



CABINET

16 November 2011

A Meeting of the CABINET will be held on Wednesday, 23rd November, 2011, 6.00 pm in Committee Room 1 Marmion House, Lichfield Street, Tamworth

A G E N D A

NON CONFIDENTIAL

1 Apologies for Absence

2 Corporate Update

Title: Transforming Tamworth

Presenter: Anica Goodwin and Nicki Burton

3 Minutes of the Previous Meeting (Pages 1 - 2)

4 Declarations of Interest

To receive any declarations of Members' interests (personal and/or personal and prejudicial) in any matters which are to be considered at this meeting.

When Members are declaring a personal interest or personal and prejudicial interest in respect of which they have dispensation, they should specify the nature of such interest. Members should leave the room if they have a personal and prejudicial interest in respect of which they do not have a dispensation.

5 Matters Referred to the Cabinet in accordance with the Overview and Scrutiny Procedure Rules

None

6 DRAFT BASE BUDGET FORECASTS 2012/13 to 2016/17 (Pages 3 - 34)
(Report of the Leader of the Council)

- 7 Quarter 2 2011/12 Performance Report** (Pages 35 - 82)
(Report of the Leader of the Council)
- 8 Treasury Management Strategy Statement and Annual Investment Strategy
Mid-year Review Report 2011/12** (Pages 83 - 100)
(Report of the Portfolio Holder for Corporate Services and Assets)
- 9 Council Taxbase for 2012/13** (Pages 101 - 102)
(Report of the Portfolio Holder for Corporate Services & Assets)
- 10 WRITE OFFS 01/07/2011 – 30/09/2011** (Pages 103 - 108)
(Report of the Portfolio Holder for Corporate Services & Assets)
- 11 Update Report on the Operation of Tamworth Market** (Pages 109 - 120)
(Report of the Portfolio Holder for Economic Development and Enterprise)
- 12 Homelessness Prevention Policies** (Pages 121 - 134)
(Report of the Portfolio Holder for Quality of Life)

Restricted

NOT FOR PUBLICATION because the report could involve the disclosure of exempt information as defined in Paragraphs 1, 3 and 9 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended)

- 13 Retention Arrangements for Landlord Garage Sites** (Pages 135 - 144)
(Report of the Portfolio Holder for Quality of Life and Portfolio Holder for Corporate Services & Assets)
- 14 Building Control Partnership** (Pages 145 - 166)
(Report of the Portfolio Holder for Economic Development and Enterprise)

Yours faithfully



Chief Executive

People who have a disability and who would like to attend the meeting should contact Democratic Services on 01827 709264 or e-mail committees@tamworth.gov.uk preferably 24 hours prior to the meeting. We can then endeavour to ensure that any particular requirements you may have are catered for.

To Councillors: D Cook, R Pritchard, S Claymore, J Garner, M Greatorex and M Oates



MINUTES OF A MEETING OF THE CABINET HELD ON 2nd NOVEMBER 2011

PRESENT: Councillor D Cook (Chair), Councillors R Pritchard, S Claymore, J Garner, M Greatorex and M Oates

The following officers were present: Anthony E Goodwin (Chief Executive), John Wheatley (Deputy Chief Executive and Corporate Director (Resources)), Rob Barnes (Deputy Director (Housing and Health)), Robert Mitchell (Deputy Director (Community, Partnerships and Development)), Tina Mustafa (Housing Operations Manager), Karen Taylor (Head of Benefits), Peter Smith (Community Development Manager) and Lara Allman (Democratic & Election Services Officer)

77 APOLOGIES FOR ABSENCE

Apologies were received from Councillor B Beale.

78 CORPORATE UPDATE

The Head of Benefits gave a presentation on the Welfare Benefits Reform.

RESOLVED: That Cabinet thanked the Head of Benefits and the Benefits Team for all their hard work.

(Moved by Councillor D Cook and seconded by Councillor M Greatorex)

79 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 13 October were approved and signed as a correct record.

(Moved by Councillor D Cook and seconded by Councillor J Garner)

80 DECLARATIONS OF INTEREST

There were no Declarations of Interest.

81 MATTERS REFERRED TO THE CABINET IN ACCORDANCE WITH THE OVERVIEW AND SCRUTINY PROCEDURE RULES

The Chair of Corporate Scrutiny gave an update following the meeting of 11 October 2011 requesting that Cabinet agree to investigate the establishment of a performance area within the Town. This would be to encourage performing arts and heritage events, make the town centre attractive, and bring to the residents of the town a structured and specially developed area. It is also recommended that the Cabinet utilises any facilities that the Council has available to it.

RESOLVED That Cabinet agreed to take this issue to the next Budget Review Meeting.

82 LOCALITY WORKING REVIEW

The report of the Leader, presented by the Portfolio Holder for Community Safety, seeking to review progress against the original aims of Locality Working, reflecting on activity to date, identifying motivators and barriers; considering progress in light of present strategic partnership structures and priorities, reflecting on how the present model fits with central government priorities such as Big Society and Localism; discussing with stakeholders, their understanding, experience and assessment of LW, and making recommendations to Tamworth Borough Councils (TBC) Cabinet and the Tamworth Strategic Partnerships (TSP) to amend or adapt the model to maintain progress was considered.

RESOLVED: That:

- 1 the report be endorsed and the progress to date be noted, and;
- 2 The recommendations be supported as outline proposals for the Next Steps, and;
- 3 The report to progress to the next meeting of the Tamworth Strategic Partnership be authorised.
- 4 Cabinet agree, as the principle members of Budget Review Group, to wholeheartedly back Locality Working.

(Moved by Councillor M Greatorex and seconded by Councillor D Cook)

83 RETENTION ARRANGEMENTS FOR LANDLORD GARAGE SITES

This report was postponed to 23 November 2011.

Leader

CABINET

23rd November 2011

Report of the Leader of the Council

DRAFT BASE BUDGET FORECASTS 2012/13 to 2016/17

Purpose

To inform Members of the re-priced base budget for 2012/13, base budget forecasts for the period 2012/13 to 2016/17 (the 5 year Medium Term Planning period) and the underlying assumptions and to consider the future strategy to address the financial trends.

Recommendations

That:

- 1. the technical adjustments and re-priced base budget figures for 2012/13 & indicative budgets to 2016/17 be approved (as attached at Appendix B, C, D, E, F & G);**
- 2. Consideration be given to the proposed savings measures, as detailed within the report;**
- 3. As required by the Constitution of the Council, the Joint Scrutiny Budget Workshop be asked to consider the budget proposals contained within this report.**

Executive Summary

The following detailed budget information is contained within the report:

- Re-priced base budget information (& the associated technical adjustments) for 2012/13 in respect of the General Fund (GF) and Housing Revenue Account (HRA);
- A five year, medium term financial forecast for the General Fund and Housing Revenue Account;
- The associated strategy to address the financial trends & projection;
- At this stage the Provisional Capital Programmes for the General Fund and Housing Revenue Account as contained within the 2011/12 – 2014/15 Budget & Medium Term Financial Strategy (MTFS) are under review. Proposals, once finalised, will be reported to Cabinet for consideration.

The medium term financial planning process is being challenged by the economic downturn / recession. The attached forecast is based on a 5 year period, but does contain a number of uncertainties. The grant reductions will put significant pressure on the ability of the Council to publish a balanced 5 year MTFS – it may have to be a 3 or 4 year MTFS.

As raised at the Executive Management Team Away Day, the key uncertainties which will inform further budget considerations before the final budget proposals are developed are:

- a) Future Revenue Support Grant levels including the impact from the proposals to localise business rates and future support through New Homes Bonus grant;
- b) Proposed changes set out in the Welfare Reform Bill and the introduction of Universal Credit – potential impact on housing and council tax benefits (including support for council tax benefits) and associated income receipts of the council;
- c) The planned removal of the Housing Subsidy system, the introduction of self financing for the HRA and the level of debt allocation the Council would have to take together with the associated impact on the revenue account.
- d) The impact of any further uncertainty over future interest rate levels and their impact on investment income / treasury management;
- e) The severity of the recession and the impact it has had and still could have on the Council's income streams;
- f) While the Government announced a pay freeze for 2011/12 & 2012/13, the impact of inflation on pay settlements and other contractual arrangements for future years is less certain;
- g) Finalisation of the expected outcomes and impact on the Council's financial position from the programme of short-term and long-term workstream reviews commissioned by Cabinet to identify measures to help the Council cope with grant & income reductions in the coming years;
- h) While the Council capitalised the estimated impairment loss from the Council's investments in Icelandic Banks in 2009/10, finalisation of the financial impact is still subject to the likely impact of repayment levels in future years; and
- i) Review and finalisation of the revised budgets/policy changes and feedback from the Scrutiny process.

Resource Implications

The detailed financial & budgetary implications are outlined in detail within the report, however:

- The current forecast projects a General Fund (GF) shortfall of £2.7m over the next 5 years (£1.1m over 4 years), including the minimum approved level of £0.5m – assuming annual council tax increases of 2.5% p.a. following a freeze in 2012/13;
- The current forecast projects a Housing Revenue Account (HRA) surplus of £7.2m over the next 5 years (surplus of £7.2m over 4 years) including the minimum recommended balances of £250k, with a forecast £3.5m surplus over 10 years.

- As part of the base budget review, and resulting from the economic conditions in times of austerity, a 'zero-based budgeting' approach has been used to assess income levels for future years - and in addition to those identified in last years exercise - to ensure that income targets are realistic & achievable. The main reductions in income levels, of approx. £114k p.a. for GF, as identified by budget managers are detailed at **Appendix H**;

Key issues arising from the base budget review are detailed within the report and summarised below:

- a) Impact of Committee decisions on the 2011/12 budget – a GF net cost reduction of £272k;
- b) Budget issues 2011/12:
 - A reduction in car park income of £132k p.a.;
 - Treasury Management - The continuing lower level of money market interest rates has resulted in a projected shortfall in our investment income of £64k.
- c) Base Budget review:
 - Removal of Staffordshire Connects contribution of £92k p.a.;
 - Reduced Treasury Management costs anticipated following return of Icelandic investments, £123k p.a.;
 - Reduced Benefits costs & Provision for Bad Debts, £74k;
 - Removal of Specific Contingency budget of £100k;
 - Increased New Homes Bonus Government Grant of £86k.
 - Reduced Car Parks Income of £152k p.a.

Legal / Risk Implications

The Council's constitution requires Cabinet publish initial proposals for the budget, having first canvassed the views of local stakeholders as appropriate - budget proposals will be referred to the Joint Scrutiny Committee (Budget) for further advice and consideration.

In line with the constitution a Joint Scrutiny Budget Workshop has been arranged for 8th December 2011.

In order to allow Scrutiny Committees to respond to the Cabinet on the outcome of their deliberations, a meeting of the Scrutiny Committee (Budget) has been arranged for 24th January 2012.

Proposed amendments to the 2011/12 base budget, approved by Council on 22nd February 2011, are detailed within the report.

Risks to Forecasts:

Risk	Control Measure
Major variances to the level of grant / subsidy from the Government;	Sensitivity modelling undertaken to assess the potential impact in the estimation of future grant levels;
Potential 'capping' of council tax increases by the Government or local Council tax Veto / referendum;	Council tax models for consideration are included within this report;
The potential financial impact arising from the Council's investments in Icelandic banks, which have been identified 'at risk';	Following capitalisation, the latest estimates for repayment have been included within the forecasts;
The planned removal of the Housing Subsidy system, the introduction of self financing for the HRA and the level of debt allocation the Council would have to take together with the associated impact on the revenue account;	A detailed review of the consultation proposals during 2011 has been undertaken. When updated proposals are published the model will be updated to identify the impact for the HRA;
The achievement of substantial savings / efficiencies will be needed to ensure sufficient resources will be available to deliver the Council's objectives through the 5 year budget e.g. Transforming Tamworth & Support Services options appraisal workstreams.	A robust & critical review of the savings proposals will be required / undertaken before inclusion within the forecast;

If Members would like further information or clarification prior to the meeting please contact Stefan Garner Ext. 242.

Background Papers:-	Budget & Medium Term Financial Strategy 2011/12 – 2014/15, Council 22 nd February 2011
	Budget and Medium Term Financial Planning Process, Cabinet 21 st September 2011
	Budget Consultation Report, Cabinet 13 th October 2011

Base Budget Forecast 2012/13 to 2016/17

Revisions have been made to the 2011/12 base budget in order to produce an adjusted base for 2012/13 and forecast base for 2013/14 onwards.

General Fund Revenue

Forecast – When the budget for 2011/12, and indicative budgets for 2012/13 to 2014/15, were approved by Council in February 2011 it was anticipated that balances would remain above the minimum approved level of £500k for a the 4 year period.

However, a number of issues have now arisen & will need to be considered:

Budget Issues 2011/12

Significant items currently identified relating to overspends/under achievement of income are,

- Outside Car Parks - £132k. Payment due to Henry Boot based on additional income at Spinning School Lane site (£107k) but the increased parking at this site has had an adverse impact on other parking sites (£31k reduction).
- Treasury Management - £53k. Net overspend mainly as a result of the decision to delay budgeted external borrowing (for economic reasons) resulting in lower external interest payments (£384k) offset by a reduction in the sum chargeable to the HRA in respect of Item 8 dr (£367k). This is then offset by the continuing lower level of money market interest rates has also resulted in a projected shortfall in our investment income (£64k) by year end.
- Public spaces - £36k. Employee's expenditure (£10k) - now at full establishment likely to overspend due to inclusion of vacancy allowance in budget. Sponsored Roundabouts (£11k) - no income can be expected until the issue with Valuation Office regarding rates is resolved.
- Tourist Information Service - £18k. Employee costs - Additional hours worked re TIC relocation and training.
- General Fund Housing - £16k. Net cost of Temporary agency staff covering vacancies.
- CCTV - £12k. Employee costs - Long Term sickness being covered by overtime payments.
- Castle Museum/Education/Events - £19k. Employee expenses - using casuals to cover part time vacancy (£11k), shortfall in income (£5k).
- Public Conveniences - £11k. Higher than expected payment for overtime to cover staff absences. Review of options being undertaken.

- TBC Highways Maintenance - £10k. Invoice for first 6 months received and produced higher than budgeted costs of maintenance. Meetings with the County to limit resources and determine likely outturn in October. May need to flag larger overspend in future monitoring reports.

The main significant items mitigating the financial impact of the above and contributing to the period position,

- Benefits - £98k based on current level of activity and our DWP Estimate Claim submitted at the end of September.
- Environmental Health - £62k. Employee costs - 2 vacant posts - subject to service re-alignment. Further vacant post to be filled. One officer on maternity leave.
- Joint Waste Arrangements - £51k. There is a projected saving of £115k as it is anticipated that there will be no call on the cost centre's Contingency budget. However, there is an estimated increase in contract costs of £32k and a potential under-recovery on Common Services income due to changes in the recharge basis.
- Marmion House - £27k. Mainly due to savings on Electricity costs (£16k), additional income due from renting out 5th floor not in budget (£16k) and a budget saving re Redundancy costs (£5k) as actual costs were charged into the previous year. Reduced by a projected overspend on Cleaning and Domestic supplies (£10k).
- Concessionary Fares - £17k. Payments to Operators - an accrual in respect of potential further claims relating to 2010-11 has now been cleared off, resulting in a saving in this year.
- Development Control - £15k. Employee costs, savings due to maternity leave and a vacant post for 3 months.

Issues for the Medium Term

- The current forecast projects a General Fund (GF) shortfall of £2.7m over the next 5 years (£1.1m over 4 years), including the minimum approved level of £0.5m – assuming council tax increases of 2.5% p.a. following a freeze in 2012/13;
- As part of the base budget review a 'zero-based budgeting' approach has been used to assess income levels for future years – to ensure that income targets are realistic & achievable. The main reductions in income levels, of approx. £114k p.a. for GF, as identified by budget managers are detailed at **Appendix H**;

Implications & Options

It is currently estimated that further savings of around £0.2m per annum will be required over the next 4 years (based on annual 2.5% increases in Council tax following a freeze at the current level for 2012/13 - compared to 2% contained within the approved 4-year Medium Term Forecast).

Consideration of the level of Council tax increases over the 5-year period is needed to account for potential 'capping' by the Government or a local referendum / veto and to ensure that balances are maintained at the minimum approved level of £500k.

Decisions on future funding of growth & other items will need to be made with reference to the Council's corporate priorities together with the feedback & issues raised by the budget consultation exercise.

There is a need to consider how the limited resources can be 'prioritised' amongst the growth & other proposals/bids (& whether service improvements in a priority area should be met from service reductions elsewhere).

Responses / indications from Scrutiny Committees on priority areas for the future allocation of resources will be sought, as part of the consultation required by the constitution.

Housing Revenue Account

Forecast – When the budget for 2011/12, and indicative budgets for 2012/13 to 2014/15, were approved by Council in February 2011, it was highlighted that following retention of the Housing stock, there would be a need to identify significant savings (approx £810k p.a. was estimated from 2011/12 onwards) over the longer term.

A number of service reviews have / are being undertaken aimed at ensuring quality and effectiveness of the service as well as the identification of potential cost savings in order to address the previously projected shortfall over 10 years. Minimum recommended balances are £250k but given the move to self financing this should be reviewed and it is recommended that this be increased to £500k - in line with the General Fund.

Budget Issues 2011/12

Significant items currently identified relating to overspends/under achievement of income are,

- HRA Subsidy - £212k. Additional amount payable as a result of continuing low interest rates and the Authority's Capital Financing Requirement being increased by the capitalisation of Icelandic investments, which has the effect of reducing the interest rate that is used to calculate the HRA's capital charge, which then reduces the amount claimable against Subsidy.
- Garage Rents - £41k. Rental income shortfall due to the continuing increase in voids. The use of garage sites is currently being reviewed.

Significant items mitigating the financial impact of the above and contributing to the predicted out-turn position,

- Item 8 DR Interest Charges - £367k. Reduction in the amount budgeted as a result of continuing low interest rates and the change in our Capital Financing Requirement mentioned above.
- Council House Rents - £134k. Projected outturn over recovery against budget partly due to a reduced turnaround of void properties reducing overall void levels.

Impact of Government Support

There is still a large degree of uncertainty over the future financial position of the HRA arising from:

- the introduction of a self financing model from 2012/13. Initial estimates & proposals have been received and reflected in the forecast but provisional settlement details are awaited which could significantly alter the projections;
- the capital investment needs of the housing stock are being finalised and the impact will need to be reflected within the forecast;
- the costs of any potential regeneration / redevelopment proposals.

Base Budget Review

- Additional debt costs of £1.4m p.a. arising from self-financing settlement of £44m;
- Removal of subsidy payment budget no longer due - £3.3m p.a.
- Reduced garage rent income due to voids, £41k p.a.

Detailed Considerations

Base Budget Forecasts 2012/13 to 2016/17

Revisions have been made to the 2011/12 base budget in order to produce an adjusted base for 2012/13 and forecast base for 2013/14 onwards. These changes, known as technical adjustments, have been informed by feedback from budget managers and calculated to take account of:

- virements approved since the base budget was set;
- the removal of non-recurring budgets from the base;
- the effect of inflation;
- changes in payroll costs and annual payroll increments;
- changes in expenditure and income following decisions made by the Council;
- other changes outside the control of the Council such as changes in insurance costs and reduction in grant income;
- The 'Zero base budgeting' review of income levels.

General Fund – Technical Adjustments Summary

Technical Adjustments	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Base Budget B/Fwd	9,416	9,064	9,543	9,783	9,903
Committee Decisions	(270)	173	(47)	87	-
Inflation	82	89	92	89	84
Other	7	(29)	(47)	(288)	(75)
Pay Adjustments (Including pay award / reduction of 5% for vacancy allowance)	(86)	246	242	232	232
Revised charges for non-general fund activities	(85)	-	-	-	-
Total / Revised Base Budget	9,064	9,543	9,783	9,903	10,144

The technical adjustments are shown in detail at **Appendix B** with a summary by Directorate at **Appendix D**. The key assumptions made during the exercise are summarised at **Appendix A**.

Assuming a council tax freeze in 2012/13 and increases in Council Tax of 2.5% per annum for 2013/14 onwards, the five year base budget forecast is as follows:

	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Estimated Net Cost of Services	9,064	9,543	9,783	9,903	10,144
Proposed Policy Changes	(200)	(620)	(638)	(608)	(666)
Net Expenditure	8,864	8,923	9,145	9,295	9,479
Financing:					
RSG/NNDR	4,605	4,374	4,156	3,947	3,949
Collection Fund Surplus	10	10	10	10	10
Council Tax Income	3,496	3,599	3,705	3,815	3,927
Gross Financing	8,111	7,983	7,871	7,772	7,886
Surplus/(Deficit)	(753)	(940)	(1,274)	(1,523)	(1,593)
Balances Remaining / (Overdrawn)	3,170	2,230	956	(567)	(2,160)

Indicating a potential shortfall in General fund balances of approx. £2.7m over the 5 year period (£1.1m shortfall over 4 years - including the minimum approved level of £0.5 million).

Balances are forecast to be £3.9m at 31st March 2012.

A detailed summary of the budget for 2012/13 is attached at **Appendix F** with 5 years attached at **Appendix G**.

Future Strategy

Due to the adverse financial forecast, there is a need to reconsider the inclusion of items contained within the forecast / budget:

1) Variations to Council Tax Policy/Strategy

Last year the Government indicated that it would offer grant support for the 4 year Comprehensive Spending Review (CSR) period should Council freeze Council tax levels for 2011/12. There is no mention that this arrangement would continue thereafter. A similar offer (subject to confirmation of the details) has been announced for 2012/13.

However, for future years potential 'capping' of the increase by the Government or a proposed local council tax referendum/veto needs to be considered when setting future Council Tax increases. Tamworth's Council tax is currently £149.55 which is £43 below the average of the council tax charges of similar councils (from the Cipfa nearest neighbour grouping).

The indications are that a potential 'capping' threshold may be around 2.5% - following a freeze in 2011/12, the impact of a 2.0% pa increase (Band D), in line with the approved 4 year financial strategy, is outlined below:

Model 1 Impact of 2% p.a. increases in Council tax (in line with approved MTFS)

Year:	2012/13	2013/14	2014/15	2015/16	2016/17
Forecast:	£'000	£'000	£'000	£'000	£'000
Increase in Council Tax Band D	70	54	37	19	-
Revised Surplus/(Deficit)	(683)	(885)	(1,238)	(1,503)	(1,594)
Balances Remaining / (Overdrawn)	3,240	2,354	1,117	(387)	(1,980)
£ Increase	2.99	3.05	3.11	3.17	3.24
% Increase	2.00%	2.00%	2.00%	2.00%	2.00%
Note: Resulting Band D Council Tax	152.54	155.59	158.7	161.87	165.11

This indicates a shortfall of £2.5m over the 5 year period (including the minimum approved balances of £500k). However, the Council would not receive the anticipated council tax freeze grant of £87k p.a. (for 3 years) which would mean a revised deficit of £2.8m.

In order to take advantage of the potential Council Tax Freeze grant, the following scenarios have been modelled:

Model 2 Impact of 0% increase in Council tax in 2012/13 (followed by inflationary increases of 2.5% p.a.)

Year:	2012/13	2013/14	2014/15	2015/16	2016/17
Forecast:	£'000	£'000	£'000	£'000	£'000
Surplus/(Deficit)	(753)	(940)	(1,274)	(1,523)	(1,593)
Balances Remaining / (Overdrawn)	3,170	2,230	956	(567)	(2,160)
£ Increase	-	3.75	3.85	3.95	4.05
% Increase	0.0%	2.5%	2.5%	2.5%	2.5%
Note: Resulting Band D Council Tax	149.55	153.30	157.15	161.10	165.15

This indicates a shortfall of £2.7m over the 5 year period (including the minimum approved balances of £500k).

Model 4 Impact of 0% increase in Council tax in 2012/13 (followed by increases of 2% p.a.)

Year:	2012/13	2013/14	2014/15	2015/16	2016/17
Forecast:	£'000	£'000	£'000	£'000	£'000
Increase in Council Tax £	0	(18)	(37)	(57)	(78)
Revised Surplus/(Deficit)	(753)	(957)	(1,312)	(1,579)	(1,672)
Balances Remaining / (Overdrawn)	3,170	2,212	901	(679)	(2,350)
£ Increase	-	2.99	3.05	3.11	3.17
% Increase	0.00%	2.00%	2.00%	2.00%	2.00%
Note: Resulting Band D Council Tax	149.55	152.54	155.59	158.7	161.87

This indicates a shortfall of £2.9m over the 5 year period (including the minimum approved balances of £500k).

2) Potential Savings

As part of the planned review & scrutiny process leading up to formal presentation of the budget, Budget Review Group will consider feedback received from the Budget Consultation process, the Joint Scrutiny Budget workshop and the Joint Budget Scrutiny Committee (planned for 24th January 2012) in order to inform the next stages of the budget process:

- a review of the proposals including:
 - Reference to the Council's corporate priorities together with the feedback & issues raised by the budget consultation exercise.
 - Consideration of how the limited resources can be 'rationed' amongst the growth & other proposals/bids (& whether service improvements in a priority area should be met from service reductions elsewhere).

- an investigation of other potential savings areas, as detailed below, in order to mitigate the forecast budget shortfall. This process is ongoing in order to formulate a balanced medium term financial strategy for approval by Cabinet & Council in February 2011.
 - Workstream reviews commissioned by Cabinet;
 - Transforming Tamworth project;
 - Building repairs fund balances;
 - New homes bonus levels.

