



# CABINET

22 November 2017

A meeting of the CABINET will be held on Thursday, 30th November, 2017, 6.00 pm  
in Committee Room 1 - Marmion House

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## A G E N D A

### NON CONFIDENTIAL

**1 Apologies for Absence**

**2 Minutes of Previous Meeting (Pages 1 - 6)**

**3 Declarations of Interest**

*To receive any declarations of Members' interests (pecuniary and non-pecuniary) in any matters which are to be considered at this meeting.*

*When Members are declaring a pecuniary or non-pecuniary 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 pecuniary or non-pecuniary interest in respect of which they do not have a dispensation.*

**4 Question Time:**

To answer questions from members of the public pursuant to Executive Procedure Rule No. 13

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

Verbal report on the findings of the Infrastructure, Safety and Growth Scrutiny Committee on Electric Car Charging in Tamworth.

Verbal report on the findings of the Corporate Scrutiny Committee on the Quarter Two Performance Report.

**6 Quarter Two 2017/18 Performance Report (Pages 7 - 58)**

*(Report of the Leader of the Council)*

- 7 **Draft Base Budget Forecasts 2018/19 to 2022/23** (Pages 59 - 112)  
*(Report of the Leader of the Council)*
- 8 **Council Tax Base 2018/19** (Pages 113 - 116)  
*(Report of the Portfolio Holder for Assets & Finance)*
- 9 **Local Council Tax Reduction Scheme 2018/19 onwards** (To Follow)  
*(Report of the Portfolio Holder for Assets & Finance)*
- 10 **Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2017/18** (Pages 117 - 134)  
*(Report of the Portfolio Holder for Assets & Finance)*
- 11 **Write Offs 01/04/17 - 30/09/17** (Pages 135 - 146)  
*(Report of the Portfolio Holder for Assets & Finance)*
- 12 **Temporary Reserves, Retained Funds and Provisions** (Pages 147 - 162)  
*(Report of the Portfolio Holder for Assets & Finance)*
- 13 **Brownfield Land Register** (Pages 163 - 170)  
*(Report of the Portfolio Holder for Regeneration)*
- 14 **Tamworth Borough Council CCTV Resilience and Development** (Pages 171 - 178)  
*(Report of the Portfolio Holder for Communities & Wellbeing)*
- 15 **Arts and Events Delivery 2018/19** (Pages 179 - 222)  
*(Report of the Portfolio Holder for Environment & Culture)*
- 16 **Variable Rent Policy for Council Tenants** (Pages 223 - 246)  
*(Report of the Portfolio Holder for Housing Services)*
- 17 **Exclusion of the Press and Public**  
To consider excluding the Press and Public from the meeting by passing the following resolution:-  
  
*“That in accordance with the provisions of the Local Authorities (Executive Arrangements) (Meeting and Access to Information) (England) Regulations 2012, and Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during the consideration of the following business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public”*  
  
At the time this agenda is published no representations have been received that this part of the meeting should be open to the public.
- 18 **Community Development Review** (Pages 247 - 304)

*(Report of the Portfolio Holder for Communities & Wellbeing & Portfolio Holder for Housing Services)*

Yours faithfully

A handwritten signature in black ink, consisting of a stylized, cursive name followed by a long horizontal line that tapers to a point on the right.

**Chief Operating Officer**

*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](mailto: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, S Doyle, J Goodall and M Thurgood.

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## **MINUTES OF A MEETING OF THE CABINET HELD ON 2nd NOVEMBER 2017**

**PRESENT:** Councillor D Cook (Chair), Councillors R Pritchard (Vice-Chair), S Claymore, S Doyle and M Thurgood

The following officers were present: Rob Barnes (Corporate Director Communities, Partnerships and Housing), Andrew Barratt (Chief Operating Officer), John Day (Corporate Performance Officer), Tina Mustafa (Head of Landlord Services), Steve Pointon (Head of Strategic Housing Services) and Paul Weston (Head of Asset Management - Property Services)

### **54 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor J Goodall

### **55 MINUTES OF PREVIOUS MEETING**

The minutes of the meeting held on 19<sup>th</sup> October 2017 were approved and signed as a correct record

*(Moved by Councillor R Pritchard and seconded by Councillor M Thurgood)*

### **56 DECLARATIONS OF INTEREST**

There were no Declarations of Interest.

### **57 QUESTION TIME:**

None

### **58 MATTERS REFERRED TO THE CABINET IN ACCORDANCE WITH THE OVERVIEW AND SCRUTINY PROCEDURE RULES**

None

## 59 BUDGET CONSULTATION 2018/19

Report of the Leader of the Council to inform Cabinet of the outcomes arising from the consultation undertaken with residents, businesses and the voluntary sector in accordance with the corporate budget setting process.

**RESOLVED:** That Cabinet endorse the report and take into account the findings along with other sources of information when setting the 2018/19 Budget.

*(Moved by Councillor D Cook and seconded by Councillor R Pritchard)*

## 60 COUNCIL SUPPORT FOR THE STARFISH WINTER NIGHTSHELTER FOR THE HOMELESS

Report of the Portfolio Holder for Housing Services to outline arrangements for the provision of a Winter Night Shelter for homeless people for 3 months from December 2017 to February 2018 and to request that Council support be given to the setting up and running of the scheme. This includes releasing £6,000.00 of Homelessness Prevention Grant via a grant to the Starfish Project Trustees and the Tamworth Covenanting Churches to support the employment of a part time project co-ordinator. The co-ordinator will oversee the setting up and operation of the project until March 2018.

