against the principles of a good and balanced budget.

52. Support Services – Service and System Replacement



“As a well-run council, we continuously challenge ourselves over how we do business to ensure that we are effective and efficient. The end of current arrangements to provide back office services to Entrust and schools, coupled with the changing shape of the council as a commissioning authority, have provided an opportunity to review the services and systems we currently use to manage the council’s HR and finance functions.

These decisions will ensure that the county council can continue to manage its business effectively at less cost to the county council and the Staffordshire taxpayer.”

Ian Parry, Deputy Leader and Cabinet Member for Strategy, Finance and Corporate Issues

Reasons for the Decision – To consider the options available to the council regarding the provision of a finance system and a managed service for HR and payroll.


Decision – (a) That the county council agree in principle to purchase a finance system through Entrust that will be used by the county council to manage its business, which will also be marketed to schools via Entrust, subject to a further detailed due diligence exercise being completed.

(b) That the final decision regarding the purchase of the finance system, including any necessary amendments to the Entrust contract, be delegated to the Deputy Leader and Cabinet Member for Strategy, Finance and Corporate Issues in consultation with the Director of Finance and Resources.

(c) That the county council go to tender to confirm the availability and cost of HR and Payroll Managed services in the market and at the same time invite quotes for a HR and Payroll system only.

(d) That a data archiving project is started immediately so that the transition to the new system/s can be undertaken without incurring unnecessary delay and costs in decommissioning the current system.

53. A50 Growth Corridor - Progress Report

	<p>“This major investment in the A50 Growth Corridor will support new jobs, ease congestion, cut journey times and improve road safety along one of the key trunk routes between the East and West Midlands.</p> <p>Improving roads to keep goods and people on the move is vital as we strive to improve Staffordshire’s economy, creating a connected county where businesses are attracted to invest and grow. Ultimately that means more jobs and prosperity for local people.</p> <p>I am delighted work on this major scheme is set to get under way in the New Year.”</p> <p>Mark Winnington, Cabinet Member for Economy, Environment and Transport</p>
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Reasons for the Decision – To ensure due diligence of the A50 Growth Corridor projects, Cabinet should continue to review the progress of the projects on a regular basis.

Decision – (a) That progress that has been made to date be noted.

(b) That Cabinet reviews progress on the two A50 Growth Corridor projects at its meeting in May 2016.

54. Decisions taken by Cabinet Members under Delegated Powers

Decision – That the following decision taken by a Cabinet Member under delegated powers be noted:

<p>Cabinet Member for Economy, Environment and Transport</p>	<p>In approving the construction of a new Household Waste Recycling Centre in Uttoxeter and that the Acting Director of Place enter into a Site Implementation Agreement (SIA) as part of contract/call-off contract with strategic partner – Amey</p>
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55. Forward Plan of Key Decisions

The Forward Plan of Key Decisions for the period 20 January to 18 May 2016, which detailed the following issues, was approved:

Subject Matter	Contact
Strategic Plan and Medium Term Financial Strategy 2016-2021	Name: Rachel Spain Tel: (01785) 854455
Treasury Management, Annual Investment and Minimum Revenue Provision Strategies 2016/17	Name: Tim Byford Tel: (01785) 278196
Sportshire: Progress and future aspirations	Name: Janene Cox Tel: (01785) 278368
Dove First School: Outcome of Consultation on a Change from Community School to Church of England Voluntary Controlled (VC) School	Name: Anna Halliday Tel: (01785) 278774
Quarter 3, 2015/16 Performance Report	Name: Lauren Jackson Tel: (01785) 854561
Third Quarter Budget Monitoring Report	Name: Rachel Spain Tel: (01785) 854455
Tourism Strategy, 2016- 2018	Name: Janene Cox Tel: (01785) 278368
Fourth Quarter Budget Monitoring Report	Name: Rachel Spain Tel: (01785) 854455
Quarter 4, 2015/16 Performance Report	Name: Lauren Jackson Tel: (01785) 854561

Philip Atkins
Leader of the County Council



Cabinet Meeting on Wednesday 20th January 2016

Sportshire; progress and future aspirations

Mark Winnington, Cabinet Member for Economy, Environment and Transport said,

“The Sportshire concept has shone a light on the important role sport plays in the Staffordshire economy, contributing significantly in terms of spending, economic activity, and employment. For our residents who participate in sport and active recreation regularly, it is clear that there are vast benefits to health and well-being. This new Sportshire strategy ensures we continue to maximise the broad benefits the sector has to offer Staffordshire.

The UK Corporate Games and Ironman 70.3 events gave us the opportunity to showcase to a global audience, what a truly amazing county Staffordshire is. The findings of the evaluation included in this report demonstrate that hosting events of this nature can support core County Council business priorities relating to economic, social and health agendas. Going forward we will work within the current economic environment to find creative ways to sustain this momentum.

Report Summary

The report presents the refreshed 2016-2020 Sportshire strategy for Cabinet input and approval. It also reviews the impact of our major events programme to date and makes recommendations as to how we might expand the portfolio going forward.

Recommendations

I recommend that:

- a. Cabinet approves the refreshed Sportshire strategy as described in Appendix 1
- b. Cabinet considers the economic and social impact of the Sportshire major events programme to date.
- c. Cabinet approves proposals to tender for the 2017 UK Corporate Games and conduct a feasibility study to explore the merit of an in-house events programme.

Local Members Interest	
N/A	N/A

Cabinet – Wednesday 20th January 2015

Sportshire; Progress and Future Aspirations

Recommendations of the Cabinet Member for Economy, Environment and Transport

- a. Cabinet approves the refreshed Sportshire strategy as described in Appendix 1
- b. Cabinet considers the economic and social impact of the Sportshire major events programme to date.
- c. Cabinet approves proposals to tender for the 2017 UK Corporate Games and conduct a feasibility study to explore the merit of an in-house events programme.

Report of the Deputy Chief Executive and Director of Families and Communities

Reasons for Recommendations:

Context & Background

1. Staffordshire County Council acknowledges the power that a strong sport and leisure offer has in generating visitors, jobs and prosperity within our County. In recognition of this and the well-documented health benefits of an active community, the County - in partnership with Sport Across Staffordshire and Stoke-on-Trent (SASSOT) - began the development of a Sportshire strategy and in September 2013, recruited a Sportshire Coordinator.
2. To date significant progress has been made towards the attainment of Sportshires initial strategic objectives. Using learning to date and input of stakeholders, a refreshed strategy has been produced. The 2016-2020 strategy responds to new corporate priorities and the current sporting, economic and health landscapes.
3. By the request of the Chief Executive Officer, Cabinet is asked to scrutinise the impact of the major events programme and review recommendations for future activities.
4. The recommendations above were approved by the Prosperous Staffordshire Select Committee on 17th December 2015

Introduction to Sportshire

5. The Sportshire agenda represents a new direction of travel in relation to the traditional local authority sport and leisure offer. This agenda aims to capitalise

on the broader benefits of sport and particularly its contribution to a number of corporate priorities, such as economic regeneration, improving health and wellbeing and raising the profile/ reputation of Staffordshire regionally and nationally. The realisation of these objectives contributes significantly to Staffordshire County Council's priority outcomes of enabling residents to:

- a. Access more good jobs and feel the benefits of economic growth.
 - b. Be healthier and more independent.
 - c. Feel safer, happier and more supported in and by their communities.
6. To drive the concept, it was determined that focus should be given to the delivery of four key strategic objectives:
- a. Staffordshire is known nationally as a "Sporting Destination" with a high-performing visitor economy.
 - b. The area hosts a calendar of significant sporting events, delivering economic growth, promoting Staffordshire and inspiring further participation.
 - c. The County has a thriving sports industry, which provides high levels of employment for local people. Our residents participate regularly in sport and physical activity and enjoy the health benefits of an active lifestyle. Supporting the Public Health outcomes in relation to Active Staffordshire
7. During the first 24 months of delivery significant progress has been made towards the attainment of these strategic objectives, proving the Sportshire concept has merit. The refreshed strategy refocuses the agenda, responding to new corporate priorities and the current sporting, economic and health landscapes. A copy of the 2016-2020 strategy can be found in **Appendix A**.

Major Events – A Rationale

8. Sports tourism is one of the fastest growing sectors not only within the leisure sector but also the global travel industry. The Olympic, Paralympic and Commonwealth Games stimulated the sector and last year over £1.1 billion was spent by live sport visitors in the UK. However, industry experts report the fastest growing trend is amongst tourists that travel to participate in sporting events. Increasingly, people are booking holidays around participation in an event or competition. These tourists are often high-spending and accompanied by non-participating friends or relatives, increasing the economic benefit to the destination. Sports tourism therefore represents the greatest opportunity for Staffordshire's visitor economy. This evidence formed the basis of the strategy to bid for and host international, mass participation sporting events within the county
9. In 2014, we successfully tendered and delivered two major sporting events: Ironman Staffordshire 70.3 (three year contract) and the 2015 UK Corporate Games. These events attracted an estimated 16,000 visitors into the area, creating an economic impact of 5.4 million pounds.

10. Alongside the economic impact, events have also motivated a number of residents to become more active, we continue to work alongside Public Health to ensure we have a legacy in relation to physical activity levels.

Ironman Staffordshire 70.3

11. The Ironman Staffordshire 70.3 is a long distance triathlon consisting of a 1.2-mile (1.9 km) swim, a 56-mile (90 km) bike ride, and a 13.1-mile (21.1 km) run. The course takes in four Staffordshire's districts (Cannock, East Staffordshire, Lichfield and Stafford) featuring a number of key visitor destinations including Chasewater, Cannock Chase and the Shugborough Estate.

12. Ironman, a global brand with over 100 races worldwide (featuring 200,000 athletes) and an estimated 2 million live spectators, offered a unique proposition for Staffordshire. It is broadly acknowledged as one of the most respected brands in sport. This global reach provides an ideal platform from which to promote Staffordshire internationally. This was reflected in the entry demographic; the race attracted 2600 participants from 36 countries, with competitors travelling from destinations such as Australia, New Zealand and America.



Diagram 1 Country of residence of Ironman 70.3 Staffordshire competitors

13. The profile of event was further raised by celebrity participation including Gordon Ramsey, Danny Mills, Charlie Webster and World Champion and Olympic medalist Javier Gomez. The highlights package was broadcast by 27 channels in Europe, North and South America, the Middle East, Africa, Asia and the Pacific. The impact from a communications perspective can be found in the communications evaluation.

14. The inaugural Ironman Staffordshire 70.3 undoubtedly delivered against our objectives from place marketing, social and economic perspectives. The full Ironman impact assessment can be found in economic impact assessment. A breakdown of some of the key findings can be found below:

15. Key highlights

- a. The event sold out in 14 minutes, making it the fastest selling event in global Ironman history.
 - b. Over a million pounds spent by athletes and spectators (this doesn't include the Ironman spend on the local supply chain, estimated as £750,000 or causal spectators)
 - c. 86% of competitors surveyed said would return to Staffordshire (85% would recommend it to others)
 - d. 87% rated their stay as good or very good.
 - e. 82% agreed that training for IM improved their general health and wellbeing.
 - f. 23% felt the event had encouraged them to become a member of a sports club.
 - g. 23% said it had encouraged them to volunteer.
 - h. The television package has been broadcast by 27 channels to-date (in European, North and South American, Middle East, Africa, Asia and Pacific regions) with a reach of over 255 million viewers.
16. The event did pose operational challenges. The scale of the road closures (over 60 miles, lasting up to five hours) created some resistance from local residents and SCC's communication strategy was criticised. Working with the communication team we have developed a plan to mitigate this in years two and three; this includes monthly newsletters, parish council engagement events and activities across our all our digital platforms. The Prosperous Select Committee was keen that this area of work remains a focus going forward.
17. The cost of Ironman to SCC is £300,000 over three years (procurement of the licence fee 2015 to 2017). This equates to a ROI of 16% (or a £16 return for every £1 invested). When considered alongside the broader social impacts of the event this represents a sound, value-for-money investment.

2017 UK Corporate Games

18. The UK Corporate Games (UKCGs) represented a more business-focused opportunity. The event is Europe's largest festival of sport for businesses, operating in 60 cities across 30 countries and boasting over a million participants.
19. In 2014, an alliance of partners led by SCC (Staffordshire & Keele Universities, Stoke City Council, Newcastle Borough Council and Newcastle 6th Form College) won a competitive tender process to host the Games in 2015.
20. 64 organisations entered the Games with over 4000 competitors participating. The Games attracted some of the largest multi-national corporations based in the UK to the area; notable companies include EDF, IBM, Intel, Virgin Trains, KPMG and Allianz. Locally over 25 companies participated including: Alton Towers, Alstom, Bet 365 and The Sentinel. The 24 sports took place in venues across the county including Keele & Staffordshire Universities, Trentham Gardens and Fenton Manor.
21. Alongside the festival of sport, the Local Enterprise Partnership (LEP) chair David Frost hosted an afternoon reception for executive guests of competing organisations enabling them to "sell Staffordshire" and deliver key inward investment messages.

22. Evaluating the economic impact of the UK Corporate Games has proved challenging. Participating companies typically paid for competitors' overnight accommodation, travel and subsistence and have been unwilling to share information on total spend. Consequently, we used Staffordshire survey data alongside previous visitor research and economic impact assessments, to extrapolate economic impact for UKCG 2015.

Key Highlights:

- a. £3,089,827 was spent by competitors during the Games
- b. 4460 participants competed in the Games, from 64 businesses
- c. 79% of competitors travelled from outside of Staffordshire, 8.6% from outside of the UK.
- d. 89% stayed overnight in the county.
- e. The majority, 71%, stayed over two nights generating approximately £652,125.
- f. Both universities sold out all available accommodation and hosted corporate functions.
- g. 91% of participants considered themselves to be either extremely satisfied or satisfied with their experience of the Games
- h. Over 40% of those participating were encouraged to make positive lifestyle changes

A full break down of findings and supporting infographic is reported in the UKCG Economic Impact assessment.

23. The commercial value of the event was significant; SCC's investment was 22.5k with a ROI of £136 for every £1 invested. The alliance was delighted with the opportunities the Games provided. The universities particularly pleased with the event's capacity to generate income (Keele University alone took £160,000) and the opportunity to showcase their conferencing and hospitality facilities to a potentially lucrative audience.

24. Learning from the 2015 event was that more could have been done to engage visiting businesses more formally. Liverpool, the hosts of the 2016 UKCG, are demonstrating the potential of this approach by hosting the Games alongside the International Festival of Business in partnership with UK Trade & Investment. Any future bid to host the UKCG should be designed with the LEP agenda at its core.

Major Events Programme – Recommendations

25. The Prosperous Select Committee recommended a review of the methodology by which we evaluate these events, considering a more in-depth cost benefit analysis.

26. Having examined the success of Ironman and UKCG it is clear that delivering a major events programme in Staffordshire is an effective mechanism of not only achieving the Sportshire objectives but of making robust contributions to the wider business objectives of the County Council, however Staffordshire's events portfolio cannot exist without investment. At a time when the Council is under significant financial pressure, we need to identify creative ways to fund the growth and maintenance of the programme.

27. Securing major events is costly, with most organisers requiring significant license fees from host destinations. Where possible the County Council should explore potential commercial partnerships to share costs and reduce the pressure on council budgets.
28. Many local authorities utilise existing assets and expertise to deliver their events programme in-house. While a level of investment is required in this approach, it is often a cost effective way of meeting local needs and generating income. It is proposed that a feasibility study assessing the merit of this approach is conducted and findings are presented to Cabinet.
29. The existing events industry plays a significant role in supporting council ambitions in this area. We need to continue the dialog with local businesses and assess mechanisms by which we can further support them and stimulate the delivery of high quality sporting events.

UKCG 2017

30. Following the success of the 2015 UKCGs, organisers have invited the alliance to submit a tender for a future Games. Based on our analysis of this year's event, it is our recommendation to tender for the 2017 Games.
31. The technical specification for a 2017 bid would build on previous 24 competition venues, by adding additional sports and celebration sites. As previously mentioned, any tender would be developed in conjunction with the LEP and Inward Investment Team, to ensure we maximise any commercial opportunities. There would also be a focus on increasing the number of local businesses attending.
32. The total cost of the licence fee for UKCG would be a one off payment of £33,000, we shall attempt to identify these funds from existing council budgets. This would be matched by Stoke City Council. A further £33,000 would be sought from other stakeholders such as the universities and the LEP.

Conclusion

33. The Sportshire vision represents a new direction of travel for sport in Staffordshire. By creating a critical mass of facilities and experiences we can drive the development of jobs in the sports sector, stimulate our visitor economy, contribute to private sector investment and increase participation figures. The new strategy will enable us to achieve a multi-agenda impact driving prosperity and improve the health for our residents.
34. Hosting mass participation events has delivered growth within the visitor economy through an increase in out-of-area visitor spend. Expanding our events portfolio will help further promote the County as a global destination for sport, we need to work within current financial environment to identify creative ways to fund the growth and maintenance of this programme.
35. Whilst delivering on economy, skills and healthier lifestyles, Sportshire is also a key pillar of our Public Health responsibilities. We will continue to ensure this aligns

with Active Staffordshire and our Public Health outcomes relating to physical activity.

36. Given the potential wider health, social and economic benefits to Staffordshire's local economy, the financial implications of the refreshed Sportshire Strategy to the County Council can be summarized in the following table overleaf:

Responsible Officer:

Janene Cox

Job Title: Commissioner for Tourism and the Cultural County

Telephone No: 01785 278368

Email: janene.cox@staffordshire.gov.uk

Appendix A

Sportshire Strategy 2016 - 2020

Staffordshire County Council (SCC) acknowledges the power that a strong sport and leisure offer has in generating visitors, jobs and prosperity within our county. In recognition of this and the well-documented health benefits of an active community, the County - in partnership with Sport across Staffordshire and Stoke-on-Trent (SASSOT) - began the development of a Sportshire agenda and in September 2013 recruited a Sportshire Coordinator to develop a supporting strategy and delivery plan.

The Sportshire agenda represents a new direction of travel in relation to the traditional top tier local authority sport and leisure role.

In its first 2 years, Sportshire has aimed to capitalise on the broader benefits of sport and particularly its contribution to a number of SCC corporate priorities, such as economic regeneration, improving health and wellbeing and raising the profile of Staffordshire.

In order to best drive the agenda, it was determined that the focus for Sportshire should be on the delivery strategic objectives that would contribute directly to the Staffordshire County Council priority outcomes of enabling residents to:

- Access more good jobs and feel the benefits of economic growth.
- Be healthier and more independent.
- Feel safer, happier and more supported in and by their communities.