A summary of the proposed policy changes, including potential savings identified, is shown below:

	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Potential (Savings)					
New Homes Bonus	-	(300)	(358)	(415)	(473)
Council tax freeze grant	(87)	(87)	(87)	-	-
Icelandic Investment Repayment	(150)	(150)	(150)	(150)	(150)
Senior Mgt Restructure saving	(100)	(100)	(100)	(100)	(100)
Audit Fee saving	(6)	-	-	-	-
Support Service Review	(100)	(100)	(100)	(100)	(100)
Building Control Shared Service arrangement	(10)	(10)	(10)	(10)	(10)
Potential Additional Costs					
CRM contribution	12	52	52	52	52
Contingency (including for income reductions)	110	110	110	110	110
Absent voter refresh - postage costs	15	5	5	5	5
Olympic event - one year only	40	-	-	-	-
CDO post - one year only	36	-	-	-	-
CIL budget b/fwd to 12/13 from 13/14	40	(40)	-	-	-
Net Cost / (Saving)	(200)	(620)	(638)	(608)	(666)

Housing Revenue Account – Technical Adjustments Summary

Technical Adjustments	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Base Budget	679	(1,371)	(927)	(557)	(377)
Committee Decisions	(423)	217	135	(1)	0
Inflation	169	205	210	206	213
Other	(1,946)	(8)	8	(39)	12
Pay Adjustments	73	23	17	14	12
Revised charges for non-general fund activities	77	7	-	-	-
Total	(1,371)	(927)	(557)	(377)	(140)

The detail of the technical adjustments are shown in Appendix C with a summary at Appendix E. Assuming increases in Rent in line with the Government's rent restructuring policy, the five year base budget forecast is as follows:

Summary	Projected 2012/13 £'000	Projected 2013/14 £'000	Projected 2014/15 £'000	Projected 2015/16 £'000	Projected 2016/17 £'000
Net Surplus / (Deficit)	1,371	927	557	376	140
Proposed Policy Changes Income / (Cost)	(190)	(150)	(150)	(150)	(150)
Surplus / (Deficit)	1,181	777	407	226	(10)
Balances Remaining	5,841	6,618	7,025	7,251	7,241

Per Council, 22 nd February 2011	4,074	3,307	2,118	-	-
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Indicating a Housing Revenue Account (HRA) surplus of £7.2m over the next 4 years (Minimum recommended balances are currently £250k).

However, this does not include and there is still a large degree of uncertainty over the future financial position of the HRA arising from:

- the introduction of a self financing model from 2012/13. Initial estimates & proposals have been received and reflected in the forecast but provisional settlement details are awaited which could significantly alter the projections;
- the capital investment needs of the housing stock are being finalised and the impact will need to be reflected within the forecast;
- the costs of any potential regeneration / redevelopment proposals has not been included within the forecast;
- The potential repayment of debt in the future, which has not been included at this stage.

Potential revenue policy changes for the HRA are highlighted below:

Proposal	12/13 £'000	13/14 £'000	14/15 £'000	15/16 £'000	16/17 £'000
Service improvements in line with tenant priorities developed within HRA business plan	50	50	50	50	50
Develop Asset Management strategy	40	0	0	0	0
Removal of service Charges - Originally due for implementation wef 1/4/11	100	100	100	100	100

Capital

At this stage the Provisional Capital Programmes for the General Fund and Housing Revenue Account as contained within the 2011/12 – 2014/15 Budget & Medium Term Financial Strategy (MTFS) are under review. Proposals, once finalised, will be reported to Cabinet for consideration.

Main Assumptions

Inflationary Factors	2012/13	2013/14	2014/15	2015/16	2015/16
Inflation Rate - Pay Awards	0.00%	2.00%	2.00%	2.00%	2.00%
National Insurance	7.50%	7.50%	7.50%	7.50%	7.50%
Superannuation	19.10%	19.60%	20.10%	20.60%	21.10%
Inflation Rate (Headline)	3.40%	3.40%	3.40%	3.20%	3.20%
Base Interest Rates	1.00%	1.50%	2.50%	3.00%	3.00%
Investment income rate	1.50%	2.50%	3.00%	3.50%	4.00%

1. Pay award – public sector pay will be frozen for 2011/12 & 2012/13 and is estimated to mirror the Government’s inflation target of 2% thereafter.
2. Overall Fees and Charges will rise generally by 2.5% annually except where a proposal has otherwise been made (car parking charges, corporate & industrial property rental income, statutory set planning fees, leisure fees);
3. No effect of any Prudential Borrowing has been included;
4. Revised estimated for rent allowance / rent rebate subsidy levels have been included;
5. Car Parking income has been reduced in line with current income levels for 2011/12, with charges increased in future in line with the previously approved charging strategy;
6. Changes to the level of recharges between funds has been included;
7. Within the Comprehensive Spending review released on the 20th October 2010, the Government proposed cuts of 7.25% in real terms to funding streams for each of the next four years – annual grant reductions of 5% have been included.
8. The Government has indicated its policy regarding council tax bills being frozen for the next year. It has indicated that a grant equivalent to a 2.5% increase in the basic 2010/11 Council Tax, will be available to authorities that agree to freeze or reduce Council Tax in 2011/12 – it has been assumed supplementary funding for foregone income as a result of a continued freeze for the next three years. The impact of a 2.5% pa compensatory grant is outlined within the report;
9. The major changes to the previously approved policy changes are included within this forecast – Directors / AD’s were issued with the provisional information in August to review, confirm & resubmit by the end of September;
10. Following the 4 year agreement, 0.5% annual year-on-year increases (as above) in pension costs following SCC triennial review negotiations.
11. Increases in rent levels are restricted by the rent restructuring guidelines & current indications that sales of council houses will be approximately 5 per annum.

Technical Adjustments Analysis – General Fund

	£	£	£
CHIEF EXECUTIVES OFFICE			
Chief Executive			
Virements		23,540	
Inflation		40	
Other			
Car Allowances	1,740		
Insurance	<u>200</u>	1,940	
Pay Adjustments		1,020	
Changes in Recharges		(26,540)	
			<u>-</u>
Assistant Chief Exec			
Inflation		730	
Other			
Insurance	<u>10</u>	10	
Pay Adjustments		200	
Changes in Recharges		(710)	
			<u>230</u>
Customer Services Manager			
Virements		1,970	
Committee Decisions			
2010-11 Policy Item to remove Staffordshire Connects contribution, plus removal of budget for additional one-off payment	(91,500)		
Removal of budget for one-off grant to MAP re Shopmobility	<u>(9,000)</u>	(100,500)	
Inflation		1,170	
Other			
Insurance	(290)		
Depreciation	(5,470)		
Bank Charges	<u>400</u>	(5,360)	
Pay Adjustments		11,260	
Changes in Recharges		95,120	
			<u>3,660</u>

	£	£	£
Head of Organisational Development			
Virements		1,000	
Committee Decisions			
2009-10 Policy Item Provision of Occupational Health Services	2,000		
2010-11 Policy Item CRB Personnel Checks	3,300		
2011-12 Policy Item to establish External Support budget following staff redundancy	<u>10,000</u>	15,300	
Inflation		1,380	
Other			
Insurance	<u>(870)</u>	(870)	
Pay Adjustments		(43,930)	
Changes in Recharges		27,490	
		<u>370</u>	
Head of Performance & Corporate Relations			
Committee Decisions			
2009-10 Policy Item Per 05 Sector Research	<u>10,000</u>	10,000	
Inflation		220	
Other			
Insurance	<u>(420)</u>	(420)	
Pay Adjustments		(2,470)	
Changes in Recharges		(7,130)	
		<u>200</u>	
Solicitor and Monitoring Officer			
Virements		(200)	
Committee Decisions:			
2011-12 Policy Item re PPE Act 2009 - Software Support Licences	20,000		
2011-12 Policy Item re PPE Act 2009 - Computer Equipment	6,000		
2011-12 Policy Item re PPE Act 2009 - Election Staff	7,000		
2011-12 Policy Item re PPE Act 2009 - Canvassers Fees	6,000		
2011-12 Policy Item to establish External Support budget following staff redundancy	10,000		
2009-10 Policy Item Sol 2 Members Remuneration Panel	<u>(3,000)</u>	46,000	

	£	£	£
Inflation		1,400	
Other			
Car Allowances	150		
Insurance	(940)		
Rates on storage unit	60		
Members Allowances	1,130		
Reduction in Solicitor to Council Fees & Charges income budget	<u>15,000</u>	15,400	
Pay Adjustments		(35,120)	
Changes in Recharges		(65,480)	
		<u>(38,000)</u>	
TOTAL CHIEF EXECUTIVE'S			<u><u>(33,540)</u></u>

	£	£	£
<u>CORPORATE DIRECTOR RESOURCES</u>			
Corporate Director			
Inflation		10	
Other			
Insurance	<u>(250)</u>	(250)	
Pay Adjustments		(7,570)	
Changes in Recharges		7,850	
			<u><u>40</u></u>
DD Corporate Finance, Exchequer & Revenues			
Virements		(200)	
Committee Decisions			
Removal of Funding for 2012 Olympics Contribution	(1,500)		
Removal of Corporate Finance Specific Contingency	(100,510)		
2011-12 Policy Item Corporate Finance New Homes Bonus Government Grant	(86,000)		
Treasury Management	(990)		
2009-10 Policy Item Ben 01 Pro-print	<u>(3,500)</u>	(192,500)	
Inflation		970	
Other			
Corporate Finance Superannuation Allowances	(520)		
Corporate Finance Audit Fee	(6,050)		
NNDR Discretionary Rate Relief	2,230		
Corporate Finance Provision for Depreciation	680,900		
Treasury Management	(123,670)		
Insurance	(1,370)		
Car Allowances	(440)		
Bank Charges	1,150		
NNDR Cost of Collection Grant	900		
HAA Misc Interest & Dividends	<u>10</u>	553,140	
Pay Adjustments		(1,130)	
Changes in Recharges		(16,450)	
			<u><u>343,830</u></u>
AD Business Processes			
Virements		(200)	
Committee Decisions			
2009-10 Policy Item Ben 01 Pro-print paper saving	<u>(1,500)</u>	(1,500)	

	£	£	£
Inflation		16,860	
Other			
Insurance	(650)		
Provision for Depreciation	(65,910)		
Reprographics Equipment Lease Charges	<u>4,390</u>	(62,170)	
Pay Adjustments		(30,010)	
Changes in Recharges		77,260	
			<u><u>240</u></u>
Head of Benefits			
Committee Decisions			
2009-10 Policy Item Ben 01 Legal Fees	<u>(2,000)</u>	(2,000)	
Inflation		130	
Other			
Benefits Estimates & Provision for Bad Debts	(74,160)		
Salaries Overtime	21,480		
Car Allowances	(2,390)		
Insurance	(1,790)		
Bank Charges	(10)		
Admin Grant	<u>26,920</u>	(29,950)	
Pay Adjustments		(39,890)	
Changes in Recharges		(45,110)	
			<u><u>(116,820)</u></u>
Head of Internal Audit Services			
Inflation		670	
Other			
Car Allowances	(450)		
Insurance	<u>(190)</u>	(640)	
Pay Adjustments		(7,280)	
Changes in Recharges		4,000	
			<u><u>(3,250)</u></u>
TOTAL CORPORATE DIRECTOR RESOURCES			<u><u>224,040</u></u>

	£	£	£
CORPORATE DIRECTOR COMMUNITY SERVICES			
Corporate Director			
Virements		(23,740)	
Committee Decisions:			0
Inflation			110
Other			
Insurance		(330)	
Pay Adjustments			240
Changes in External Recharges			23,710
			<u>(10)</u>
DD Assets and Environmental Services			
Virements		(1,970)	
Committee Decisions:			
09/10 PC OS 14 Car Park Income - reflect reduction for short stay income	(13,950)		
10/11 PC OS 03 Waste Arrangement - Additional costs from revised arrangements	26,330		
09/10 PC OS 24 New Cemetery Land - increased premises costs following capital programme	2,000		
11/12 AE 3 Savings from Voluntary Redundancy Exercise	(1,710)		
			<u>12,670</u>
Inflation			47,510
Other			
Depreciation Charges	(612,870)		
Rates	17,880		
Insurances	(6,970)		
Bank Charges	720		
Car Allowances	1,660		
CCTV Income	2,410		
Phil Dix Income	1,970		
Public Open Spaces Income	6,260		
Neighbourhood Services Income	1,460		
Marmion House Rents and Services Charge Income	(36,410)		
Animal Welfare Income	(4,020)		
Pollution Control Income	(730)		
Taxi Income	740		
Licencing Income	3,500		
Car Parks Income	152,480		
Landfill Tax Costs	(5,000)		
Recycling Bring Sites	3,000		
CCTV Overtime	3,290		
			<u>(470,630)</u>

	£	£	£
Pay Adjustments		42,130	
Changes in External Recharges		(104,160)	
		<u>(474,450)</u>	
DD Housing and Health			
Virements		0	
Committee Decisions:			
11/12 Policy Change HH1 savings from review of Strategic Housing staffing structure	(110)	(110)	
	<u> </u>	<u> </u>	
Inflation		1,590	
Other			
Car Allowances	20		
Insurances	20		
	<u> </u>	40	
Pay Adjustments		9,860	
Changes in External Recharges		(34,120)	
		<u>(22,740)</u>	
DD Communities, Planning and Partnerships			
Virements		(200)	
Committee Decisions:			
11/12 Savings from VR process Development Control	(28,990)		
10/11AD STR05 Planning Income	(25,000)		
11/12 Savings from VR process Building Control	(3,910)		
11/12 Savings from VR process Strategic Planning	(9,690)		
09/10 PCD14a HLF building works effect on income Castle Weddings	16,540		
09/10 PCD14b HLF building works effect on income Castle admission fees	16,420		
09/10 PCD14c HLF building works effect on income Castle schools programme income	7,040		
11/12 Savings from VR process Tourism & Town Centre	(10,830)		
11/12 Savings from VR process Community Safety	(19,290)		
	<u> </u>	(57,710)	
Inflation		9,290	

	£	£	£
Other			
Car Allowances	(2,740)		
Insurances	(610)		
Bank Charges	10		
11/12 Assumes policy change AD STR05 will not be met			
Planning Apps Income	15,000		
Income working paper reduction in Planning Apps Income	10,000		
Fees & Charges Development Control	(100)		
Effect of creating Business Support Unit	230		
BWP 01 Grants to Voluntary Sector	230		
Depreciation	3,350		
Golf Course Contract Income	(25,000)		
Rates	560		
Cash security	(110)		
Income Castle Weddings	(560)		
Income Castle Schools Programme	(870)		
Peaks Swimming Subsidy	5,170		
Peaks interest on investment	(1,080)		
Community Safety contribution from FARS	4,350		
	<hr/>	7,830	
Pay Adjustments		16,940	
Changes in External Recharges		(20,660)	
		<hr/>	<u><u>(44,510)</u></u>
TOTAL CORPORATE DIRECTOR COMMUNITY SERVICES			<u><u>(541,710)</u></u>
TOTAL GENERAL FUND			<u><u>(351,210)</u></u>

Technical Adjustments Analysis – Housing Revenue Account

	£	£	£
<u>HOUSING REVENUE ACCOUNT</u>			
DD Assets and Environmental Services			
Virements			-
Committee Decisions:			
	-		
	-		-
Inflation			230
Other			
Car Allowances	10		
Insurance	(590)		
			(580)
Pay Adjustments			3,210
Changes in External Recharges			(2,860)
			-
DD Housing and Health			
Virements			-
Committee Decisions:			
10/11 Policy Change HRA07 Implementation of Service Charges	(100,000)		
11/12 Policy Change HRA02 Voluntary Redundancy - salary savings	(25,830)		
			(125,830)
Inflation			30,630
Other			
Provision for Depreciation	14,790		
Insurances	3,690		
Bank Charges	730		
Superannuation Allowances	150		
Car Allowances	100		
Council Tax HRA Properties	50		
Heating recharges	20		
Lighting recharges	(100)		
Hostel Rental Income	(10)		
Alarm Call charges	(430)		
Scheme Manager charges	(2,790)		
Supporting People	(3,170)		

	£	£	£
Audit Fee	<u>(7,390)</u>	5,730	
Pay Adjustments		15,930	
Changes in External Recharges		79,820	
			<u><u>6,280</u></u>
HRA Summary			
Virements		-	
Committee Decisions:			
11/12 Policy Change HRA06 VR One off costs	(106,000)		
10/11 Policy Change HRA06 Repairs, voids, cyclical maintenance costs - ongoing savings released	(50,000)		
11/12 Policy Change HRA05 Revenue Contribution to Capital - financed by reduction in Contingency budgets	(100,000)		
11/12 Policy Change HRA04 Revenue Contribution to Capital - financed by reduction in Contingency budgets	(500,000)		
10/11 Policy Change HRA09 Contribution towards capital expenditure	458,910		
		<u>(297,090)</u>	
Inflation		138,110	
Other			
Item 8 Debit	1,423,060		
Depreciation - Non Dwellings	(103,750)		
Debt Management Expenses	3,080		
Debt Premiums	(30,280)		
Garage rents income	40,720		
Interest Internal Balances	(8,480)		
Interest Reduction - SOCH	270		
Removal of subsidy payment	<u>(3,276,130)</u>	<u>(1,951,510)</u>	
Pay Adjustments		53,900	
Changes in External Recharges		-	
			<u><u>(2,056,590)</u></u>
TOTAL HOUSING REVENUE ACCOUNT			<u><u>(2,050,310)</u></u>

General Fund

	Budget 2011/12 £	Technical Adjustments						Total Adjusted Base 2012/13 £	
		Virements £	Committee Decisions £	Inflation £	Other £	Pay Adjustments £	External Recharge Changes (non-GF Activities) £		Total Adjustments £
<i>figures exclude internal recharges & capital charges which have no bottom line impact.</i>									
Chief Executive's Office									
Chief Executive	156,130	23,540	-	40	1,940	1,020	-	26,540	182,670
Assistant Chief Executive	108,020	-	-	730	10	200	(3,680)	(2,740)	105,280
Solicitor & Monitoring Officer	647,240	(200)	46,000	1,400	15,400	(35,120)	440	27,920	675,160
Head of Organisational Development	245,880	1,000	15,300	1,380	(870)	(43,930)	5,630	(21,490)	224,390
Head Performance & Corporate Relations	223,600	-	10,000	220	(420)	-2,470	(3,220)	4,110	227,710
Head of Customer Services	375,980	1,970	(100,500)	1,170	110	11,260	42,740	(43,250)	332,730
Subtotal	1,756,850	26,310	(29,200)	4,940	16,170	-69,040	41,910	(8,910)	1,747,940
Corporate Director Community Services									
Corporate Director Community Services	96,830	(23,740)	-	110	(330)	240	7,300	(16,420)	80,410
DD Assets & Environment	2,452,230	(1,970)	12,670	47,510	142,240	42,130	(24,090)	218,490	2,670,720
DD Communities, Planning & Partnerships	2,162,530	(200)	(57,710)	9,290	4,480	16,940	-	(27,200)	2,135,330
DD Housing & Health	854,930	-	(110)	1,590	40	9,860	8,090	19,470	874,400
Subtotal	5,566,520	(25,910)	(45,150)	58,500	146,430	69,170	(8,700)	194,340	5,760,860
Corporate Director Resources									
Corporate Director Resources	101,520	-	-	10	(250)	(7,570)	(2,680)	(10,490)	91,030
Head of Internal Audit Services	110,950	-	-	670	(640)	(7,280)	5,720	(1,530)	109,420
Head of Revenues	157,230	520	(3,500)	220	1,140	(9,040)	2,720	(7,940)	149,290
Head of Benefits	67,440	0	(2,000)	130	(29,950)	(39,890)	-	(71,710)	(4,270)
AD Business Processes	819,640	(200)	(1,500)	16,860	3,740	(30,010)	(74,800)	(85,910)	733,730
DD Corporate Finance	835,480	(720)	(189,000)	750	(128,900)	7,910	(49,100)	(359,060)	476,420
Subtotal	2,092,260	(400)	(196,000)	18,640	(154,860)	(85,880)	(118,140)	(536,640)	1,555,620
Grand Total	9,415,630	-	(270,350)	82,080	7,740	(85,750)	(84,930)	(351,210)	9,064,420

Housing Revenue Account

	Technical Adjustments								Total Adjusted Base 2012/13
	Budget 2011/12	Virements	Committee Decisions	Inflation	Other	Pay Adjustments	External Recharge Changes (non-GF Activities)	Total Adjustments	
	£	£	£	£	£	£	£	£	
Housing Revenue Account									
DD Assets & Environment	-	-	-	230	(580)	3,210	-2,860	-	-
DD Housing & Health	3,480,040	-	(125,830)	30,630	5,730	15,930	79,820	6,280	3,486,320
HRA Summary	(2,800,860)	-	(297,090)	138,110	(1,951,510)	53,900	-	(2,056,590)	(4,857,450)
Grand Total	679,180	-	(422,920)	168,970	(1,946,360)	73,040	76,960	(2,050,310)	(1,371,130)

General Fund Summary Budgets – 2012/13

<i>figures exclude internal recharges & capital charges which have no bottom line impact.</i>	Base Budget 2011/12 £	Technical Adjustments £	Policy Changes £	Budget 2012/13 £
Chief Executive's Office				
Chief Executive	156,130	26,540		182,670
Assistant Chief Executive	108,020	(2,740)		105,280
Solicitor & Monitoring Officer	647,240	27,920		675,160
Head of Organisational Development	245,880	(21,490)		224,390
Head Performance & Corporate Relations	223,600	4,110		227,710
Head of Customer Services	375,980	(43,250)		332,730
Subtotal	1,756,850	(8,910)	-	1,747,940
Corporate Director Community Services				
Corporate Director Community Services	96,830	(16,420)		80,410
DD Assets & Environment	2,452,230	218,490		2,670,720
DD Communities, Planning & Partnerships	2,162,530	(27,200)		2,135,330
DD Housing & Health	854,930	19,470		874,400
Subtotal	5,566,520	194,340	-	5,760,860
Corporate Director Resources				
Corporate Director Resources	101,520	(10,490)		91,030
Head of Internal Audit Services	110,950	(1,530)		109,420
Head of Revenues	157,230	(7,940)		149,290
Head of Benefits	67,440	(71,710)		(4,270)
AD Business Processes	819,640	(85,910)		733,730
DD Corporate Finance	835,480	(359,060)		476,420
Subtotal	2,092,260	(536,640)	-	1,555,620
Total Cost of Services	9,415,630	(351,210)	-	9,064,420
Transfer to/ (from) Balances	(699,350)	-	-	(953,286)
Budget Requirement	8,716,280	-	-	8,111,134
Financing				
Revenue Support Grant/Contributions from NNDR Pool	5,213,611	-	-	4,604,958
Collection Fund Surplus	17,560	-	-	10,000
Council Taxpayers	3,485,109	-	-	3,496,176
Total Financing	8,716,280	-	-	8,111,134

General Fund Summary Budgets – 2012/13 to 2016/17

<i>figures exclude internal recharges & capital charges which have no bottom line impact.</i>	Budget 2012/13 £	Projected Budget 2013/14 £	Projected Budget 2014/15 £	Projected Budget 2015/16 £	Projected Budget 2016/17 £
Chief Executive's Office					
Chief Executive	182,670	186,990	191,400	195,900	200,490
Assistant Chief Executive	105,280	108,140	111,070	114,040	117,070
Solicitor & Monitoring Officer	675,160	667,450	686,580	703,770	721,430
Head of Organisational Development	224,390	227,510	236,020	241,270	246,650
Head Performance & Corporate Relations	227,710	224,840	230,750	235,820	241,020
Head of Customer Services	332,730	350,140	366,930	383,680	400,340
Subtotal	1,747,940	1,765,070	1,822,750	1,874,480	1,927,000
Corporate Director Community Services					
Corporate Director Community Services	80,410	83,070	85,800	88,580	91,430
DD Assets & Environment	2,670,720	2,807,270	2,933,300	3,056,170	3,179,180
DD Communities, Planning & Partnerships	2,135,330	2,187,200	2,197,890	2,219,830	2,266,290
DD Housing & Health	874,400	881,230	888,180	895,230	902,450
Subtotal	5,760,860	5,958,770	6,105,170	6,259,810	6,439,350
Corporate Director Resources					
Corporate Director Resources	91,030	93,450	95,930	98,470	101,070
Head of Internal Audit Services	109,420	113,270	117,080	120,990	125,100
Head of Revenues	149,290	157,320	168,930	180,730	192,710
Head of Benefits	(4,270)	2,940	12,220	21,180	30,330
AD Business Processes	733,730	765,400	797,650	829,870	863,290
DD Corporate Finance	476,420	687,080	663,710	517,620	465,570
Subtotal	1,555,620	1,819,460	1,855,520	1,768,860	1,778,070
Total Cost of Services	9,064,420	9,543,300	9,783,440	9,903,150	10,144,420
Transfer to/ (from) Balances	(953,286)	(1,559,409)	(1,912,179)	(2,130,446)	(2,259,305)
Budget Requirement	8,111,134	7,983,891	7,871,261	7,772,704	7,885,115
Financing					
Revenue Support Grant/Contributions from NNDR Pool	4,604,958	4,374,710	4,155,975	3,948,176	3,948,176
Collection Fund Surplus	10,000	10,000	10,000	10,000	10,000
Council Taxpayers	3,496,176	3,599,181	3,705,286	3,814,528	3,926,939
Total Financing	8,111,134	7,983,891	7,871,261	7,772,704	7,885,115

Income Budgets - 2010/11 - 2016/17

Appendix H

Narrative	Outturn 2010/11	Budget 2010/11	Predicted Outturn 2011/12	Budget 2011/12	variance to budget 2011/12	Proposed Budget 2012/13	Proposed Budget 2013/14	Proposed Budget 2014/15	Proposed Budget 2015/16	Proposed Budget 2016/17	Comment
Legal Services Fees & Charges	(17,140)	(20,000)	(3,000)	(20,000)	17,000	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	Reduction in demand for chargeable works such as sale leases, etc
Marmion House Rent	(49,650)	(58,650)	(55,150)	(49,650)	(5,500)	(61,120)	(61,120)	(61,120)	(61,120)	(61,120)	Reflects increase usage of the building by SCC
Marmion House Common Services	(44,911)	(50,700)	(58,560)	(51,560)	(7,000)	(76,500)	(79,200)	(81,700)	(84,240)	(86,860)	Reflects increase usage of the building by SCC
Outside Car Parks	(893,501)	(1,065,170)	(798,530)	(938,530)	140,000	(800,000)	(800,000)	(800,000)	(800,000)	(800,000)	Based on outturn for last three years including any price increase
Kennelling & Collection Fees	(5,510)	(9,160)	(3,000)	(1,990)	(1,010)	(5,510)	(5,650)	(5,790)	(5,930)	(6,080)	
Fees & Charges Planning Apps	(104,000)	(150,120)	(130,000)	(130,000)	-	(130,000)	(140,000)	(150,000)	(160,000)	(164,000)	Unlikely that Developers confidence will improve. Budget was due to increase to £140k based on 2011/12 WP. It is unknown at present if there will be an impact from local fee setting.
General Fund	(1,114,712)	(1,353,800)	(1,048,240)	(1,191,730)	143,490	(1,078,130)	(1,090,970)	(1,103,610)	(1,116,290)	(1,123,060)	
Garage Rents	(455,930)	(562,400)	(435,500)	(476,500)	41,000	(446,670)	(457,840)	(469,280)	(481,010)	(493,040)	Void rates have continued to rise while the future of the garage sites has been reviewed. Plans have been proposed to dispose of 28 sites but the actual no. of garages affected is not yet known.
HRA	(455,930)	(562,400)	(435,500)	(476,500)	41,000	(446,670)	(457,840)	(469,280)	(481,010)	(493,040)	

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REPORT OF THE LEADER OF THE COUNCIL

Quarter Two 2011/12 Performance Report

EXEMPT INFORMATION

Not applicable

PURPOSE

This report aims to provide Cabinet with a performance and financial health-check.