**RESOLVED:** That Cabinet

1. Agreed to the Council supporting the provision of a Winter Night Shelter for homeless people for 3 months from December 2017 to February 2018.
2. Agreed that £6,000.00 Homelessness Prevention Grant be provided as a grant to support the setting up and operation of the project to March 2018.
3. Recommended that outcomes from the project are reported to the Health and Wellbeing Scrutiny Committee following the close of the scheme in March 2018.

*(Moved by Councillor M Thurgood and seconded by Councillor R Pritchard)*

## 61 URGENT RENEWAL OF PEEL HOUSE LIFT

Report of the Portfolio Holder for Housing Services to set out the current situation in relation to the defective lifts in Peel House, the impact of lift renewals on the current capital programme and the implications relating to Leaseholders.

**RESOLVED:** That Cabinet

1. Endorsed Option 3 detailed in the report allowing for the installation of the EVEN lift to be delayed until at least May 2018
2. Agreed that the ODD lift is ordered immediately with a view to installing as soon as possible [Mid-March 2018]
3. Agreed that the consultation process for Leaseholders be waived to allow for immediate ordering and renewal of the ODD lift as it is assessed as immediate and necessary urgent works that without could constitute a breach to Health & Safety and compromise compliance with the Council's Home regulatory standard. Consultation on the EVEN lift was completed prior to ordering the EVEN lift.
4. Agreed that Leaseholders be charged the maximum amount allowable without having completed statutory consultation of £250.00 each. The contract for the installation of the ODD lift be awarded to Classic Lifts on the basis of their previous submission using a mini-competition under the Fusion 21 Framework.
5. Endorsed the virement of £120,160 from the Housing Revenue Account Prior to Paint revenue budget to the Housing Revenue Account Lift Renewals capital budget to fund the installation of the ODD lift which is an addition to the programme.

*(Moved by Councillor M Thurgood and seconded by Councillor D Cook)*

## **62 PILOT - USE OF COUNCIL STOCK FOR TEMPORARY ACCOMMODATION**

Report of the Portfolio Holder for Housing Services to set out the arrangements for a landlord pilot scheme whereby up to 5 council housing properties will be used for temporary accommodation; between Monday 2nd April 2018 until Friday 29th March 2019. The report details how this supports the Landlord Regulatory Standard (Tenancy) as well as supporting the Councils strategic housing function in the discharge of its statutory duties around homelessness

**RESOLVED:** That Cabinet

1. Approved a landlord pilot scheme for the use of up to 5

Council properties as temporary accommodation for homeless households for the period during the pilot.

2. Approved the use of non-secure tenancy agreements for the purposes of the scheme for homeless households placed in Council properties.
3. Approved the implementation timetable contained within the report including arrangements for the review and community based impact assessments arising from the pilot forming part of a further report to Cabinet in July 2019

*(Moved by Councillor M Thurgood and seconded by Councillor D Cook)*

### **63 THE COUNCIL'S APPROACH TO EMERGENCY ACCOMMODATION**

Report of the Portfolio Holder for Housing Services to update Cabinet on the Council's strategic approach to the supply of temporary accommodation and the work already completed following a review of the authority's emergency accommodation. To place this work in the broader context of the Homelessness Reduction Act (HR Act) and the Council's Homelessness Prevention Strategy. Additionally, the report requests Cabinet approval to set up an Emergency Accommodation Register for the procurement of bed and breakfast accommodation, to approve amendments to the Council's Temporary Accommodation Policy ensuring that it complies with new legislative requirements and a new Former Tenant Arrears Policy for temporary accommodation.

**RESOLVED:** That Cabinet

1. Approved the development of an Emergency Accommodation Register of emergency accommodation providers.
2. Approved changes to the Temporary Accommodation Policy.
3. Approved the Former Tenant Arrears Policy.

*(Moved by Councillor M Thurgood and seconded by Councillor S Doyle)*

### **64 PURCHASE OF NEW BUILD PROPERTIES UNDER THE COUNCIL'S ACQUISITIONS POLICY**



Report of the Portfolio Holder for Regeneration and Portfolio Holder Housing Services to update Cabinet on the progress of new affordable housing delivery in Tamworth and to agree appropriate financial arrangements are in place to enable the purchase of 8 units of new build housing from Waterloo Housing Group for use as Council owned and managed accommodation.

**RESOLVED:** That Cabinet

1. Agreed that £750,000 be transferred from available budget intended for regeneration and new build activity to the acquisitions budget. This is to enable the purchase of 8 residential units for housing from Waterloo Housing Group in line with the Council's Acquisitions Policy.
2. Agreed that the Chief Operating Officer and Solicitor to the Council are delegated authority to enter into a contract with Waterloo Housing Group for the purchase of the 8 No dwellings as proposed above.
3. Agreed to clarify financial position and report back to Cabinet

*(Moved by Councillor S Claymore and seconded by Councillor M Thurgood)*

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Leader

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THURSDAY, 30 NOVEMBER 2017

**REPORT OF THE LEADER OF THE COUNCIL  
QUARTER TWO 2017/18 PERFORMANCE REPORT**

**EXEMPT INFORMATION**

Not applicable

**PURPOSE**

To provide Cabinet with a performance and financial health-check.