And towards achieving SASSOTs mission statement of:

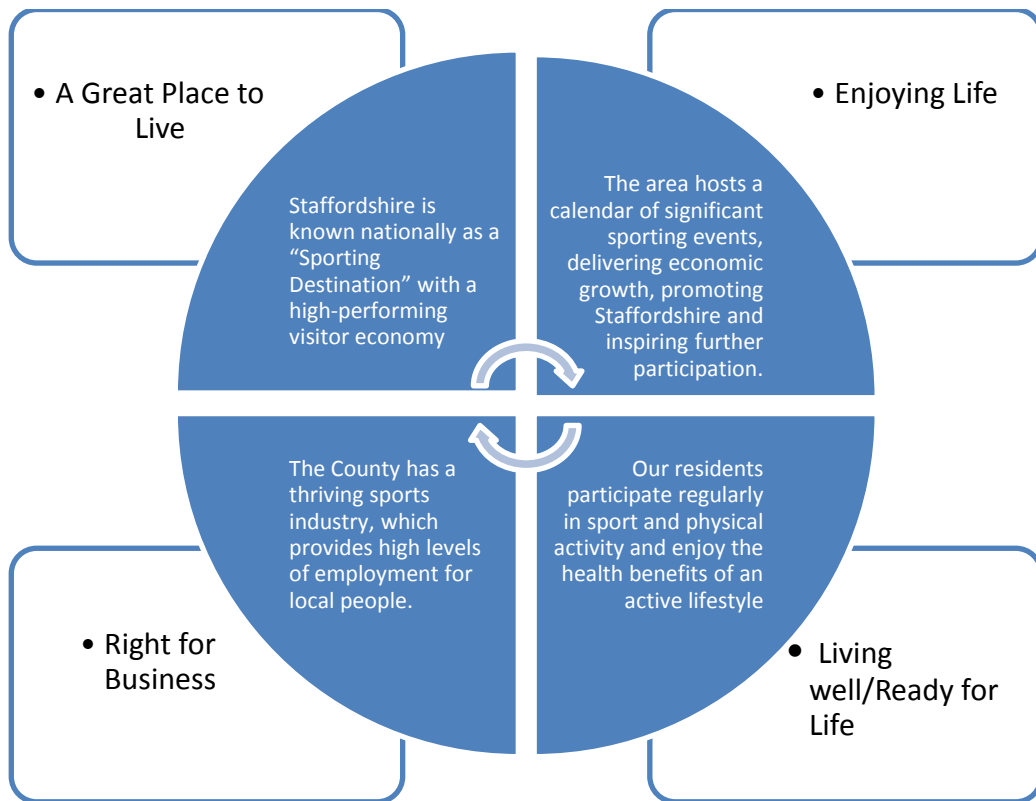
“Working together to champion participation, enjoyment and success through sport, physical education and physical activity”

With this in mind four Sportshire strategic objectives were developed:

- Staffordshire is known nationally as a “Sporting Destination” with a high-performing visitor economy.
- The area hosts a calendar of significant sporting events, delivering economic growth, promoting Staffordshire and inspiring further participation.
- The County has a thriving sports industry, which provides high levels of employment to local people.
- Our residents participate regularly in sport and physical activity and enjoy the health benefits of an active lifestyle. Supporting the Public Health outcomes in relation to Active Staffordshire

Staffordshire County Councils Vision

- Access more good jobs and feel the benefits of economic growth.
- Be healthier and more independent.
- Feel safer, happier and more supported in and by their communities.



1. Sportshire strategic objectives in the context of SCCs Vision Statement and Commissioning Priorities

During the first 24 months of delivery significant progress has been made towards the attainment of our strategic objectives, evidencing that the Sportshire concept has merit.

This refreshed strategy, refocuses the agenda, responding to new corporate priorities and the current sporting, economic and health landscapes.

Sportshire Vision Statements

1. The County has a thriving sports industry, which provides high levels of employment for local people

Why is this important?

Over the last decade, a number of studies have been commissioned to examine the economic value of sport at a national, regional and county level. Most recently, Sport England published a report which illustrated that ‘sport’ has been a valuable and resilient sector both nationally and within the county*¹.

- In 2010, sport and sport related activity generated Gross Value Added (GVA) of £20.3 billion (1.9% of the England total GVA)
- Sport is within the top 15 industry sectors in England, (according to GVA) ranking above motor vehicles, telecoms services, legal services, accounting, publishing, advertising and the utilities.
- In 2010 the number of people with sport-related jobs was estimated at over 400,000 (2.3% of all employment in England).
- Sports-related volunteering is estimated at a value of £2.7 billion annually.

Sport England estimated that the GVA of sport in Staffordshire is £212.6 million. Consequently, sport employment remains a crucial component of the West Midlands and Staffordshire economy.

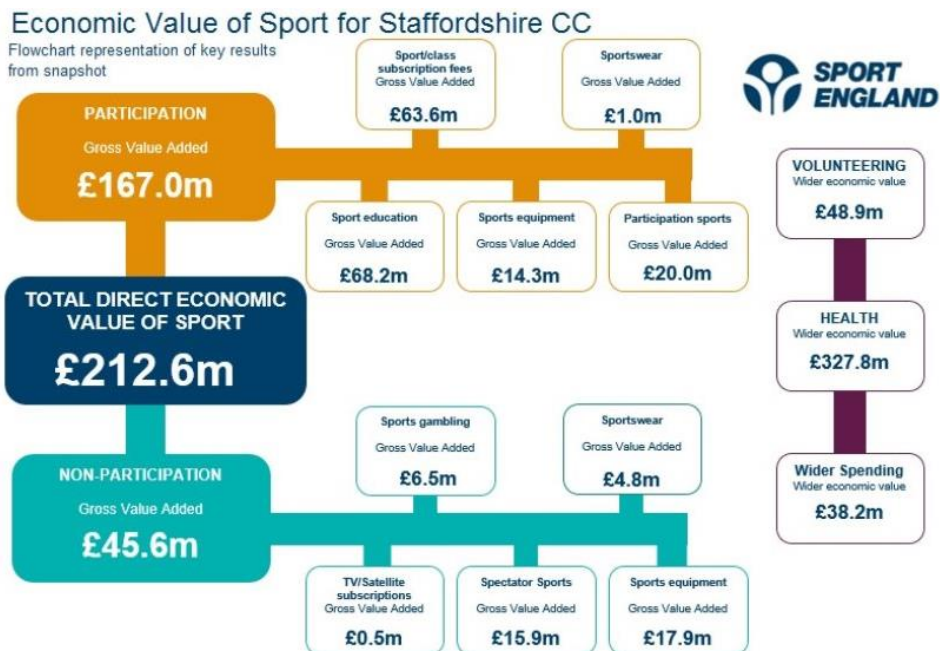


Diagram 1 Economic Value of Sport in Staffordshire – Sport England

¹ The Economic Value of Sport in England. Sport England 2010

The sector provides a good mix of employment contracts. Opportunities range from minimum wage to senior executive positions and often include casual, part-time and flexible working options. Over 5000 people are employed by sport in Staffordshire, however our sporting economy is not as robust as regional neighbours. At present the Stoke and Staffordshire Local Enterprise Partnership area has below average numbers of sports businesses and subsequently lower employment rates within sport. Between 2008 and 2011 there were only 10 new Sports businesses across this area. The number of business deaths is also high in this sector. Figures from the Inter-Departmental Business Register show that while nationally the number of sport businesses increased after 2011, the figures in Staffordshire show a decline.

However, the role of sport and physical activity extends beyond job creation. Evidence suggests that individuals who are active have an increased capacity for learning and higher levels of productivity compared to those who are inactive. Promoting physical activity therefore means influencing educational attainment, employment prospects and earning potential.

It appears there are three significant factors in sport's contribution to professional development. In the first instance, as a result of improved health and wellbeing, active individuals experience greater levels productivity; secondly, they accrue social capital through networks formed by group participation; finally, they are likely to perform well in their jobs, demonstrating to employers that they are healthy and motivated.

Secondary analysis of the Sport England Active People 6 dataset (155,853 responses) revealed that individuals who participated in sport (participation, volunteering, leading activities, and coaching) at school, college or university have a higher household income than those who don't. For university graduates this premium was found to be £6,344 per annum. These findings were backed by European research (Lechner, 2009) which concluded that over a 16 year period, regular active participation in sport and recreation (at least once a month) increased earnings by 5% to 10% – the equivalent of an additional year in education.

Public Health England produced a report in 2014^{*2} which demonstrated participation in sport and physical activity had a demonstrable impact on GCSE performance in school aged children.

- The amount of moderate to vigorous physical activity pupils engaged with at age 11 had an effect on academic performance across English, maths and science at age 11, 13 and final GCSE exam results.
- The percentage of time girls spent in moderate to vigorous physical activity at age 11 predicted increased science scores at 11 and 16 years.
- Pupils engaging in self-development activities (including sport, physical activity) achieved 10-20% higher GCSEs.

Of course, sport volunteering also plays a significant role in the development of business skills and competencies. In fact 87% of employers believe that volunteering can have a positive effect on employability and career progression – this was particularly pertinent in entry level positions or first time employment.

² [The link between pupil health and wellbeing and attainment](#) Public Health England produced a report in 2014^{*2}

Both in terms of economic impact and broader economic value it is evident that sport makes a very substantial contribution to the Staffordshire economy and to the prosperity of our residents. That said more should be done to develop the sporting economy locally. Sportshire needs to focus on firstly increasing the number of sporting businesses within the sub-region and secondly, on ensuring people have the knowledge, skills and qualification to meet the needs of our economy

How we will we achieve this?

1. Working with partners map the leisure sectors requirements in relation to staff, skills and qualifications. Work with partners to facilitate a supply chain of appropriately trained and experienced personnel.
2. Ensure those commissioned to deliver career guidance services are providing accurate information and advice regarding the opportunities for sporting careers.
3. Deliver persuasive and consistent communications to the LEP regarding the valuable contribution that sport can make to the local economy. Ensure that sport and leisure is reflected in their plans for the future.
4. Working with partners, create an environment within Staffordshire which is attractive to the sporting industry, increasing the number of businesses and job opportunities within the sector.
5. Support projects that provide high quality volunteering and training opportunities to residents, boosting skills and strengthening pathways to employment.

2. Staffordshire is known nationally as a “Sporting Destination” with a high-performing visitor economy

Why is this important?

Staffordshire’s centrality as well as its numerous visitor attractions means that we perform well in the day-visitors market. However the number of overnight stays and subsequent visitor spend are low in comparison to our West Midlands counterparts. The low level of dwell time impacts on consequent employment both within the sector and supporting supply chain. However Sportshire has demonstrated sport tourism can be used as an effective tool to extend visitor stays.

We have a unique proposition in terms of our natural environment, a motivating factor to out of area visitors. A National Park, Areas of Outstanding Natural Beauty (AONB), 600 acres of country parks, expanses of open water, rock-climbing and specialist mountain-biking facilities can all be found within our borders. One of our most popular outdoor venues is Cannock Chase ANOB. In their most recent visitor survey it was estimated that over 2.3 million people visited the area in a 12 month period, with the most popular activities being walking, cycling and horse-riding.

The Destination Staffordshire team have used this outdoor offer as a cornerstone for their 2015 campaigns – “Thrill Seekers” aimed at families and “Active Leisure” targeting older adults. As yet there have been no campaigns specifically focusing on sports tourism. Moving forward we need to identify platforms from which to market Staffordshire’s sporting identity.

The 2009-2014 The SASSOT Sub-Regional Sport Facilities Framework identified a provision gap in built facilities in some areas of the County. Sport England figures showed a relatively low level of customer satisfaction and a number of facilities were in need of replacement or refurbishment. The Framework was used to secure external investment into a number of local facilities and has improved the quality of our facility stock greatly. The most notable investment has occurred in the refurbishment of Chase Leisure, Meadowside and Uttoxeter leisure centres and the newly built Jubilee 2. The Framework has been recently updated to provide strategic evidence for sport facility development across Staffordshire up to 2023.

Staffordshire is also home to facilities of international significance. Saint Georges Park, a £105m facility is the base for England's 24 national football teams. With 12 outdoor pitches (including a replica of the Wembley surface), a full-size indoor 3G pitch, a rehabilitation suite, sports science areas, and an indoor Futsal sports hall, St. George's provides world-class facilities for all England teams ahead of international fixtures. In 2014, facilitated by SCC, Team England used Saint George as the venue for their 2014 Commonwealth Games preparation camp.

Furthermore, in an attempt to help boost sales and build global awareness of its brand, JCB has announced a new wave of investment in Staffordshire with plans for a £30 million golf course next to its World HQ. The proposals for an 18-hole, 7,150 yards, par 72 championship golf course centre will be developed on 240 acres near its Rocester headquarters. When completed in 2018, it is expected that up to 100 people will be employed in ground care and hospitality roles. The course will be designed by European Golf Design: the golf course design company of IMG and the European Tour and best known for the 2010 course at Celtic Manor in Wales, host of the 2010 Ryder Cup. It will be built to tour-quality standard and could potentially host a major tour event, attracting competitors and spectators from all over the world.

In the north of the county, Stoke City has just be announced as the European City of Sport in 2016, as a result the area will benefit from 3.5 million pounds worth of investment into its sporting infrastructure and events portfolio, raising the profile of the sub-region as a whole.

We can demonstrate that a compelling sporting offer not only boosts our visitor economy, but it also increases the attractiveness of the county as a place to live, work and do business. While Staffordshire has a strong outdoor recreation offer, we have work to do if we are to become a sporting destination of choice. A focus needs to be given to developing an infrastructure which supports our event aspirations and encourages residents to be more active. We also need to develop the narrative we use when promoting the County across a variety of platforms.

How are we going to achieve this?

1. Support the delivery of the recommendations within the SASSOT Sub-Regional Sport Facilities Framework 2013-2023. Provide enhanced support to facility developments which have regional and national significance.
2. Embed sports tourism within the corporate strategy for place marketing.
3. Support schemes which develop emerging sporting talent and ensure we celebrate local successes.
4. Provide quality information and training to the hospitality sector, empowering them to capitalise on the commercial opportunities presented by sports tourism.

3. Our residents participate regularly in sport and active recreation and enjoy the health benefits of an active lifestyle.

Why is this important?

Whilst delivering on economy, skills and healthier lifestyles Sportshire is also a key pillar of our Public Health responsibilities, particularly are the outcomes as defined by the emerging Active Staffordshire strategy.

The associated benefits of regular participation in sport and active recreation on health are universal. Activity reduces the risk of many preventable diseases, from cancer to diabetes, and conditions like obesity, dementia and depression. Being active also increases your chances of staying independent in later life – Dr Nick Cavill was famously quoted as saying “If exercise were a pill, it would be one of the most cost-effective drugs ever invented”.

Despite this, the national landscape in relation to physical inactivity and sport participation is concerning, with poor lifestyle behaviours generating huge costs for local government and health partners.

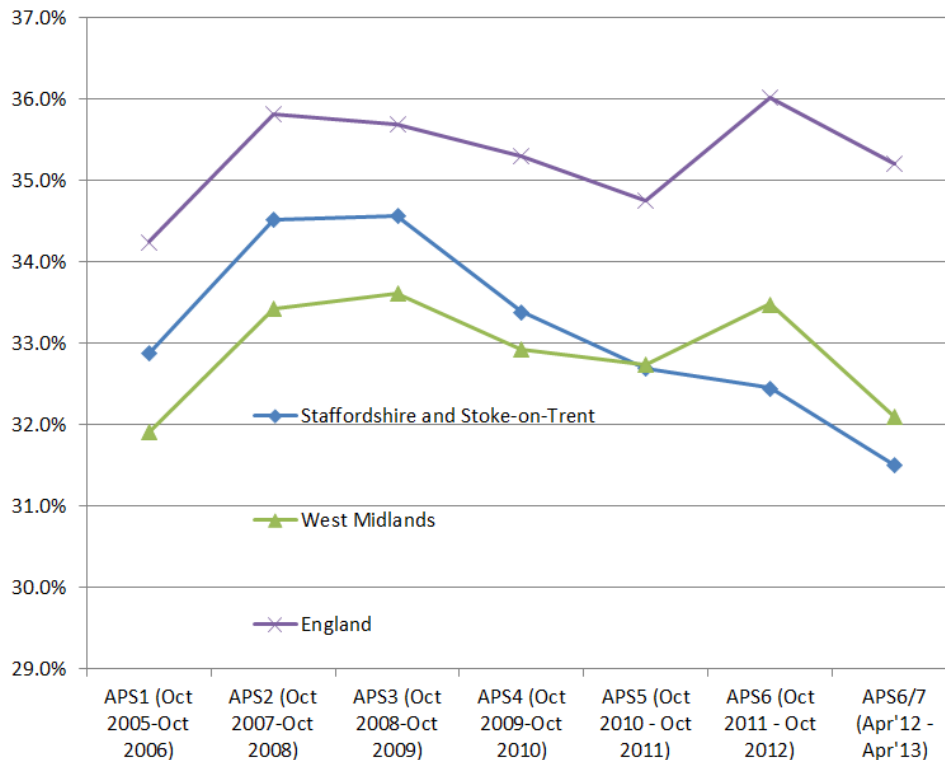
The figures below demonstrate the scale of the problem amongst all age groups:

- Only 21% of boys and 16% of girls aged 5 -15 in England take the physical activity necessary for good development.
- 33% of men and 45% of women in England are not active enough for good health.
- Only 25.3% of 55-65 year olds and 18.6% of 65+ year olds achieves 1x30mins participation in sport or physical activity.
- There are 12.5 million adults classed as physically inactive in England.
- Physical inactivity is the fourth largest cause of disease and disability in the UK, costing an estimated £7.4 billion a year (greater than the cost of smoking).

The local picture is equally as troubling. Sport England’s APS measures the percentage of people aged 14 years or over playing sport and participating in active recreation nationally. Analysis of APS demonstrates that, in a number of measures, Staffordshire has some of the least active population groups, not only within the region but anywhere in England. In fact, in Staffordshire nearly a third of adults do no physical activity and

one in two women and a third of men are damaging their health as a result. UK Active estimated that the cost to the County Council is over 19 million pounds per 100,000 residents per year.

The sub-region has shown limited progression in terms of participation levels since the initiation of APS in 2007. More recently, a steady pattern of decline has emerged. Staffordshire's results have been consistently below national averages and frequently below regional averages.



- Adults in SASSOT area are taking part, on average, less than those in the West Midlands and the rest of England.
- 31.5% of adults in Staffordshire & Stoke-on-Trent are taking part once per week. In comparison to West Midlands, 32.1% and England 35.2%.
- SASSOT is ranked 39/45 CSP areas.

There is a considerable body of evidence regarding the positive impact of physical activity on promoting mental wellbeing. A recent study found that those exercising at least three times a week can reduce their risk of experiencing depression by up to 20%. However we know that having a mental health problem can reduce the desire to be physically active, feelings of low confidence, low self-esteem and body consciousness contribute to sedentary behaviors. Staffordshire needs to do more to ensure our sport and physical activity offer is designed to address some of these barriers and support those people experiencing mental health issues into mainstream sport.

The Director of Public Health's 2014/15 annual report focused on healthy aging in Staffordshire (<https://www.staffordshire.gov.uk/health/PublicHealth/Annual-Public-Health-Report-2014.pdf>). The report highlighted the importance of physical activity in lowering rates of all-cause mortality, improving mental health and reducing social isolation in older adults. Evidence suggests increased muscular strength and endurance exercise

reduces the risk of falls and also helps retain the ability to carry out daily tasks such as climbing stairs and cooking. This amounts to a much better quality of life for residents but implementing behaviour change with this population group is likely to return the largest savings in health and social care budgets going forward.