RECOMMENDATIONS

That Cabinet endorse the contents of this report.

EXECUTIVE SUMMARY

This report looks at

Part 1

1. Performance management framework,
2. Corporate consultations,
3. Corporate communications,
4. Corporate risks,
5. Corporate plan scorecard of performance indicators,
6. Directorate Updates.

Part 2

The financial health-check.

RESOURCE IMPLICATIONS

None, directly arising from this report.

LEGAL/RISK IMPLICATIONS BACKGROUND

Not applicable.

SUSTAINABILITY IMPLICATIONS

Not applicable.

BACKGROUND INFORMATION

See attached document

REPORT AUTHOR

John Day

LIST OF BACKGROUND PAPERS

APPENDICES

Part 1 Performance Health check

1 Performance Management Framework

The PDR process commenced with the Chief Executive undertaking those of Corporate Management Team. Consequently, the cascade through the authority has now begun but not many completed personal development reviews have been received by Organisational Development. This has resulted in a delay in the creation of the training plan.

All other items are on track.

2. Corporate Consultation update

Citizens Panel

The next citizen's panel survey will be January 2012.

Tamworth Listens

A town centre event took place in August when residents and business could come and discuss issues with Cabinet members. A graffiti wall was available for residents to comment on what would make Tamworth a better place to live.

'Speed date your services' event was held for residents to put questions to Cabinet members, council officers and other public sector representatives. Comment cards were available so residents could tell us what would make Tamworth a better place to live.

Place Survey

An online Place Survey has been developed to provide data to measure performance indicators. The survey will be promoted throughout the year and results analysed quarterly.

Budget Consultation

As part of the annual process to review the council tax and charges strategy for the development of the Council's budget, focus groups were held with residents and tenants. Surveys were also available for businesses, residents and the voluntary and community sector.

Links

An online survey was made available seeking views on how the links between Tamworth town centre and Ventura Park can be improved. The consultation tested public opinion towards these linked journeys, particularly around current perceptions and behaviours associated with travelling to the town centre, Ventura Retail Park and between the two sites. Further research was then undertaken by M.E.L.

2011 Review of polling districts and polling places

This consultation collected local peoples' opinions and views about the existing locations, their uses and ideas about where to station ballot boxes in the future.

Upcoming consultations:

Consultation is due take place on the following items; dog control orders, the town centre supplementary planning document and "Talkback Tamworth".

3. Corporate Communications update

During this period 115 press releases were issued, resulting in 432 pieces of press coverage.

Media highlights included a live housing blog, the BBC news website featuring pieces on both the Staffordshire Hoard in Tamworth and the Castle's education award. The BBC also showed its programme about the Staffordshire Hoard which heavily featured Tamworth Castle throughout.

A number of videos were uploaded during the Saxon festival, the opening of the Hoard and also from the Ultrasound Music Festival. This saw a huge spike in people watching our videos with 9,500 views in this period, usually we would expect to see 1500 – 2000 views over a similar period.

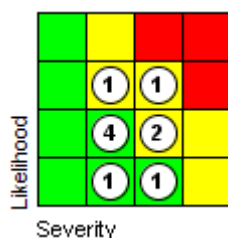
In addition, there were 2,609 blog views. A lot of these views were of the Saxon Festival, the BBC Hoard programme and the music festival. Budget consultation was also undertaken via the blog and website.

The Tamworth Borough Council website remains ranked second in Google searches for Tamworth, averaging around 19,000 unique users a month.

4. Corporate Risks

The Corporate Risk Register has been completely reviewed and updated. There are currently ten risks on the Corporate Risk register, none of which are high risks.

The "heat map" below indicates the current position of their risk status.

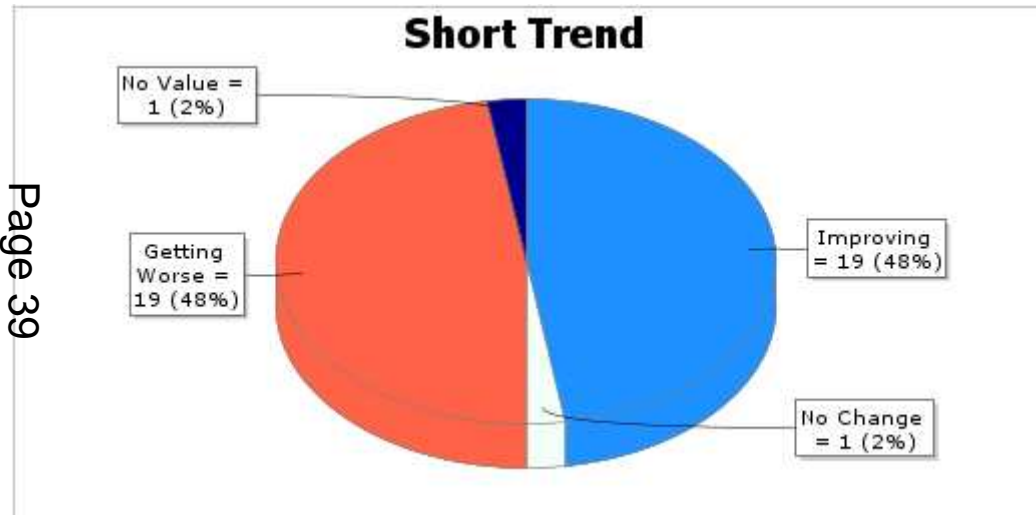


5. Corporate Plan Scorecard of Performance Indicators

The pie charts below show the numbers of performance indicators and whether they are improving, declining or have stayed the same. Those indicators where no historical data is yet available are shown as no value. More detail on the individual indicators that make up this analysis can be found at pages 6 to 18.

To Aspire and Prosper in Tamworth –

To create and sustain a thriving local economy and make Tamworth a more aspirational and competitive place to do business



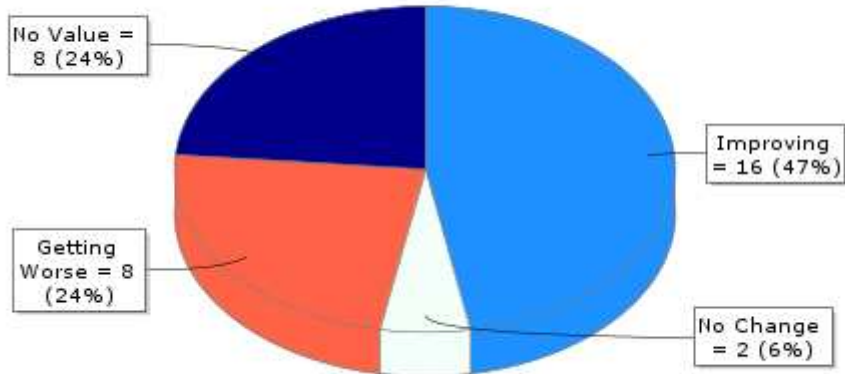
Positive activities in this priority area have been;

- The Think Local 4 Business show was held for the 8th consecutive year,
- The Tamworth & Lichfield Waste & Recycling Team won the local authority team of the year at the National Recycling Awards,
- Tamworth won gold in the Heart of England in bloom competition,
- The Castle Grounds staged the Midlands Music Festival,
- The Staffordshire Hoard was displayed at Tamworth Castle,
- The Heritage Lottery Fund awarded a grant of £875k to Tamworth Castle for a conservation & education programme,
- Tamworth Castle won a Sandford Award for a second time for its education workshops for children,
- New John Lewis at Home and B&Q stores set to open,
- An increase in market traders following the transfer to a new market operator,
- The Gateway project – a landscape architect is in the process of being recruited to prepare schemes for the improvement of two key linkages to the town centre,
- 17,000 people attended the Saxon Summer festival

To be healthier and safer in Tamworth -

To create a safe environment in which local people can reach their full potential and live longer, healthier lives

Short Trend

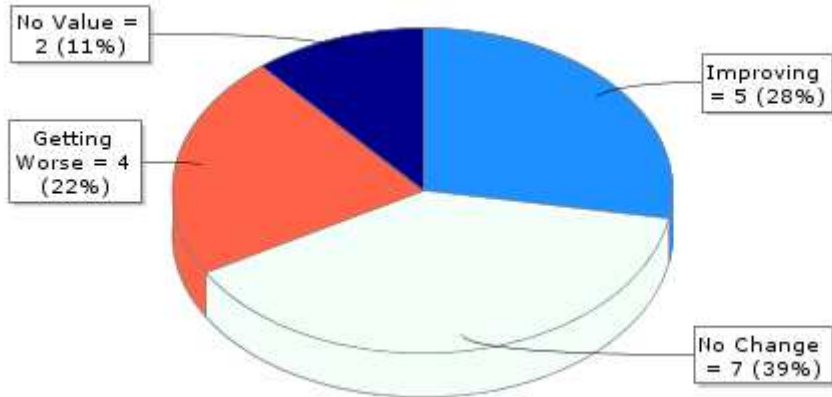


Positive activities in this priority area have been;

- A crime prevention day held in Ankerside,
- Four Community Together days held in Glascote, Kettlebrook, Stonydelph & Amington,
- Continuation of the programme of estate walkabouts,
- The installation of outdoor gyms at Dosthill & Wigginton Parks,
- Extension of the HEAT scheme enabling residents to benefit from improvements to insulation (1,000 households have benefited from the scheme to date),
- In conjunction with the Primary Care Trust, Phase Four Cardiac support has now been established at the Castle grounds gym and the opening hours of general referrals has been extended to cope with demand,
- The Housing & Health Strategy was approved by Cabinet and will now be launched with partners,
- Achieved accreditation against the Centre Sheltered Housing Studies quality assessment framework.

Approachable, Accountable and Visible

Short Trend



Positive activities in this priority area have been;

- Budget consultation,
- Tamworth Listens culminating in the State of Tamworth debate,
- Achievement of an unqualified external audit opinion and a positive value for money conclusion,
- Work on the Support Services review continued.

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Key to symbols

Pages 7 to 19 contain more detail on the performance indicators used in this analysis. The key to the symbols used is shown below.

Performance improving or declining	
	Improving
	No Change
	Declining





Performance against target	
	Not at target
	Close to target
	At/exceeding target
	Unknown
	Data Only

**To Aspire and Prosper in Tamworth:
To create and sustain a thriving local economy and make Tamworth a more aspirational and competitive place to do business**









1a. Raise the aspiration and attainment levels of young people

Performance Indicator	Last Update	Current Value	Frequency of collection	Performance improving or declining		Performance against target (where target is known)
Achievement of 5 or more A*- C grades at GCSE or equivalent including English and Maths	2010/11	43.1%	Years	↓	Declining	
Achievement of a Level 3 qualification by the age of 19	2009/10	47.7%	Years	↑	Improving	
Key stage 2 - Percentage of pupils attaining English & Maths level 4 & above	2010/11	80%	Years	↑	Improving	
Percentage of 18 -24 year olds in receipt of Job Seekers Allowance	September 2011	9%	Months	↓	Declining	
16 to 18 year olds who are not in education, employment or training (NEET) - Belgrave	August 2011	13.9%	Months	↓	Declining	
16 to 18 year olds who are not in education, employment or training (NEET) - Glascote	August 2011	17.3%	Months	↓	Declining	
16 to 18 year olds who are not in education, employment or training (NEET) - Amington	August 2011	10.8%	Months	↓	Declining	
16 to 18 year olds who are not in education, employment or training (NEET) - Spital	August 2011	12.6%	Months	↓	Declining	

1b. Create opportunities for business growth through developing and using skills and talent

Performance Indicator	Last Update	Current Value	Frequency of collection	Performance improving or declining		Performance against target (where target is known)
Percentage of working age population with NVQ2+	2010/11	62.2%	Years	↑	Improving	
Percentage of working age population with no qualifications	2010/11	16%	Years	↑	Improving	
Percentage of working age population with NVQ3+	2010/11	37%	Years	↑	Improving	
Percentage of working age population with NVQ4+	2010/11	17.2%	Years	↑	Improving	

1c. Promote private sector growth and create quality employment locally

Performance Indicator	Last Update	Current Value	Frequency of collection	Performance improving or declining		Performance against target (where target is known)
New business registration rate per 10,000 resident population aged 16 and above (Tamworth)	2009/10	31.7	Years		Declining	
Percentage of working age population claiming Job Seekers Allowance	Q2 2011/12	3.5%	Quarters		Declining	
Overall Employment rate (working-age) (Tamworth)	Q4 2010/11	56.0%	Quarters		Declining	
Worklessness level	2010/11	14.5%	Years		TBA	

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1d. Brand and market “Tamworth” as a great place to “live life to the full”

Performance Indicator	Last Update	Current Value	Frequency of collection	Performance improving or declining		Performance against target (where target is known)
Overall/general satisfaction with local area (Tamworth)	2010/11	70%	Years	↓	Declining	
The footfall for Town Centre	H1 2011/12	5,940	Half Years	↑	Improving	
The occupancy levels of Town Centre retail outlets	Q2 2011/12	92%	Quarters	↓	Declining	
Occupancy of Market Stalls	March 2011	82%	Months	↑	Improving	

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1e. Create the physical and technological infrastructure necessary to support the achievement of this primary outcome

Performance Indicator	Last Update	Current Value	Frequency of collection	Performance improving or declining		Performance against target (where target is known)
Satisfaction with cleanliness of streets	2010/11	44%	Years	↑	Improving	
Net additional homes provided (Tamworth)	Q1 2011/12	28	Quarters	↓	Declining	
Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting): Graffiti (Tamworth)	2010/11	5%	Years	↑	Improving	

Performance Indicator	Last Update	Current Value	Frequency of collection	Performance improving or declining		Performance against target (where target is known)
Percentage of residents satisfied with the authorities parks and open spaces	2010/11	64%	Years	↑	Improving	⚠
Processing of planning applications: Major applications (Tamworth)	Q2 2011/12	60.00%	Quarters	↓	Declining	✅
Processing of planning applications: Minor applications (Tamworth)	Q2 2011/12	78.57%	Quarters	↓	Declining	✅
Processing of planning applications: Other applications (Tamworth)	Q2 2011/12	91.66%	Quarters	↓	Declining	✅
Satisfaction of business with local authority regulation services (Tamworth)	2010/11	84%	Years	↑	Improving	✅
Percentage of household waste sent for reuse, recycling and composting (Tamworth)	Q1 2011/12	53.54%	Quarters	↑	Improving	✅
Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting): Litter (Tamworth)	2010/11	5%	Years	↑	Improving	✅
Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting): Detritus (Tamworth)	2010/11	9%	Years	↑	Improving	✅
Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting): Fly-posting	2010/11	1%	Years	↓	Declining	✅
Increase in the number of local sites where active conservation management has been or is being implemented from 5 in 2009/10 to 8 by 2013	2010/11	7	Years	↑	Improving	✅
Satisfaction with household waste collection	2010/11	74%	Years	↑	Improving	📊
The number of prosecutions for flytipping in the month	September 2011	0	Months	▬	No Change	📊







To be healthier and safer in Tamworth Borough Council
To create a safe environment in which local people can reach their full potential and live longer, healthier lives

2a. Address the causes of poor health in children and young people

Performance Indicator	Last Update	Current Value	Frequency of collection	Performance improving or declining		Performance against target (where target is known)
Proportion of children in poverty	2009/10	17.6%	Years	↑	Improving	
Infant Mortality per 1,000	2008/09	7.13	Years	↓	Declining	
Childhood Obesity Rates (yr6)	2009/10	16.3%	Years	↓	Declining	
Physically active children	2009/10	61.2%	Years	↑	Improving	











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2b. Improve the health and well being of older people by supporting them to live active, independent lives













Performance Indicator	Last Update	Current Value	Frequency of collection	Performance improving or declining		Performance against target (where target is known)
Adult participation in sport and active recreation (Tamworth)	2009/10	16.6%	Years	↓	Declining	
Male life expectancy	2008/09	78.6	Years	↑	Improving	
Female life expectancy	2008/09	82.1	Years	↑	Improving	
Infant and child premature mortality rate per 100,000 population aged under 75	2007/08	299	Years	?	TBA	
Diabetes - adults	2007/08	30.7%	Years	↑	Improving	
The percentage of physically active adults	2009/10	9.7%	Years	↑	Improving	

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2c. Reduce the harm and wider consequences of alcohol abuse on individuals, families and society







Performance Indicator	Last Update	Current Value	Frequency of collection	Performance improving or declining		Performance against target (where target is known)
Increasing and higher risk drinking	2008/09	27.7%	Years		Declining	
Estimated problem drug users	2008/09	409	Years		TBA	
Percentage of Adults Smoking	2008/09	25.9%	Years		Declining	
Alcohol attributable mortality per 100,000 population - Males	2009/10	45	Years		Declining	
Alcohol attributable mortality per 100,000 population - Females	2009/10	12	Years		Improving	

2d. Implement 'Total Place' solutions to tackling crime and ASB in designated localities

Performance Indicator	Last Update	Current Value	Frequency of collection	Performance improving or declining		Performance against target (where target is known)
Percentage of people who feel that the council and police are dealing with local concerns about anti-social behaviour and crime issues	2010/11	46%	Years		Improving	
Incidents of Anti-Social Behaviour	September 2011	1,355	Months		Declining	
Perceptions of anti-social behaviour (Tamworth)	2010/11	31%	Years		Declining	
Percentage of people feeling safe after dark (on line place survey)	2010/11	53%	Years		TBA	
Percentage of people feeling safe during the day (on line place survey)	2010/11	89%	Years		TBA	
Percentage of people who felt fearful of being a victim of crime in the last 12 months	H1 2011/12	8%	Half Years		No Change	

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2e. Develop innovative early interventions to tackle youth crime and ASB

Performance Indicator	Last Update	Current Value	Frequency of collection	Performance improving or declining		Performance against target (where target is known)
First time entrants to the Youth Justice System aged 10-17	Q2 2010/11	13	Quarters		Improving	
Percentage of arrests of people aged between 10 and 17 years old	2009/10	20%	Years		TBA	
Young offenders receiving a community resolution order	2009/10	41	Years		TBA	









2f. Create an integrated approach to protecting those most vulnerable in our local communities

Performance Indicator	Last Update	Current Value	Frequency of collection	Performance improving or declining		Performance against target (where target is known)
% non-decent council homes (Tamworth)	2010/11	.0%	Years	▬	No Change	✔
Number of homelessness cases prevented as a result of casework	October 2011	319	Months	↑	Improving	✔
Disabled Facilities Adaptations completed	Q2 2011/12	63	Quarters	↑	Improving	✔
Increase the number of referrals made by Tamworth HEAT by 20% year on year using 2009/10 baseline	August 2011	1,132	Months	↑	Improving	✔
The number of empty homes brought back into use each year	Q2 2011/12	14	Quarters	↑	Improving	✔
Meet and maintain licensing programme for Houses in Multiple Occupation (HMO's)	2010/11	100%	Years	?	TBA	✔
Average number of days taken to re-let local authority housing (Standard Empty Homes)	October 2011	15	Months	↑	Improving	✔
Local authority tenants' satisfaction with landlord services	2010/11	75.20%	Years	↑	Improving	✔
Where possible, 30% of all new homes delivered will be affordable	2010/11	53%	Years	?		✔
The number of Council properties adapted to meet the needs of disabled people	2009/10	76	Years	↑	Improving	📊

Approachable, Accountable and Visible

Performance Indicator	Last Update	Current Value	Frequency of collection	Performance improving or declining		Performance against target (where target is known)
Percentage of calls answered within 20 seconds - Corporately	Q1 2011/12	88%	Quarters		TBA	
Freedom of Information Requests Responded To Within legislative timescales	June 2011	97.44%	Months		Improving	
Achievement of upper quartile performance for Non-Domestic Rate collection	2010/11	98.4%	Years		Improving	
Increase the number of eligible voters	Q1 2011/12	58,804	Quarters		Improving	
Increase voter turnout	2011/12	36.78%	Years		Declining	
Spending maintained within approved budget and without significant underspends	August 2011	0.27%	Months		Improving	
Percentage of people who feel they can influence decisions in their locality (Tamworth)	2010/11	29%	Years		Improving	
Maintain accreditation against ISO20000	2010/11	Yes	Years		No Change	
Maintain accreditation against ISO27001	2010/11	Yes	Years		No Change	
Draft Statement of Accounts to be prepared by 30th June each year	2010/11	Yes	Years		No Change	
Achievement of upper quartile performance for Council Tax collection	2010/11	98%	Years		Declining	
To have satisfactory arrangements to secure economy, efficiency and effectiveness in our use of resources	2010/11	Yes	Years		No Change	
Achievement of an unqualified audit opinion on the financial statements	2010/11	Yes	Years		No Change	
Budget, Council Tax and Rent set by 11th March each year	2010/11	Yes	Years		No Change	

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Performance Indicator	Last Update	Current Value	Frequency of collection	Performance improving or declining		Performance against target (where target is known)
Visiting Marmion House - Resolution at first point of contact	Q2 2011/12	99%	Quarters		No Change	
Usage of the "Tell us" scheme	August 2010	43	Months		Declining	
Increase the percentage of residents year on year who express satisfaction with council services (on line place survey)	2010/11	66.4%	Years		TBA	
The percentage of canvas forms returned	2010/11	93.75%	Years		Declining	

6. Directorate Updates

Assistant Chief Executives

Budget consultation workshops were held in the late summer with the findings being discussed at Cabinet in September. Tamworth Listens continued with a multi-agency event taking the form of two "Speed date your councillor" sessions. The outcomes from this informed the State of Tamworth Debate in October. A review of the Tamworth Listens process is now underway and the next quarter will see the working up of a proposal for its future operation. A mapping exercise of consultation across the authority has commenced.

Support Services Review Update

The first stage of the Review is now coming to an end with all the section managers providing information about their service on our very detailed spreadsheet. It was time consuming to complete but the detail about the services, ideas for investments and savings will prove invaluable in progressing the review. The spreadsheets have been analysed and, in some instances, further clarification on the suggestions that have been made has been requested.

For the next stage, two companies have submitted tenders to carry out a soft market test. Our aim here is to (a) take the work away from the services, (b) provide us with expertise and access to information/statistics that we don't have internally and, (c) provide us with an independent view of the services and the market place in which they could/do operate.

A draft report will be prepared with recommendations to be considered by CMT before making its way to Budget Review Group on 10th November, 2011.

Transforming Tamworth

Transforming Tamworth is continuing well with significant progress being made in Revenues, Benefits and Creditors. Website and Customer Services, including postage and telephony, are currently being planned.

Improvements have been made in Benefits with the implementation of e-Claim and dual screens and business cases are coming in from Revenues and Housing for recommended improvements.

The NVQ training has now ended with eight officers successfully completing their NVQ BIT accreditations.

CMT/Cabinet Away Day

During September the CMT and Cabinet members held an Away Day. The main purpose of this was to establish and agree where we are as a public service provider; as a strategic partner and as an organisation.

The fantastic achievements over the last six to 12 months were considered alongside political aspiration; corporate capacity and resources and the challenges we face in the next few years.