**RECOMMENDATIONS**

That Cabinet endorse the contents of this report

**EXECUTIVE SUMMARY**

This report provides information on:

1. Corporate plan actions, performance measures and corporate risks,
2. Impact of welfare benefit reform,
3. Sustainability Strategy,
4. Financial health check

**OPTIONS CONSIDERED**

Not applicable

**RESOURCE IMPLICATIONS**

There are none

**LEGAL/RISK IMPLICATIONS BACKGROUND**

There are none

**SUSTAINABILITY IMPLICATIONS**

There are none

**REPORT AUTHOR**

John Day

**APPENDICES**

Quarter two 2017/18 Performance Report

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## Quarter Two 2017/18 Performance Report

1. Overview of corporate plan actions and corporate risks
2. Impact of Welfare Benefit Reform on Council services
3. Sustainability strategy
4. Financial healthcheck

**Appendix A** 2017/18 Corporate plan actions and performance measures update,

**Appendix B** Corporate Risks

**Appendix C** General Fund & Housing Revenue Account main variances

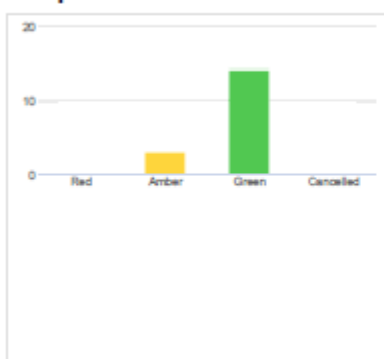
**Appendix D** Capital programme monitoring

**Appendix E** Treasury management update

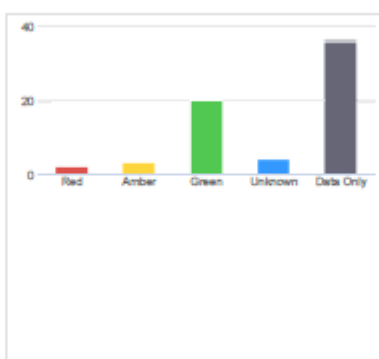
### 1. Overview of corporate plan actions, performance measures and corporate risks

The current status of corporate plan actions, measures and corporate risks is shown below.

**Corporate Plan Actions**



**Performance Measures**



**Corporate Risk Register**



Further details are available in the appendices:

- Corporate plan actions and performance measures: **Appendix A**
- Corporate risks: **Appendix B**

### 2. Impact of Welfare Benefit Reform on Council services

Quarterly updates are presented to monitor the impact of welfare benefit reform changes on Council services including customer demand via monitoring of calls/contacts together with the financial impact of collection and demand for benefits and effect on income streams such as rent, council tax and business rates.

#### Benefits

An increase in Discretionary Housing Payment (DHP) claims is reported - DHP claims paid total £60k (£8k higher than at September 2016 - £52k) with 134 successful claims from 216 applications (compared to 139 successful claims from 187 applications at September 2016) although there is a one week backlog (3.5 weeks as at September 2016) with claims still to be processed which will increase this figure.

Live caseload figures are 332 lower than 2016/17 – currently 5,990 (6,322 at September 2016). The average time taken to process new Housing Benefit/Council Tax Benefit claims and change events was 12.6 days to September 2017 (12.4 days to September 2016).

## NNDR

Reminders (436 at September 2017) are lower than 2016/17 levels (549 at September 2016) with summons & liability orders also at slightly lower levels to 2016/17.

Current year collection levels are at 56.2%, slightly behind target by 0.9% at 30 September. Court costs are around target of £5k.

Arrears for 2016/17 are behind target at 22.7% compared to target of 38.7% due to previous year's debt being raised which will be paid by 31<sup>st</sup> March 2018.

## Council Tax

Reminders are 29 higher than 2016/17 levels (8,472 at 30 September 2017 compared to 8,443 at 30 September 2016) with summonses and liability orders also slightly higher.

Strong collection performance is reported - with current year collection levels at 58.4%, at the target of 58.4% at September 2017 (with a target of 98% for the 2017/18 financial year). Court cost income is higher than target by £7k at £143k.

Arrears for 2016/17 are slightly ahead of target at 34.7% compared to target of 34.5%; work on further approaches to realise more Council Tax revenue is in place.

Collection Fund – the estimated surplus is £29k for the year with a Local Council Tax Scheme projected underspend of £25k (total £54k).

## Housing

Total Rent arrears (excluding former tenants) at 30 September 2017 were £542k compared to £329k (as adjusted) at 31 March 2017; an increase of £213k (compared to a £143k increase as at 30 September 2016).

Total arrears (including garages etc.) are £1.8m at 30 September 2017, compared to £1.6m at 31 March 2017, an increase of £224k (compared to a £218k increase between 31 March 2016 and 30 September 2016).

Total arrears (including garages etc.) were £1.6m at 31 March 2017 compared to 31 March 2016 - £1.46m (£146k higher).

There were seven evictions during quarters 1 and 2 2017/18 compared to five during quarters 1 and 2 of 2016/17.

### **3. Sustainability Strategy**

#### **Medium Term Financial Strategy 2017-2022 Monitoring,**

The 2017/18 budget and Medium Term Financial Strategy (MTFS) ensures that appropriate resources are focussed on the Vision Statement, Priority Themes, Corporate Priorities and Outcomes.

The Authority has been proactive in the design and implementation of innovative and effective measures for driving efficiency and reducing cost within the MTFS.