Local Government is the largest public sector investor in sports and physical activity; spending £1.4 billion per annum (excluding capital spend). Consequently, the majority of sports participation in Staffordshire occurs in local authority owned or managed assets (county or district) such as leisure centres, parks and open spaces. Alongside the 2013 transfer of Public Health from the NHS to local government, these factors mean that as a county council we are not only well placed to drive a change in participation behaviours, but we have a responsibility to do so.

However, a reduction in leisure, recreation and Public Health budgets has led to a decline in spending on the delivery of subsidised physical activity/sports interventions, with an increased reliance on third and private sector providers. There are a number of health and local government partners commissioning activities in this area but this activity is often fragmented, duplicated and small in scale.

To effect real and lasting change we need to adopt a long-term, evidence-based approach. SCC needs to work in partnership to mobilise district authorities, NGBs, local communities, voluntary, education, health and private sector partners to agree a Staffordshire solution: one which involves unblocking barriers to participation and creating a cohesive, compelling leisure offer which gets Staffordshire moving.

How are we going to achieve this?

1. Act as the strategic lead for the physical activity agenda in Staffordshire – mobilising partner agencies, pooling expertise and stimulating co-production.
2. In partnership with SASSOT & District councils develop a sporting offer which moved our residents into regular participants.
3. Embed active recreation and sport in SCC prevention strategies, supporting our Public Health outcomes around life-limiting illness and long term conditions.
4. Amass a body of research, insight and best practice around active recreation and sport, which drives evidence-based commissioning locally.
5. Identify external funding sources to support interventions which target our most inactive population groups.
6. Provide residents with clear information and advice regarding the benefits of an active lifestyle and direct them to high quality activities locally.

4. **The area hosts to a calendar of significant sporting events, delivering economic growth, promoting Staffordshire and inspiring further participation.**

Why is this important?

Sports tourism is one of the fastest growing sectors not only within the leisure sector but also the global travel industry. The Olympic, Paralympic and Commonwealth Games stimulated the sector and last year over £1.1 billion was spent by live sport visitors in the UK. However, industry experts report the fastest growing trend is amongst tourists that travel to participate in sporting events. Increasingly, people are booking holidays around participation in an event or competition. These tourists are often high-spending and

accompanied by non-participating friends or relatives, increasing the economic benefit to the destination. Sports tourism therefore represents the greatest opportunity for Staffordshire’s visitor economy. This evidence formed the basis of the strategy to bid for and host international, mass participation sporting events within the county.

The theory that the hosting of major sports events can be positive for an area has been widely proven. ‘Sport In The City: The Role of Sport in Economic and Social Regeneration’, examined five common themes to support this theory; economic impact from the spending of visitors, increased community visibility, enhanced community image, stimulation of other investment and psychic income (civic pride or collective morale of the residents).

Looking outside the area, large metropolitan councils such as Manchester, Sheffield and, of course, London, have successfully implemented events as part of broader economic or destination marketing strategies. Since the 2012 Games there is emerging trend of smaller authorities, such as Lincolnshire and Derbyshire, hosting national and international events with great success.

Staffordshire’s sports club network delivers a healthy number of small to medium size third sector events, with sports such as orienteering, running and cycling providing a good number of competitive opportunities for local residents. However in 2013, there was a complete absence of high-profile, elite and mass participation competitions, crucial in the attainment of our strategic objectives.

In 2014, we successfully tendered for two major sporting events: Ironman Staffordshire 70.3 (three year contract) and the 2015 UK Corporate Games. These events attracted an estimated 16,000 visitors into the area, creating an economic impact of 5.4 million pounds, engaging over 1000 volunteers.

In order to ensure events continue to deliver against our corporate priorities, four overarching principles have been developed. When assessing the merits of tendering for a particular event, that event must fulfil a minimum of three of the four criteria below:

Criteria	Description	SCC Commissioning Priority
Improves residents health & wellbeing	The event promotes physical activity and sports participation by providing competition opportunities to a range of demographics including older adults, families, young people, those with disabilities and disadvantaged groups.	Living Well Ready for Life Enjoying Life
Creates a positive economic impact	The event generates a substantial economic impact via visitor spend, inward investment or the supply chain. With a ROI of no less than 5%.	Right for Business
Social impact and civic pride	The event stimulates community cohesion in host localities, enhancing resident’s pride in the area in which they lives. Opportunities are provided to support and promote volunteering. There are links to other cultural activities.	Great Place to Live Resilient Communities Ready for Life
Builds reputation	Significant media coverage is associated with hosting the event. This coverage	Right for Business

and profile	provides a mechanism to enhance Staffordshire's appeal as a destination to visit, live and do business.	Enjoying life
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It is clear hosting major sporting events within Staffordshire delivers a number of benefits; economic growth, enhancing our global reputation through position and profile and promoting destination tourism. Moving forward, we need to further leverage some of the broader social benefits of these events such as increasing participation, promoting community cohesion and boosting volunteering.

Staffordshire's events portfolio cannot exist without investment. At a time when the Council is under significant financial pressure, we need to identify creative ways to fund the growth and maintenance of the programme.

How are we going to achieve this?

1. Secure, grow and sustain a strong sporting events portfolio.
2. Galvanise the local events industry, stimulating the sector to deliver high quality sporting competition.
3. Work with private, third sectors and other public sector partners to create a package of support and investment into Staffordshire events.
4. Ensure events achieve a social legacy of volunteering, civic pride and community engagement.
5. Utilise events as a platform to promote Staffordshire PLC, regionally, nationally and globally.

Conclusion

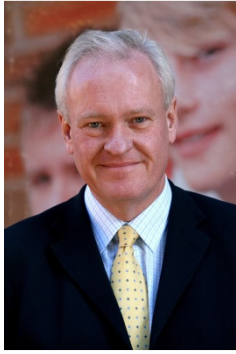
The Sportshire strategy represents a new direction of travel for sport in Staffordshire. By creating a critical mass of facilities and experiences we can drive the development of jobs in the sports sector, stimulate our visitor economy, contribute to private sector investment and increase participation figures. As a result we can achieve a multi-agenda impact which will drive prosperity and improve the health for our residents.

Staffordshire is a leading sporting destination with a booming sporting economy, our residents enjoy the health benefits of an active lifestyle

Why are we doing this?	What are we going to do?	How are we going to measure it?
<p>Staffordshire is known nationally as a “Sporting Destination” with a high-performing visitor economy.</p>	<p>Support the delivery of recommendations of the Sub-Regional Facilities Framework, with a focus on developments which have regional and national significance.</p> <p>Supports schemes which develop emerging sporting talent and ensure we celebrate local success.</p> <p>Embed sports tourism within the corporate strategy for place marketing.</p> <p>Provide quality information, guidance and training to the hospitality sector to empower them to capitalise on the commercial opportunities presented by sports tourism.</p>	<p>Amount & quality of media coverage</p> <p>Net additional spend in the host economy</p> <p>Annual Staffordshire tourism sector, economic impact assessment.</p> <p>Sector feedback</p>
<p>The area hosts to a calendar of significant sporting events, delivering economic growth, promoting Staffordshire and inspiring further participation.</p>	<p>Secure, grow and sustain a strong sporting events portfolio.</p> <p>Establish a framework of sustained support and investment in events and from private, third sectors and other public sector partners.</p> <p>Galvanise the local events industry to stimulate the sector to deliver high quality sporting competition.</p> <p>Ensure events achieve a social legacy of volunteering, civic pride and community engagement.</p> <p>Utilise events as a platform to promote Staffordshire PLC, regionally, nationally and globally.</p>	<p>Net additional spend in the host economy</p> <p>Volunteer numbers and experience</p> <p>Host area feedback</p> <p>Amount & quality of media coverage</p> <p>Annual Staffordshire tourism sector, economic impact assessment.</p>

<p>The County has a thriving sports industry, which provides high levels of employment to local people.</p>	<p>Working with partners map the leisure sectors requirements in relation to staff, skills and qualifications. Work with partners to facilitate a supply chain of appropriately trained and experienced personnel.</p> <p>Ensure those commissioned to deliver career guidance services are providing accurate information and advice regarding the opportunities for sporting careers.</p> <p>Deliver persuasive and consistent communications to the LEP regarding the valuable contribution sport can make to the local economy. Ensure that sport and leisure is reflected in their plans for the future.</p> <p>Working with partners, create a corporate environment within Staffordshire in which the sporting industry can thrive.</p> <p>Support projects that provide high quality volunteering and training opportunities to residents boosting skills and strengthen pathways to employment.</p>	<p>Net additional spend in the host economy</p> <p>Gross Value Added</p> <p>Number of jobs created/sustained</p>
<p>Our residents participate regularly in sport and physical activity and enjoy the health benefits of an active lifestyle.</p>	<p>Act as the strategic lead on the physical activity agenda in Staffordshire – mobilising partner agencies, pooling expertise and stimulating co-production.</p> <p>Embed physical activity and sport in SCC prevention strategies, supporting our public health outcomes around life-limiting illness and long term conditions.</p> <p>Amass a body of research, insight and best practice around physical activity and sport, which drives evidence-based commissioning locally.</p> <p>Identify external funding sources to support interventions which target our most inactive population groups.</p> <p>Provide residents with clear information and advice regarding the benefits of an active lifestyle directing them to activities locally.</p>	<p>Active People Survey</p> <p>Physical Activity framework</p> <p>Published research</p> <p>CCG data</p>

- This will underpinned with an annual Sportshire delivery plan.



Cabinet meeting on the 20 January 2016

Treasury Management, Annual Investment and Minimum Revenue Provision Strategies 2016/17

Report summary from Ian Parry, Deputy Leader and Cabinet Member for Strategy, Finance and Corporate Issues

Ian Parry said “The UK economy has improved in the last few years but the County Council still faces significant risks in undertaking its treasury management activities. This means we will continue with our sensible approach of investing carefully and using cash instead of borrowing to save money”

1. This report sets out how the County Council plans to manage its investment and borrowing activity in the coming year. This will take place against an improved economic backdrop but where the risk of investing has actually increased for local authorities. This is due to changes in how the regulators would act if a financial institution failed and is reflected in this treasury strategy.
2. The report explains that, where possible, we will continue to use our own cash instead of borrowing money, whilst retaining the flexibility to take out loans if we need to. Using cash instead of borrowing means that we have less to invest, thus reducing our exposure to banks and building societies. This is still an important consideration, especially with the new regulations.
3. When we do invest, we will continue to work on the prudent basis that the return of our money is more important than the return on our money.
4. Our treasury activities involve large sums of money and reflect the huge scale of the County Council’s operations. The amount of financing raised to fund capital investments, for example on schools and highways, is expected to be £581 million on the 31 March 2016.
5. Overall the report shows that the County Council’s borrowing and investment activities are being undertaken prudently and sensibly against an improved but still challenging economic background.

Recommendation – I recommend that Cabinet approve the detailed set of recommendations set out in the attached report.

Local Members Interest
N/A

Cabinet – 20 January 2016

Treasury Management, Annual Investment and Minimum Revenue Provision Strategies 2016/17

Recommendations of the Deputy Leader and Cabinet Member for Strategy, Finance and Corporate Issues

1. That, in accordance with regulations, the Cabinet recommends to the County Council, at its meeting on the 17 March 2016, the adoption of the Annual Investment Strategy (AIS) 2016/17 detailed in **paragraphs 24 to 67** and as detailed in **Appendix 2** and **Appendix 4**.
2. That Cabinet approve, as required by guidance, policies on;
 - a) reviewing the strategy
 - b) the use of external advisors
 - c) investment management training
 - d) the use of financial derivatives.

As described in **paragraphs 91 to 100**.

3. That the Cabinet approve the proposed borrowing strategy for the 2016/17 financial year comprising;
 - a) the use of cash in lieu of borrowing required in 2016/17
 - b) the use of cash to repay loans early, subject to market conditions
 - c) as a contingency, the ability to borrow new loans as a result of;
 - unexpected changes in the capital programme
 - a reduction in the level of cash balances
 - the repayment of LOBO's.
 - d) a forward borrowing strategy that will not be used in 2016/17
 - e) a loan rescheduling strategy that is unlimited where this re-balances risk.
 - f) The above to operate within the prudential limits set out in **Appendix 5** and in consultation with the Deputy Leader and Cabinet Member for Strategy, Finance and Corporate Issues with respect to early loan repayment, raising new loans and loan rescheduling.
4. That, in accordance with regulations, the Cabinet also recommends to the County Council the adoption of the Minimum Revenue Provision (MRP) policy 2016/17 as summarised in **paragraphs 101 to 103**; the full policy statement is shown at **Appendix 8**.

Report of the Director of Finance and Resources

Reasons for recommendations

5. The UK Economy has grown steadily over the last 12 months and continues to outperform its European peers. Inflation has been low, reaching negative levels at some points and the Bank of England has maintained its historically low base rate of 0.5%. The financial environment however still remains risky.
6. A major risk for local authorities is the UK implementation of the Bank Recovery and Resolution Directive (BRRD) in January 2015. The BRRD ensures EU Member States are consistent in how they deal with the failure of banks and investment firms. Under these new rules, instead of a government “bail out” of a bank, a “bail in” of current investors will be forced upon the bank by regulators. The risk of loss for local authorities in a bail-in situation is much greater, as any unsecured fixed-term deposits would be ranked near the bottom of the capital structure and would be one of the first to suffer losses.
7. Risks also remain in the global economy. An example was seen in August 2015 when world markets crashed because of concerns about growth prospects in China. As a result of these remaining risks, the treasury strategy retains the low risk approach adopted in recent years, based on prioritising security, liquidity and then yield.

Link to the Medium Term Financial Strategy (MTFS)

8. It is a statutory requirement under Section 33 of the Local Government Finance Act 1992 for the County Council to produce a balanced budget. In particular, Section 32 requires the calculation of a budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. Capital expenditure must not exceed an amount which can be afforded, in terms of interest charges and running costs for the foreseeable future.
9. The Local Government Act 2003 requires a local authority to have regard to the Prudential Code and to set Prudential Indicators for the next three years to ensure that its capital investment plans are affordable, prudent and sustainable. The Prudential Indicators are approved as part of the Medium Term Financial Strategy (MTFS), but the treasury indicators are included in this report as they require consideration as part of the Treasury Management Strategy. **Appendix 5** lists these indicators for the next five financial years in order to provide a link to the MTFS. A brief narrative of the reason for each indicator is also shown.
10. The Treasury Management Strategy is a key element of the MTFS as the planned capital expenditure programme drives the borrowing required. This is explained further in the Borrowing Strategy from **paragraph 68** onwards.

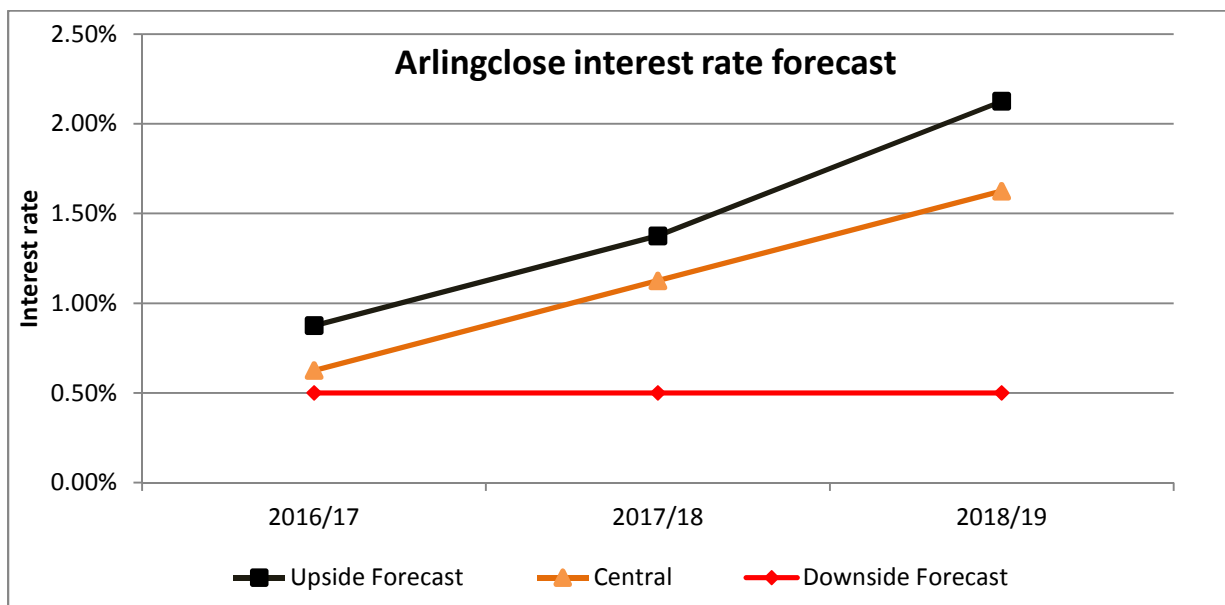
Economic and financial background

Interest rates

11. In considering the County Council’s borrowing and investment strategies, it is important that account is taken of the likely economic environment and the potential level of interest rates. For the last couple of years there has been

much discussion in markets about the timing of the first increase in bank rate (the interest rate set by the Bank of England) with the expected first move repeatedly pushed into the future.

12. Forecasting is notoriously difficult in such a complex economic environment but there is tension between separate issues which will effect the Bank of England's decision:
- The current benign inflationary environment and potential for external shocks in the global economy reduces the pressure for a rise.
 - The continued GDP growth in the UK economy supports a rise.
- In December 2015 the US Federal Reserve (Fed) raised it's interest rate for the first time since the financial crisis. It has been widely believed in financial markets for some time that the Fed would act first in raising rates and then other central banks would follow.
13. In terms of treasury management, the bank rate is fundamental to the income received and it may also affect expenditure on loan interest where new loans are taken out or variable rate loans are held.
14. The following graph shows an interest rate forecast for the forthcoming three years as provided by the County Council's advisor, Arlingclose. Three possibilities are shown, an upside (the higher of the three), central and downside forecast.



15. The central forecast is Arlingclose's most likely scenario for interest rates and is considered prudent for setting the budget. The forecast has been used in the MTFs and reflects the fact that short-term interest rates may start to rise slowly in 2016.
16. So whilst interest rates are expected to rise in 2016 and thereafter, they are not expected to reach pre-crisis levels for many years into the future.

Credit outlook

17. Bail-in legislation (see **paragraph 6**) has now been fully implemented in the UK, USA and Germany, the rest of the European Union will follow suit in

January 2016. The credit risk for a local authority of making unsecured investments with banks has therefore increased. Meanwhile changes to the UK Financial Services Compensation Scheme and similar European schemes mean that most private sector investors are now partially or fully exempt from contributing to a bail-in.