Impacts of the Localism Bill, health reforms, Council tax benefits and welfare reform, National Planning Policy, the Police, Crime and Social Responsibility Act and the National Growth Agenda were all discussed, with supporting action plans being developed.

Housing and Health

The Council's Housing and Health strategy has been approved by Cabinet and will be launched with partners on 16th November 2011. This strategy will direct housing activity across all tenures within the borough and with good housing being a contributory factor to good health will link to health outcomes. This development of the Strategy has attracted attention at a Regional and National level.

The Local Investment Plan (LIP) has now been approved by Cabinet and work is underway with registered providers to implement the plan. This is a key document for informing the Homes and Communities Agency (HCA) about our investment needs around housing and affordable housing. The LIP will now need to become more focused on identified development sites in Tamworth following further guidance from the HCA. This local focus is highlighted in the Tamworth Local Delivery Plan which has now been agreed with the Homes and Communities Agency.

A number of garage sites have been identified as potentially suitable for re-development. Cabinet have approved, in principal, the decision to dispose of 26 sites for the purpose of developing affordable housing subject to further feasibility assessments. The Council has commenced consultation with current tenants of affected garages and will commence community consultation in late November. A report has been submitted for Cabinet approval on 2nd November to agree the future for the remaining garage sites. This includes a full technical assessment and investment plan.

Landlord Services continue to support locality working by targeting specific projects in Belgrave, Glasgote, Stonydelph and Amington. These include estate walkabouts, financial initiatives with the credit union to promote sensible borrowing, litter picks and environmental improvements.

Council Housing Finance Reform provides a significant opportunity to invest in services and Cabinet have approved key principles around housing renewal and regeneration as key ambitions for future investment spending and priorities. This will be consulted on further, culminating in the first tenants' annual conference on the 26th January 2012.

Anti-social behaviour policies and procedures were developed with the aim of meeting the respect standard and achieving independent accreditation in 2012. This will ensure landlord services support the co-located team at the police station. The Landlord Services team are working closely with other agencies at the Community Safety Hub and have full involvement in joint briefings and joint operations to tackle anti social behaviour and reduce crime.

Work with partners continues with relation to energy efficiency schemes. The Council is working with new partners to further develop the HEAT scheme and its approach to affordable warmth. The Council is currently working successfully with partners regarding the installation of free Cavity Wall and Loft Insulation for local residents. To date, over 1000 households in Tamworth have benefited from this scheme.

The approach to Empty Properties in the private sector continues to be developed and refined in line with best practice. The Council has already met its target to bring 19 properties back into use during the current financial year. A new Empty Homes Policy and Financial Assistance

package was being submitted to Cabinet in September. Additionally, the Council is working with the HCA, registered provider partners, the County Council and other key partners to submit an innovative bid for government funding to deal with empty homes in the borough.

The Tamworth Homelessness Prevention Programme is being further developed to incorporate health professionals, community groups, local schools and youth clubs, in order to encourage a genuinely preventative approach to homelessness. Additional resources have recently been acquired that will provide opportunities to further expand this approach to homelessness prevention. This approach will be integrated into a review of the Council's Homelessness Strategy and linked to other prevention activity and any new policy initiatives relating to homelessness.

Work continued on private sector housing standards involving licensing of houses in multiple occupation. The team have also been involved in high profile prosecutions.

Landlord services continue to improve service delivery on core housing functions maximising income to the council and improving the quality of life of customers. Examples include:-

- Reducing void turnaround from 28 days (outturn 2009/10) to 21 days (outturn 2010/11). The current months performance (October 2011) is 11 days the lowest in the last three years
- reducing the level of arrears to 1.56%, collecting 100.25% of the overall rental and arrears income
- Improving repairs satisfaction by completing repairs right first time and increasing appointments

The Council has achieved accreditation against the Centre Sheltered Housing Studies by meeting key service outcomes against the quality assessment framework. This award is made against a comprehensive set of criteria and is a confirmation of the high standard of services provided to Sheltered Housing tenants. As a consequence of this, efficiency savings have been made to avoid reduction in front line services following County wide cuts.

Tenants have been consulted on a new tenancy agreement and, following comprehensive feedback from members and tenants, this is shortly due to be launched. This strengthens tenants' roles and responsibilities in their neighbourhood to promote healthier and safer communities.

A draft annual report to tenants has been completed and is now published on the internet. Improvements in overall satisfaction with landlord services is up from 65% to 75% and 93% of sheltered housing tenants are happy with the overall landlord service. Publication of the report is a requirement of the Tenant Services Authority and documents the challenges going forward.

Independent assessment of the allocations policy by inspectors concluded that this could be rated as good and satisfaction with the finding a home service increased to 88%.

Approval of a new repairs policy that will see a handyperson service introduced in 2012, continuing to meet the decent homes standard. This has included a health impact assessment to show how this contributes to improving health and well-being of tenants.

Procurement of a new repairs and investment contractor has continued with completion of the initial bidding stages.

Landlord Services were recently commended by the fire service for the efficient response to new fire regulatory guidance in high rise buildings and are investing £100k in the town centre blocks to meet the very latest safety standards.

Launch of the local offers and full review of service standards in April 2011 linked to an improved co-regulatory and democratic framework. The existing equalities plan is being broadened into a health and inequalities action plan to ensure that outcomes are tailored specifically to people's needs.

Continued delivery of the landlord financial inclusion strategy with more than £250k personal debt being secured for customers and more than £100k extra benefit taken up maximising customers income. Landlord surgeries are now being offered at TAMCAN to support a multi-agency approach to debt management and access to services.

The success of the Private Sector Housing Enforcement Team in prosecuting failing landlords has generated positive publicity from peers across Staffordshire and the interest of the BBC for inclusion on a forthcoming local news documentary.

A new debt advice service has been procured to include court desk provision and the service with CAB started on 1st October. Meanwhile work continues on the procurement of a suitable contractor for the Sanctuary scheme with Lichfield DC.

Quarter two has seen a small but significant increase in the number of households presenting as homeless and for whom temporary accommodation in bed and breakfast has been required. This has resulted in the highest numbers in bed and breakfast during September 2011 than has become the norm. Currently there is no obvious reason or trend to the increase but the situation continues to be monitored.

Assets and Environment

The joint waste collection service continues to run successfully and has maintained a slight increase in recycling rates compared to the previous year. This is matched by data confirming more residents are requesting a larger recycling bin.

The weight of residual waste collected continues to reduce slightly from the same period as last year, which is encouraging and means we are sending less waste directly to landfill.

The Streetscene team continue to strive to keep the town a tidy place. Those indicators that measure cleanliness i.e. litter, detritus and fly posting are still performing better than the national average, with the exception of graffiti which is still marginally below the national average, however is still classified as "good".

The Council achieved a gold award in the "Heart of England in Bloom" competition for the second year, the results citing amongst others good sustainable planting and evidence of year round community engagement as being embedded.

The team also achieved a special award for horticultural excellence which deserves a special note.

Dog fouling still appears to be a high priority for residents and forms a high percentage of the reports received for the enforcement team to deal with, and going forward it is planned to consider consulting on the introduction of dog control orders which will give additional remedies to assist in this area of enforcement.

The new Market Operator commenced on the 1st April, and has just completed a six month review, which indicates a substantial increase in traders both on Tuesdays and Saturdays, (58 traders over both of the days). They are currently working on new stalls, relationships and marketing to ensure this is a sustainable and viable market.

The Asset team are leading the project to procure a new repairs and investment contractor for all of our housing construction works, the project is running to time and will deliver a final report to Cabinet during December.

Communities, Planning and Partnership

Community Safety

Serious acquisitive crime continues to be a challenge though the increase this quarter was more in relation to vehicle crime specifically theft of motor vehicles. Research has highlighted that this year 30% of vehicle thefts are two wheeled. This crime type is also impacting on our anti social behaviour complaints relating to off road motor cycles, mopeds etc. Operation TARPA ran from June to September and successfully reduced the number of ASB incidents in around the town centre relating to young people and alcohol issues. The community safety hub continues to develop and the Chief Constable has visited and attended the daily briefing and tasking meeting. He was very complimentary and it is understood is encouraging other Districts to have a similar model.

The Community Safety team have provided reports to the Health and Wellbeing Scrutiny on the Town Centre and Domestic Violence, both have been well received.

Community Development

The review of Locality Working is complete and will be presented to Cabinet on November 2nd, with wide ranging input from a number of partners and Tamworth Borough Council colleagues providing a comprehensive picture to date. Response to this review may have an impact on activity of the team over the next few months. A Locality Forum is in place in Amington with other areas establishing similar groups over the next three months. A community planning consultation for Amington is complete with the report from a similar piece of work in Glascote nearing completion. A successful move of the Belgrave community hub to the new fire station has been completed, with a new tenant in place for the Exley site; discussion about potential premises sharing in Amington has also commenced. Activity in all 4 localities continues to grow steadily, given the various issues with partners around resource, capacity and flexible working. A brochure highlighting examples of locality working activity and also videos aimed at providing details of and engagement in locality working have been produced. The Community Development Manager is involved in exploring opportunities to develop joint action around worklessness and family support in localities. The Community Development Team will remain at full strength with external funding being used to extend the temporary contract for the temporary Community Development Officer post until 30th March 2012.

Strategic Planning and Development

The work to assess the viability of Anker Valley is nearing completion and discussions with neighbouring authorities have progressed well, this will help us to fulfil our 'duty to cooperate'. The Core Strategy is being finalised for publication in early 2012. Development Control performance is good and the team have been involved in a number of pre-application discussions to bring sites forward for development. The team have also assisted in the

implementation of developments, ensuring that land identified for open space is of a high quality before it is transferred to Tamworth Borough Council.

The Economic Development team have developed the Business & Economic Partnership into a truly business led organisation with an approved Economic Development Strategy and are assisting the Business & Economic Partnership to move towards implementation. The team are leading on the incorporation of the Think Local 4 Business product and have had a successful Think Local 4 Business Show which saw increased number of visitors. The team are hopeful of securing business support opportunities through the Local Economic Partnership to complement a local resource to help direct and signpost businesses to these opportunities. The Service has led on the Gateway project and a Landscape Architect is in the process of being recruited to prepare schemes for the improvement of two key linkages to the town centre. The Service continues to promote the Gungate development site and have been investigating options to kick start this development.

Community Leisure/ Sports Development

The Leisure team has continued to work well with partners and local businesses. An agreement with Dave Owens cycles will see a junior skate park being established in the activity centre for younger children on a shared income basis. A community table tennis club has also been established at the Activity Centre. The department's two apprentices completed their two year course and left with their full qualifications to NVQ level three, one has been successful in obtaining employment in the leisure industry. The department has re-recruited and the new apprentices are due to start shortly.

In conjunction with the Primary Care Trust, Phase Four Cardiac support has now been established at the Castle grounds gym. The opening hours of general referrals has been extended to cope with demand, this includes evening sessions.

The departments PlaySport schemes took part at Woodlands, Hanburys Farm and Two Rivers with good attendance. The Play and positive group has been reviewed to ensure it connects better within the Health Agenda and general activity plans. A health Task group has been established and is due to commence and plans continue to be put in place for 2012 and the Olympics.

Arts and Events

The Assembly Room's summer educational programmes for young people were fully subscribed, with a range of successful shows and events including the Children's festival. The team is particularly pleased with its growing partnership with Staffordshire Library Services and, in particular, supporting the summer reading challenge which meant Tamworth exceeded targets. More than 17000 people attended the Saxon Summer festival and 4000 attended Stars and Stripes. Tamworth Assembly Rooms has secured a grant of £25,000 to support improving the public access to the building from Corporation Street.

Castle

The Castle achieved its second round bid to the HLF and was awarded £876,200 as part of a £1,161,719 project to improve learning opportunities and conservation at the Castle. The capital programme will commence in April 2012 and will last for six months. This will include some small period of closure to enable building work to be carried out. A total of 14,393 people visited the Castle during August and September when the Staffordshire Hoard was exhibited. The Castle made a unique contribution to the exhibition by the commissioning of a Saxon replica sword, helmet and shield. These were used extensively during the exhibition by our

living history characters. The Castle also achieved, for the second time, the Sandford Award for Heritage education. Staff were praised for their delivery of school workshops and role play sessions, with the appraiser noting that they were some of the best that he had seen.

Children, young people and Safeguarding

There has been a significant increase in recent weeks in the number of reported cases and, in particular, some very high level Vulnerable Adult cases. These are being recorded on the customer relationship management system and in various departmental service records as appropriate. There is a meeting planned with partners to discuss issues relating to out of hours cover and the suitability of Marmion House as a safe location post 5.00pm.

The revised Policy is being implemented and Health and Wellbeing Scrutiny have supported the roll out of training for Staff and Members on Safeguarding and Domestic Violence.

Partnership Development and Voluntary Sector

The Tamworth Strategic Partnership approved nine task and finish groups at its meeting in September. The Alcohol task and finish project, which acted as a pilot, is near to completion and the findings and recommendations were discussed and approved at the meeting. The partnership also approved the service outlines for two new services, which are currently out to tender, supporting jobs and enterprise creation and healthy lifestyles.

The next partnership meeting will sit as our Responsible Authorities Group (under the Crime and Disorder Act 1998) and receive an update on the Community Safety Partnership and Strategic Assessment.

The new Partnership Guidance Policy database is now in operation and training on how to use this has been carried out. This is a far more efficient way of holding information on the Council's key partnerships.

The Council's contracts with the voluntary sector are being managed and the 12 month performance presentations to the Commissioning Board are taking place this month. The assessment of the monitoring reports shows delivery against the contracts is good with only minor issues to be addressed.

The Voluntary/Community Sector itself is reporting back tough times and the Council continue to support the sector with advice and guidance and through the small grants scheme.

Place Steering Group

The Place Steering Group is due to meet this month (November) and will review the progress made to date in rolling out the branding, and other projects such as the new Town website. The Place Steering group will also consider the Place Strategy and Action Plan. The key focus for the group remains the Gateways and Gungate projects. There is also a short term initiative to promote Tamworth as a Christmas shopping and leisure destination.

Corporate Finance, Exchequer and Revenues

The main achievement for the Corporate Finance, Exchequer & Revenues service during the second quarter was the liaison with the External Auditors to achieve an unqualified audit opinion and a positive value for money conclusion which states "The Council continues to have proper arrangements in place for securing economy, efficiency and effectiveness in its use of resources." – together with publication of the Audited Accounts on the Council's website before the 30th September statutory deadline.

The Audit Commission have again reported that Tamworth Borough Council's Accounts for the year ended 31st March 2011 were 'prepared to a reasonable standard and in advance of the deadline'.

The achievement of this important document to deadline is the culmination of two years' work, not only by the finance team but also cooperation and input from key staff and managers across the Council.

As required by the Government, the 2010/11 accounts have been prepared under International Financial Reporting Standards (IFRS). The introduction of IFRS has significantly changed the way that local authority accounts are prepared and a large number of areas are subject to different accounting treatments to those in the past. The conversion process involved a considerable amount of additional work impacting on resources, budgets and other areas such as systems and processes.

Other areas/achievements:

- As part of the Council's financial management & reporting processes, preparation of monthly budget monitoring reports for Managers / Quarterly for Cabinet (Quarter one reported to Cabinet 21st September);
- Reported treasury performance for 2010/11 through the Annual Report on the Treasury Management Service and Actual Prudential Indicators 2010/11 to Cabinet in July & Council in September;
- Continued sound performance, with robust income collection given the economic climate - achieving collection rates for the second quarter, in line with target levels, of 58.4% for Council Tax and 60.6% for Non-Domestic Rates;
- Finalised the insurance renewal at no additional cost to the Council;
- Held a positively received Budget workshop for all Members in September;
- Went live with electronic payslips from September 2011 thereby generating efficiency savings;
- Successful launch of the new corporate equipment & stationery contract / arrangements with Office Depot delivering significant savings on purchases.

Business Processes

- Match rate between LLPG and NDR is now >95% which puts us at the Silver Standard meeting targets set in our Improvement Schedule,
- E-payslips deployment,
- Upgrade Ingres to 9.2,
- Various Academy Upgrades/patches,
- Deploy e-claim Change of Circumstances,
- Deploy new corporate screen saver,
- Upgrade W2/DIP to V15.0.5 ,
- GGP Upgrade,
- Exchange server virtualised. Server moved from problematic/failing hardware to new virtual environment,
- Mailbox housekeeping exercise undertaken for whole Authority resulting in overall mailbox database size reduction of 50%. This meant no additional investment required in mail server licensing,
- Email/calendars available on smart phones. Several makes of smart phones trialled,
- Hard disk and removable media encryption software procured and deployed on a number of test users,
- Windows 7 piloted on laptops in Housing.

FINANCIAL HEALTHCHECK REPORT – QUARTER 2, PERIOD 6, SEPTEMBER 2011

Executive Summary

This report summarises the main financial issues identified at the end of September 2011. Details relating to the summary including Directorate commentaries can be obtained from Phil Thomas, Corporate Accountancy Extension 239.

Summary action sheets showing agreed action points to address issues raised are attached at **Appendix A**.

General Fund

Revenue

- The General Fund has a favourable variance against budget at period 6 of £349k.
- The projected full year position identifies a projected unfavourable variance against budget of £39k or 0.41% (£25k or 0.27% unfavourable reported at period 5).
- This projection has highlighted several budget areas for concern (detailed at **Appendix B** and within the Report) though we are half of the way through the year and projections may change, ongoing investigations into these areas have been initiated to mitigate the levels of the deficits.
- A balance of £93k was held in the General Contingency Budget at the end of September 2011, with a commitment to release a further £3k in relation to support for the Shopmobility service.

Capital

- Capital expenditure incurred was £206k compared to a profiled budget of £847k.
- It is predicted that £0.993m will be spent by the year-end (£1.720m reported at period 5) compared to a full year budget of £1.862m (this includes re-profiled schemes from 2010/11 of £517k).
- A summary of Capital expenditure is shown at **Appendix D**.

Treasury Management

- At the end of September 2011 the Authority had £16.71m invested in the money markets (excluding the £4.85m classified as principal sums at risk invested in Icelandic Banks). The average rate of return on these investments is 1.23%. At this point it is anticipated that our investments will earn approximately £192k compared to the budgeted figure of £256k, an estimated shortfall of some £64k, this is as a result of the continuing low level of interest rates due to financial uncertainty in the markets.

- Borrowing by the Authority stood at £20.392m at the end of September 2011, all being long term loans from the Treasury's Public Works Loans Board (PWLB). The average rate payable on these borrowings equates to 6.62%. At this point it is projected that interest payments will be £1.347m compared to a budget of £1.731m, assuming that the £7.1m new borrowing requirement included within the base budget, for is not taken.
- A more detailed summary of the Treasury Management situation, detailing our current Lending and Borrowings together with the situation with our Icelandic investments, can be found at **Appendix E**.

Balances

Balances on General Fund are projected to be in the region of £3.773m at the year-end from normal revenue operations (£3.787m projected at period 5) compared to £3.191m projected within the 2011/12 budget report.

There is also currently a balance unallocated of £256k within the Repairs and Renewals Fund.

Housing Revenue Account (HRA)

Revenue

- The HRA has a favourable variance against budget at Period 6 of £281k.
- The projected full year position identifies a favourable variance against budget of £252k. (£220k favourable projected at period 5). Individual significant budget areas reflecting the variance are detailed at **Appendix B** and within the body of the Report.

Capital

- Housing Capital expenditure of £2.431m has been incurred as at the end of Period 6 compared to a profiled budget of £2.361m.
- It is predicted that £4.435m will be spent by the year-end (£4.435m projected at period 5) compared to the full year budget of £4.450m (including £172k re-profiled from 2010/11).
- A summary of Capital expenditure is shown at **Appendix D**.

Balances

- Balances on the Housing Revenue Account are projected to be in the region of £4.660m at the year-end (£4.628m projected at period 5) compared to £4.268m projected within the 2011/12 budget report.

Balance Sheet Reporting

In order to improve the information provided regarding the financial standing of the Council as at the end of the period, **Appendix C** shows an extract of the Councils balance sheet. This includes movements in balances from the start of the year in areas such as Long Term Investments and Debtors, Current Assets and Liabilities, Long Term Liabilities and Financing and Earmarked Reserves held. At this stage the table is being developed as an improvement to the reporting process, and as such reflects a 'snapshot' at this point in time.

FINANCIAL HEALTHCHECK REPORT – PERIOD 6 SEPTEMBER 2011

This section of the report highlights the main issues identified, Members are asked to note the contents of the report and agree action points to address the issues raised.

Issues Identified

The financial performance review has focussed on the following key areas, on which further work is being undertaken:

- Review of the actual activity to budget for the period;
- A projection of the actual activity to budget for the year;
- Identification of potential issues for action;
- This is the fourth monitoring report of the year and issues regarding budget profiles and previous year's accruals, may distort the reported figures to some extent, though the majority of these issues will have been adjusted for manually.

General Fund – Revenue

- The position at the end of September 2011 shows a favourable situation of £349k underspend.
- The projected full year position identifies an unfavourable variance against budget of £39k. (£25k unfavourable projected at period 5).

Significant items currently identified relating to overspends/under achievement of income are,

- Outside Car Parks - £132k (£80k projected at period 5). Payment due to Henry Boot based on additional income at Spinning School Lane site (£107k) but the increased parking at this site has had an adverse impact on other parking sites (£31k reduction).
- Treasury Management - £53k (£59k projected at period 5). Net overspend mainly as a result of the decision to delay budgeted external borrowing resulting in lower external interest payments (£384k) but a reduction in the sum chargeable to the HRA in respect of Item 8 dr (£367k). The continuing lower level of money market interest rates has also resulted in a projected shortfall in our investment income (£64k) by year end.
- Public spaces - £36k (£22k projected at period 5). Employee's expenditure (£10k) - now at full establishment likely to overspend due to inclusion of vacancy allowance in budget. Sponsored Roundabouts (£11k) - no income can be expected until the issue with Valuation Office regarding rates is resolved.
- Tourist Information Service - £18k (£14k projected at period 5). Employee costs - Additional hours worked re TIC relocation and training.
- General Fund Housing - £16k (nil projected at period 5) Net cost of Temporary agency staff covering vacancies.
- CCTV - £12k (£17k projected at period 5). Employee costs - Long Term sickness being covered by overtime payments.

- Castle Museum/Education/Events - £19k (£14k projected at period 5). Employee expenses - using casuals to cover part time vacancy (£11k), shortfall in income (£5k).
- Public Conveniences - £11k (£10k Projected at period 5). Higher than expected payment for overtime to cover staff absences. Review of options being undertaken.
- TBC Highways Maintenance - £10k (nil reported at period 5). Invoice for first 6 months received and produced higher than budgeted costs of maintenance. Meetings with the County to limit resources and determine likely outturn in October. May need to flag larger overspend in future monitoring reports.

Significant items mitigating the financial impact of the above and contributing to the period position,

- Benefits - £98k (£124k projected at period 5) based on current level of activity and our DWP Estimate Claim submitted at the end of September.
- Environmental Health - £62k (£62k projected at period 5). Employee costs - 2 vacant posts - subject to service re-alignment. Further vacant post to be filled. One officer on maternity leave.
- Joint Waste Arrangements - £51k (nil reported at period 5). There is a projected saving of £115k as it is anticipated that there will be no call on the cost centre's Contingency budget. However, there is an estimated increase in contract costs of £32k and a potential under-recovery on Common Services income due to changes in the recharge basis.
- Marmion House - £27k (£30k projected at period 5). Mainly due to savings on Electricity costs (£16k), additional income due from renting out 5th floor not in budget (£16k) and a budget saving re Redundancy costs (£5k) as actual costs were charged into the previous year. Reduced by a projected overspend on Cleaning and Domestic supplies (£10k).
- Concessionary Fares - £17k (nil reported at period 5). Payments to Operators - an accrual in respect of potential further claims relating to 2010-11 has now been cleared off, resulting in a saving in this year.
- Development Control - £15k (£8k projected at period 5). Employee costs, savings due to maternity leave and a vacant post for 3 months.

General Fund – Capital

- The position at the end of September shows an under-spend to profiled budget of £641k, mainly due to slippage against original estimated profiles at this stage of the year.
- The projected full year position identifies a nil variance against budget (nil estimated at period 5). However there is a projected requirement to re-profile £869k into 2012/13 (£142k projected at period 5) re;
 1. Castle (HLF) Scheme £727k - HLF Grant awarded mid June 2011 - major works will now be undertaken in the summer of 2012.
 2. Housing Repair Assistance Grant funding scheme £19k, as the project is due to be phased over two financial years.
 3. Private Sector Coalfields Fund grants, £123k, as again projects are to be identified and undertaken over this and future years.

Housing Revenue Account – Revenue

- The position at the end of September shows a favourable situation of £281k.
- The projected full year position identifies a favourable variance against budget of £252k (£220k projected at period 5).

Significant items currently identified relating to overspends/under achievement of income are,

- HRA Subsidy - £212k (£226k projected at period 5). Additional amount payable as a result of continuing low interest rates and the Authorities Capital Financing Requirement being increased by the capitalisation of Icelandic investments, which has the effect of reducing the interest rate that is used to calculate the HRA's capital charge, which then reduces the amount claimable against Subsidy.
- Garage Rents - £41k (£34k projected at period 5). Rental income shortfall due to the continuing increase in voids. The use of garage sites is currently being reviewed.

Significant items mitigating the financial impact of the above and contributing to the predicted out-turn position,

- Item 8 DR Interest Charges - £367k (£367k projected at period 5). Reduction in the amount budgeted as a result of continuing low interest rates and the change in our Capital Financing Requirement mentioned above.
- Council House Rents - £134k (£109k projected at period 5). Projected outturn over recovery against budget partly due a quicker turnaround of void properties reducing overall void levels.