The budget setting process has faced significant constraints in Government funding in recent years - over 50% in real terms since 2010. The four year Local Government Finance Settlement confirmed in February 2016 that austerity measures are to continue with Revenue Support Grant (RSG) all but eradicated for most Councils by 2020 – and suggests that the key challenges that the Authority is currently addressing are likely to become greater.

In an attempt to provide a clear 'route map' for the transition from surviving to thriving, the Council has designed and adopted a series of strategic plans, policies and processes. 'From Surviving to Thriving' set out a number of opportunities based upon the principle that by focusing upon the growth of the economy, both the 'people' and the 'place' would benefit. The Council remains committed to promoting and stimulating economic growth and regeneration; meeting our housing needs; creating a vibrant town centre economy and protecting those most vulnerable in our communities. To this end, we pledge to explore and invest in viable and sustainable methods of generating income and moving towards financial independence.

There also remains a high degree of uncertainty arising from the most significant changes in Local Government funding for a generation arising from the Business Rates Retention System, changes in Support for Council Tax and Technical Reforms to Council Tax - as well as other changes arising from the Government's Welfare Reform Agenda.

The adoption of 'Demand Management' as the primary operating model and the targeting of resources via locality based commissioning and delivery has enabled greater effectiveness in service delivery as evidenced by customer satisfaction, award winning services and of course, the management of the Council's finances.

Through its implementation, the Council will have far greater control upon the alignment of services or 'supply' to the increased needs and expectations of the public or 'demand'.

Key to this will be the application of existing and new technology to capture, collate and analyse customer insight, intelligence and data so as to understand not just the 'need' but the cause, behaviours or decisions creating the need.

Then by the application of locality based commissioning for example, it can commission services that either intervene or prevent future need thereby reducing demand. The report entitled 'Creating Opportunities from an Uncertain Future' is available to all Members and is available to the public.

This approach will change the organisation and how it works; will require Members to take difficult decisions and adhere to them; will involve managed risks and will sustain essential services critical in supporting the most vulnerable in our communities at a time when demand is increasing and resources reducing.

Work is continuing on a number of actions to address the financial position in future years:

- Delivering Quality Services project – the demand management approach to shift demand to more efficient methods of service delivery – online and automation (Interactive Voice Response). A savings target of £100k p.a. has already been included together with reduced CRM costs of £62k p.a. from 2019/20;

- Recruitment freeze – temporary 12 month appointments are now only being made; there is a robust challenge / re-justification process in place for all vacant posts with a requirement to investigate alternative options including restructuring to fill vacancies / looking at what we can stop doing. This means we have the opportunity to increase the vacancy allowance from 5% to 7.5% over the next 5 years – c. £45k p.a. year on year for the General Fund (£14k p.a. – HRA);
- Spend freeze – Managers have previously been required to restrict / limit spending to essential spend only (there was a £2m underspend in 2015/16 – although the majority was windfall income, c. £0.75m was lower level underspend);
- Alternative investment options arising from the Commercial Investment Strategy (as well as the Treasury Management Investment Strategy, including any prudential borrowing opportunities) to generate improved returns of c. 5% p.a. (plus asset growth) including:
  - Set up of trading company to develop and deliver new income streams;
  - Local Investment Options – Lower Gungate / Solway Close development including the potential to drawdown funding from the Local Growth Fund / Local Enterprise Partnerships (GBS and Staffordshire);
  - Investments in a Diversified Property Fund;
  - Investments in a Diversified Investment Vehicle (property, shares etc.);

Note: these would be subject to a robust check and Challenge business case and represent long term investments of between 5 – 10 years (minimum) in order to make the necessary returns (after set up costs).

- Review of reserves / creation of fund for transformation costs (if needed), and
- Targeted Savings – Members to identify potential areas for review in future years.

Corporate Management Team (CMT) review the most up-to-date budget forecasts on a quarterly basis, and discuss the delivery of the Sustainability Strategy and our Medium Term Financial Strategy (MTFS) – as outlined below.

## General Fund

The updated forecast as at September 2017 is detailed below:

	General Fund						
MTFS Projections 2017/18 - 2021/22	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Projected Balances per MTFS Council February 2017	(5,781)	(4,326)	(2,737)	(502)	(797)	476	1,008
Revised Forecast Balances - September 2017	(6,588)	(5,752)	(4,028)	(2,419)	(727)	784	2,402

On 20th July, Cabinet approved the budget setting process (& project plan) for 2018/19.



In line with the approved timetable, work on the preparation of the detailed five year budget / forecast has progressed in order to inform the Base Budget Forecast for Cabinet on 30th November

As a result of the updated forecast, the GF forecast shows that balances are comparable with the position when the Medium Term Financial Strategy (MTFS) was approved in February 2017 – before the inclusion of the policy change proposals.

However, it should be noted that for the General Fund (GF) this is after the inclusion of:

- Higher costs of c.£0.5m over three years in anticipation of a higher pay award following recent Government announcements for public sector pay – now budgeted at 2% for 2018/19 and 2019/20 (compared to 1% within the MTFS – which was in line with the Government’s pay cap);
- Reduced new homes bonus income of c.£1m over 3 years due to lower than forecast numbers of new house building within the borough – 315 new homes were forecast by October 2017 compared to an actual of around 100;
- Offset by better than forecast outturn underspends for 2016/17 of £0.8m and 2017/18, currently forecast at £618k for 2017/18 (as at Period 6);
- No effect has been included from the ongoing uncertain economic situation as the Brexit process continues.