18. The credit rating agencies have taken a new approach with the introduction of the new regulations and moved to a 'loss absorbency' approach. This now takes account of the differing impact a credit event would have on the different classes of investments (e.g. covered bonds, unsecured deposits). In some cases this has meant some banks and building societies have actually had a credit rating uplift.
19. The varying fortunes of the global economy are reflected in the market indicators for credit risk for UK Banks. Those operating in Asia and parts of Europe have seen perceived risk increase whilst those with a UK focus have seen improvement. The sale of most of the government's stake in Lloyds and the first sale of it's shares in the Royal Bank of Scotland have been seen as credit positive.
20. Stress tests conducted by the Bank of England's Prudential Regulatory Authority (PRA) also give an indication of the health of the largest and most important UK banks. In December 2015 the most recent results were announced and five of the seven banks "passed" which means that their balance sheets are strong enough to survive an extreme economic downturn. RBS and Standard Chartered were found not to have enough capital strength but having already taken steps to address this, were not ordered to come up with a new plan by the PRA.
21. Although the risk under the new regulations has increased, the County Council will continue to follow the advice of Arlingclose. The full creditworthiness approach is outlined from **paragraph 37**.

Policy framework

21. In order to assess the various options for borrowing and investment it is important to have a policy framework. The table that follows sets out three main elements:
 1. Objectives.
 2. Economic considerations.
 3. Relevant risks.
23. The table compares borrowing and investments side by side to highlight the similarities and differences. For example, some of the economic considerations (i.e. the yield curve) are similar, whilst some aspects are different.

	Borrowing strategy	Investment strategy
Objectives	<ul style="list-style-type: none"> • Reduce the average rate (cost) of debt ensuring debt is affordable • Maintain medium term budget stability • Be able to respond to changes in the external environment 	<ul style="list-style-type: none"> • Ensure security (and to ensure bills are paid) • Provide liquidity (i.e. to pay the bills as they fall due) • Earn interest

Economic considerations	<ul style="list-style-type: none"> • The shape of the whole yield curve* (the level of interest rates for different lengths of time) • The steepness of the yield curve • Forecast changes in interest rates • The relative position of interest rates to the average cost of the debt • The direction of travel of overall debt in the future • Cash balances available to support the strategy 	<ul style="list-style-type: none"> • The shape of the short-term yield curve* • Forecast changes in interest rates • Counterparty issues (credit worthiness) • Type of financial instrument • Risk in the financial environment
Relevant risks	<ul style="list-style-type: none"> • Security • Liquidity • Interest rate • Market risk • Refinancing • Regulatory and legal 	<ul style="list-style-type: none"> • Security • Liquidity • Interest rate • Market risk • Refinancing • Regulatory and legal

**The yield curve is a fundamental concept; it represents the price paid by the County Council for its long-term loans or the price received for the money it invests.*

Annual Investment Strategy (AIS) 2016/17

24. The County Council manages a significant investment portfolio that can reach over £200m each year. Since the financial crisis in 2008, the County Council has taken a low risk approach and the AIS continues in this vein.

Investment options

25. The main characteristics which determine an investment strategy are related to;
- the credit risk of the counterparties that you invest with
 - the length of the investment
 - the type of financial instrument that is used.
26. These issues have to be considered in the light of the regulatory framework provided by the Government.
27. Key parts of this framework are the Government Guidance on Local Government Investments, issued in March 2010 and the CIPFA Code of Practice for Treasury Management in the Public Services. These state that the two prime risk issues are;
- the security of capital
 - the liquidity of investments.
28. In addition, government regulations specify the type of financial instruments you can invest in and divide them into what they term 'specified' investments and 'non-specified' investments.

Specified investments

29. Specified investments are investments made in sterling for a period of less than a year that are not counted as capital expenditure and are invested with;
- the UK Government
 - a local authority
 - a parish or community council
 - a body, or in an investment instrument, **that has 'high credit quality'**.
30. The first three named investments will be used by the County Council by virtue of their inclusion within the guidance (referred to as regulation investments subsequently in this report). The assessment of the fourth aspect is dealt with in the paragraphs that follow.
31. Whilst it is difficult to define 'high credit quality', credit ratings are published by credit rating agencies (for example, Fitch, Standard and Poors, Moodys); this information is provided by the County Council's treasury adviser, Arlingclose, where available.

Money Market Funds (MMF's)

32. Money Market Funds are pooled investment vehicles consisting of money market deposits and similar instruments. Arlingclose recommend the use of MMF's by their local authority clients, and these have been used for some time by the County Council.
33. In the background there is the possibility of European Commission (EC) regulations that may affect how MMF's operate and in the light of these, it is MMF's that meet the criteria listed below which will be considered to have high credit quality and will be included on the lending list:
- Recommended to clients by the County Council's treasury adviser, Arlingclose.
 - Diversified – MMF's are diversified across many different investments, far more than the County Council could hope to achieve on its own account.
 - Same day liquidity – this means that funds can be accessed on a daily basis.
 - Ring-fenced assets – the investments are owned by the investors and not the fund management company.
 - Custodian – the investments are also managed by an independent bank known as a custodian, who operates at arms-length from the fund management company.
34. All treasury activity carries an element of risk and MMF's are no different. In the event of a further financial crisis, the failure of one or more of an MMF's investments could lead to a run on the MMF as investors rush to redeem their investment. This could then spread to other MMF's as investors take flight from this asset class.
35. The very low interest rate environment also threatens the ongoing continuity of MMF's. Each MMF charges a fee and this could mean that interest earned becomes negative after its deduction. If this problem arises then it would be a matter of moving funds to an alternative class of investment.

36. All of these issues point towards the fundamental need for diversification across MMF's and also investment categories where possible. This issue is dealt with later in this report (**paragraph 52** onwards).

The credit management strategy for 2016/17

37. Government guidance requires an explanation of how credit quality is monitored, what happens when it changes and what additional sources of information are used to assess credit quality.
38. The assessment of what "high credit quality" is for banks or building societies is set out in this section of the report.
39. Arlingclose are the County Council's treasury advisor and an important aspect of this service is credit advice. This is where the advisor provides information to the County Council about suitable investments in the context of the current economic risk environment and incorporates the views of credit rating agencies. What follows is an overview of how this operates, it is important to understand that the County Council is responsible for the decisions it takes with its investments.
40. Credit ratings provided by the three main credit rating agencies form an important, but not the only, aspect of how creditworthiness is assessed by Arlingclose. For 2016/17 minimum credit-rating thresholds are set at a long-term rating of "BBB" where available. Counterparties that are rated below this level are excluded.
41. In addition the following are also considered:
- Statements of potential government support.
 - Credit Default Swap prices (CDS) (i.e. the cost of insuring against counterparty default).
 - Share prices.
 - Gross Domestic Product (GDP) in the country of incorporation.
 - Macro-economic factors.
 - Information in the press.
 - A subjective overlay, i.e. a judgement being made about whether the counterparty should be recommended or not.
42. In practical terms all of this information is considered by Arlingclose when they determine their recommendations. Any change in these criteria can result in a counterparty being removed from the lending list, not solely a change in credit rating.
43. In the recent past, the economic environment has been very volatile, so the advice provided by Arlingclose results in counterparties with high quality credit characteristics that are intended to insulate the County Council against further volatility. Of course, the future cannot be foreseen and in some situations changes may need to be made quickly, but this is considered a cautious approach.
44. The County Council remains responsible for its investment decisions. The Treasury Management Panel, chaired by the Director of Finance and Resources, meets monthly and a review of the lending list and any changes made by Arlingclose will take place at these meetings. In between meetings the

treasury team will implement any recommendations made by Arlingclose. On the rare occasion that Arlingclose do not make a firm recommendation then this will be referred to the Panel for their review.

45. Under stressed market conditions, additional Panel meetings may take place at very short notice after which the Panel may decide to adjust the County Council's investment risk profile. The end result may involve moving investments to lower risk counterparties or instruments.
46. The proposed AIS would be based on the following definition of high credit quality:
 - Regulation investments as set out (**paragraph 29 and 30**)
 - Diversified sterling Money Market Funds meeting the criteria set out (**Paragraph 33**).
 - A bank or building society that is recommended by Arlingclose for inclusion on the lending list.

Monitoring

47. As required, an overview of the monitoring process is outlined below:
 - Rating changes and significant changes in risk indicators will be communicated to the treasury team by Arlingclose together with any revisions to their recommendations.
 - Changes are sent by e-mail and in urgent situations followed up by a phone call.

The County Council's banker

48. The County Council recently completed the implementation of its new banking provider, Lloyds Bank. Under the new arrangements funds are retained with Lloyds Bank each night earning interest at a market rate; the amount retained will be set in line with the diversification policy set out at **paragraph 52** onwards.
49. Should the Lloyds credit rating fall below the minimum specified in this report, then small balances may be retained with the bank for operational efficiency. This will be determined by the Treasury Management Panel chaired by the Director of Finance and Resources.

Investment duration for specified investments

50. In considering the financial instruments that meet the definition of a specified investment, there is the scope to consider the length of the investment period.
51. One of the important lessons of the banking crisis has been to exercise caution in the duration of investments with banks and building societies. This recognises that the factors that led to the investment being considered sound can change adversely over time. As such it is judged reasonable to limit unsecured fixed-term deposits with banks or building societies to a maximum duration of 12 months, even if Arlingclose recommend a longer duration.

Investment diversification

52. Having determined the lending list of highly rated counterparties and the duration of investments, the last piece of the process is to overlay the methodology for ensuring diversification. This is achieved by setting a maximum amount to be invested with each counterparty to limit risk and to spread investments.
53. Ensuring diversification has never been more important; it protects the security of the investments by limiting the County Council's loss in the event of a counterparty default. However, diversification does not protect the County Council from a systemic failure of the banking sector, although the risk of this has diminished as a result of new the bail-in banking regulations introduced.
54. Investment balances rise and fall during the year, so diversification needs to take account of this. The limits shown are based upon percentages of investments and the treasury team will review and reset these limits at least once a month with reference to forecast future balances. This action will then be ratified by the Treasury Panel at their next meeting. The interval between each review is very much a matter of balance between ensuring diversification and efficient processing as investment balances cannot practically be moved each day to accommodate shifting limits. It is judged that a monthly review strikes this balance.
55. Investment diversification is proposed at two levels; firstly at investment category level:

Investment category	Maximum % of total investments
Regulation Investments*	100%
MMF's	50%
Banks and Building Societies	50%

**no limit is proposed (in certain circumstances these may be utilised for all of the County Council's investments)*

56. Secondly, diversification will also take place at investment category level:

Banks and Building Societies	
Lower of:	
£m	Maximum investment as a proportion of the total forecast balances
30	5% (unsecured) 10% (secured)

MMF	
Lower of:	
Maximum investment as a proportion of total MMF size	Maximum investment as a proportion of the total forecast balances
0.50%	10%

57. There is an exception to these rules, that where balances are low then the amount invested in MMFs may be as high as 100%. This recognises the fact that there may simply be no other available investment for small amounts where liquidity is needed.
58. Arlingclose amended their advice during 2015/16 to take account of the new bail-in regulations, previously discussed in this report. Before they recommended a maximum of 10% of balances be invested per bank or building society, now they recommend 10% but only if investments are secured (e.g. covered bonds). The limit for investments which are unsecured (e.g. fixed term deposits) was reduced to 5%.
59. It is proposed that both the application and amendment of the investment diversification policy are delegated to the Treasury Management Panel chaired by the Director of Finance and Resources, with the results reported to Cabinet in the regular treasury management reports.

Non-specified investments

60. The Government regulations define non-specified investments as all other types of investment that do not meet the definition of specified investments. In contrast to specified investments, government guidance indicates that the AIS should;
- set out procedures for determining which categories of non-specified investments should be prudently used
 - identify such investments
 - state an upper limit for each category of non specified investment
 - state upper limits for the total amount to be held in such investments.
61. The non-specified investments proposed for use within the AIS are listed below. None of these present any additional security risk to the investments within specified investments and each is explained below.
- Covered Bonds – These are issued by banks and building societies and guaranteed by a group company that holds the bank or building societies mortgage assets. Covered bonds are exempt from bail-in and the structure enables investors to have effective security over the mortgage assets, which means they could be sold if needed. Covered bonds could be classified as a specified investment but only if the maturity was under 12 months with a bank or building society recommended by Arlingclose.
 - Repos (a Repurchase Agreement) – The purchase of securities with the agreement to sell them at a higher price in the future. Repos involve investments being exchanged for assets, such as government bonds which can be sold in the case of a loss.

- Certificates of Deposit (CD's) – Identical to a fixed term deposit and not exempt from bail-in. A certificate is issued for the specified length of time and rate of interest which could be sold in the secondary market if needed. CD's could be classified as a specified investment but only if the maturity was under 12 months with a bank or building society recommended by Arlingclose.
 - Government gilts – equivalent to the Debt Management Account Deposit Facility (DMADF) account and Treasury Bills, simply a longer term investment with the UK Government that can be sold.
 - Multilateral development bank bonds – “AAA” rated, these are institutions created and backed by a group of countries which can be sold as needed.
 - Collective schemes - There are many types of collective schemes, from enhanced MMF's (which have 3-5 day liquidity as they invest further along the yield curve) to property and equity funds. These all have varying risk and return profiles. The category is included here for possible use, subject to a decision by the Treasury Management Panel.
62. Where investments are subject to market risk (this is the risk that the value of the investment can go down as well as up), the inclusion of these investment instruments is proposed only on the basis that if purchased they would be held until maturity under normal circumstances. At maturity the investment and expected interest would be paid in full. In the case of Certificates of Deposit then these would only be sold early on the basis that there were concerns over the borrower defaulting.
63. Investments that involve the considerations referred to above, the decision to invest will only be taken after due consideration by the Treasury Management Panel chaired by the Director of Finance and Resources.
64. For the purpose of setting investment amount and duration limits, it is planned to split non-specified investments into two categories (see **Appendix 2**).
- For long-term local authority loans and UK Government Gilts it is proposed to have a combined investment limit of £45m (up to 40 years duration) due to their similar high credit quality. The County Council has held £30m of long term local authority investments since 2013.
 - For other non-specified investments, it is proposed to cap the individual investment amount per asset class at £20m (up to 5 years duration) with an overall cap of £50m for this group.
- This means a total of £95m can be invested in non-specified investments in 2016/17 and is reflected in **Appendix 5**, prudential indicators (point 5).
65. **Appendix 2** sets out the investment categories authorised for use in 2016/17 and **Appendix 4** lists the County Council's lending List, as recommended by Arlingclose, at the time of writing this report.

Risk assessment

66. Although guidance sets out security and liquidity as being the main treasury risks, they are not the only risks in investing faced by the County Council. **Appendix 3** sets out a high-level risk assessment of six of the key risks which are summarised in the following table:

Risk	Assessment
Security	Low
Liquidity	Low
Interest rate	Low to Medium
Market	Low
Refinancing	Low to Medium
Regulatory and Legal	Low

67. The proposed AIS has been assessed against these risks and the judgement is that the most important risks have been reduced as far as possible. This is not to say that all risk has been eliminated, which is not possible in treasury terms.

Borrowing strategy 2016/17

[Link to the Medium Term Financial Strategy \(MTFS\)](#)

68. The following table shows how new borrowing is calculated and demonstrates how the MTFS and the capital expenditure programme are related. The table includes an allowance for the Minimum Revenue Provision (MRP), which is a contribution towards the repayment of debt. Some of the MRP is not payable by the County Council, but the treasury team manage the entire position whether it relates to County Council debt or not.

	2016/17 £m	2017/18 £m	2018/19 £m
capital expenditure programme	158	78	56
less funding from other sources of finance	92	61	39
= funding from borrowing	66	17	17
less gross MRP *	(22)	(22)	(22)
= net new borrowing for planned capital expenditure / (repayment) **	44	(5)	(5)
* County Council MRP	(19)	(20)	(20)

** excluding the borrowing needed to replace maturing loans

Borrowing position

69. Although the County Council's debt is forecast to slowly decrease after 2016/17, the following table shows the levels of cash used to support this debt will actually increase (under current forecasts and assuming no change in policy). This is due to £20m of PWLB loans maturing and not being replaced, which will increase the use of cash.

	2016/17 £m	2017/18 £m	2018/19 £m
forecast gross debt at 31 March	626	621	616
forecast loans position	518	513	498
difference funded from cash	108	108	118

70. The loans position includes £81.5m of what are known as LOBO (Lender Option Borrower Option) loans. In each case the lender has a loan call option

which could amend the interest rate on a pre-determined date to a higher rate. Therefore the County Council's policy on LOBO loan calls will be to repay these in all cases and either;

- take up a shorter term and cheaper loan, say with the Public Works Loan Board (PWLB).
- finance the balance from cash in line with this strategy.

71. It is judged unlikely in the current interest rate environment that LOBO loans options will be exercised. However, the financing stress that banks are under and a recent parliamentary investigation into the potential mis-selling of this type of loan to local authorities could lead to banks considering this. Whilst the loans have been arranged to stagger the potential impact of options being exercised, in 2016/17 £61.5m of loans are subject to a call option.

Borrowing options

72. The County Council has three main options available to it in a borrowing strategy:

- To use cash (i.e. do not borrow).
- To bring borrowing up to the amount needed to fully fund the capital programme at any point in time.
- To forward borrow up to two years in advance.

73. Overall, the economic environment continues to favour using cash for a further year because of the reasons below:

- There is a normal yield curve (i.e. it's cheaper to use cash than to borrow).
- With the introduction of bail-in legislation it is more important than ever to minimise security (investment) risk (as using cash reduces investment balances).
- Future debt levels are forecast to fall (i.e. new loans are not forecast to be needed).
- Arlingclose are forecasting the first rise in bank rate in Q3 2016 with a slow increase over further years to a peak of around 3%. This means that rates will remain below the County Council's average debt rate for a number of years.

74. Continuing to use cash within practical cash management limits would meet the policy outlined at **paragraph 27**.

75. As shown in the interest rate forecast (**paragraph 14**), bank rate is at a very low level and it is expected to remain well below the average debt rate for the next year and beyond. Following this strategy therefore meets the objective of bringing down the average rate of interest for borrowing and provides an opportunity to fund the capital programme at low cost.

76. A key part of the CIPFA Code of Practice for Treasury Management is to assess the risk of the treasury management borrowing strategy. It sets out a number of risks to be considered and this assessment for the six risks considered most relevant is shown at **Appendix 7**. A summary is provided in the following table:

Risk	Assessment
Security	Low
Liquidity	Low
Interest rate	Low to Medium
Market	Medium
Refinancing	Medium
Regulatory and Legal	Medium

77. Other risks CIPFA set out have not been considered as they are less important when determining a borrowing strategy. These are inflation, operational and foreign exchange risks.
78. Overall the use of cash in lieu of borrowing is considered a relatively low risk strategy.