Housing Revenue Account – Capital

- The position at the end of September shows a net over-spend to profiled budget of £70k, spread over a number of schemes.
- The projected outturn is showing a net £15k under-spend to budget at this stage (£15k estimated at period 5), which is in respect of estimated savings on the Upgrade to Homelink Equipment project.

REF	ACTIVITY	OPTIONS	AGREED ACTION	ACTION BY / WHEN	PROGRESS
1	FINANCIAL ISSUES				
1.1	Budget Monitoring & Control		It will be expected that any Directorate overspends (budget v actuals) will be financed from within Directorates (including other proposals) and not from Corporate / General Balances unless prior approval has been authorised (CMT).	Directors, AD's & Budget Holders	Ongoing
1.2	<u>Forward Look:</u> – Medium Term Financial Strategy (MTFS)		Investigation into significant variances, to identify reasons for the changes and implement 'lessons learned' to reduce the risk of future occurrences.	Findings incorporated within Budget Review Groups provisional consideration for the impact on 2012/13 (onwards) financial planning.	BRG will be given report on out-turn situation for consideration and implications for the MTFS

	YTD Outturn	Projected Outturn	
	Period 06	Period 06	
GENERAL FUND	Over/(Under) Spends £000's	Over/(Under) Spends £000's	Comments
CHIEF EXECUTIVE'S OFFICE			
<i>Assistant Chief Executive</i>			
PR and Consultation			
Advertising	(4)	(4)	Advertising budget unlikely to be spent in full
Various under spends on other supplies and services budgets	(7)	0	Profiling Issue
Policy and Review			
Annual Review and Report	(5)	(4)	Expected saving on budget
Comprehensive Area Assessment	0	(2)	Budget no longer required
<i>Head of Customer Services</i>			
Tourist Information Service			
Salaries	8	0	Costs impacted by shortfall in budgetary funding ('vacancy allowance') and budget subject to virement of rates budget relating to 29 Market St
Salaries Overtime	10	10	Additional hours worked re TIC relocation and training, plus Staffs Hoard promotion
Wages	8	8	Casual staff costs incurred re TIC relocation in excess of budgetary provision
TIC Shop Trading Account	11	0	Expenditure on retail stock in advance of sales income
TIC Third Party Ticket Sales	(9)	0	Income received in advance of payment to third parties
<i>Head of Organisational Development</i>			
Human Resources			
Salaries	(6)	(8)	Under spend due to HR Advisor leaving to take redundancy earlier than originally planned, plus HR Assistant leaving to take up post at Depot
Consultants' Fees	(8)	0	Budget established to fund external work on policies/procedures - commitment not yet placed
Training and Development			
Various under spends on training budgets	(19)	0	Profiling Issue
<i>Solicitor and Monitoring Officer</i>			
Solicitor to the Council			
Publications	(5)	(8)	Under spend due to cancellation of subscription
Fees & Charges	9	17	Shortfall in legal fees income received to date - predicted outturn based on projecting this out to end year
Electoral Process			
Rents	(11)	(9)	Costs re polling stations met in part by Government Grant re AV referendum
Software Support Licences	9	0	Commitment re Mod Gov software which is to be funded from budget currently held in reserve awaiting release
Postage	(2)	(9)	Costs met in part by Government Grant re AV referendum
Election Staff	(12)	(10)	Costs met in part by Government Grant re AV referendum
Contribution to Reserves	0	28	Under spends identified above required to transfer to reserve at year to meet cost local elections next year (no government grant receivable)

GENERAL FUND	Over/(Under) Spends £000's	Over/(Under) Spends £000's	Comments
Land Charges			
Central Land Charges	(10)	0	Income received above budget to date
Other minor non-significant variances	12	0	Profiling Issue
CHIEF EXECUTIVE'S OFFICE	(31)	9	
CORPORATE DIRECTOR OF RESOURCES			
DD - Corporate Finance, Exchequer & Revenues			
Corporate Core			
Subscriptions - Corporate	(6)	(6)	Reduced cost subscriptions
Treasury Management			
External Interest Payable	(190)	(384)	£7.1m new borrowing not yet taken
Procurement			
Legal Fees	(4)	(5)	Budget not expected to be spent in full
Court Costs Income	(8)	0	Income received above profiled budget to date
Cash Collection			
Payment Cards	(4)	(5)	Budget not expected to be spent in full
Concessionary Fares			
Payments to Bus Operators	(17)	(17)	Accrual in respect of potential further claims relating to 2010-11 now cleared off
AD Business Processes			
Civil Contingencies			
Civil Contingencies Contribution	(7)	(7)	Rebate against annual contribution to Civil Contingencies Unit
ICT and Transformation			
Ordnance Survey Sheets	(5)	0	Profiling Issue
Communications	16	10	Payments for annual services made in advance of profiled budget, including £11.8k for GCSX services which is an additional cost this year
Other Hardware Maintenance	(10)	(30)	Anticipated under spend to offset overspends on other budgets
Internet Access & Security	(15)	0	Profiling Issue
Software Maintenance	76	20	Expenditure to date in advance of profiled budget - predicted outturn based on prior year spend
Reprographics			
Recharge	(11)	0	Over-recovery of recharge compared to year-to-date budget - recharge rate currently being reviewed, however, first quarter's invoices only received from Ricoh to date therefore expenditure could be understated.
ICT Rechargeable Consumables	6	0	Expenditure in advance of recovery of charge from purchasing depts
Transforming Tamworth			
Consultants' Fees	(4)	0	Profiling Issue
Training	(4)	0	Profiling Issue
Head of Benefits			
Benefits	(19)	(98)	Based on DWP Estimate Claim as at end September
Benefits Administration			
Various supplies and services	(10)	0	Profiling Issue
Other minor non-significant variances	29	0	Profiling Issue
CORPORATE DIRECTOR OF RESOURCES	(14)	(85)	

GENERAL FUND	Over/(Under) Spends £000's	Over/(Under) Spends £000's	Comments
ASSETS AND ENVIRONMENTAL SERVICES			
Asset Management - Admin			
Salaries	4	7	Due to inclusion of vacancy allowance in budget
Commercial Property Management			
Rates	(14)	(14)	Only pay rates on long term void properties - non envisaged at this stage
Rental Income	9	15	Based on current level of occupation
Industrial Properties			
Rates	(23)	(23)	Review of NNDR paid identified a number of properties now occupied and refunded
Provision for Bad debts	(24)	(25)	Saving at period, potential for full requirement by year end
Rental Income	38	43	Based on current level of occupation
Marmion House			
Redundancy	(5)	(5)	Saving - costs charged into previous year
Electricity	(16)	(16)	Estimate based on current usage and profile and actual spending last year
Cleaning and domestic supplies	8	10	Investigation into coding of costs - possibility that some cleaning costs need to be recoded to correct codes
Rental Income and Service Charges	0	(16)	Additional income due from renting out 5th floor not in budget
Public Conveniences			
Salaries	5	11	Higher than expected payment for overtime to cover staff absences. Review of options being undertaken
Outside Car Parks			
Refund of Fees	53	105	Payment to Henry Boot based on additional income at Spinning School Lane. Figures to be produced period 6
Fees & Charges	(10)	31	Increased parking at Spinning School Lane has had an adverse impact on other parking sites. Financial review of all areas being undertaken to be reported period 6
Amington Depot			
Salaries	(3)	(11)	vacant posts - subject to review
Environmental Health			
Salaries	(46)	(57)	2 vacant posts - subject to service re-alignment. Further vacant post to be filled in August. One officer on maternity leave
Car Allowances		(5)	vacant posts
Taxi & Private Hire Vehicles			
Salaries	(8)	0	vacant post - subject to review
Licensing Act			
Annual Fees	(12)	0	May be profile issue. To be investigated. Demand led
Applications	(5)	(5)	Additional new applications - demand led.
Joint Waste Arrangement			
Contract Payments	16	32	Estimated increased in contract costs
Specific Contingency	(57)	(115)	Not expecting to use Specific contingency budget
Common Service Contributions	17	31	Estimated under recovery due to change in recharges
Cemeteries			
Actuarial Strain Costs	(5)	(5)	Saving - estimated costs charged into previous year

GENERAL FUND	Over/(Under) Spends £000's	Over/(Under) Spends £000's	Comments
Public Spaces			
Salaries Overtime and Temp Staff	3	10	Now at full establishment likely to overspend due to inclusion of vacancy allowance in budget Excessive vandalism being experienced may need to flag in future monitoring reports No income can be expected until the issue with VO regarding rates is resolved
Play Equipment Cyclical Maintenance	11	0	
Sponsored Roundabout	5	11	
Trees			
Housing Revenue Account	12	0	Income currently down from referral works - expect full budget to be achieved at year end
TBC Highways Maintenance			
Agency Maintenance of Roads/Areas	9	10	Invoice for first 6 month received and produced higher than budgeted costs of maintenance. Meetings with the County to limit resources and determine likely outturn in October. May need to flag larger overspend in future monitoring reports.
CCTV			
Salaries	4	11	Long Term sickness initially covered by overtime now covered by Street Warden
Other minor non-significant variances	(33)	51	
ASSETS AND ENVIRONMENTAL SERVICES	(59)	91	
HOUSING & HEALTH			
General Fund Housing			
Salaries	(17)	(12)	Vacant posts, now filled Temporary agency staff covering vacancies
Payments For Temporary Staff	28	29	
Homelessness			
Bed & Breakfast Cost	(24)	(20)	Prevention schemes have reduced use of Bed & Breakfast accommodation Under review
Homes for Homeless	(6)		
Bed & Breakfast Income	29	20	Reduced income offsets reduced expenditure
Homelessness Prevention Schemes			
Repossession Prevention	(11)	0	Demand led scheme, grant funded
Sanctuary Scheme	(12)	0	Demand led scheme, grant funded
Homelessness Strategy			
Homelessness Prevention	(23)	0	Initial projects now identified and approved
Government Grants	(38)	0	Further reports to be submitted for approval to spend remaining grant
Other minor non-significant variances	(16)	(1)	
HOUSING & HEALTH	(90)	16	

GENERAL FUND	Over/(Under) Spends £000's	Over/(Under) Spends £000's	Comments
COMMUNITIES, PLANNING & PARTNERSHIPS			
Development Control			
Salaries	(14)	(15)	Maternity leave and post vacant for 3 months
Fees & Charges Planning Apps	(13)	0	Income is up against profile but it is too early to predict if this trend will continue.
Local Development Framework			
Local Development Framework	(15)	0	Spend less than profile. A temporary reserve will be requested if not spent at year end.
Dev. Plan Local & Strategic			
Salaries	(9)	(10)	A post has been vacant for 6 weeks. New post holder is not in supperann scheme also budget allows for market supplement which no longer applies
DD - Communities, Planning & Partnerships			
Salaries	0	7	Full establishment, no savings against vacant post budgeted saving
Partnership Support & Development			
Salaries	0	5	Full establishment, no savings against vacant post budgeted saving
Locality Working- Glascite			
Various budgets across service	(11)	0	Profile issue. Consideration of profiling underway following prudent approach to spending. Members to be appraised by report
Locality Working - Belgrave			
Various budgets across service	(19)	0	Profile issue. Consideration of profiling underway following prudent approach to spending. Members to be appraised by report
Locality Working - Amington			
Various budgets across service	(18)	0	Profile issue. Consideration of profiling underway following prudent approach to spending. Members to be appraised by report
Tamworth Golf Centre			
Contract	31	0	Discussions are continuing with the Contractor to establish the impact of the recession on the business, and a contingency identified.
Assembly Rooms			
Salaries	0	7	Full establishment, no savings against vacant post budgeted saving
Fees-Lettings	(8)	(5)	Invoices are being raised in advance of event. also additional income has been received from SS College
Assembly Rooms 3rd Party Tickets			
Admission Fees	(6)	0	May be profile issue. Too soon to forecast any income above budget
Pleasure Grounds			
Salaries	0	8	Full establishment, no savings against vacant post budgeted saving . Also additional hours being worked to deliver projects funded byPCT
Misc Contributions	(2)	(7)	Income to be recieved for PCT to deliver health referrals
Castle & Museum			
Wages	6	11	using casuals to cover part time vacancy
Admission Fees	(6)	0	Although income is up against profiled budget it is too soon to predict if this trend will continue
Castle Events			
Income	5	5	It is hoped that there may be compensatory savings elsewhere

GENERAL FUND	Over/(Under) Spends £000's	Over/(Under) Spends £000's	Comments
Community Leisure			
Salaries	0	7	Full establishment, no savings against vacant post budgeted saving take up has been slow
Grants	(5)	0	
Play Development			
Wages	(10)	0	Scheme may be extended to half term holiday so no under spend predicted at the moment
Admin/Management support			
Salaries	(24)	0	vacant post. Future use of budget subject to discussion by Senior management/Members
Other minor non-significant variances	(37)	(5)	
COMMUNITIES, PLANNING & PARTNERSHIPS	(155)	8	

	YTD Outturn	Projected Outturn	Comments
	Period 06	Period 06	
HOUSING REVENUE ACCOUNT	Over/(Under) Spends £000's	Over/(Under) Spends £000's	
HOUSING & HEALTH			
General - Business Support			
Salaries	(12)	0	Vacant posts
Payments For Temporary Staff	8	0	Temporary agency staff covering vacancies
Staff training	(6)	0	Demand led
Subscriptions - Management	5	0	Budget/spend to be reviewed
Corporate Director Resources	(6)	0	Reduced recharge to offset Reprographics charges
General - Operations			
Consultants Fees	(10)	0	Profile issue
Anti Social Behaviour	(8)	0	Profile issue
Software Maintenance & Improvements	(10)	0	Earmarked for ongoing upgrades to Orchard system
Allocations			
Financial Incentive to Move	(9)	0	Demand led & dependant on suitable properties
Estate Management			
Employee costs	24	0	Sickness/Vacancy covered by temporary agency staff
Anti Social Behaviour	(8)	0	. Budgets need reviewing following restructure Demand led
Caretakers			
Commercial Refuse/Waste Disposal	(7)	0	Demand led
Magnolia			
Employee costs	7	0	Sickness/Vacancy covered by temporary agency staff
Thomas Hardy Court			
Gas	(8)	0	Refund from change of tariff 2010/11
Sheltered Housing General			
Maintenance & Security	(12)	0	Demand led
Tenant Participation			
Support - Tenant Consultation	(13)	0	A major consultation is planned. Changes in roles have meant that some projects have been put on hold
Community Events	(5)	0	Plans for further events underway
Housing Advice			
Sanctuary Scheme	(10)	0	Demand led scheme
Contract Procurement Costs			
Legal fees	(13)	0	Further costs expected re procurement of Repairs contract

HOUSING REVENUE ACCOUNT	Over/(Under) Spends £000's	Over/(Under) Spends £000's	Comments
HRA Summary			
Contribution the Repairs Account	(81)	0	Multiple Contracts, of which the Planned Maintenance contract is currently £76K under spent, the Misc budget is £66K under spent and the Gas budget is £39K overspent
Provision for Bad Debts	56	0	Provision based on current level of arrears
HRA Subsidy	106	212	Additional amount payable as a result of continuing low interest rates and the Authorities Capital Financing Requirement being increased by the capitalisation of Icelandic investments, which has the effect of reducing the interest rate that is used to calculate the HRA's capital charge, which then reduces the amount claimable against Subsidy
Item 8 Debit	(183)	(367)	Reduction in the amount budgeted as a result of continuing low interest rates and the change in our Capital Financing Requirement mentioned above
Rents	(69)	(134)	Projected outturn over recovery against budget partly due a quicker turnaround of void properties reducing overall void levels
Garage Rents	19	41	Rental income shortfall due to the continuing increase in voids. The use of garage sites is currently being reviewed
Interest on Balances (Item 8 CR)	(4)	(4)	Higher account balances
Other minor non-significant variances	(32)	0	
HOUSING REVENUE ACCOUNT	(281)	(252)	

Balance Sheet Extract Period 06, September 2011

		Balance as at 01/04/11	Balance as at 30/09/11	Movement in Year to Date
Investments				
<i>(Excluding Icelandic 'Sums at Risk')</i>	Short Term	12,993,300	17,600,991	+ 4,607,691
	Long Term	0	0	+ 0
Debtors	General Fund Invoices Outstanding	761,387	470,280	- 291,107
	<u>less</u> bad debt provision for invoices Outstanding	(62,425)	(55,492)	+ 6,933
	HRA Invoices Outstanding	86,940	8,655	- 78,285
	<u>less</u> bad debt provision for invoices Outstanding	(5,971)	(2,885)	+ 3,086
	Housing provision for Bad Debts	(743,463)	(729,305)	+ 14,158
	Benefit Government debtor	657,443	773,465	+ 116,023
Creditors	Invoices received not paid	8,688	(33,322)	- 42,010
	Accruals	(624,175)	(260,608)	+ 363,568
Reserves		(7,905,787)	(8,898,740)	- 992,953
Capital Receipts	General Fund	(1,386,587)	(1,387,027)	- 440
	Housing	(520,369)	(791,351)	- 270,982
Collection Fund				
CTAX	Arrears	1,245,940	1,030,199	- 215,740
	Credits & Prepayments	(549,174)	(229,978)	+ 319,196
NNDR	Arrears	1,034,693	727,412	- 307,281
	Credits & Prepayments	(447,695)	(187,710)	+ 259,984
Housing				
HRA RENT	Arrears	838,355	1,090,424	+ 252,068
	Prepayments	(354,377)	(232,802)	+ 121,575
Homelessness	Arrears	181,259	194,102	+ 12,843
	Prepayments	(9,114)	(9,012)	+ 102

CAPITAL PROGRAMME 2011-12 SUMMARY

Period 6 - Ledger Info @ 18/10/11

Directorate	Budget b/f from 10/11	11/12 Predicted Spend	11/12 Project Budget (Incl b/f from 10/11)	Predicted Re-profile to 12/13	11/12 Resultant Variance	YTD Actuals	YTD Accruals	YTD Actuals + Accruals	YTD Budget	YTD Variance
	£	£	£	£	£			£	£	£
CORPORATE SERVICES	71,340	156,340	156,340	0	0	21,631.53	3,132.50	24,764.03	113,840	-89,076
COMMUNITY SERVICES	446,070	836,290	1,705,390	869,100	0	167,272.34	13,645.94	180,918.28	733,190	-552,272
GENERAL FUND TOTALS	517,410	992,630	1,861,730	869,100	0	188,903.87	16,778.44	205,682.31	847,030	-641,348
HOUSING REVENUE ACCOUNT	172,360	4,434,600	4,449,600	0	-15,000	2,086,493.80	344,253.36	2,430,747.16	2,360,980	69,767
TOTAL APPROVED CAPITAL	689,770	5,427,230	6,311,330	869,100	-15,000	2,275,397.67	361,031.80	2,636,429.47	3,208,010	-571,581
Specific Project Contingencies	130,000	0	130,000	130,000	0	0.00	0.00	0.00	130,000	-130,000
TOTAL (incl spec' contingencies)	819,770	5,427,230	6,441,330	999,100	-15,000	2,275,397.67	361,031.80	2,636,429.47	3,338,010	-701,581
GF General Contingency	40,000	0	40,000	40,000	0	0.00	0.00	0.00	40,000	-40,000
Invest To Save Contingency	160,000	0	160,000	160,000	0	0.00	0.00	0.00	160,000	-160,000
ALL CAPITAL	1,019,770	5,427,230	6,641,330	1,199,100	-15,000	2,275,397.67	361,031.80	2,636,429.47	3,538,010	-901,581

Treasury Management Update – Period 6 - 2011/2012

Investments held as at 30th September 2011:

Borrower	Deposit £m	Rate %	From	To	Notice
Bank of Scotland	2.00	2.05	08/03/2011	06/03/2012	-
Lloyds TSB	1.00	1.90	05/10/2010	05/10/2011	-
Lloyds TSB	2.00	1.85	05/11/2010	04/11/2011	-
Lloyds TSB	1.00	1.25	16/08/2011	14/11/2011	
Santander	3.00	1.20	11/08/2011	11/11/2011	-
Barclays	1.35	0.72	15/09/2011	24/11/2011	-
Nat West	1.92	0.80	-	-	On call
Nat West	2.00	0.90	-	-	30 days
Santander	1.00	0.75	-	-	On call
Deutsche Bank - MMF	1.44	0.62	-	-	On call
Total	16.71	1.23 (avg)			

External Borrowing as at 30th September 2011:

<u>Borrowing from PWLB</u>				
<u>Loan Number</u>	<u>Rate</u>	<u>Principal</u>	<u>Start</u>	<u>Maturity</u>
468372	11.625%	1,000,000	29/03/1990	18/08/2015
468478	11.750%	2,000,000	23/04/1990	18/02/2017
475875	8.875%	1,200,000	29/04/1995	25/04/2055
478326	8.000%	1,000,000	17/10/1996	17/10/2056
479541	7.375%	1,000,000	28/05/1997	28/05/2057
479950	6.750%	2,000,000	02/10/1997	03/09/2057
481087	5.625%	3,000,000	22/06/1998	22/06/2058
481641	4.500%	1,400,000	09/10/1998	09/10/2058
483694	4.875%	92,194	21/12/1999	18/10/2059
484204	5.125%	2,000,000	20/04/2000	18/10/2015
488835	5.000%	2,000,000	01/07/2004	01/07/2034
490815	4.250%	1,000,000	24/11/2005	24/05/2031
494265	4.430%	2,000,000	21/01/2008	01/01/2037
494742	4.390%	700,000	15/08/2008	15/08/2058
Total		20,392,194		

The table below shows the situation with the Council's Icelandic investments as at the end of August.

ICELANDIC BANKING SITUATION (30/09/2011)

	Deposit with;	Ref Number	Date Invested	Amount	%
1	GLITNIR	1696	10/10/2007	1,000,000	
	GLITNIR	1715	31/08/2007	1,000,000	
	GLITNIR	1754	14/12/2007	1,000,000	
	Total Principal			3,000,000	
	Interest due at point of administration (contractual/default)			473,985	
	Total of Claim			3,473,985	
	Repayments Received to date			0	0.00
	Outstanding at 30/09/2011			3,473,985	

- Local Authority creditor status as 'Priority Depositors' has been confirmed, however, other creditors are contesting decision. Icelandic Supreme Court sat in late September 2011 and should give its verdict by the end of October.

- Best case recovery 100%, Worst case recovery 29% (approximately)

2	Heritable Bank	1802	12/09/2008	500,000	
	Heritable Bank	1803	15/09/2008	1,000,000	
	Total Principal			1,500,000	
	Interest due at point of administration 07/10/2008			5,127	
	Total of Claim			1,505,127	
	Repayments Received to date			-909,343	60.42
	Outstanding at 30/09/2011			595,785	

- Current indications project an 85% recovery of our investments

- A further dividend distribution of £63k was received in October 2011

3	Singer & Friedlander	1716	31/08/2007	1,000,000	
	Singer & Friedlander	1740	31/10/2007	1,000,000	
	Singer & Friedlander	1746	14/01/2008	1,000,000	
	Total Principal			3,000,000	
	Interest due at point of administration 08/10/2008			175,256	
	Total of Claim			3,175,256	
	Repayments Received to date			-1,841,648	58.00
	Outstanding at 30/09/2011			1,333,608	

- Current indications project an 82% recovery of our investments

- A further dividend distribution of £159k was received in October 2011

Summary					
	Total Principal			7,500,000	
	Interest due at point of administration (contractual/default)			654,368	
	Total of Claim			8,154,368	
	Repayments Received to date			-2,750,991	33.74
	Outstanding at 30/09/2011			5,403,377	

1 Registered Bank in Iceland - In Administration under Icelandic Law
LA creditor status will determine potential recovery level

2 Registered Bank in UK - In Administration in UK by Ernst & Young
Under English Law

3 Registered Bank in UK - In Administration in UK by Ernst & Young
Under English Law

CABINET
23rd November 2011

COUNCIL
13th December 2011

Report of the Portfolio Holder Corporate Services and Assets

Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2011/12

Purpose

To present to Members the Mid-year review of the Treasury Management Strategy Statement and Annual Investment Strategy;

To gain Members approval to the recommended changes outlined within the report.

Recommendations

That Cabinet recommend Council:

- 1. Accept the Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2011/12,**
- 2. Approve the revision to the Prudential and Treasury indicators and limits for 2011/12 to 2013/14 contained within the report and at Appendix 1, as a result of the new Housing Finance system.**
- 3. Approve the inclusion of additional capital expenditure of £43.7m (subject to confirmation) in the 2011/12 Capital Programme, to facilitate the capital financing implications of the new Housing Finance system.**

Executive Summary

This mid year report has been prepared in compliance with CIPFA's Code of Practice, and covers the following

- An economic update for the first six months of 2011/12;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's Capital Position (Prudential Indicators);
- A review of the Council's investment portfolio for 2011/12;
- A review of the Council's borrowing strategy for 2011/12;
- A review of any debt rescheduling undertaken during 2011/12;
- Icelandic Banking Situation;
- A review of compliance with Treasury and Prudential Limits for 2011/12;

The main issues for Members to note are:

1. The Council has complied with the professional codes, statutes and guidance.
2. There are no issues to report regarding non-compliance with the approved prudential indicators.
3. The investment portfolio yield for the first six months of the year is 1.23% compared to the 3 Month LIBID benchmark rate of 0.70%. This excludes all investments currently classified as 'At Risk' in the former Icelandic Banking institutions.