The updated GF base budget forecast shows that over the three year period to 2020/21, balances will remain above the approved minimum of £0.5m at £0.7m (compared with a forecast in February of £0.8m) with a shortfall in balances of £1.3m over the 4 years to 2021/22 increasing to £2.9m in 2022/23 (the shortfall was previously c.£1m in 2021/22).

### Housing Revenue Account

The updated forecast as at September 2017 is detailed below:

	Housing Revenue Account						
MTFS Projections 2017/18 - 2021/22	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Projected Balances per MTFS Council February 2016	(5,752)	(5,392)	(3,985)	(3,520)	(3,193)	(2,977)	(2,777)
Revised Forecast Balances - September 2017	(6,353)	(6,634)	(5,042)	(4,418)	(3,965)	(3,645)	(3,499)

A balanced five year case forecast was presented for the Housing Revenue Account (HRA). As a result the updated forecast, the HRA forecast show that balances are comparable with the position when the MTFS was approved in February 2017 – before the inclusion of the policy change proposals.

The updated base budget forecast shows that over the three year period to 2020/21, balances will remain above the approved minimum of £0.5m at £4m (compared with a

forecast in February of £3.2m) with balances of £3.6m over the 4 years to 2021/22 reducing to £3.5m in 2022/23 (balances were previously forecast at £3m in 2021/22).

The forecast has been updated to include:

- a) the final outturn for 2016/17 – additional balances of £0.6m from a higher underspend position;
- b) the projected outturn underspend of £564k for 2017/18 (as at Period 6);
- c) With regard to reduced income levels from the potential economic uncertainty – an increased provision for higher debt write offs has already been included.

#### 4. Financial healthcheck

This section to the report summarises the main issues identified at the end of September 2017.

##### General Fund

##### Revenue

<b>GENERAL FUND</b>	<b>YTD Budget £000</b>	<b>YTD Spend £000</b>	<b>Variance £000</b>	<b>Budget £000</b>	<b>Predicted Outturn £000</b>	<b>Variance £000</b>
Chief Executive	97	98	1	(18)	(48)	(30)
Executive Director Corporate Services	83	(19)	(102)	556	326	(230)
Director of Finance	2,066	1,883	(183)	503	246	(257)
Director of Technology & Corporate Programmes	712	777	65	17	46	29
Solicitor to the Council	419	304	(115)	823	775	(48)
Director of Transformation & Corporate Performance	710	696	(14)	286	315	29
Director of Communities, Planning & Partnerships	4	1	(3)	-	(7)	(7)
Director of Housing & Health	519	404	(115)	1,834	1,794	(40)
Director of Assets & Environment	2,377	2,120	(257)	5,623	5,559	(64)
<b>Total</b>	<b>6,987</b>	<b>6,264</b>	<b>(723)</b>	<b>9,624</b>	<b>9,006</b>	<b>(618)</b>

- The General Fund has a favourable variance against budget at period 6 of £723k (£573k favourable at period 5).
- The projected full year position identifies a projected favourable variance against budget of £618k or 6.43% (£675k or 7.01% at period 5).
- This projection has highlighted several budget areas for concern (detailed at **Appendix C**).
- A balance of £50k was held in the General Contingency Budget at the end of September 2017.

## Capital

GENERAL FUND	Budget Reprofiled from 2016/17 £000	YTD Budget £000	YTD Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile £000	Outturn £000
Director of Technology & Corporate Programmes	148	260	1	(259)	372	270	(102)	15	285
Director of Housing & Health	92	92	-	(92)	92	92	-	-	92
Director of Assets & Environment	1,152	2,373	759	(1,614)	3,475	2,755	(720)	720	3,475
<b>Contingency</b>	1,340	1,400	-	(1,400)	1,459	119	(1,340)	540	659
<b>TOTAL GENERAL FUND</b>	<b>2,732</b>	<b>4,125</b>	<b>760</b>	<b>(3,365)</b>	<b>5,398</b>	<b>3,236</b>	<b>(2,162)</b>	<b>1,275</b>	<b>4,511</b>

- Capital expenditure incurred was £760k compared to a profiled budget of £4.125m. (£711k compared to a profiled budget of £3.917m as at period 5).
- It is predicted that £3.236m will be spent by the year-end compared to a full year budget of £5.398m (this includes re-profiled schemes from 2016/17 of £2.73m).
- There is a projected requirement to re-profile £1.275m of spend into 2018/19.
- A summary of Capital expenditure is shown at **Appendix D**.

## Treasury Management

- At the end of September 2017 the Authority had £64.47m invested in the money markets. The average rate of return on these investments is 0.52% though this may change if market conditions ease.
- Borrowing by the Authority stood at £63.060m at the end of September 2017, all being long term loans from the Treasury Public Works Loans Board. The average rate payable on these borrowings equates to 4.05%. At this point it is anticipated that our interest payments will be £2.554m compared to the budgeted figure of £2.713m, a favourable variance of £159k, as due to market conditions (including the continued low interest rate environment), it is not intended to take additional debt of £8m as previously planned (to be monitored as market conditions evolve).
- A more detailed summary of the Treasury Management situation, detailing our current Lending and Borrowings can be found at **Appendix E**.

## Balances

Balances on General Fund are projected to be in the region of £5.75m at the year-end from normal revenue operations (£5.81m at period 5) compared to £4.33m projected within the 2017/18 budget report – additional balances of £1.42m.