Proposed contingency arrangements and flexibility

79. To date, cash balances have been sufficient to allow the strategy of using cash to continue without taking out external loans. The possibility of further unexpected reductions in cash balances needs to be recognised. This could be due to;
- increases in the capital programme
 - budget pressures
 - changes in the County Council's cash funding as a result of structural changes
 - LOBO loan call options being called.
80. Where additional liquidity is needed temporarily, then the County Council can call upon short-term temporary loans raised from the money markets, including from other local authorities with surplus cash to invest.
81. If these facilities are not available then new long-term loans, for a year or more, must be raised to allow the County Council to continue to pay its day to day bills.
82. If new long-term loans are needed it is necessary to consider their exact nature. The following observations are important:
- The County Council's existing loan portfolio is very long-term as can be seen on the graph at **Appendix 6**. Taking shorter term loans would rebalance the portfolio.
 - As stated already, the yield curve is normal. Shorter term loans are cheaper.
 - PWLB interest rates are much higher than they were historically (see point 89).
83. It is clear that in the current economic climate, loans should be shorter-term in nature. In terms of the choice of loans there are a number of possibilities:
- PWLB loans – a well known route for local authorities, still seen as the “lender of first resort” because of the flexibility and ease of access. However the risk of this facility being discontinued or amended further should be noted.

- Local authority loans – other local authorities may have different cash flow positions which create cheap funding opportunities in the short to medium term.
- Market loans – these may come in various forms, such as bank loans, and may be cheaper than the PWLB.
- The UK Municipal Bonds Agency - an organisation set up by the Local Government Association in 2014 as an alternative to the PWLB. This agency plans to issue bonds on the capital markets and lend the proceeds to local authorities.

84. Should the decision to borrow long-term be needed, it will be taken by the Director of Finance and Resources in consultation with the Deputy Leader and Cabinet Member for Strategy, Finance and Corporate Issues because the optimum timing cannot be foreseen and a decision often needs to be taken at short notice. Members will be kept informed via the outturn and half-year treasury management reports.

Policy on borrowing in advance of need

85. The Prudential Code allows borrowing to take place for the current year plus two future years. However, Government regulations state that there should be a specific policy on borrowing in advance of need.

86. As the borrowing strategy set out for 2016/17 involves use of cash resources in the first instance, then the policy is not to borrow in advance of need this year. This will be reviewed each year as part of the overall borrowing strategy.

Loan restructuring

87. Movements in interest rates over time may provide opportunities to restructure the loan portfolio in one of two ways:

- Replace existing loans with new loans at a lower rate (known as loan rescheduling).
- Repay loans early, without replacing the loans. This would increase the use of cash.

88. The County Council's ability to adjust its loan portfolio through restructuring is only possible if;

- the Government allow it; PWLB rules have been changed in the past with no notice
- market conditions allow economic repayment.

89. Currently loan restructuring would be very expensive and unattractive for the County Council. This is because:

- Gilt yields are still historically low. This would lead to large penalties to compensate the PWLB if loans were repaid early.
- New loans are much more expensive than in the past even though Gilt yields are so low. Since 2010 the Government has increased the margin on top of Gilts at which it onward lends to local government via the PWLB (originally 1.00%, subsequently dropped to 0.80%).

90. Market conditions and regulations do change so it is proposed to allow loan restructuring. The decision will be delegated to the Director of Finance and

Resources in conjunction with the Deputy Leader and Cabinet Member for Strategy, Finance and Corporate Issues.

Review of strategy

91. Regulations require that the circumstances under which a revised strategy would be prepared should be stated. These circumstances would be a change in;
- the economic environment
 - the financial risk environment
 - the budgetary position
 - the regulatory environment.
92. The responsibility for assessing these circumstances and proposing changes to the strategy is allocated to the Treasury Management Panel chaired by the Director of Finance and Resources.

Policy on the use of external service providers

93. Regulations require the County Council to disclose its policy on the use of external providers. Arlingclose were appointed as the County Council's external treasury management adviser from 1 April 2013.
94. Arlingclose are contracted to pass on information, provide technical accounting assistance and an investment advice service. The County Council recognises that responsibility for treasury management decisions remains with itself at all times.
95. An annual review of service quality is carried out by senior officers on the Treasury Management Panel. Arlingclose attend meetings bi-annually to discuss how well they are assisting the County Council to discharge its responsibilities.

Investment management training

96. The County Council is also required by regulations to disclose its processes for ensuring officers are well-trained in investment management.
97. Treasury management is a specialised area requiring high quality and well trained staff that have an up to date knowledge of current issues, legislation and treasury risk management techniques.
98. Officers who attend the Treasury Management Panel are senior qualified finance professionals. Treasury practitioners attend regular CIPFA and treasury consultant training seminars throughout the year and undertake a My Performance Conversation assessment each year through which training needs are identified.
99. Member training is also important to introduce treasury concepts. The need for training events will be kept under review with more sessions arranged in the future if necessary.

Policy on the use of financial derivatives

100. Local authorities have previously only made use of financial derivatives embedded into loans and investments (e.g. those embedded in LOBO loans). With the introduction of the General Power of Competence in the Localism Act 2011, a lot of uncertainty around the use of standalone derivatives (e.g. swaps, forwards and futures) was removed. The County Council would only arrange standalone derivatives with an approved investment counterparty where it can be clearly demonstrated that they reduce financial risk.

MRP Strategy 2016/17

101. The County Council are also legally obliged to have regard to government guidance issued in February 2008 concerning the Minimum Revenue Provision (MRP) policy. MRP is where the County Council must make an annual revenue provision for the repayment of debt (also referred to as the Capital Financing Requirement or CFR). The MRP policy must be submitted to the full Council for approval prior to the start of the financial year to which the provision will relate. The policy for 2016/17 is summarised below and shown in full at **Appendix 8**.
102. Following guidance issued in 2007/08 regarding the Minimum Revenue Provision (MRP), it is proposed to continue the agreed policy as follows:
- The major proportion of the MRP for 2016/17 will relate to the more historic debt liability that will continue to be charged at the rate of 4%, in accordance with the recommendations and intent of Option 1 of the guidance.
 - Further amounts of new capital expenditure may continue to be charged at the rate of 4%, and added to the above mentioned base CFR amount, up to an amount equivalent to the County Council's annual Supported Capital Expenditure (Revenue) allocation.
 - Certain expenditures reflected within the debt liability at 31 March 2016 will under delegated powers be subject to MRP under Option 3.
 - With regards to loans granted by the County Council no MRP will be charged on them. The MRP will be equated to the principal repayment of the individual loans.
103. In practical terms, this approach means that capital expenditure funded from supported borrowing (that is, supported by government grant) will be repaid at 4%. However, expenditure funded from unsupported borrowing will be repaid at a rate which matches the useful lives of those assets funded. This will result in a saving for the authority as the debt can be spread over a longer period of time, for example 60 years where a building has been funded from unsupported borrowing (that is, supported by the County Council). The MRP Policy statement for 2016/17 is shown at **Appendix 8**.

Equalities implications: There are no equalities implications.

Legal implications: Approval of Prudential Indicators and an Annual Investment Strategy is necessary in order to meet the requirements of the Local Government Act 2003.

Resource and value for money implications: All resource implications are covered in the body of this report which links to the County Council's MTFS.

Risk implications: Risk is inherent in treasury management and is dealt with throughout the report.

Climate change implications: There are no direct climate change implications arising from treasury and investment strategy decisions.

Health impact assessment screening: There are no health impact assessment implications arising from this report.

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List of background papers

1. Treasury Management in the Public Services: Code of Practice (CIPFA) (2011)
2. Prudential Code for Capital Finance in Local Authorities (CIPFA) (2011)
3. Local Authorities (Capital Finance and Accounting) Regulations 2003
4. Local Government Investments - Guidance under Section 15(1) of the Local Government Act 2003 issued by the Secretary of State
5. Local Government Act 2003 - Guidance issued under section 21(1a) (re MRP policy)

Cabinet – 20 January 2016 - Investment categories authorised for use 2016/17

Investment	Specified*	Non-Specified	Comments
UK Government - Debt Management Account Deposit Facility (DMADF) (regulation investment)	unlimited	n/a	6 months maximum available
UK Government - Treasury Bills (T-Bills) (regulation investment)	unlimited	n/a	6 months maximum available
UK local authorities term deposits (regulation investment)	unlimited	£45m across these categories	Up to 40 years in duration (non-specified)
UK Government – Gilts	unlimited		
Money Market Funds	✓	n/a	50% of total investments in this category. Lower of 0.50% of MMF size or 10% of all investments per MMF
Term deposits with banks and building societies	✓	x	50% of total investments in this category. Lower of 5% (unsecured) or 10% (secured) of total investments or £30m per counterparty
Certificates of deposit (banks / building societies)	✓	Maximum £20m per investment category and £50m in total across all categories	Up to 5 years in duration (non-specified)
Bonds issued by Multilateral Development Banks	✓		
Collective Investment Schemes	x		
Covered Bonds	✓		
Repos (repurchase agreement)	x		

* Up to 12 months

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Risk Assessment – Investments

Risk Heading	Risk Description	Relevance to Investment	Key Control	Assessment	Approved Investment Strategy (AIS)
Page 47	Security	Crucial that money invested is returned (principal and interest).	Relies on credit management policy including; credit risk, duration of investment and amount as well as an ongoing review of the credit environment. Prudential Limit on investment over 1 year as well as limits on non-specified investments.	LOW	Use of the instruments and banks identified within the AIS reduces this risk to a low level. In addition the long-term investments with other local authorities has reduced security risk further and the borrowing strategy keeps cash balances low. With the exception of regulation investments with the UK Government and local authorities counterparties have a maximum investment limit. Overall this remains a low risk strategy.
	Liquidity	Cash is not readily available when it is needed.	Managed through detailed cash flow forecast and investment in highly liquid funds – but can also borrow temporarily (and Local Authorities are a good credit risk if lent money).		LOW

Risk Heading	Risk Description	Relevance to Investment	Key Control	Assessment	Approved Investment Strategy
Interest Rate	Unexpected <u>reduction</u> in Interest rate.	Reduces the return on investment and reduces the level of reserves.	Can reduce risk by: A) netting off investment against borrowing to reduce net exposure B) investing for longer periods. Controlled through the overall strategy.	LOW	Investments will be mainly short-term, of up to 12 months maximum – this does not protect against an interest rate reduction or falls in the market generally. The long-term investments made with other local authorities reduce this risk as the rates are fixed for a long period of time.
Interest Rate	Unexpected <u>increase</u> in interest rates.	In order to take advantage of the unexpected return would need to keep investment short term and increase the amount of cash invested (e.g. by not using cash in lieu of borrowing).	Controlled through the overall strategy.	MEDIUM	Current policy allows upturns to be taken advantage of as investments are not fixed for very long periods. Upturns are possible in the medium term. The long-term investments made with other local authorities increase this risk as the rates are fixed for a long period of time.
Market	Unexpected need to liquidate market instrument quickly and accept 'price on the day'.	Only relevant if invest in market instruments (e.g. CD's, gilts, covered bonds).	Limit investment in market instruments or alternatively have capacity to borrow to avoid need to liquidate. Controlled by limits on non specified investments.	LOW	It is proposed to hold these types of investments to maturity to mitigate this risk.

Appendix 3 (continued)

Risk Heading	Risk Description	Relevance to Investment	Key Control	Assessment	Approved Investment Strategy
Refinancing risk	Maturing transactions cannot be renewed on similar terms.	Reflected in the term (duration) of investments if everything invested shorter term has a high refinancing risk.	Proportion of investments maturing in the future.	LOW/ MEDIUM	<p>The current policy is to invest in the relatively short-term. There is an increased risk with this strategy due to frequent 'refinancing' but this is expected to be advantageous in a rising interest rate environment.</p> <p>The long-term investments made with other local authorities has reduced this risk as they are for an extended period of time reducing the need to refinance a proportion of the investment portfolio.</p> <p>Using cash to fund borrowing (the proposed borrowing strategy) reduces this risk as the overall exposure to short term interest rates is less.</p>
Regulatory and legal risk Page 49	Rules governing local government investment powers are changed or amended without notice.	Investment powers are granted through statute and guidance.	None	LOW	<p>The current policy of using cash in lieu of borrowing reduces the County Council's dependency on interest receipts.</p> <p>In the past these were generated by using the full range of powers granted to local authorities.</p> <p>This is not the case now; the AIS is low risk and uses liquid and conservative investment instruments.</p> <p>The long-term investments made with other local authorities have increased this risk as they are for an extended period of time. Within the contracts for these investments is the ability for the County Council to force an early repay or transfer which contributes to overall this risk still being considered low.</p>

Cabinet - 20 January 2016

County Council lending list – December 2015	
	Time Limit
<i>Regulation investments</i>	
DMADF account	6 months
UK Government T-bills	6 months
UK local authority	12 months
<i>Banks and building societies</i>	
Barclays	100 days
HSBC	6 months
Lloyds / Bank of Scotland	100 days
Nationwide	100 days
Santander	100 days
<i>MMF</i>	
Black Rock	same day
Insight	same day
Federated	same day
Standard Life	same day
State Street (SSGA)	same day

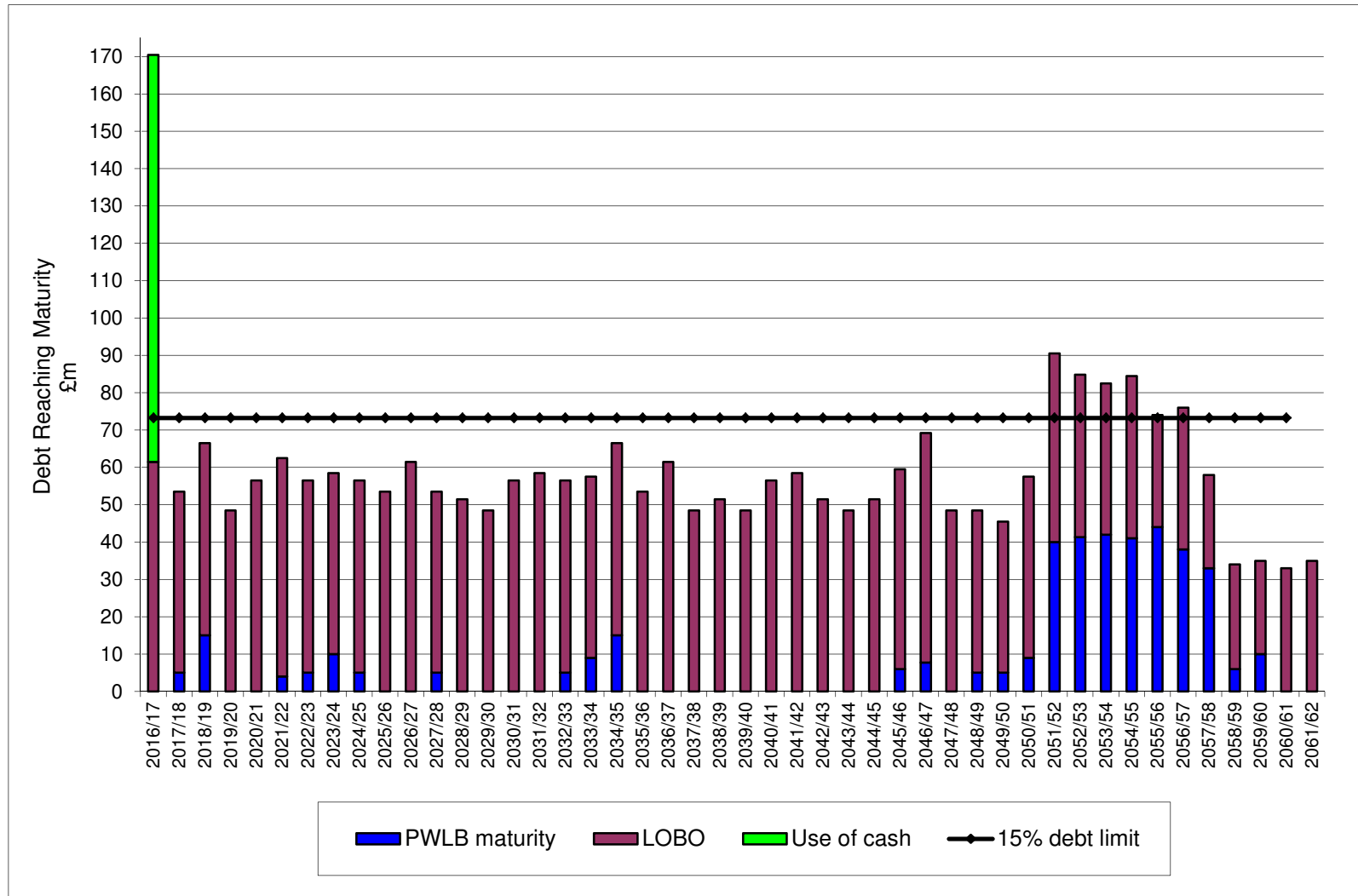
Cabinet – 20 January 2016

Prudential Indicators for Treasury Management

Indicator	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21
1.CIPFA Code of Practice for Treasury Management in the Public Services	The County Council has adopted the CIPFA Code of Practice on Treasury Management (2011 version).				
<i>This indicator identifies whether an authority has adopted CIPFA's Code of Practice for Treasury Management in the Public Services.</i>					
2. External Debt	£m	£m	£m	£m	£m
Authorised Limit for borrowing	671	665	661	650	639
Authorised Limit for other liabilities	238	240	241	243	245
TOTAL	909	905	902	893	884
Operational Boundary for borrowing	556	568	567	548	548
Operational Boundary for other liabilities	238	240	241	243	245
TOTAL	794	808	808	791	793
External Loans	518	513	498	498	498
<i>The Authorised Limit is the maximum level of external borrowing which should not be exceeded. It is linked to the estimated level of borrowing assumed in the capital programme.</i>					
<i>The Operational Boundary represents the Director of Finance and Resources estimate of the day to day limit for treasury management borrowing activity based on the most likely i.e. prudent but not worst case scenario.</i>					
<i>"Other liabilities" relate to PFI schemes which are recorded in the County Council's accounts.</i>					
3. Interest Rate Exposures					
a. Upper Limit (Fixed)	£596m	£591m	£586m	£575m	£564m
b. Upper Limit (Variable)	(£180m)	(£185m)	(£190m)	(£195m)	(£205m)
<i>Upper limits of fixed and variable borrowing and investments are required to be set. The effect of setting these upper limits is to provide ranges within which the County Council will manage its exposure to fixed and variable rates of interest. Negative figures are shown in brackets; these relate to the "high- point" of investments at a variable rate which are not offset by variable borrowings. The exposure to variable rate movements has been reduced by the use of cash in lieu of borrowing.</i>					
4.Maturity Structure of Borrowing	Upper Limit	Lower Limit			
See Appendix 6					
<i>This indicator relates to the amount of loans maturing in specified periods. The overarching principle is that steps should be taken from a risk management point of view to limit exposure to significant refinancing risk in any short period of time. The County Council currently applies the practice of ensuring that no more than 15% of its total gross fixed rate loans mature in any one financial year.</i>					
<i>Because this is a complex situation for the County Council, involving PWLB loans, LOBO loans with uncertain call dates and the use of internal cash, specific indicators have not been set. Instead the County Council will manage its exposures within the limits shown on the graph at Appendix 6. This graph shows all LOBO call options on a cumulative basis; in fact the actual pattern of repayment, although uncertain, will not be of this magnitude.</i>					
5.Upper limit for total principal sums invested for over 364 days (from maturity)					
<i>This limit has been set at the total amount that could be invested in non-specified investments as per the County Council's policy (see paragraph 64) which is the maximum that could be invested for 1 year or over.</i>	£95m	£95m	£95m	£95m	£95m
6. Borrowing in advance of need (Maximum debt)	100%	100%	100%	100%	100%
<i>This indicator sets the maximum loans as a proportion of the borrowing need. In 2016/17 the strategy is not to borrow in advance, hence the indicator is set at 100%.</i>					

Cabinet – 20 January 2016

County Council maturity structure of debt



Cabinet – 20 January 2016

Risk Assessment – Borrowing Strategy

Risk Heading	Risk Description	Relevance to Borrowing	Key Control	Assessment	Borrowing strategy
Security	A third party fails to meet its contractual obligations (i.e. counter party risk).	Unlikely that there is a failure between the agreement to borrow and sums being received a few days later. However, if we borrow in advance we must invest until this is needed and this increases exposure to investment risk.	Usually borrow from the Government (PWLB) and maximum 2 day gap between agreement to borrow and receipt of money.	LOW	Use of cash to fund borrowing reduces this risk further i.e. less money is held with banks and third parties as a result (see investment risk assessment).
Liquidity Page 53	Cash is not readily available when it is needed.	Only borrow for capital – usually borrow from Government (PWLB) with no limits other than the County Council agrees the borrowing is affordable. See legal and regulatory risk below.	Prudential rules on borrowing and consideration of whether Government is secure.	LOW	Use of cash to fund borrowing increases this risk as liquidity is reduced when borrowing is avoided. However, the County Council is able to borrow money temporarily using the money markets should it need to, so the overall risk remains low.
Interest Rate	Unexpected <u>reduction</u> in short term interest rates.	Depends on the mix between fixed rate borrowing and variable rate borrowing. Higher exposure to variable rate borrowing helps the budget.	The control is set out below.	LOW to MEDIUM	Pursuing a strategy of using cash reduces the overall net exposure to sudden interest rate falls.
Interest Rate	Unexpected <u>increase</u> in short term interest rates.	Mix of variable and fixed rates – Lower exposure to variable rate borrowing helps the budget.	Limit variable rate borrowing to a relatively small proportion (e.g. 20%) excluding cash.		20% limit provides a suitable risk control.