The aim of this report is to inform Members of the treasury and investment management issues to enable all Members to have ownership and understanding when making decisions on Treasury Management matters. In order to facilitate this training on Treasury Management issues has been delivered for Members in February and October 2010 and September of this year.

Implications of the Report

Subject to statutory powers, the Council will be required to make a one off payment to the Department for Communities & Local Government (CLG) to remove the Housing Revenue Account (HRA) from the current Housing Subsidy System. The payment is expected to be in the region of £43.7m (subject to confirmation). This one off payment is compensation, ensuring the HRA will no longer make future annual payments to the CLG. It is expected that the overall impact will be beneficial to the Council. Whilst the legislative framework is not yet in place, by agreeing to these revised prudential indicators the Council is ensuring the necessary local requirements are in place well before the payment is required on the 28th March 2012.

There are no staffing implications arising from the report.

The Treasury Strategy has been the subject of an Equalities Impact Assessment.

<i>Background Papers:-</i>	<i>Local Government Act 2003</i>
	<i>CIPFA Code of Practice on Treasury Management in Public Services 2009</i>
	<i>Treasury Management Strategy & Prudential Indicators Report 2011/12</i>
	<i>Budget & Medium Term Financial Strategy 2011/12</i>
	<i>Financial Healthcheck Period 6, September 2011</i>
	<i>DCLG Housing Determinations and Local Government Finance Settlement 2011/12</i>
	<i>CIPFA Treasury Management Benchmarking Club Report Quarter 2 September 2011</i>

Equalities implications

There are no equalities implications arising from the report.

Legal implications

Approval of Prudential Indicators and an Annual Investment Strategy is a legal requirement of the Local Government Act 2003. Members are required under the CIPFA Code of Practice to have ownership and understanding when making decisions on Treasury Management matters.

Resource and Value for Money implications

All financial resource implications are detailed in the body of this report which links to the Council's Medium Term Financial Strategy.

Risk implications

Risk is inherent in Treasury Management and as such a risk based approach has been adopted throughout the report with regard to Treasury Management processes.

Report Author:

Please contact Phil Thomas Financial Accountant extension 239

1 Background

The Chartered Institute of Public Finance and Accountancy (CIPFA) issued the revised Code of Practice for Treasury Management in November 2009, following consultation with Local Authorities during that summer. The revised Code suggests that members should be informed of Treasury Management activities at least twice a year, but preferably quarterly. This is the second monitoring report for 2011/12 presented to Members this year and therefore ensures this Council is embracing Best Practice in accordance with CIPFA's revised Code of Practice. Cabinet also receive regular monitoring reports as part of the quarterly healthcheck on Treasury Management activities and risks.

The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the Treasury Management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering maximising investment return.

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

Treasury Management is defined as:

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

2 Introduction

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised November 2009) was adopted by this Council on 22nd February 2011.

The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's Treasury Management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
3. Receipt by the full Council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a **Mid-year Review Report** and an Annual Report (stewardship report) covering activities during the previous year.
4. Delegation by the Council of responsibilities for implementing and monitoring Treasury Management policies and practices and for the execution and administration of Treasury Management decisions.
5. Delegation by the Council of the role of scrutiny of Treasury Management strategy and policies to a specific named body. For this Council the delegated body is the Audit and Governance Committee.

This mid year report has been prepared in compliance with CIPFA's Code of Practice, and covers the following:

- An economic update for the first six months of 2011/12;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's Capital Position (Prudential Indicators);
- A review of the Council's investment portfolio for 2011/12;
- A review of the Council's borrowing strategy for 2011/12;
- A review of any debt rescheduling undertaken during 2011/12;
- Icelandic Banking Situation;
- A review of compliance with Treasury and Prudential Limits for 2011/12.

3 Economic update

3.1 Global economy

The Euro zone sovereign debt crisis continued with Spain, and particularly Italy, being the focus of renewed market concerns that they may soon join with Greece, Ireland and Portugal in needing assistance. This uncertainty and the lack of a co-ordinated or credible Euro zone response, left commentators concerned over the potential impact of sovereign default and resulting effect on the Euro zone banking sector. The approval by various countries of the €440bn bail out fund in September has brought temporary relief to financial markets but this does not provide a credible remedy to the scale of the Greek debt problem or the sheer magnitude of the potential needs of other countries for support.

This, coupled with political difficulties in the US over their plans to address the budget deficit, the size and control over the US sovereign debt, and the subsequent loss of the AAA credit rating from Standard and Poor's, has led to a much more difficult and uncertain outlook for the world economy.

Growth prospects in the US, UK and the euro zone have been lower than expected, with future prospects similarly cut. Whilst not a central view, concerns of a double dip recession in some

Western countries have increased. World stock markets fell in the second quarter of 2011/12 as a consequence.

3.2 UK economy

Following zero growth in the final half of 2010/11 the UK economy grew by a weaker than expected 0.1% in the first quarter of 2011/12, providing a knock on effect to future growth prospects. Growth prospects will be governed by UK consumer sentiment, which is currently subdued due to falling disposable income. Higher VAT, overhanging debt, high inflation and concerns over employment are likely to weigh heavily on consumers into the future.

The announcement by the Monetary Policy Committee (MPC) on 6 October of a second round of Quantitative Easing (QE) of £75bn emphasised how seriously the MPC now views recession as being a much bigger concern than inflation. Although inflation remains stubbornly high, the MPC's expectation of future falls resulting in an undershoot of its 2% target opened the way for this new round of QE.

International investors continue to view UK government gilts as being a safe haven from the EU sovereign debt crisis. The consequent increase in demand for gilts has helped to add downward pressure on gilt yields and sent Public Works Loans Board (PWLB) borrowing rates to low levels.

3.3 Outlook for the next six months of 2011/12

There remain huge uncertainties in economic forecasts due to the following major difficulties:

- the increase in risk that the UK, US and EU could fall into recession;
- the likely political gridlock in the US preventing significant government fiscal action to boost growth ahead of the Presidential elections in November 2012;
- the potential for a major EU Sovereign Debt crisis which could have a significant impact on financial markets and the global and UK economies;
- the degree to which government austerity programmes will dampen economic growth;
- the potential for further quantitative easing, and the timing of this in both the UK and US;
- the speed of recovery of banks' profitability and balance sheet imbalances and the risk of substantial losses being incurred on EU Sovereign Debt.

The overall balance of risks is weighted to the downside:

- We expect low growth in the UK to continue, with a low Bank Rate to continue for at least 24 months, coupled with a possible further extension of quantitative easing. This will keep investment returns depressed;
- The expected longer run trend for PWLB borrowing rates is for them to rise, primarily due to the need for a high volume of gilt issuance in the UK, and the high volume of debt issuance in other major western countries. However the current safe haven status of the UK may continue for some time, postponing any increases until 2012.

3.4 Sector's interest rate forecast

	NOW	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15
BANK RATE	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.75	1.00	1.25	1.50	2.00	2.25	2.50
3 month LIBID	0.75	0.70	0.70	0.70	0.70	0.70	0.75	0.80	0.90	1.20	1.40	1.60	2.10	2.40	2.60
6 month LIBID	1.00	1.00	1.00	1.00	1.00	1.00	1.10	1.20	1.40	1.60	1.80	2.00	2.50	2.70	2.90
12 month LIBID	1.50	1.50	1.50	1.50	1.50	1.60	1.70	1.80	1.90	2.20	2.40	2.60	3.10	3.20	3.30
5 yr PWLB	2.30	2.30	2.30	2.30	2.30	2.40	2.50	2.60	2.70	2.80	2.90	3.10	3.30	3.50	3.70
10 yr PWLB	3.30	3.30	3.30	3.30	3.40	3.40	3.50	3.60	3.70	3.80	4.00	4.20	4.40	4.60	4.80
25 yr PWLB	4.20	4.20	4.20	4.20	4.30	4.30	4.40	4.50	4.60	4.70	4.80	4.90	5.00	5.10	5.20
50 yr PWLB	4.30	4.30	4.30	4.30	4.40	4.40	4.50	4.60	4.70	4.80	4.90	5.00	5.10	5.20	5.30

4 Treasury Management Strategy Statement and Annual Investment Strategy update

The Treasury Management Strategy Statement (TMSS) for 2011/12 was approved by Council on 22 February 2011.

The underlying TMSS approved previously requires revision in the light of the implementation of the new Housing Finance system.

Subject to statutory powers, the Council will be required to make a one off payment to the CLG to remove the HRA from the current housing subsidy system. The payment is expected to be in the region of £43.7m. This one off payment is compensation, ensuring the HRA will no longer make future annual payments to the CLG. It is expected that the overall impact will be beneficial to the Council. Whilst the legislative framework is not yet in place, by agreeing to these revised prudential indicators the Council is ensuring the necessary local requirements are in place well before the payment is required on the 28th March 2012. Members are therefore requested to approve the following key changes to the 2011/12 prudential indicators (as summarised in **Appendix 1**):

Prudential Indicator 2011/12	Original £000's	Impact of HRA Reform £000's	Revised Prudential Indicator £000's
Authorised Limit	36,100	43,700	79,800
Operational Boundary	27,600	43,700	71,300
Capital Financing Requirement	27,034	43,700	70,734

5 The Council's Capital Position (Prudential Indicators)

This part of the report is structured to update:

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

5.1 HRA Reform

The proposed reform of the HRA subsidy arrangements are expected to take place on 28 March 2012. This will involve the Council paying funds to the CLG which will remove the Council from the HRA subsidy system. The expected payment is £43.7m (to be confirmed). This will impact on both the capital structure of the Council (as the HRA Capital Financing Requirement (CFR) will rise by the size of the CLG payment) and the Treasury Management service will need to consider the funding implications for the borrowing. The Council's prudential indicators shown below highlight the position in relation to the original position, the expected impact of the HRA reform payment is incorporated in the recommended prudential indicator changes in section 4. The new HRA CFR will form a cap on any future HRA capital expenditure.

5.2 Prudential Indicator for Capital Expenditure

This table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the Budget.

Capital Expenditure by Service	2011/12 Original Estimate £000's	Current Position £000's	2011/12 Revised Estimate £000's
General Fund	1,998	206	993* ₁
HRA	4,298	2,431	48,135* ₂
Total	6,296	2,637	49,128

*1 - Proposals regarding the re-profile of approximately £1.2m in to 2012/13 are being made, due to rescheduling of certain schemes.

*2 - Includes the estimated £43.7m borrowing in relation to the HRA Housing Financing reform.

5.3 Changes to the Financing of the Capital Programme

The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council by way of the CFR, although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

Capital Expenditure	2011/12 Original Estimate £000's	2011/12 Revised Estimate £000's
Supported	-	43,700
Unsupported	6,296	5,427
Total spend	6,296	49,127
Financed by:		
Capital receipts	943	482
Capital grants	1,249	510
Capital reserves	-	-
Revenue	4,104	4,435
Total financing	6,296	5,427
Borrowing need	-	43,700

5.4 Changes to the Prudential Indicators for the CFR, External Debt and the Operational Boundary

The table shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period. This is termed the Operational Boundary.

Prudential Indicator – CFR: We are on target to achieve the original forecast CFR, as adjusted for the additional HRA self financing borrowing.

Prudential Indicator – External Debt / the Operational Boundary:

	2011/12 Original Estimate £000's	Current Position £000's	2011/12 Revised Estimate £000's
Prudential Indicator – CFR			
CFR – Non Housing	3,639* ₁	3,639* ₁	3,639* ₁
CFR – Housing	23,395	23,395	67,095
Total CFR	27,034	27,034	70,734
Net movement in CFR	(194)	(194)	43,506
Prudential Indicator – External Debt / the Operational Boundary			
Borrowing	27,600	27,600	71,300
Other long term liabilities	0	0	0
Total debt 31 March	27,600	27,600	71,300

*1 Includes capitalisation of £3.386m which is subject to change following the Supreme Court decision regarding Glitnir deposits. This will be reviewed in light of anticipated repayments, when known.

5.5 Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Net external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2011/12 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

	2011/12 Original Estimate £000's	Current Position £000's	2011/12 Revised Estimate £000's
Gross borrowing	27,228	20,392	64,092
Plus other long term liabilities	0	0	0
Less investments	18,200	16,719	16,719
Net borrowing	9,028	3,637	47,373
CFR (year end position)	27,034	27,034	70,734

The Corporate Director Resources reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator.

A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Authorised limit for external debt	2011/12 Original Indicator £000's	Current Position £000's	2011/12 Revised Indicator £000's

Borrowing	33,100	33,100	82,100* ₁
Other long term liabilities	3,000	3,000	3,000
Total	36,100	36,100	85,100

*₁ Includes £78.4m HRA Self financing debt cap – including headroom of £11.3m.

6 Investment Portfolio 2011/12

In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As set out in Section 3, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the 0.5% Bank Rate. The continuing Euro zone sovereign debt crisis, and its potential impact on banks, prompts a low risk and short term strategy. Given this risk adverse environment, investment returns are likely to remain low.

The Council held £16.719m of investments as at 30 September 2011 (£12.993m at 31 March 2011) and the investment portfolio yield for the first six months of the year is 1.23% against a benchmark of the 3 months LIBID of 0.70%. A full list of investments held as at 30th September 2011 is in **APPENDIX 2**.

The Corporate Director Resources confirms that the approved limits within the Annual Investment Strategy were not breached during the first six months of 2011/12.

The Council's budgeted investment return for 2011/12 is £256k, and performance for the year to date is £55k below budget.

CIPFA Benchmarking Club

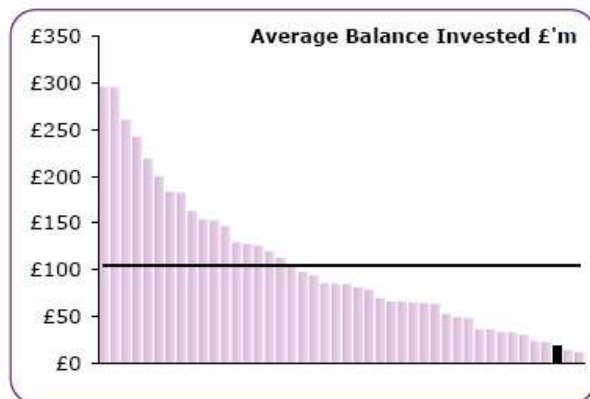
The Council is a member of the CIPFA Treasury Management Benchmarking Club which is a means to assess our performance over the year against other members (43 Authorities). Our average return for the period October 2010 to September 2011 was 1.09% compared to the group average of 1.24% (information from CIPFA Benchmarking Draft Report Q2 2011/12) excluding the impaired investments in Icelandic banks. This is not considered to be a poor result in light of the current financial climate, our lower levels of deposits/funds and shorter investment time-lines due to Banking sector uncertainty, when compared to other Authorities.

This can be analysed further into the following categories:

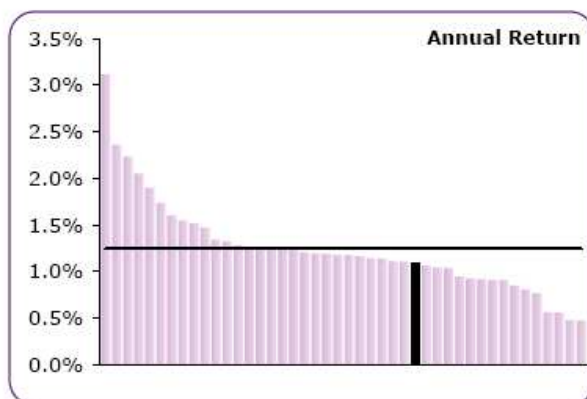
Excluding Impaired Investments	Average Balance Invested £ 000's		Average Rates Received %	
	Tamworth Borough Council	CIPFA Benchmarking Club	Tamworth Borough Council	CIPFA Benchmarking Club
Investments < 365 days Managed in-house	9,700	47,800	1.15	1.17
Investments > 365 days Managed in-house	1,900	18,000	1.88	3.02
Call Accounts	5,700	24,900	0.81	0.82
Money Market Funds	900	11,200	0.63	0.69
DAMDF (Govt Debt Management Office)	200	4,900	0.25	0.25
Average of All Investments Managed in-house	18,400	108,500	1.09	1.24

The data above and graphs below display that despite the Council being a small investor in the markets, performance is only marginally lower when compared with other members of the benchmarking club and affirms our 'low appetite for risk' in the continuing unsettled markets.

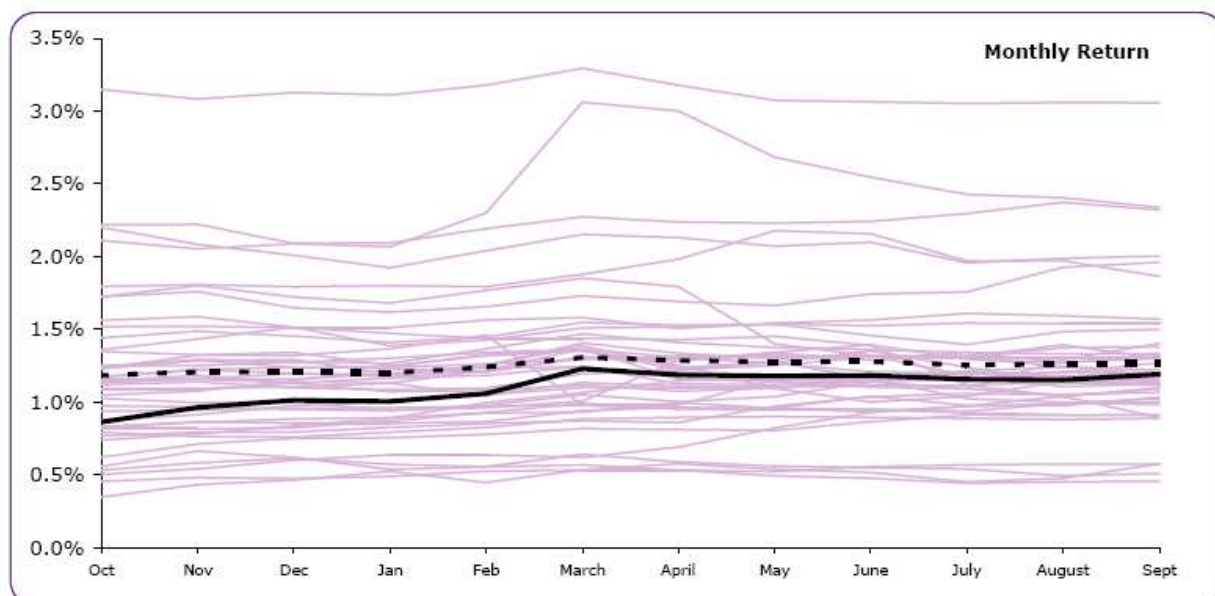
COMBINED IN-HOUSE INVESTMENTS (excluding impaired investments)



Tamworth 18.4 Avg 105.0



Tamworth 1.09% Avg 1.24%



Monthly Return (Oct 10 - Sept 11)													
	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Sept	Year
Av Bal £'m	21.68	21.50	20.80	20.82	18.94	14.69	15.72	16.30	16.65	17.57	18.03	17.92	18.39
Earned £'k	15.9	17.0	17.9	17.7	15.4	15.3	15.3	16.3	16.2	17.3	17.7	17.5	199.5
% Return	0.86%	0.96%	1.01%	1.00%	1.06%	1.23%	1.19%	1.18%	1.18%	1.16%	1.15%	1.19%	1.09%
Average	1.18%	1.21%	1.21%	1.20%	1.24%	1.31%	1.29%	1.28%	1.28%	1.25%	1.26%	1.27%	1.24%
Margin	-0.32%	-0.25%	-0.19%	-0.20%	-0.18%	-0.08%	-0.10%	-0.10%	-0.10%	-0.10%	-0.11%	-0.08%	

Investment Counterparty criteria

The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the Treasury Management function.

7 Borrowing

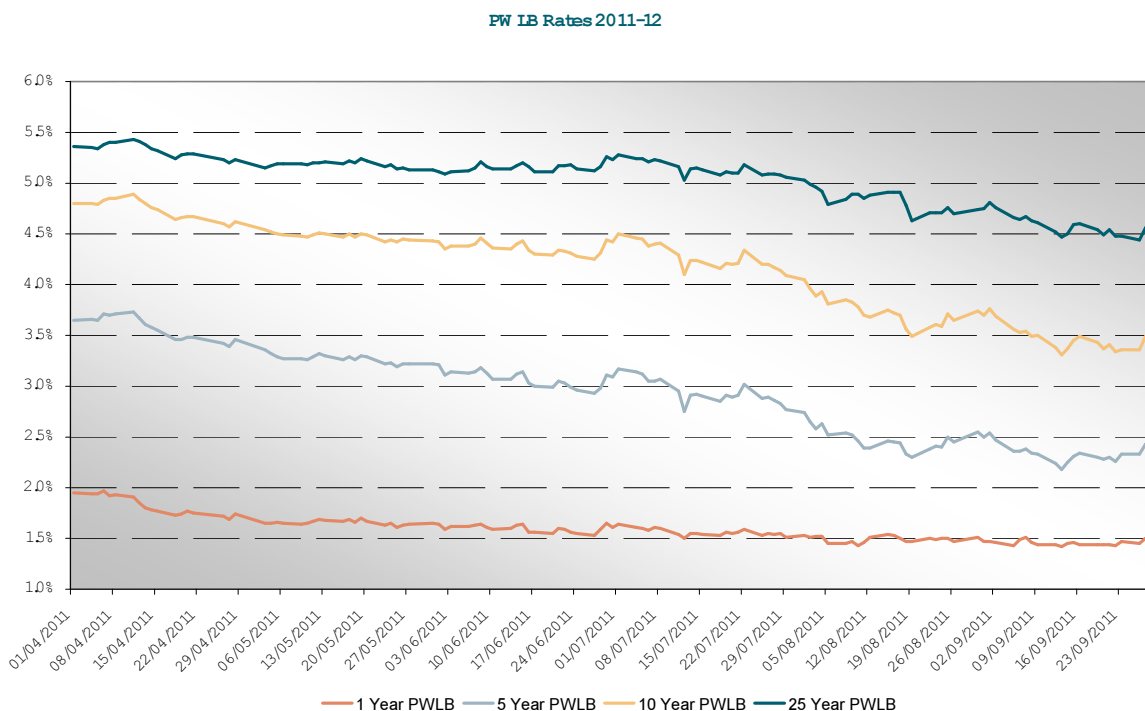
The Council's CFR – *excluding HRA Reform* for 2011/12 is £27.034m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The table at 5.4 shows the Council has borrowings of £20.392m and utilised £6.642m of cash flow funds in lieu of borrowing. This is a prudent and cost effective approach in the current economic climate.

As outlined below, the general trend has been a reduction in interest rates during the six months, across all maturity bands.

It is anticipated that further borrowing may be undertaken during this financial year, in addition to the HRA Reform funding requirement, but will be determined to some extent by the potential receipts from the Icelandic Banks.

The treasury service is currently analysing the options for the implications of the HRA reform impact. As the CLG will require payment on the 28 March 2012 of approximately £43.7m, a mix of loans and available cash resources could be used to pay this amount to ensure the overall position of the Council is safeguarded and the HRA and non-HRA are not disadvantaged. The overall structure and appropriateness of the resulting portfolio is being considered.

The graph and table below show the movement in PWLB rates for the first six months of the year and provide benchmarking data showing high and low points etc:



8 Debt Rescheduling

Debt rescheduling opportunities have been limited in the current economic climate and consequent structure of interest rates. No debt rescheduling was undertaken during the first six months of 2011/12.

9 Icelandic Banks Update

Appendix 2 contains detail of the situation with Icelandic investments as at 30th September 2011. Expectations of future receipts and timeframes based on current information regarding each bank are given below;

- Glitnir

On 28 October 2011, the Supreme Court in Reykjavik handed down its decision in relation to the Glitnir appeals. The Supreme Court upheld the District Court decision that UK wholesale depositors are priority creditors and as such should receive full repayment of their deposits.

The decision was based on submissions made by two Local Authority 'test claims'. The Winding-up Board of Glitnir will need to apply this decision to all other non-test cases involved and it will also confirm when distribution of repayments will be made.

- Heritable

As at the end of September the Council had received £909k against our claim of £1.505m (with a further £63k being received in October). Current estimates given by the Administrator project a total recovery of 85% or approximately £1.3m with the majority of repayments being received by October 2012.

- Kaupthing, Singer and Friedlander

As at the end of September the Council had received £1.842m against our claim of £3.175m (with a further £159k being received in October). Current estimates given by the Administrator project a total recovery of 82% or approximately £2.6m with the majority of repayments being received by January 2013.