## Housing Revenue Account (HRA)

### Revenue

HOUSING REVENUE ACCOUNT	YTD Budget £000	YTD Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000
Director of Housing & Health	1,540	1,462	(78)	3,954	3,938	(16)
Director of Assets & Environment	68	71	3	(37)	(37)	-
HRA Summary	(9,023)	(9,213)	(190)	(3,556)	(3,704)	(148)
Housing Repairs	2,157	1,370	(787)	-	(400)	(400)
<b>Total</b>	<b>(5,258)</b>	<b>(6,310)</b>	<b>(1,052)</b>	<b>361</b>	<b>(203)</b>	<b>(564)</b>

- The HRA has a favourable variance against budget at period 6 of £1.05m (£297k at period 5).
- The projected full year position identifies a favourable variance against budget of £564k (£127k at period 5). Individual significant budget areas reflecting the variance are detailed at **Appendix C**.

### Capital

HOUSING REVENUE ACCOUNT	Budget Reprofiled from 2016/17 £000	YTD Budget £000	YTD Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile £000	Outturn £000
Director of Housing & Health	6,323	12,299	3,608	(8,691)	18,274	7,322	(10,952)	10,952	18,274
Director of Assets & Environment	3,151	5,719	1,294	(4,425)	7,614	4,639	(2,975)	2,970	7,609
HRA Contingency	100	100	15	(85)	100	-	(100)	100	100
<b>TOTAL HOUSING REVENUE ACCOUNT</b>	<b>9,574</b>	<b>18,118</b>	<b>4,917</b>	<b>(13,201)</b>	<b>25,988</b>	<b>11,961</b>	<b>(14,027)</b>	<b>14,022</b>	<b>25,983</b>

- Housing Capital expenditure of £4.917m has been incurred as at the end of period 6 compared to a profiled budget of £18.118m. (£3.15m compared to a profiled budget of £16.84m as at period 5).
  - It is predicted that £11.961m will be spent by the year-end compared to the full year budget of £25.988m (including £9.57m re-profiled from 2016/17);
  - There is a projected requirement to re-profile £14.022m of spend into 2018/19.
  - 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 £6.58m at the year-end (£6.12m at period 5) compared to £5.39m projected within the 2017/18 budget report – additional balances of £1.19m

2017/18 Corporate Plan Progress Report

2017 – 2020 Corporate Plan Actions


Corporate Priority 1. Living a quality life in Tamworth

<b>Project/Action</b>	<b>Maintain &amp; Manage the environment within Tamworth</b>		
<b>Desired Outcome</b>	Well managed local nature reserves and sports pitches that are maintained at a level proportionate to their use. Provision of high quality open spaces both existing and arising from new developments. Ensure the Council meets its obligations to ensure its watercourses and drainage systems are maintained. Provision of well-maintained play facilities. To ensure cleansing is carried out to a standard that meets or exceeds measured requirements Achieving a gold standard in the 'Tamworth in Bloom' programme		
<b>Latest Update</b>			
<b>Milestones</b>	<b>Due Date</b>	<b>Completed (Yes/No)</b>	<b>Note</b>
Balancing pond dredging works scoped in accordance with the management plan	30-Jun-2017	No	Tender documents being prepared.
Tamworth In Bloom Judging	18-Jul-2017	Yes	Judging took place on 18th July 2017.
Play area provision scoped	30-Sep-2017	Yes	Project scoped and considered by Cabinet in August 2017. Project now in tender stage.
Tamworth in Bloom award notification	30-Sep-2017	Yes	'Gold' award achieved for the eighth consecutive year.
Ongoing commitment throughout the year to ensure green spaces are managed	31-Mar-2018	No	Identified projects are underway.

Performance Measures	RAG Status	Current Value	Last Update	Latest Note
Installation of one new play facility			Q1 2017/18	Works to be procured in August 2017 with installation expected in November 2017.
Ongoing works to deliver the output of the watercourse management plan are actioned				
Tamworth 'In Bloom' Gold Award		3	2017/18	'Gold' awarded for the eight year in a row.
Improved street and environmental cleanliness – Detritus		10.61%	July 2017	Seasonal variation, July is seasonally higher, this tranche also includes industrial are warehouse areas, and high obstruction housing areas, both are traditionally higher for detritus and will skew score.
Improved street and environmental cleanliness – Graffiti		1.84%	July 2017	
Improved street and environmental cleanliness – Litter		4.68%	July 2017	

Improved street and environmental cleanliness – Dog Fouling		4.01%	July 2017	
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<b>Project/Action</b>	<b>Delivery of the Community Safety Partnership</b>			
<b>Desired Outcome</b>	The adoption of the community safety action plan Early intervention programmes commissioned for priority themes Continued development of the multi-agency approach to problem solving			
<b>Latest Update</b>				
<b>Milestones</b>	<b>Due Date</b>	<b>Completed (Yes/No)</b>	<b>Note</b>	
Commissioning process for the action plan commences	30-Apr-2017	Yes	Commissioning is ongoing throughout the year.	
Community Safety Assessment received.		Yes	Assessment received and used to inform the current community assessment action plan.	