Risk Heading	Risk Description	Relevance to Borrowing	Key Control	Assessment	Borrowing strategy
Market	The market value of a loan changes substantially (i.e. how much is the borrowing strategy exposed to long term interest rate change).	How much risk is built into the maturity profile of the loans structure. LOBO's (17% of all loans) are the only 'market instrument' in borrowing terms currently used.	See alternative methodology using graph in Appendix 6 . This is inversely linked to refinancing risk below.	MEDIUM	Use of cash will shorten the duration of the loan portfolio and reduces this risk. Without the use of cash this risk assessment would probably be high.
Refinancing risk	Maturing transactions cannot be renewed on similar terms.	Need to avoid a high level of borrowing over a short period where you are exposed to high interest rates.	The County Council has a policy of limiting maturing loans to 15% of the portfolio (including LOBO's) See graph in Appendix 6 . This is inversely linked to market risk above.	MEDIUM	Using cash to fund borrowing potentially increases the refinancing risk. LOBO's increase refinancing risk (as the option to exercise the repayment trigger is held by the borrower). Without the use of cash this risk assessment would probably be low.
Regulatory and legal risk	Rules governing local government borrowing are changed or amended without notice, this has happened in the recent past.	Local government heavily reliant upon PWLB; cost and ability to reschedule / manage loans are determined by the Government. The Government could close the PWLB and force local authorities to use market loans for all new borrowing.	Market loans will be evaluated and taken if these are good overall value and dilute reliance on the PWLB. This risk cannot be managed in any other way.	MEDIUM	LOBO's are held and these diversify loans away from the PWLB. Use of cash means that PWLB loans are not being taken. If the PWLB was closed to new business then market loans would be the only option.

Cabinet – 20 January 2016**Minimum Revenue Provision (MRP) Policy Statement****Introduction**

Capital expenditure is expenditure on assets which have a life expectancy of more than one year e.g. buildings, vehicles, machinery etc. It would be impractical to charge the entirety of such expenditure to revenue in the year in which it was incurred therefore such expenditure is spread over several years in order to try to match the years over which such assets benefit the local community through their useful life.

The manner of spreading these costs is through an annual Minimum Revenue Provision (MRP), which was previously determined under Regulation, and will in future be determined under Guidance.

The Government issued guidance which came into force on 31 March 2008 which requires that a Statement on the County Council's policy for its annual MRP should be submitted to the full Council for approval before the start of the financial year to which the provision will relate.

The guidance offers four main options under which MRP could be made (for information these are detailed over the page), with an overriding recommendation that the County Council should make prudent provision to redeem its debt liability over a period which is reasonably commensurate with that over which the capital expenditure is estimated to provide benefits.

MRP Policy Statement 2016/17

The County Council implemented the new MRP guidance in 2009/10, and will assess their MRP for 2016/17 in accordance with the main recommendations contained within the guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003.

The major proportion of the MRP for 2016/17 will relate to the more historic debt liability that will continue to be charged at the rate of 4%, in accordance with the recommendations and intent of Option 1 of the Guidance.

Further amounts of new capital expenditure may continue to be charged at the rate of 4%, and added to the above mentioned base Capital Financing Requirement (CFR) amount, up to an amount equivalent to the County Council's annual Supported Capital Expenditure (Revenue) allocation.

Certain expenditures reflected within the debt liability at 31 March 2016 will under delegated powers be subject to MRP under Option 3.

Estimated life periods will be determined under delegated powers. To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the County Council. However, the County Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

Asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure.

With regards to loans granted by the County Council no MRP will be charged on them. The MRP will be equated to the principal repayment of the individual loans.

Option 1: Regulatory Method

Under the previous MRP regulations, MRP was set at a uniform rate of 4% of the adjusted CFR (i.e. adjusted for "Adjustment A") on a reducing balance method (which in effect meant that MRP charges would stretch into infinity). This historic approach must continue for all capital expenditure incurred in years before the start of this new approach. It may also be used for new capital expenditure up to the amount which is deemed to be supported through the SCE annual allocation.

Option 2: Capital Financing Requirement Method

This is a variation on option 1 which is based upon a charge of 4% of the aggregate CFR without any adjustment for Adjustment A, or certain other factors which were brought into account under the previous statutory MRP calculation. The CFR is the measure of an authority's outstanding debt liability as depicted by their balance sheet.

Option 3: Asset Life Method.

This method may be applied to most new capital expenditure, including where desired that which may alternatively continue to be treated under options 1 or 2.

Under this option, it is intended that MRP should be spread over the estimated useful life of either an asset created, or other purpose of the expenditure. There are two useful advantages of this option: -

- Longer life assets e.g. freehold land can be charged over a longer period than would arise under options 1 and 2.
- No MRP charges need to be made until the financial year after that in which an item of capital expenditure is fully incurred and, in the case of a new asset, comes into service use (this is often referred to as being an 'MRP holiday'). This is not available under options 1 and 2.

There are two methods of calculating charges under option 3:

- a. equal instalment method – equal annual instalments,
- b. annuity method – annual payments gradually increase during the life of the asset.

Option 4: Depreciation Method

Under this option, MRP charges are to be linked to the useful life of each type of asset using the standard accounting rules for depreciation (but with some exceptions) i.e. this is a more complex approach than option 3.

The same conditions apply regarding the date of completion of the new expenditure as apply under option 3.



Cabinet Meeting on Wednesday 20th January 2016

Dove First School: Outcome of Consultation on a Change from Community School to Church of England Voluntary Controlled (VC) School

Cllr Ben Adams, Cabinet Member for Learning and Skills said,

“Every child deserves a good education and we want all our schools to be rated as ‘Good’ or ‘Outstanding’ by OFSTED. The right foundation of learning and skills is vital for our young people to access good jobs and live healthier, happier and independent lives.

“Increasingly our schools are becoming self-supporting, controlling their own destiny and forming strong partnerships and networks. Dove First School is rated by OFSTED as ‘Good’ and the governing body want to enhance further the educational experience of students by becoming a Church of England voluntary controlled (VC) school.

“I share the school’s wish to benefit from strong partnerships within the Diocese, through becoming a Church of England primary school.”

Report Summary:

1. The County Council’s overriding priority is for a prosperous economy that will provide jobs and opportunities to help make Staffordshire a safe, healthy and aspirational place to live in. The proposal in this report will help to ensure children get a good education so they are well prepared for their adult lives and will support the county council’s statutory duty to promote diversity in school provision.
2. Following an overwhelmingly positive response to the statutory consultation, Cabinet is asked to consider the responses received and to determine whether to progress the proposal to publish a formal statutory proposal to close Dove First School linked with a proposal from the Lichfield Diocesan Board of Education that the school opens as a new Church of England voluntary controlled (VC) school on 1 September 2016.

Recommendation(s)

I recommend that:

- a. Cabinet approve the publication of a statutory proposal to close Dove First School on 31 August 2015, subject to a linked proposal from the Lichfield Diocesan Board of Education to open the school as a Church of England voluntary controlled (VC) school on 1 September 2016.

Local Members Interest	
Philip Atkins	Uttoxeter - Rural

Cabinet – 20th January 2016

Dove First School: Outcome of Consultation on a Change from Community School to Church of England Voluntary Controlled (VC) School

Recommendations of the Cabinet Member for Learning and Skills

- a. Approval for the publication of a statutory proposal to close Dove First School on 31 August 2016, subject to a linked proposal from the Lichfield Diocesan Board of Education to open the school as a Church of England voluntary controlled (VC) school on 1 September 2016.

Report of Deputy Chief Executive and Director for Families and Communities

Reasons for Recommendations:

1. Our vision for a Connected Staffordshire is where everyone has the opportunity to prosper, be healthy and happy. Every child deserves a good education and to be “ready for life”, with the drive to want to attain a good job and the skills to do so.
2. Dove First School, in Rocester, already operates with a Christian ethos, reflected in the school’s values, its strong sense of community, and helping others. The Governors believe that the educational experience of students would be further enhanced if the School became a Church of England voluntary controlled (VC) school.
3. The county council is also committed to achieving excellence in learning and skills and welcomes the increased diversity in school provision that would be provided by the school becoming a Church of England primary school in Staffordshire.
4. The recent formal consultation demonstrated overwhelming support for the proposed change and the next stage in the legal process is the publication of a statutory proposal.

Background

5. Following a delegated decision to consult the County Council, together with the Lichfield Diocesan Board of Education and the Governing Body of Dove First School, has consulted formally on proposals for Dove First School to become a Church of England voluntary controlled school.
6. The proposals would provide additional support for the school to further strengthen the quality of education at Dove First and to help continually to improve the experience, progress and attainment of pupils.
7. The formal consultation document explained the rationale for change:
 - a. Dove First would become part of the Diocese of Lichfield, which operates 205 schools and academies across seven Local Authority areas in the West Midlands. This would strengthen the school's existing links with the Parish Church and other church schools, including Ryecroft CE(C) middle school This will enable much closer working together and enable a better transition for the children to the neighbouring Middle School.
 - b. It will assist when the school moves to a new school site where Dove First and Ryecroft Middle Schools will be neighbours.
 - c. The Diocese has also established a partnership with the Diocese of Birmingham and Wolverhampton University, known as The Church of England Central Education Trust (CECET). This new Trust offers a framework for school improvement and the professional development of staff.
 - d. Have a control over decision making and the school's future and assist their plans to develop and further improve educational outcomes.
 - e. Strengthen links
 - f. The formal consultation took place between 12 October and 9 November 2015.
8. Response forms were distributed to all stakeholders and 22 returns were received to the consultation. The overwhelming majority of adults who responded agreed with the proposed change, twenty (91%) supported the proposal and two responses (9%) indicated no strong view on the proposal. There were no responses received that did not support the proposal.
9. The outcome of the recent formal consultation is discussed in the Director's Commentary in Appendix A and the written responses received and notes of consultation meetings are shown in Appendix B.
10. The next steps are that if this report is approved, a statutory proposal would be published with a six week 'representation period' for comment and objection. Following this Cabinet would meet again, in April 2016, to consider any objections and comments and to determine the linked proposals.

List of Background Documents:

The public consultation document can be viewed on the school's website:

<http://www.staffordshire.gov.uk/yourcouncil/consultationandfeedback/consultationdetails.aspx?consultationid=dove-first-school-consultation&consultationdeptid=education-and-learning>

School Organisation: Guidance for Decision-makers (Department for Education)
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/278418/School_Organisation_Guidance_2014.pdf

Report Commissioner: Anna Halliday

Job Title: Commissioner for Education and Wellbeing

Telephone No: 01785 278774

Email: anna.halliday@staffordshire.gov.uk

Summary of Community Impact Assessment (including a Health Impact Assessment if applicable) for Dove First School: outcome of consultation on a change from community school to Church of England voluntary controlled (C) school

	Impact Assessment	
SCC's Priority Outcomes & Impact Areas	Impact	Provide brief detail of impact
Prosperity, knowledge, skills, aspirations	Positive	Strengthened support, partnerships and networks will help raise standards to ensure young people are 'ready for life'
Living safely	Neutral	
Supporting vulnerable people	Neutral	
Supporting healthier living	Neutral	
Highways and transport networks	Neutral	
Learning, education and culture	Positive	Will provide additional support to the school to benefit teaching and learning
Children and young people	Positive	The educational experience of pupils would be further enhanced
Citizens and decision making, improved community involvement	Positive	If the report is approved, a statutory proposal would be published with a 6-week "representation period" for comment and objection. Cabinet would determine the proposals in April 2016.
Physical environment including climate change	Neutral	
Maximisation of use of community property portfolio	Neutral	(NB The school is due to be relocated as part of the Basic Need programme.)
Equalities Impact	Impact: (positive / neutral / negative)	Provide brief detail of impact
Age	Neutral	
Disability	Neutral	
Ethnicity	Neutral	
Gender	Neutral	
Religion / Belief	Positive	The school would continue to serve its local community. The change would add to parental choice.

Sexuality	Neutral	
	Impact / Implications	
Resource and value for money (in consultation with finance representatives)	<p>However, the school is due to benefit from a move to a new built school sharing the site with Ryecroft Middle CE (C) School.</p> <p>A legal agreement would be reached so that the successor school makes suitable provision for any revenue budget deficit, formula capital deficit loans and from the predecessor school.</p>	
Risks identified and mitigation offered (see corporate risk register categorisation)	<p>If Cabinet do not approve the recommendation, it would undermine the governing body's wish to determine the school's own status and denomination.</p>	
Legal imperative to change if applicable (in consultation with legal representative)	<p>The county council has a statutory duty to promote diversity in school provision. The county council's is the statutory proposer and decision maker for the closure of the school.</p>	

Appendix A

COMMENTARY FROM DEPUTY CHIEF EXECUTIVE AND DIRECTOR FOR FAMILIES AND COMMUNITIES

1. The consultation was conducted between 12 October and 9 November 2015. Those consulted were: the Governing Body of Dove First School; Lichfield Diocesan Board of Education; the families of pupils at Dove First School; teachers and other staff at Dove First School; Staffordshire, Local Authority; teachers, staff and the families of pupils at any other school who may be affected by the proposals including all the Uttoxeter schools; trade unions; MPs and councillors in the Uttoxeter district. The school's staff and governors are in support of the proposal. A public meeting and separate staff consultation meeting was held at Dove First School on 15 October (see Appendix 2).
2. By the closing date, 22 responses were received to the formal consultation: all in support or with no strong view. Of the 22 responses all provided written comments (see Appendix 2).
3. The majority of responses favoured the proposals, with one of the most popular comments being that the Christian values are most important. As one respondent stated, "Christian values are important whether religious or not and encouraging children to be kind and selfless and respectful of all backgrounds is important". Several respondents made more general statements, such as "fully support the proposal" or "we assumed we were already a church school due to the close links with the church".
4. There were no written objections to the proposals, with two responses indicating they had no strong view. One parent questioned the need to become a church school during the consultation meeting.
5. It is considered that the formal partnership with the Diocese, the mutual support from a network of Diocesan schools and academies, together with the expertise and support of The Church of England Central Education Trust (CECET) will help to further enhance standards and benefit students. The county council believes it is vital that schools build strong and formal networks and partnerships that promote the sharing of expertise, experience, capacity and resources to drive forward school improvement.

6. With regard to inclusivity and admissions, Church of England schools in Staffordshire have long maintained their tradition as inclusive, neighbourhood schools, providing places first and foremost for local children. The school must always allocate places to statemented children and looked after children, whether or not of faith, and the school has a defined catchment area which gives priority to local children. The county council will remain the admission authority for the new school and would continue to determine the school admission arrangements and oversubscription criteria. The Dove First School has confirmed that the admission arrangements for 2016/17 will not change and will continue to welcome applications from all families and offer places to as many children as possible who apply. The Planned Admission Number (PAN) will remain at 20.
7. The school's focus on teaching and learning would continue as it does now; the staff review the curriculum annually, and teach according to the needs of the individual, regardless of faith. Staff would be retained and recruited on the basis of the quality of teaching not the faith of the school. The governing body of a voluntary controlled Church of England school comprises of up to 25% of "foundation governors" (including parents) who are appointed by the church. The Governing Body would be reconstituted and the Diocesan Board of Education would therefore appoint up to 25% of the foundation governors, and will consult the current governors on appointments to the new governing body. We would expect many of the existing governors to transfer to the new entity.
8. The Dove First School operates currently with a Christian ethos, religious education is already a core element of the school's curriculum and would continue to be at its heart, and the school would continue to use the locally agreed syllabus for RE.

Appendix B

Notes from the open meeting and transcript of written responses received

There were 10 attendees for the public meeting, including representatives from the governing body, Diocese of Lichfield and county council. A discussion took place around the governors decision to become a church school and the choice that provided. A minority indicated they were not persuaded either way with the majority wholeheartedly supporting the proposal.

WRITTEN RESPONSES FROM CONSULTATION

Where a response was received with a comment on the reply slip, these have been reproduced below. The comments are shown anonymously, although the original reply slips have been retained, cross-referenced by the “number” shown below.

Nº	Comments
1	Christian values are important whether religious or not and encouraging children To be kind and selfless are respectful of all backgrounds is important
2	School have always had close links with the Church with many people assuming We are already a Church school
3	Total agreement as we already have very strong links with St Michael's.
4	Fully support proposal for Dove to become C of E school
5	We already have such strong links with St Michael's so I fully support the above proposals.
6	I think it's a great idea and would be an asset to the school
7	Lovely asset for the children
8	It makes sense to change it now and as the teaching will still be at a high Standard now and moving into the new school partnership, C of E makes sense.
9	I give my full support
10	Great idea
11	Good for community, children and school
12	I thought Dove was a Church of England School already, and gladly welcome It becoming one.