PRUDENTIAL INDICATORS	2010/11	2011/12	2011/12	2012/13	2013/14
Extract from budget and rent setting report	Actual	Original Estimate	Revised Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Capital Expenditure					
Non - HRA	1,273	1,998	993	1,351	472
HRA	4,352	4,298	48,134	4,532	4,786
TOTAL	5,625	6,296	49,127	5,883	5,258
Ratio of financing costs to net revenue stream	%	%	%	%	%
Non - HRA	3.69	1.76	(0.68)	0.15	(0.56)
HRA	(7.57)	(4.79)	(5.18)	16.65	16.50
Net borrowing requirement	£'000	£'000	£'000	£'000	£'000
brought forward 1 April	8,616	8,810	7,399	44,385	44,192
carried forward 31 March	7,399	8,627	44,662	44,192	44,000
in year borrowing requirement	(1,217)	(183)	37,263	(193)	(192)
Capital Financing Requirement as at 31 March	£'000	£'000	£'000	£'000	£'000
Non – HRA *1	3,833	3,639	3,639	3,446	3,254
HRA	23,395	23,395	67,095	67,095	67,095
TOTAL	27,228	27,034	70,734	70,541	70,349
Annual change in Capital Financing Requirement	£'000	£'000	£'000	£'000	£'000
Non – HRA *1	(195)	(194)	(194)	(193)	(192)
HRA	-	-	43,700	-	-
TOTAL	(195)	(194)	43,506	(193)	(192)
Incremental impact of capital investment decisions	£ : p	£ : p	£ : p	£ : p	£ : p
Increase in Council tax (band D)	3.52	1.04	1.04	5.83	9.75
Increase in average housing rent per week	0.45	0.07	0.07	0.67	0.11

*1 Includes capitalisation of £3.386m which is subject to change following the Supreme Court decision regarding Glitnir deposits. This will be reviewed in light of anticipated repayments, when known.

The main changes to the prudential indicators are due to the HRA Self Financing borrowing requirement.

TREASURY MANAGEMENT INDICATORS	2010/11	2011/12	2011/12	2012/13	2013/14
	Actual	Original Estimate	Revised Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Authorised Limit for external debt -					
borrowing	32,800	33,100	76,800	76,800	76,800
other long term liabilities	3,000	3,000	3,000	3,000	3,000
TOTAL	35,800	36,100	79,800	79,800	79,800
Operational Boundary for external debt -					
borrowing	27,300	27,600	71,300	71,300	71,300
other long term liabilities	-	-	-	-	-
TOTAL	27,300	27,600	71,300	71,300	71,300
Actual external debt	20,392	-	-	-	-
Upper limit for fixed interest rate exposure					
Net principal re fixed rate borrowing / investments	11,797	14,570	10,454	55,666	55,586
Upper limit for variable rate exposure					
Net principal re variable rate borrowing / investments	2,278	2,737	2,090	6,709	6,709
Upper limit for total principal sums invested for over 364 days	3,500	3,500	3,500	3,000	2,500
(per maturity date)					

Maturity structure of fixed rate borrowing during 2011/12	upper limit	lower limit
under 12 months	20%	0%
12 months and within 24 months	20%	0%
24 months and within 5 years	25%	0%
5 years and within 10 years	75%	0%
10 years and above	100%	0%

Current Investment List 30th September 2011

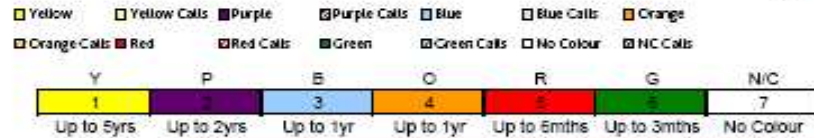
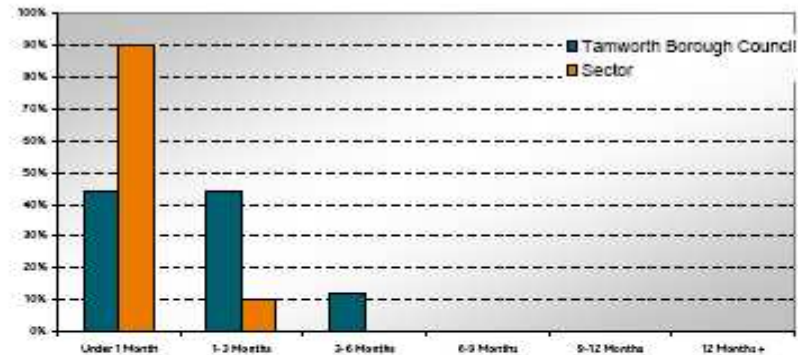
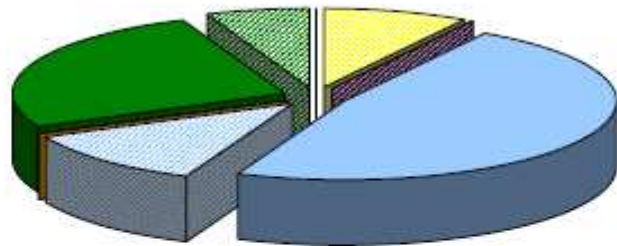
Borrower Principal (£) Interest Rate Start Date Maturity Date

Tamworth Borough Council

Current Investment List

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date
Natwest Bank	1,920,000	0.80%		Call
Santander UK plc	999,000	0.75%		Call
Deutsche Bank	1,439,000	0.62%		MMF
Lloyds TSB Bank	1,000,000	1.90%	05/10/2010	05/10/2011
Natwest Bank	2,000,001	0.95%		Call30
Lloyds TSB Bank	2,000,000	1.85%	05/11/2010	04/11/2011
Santander UK plc	3,000,000	1.20%	11/08/2011	11/11/2011
Lloyds TSB Bank	1,000,000	1.25%	16/08/2011	14/11/2011
Barclays Bank	1,350,000	0.72%	15/09/2011	24/11/2011
Bank of Scotland	2,000,000	2.05%	08/03/2011	06/03/2012
Borrower - Icelandic Exposure	Principal (£)	Interest Rate	Start Date	Maturity Date
Glitnir	1,000,000	6.28%	10/10/2007	09/10/2008
Glitnir	1,000,000	6.55%	31/08/2007	28/08/2009
Singer & Friedlander	420,000	6.69%	31/08/2007	09/08/2010
Singer & Friedlander	420,000	6.16%	31/10/2007	29/10/2008
Singer & Friedlander	420,000	5.90%	14/01/2008	14/01/2010
Glitnir	1,000,000	6.16%	14/12/2007	12/12/2008
Heritable Bank	197,918	5.38%	12/09/2008	13/10/2008
Heritable Bank	395,837	5.45%	15/09/2008	22/10/2008
Total Investments	£21,561,756			
Total Investments - excluding Icelandic exposure	£16,708,001	1.23%		
Total Investments - Icelandic Exposure Only	£4,853,755	6.20%		

Portfolio Composition by Sector's Suggested Lending Criteria



Portfolio weighted average risk number = 3.8

WARoR = Weighted Average Rate of Return
WAM = Weighted Average Time to Maturity

	% of Portfolio	Amount	% of Colour In Calls	Amount of Colour in Calls	% of Call In Portfolio	WARoR	WAM	WAM at Execution	Excluding Calls/MMFs	
									WAM	WAM at Execution
Yellow	8.61%	£1,439,000	100.00%	£1,439,000	8.61%	0.62%	0	0	0	0
Purple	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Blue	59.37%	£9,920,001	19.35%	£1,920,000	11.49%	1.45%	50	199	62	246
Orange	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Red	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Green	32.01%	£5,349,000	18.68%	£999,000	5.98%	0.99%	37	69	46	85
No Colour	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Total	100.00%	£16,708,001	26.08%	£4,358,000	26.08%	1.23%	42	140	56	190

ICELANDIC BANKING SITUATION (30/09/2011)

	Deposit with;	Ref Number	Date Invested	Amount	%
1	GLITNIR	1696	10/10/2007	1,000,000	
	GLITNIR	1715	31/08/2007	1,000,000	
	GLITNIR	1754	14/12/2007	1,000,000	
	Total Principal			3,000,000	
	Interest due at point of administration (contractual/default)			473,985	
	Total of Claim			3,473,985	
	Repayments Received to date			0	0.00
	Outstanding at 30/09/2011			3,473,985	

- Local Authority creditor status in the two test cases placed before the Supreme Court as 'Priority Depositors' has been confirmed. This decision needs to be applied to all Local Authority claimants by the Glitnir Winding-up Board before distribution of repayment commences.
 - Best case recovery 100%

2	Heritable Bank	1802	12/09/2008	500,000	
	Heritable Bank	1803	15/09/2008	1,000,000	
	Total Principal			1,500,000	
	Interest due at point of administration 07/10/2008			5,127	
	Total of Claim			1,505,127	
	Repayments Received to date			(909,343)	60.42
	Outstanding at 30/09/2011			595,785	

- Current indications project an 85% recovery of our investments
 - A further dividend distribution of £63k was received in October 2011

3	Singer & Friedlander	1716	31/08/2007	1,000,000	
	Singer & Friedlander	1740	31/10/2007	1,000,000	
	Singer & Friedlander	1746	14/01/2008	1,000,000	
	Total Principal			3,000,000	
	Interest due at point of administration 08/10/2008			175,256	
	Total of Claim			3,175,256	
	Repayments Received to date			(1,841,648)	58.00
	Outstanding at 30/09/2011			1,333,608	

- Current indications project an 82% recovery of our investments
 - A further dividend distribution of £159k was received in October 2011

Summary					
	Total Principal			7,500,000	
	Interest due at point of administration (contractual/default)			654,368	
	Total of Claim			8,154,368	
	Repayments Received to date			(2,750,991)	33.74
	Outstanding at 30/09/2011			5,403,377	

- 1 Registered Bank in Iceland - In Administration under Icelandic Law
LA creditor status will determine potential recovery level
- 2 Registered Bank in UK - In Administration in UK by Ernst & Young
Under English Law
- 3 Registered Bank in UK - In Administration in UK by Ernst & Young
Under English Law

23 November 2011

REPORT OF THE PORTFOLIO HOLDER CORPORATE SERVICES & ASSETS

COUNCIL TAXBASE FOR 2012/13

EXEMPT INFORMATION

Not exempt

PURPOSE

To report the Council Tax Base for the Borough Council for 2012/13

RECOMMENDATIONS

That Tamworth Borough Council resolves its calculation of the Council Tax Base for the year 2012/13 to be 23,378 (2011/12 – 23,304)

EXECUTIVE SUMMARY

The Borough Council is required to calculate its Council Tax Base for each financial year and notify Staffordshire County Council, Staffordshire Police Authority and Staffordshire Fire Authority by 31 January preceding that financial year.

The Council is merely required to approve the Council Tax Base.

RECOMMENDATIONS

That Tamworth Borough Council resolves its calculation of the Council Tax Base for the year 2012/13 to be 23,378.

RESOURCE IMPLICATIONS

The figure for 2012/13 Council Tax Base is calculated at 23,378.

This represents an increase in the current year of 74 or 0.32%.

LEGAL/RISK IMPLICATIONS

Not applicable.

SUSTAINABILITY IMPLICATIONS

Not applicable.

CONCLUSIONS

That Tamworth Borough Council resolves its calculation of the Council Tax Base for the year 2012/13 to be 23,378.

BACKGROUND INFORMATION

Purpose

Under the Local Government Finance Act 1992, Section 33(1) and Section 67(1) and (2), the Borough Council is required to calculate its Council Tax Base for each financial year and is required to notify Staffordshire County Council, Staffordshire Police Authority and Staffordshire Fire Authority by 31 January preceding that financial year.

Consideration

In accordance with the Local Authority (Calculation of Council Tax Base) Regulations 1992, the Tax Base for the year 2012/13 is calculated by applying a formula $A \times B$.

A is the number of properties in each band (expressed as a number of band D equivalents); and

B is the Authority's estimate of its collection rate for that year. It is recommended that this should be 98.5%. This is the same rate as the current financial year.

A is estimated at 23,734 Band D equivalent properties for 2012/13 and B is recommended to be 98.5% giving a Council Tax Base of 23,378.

This represents an increase in the current year of 74 or 0.32%

REPORT AUTHOR

Michael Buckland

LIST OF BACKGROUND PAPERS

Local Government Finance Act 1992

Local Authority (Calculation of Council Tax Base) Regulations 1992

23 November 2011

REPORT OF THE PORTFOLIO HOLDER CORPORATE SERVICES & ASSETS**WRITE OFFS 01/04/2011 – 30/09/2011****EXEMPT INFORMATION**

Not exempt

PURPOSE

To provide members with details of write offs from 01 April 2011 to 30 September 2011.

RECOMMENDATIONS

That members endorse the amount of debt written off.

EXECUTIVE SUMMARY

The Heads of Service are responsible for the regular review of debts and consider the need for write off and authorise where necessary appropriate write offs in line with the Corporate Credit Policy. This report shows the position for the current financial year. Further updates will continue to be produced on a quarterly basis.

Type	01/04/11-30/09/11
Council Tax	-£6.08
Business Rates	£190,510.24
Sundry Income	£28,868.90
Housing Benefit Overpayments	£9,095.38

RESOURCE IMPLICATIONS

There are no new financial implications arising from this report. As the write offs detailed have already been approved in line with the Corporate Credit Policy/Financial Regulations and have been reported to members where appropriate.

Members should note that NNDR write offs are covered by amending the Council's contribution to the Non Domestic Rating Pool.

LEGAL/RISK IMPLICATIONS BACKGROUND

Not applicable.

SUSTAINABILITY IMPLICATIONS

Not applicable.

CONCLUSIONS

That the amounts written off be endorsed.

BACKGROUND INFORMATION

This forms part of the Council's Corporate Credit Policy and effective management of debt.

The Council is committed to ensuring that debt write offs are kept to a minimum by taking all reasonable steps to collect monies due. There will be situations where the debt recovery process fails to recover some or all of the debt and will need to be considered for write off in accordance with the schemes of delegation prescribed in the Corporate Credit Policy.

The Council views such cases very much as exceptions. Before writing off debt, the Council will satisfy itself that all reasonable steps have been taken to collect it and that no further recovery action is possible or practicable. It will take into account the age, size and types of debt together with any factors that it feels are relevant to the individual case.

Debt Write Off

Authorisations are needed to write off debt:

Authority	Account Value
Chief Officer (or authorised delegated officer)	up to £5,000
Corporate Director (Resources)	£5,001 - £10,000
Cabinet	over £10,000

These limits apply to each transaction.

All write offs are completed in accordance with the Accounts and Audit Regulations 2003.

Bad Debt Provision

The level of the provision must be reviewed jointly by the unit and accountancy on at least a quarterly basis as part of the management performance review, and the table below gives the mandatory calculation.

Where the debt is less than 6 months old it will be written back to the service unit.

Debt Outstanding	Provision (net of VAT)
Between 6 and 12 months old	50%
Between 12 and 24 months old	75%
Over 24 months old	100%

The financial effects of providing for Bad Debts will be reflected in the Council's accounts at Service Unit level.

REPORT AUTHOR

Michael Buckland, Head of Revenues, tel. 709523

Email michael-buckland@tamworth.gov.uk

LIST OF BACKGROUND PAPERS

Corporate Credit Policy- effective management of debt.

APPENDICES

Appendices A to D give details of write offs completed for the Revenues and Benefits Service.

Appendix A- Council Tax

Approval Date	(£0.00-£75.00)	Deputy Director Finance Exchequer & Revenues	(£75.01-£500.00)	(£500.01-£1,000.00)	(£1,000.01-£5,000)	Corporate Director Of Resources (£5,000.01-£10,000)	Cabinet (£10,000.01 and over)	Remitted	No. of accounts	Reason(s)
	-£	0.63								2 Reversal- benefit change
	£	0.01								1 Reversal- debit adjustment
Totals	-£	0.62	£	-	£	-	£	-	3	

Q1 totals

-£ 5.46

Overall

-£ 6.08

£

£

£

-£

0.62

Q2 Overall Total

5.46

6.08

Grand Total

NB all write off transactions to date in 2010/11 have been reversals of existing write offs.

Appendix B- Business Rates

Approval Date	Deputy Director Finance Exchequer & Revenues				Corporate Director Of Resources (£5,000.01-£10,000)	Cabinet (£10,000.01 and over)	Remitted	No. of accounts	Reason(s)
	(£0.00-£75.00)	(£75.01-£500.00)	(£500.01-£1,000.00)	(£1,000.01-£5,000)					
15/07/2011	£105.07								
15/07/2011		£647.61							19 Uneconomic to pursue
15/07/2011			£2,588.86						2 Insolvency
15/07/2011				£28,132.63					3 Insolvency
15/07/2011		£1,728.15							10 Insolvency
15/07/2011				£14,116.37					5 Insolvency
11/08/2011	£55.82								7 Insolvency
11/08/2011				£13,158.86					1 Insolvency
									6 Insolvency
	-£24.70	-£495.58							2 Reversal- debit changes
		-£624.71							2 Reversal- payment received
		-£111.09							2 Reversal- credit transfer
Totals	£ 136.19	£ 1,144.38	£ 2,588.86	£ 55,407.86	£ -	£ -	£ -	59	

Q1 totals £ 59,277.29 Q2 Overall Total

£ 131,232.95

Overall £ 136.19 £ 1,144.38 £ 2,588.86 £ 51,560.31 £ 135,080.50 £ 190,510.24 **Grand Total**

Appendix C- Miscellaneous Income

	Deputy Director of Assets & Environment (£0.00-£999.99)	Corporate Director Of Resources (£5,000.01-£10,000)	Environmental & Reg Services	Housing	Communities, Planning & Partnership	No. of accounts	Reason(s)
20/07/2011		£					
25/08/2011	£ 1,050.76	£ 9,099.45					1 Company dissolved 6 uneconomic to collect/ insolvency/ absconded
20/09/2011				£ 349.52			3 uneconomic to collect/ absconded
29/09/2011	£ 243.19						2 uneconomic to collect/ voluntary arrangement
Totals	£ 1,293.95	£ 9,099.45	£ -	£ 349.52	£ -	12	

Q1 totals	£ 2,513.31	£ 3,393.75	£ -	£ 7,784.41	£ 4,434.51	£ 18,125.98	£ 10,742.92	Q2 Overall Total
Overall	£ 3,807.26	£ 3,393.75	£ -	£ 8,133.93	£ 4,434.51	£ 28,868.90	£ 28,868.90	Grand Total

Appendix D- Housing Benefit Overpayments

Approval Date	Head of Benefits				Corporate Director Of Resources (£2,000.01-£10,000)	Cabinet (£10,000.01 and over)	No. of accounts	Reason(s)
	(£0.00-£75.00)	(£75.01-£500.00)	(£501.00 -£1,000)	(£1,000.01-£2,000)				
31/07/2011	£212.13	£157.22					5 less than 2 wks	
31/07/2011	£72.88	740.88	£	631.23			6 deceased	
31/07/2011	£144.70						10 less than £35	
31/07/2011	£39.53						17 uneconomical to pursue	
31/07/2011		£111.88					1 not financially viable	
31/07/2011			£	601.70			1 absconded	
31/07/2011			£	502.11			1 statute barred	
31/07/2011	£93.04	£456.26					5 made unrecoverable by BA	
31/08/2011	£74.62						25 uneconomical to pursue	
31/08/2011		£111.45					1 absconded	
31/08/2011		£	110.85				1 not financially viable	
31/08/2011	£2.10	£	307.87	£	942.60		4 made unrecoverable by BA	
30/09/2011	£39.63						16 uneconomical to pursue	
30/09/2011	£136.60						4 made unrecoverable by BA	
30/09/2011		£	311.35				2 made unrecoverable by BA	
Q2 totals	£815.23	£2,307.76	£	2,677.64	£	£	99	

£ 5,800.63 Q2 Overall Total

£ 3,294.75

£ 9,095.38 Grand Total

Q1 totals £ 604.15 £ 1,859.33 £ 831.27

Overall £ 1,419.38 £ 4,167.09 £ 3,508.91 £ - £ - £

23 November 2011

REPORT OF THE PORTFOLIO HOLDER FOR ECONOMIC DEVELOPMENT**SIX MONTHLY REVIEW OF THE OPERATION OF TAMWORTH MARKET AND THE PROPOSED INTRODUCTION OF A FRIDAY ST EDITHAS MARKET****EXEMPT INFORMATION****PURPOSE**

To provide members with a 6 month update as to the operation of Tamworth market by LSD Promotions Ltd , since the implementation of alternative management arrangements.

RECOMMENDATIONS

That Members approve the introduction of a pilot scheme for a small niche Friday market and endorse the high level of performance achieved to date by the management contractor in the first six months of the contract.

EXECUTIVE SUMMARY

The first update report provided by the operator, despite the current difficult economic situation, is very positive and recognises the place of the market as the heart of the revival of the town centre.

The key points outlined in this report are:-

- An increase in regular traders on both market days at an average of 79% from the handover percentage
- Positive feedback from shoppers and Councillors
- Investment in new stall stock to improve the visual appearance of the market
- Support and revitalised enthusiasm of long standing traders
- Ensuring all traders are present for the full day, thereby increasing accessibility by longer opening times
- New promotional opportunities identified and linked with Council events
- 95% of market waste is now recycled
- Ongoing support for speciality markets linked to Heritage Open Day
- Building of key relationships with shop keepers and potential for development in Middle Entry

The full report is attached as Appendix 1.

LSD Promotions are committed to the success of Tamworth market and continue to work closely with us to continue to improve and make enhancements to the market.

They are keen to seek to introduce a small niche Friday market on St Edithas Square only, to utilise the canopy area, to improve the street trading offer at this location currently and also to advertise and promote the area on days other than main market days, thereby increasing footfall.

This market will be operated by them using the new stalls and lights and permission is, therefore being sought to pilot this from the beginning of April 2012. The effect on the main market will be closely monitored during this operation and a further report made in September 2012 regarding progress and development.

RESOURCE IMPLICATIONS

There are no resource implications as a result of this report

LEGAL/RISK IMPLICATIONS BACKGROUND

None

SUSTAINABILITY IMPLICATIONS

The introduction of the new market will be monitored between April – September 2012 to review the sustainability

BACKGROUND INFORMATION

In 2010 the Council agreed to the lease the operation of Tamworth market to local operator LSD Promotions Ltd commencing 1st April 2011 for an initial period of 5 years with the option to extend to 7 years.

The operator commenced in April 2011 and the new stalls and feedback has been well received.

REPORT AUTHOR

Jo Sands, Neighbourhood Services Manager

LIST OF BACKGROUND PAPERS**APPENDICES**

APP 1 Copy of the report by LSD Promotions Ltd



OPERATORS REPORT

OCTOBER 2011

THE FIRST SIX MONTHS

LSD Promotions Limited

20, Market Street

Stourbridge

West Midlands

DY8 1AG

Tel: 01384 877336

admin@lsdpromotions.com

www.lsdpromotions.com

BACKGROUND

Tamworth market is an historic street market trading every Tuesday and Saturday in the pedestrianised areas of the town centre. It has always been managed directly by the Council until ten years ago when it sub-contracted out the stall erection and dismantling aspect, and in more recent years the Council further contracted the rent collection, and a separate day to day trader management company.

In 2010 the Council decided to fully privatise the operation to be managed by one company.

After a tender exercise Tamworth Borough Council appointed LSD Promotions (marketplace) Ltd to undertake the management and complete operation on a five year plus two from the 1st April 2011.

This is the Operators report after completing the first six months of the contract at the end of September 2011.

OBJECTIVES

During the tender process LSD identified an amount of important changes that needed to be implemented to bring the market back on track. The market had seen its number of traders reduce over a period of time due to various factors and there were concerns amongst the remaining traders as they had seen other markets around them fade and slip away. We set the following objectives to achieve as soon as was practicable.

1. New traders.
2. Building relationships
3. New stalls and equipment.
4. Closing times
5. Promotion
6. Rent system
7. Stall storage
8. Waste system

1. NEW TRADER The life blood of a market is casual traders. Tamworth was receiving 'bad press' on the market grapevine which was stifling the attendance of new traders, as the market was losing regular traders due to the recession and uncertainty, it was vital to encourage new traders to attend. A trader promotional campaign was started (see section 5) which restarted the flow of casuals which resulted in the market, in the initial six months, increasing the trader attendance on Tuesdays by 78%, from 42 traders to 75, and Saturdays by 80%, from 31 to 56, a total increase over the two days of 58 traders. We have received very positive feedback from the shopping public in particular as the majority of new traders have brought something different to the markets shopping offer.



2. BUILDING RELATIONSHIPS

Of equal vital importance for the markets future was to build strong relationships with the existing traders at an early stage. This was achieved by open communication from the market director and manager who made themselves available each market day in person and by phone on all other days.

Traders needs, concerns and problems were not only listened to but acted upon in an efficient and caring manner. The following quotes are from the chair and vice chair of the Tamworth branch of the National Market Traders Federation (NMTF)

Paul McIntyre Market Trader and NMTF Committee Chairman says “After several years of our once extremely successful town centre street market feeling neglected and to a large extent running itself, LSD took over the operation. As with any change, certain reservations were aired by traders at Council meetings but I have to say, although it is very early days, new traders have joined us and swelled/complimented our existing businesses. Procedures discussed are being implemented and a general good atmosphere and vibrancy has reappeared. With other plans in the pipeline the future is looking better than it has for years”.

Tim Bagnall, Market Trader and Vice-Chairman of the NMTF Branch says of LSD “What has been achieved so far is more than impressive, and far beyond our expectations. They have not only improved the market but it is obvious that they value each individual business on here. The number of traders attending the market has increased quite significantly since LSD took over, making the market full. They also have a firm but gentle approach to applying the rules, particularly about closing times, and nobody closes early any more so the market trades later and is much more profitable as a result. It is fair to say that the traders fears of a private operator, in this case, have proved to be unfounded and we are very excited”.

3. NEW STALLS AND EQUIPMENT.

The majority of the stall equipment supplied to the traders by the Council is damaged, beyond repair and out dated. The top sheets are torn and dirty. LSD identified the importance of changing and adding new equipment for the morale of the traders, the confidence of the shoppers and to build relationships with the existing business’s in town. Saturday the 29th October 2011 has been set for the changing of all the stall equipment. This will involve a combination of pop up marquees, galvanised steel stalls and umbrella’s all in matching blue/yellow colours. The stalls will be further enhanced by matching skirts, low energy traditional style lighting,sail flags and bunting. The equipment will be stored on purpose built trailers towed by Land Rovers on market days, this system will help to protect the equipment from damage and unnecessary wear and tear.