<b>Performance Measures</b>	<b>RAG Status</b>	<b>Current Value</b>	<b>Last Update</b>	<b>Latest Note</b>
All Crime – Total		5,019	2017	Calendar year to date figure.
Incidents of Anti-Social Behaviour		1,636	2017	Calendar year to date figure.
Percentage of people surveyed who feel very/fairly safe outside in their local area after dark (FTD survey)		82%	H1 2017/18	Waves 20 to 23.
Percentage of people surveyed who feel very/fairly safe outside in their local area during the day (FTD survey)		100%	H1 2017/18	Waves 20 to 23.
Percentage of people surveyed who had been a victim of crime in the last twelve months (FTD survey)		9%	H1 2017/18	Waves 20 to 23.
Percentage of people surveyed who feel very/fairly likely to be a victim of crime in		17%	H1 2017/18	Waves 20 to 23.



their local area (FTD survey)









<b>Project/Action</b>	<b>Delivery of an effective regulatory service</b>			
<b>Desired Outcome</b>	Continue to support businesses to comply with legislation Ensure the statutory inspection plan of food businesses provides a high standard of hygiene in the Borough. Delivery of effective taxi, gambling and premise licensing Delivery of an effective and responsive development control service			
<b>Latest Update</b>				
<b>Milestones</b>	<b>Due Date</b>	<b>Completed (Yes/No)</b>	<b>Note</b>	

<b>Performance Measures</b>	<b>RAG Status</b>	<b>Current Value</b>	<b>Last Update</b>	<b>Latest Note</b>
The number of food businesses that are 0 and 2 star rated		36	Q2 2017/18	
The quarterly percentage of planned high risk interventions undertaken		100%	Q2 2017/18	
The percentage of planned interventions undertaken		98%	Q1 2017/18	
The percentage of complaints relating to smoking legislation responded to		100%	H1 2017/18	
The annual percentage of planned inspections undertaken of industry for environmental emissions		100%	2016/17	
Satisfaction of business with local authority regulation services (Tamworth)		83%	2016/17	
Food establishments in the area which are broadly compliant with food hygiene law (Tamworth)		86.2%	2016/17	Tamworth has had a small increase of almost 2% (of the total number of premises registered) in the







			<p>number of persons catering from home compared to that which we had planned to undertake. Additionally, we have been subject to Inter-authority audits that have drawn resource away from conducting visits to those private property. Resources have been concentrated towards dealing with those premises that were not broadly compliant.</p>
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Project/Action	Growth & Regeneration in Tamworth		
<b>Desired Outcome</b>	<p>Enterprise Quarter regeneration including a modernised cultural offer, enhanced night-time offer, quality public realm, and facility for new businesses to grow</p> <p>The delivery of a vibrant and meaningful inward investment strategy to promote the Town to business</p> <p>Delivery of a trading arm to provide facility to invest in assets such as housing and commercial facilities which can provide sustainable income to the Council</p> <p>Continued progression of enhancement to Tamworth's gateways</p> <p>The production of a town centre strategy Continued engagement with WMCA, LEPS for the purpose of growth, skills, infrastructure and economy</p>		
<b>Latest Update</b>			
Milestones	Due Date	Completed (Yes/No)	Note
On-going works to review assets and regeneration opportunities as part of the CIRS board.	30-Apr-2017	No	
The Opening of the Enterprise Centre	31-May-2017	Yes	The centre is operational and currently 100% occupied.
Scoping works for both the production of an inward investment strategy and a town centre strategy.	30-Jun-2017	Yes	
Completion of works to Tamworth Library	31-Jul-2017	No	
Scoping works with partners to look at viability/opportunities with the current vacant site at gungate.	31-Aug-2017	No	This is an ongoing project. The commercial site assessment is underway and due for completion in mid-August.
Adoption of the inward investment strategy and the town centre strategy	28-Feb-2018	No	
Re-opening of the Assembly Rooms and new facility at the Carnegie Centre	30-Nov-2018	No	



Completion of the public realm enhancements	31-Jan-2019	No	
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Performance Measures	RAG Status	Current Value	Last Update	Latest Note
Number of Businesses		2,335	2017/18	
Number of empty Business Premises		200	October 2017	
Percentage of total rateable value of commercial floorspace that is unoccupied		5%	2017/18	
Percentage change in rateable value of commercial buildings		1.61%	Q2 2017/18	
The footfall for Town Centre			H2 2014/15	Insufficient resources to carry out footfall survey, preparing the Local Plan for submission and loss of team member. Survey will be carried out as early in Q1 (15/16) as possible.
Birth of New Business Enterprises in the year		320	2015/16	
Death of Business Enterprises in the year		235	2015/16	
Number of active Business Enterprises		2,475	2015/16	


<b>Project/Action</b>	<b>Tinkers Green &amp; Kerria Regeneration</b>		
<b>Desired Outcome</b>	Access to suitable housing is improved Neighbourhoods are improved Satisfaction with neighbourhoods increased		
<b>Latest Update</b>			
<b>Milestones</b>	<b>Due Date</b>	<b>Completed (Yes/No)</b>	<b>Note</b>
1. Demolition completed		No	The demolition at Tinkers Green is now complete
2. Contractor appointed		Yes	Contractor appointed
3. Contractor start on site		No	Date being reviewed as a revised programme is being established; likely to be July 2018.
4. Completion of build		No	
5. Allocation of New Homes		No	

<b>Performance Measures</b>	<b>RAG Status</b>	<b>Current Value</b>	<b>Last Update</b>	<b>Latest Note</b>
Satisfaction of tenants with new homes and neighbourhood – Tinkers Green				
Satisfaction of tenants with new homes and neighbourhood – Kerria				
Number of new homes built and allocated to those who need them – Kerria				
Number of new homes built and allocated to those who need them – Tinkers Green				
New Retail Facility Created – Tinkers Green				
New Retail Facility Created – Kerria				