Cabinet meeting on 20th January 2016

**Quarter 3 Performance Report
October – December 2015**

**Report Summary from Philip Atkins, Leader of the
Council and Ian Parry, Deputy Leader and Cabinet
Member for Strategy, Finance and Corporate Issues**



Philip Atkins, Leader of the Council, said:

“As a county council we want to help people in Staffordshire get a good education, get better jobs and lead healthy and independent lives for as long as possible.

“It is therefore good to hear that the percentage of pupils getting five or more GCSEs at Grade C or above continues to be above the national average and once again the number of people claiming Job Seeker’s Allowance continues to be the lowest since records began more than 20 years ago.

“We also have positive update on the progress of the Stafford Western Access Route, Midlands Connect – which will help set out strategic transport priorities – and plans to develop a 15 acre site at i54, all a key part of delivering a flourishing economy.”

Ian Parry, Deputy Leader and Cabinet Member for Strategy, Finance & Corporate Issues, said:

“We continue to work hard to deliver a fair and balanced budget against a backdrop of managing increasing pressures around caring for a growing ageing population.

“As a county council we want to work even closer with our partners to ensure we focus even more on helping people get the support they need in their homes and in their local communities as part of more affordable and seamless integrated health and social care support services.”

Report Summary

1. This Quarterly Performance Report provides an overview of Staffordshire County Council's performance and highlights the progress we are making in delivering our three priority outcomes focused upon ensuring:
 - The people of Staffordshire will be able to access more good jobs and feel the benefits of economic growth
 - The people of Staffordshire will be healthier and more independent
 - The people of Staffordshire will feel safer, happier and more supported in and by their community
2. This report also provides an update on our continuing drive to be a well-run council, including the financial position of the county council and delivery of the Medium Term Financial Strategy.
3. **Recommendation** - We recommend that Cabinet notes and challenges performance and advises of any further information and/or action required.

Report Commissioner: Kate Waterhouse
Job Title: Head of Insight, Planning and Performance
Tel. No: 01785 277893
Email: kate.waterhouse@staffordshire.gov.uk

Local Members Interest
N/A

Cabinet – 20th January 2016

Quarter 3 Performance Report October – December 2015

Recommendations of the Leader of the Council and Deputy Leader and Cabinet Member for Strategy, Finance and Corporate Issues

1. **That Cabinet Members:**

- a) Note and challenge the performance position and advise of any further information or action required.

Report of the Director of Strategy, Governance and Change and the Director of Finance and Resources

Report begins on following page.

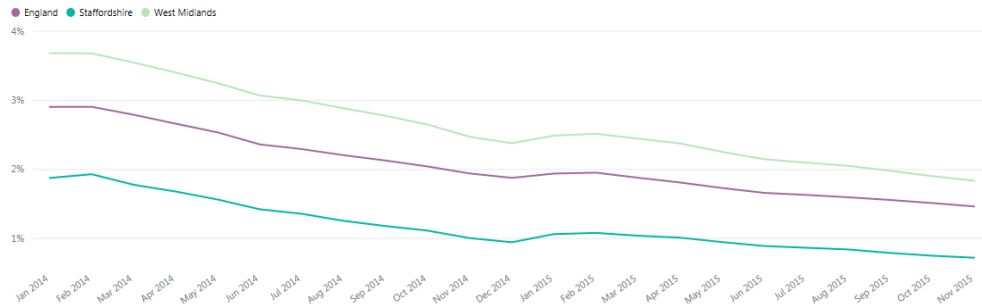
OUTCOME ONE- THE PEOPLE OF STAFFORDSHIRE WILL BE ABLE TO ACCESS MORE GOOD JOBS AND FEEL THE BENEFITS OF ECONOMIC GROWTH

Quarter Three, 2015/16

WORKLESSNESS

UNEMPLOYMENT

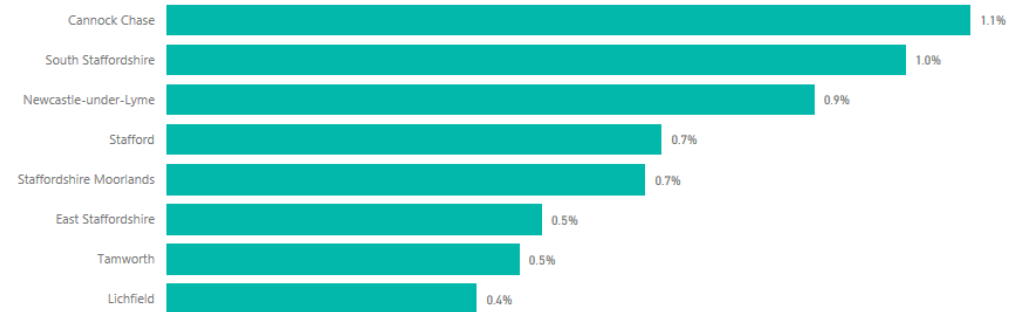
Percentage of working age job seekers allowance (JSA) claimants, January 2014-November 2015



In November 2015, the percentage of working age JSA claimants in Staffordshire (0.7%) continued to be below both the West Midlands (1.8%) and national rates (1.0%).

Source: NOMIS

Percentage of working age job seekers allowance (JSA) claimants, by district, November 2015



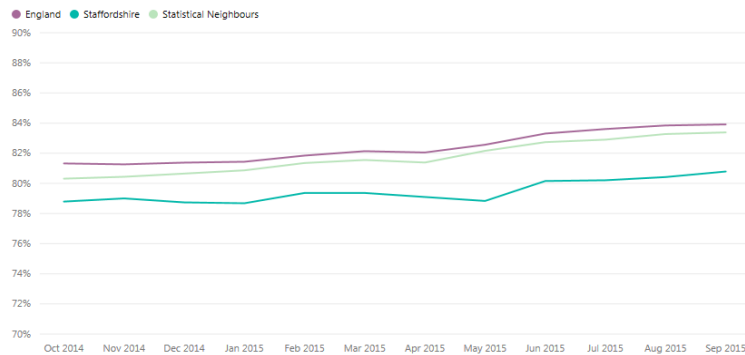
Cannock Chase recorded the highest percentage of working age JSA claimants in November 2015 and Lichfield recorded the lowest. All districts recorded a rate below the national average.



EDUCATION

SCHOOL OFSTED RATINGS

Percentage of schools rated as good or outstanding by Ofsted, October 2014–September 2015



As of September 2015, 81% of all schools in Staffordshire were rated as 'Good or Outstanding' by Ofsted, compared to 84% nationally. The target is for 90% of schools to be 'Good or Outstanding' by August 2016.

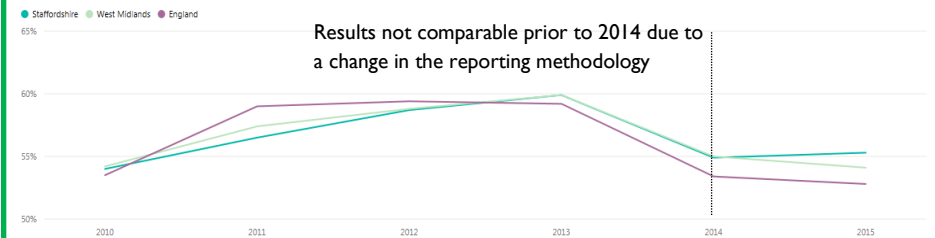
* Provisional Ofsted data for management information (not official statistics).

Source: Ofsted*



KEY STAGE 4 ATTAINMENT

Percentage of pupils attaining 5+ A*-C GCSEs including English and maths (provisional and unvalidated data)



Provisional results for Staffordshire show that 55.3% of pupils achieved 5+ A*-C including English and maths in 2015. Staffordshire continues to record a result that is above the national average (52.8%) and the gap is widening; from 1.5 percentage points (pp) above national in 2014 to 2.5pp above national in 2015.

Source: DfE School and College Performance Tables



Outcome One – The people of Staffordshire will be able to access more good jobs and feel the benefits of economic growth

Performance Summary

Staffordshire continues to perform well in terms of the percentage of the working age population claiming Job Seekers Allowance (JSA). In November 2015, 3,877 residents aged 16-64 claimed JSA (0.7%). The rate remained below the West Midlands (1.8%) and national average (1.5%). Cannock Chase recorded the highest percentage of the working age population claiming JSA in November 2015 (1.1%), however this was below the national average.

The delivery of Staffordshire County Council's Achieving Excellence in Learning and Skills Strategy continues and as at September 2015, Ofsted monthly management data showed that 81% of all schools in Staffordshire were rated as good or outstanding, compared to 84% nationally. The target is for 90% of schools to be rated as good or outstanding by August 2016.

Provisional, unvalidated Key Stage 4 results for Staffordshire show that 55.3% of pupils achieved five or more A*-C GCSEs including English and maths in 2015. Staffordshire continues to record a result that is above the national average (52.8%) and the gap is widening; from 1.5 percentage points (pp) above the national average in 2014 to 2.5pp above the national average in 2015. Results are not comparable prior to 2014 as there was a change in the recording methodology.

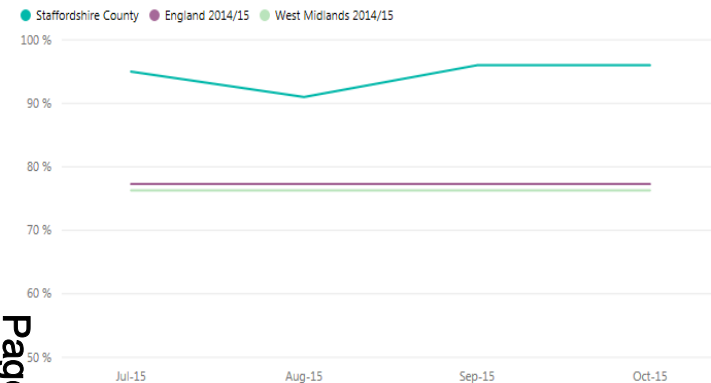
Priority Activity

Generating economic growth continues to be a key priority for the county council. Creating a more skilled county, improving infrastructure and connectivity remain key priorities. Staffordshire is strengthening its position as an investment area by delivering major infrastructure projects and forming innovative business partnerships with businesses, LEAs and councils. Around £5m of Government money will be spent developing a new regional transport strategy through the Midlands Connect Partnership which aims to improve road, rail and freight links between Staffordshire and the rest of the region. Activity around connectivity continues to improve and in addition to the continued success the Superfast Broadband roll out programme a recent grant has been awarded to the county council so it can provide free wi-fi in libraries. Great Wyrley Library will have wi-fi for the first time, and another 40 libraries will have their systems upgraded. The approval of the Stafford Western Access Route which is a major road building scheme aimed at easing traffic congestion in the centre of Stafford will also help to support the development of new homes and provide growth of the town. An agreement has been signed between Property investment group A&J Mucklow, Wolverhampton City Council and Staffordshire County Council to promote and develop a 15-acre site at i54; the South Staffordshire innovation hub.

ADULT SOCIAL CARE

SUPPORT

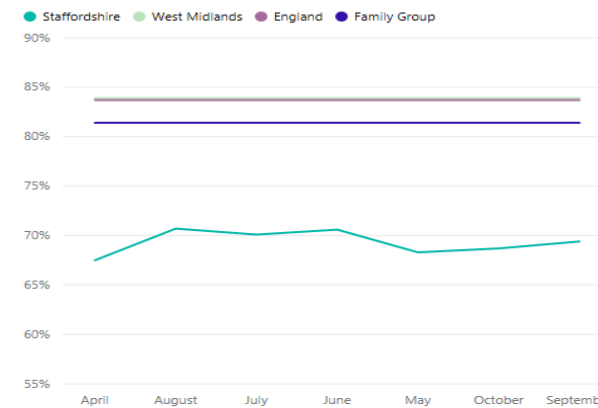
Percentage of respondents of the Adult Social Care Survey that feel that they are supported to make their own decisions about their social care and/or services, July-October 2015



The percentage of respondents of the Adult Social Care Survey that feel they are supported to make their own decisions about their social care and/or services remained high in October 2015 (96%).

Source: Monthly Adult Social Care Survey, Staffordshire and Stoke-on-Trent Partnership Trust

Percentage of eligible service users who receive their support through a personal budget or a direct payment



In October 2015, 69% of eligible service users received their support through a personal budget or a direct payment, which is below the national (84%) and family group (81%) comparisons for the 2014/15 outturn.

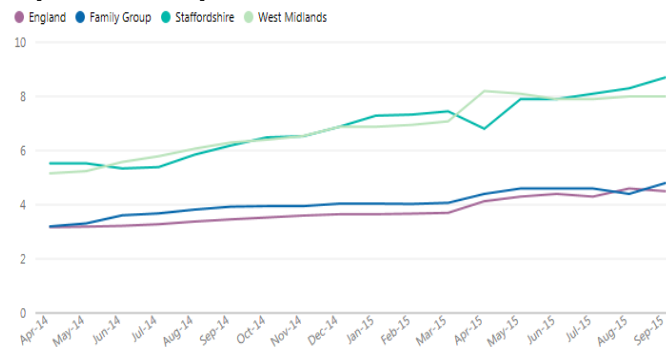
Source: Commissioning Delivery Hub and Adult Social Care Outcomes Framework

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A

INDEPENDENCE

Delayed transfers of care from hospital which are wholly or jointly attributable to adult social care (Rate per 100,000 adult population), April 2014-September 2015



The rate of delayed transfers of care wholly or jointly attributable to adult social care is increasing. In September 2015, there was a rate of 8.7 per 100,000 adult population. The rate is significantly higher than the statistical neighbour (4.8) and national (4.5).

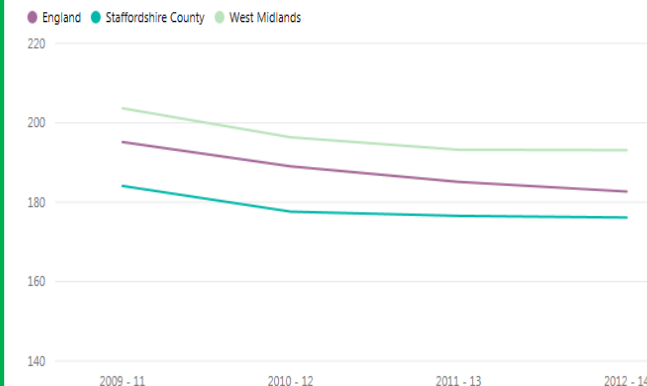
Source: Commissioning Delivery Hub and Adult Social Care Outcomes Framework

R

HEALTHY LIFESTYLES

PREVENTABLE MORTALITY

Preventable mortality rate (age standardised per 100,000 population)



The age standardised rate (per 100,000) from causes considered preventable remained stable in 2012-14 compared with 2011-13 and was significantly better than the national average. This data became available in Quarter 3, 2015/16.

Source: Public Health England

G

Outcome Two – The people of Staffordshire will be healthier and more independent

Performance Summary

Staffordshire continues to perform well in terms of the percentage of respondents who feel that they are supported to make their own decisions about their social care and/or services. In September 2015, 96% of respondents of the monthly Adult Social Care survey felt that they were supported, which is higher than the national (77.3%) and regional (76.3%) results for a similar question in the national annual Adult Social Care Survey, 2014/15 (the proportion of people who use services who have control over their daily life).

Despite the positive performance in terms of social care users feeling supported, only 69% of eligible service users received their support through a personal budget or a direct payment, which is below the national (84%) and family group (81%) comparisons for the 2014/15 outturn. The Operational and Intelligence Performance Team at Staffordshire County Council believe that there is currently a substantial gap between actual and recorded performance for personal budgets due to missing data in the CareDirector client database. This is being addressed through ongoing training and feedback to front-line staff. Personalisation/Direct Payment champions are also being identified in each area to promote direct payments through team meetings and professional forums.

The reported rate of delayed transfers of care (DToC) wholly or jointly attributable to adult social care is continuing to increase and in September 2015 reached a rate of 8.7 per 100,000 adult population. The rate of 8.7 represents an average of 60 people delayed on the particular snapshot date (year-to-date). The rate is significantly higher than the statistical neighbour (4.8) and national (4.5) comparisons for September 2015. It has been identified that DToC recording in Staffordshire is not compliant with the national policy for counting and validation and is therefore not currently accepted as accurate by the council. Two workshops have taken place with Clinical Commissioning Groups (CCGs) and operational staff to identify the relevant issues in preparation for the implementation of the necessary data validation processes.

Priority Activity

Work is progressing with the Collaborative Commissioning Congress transformation programme, 'Together We're Better'. An Outcomes Definition Group has been held with patients, public, clinicians and professionals to identify what good looks like in the key workstreams of the programme. The aim is to identify opportunities for better joint working and to establish priorities for improvement for the future and to help provide consistency in messages to promote self-care and greater prevention of ill-health. This work will continue in 2016 when options will be generated for identifying new models.

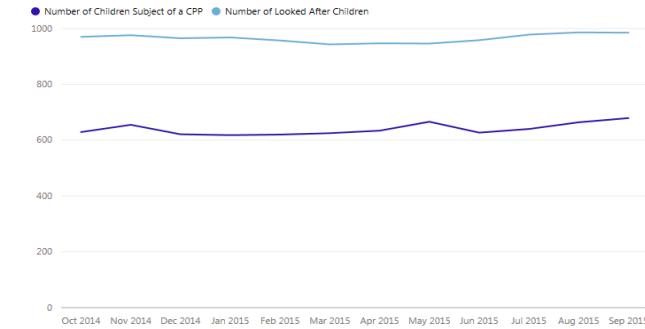
OUTCOME THREE- THE PEOPLE OF STAFFORDSHIRE WILL FEEL SAFER, HAPPIER AND MORE SUPPORTED IN AND BY THEIR COMMUNITY

Quarter Three, 2015/16

SAFEGUARDING

LOOKED AFTER CHILDREN

Number of Looked After Children and children subject of a Child Protection Plan, October 2014-September 2015



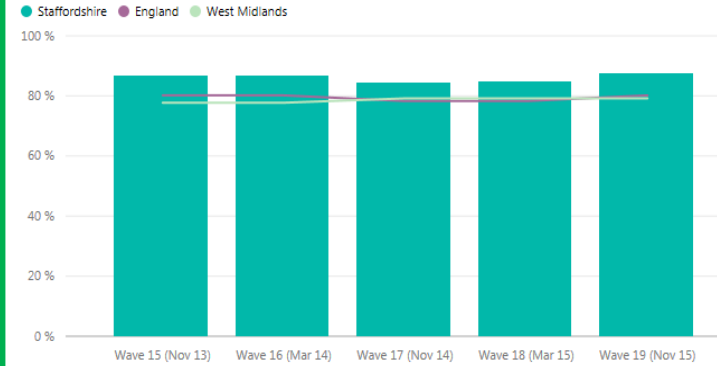
There were 985 children who were 'Looked After' by Staffordshire County Council in September 2015 and 679 children were subject of a Child Protection Plan.

Source: Staffordshire County Council Families First

WELL-BEING

LIFE SATISFACTION

Percentage of residents who are satisfied with their life



The latest results of the Feeling the Difference Survey (Wave 19, November 2015) show that residents in Staffordshire continue to have high levels of life satisfaction (88%).