4.CLOSING TIMES

One of the ways a market can deteriorate quickly is by traders closing their stalls early to the advertised times. This causes confusion and uncertainty for shoppers, loses trade for their fellow traders, both on the market and in the shops and creates animosity on the street. One of our most popular achievements among traders was our strict but fair enforcement of the closing times and the marshalled entry of the trader's vehicles at the end of the day. A number of traders have commented on the fact that their takings have increased because of this enforcement.

5.PROMOTION

Initial promotions were concentrated on new traders. A letter and flyer was sent to all traders on our database, also all traders on our existing markets were written too, ads were placed in the Worlds Fair newspaper, the Market Trader. We ensured the 'grapevine' talk was positive and targeted certain lines and encouraged them to trade at Tamworth. Once on the market, communication with new traders is given priority until they are settled in. Copies of trade promotions can be found in the pocket of the document folder at the rear.

Adverts to the public were placed in the Tamworth Herald, Lichfield Mercury, Sutton times, Birmingham Evening Mail and through flyers (see below). This was printed and is distributed through our markets, tourist information and via Tamworth traders when trading on their other markets .

A new promotion will begin in November 2011 when the new equipment is in place.



**Tamworth
Street Market**

Over 100 stalls including, meat, fish, fruit and vegetables, fresh every market day with garden products to clothing. The Market has it all.

Every Tuesday and Saturday 9.00 - 4.00
For Car Parks Follow Sat Nav Code B79 7BB

A long established top quality street market in the town's main shopping streets and square.

LS D PROMOTIONS... QUALITY MARKET'S SERVING THE LOCAL COMMUNITY
www.lsdpromotions.com

The flyer features a large blue header with the market name in yellow. Below this is a photograph of a busy market street with many stalls and people. To the right of the photo is a blue box with white text. Below the photo is the market's hours and navigation code. Further down is a yellow box with blue text describing the market. To the right of this is a photograph of a man in a red and white striped apron holding a large fish. At the bottom of the flyer is a smaller photograph of the market street and the LSD Promotions logo and website.

6.RENT SYSTEM

KPR Midlink initially continued to collect rent but problems soon developed. They were unable to load their software onto our system as their program is not compatible with Windows 7. We were unable to receive the data except by email which took four days to send, furthermore our manager had to attend as each individual rent was collected it seemed pointless to continue with the unacceptable cost. We moved to a paper system while a new electronic system is being developed. We expect to have this in use in four to six weeks.

7. STALL STORAGE

The existing stalls are stored underneath the Ankerside Shopping Centre. This is expensive, small and the stalls can only be transported by forklift truck which is the main reason the stalls are damaged and the top sheets covered in oil and dirt. This storage will be vacated by the end of October 2011 with all equipment being trailer based. This will allow flexibility for last minute stall changes while protecting the equipment.

8. WASTE SYSTEM

Historically the market waste has been collected by the street scene department of the Council and took to landfill. LSD identified that the majority of waste was recyclable and we engaged a recycling operator to call at the close of each market day and collect all the recyclable material. In the morning traders are issued with black bags for general waste and clear bags for recycling. The general waste is disposed of via two 1100 litre eurobins. 95% of all market waste is now recycled.



FRENCH MARKET.

LSD coordinated the visit by the French market in September. The number of French traders who attended was down due to illness, vehicle problems and we suspect the global recession. However, the market was well received and Muriel Charles, the French operator thanked us for the extensive advertising and said trade was better than the previous year. They expect to return in more numbers next year.

MIDDLE ENTRY SHOPPING CENTRE.

We believe a market link between Market Street and St. Editha's Square would be beneficial and suggested we could do so by providing a limited number of stalls through Middle entry. LSD director Dermot McGillicuddy met with four senior representatives of the Peer Group who are enthusiastic about the plan. At present they are consulting with their tenants.

FRIDAY MARKET.

We have been requested by some traders about holding markets on Fridays in Tamworth. This could be worthwhile in these difficult trading times and with the Square under used it could be initially tested by using the square only. There are a number of street traders already trading in the town on Fridays which could be included and managed within the market and supplied with matching equipment.

CONCLUSION

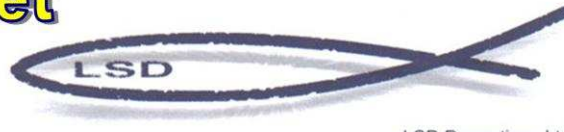
Tamworth Street Market has settled under the new management structure and is trading as strong as is possible under the present economic conditions, we expect to build further confidence in the market with the introduction of the new equipment and promotion. We do not expect to lose any markets, except possibly through extreme weather, as we have a large pool of staff to call upon at any time and we operate four land rovers as towing vehicles, the market can be set up using one land rover.

Report compiled by market director Dermot McGillicuddy 07889 975702

Dermot@lsdpromotions.com



Tamworth Street Market



LSD Promotions Ltd



We warmly welcome you to Tamworth Street Market.
Our aim is to provide traders & shoppers with a high standard of service and support. Please speak to the Market Manager if you require more information or further assistance. Or call Dermot 07889 975702.

Market Street, George Street, St Edithas Square, & Colehill, Tamworth B79 7LP

Open Saturdays and Tuesdays from 9am to 4pm

MARKET RENT TABLE

All traders receive a Discounted Parking Charge, see market manager for details

Erected stalls	Regular	Casual	Second stall regular	Second stall casual
George Street	£27.50	£33.00	£27.50	£30.00
Market Street	£27.50	£30.00	£20.00	£20.00
St Editha's Square *	£24.00	£27.50	£12.00	£15.00
Pitch charges				
George Street and Market Street	£17.50 min 2.14mtrs (7ft) plus £2.50 per 31cm (1ft) after	£25 min 2.14mtrs (7ft) plus £3.50 per 31cm (1ft) after	N/A	N/A
St Editha's Square *	£2.35 per min 3.78mtrs (8ft) then £1.05 per 31cm (1ft).	£2.35 per 31cm (1ft). Min 3.78mtrs (8ft) then £1.05 per 31cm (1ft)		

MOVES If you require a change of pitch or extra space, or have any other queries please speak to the market manager, or call 07889 975702.



Quality markets..serving the local community

To Book Call Dermot on 01384 877336 or 07889 975702



In Partnership with



e-mail: admin@lsdpromotions.com - www.lsdpromotions.com - Registration: England 2852860

LSD Promotions in Partnership with



July 2011

TRADE TAMWORTH

Tamworth Street Market

Every Tuesday & Saturday

LSD Promotions took over the operation & management of Tamworth Street market in April this year. The market which trades on Tuesdays and Saturdays is situated in the heart of the town centre on the two main pedestrianised shopping streets and market square. A busy, vibrant market which is having a complete refit with new stalls and equipment by the end of August. The market is full, but if you do have an unusual line please contact us as we may be able to accommodate you. **Call or email LSD Promotions 01384 877336, Dermot 07889 975702, Ted 07736 777244**
dermot@lsdpromotions.com ted@lsdpromotions.com

Tamworth Summer Festival & Craft Market

Sunday 28th August 2011 - one day only

LSD Promotions are also proud to be supporting the Tamworth One day Summer Festival Craft Market.

Set in the beautiful castle grounds in the town centre, this is a one day special Sunday event not to be missed! The craft market will be located alongside the Saxon Festival and Staffordshire Hoard display.

Stalls holders are welcome to sell and exhibit handcrafted goods, fair-trade & ethnic items, home made cakes & handmade goods, coloured glassware, mosaics, jewellery, wooden toys, embroidery, tapestries, sculpture and artwork. All art & craft traders are welcome to apply for a stall and take advantage of this unique opportunity to exhibit and promote their work. A booking form is enclosed, and stalls are provided with rain covers and counters, for the modest fee of £20 per stall. **Please send your form with full payment to the Tamworth Lions Club, at the address provided on the booking form.**

Tamworth Heritage Craft Market

Sunday 11th September 2011 – one day only

This fabulous event will take place on Sunday 11th September in the town square. St Editha's Square is in the heart of town, and this is undoubtedly one of the busiest weekends in the Tamworth calendar. Stalls will be supplied with covers and counters. The cost is £32 for a 10 x 10 fully equipped stall. The craft market will run alongside this heritage open day event, with all Tamworth's Historic sites open to the public, and various displays including the Staffordshire Hoard. **Please apply on the booking form provided to LSD Promotions Ltd.**

Booking forms are included, please complete the appropriate form and return to the address provided on the form. All telephone enquiries contact Dermot on 07889 975702 or Email dermot@lsdpromotions.com

**Tamworth
Street
Market
B79 7LP**



**Every Tuesday and Saturday
9.00 - 4.00**

**A long established top
quality street market in the
towns main shopping
streets and square. Now
under the management of
LSD Promotions.**



Over 100 stalls and pitches.

**Limited availability for
selected lines.**

Stalls provided.

Contact:

Dermot - 07889 975702

Ted - 07736 77244

Email—

dermot@lsdpromotions.com

ted@lsdpromotions.com

www.lsdpromotions.com

LSD Promotions, Quality markets... serving the local community!

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23rd November 2011**REPORT OF THE PORTFOLIO HOLDER QUALITY OF LIFE****Homelessness Prevention Policies****EXEMPT INFORMATION**

None

PURPOSE

To seek approval for both the adopted approach and the individual policies for the schemes.

RECOMMENDATIONS

1. That the Policies attached are approved

EXECUTIVE SUMMARY

In line with best practice the Council has adopted a prevention approach to dealing with homelessness. Through this approach the Council seeks wherever possible to enable households to either remain in their current accommodation or to support them to find their own accommodation in the private sector.

To achieve this, the Council provides a range of advice and assistance and also makes use of a suite of prevention tools. This report brings together and update policies relating to each of the prevention tools. The need to update policies has been highlighted by a recent audit of policy management across the Council.

The ongoing economic downturn and other changes- for example welfare benefit reform, will require the Council to make full use of all tools available. For this reason these policies are aimed to ensure that the maximum number of households can be assisted through use of the relevant scheme whilst at the same time ensuring sound financial management and best use of resources. In addition to improved outcomes for the customer the homelessness prevention approach has additional benefits in reducing use of temporary accommodation and reducing demand for scarce social housing. The use of these policies has a direct impact on the achievement of corporate priorities helping to ensure that the negative impacts of homelessness on economic wellbeing, health and community cohesion are reduced.

For a number of years Tamworth Borough Council has received grant funding from the Department for Communities and Local Government (DCLG) to assist with the prevention of homelessness.

This grant has been utilised to fund the schemes that are the subject of this report and to fund services delivered by partner agencies, most notably the Debt Advice Service provided by Citizens Advice Bureau.

RESOURCE IMPLICATIONS

All the schemes are currently funded by DCLG grant and contain provision for the scheme to be ended at any time in the event that the funding ceases to be available.

The provision of these schemes is having a positive benefit on the use of B&B with a significant reduction in spending on B&B accommodation since 2007/08 when the Authority spent £187,000 reducing to just £30,000 in 2010/11.

The prevention of homelessness has been a key objective of central government since 1996 and subsequent legislation and good practice guidance has served to reinforce this point of view. The continuation of the homelessness prevention grant funding to local authorities by the Coalition Government sends a clear message that this priority is unlikely to change in the near future.

Earlier this year the internal auditors recognised that a number of key policies throughout the organisation were not readily available or required updating. The policies relating to homelessness prevention were identified as such.

All of the schemes detailed are funded by CLG Grant. Continuation of all of these schemes is dependent upon the continued availability of this grant. Currently grant funding is likely to be available for a further period of two years. From April 2014 the position is currently not clear. Should this grant no longer be available after this date or withdrawn earlier than is currently anticipated the Council will need to review the continuation of the prevention tools..

SUSTAINABILITY IMPLICATIONS

The continuation of the schemes is subject to the continued availability of CLG homelessness grant.

By preventing homelessness the Council makes a significant contribution to the achievement of its corporate priorities. As detailed above the negative impacts of homelessness on maintaining links to Health, education, community cohesion and employment for those who are made homeless are well documented. Homeless households are amongst the most vulnerable in society and these policies provide a clear link to the Corporate priority to protect the vulnerable within our communities.

BACKGROUND INFORMATION

The following schemes are included in this report for approval:

The Bond Scheme; This is a paper bond offered to a private landlord to allow access to private rented accommodation. The bond has a monetary value equivalent to eight weeks rent on the property to which the Bond is applied. A landlord may bring a claim on the Bond in the event of damage or non payment and any valid claim is charged back to the outgoing tenant by way of a sundry debtor, utilising the Councils normal debt collection processes. The risk to the Authority is regulated by way of a robust assessment of the applicants ability to afford the proposed rental property and other reasonable living expenses.

The Repossession Prevention Fund; is a loan scheme with a financial value of up to £5,000 which is designed to allow households who are at risk of repossession from either owned or rented accommodation to take an interest free loan so the accommodation can be secured for the long term. There is a requirement that any household making use of this fund actively engages in debt advice in order to avoid a similar need reoccurring. This funding was provided by CLG along with the criteria for administering the fund following the recognition of Tamworth as a 'hotspot' for repossession.

The Sanctuary Scheme; allows for additional or enhanced security measures to be applied to the current home of a victim of either domestic violence or hate crimes. The service is free of charge to victims and is fully supported by the Police and Fire Service with referral to the scheme from the Multi Agency Risk Assessment Committee (MARAC) on which are representatives of all appropriate statutory agencies. The application of Sanctuary measures to a property has the positive benefits of allowing the victim to maintain all educational, economic and social support networks and reduces costs for the Authority by way of temporary accommodation.

The prevention (spend to save) fund; allows for a small loan of less than £500 to be offered to any household if by so doing the household can either prevent or delay homelessness. The only restrictions on this scheme are that the applicant is resident in the Borough and that they have the financial capacity to repay the loan. A single application only is allowed for this scheme and funds are not paid to members of the applicant's family.

In addition the **Homelessness Prevention Policy Statement** outlines the options for homelessness prevention that are funded by CLG Grant but provided by an external agency or are as a result of a one off funding or training requirement.

In addition to a range of advice services these schemes provide the 'toolkit' of options

available to Tamworth Borough Council in order to prevent homelessness in the Borough and provide the majority of the schemes detailed by CLG as being 'good practice' for a local housing authority.

REPORT AUTHOR

Rachel Ashford

LIST OF BACKGROUND PAPERS

APPENDICES

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Tamworth Borough Council Sanctuary Scheme

Policy Statement

Introduction

Tamworth Sanctuary Scheme forms part of the 'toolkit' of options developed to assist the housing Advice Team in preventing homelessness. This discretionary scheme was originally approved by Cabinet in February 2007 and has been in operation since funded by CLG Homelessness Grant.

The Sanctuary Scheme is a victim centred initiative which aims to make victims of domestic violence and hate crimes feel safe if they choose to remain living in their homes in order to maintain education, employment and support networks. The Sanctuary Scheme therefore aims to make the home more secure by increasing the safety and peace of mind of those threatened with violence or hate crime through professionally installed security measures.

These measures may include new locks, stronger doors, grilles, gates and anti-arson letter boxes as well as the installation of a 'sanctuary' or 'safe room' in cases where the risk is considered greatest.

Each victim's situation is different so every installation is different with each one being tailored to meet the individual needs of the victim and the property.

Criteria

The following eligibility criteria need to be satisfied in order for a Sanctuary installation to be funded via the scheme:

- The victim must be resident within the Tamworth Borough
- The victim must be threatened with homelessness as a result of the violence or threats of violence as defined in legislation
- The installation must be recommended by the Multi Agency Risk Assessment Committee (MARAC)
- The risk level as calculated by MARAC must not be so high that an appropriate installation does not reduce the assessed risk to a level acceptable to MARAC
- The perpetrator must not be resident in the property that is subject to a Sanctuary installation
- The landlord, where appropriate, must give consent to the works
- The security survey finds that the property is suitable for the recommended installations
- The installation will be free of charge to all eligible applicants irrespective of tenure or other circumstances.

Risks and Mitigations

The scheme is funded from CLG Grant allocation and is cash limited. Tamworth Borough Council reserves the right to cease the scheme at any time.

Robust budget monitoring procedures are in place to ensure that the expenditure on the scheme does not exceed the available budget.

The contract with the installers is sufficiently robust as to protect TBC from unexpected or unanticipated price rises during the contract period.

Both Staffordshire Police and Staffordshire Fire and Rescue Service are key partners to the scheme along with other agencies represented at MARAC. No installation is approved by Tamworth Borough Council without the full agreement of the Crime Reduction Officer (CRO) and Fire Safety Officer (FSO).

In any situation where either the risk to the victim is assessed as too high by MARAC no installation will be approved

The documentation provided to the victim is explicit in the language used to ensure the victim is aware that such an installation does not provide any guarantee of their continued safety from the perpetrator.

Policy date: October 2011

Review date: October 2013

Approved by: Cabinet

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Tamworth Borough Council Repossession Prevention Fund

Policy statement

Introduction

The Prevention Fund forms part of the 'toolkit' of options developed to assist the Housing Advice Team in preventing homelessness. This discretionary scheme was originally approved by Cabinet in March 2010 and has been in operations since funded by CLG homelessness prevention grant and awarded to local authorities designated as 'hotspots' for repossession.

The purpose of the fund is to enable local authorities to extend loans not exceeding £5000 to families at risk of repossession or eviction.

The fund may be used in isolation or in conjunction with other preventative measures such as the Mortgage Rescue Scheme (MRS)

The fund is not limited to homeowners but may also be used to assist tenants in the private and social rented sectors who are struggling with payments

The payment is by way of an interest free loan. Any loan should have a repayment term not exceeding 5 years. There is provision within the scheme for the loan to be converted into a grant at the discretion of the Authority. Situations where this may be appropriate are at the discretion of the Deputy Director (Housing & Health) as detailed in the accompanying procedure.

Any payment from the fund should be sufficient to prevent homelessness and be sustainable in the long term.

Eligibility Criteria

The following eligibility criteria need to be satisfied in order for an application for assistance under the scheme to be considered:

- The applicant must be resident in the Borough or have a qualifying local connection to the borough as defined under homelessness legislation
- Applicants must be in danger of becoming homeless as defined in legislation
- Applicants must be vulnerable although this test is not as rigid as the test applied under homelessness as detailed in the accompanying procedure

- Intentionality is not a barrier to receiving assistance from the fund, however CLG suggests that housing advice teams avoid what is referred to as 'moral hazard' so that those households who could have paid their housing costs and have chosen not to do so do not benefit from the fund.
- Applicants must have received money advice from the Citizens Advice Bureau (CAB) and be willing to act on the advice given in order to resolve their problems
- The housing advice team should assess the sustainability of any planned outcome before the RPF is used. The RPF should not be used to defer homelessness it should be used to address the root causes.

Risks and Mitigations

The scheme is funded from CLG grant allocation and is cash limited. Tamworth Borough Council reserves the right to cease the scheme at any time.

Any payment from the scheme is by way of an interest free loan which will be collected from the applicant via the Councils debt collection systems.

No payment is made to the applicant or any member of the applicant's household; all transactions are via the Councils Efin system and are made to the person or organisation that requires such a payment in order to prevent the household from becoming homeless.

Acceptance onto the scheme is dependent upon the household taking and acting on money advice provided by CAB

In circumstances where a loan from the fund will compound the applicants financial difficulties no payment will be made

In the event that the maximum loan period has expired and there is still money outstanding, the case will be referred to the Deputy Director (Housing & Health) and the Head of Revenues for a decision on whether the loan should be extended with interest charged at the Bank of England rate at the time, or converted to a grant and written off.

Policy Date: October 2011

Review Date: October 2013

Approved by: Cabinet

Tamworth Borough Council Prevention (Spend to Save) Fund

Policy statement

Introduction

The Prevention Fund forms part of the 'toolkit' of options developed to assist the Housing Advice Team in preventing homelessness. This discretionary scheme was originally approved by Cabinet in June 2011 and has been in operations since funded by CLG homelessness prevention grant.

The purpose of the fund is to enable the Council to make a relatively small payment of no more than £500 in order to prevent homelessness and thereby saving the money that would otherwise have been used to fund Bed & Breakfast or other temporary accommodation.

The payment is by way of an interest free loan.

The payment can be made for any purpose but having made the payment the Authority must be satisfied that the homelessness has been prevented or delayed for a minimum period of 3 months as detailed in the accompanying procedure.

Eligibility Criteria

The following eligibility criteria need to be satisfied in order for an application for assistance under the scheme to be considered:

- The applicant must be resident in the Borough
- A single payment, if approved, must prevent homelessness or delay homelessness in the short term
- The applicant needs to demonstrate that they have the financial capacity to repay the loan as detailed in the accompanying procedure.
- The final decision on eligibility will rest with the Deputy Director (Housing & Health)

Risks and Mitigations

The scheme is funded from CLG grant allocation and is cash limited. Tamworth Borough Council reserves the right to cease the scheme at any time.

Any payment from the scheme is by way of an interest free loan which will be collected from the applicant via the Councils debt collection systems

No payment is made to the applicant or any member of the applicant's household; all transactions are via the Councils Efin system and are made to the person or organisation that requires such a payment in order to prevent or delay the household from becoming homeless.

Policy Date: October 2011

Review Date: October 2013

Approved by: Cabinet

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Tamworth Borough Council Homelessness Prevention Policy Statement

Introduction

For a number of years Tamworth Borough Council has received Homelessness Prevention Grant funding from the department of Communities and Local Government (CLG) to assist the authority in designing schemes that are appropriate to the needs of the local community. TBC has set up a number of specific schemes where there is a financial benefit, either directly or via the provision of goods and services to the recipient each of which has its own policy and procedure. The purpose of this policy is to reinforce the prevention approach adopted by the Authority following approval by Cabinet in May 2008 which is in line with the Homelessness Act 2002 and supported by the CLG grant allocation for those schemes where there is no financial benefit to the recipient.

Indirectly funded services

CLG grant has been utilised to enable the following services to be offered to households at risk of homelessness:

- Specialist money advice provided by Citizens Advice Bureau (CAB)
- The Court Desk provided by CAB
- Mediation for those at risk of homelessness as a result of family breakdown provided by appropriately trained TBC staff
- Mortgage Rescue Scheme funded by central government and administered in part by TBC staff.

In addition to this the Housing advice team operates on the basis of using every available intervention within the 'toolkit' of measures funded via CLG grant to prevent homelessness in the first instance. Where it is evident that the applicant will have to move from their current home, those schemes designed to allow access to private rented accommodation (Bond Scheme & prevention (spend to save) fund) will be utilised before an application for statutory homelessness assistance will be considered as the best solution for the applicant.

Risks and Mitigations

The Money advice and Court desk schemes are funded by CLG Grant allocation and funded via a fixed term contract in order for TBC to best manage costs and ensure best use of the grant allocation.

Mediation and MRS are offered as a result of training funded from CLG grant and can only continue to be offered whilst the training is current or funding is available for any necessary update training to be undertaken.

The prevention approach is in keeping with the requirements of the Homelessness Act 2002 and whilst there have been cases heard in various Courts with regard to 'gate keeping' this approach is now well embedded in authorities throughout the Country and TBC has procedures in place to protect against such an accusation.

Policy Date: September 2011

Review Date : September 2013

Approved by: Cabinet

Tamworth Borough Council Bond Scheme

Policy Statement

Introduction

Tamworth Bond Scheme forms part of the 'toolkit' of options developed to assist the Housing Advice Team in preventing homelessness. This discretionary scheme was originally approved by Cabinet in November 2004 and has been in operation since funded by CLG Homelessness Prevention Grant. The Bond Scheme provides a written guarantee to a private landlord in place of a deposit. The guarantee will cover against rent arrears, damage to the property to the value of no more than eight weeks rent and the guarantee stays in place for the first six months from the date of the contract. The scheme is intended to increase access to private rented accommodation.

Criteria

The following eligibility criteria need to be satisfied in order for an application for assistance under the scheme to be considered:

- The applicant must be resident within the Borough
- The accommodation they propose to rent must be in the Borough
- The applicant needs to demonstrate that they have sufficient financial resources to meet the monthly rental payments as per section 4 of the procedure
- The property that the applicant proposes to rent must pass an inspection and be free of Category 1 hazards
- All appropriate gas and electrical safety certificates must be provided by the landlord for the property
- The landlord must be willing to accept a paper guarantee or bond with a monetary value of not more than the equivalent of 8 weeks rent.
- The final decision on eligibility for the scheme rests with the Deputy Director (Housing & Health) who will have regard for all of the criteria detailed above when making a decision.

The scheme is a discretionary scheme and Tamworth Borough Council has the right to decline any application for assistance under this scheme. Any applicant whose request is refused will be provided with reasons for the refusal.

Risks and Mitigations

The scheme is funded by CLG Grant allocation and the continuation of the scheme is dependent upon both the continuation of CLG Grant and a very low claim rate on Bonds provided on behalf of applicants.

In mitigation, all requests for assistance under the scheme will be evaluated in line with the criteria detailed and the accompanying procedure. In any case

where the either the financial or reputational risk to the Authority is deemed to be too high, the application will be declined.

All of the documentation provided to both applicants and landlords involved in the scheme is clear with regard to the extent of the liability of Tamworth Borough Council.

Any claim made by the landlord against the Bond will be recharged to the applicant via the Authorities sundry debtor process.

Policy Date: September 2011

Review Date : September 2013

Approved by: Cabinet

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