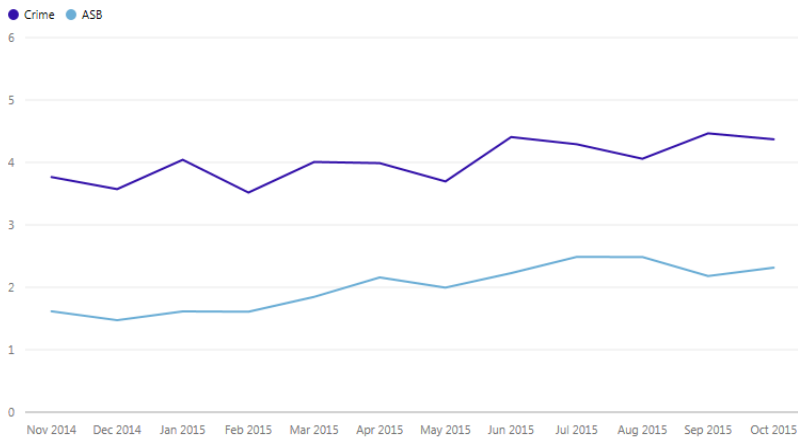
Source: Feeling the Difference Survey



COMMUNITY SAFETY

CRIME AND ANTI-SOCIAL BEHAVIOUR

Rate of recorded crime and reported anti-social behaviour (per 1,000 population), November 2014-October 2015

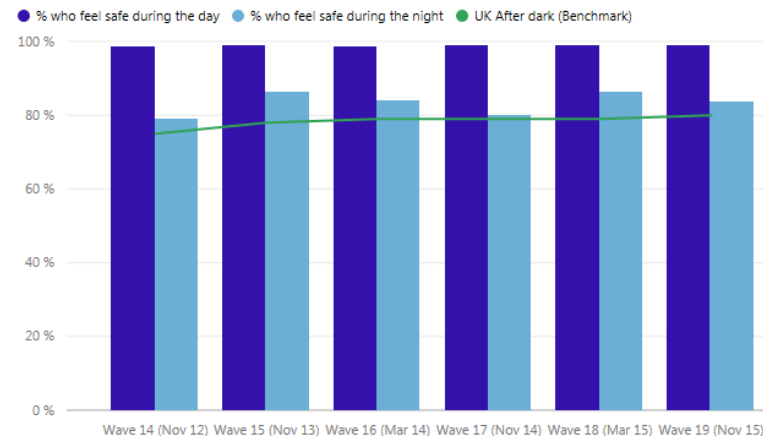


There has been no significant change in the level of recorded crime and reported incidents of anti-social behaviour in October 2015 compared with the previous months.

Source: Staffordshire Police

FEELINGS OF SAFETY

Percentage of residents that feel safe in the day and after dark



The percentage of residents who report feeling safe after dark in Staffordshire has remained stable (84%) and is in line with the national average (80%).

Source: Feeling the Difference Survey



Outcome Three – The people of Staffordshire will feel safer, happier and more supported in and by their community

Performance Summary

In September 2015, the looked after children population in Staffordshire was 985; a rate of 57.9 per 10,000 population. This was slightly above the statistical neighbour average rate of 56 (at the end of March 2015). In terms of recent regional benchmarking, the number of looked after children in Staffordshire was slightly lower than comparative local authorities based on levels of deprivation.

Within the looked after children population, approximately 4% were Unaccompanied Asylum Seeking Children (UASC) in September 2015. The number of Unaccompanied Asylum Seeking Children (UASC) in Staffordshire remained fairly stable throughout 2014. In October 2014 there were 27 UASC who were under 18 and therefore 'looked after children'. There were also a similar number of people who were over 18 and therefore supported as 'care leavers'. This stability in terms of numbers was reflected in most local authorities in England. However, in 2015 there has been a steady increase in numbers of UASC in Staffordshire, with 36 in June, 44 in September and 56 in October, resulting in greater demand on resources. There were also 40 UASC care leavers in October 2015. This increase has also been reflected in other Local Authorities.

The number of children subject of a child protection plan at the end of September 2015 increased to 679; a rate of 39.8 per 10,000 population, which is lower than the national rate of 42.9 (at the end of March 2015). However, this is the highest number of children subject of a plan since March 2014 (698). The latest benchmark figures from Quarter 1, 2015/16 show that the rate of children subject of a child protection plan per 10,000 was 36.9 which is lower than the regional rate of 47.8.

The levels of recorded crime and reported incidents of anti-social behaviour have remained stable in October 2015 compared with the previous months. Feelings of safety in Staffordshire have followed a similar trend based on the results of the latest Feeling the Difference Survey (Wave 19, November 2015). The percentage of residents in Staffordshire that feel safe after dark (84%) is in line with the national average (80%). This is based on a similar question from a national survey. Comparisons should therefore be made with caution.

The latest results of the Feeling the Difference Survey also show that Staffordshire residents continue to have significantly higher levels of life satisfaction (88%) compared with the national average (80%). Caution should also be taken with this benchmark as it is based on a different survey with a different methodology.

Priority Activity

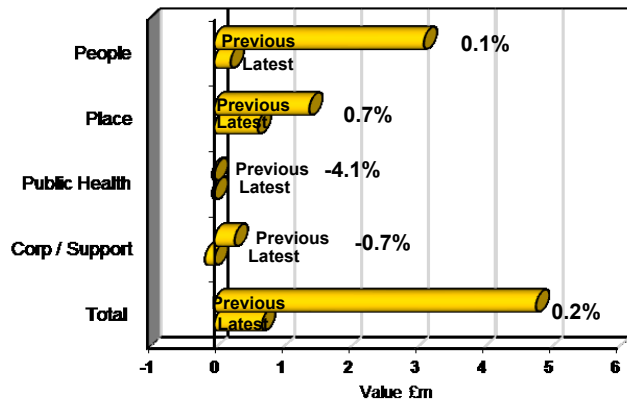
In response to key priorities emerging from recent community safety assessments, Staffordshire Police currently has 15 operations active across Staffordshire. These include operations to tackle Modern Day Slavery, child sexual exploitation, gang tensions/violence/drugs and serious organised crime. These all involve the wider Staffordshire partnership to ensure public safety and contribute to general quality of life across Staffordshire. In addition, there are cross border initiatives with a number of forces to tackle regional vehicle related crime including car key theft and offences involving curtain sided lorries. These examples of coordinated activity across multiple forces are already proving successful with many arrests relating to substantial numbers of offences both in Staffordshire and other force areas.

Access to green space plays an important role in delivering priority outcomes around health and wellbeing and helps to support the wider agenda around social cohesion, inclusion and independence. Work is currently being undertaken to consult on the future management of the county council's countryside estate to identify a suitable long term sustainable solution for the future of its picnic areas, greenways and country parks.

Quarter Three, 2015/16 (Information relates to Quarter Two as Quarter Three is not yet available).

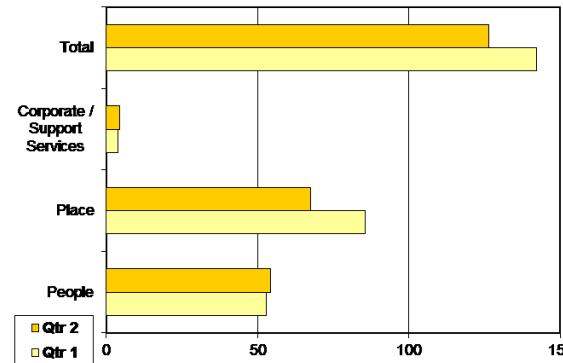
FINANCE/TRANSFORMATION

Revenue Budget Variance



The latest revenue forecast outturn shows an overspend of £0.7m (0.2%). The pressures include increases to care packages in All Aged Disability (£3m), and Green Waste Recycling Credit pressures (£0.5m) are some of the reasons for this level of forecast overspend. Savings include reductions in Looked After Children and expensive placements (£3.3m) and Education and Wellbeing savings (£1.3m).

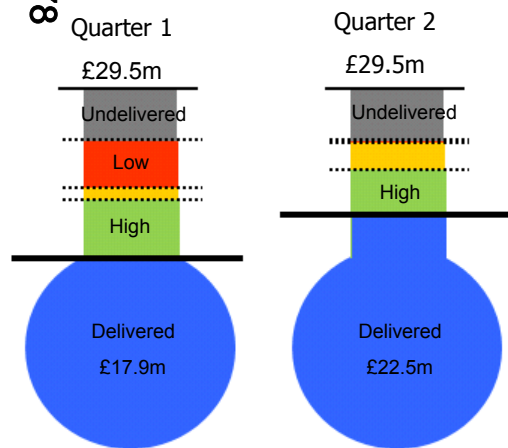
Capital Programme



The latest capital outturn projection is £126.3m, compared to the quarter 1 position of £142.3m, a decrease of 11.3%. This projection is a fully funded position. There has been some reprofiling of schemes, including the A50 project, Uttoxeter and Newcastle Household Waste Sites, Stafford Western Access Route and schemes within Care and Independence.

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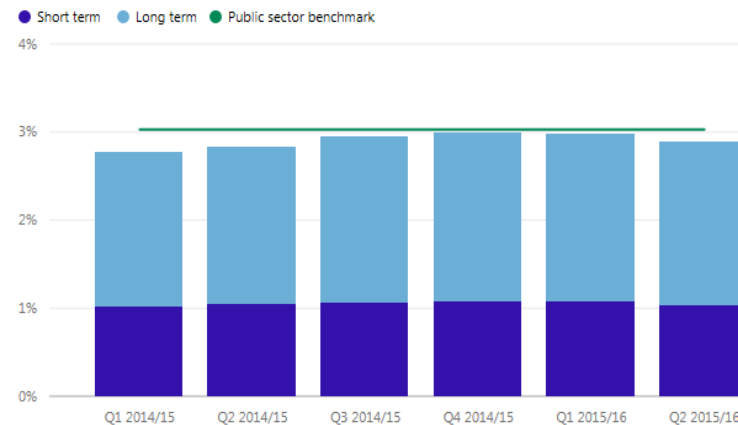
Savings Tracker- Target £33.1m



Progress on Innovation and Efficiency options is monitored monthly. Savings are categorised into confidence of delivery. The latest position shows that a number of savings have moved from High confidence to delivered. The amount that remains as Low confidence has reduced to £0.1m. However, there remains £3.6m that is undelivered and this relates to modernisation savings and Schools Services Business Improvement savings.

HUMAN RESOURCES

Percentage of available days lost due to sickness absence (including schools)- Rolling 12 months, Quarter 1, 2014/15-Quarter 2, 2015/16



Staffordshire County Council (including schools) consistently performs better than public sector organisations of the same size in terms of the percentage of available days lost due to sickness absence. Quarter 2, 2015/16 has seen a slight reduction in absence compared to the end of Quarter 1 2015/16. Overall absence for the whole of SCC now stands at an average of 7.53 days per employee (down from 7.79 days).

Cabinet – 20 January 2016

Decisions Taken by Cabinet Members under Delegated Powers

Recommendation of the Leader of the Council

1. That the decisions taken by Cabinet Members under delegated powers, as detailed in paragraph 3 below, be noted.

Report of the Director of Strategy, Governance and Change

Reasons for Recommendations

2. To inform Cabinet of recent decisions taken by Cabinet Members under delegated powers.

Background

3. Cabinet are requested to note the following decisions taken by Cabinet Members under delegated powers:

Cabinet Member	Decision
Leader of the Council	In approving that the County Council becomes the Accountable Body for funding allocated to the Stoke-on-Trent and Staffordshire Local Enterprise Partnership.
Deputy Leader and Cabinet Member for Strategy, Finance and Corporate Issues	In approving the granting of a lease of the former Exley Children’s Centre, Wilnecote Lane, Belgrave, Tamworth.
Deputy Leader and Cabinet Member for Strategy, Finance and Corporate Issues	In approving the sale of Plot G (2) at i54, South Staffordshire
Cabinet Member for Economy, Environment and Transport	In approving: <ul style="list-style-type: none"> (i) The acceptance of the Local Growth Deal investment from the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) for the ground remediation within zone A at the Kingswood Lakeside development. (ii) The investment of part of the money from the GBSLEP into the development for First Choice Catering Spares Ltd. (iii) The investment of part of the money from the GBSLEP into the wider Kingswood Lakeside development.
Cabinet Member for Learning and Skills	In approving the introduction of a contributions policy with effect from 1 January 2016 under which schools will be required to make a financial contribution towards the costs incurred by the Local Authority when they convert to become an academy.

Report author:

Author’s Name: Mike Bradbury
 Telephone No: (01785) 276133

List of Background Papers - Cabinet Members Delegated Decision Nos. 375 - 379.

Agenda Item 10

FORWARD PLAN OF KEY DECISIONS

Period: 17 February 2016 - 15 June 2016

The Forward Plan of Key Decisions is prepared on a monthly basis and published at least 28 days before the start of the period covered.

“Key Decisions” are defined as those Executive decisions which are likely:

- (a) to result in the County Council incurring expenditure which is, or the making of savings which are, significant having regard to the relevant budget for the service or function to which the decision relates; or
- (b) to be significant in terms of its effects on communities living or working in an area comprising two or more electoral divisions in the County’s area.

The Forward Plan will contain **ALL** matters which the Leader of the Council has reason to believe will be the subject of a Key Decision to be taken by the Cabinet. It may also include decisions that are not key decisions but are intended to be determined by the Cabinet. Part of the Cabinet meetings listed in this Forward Plan may be held in private where a report for the meeting contains exempt information under Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 (as amended) and that the public interest in withholding the information outweighs the public interest in disclosing it. If you would like to make representations about any particular decision to be conducted in private then please email: michael.bradbury@staffordshire.gov.uk. Such representations must be received in advance 6 clear working days before the date on which the decision is scheduled to be taken.

The Membership of the Cabinet consists of:

Leader of the County Council – Philip Atkins
Deputy Leader and Cabinet Member for Strategy, Finance and Corporate Issues – Ian Parry
Cabinet Member for Health, Care and Wellbeing – Alan White
Cabinet Member for Children and Community Safety – Mike Lawrence
Cabinet Member for Economy, Environment and Transport – Mark Winnington
Cabinet Member for Learning and Skills – Ben Adams

A copy of the Forward Plan of Key Decisions may be inspected, free of charge, at the Member and Democratic Services office, County Buildings, Martin Street, Stafford, during normal office hours Monday to Friday. A copy of the notice will also be available on Staffordshire County Council’s Website at www.staffordshire.gov.uk.

Documents submitted for decision will be a formal report which will be available on the County Council’s website at least 5 clear working days before the date the decision is to be made, unless that report is subject to any prohibition or restriction on its disclosure. Other relevant background documents used in compiling the report will also be made available in the same way unless they are subject to any prohibition or restriction on their disclosure.

Minutes of Cabinet meetings will be published within three working days and will be subject to call-in. The call-in period lasts for three working days. If the decision is not called-in it will be implemented on the fourth working day. Special urgency items are exempt from call-in.

John Tradewell
Director of Strategy, Governance and Change

Contact Officer: Mike Bradbury (01785) 276133

Forward Plan of Key Decisions
Period: 17 February 2016 - 15 June 2016

NOTE:

- (1) The Forward Plan of Key Decisions sets out all Key Decisions intended to be made by Cabinet during the above period.
- (2) The Cabinet date can be provisional and items may move/roll forward to another meeting date but this will be monitored.
- (3) Items should remain on the Notice until a decision is made by Cabinet or is formally removed.
- (4) Where there is an intention to make a decision in private the exemption paragraph relied upon will be included within this notice

Anticipated Date of Decision	Public or Private Decision	Title and Description	Background Documents	Consultation	Contact Officer
February 2016	Public	<p>Strategic Plan and Medium Term Financial Strategy 2016-2021 (Deputy Leader of the Council and Cabinet Member for Strategy, Finance and Corporate Issues (Ian Parry))</p> <p>(a) Consider further progress regarding the preparation of the Strategic Plan. (b) Review the MTFFS in light of the recommendations from the Senior Leadership Team and the Corporate Review Committee regarding the overall Budget Strategy and the detailed budgets, including savings, pressures and investments options.</p>		In addition to the general budget consultation, any specific consultation, if appropriate, will be determined by the nature of any issues raised in the Strategic Plan and Medium Term Financial Strategy	Rachel Spain (Tel: 01785 854455) Service Area: Fin&Res
February 2016	Public	<p>Third Quarter Budget Monitoring Report (Deputy Leader of the Council and Cabinet Member for Strategy, Finance and Corporate Issues (Ian Parry))</p> <p>To update Cabinet with the third quarter performance against the 2015/16 budget.</p>		Cabinet, Senior Leadership Team, Directorate Management Teams	Rachel Spain (Tel: 01785 854455) Service Area: Fin&Res
April 2016	Public	<p>Fourth Quarter Budget Monitoring Report (Deputy Leader of the Council and Cabinet Member for Strategy, Finance and Corporate Issues (Ian Parry))</p> <p>To update Cabinet with the fourth quarter progress against the 2015/16 budget.</p>		Cabinet, Senior Leadership Team, Directorate Management Teams	Rachel Spain (Tel: 01785 854455) Service Area: Fin & Res

Anticipated Date of Decision	Public or Private Decision	Title and Description	Background Documents	Consultation	Contact Officer
April 2016	Public	<p>Quarter 4, 2015/16 Performance Report (Leader of the Council (Philip Atkins), Deputy Leader of the Council and Cabinet Member for Strategy, Finance and Corporate Issues (Ian Parry))</p> <p>The Quarterly Performance Report provides an overview of Staffordshire County Council's performance and highlights the progress we are making in delivering our three priority outcomes focused upon ensuring:</p> <ul style="list-style-type: none"> • The people of Staffordshire will be able to access more good jobs and feel the benefits of economic growth. • The people of Staffordshire will be healthier and more independent. • The people of Staffordshire will feel safer, happier and more supported in and by their community. <p>The report also provides an update on our continuing drive to be a well-run council, including the financial position of the county council and delivery of the Medium Term Financial Strategy.</p>		n/a	Lauren Jackson (Tel: 01785 854561) Service Area: Strat & CS
April 2016	Public	<p>All Saints CE(VC) Infant School, Ranton. Proposed closure of the school (Cabinet Member for Learning and Skills (Ben Adams))</p> <p>The school's governing body has been consulting on a proposal to close the school with effect from 31 August 2016 but, in an effort to avoid closure, it has also sought to publicise the school to convince parents to</p>		Member of the public	Andrew Marsden (Tel: 01785 278787) Service Area: Access to Learning

Anticipated Date of Decision	Public or Private Decision	Title and Description	Background Documents	Consultation	Contact Officer
		<p>choose All Saints School for their children. Consultation finishes on 19 January 2016.</p> <p>In the event of the governing body recommending closure of the school, Cabinet will be asked to formally approve closure with effect 31 August 2016.</p>			

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of Part 1 of Schedule 12A
of the Local Government Act 1972

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