<b>Project/Action</b>	<b>Garage sites redevelopment</b>			
<b>Desired Outcome</b>	Access to suitable housing is improved Neighbourhoods are improved Satisfaction with neighbourhoods increased			
<b>Latest Update</b>				
<b>Milestones</b>	<b>Due Date</b>	<b>Completed (Yes/No)</b>	<b>Note</b>	
Phase One start on site	30-Apr-2017	Yes	Work has started on Phase One.	
Phase One Completed	31-Dec-2017	No	Phase one is expected to be completed ahead of schedule at the end of November 2017 and will provide 19 units of accommodation across the borough.	
Phase Two start on site	01-Jan-2018	No	The commencement of this phase is under review.	
Allocation of future phases		No		
Future phases start on site		No		



<b>Performance Measures</b>	<b>RAG Status</b>	<b>Current Value</b>	<b>Last Update</b>	<b>Latest Note</b>
Satisfaction of tenants with new homes and neighbourhood – Garage Sites Redevelopment				
Number of new homes built and allocated to those who need them – Garage Sites Redevelopment				

<b>Project/Action</b>	<b>New Repairs Contract</b>			
<b>Desired Outcome</b>	Council homes and neighbourhoods are maintained to a high standard Tenants receive a responsive repairs service The housing asset is maintained in accordance with stock condition requirements			
<b>Latest Update</b>				
<b>Milestones</b>	<b>Due Date</b>	<b>Completed (Yes/No)</b>	<b>Note</b>	
Commission consultants to support options review	30-Apr-2017	Yes		
New contractor mobilised	30-Apr-2017	Yes		
Review of new contract performance	30-Sep-2017	Yes		
Findings of options review agreed	31-Dec-2017	No		
Report to members on future arrangements for service delivery	28-Feb-2018	No		
Implement future options		No		
Measure satisfaction		No		
<b>Performance Measures</b>	<b>RAG Status</b>	<b>Current Value</b>	<b>Last Update</b>	<b>Latest Note</b>
Percentage of local authority dwellings that achieve the decent homes standard		60.1%	2016/17	

<b>Project/Action</b>	<b>Preparation for collection of the Business Improvement District (BID) Levy</b>			
<b>Desired Outcome</b>	Implementation of the software necessary to facilitate collection of the levy income Maximise the level of income collected for investment in local infrastructure			
<b>Latest Update</b>	There will be an initial capital requirement to set up the BID billing system, which will include a module add-on for our current Capita system and consultancy support to get this module operational. A capital scheme for £17.4k in 2017/18 was approved by Council on 21 February 2017 following a report to Cabinet seeking Members approval to progress a Business Improvement District for Tamworth Town Centre and Ventura Park. Should a BID progress (subject to further feasibility work / a ballot of local businesses – planned for October 2017) the Council will be responsible for billing, collection and recovery for the BID Levy.			
<b>Milestones</b>	<b>Due Date</b>	<b>Completed (Yes/No)</b>	<b>Note</b>	
Budget approval for purchase of software	30-Apr-2017	Yes	Budget approved by Council on 21 February 2017	
Software purchased	03-Nov-2017	No	Original plan was to purchase software by 31 August – delayed until result of the ballot known early in November 2017	
Software installed and tested	31-Dec-2017	No		
Levy included on 2018/19 bills	31-Mar-2018	No		
<b>Performance Measures</b>	<b>RAG Status</b>	<b>Current Value</b>	<b>Last Update</b>	<b>Latest Note</b>
Percentage of Business Improvement Levy Collected			2017/18	BID levy will be due in 2018/19 and is dependent on a 'yes' vote in the ballot in November 2017.



<b>Project/Action</b>	<b>Business Rates Retention</b>			
<b>Desired Outcome</b>	Maximise collection of business rates within the GBS rate retention pool			
<b>Latest Update</b>	The Council is a member of the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) Business Rates Pool – for 2016/17 a levy of £612k (payable to the GBSLEP pool) was generated through additional growth in business rates income – to support projects to improve the economy and infrastructure of the region.			
<b>Milestones</b>	<b>Due Date</b>	<b>Completed (Yes/No)</b>	<b>Note</b>	

<b>Performance Measures</b>	<b>RAG Status</b>	<b>Current Value</b>	<b>Last Update</b>	<b>Latest Note</b>
Percentage of Non-domestic Rates Collected		65.50%	October 2017	
Percentage change in rateable value of commercial buildings		1.61%	Q2 2017/18	

<b>Project/Action</b>	<b>Commercial opportunities in business decision making</b>			
<b>Desired Outcome</b>	A risk/reward based return on investment requirement within planned projects			
	Producing options appraisals, business cases and review opportunities for setting up Local Authority Trading Companies as well as other business models for service to maximise return on Council assets and increase economic benefit for the Council			
<b>Latest Update</b>	The Tamworth Commercial Investment Strategy to promote growth and regeneration was approved by Cabinet on 16th June 2016.			
	The first formal meeting of the Commercial Investment Strategy Board was on 22nd August 2016. Following an update on progress around this initiative since Cabinet endorsed the initial plans, Members gave their full endorsement for the establishment of a Member-led Steering Group to provide the necessary governance for an Officer/Advisor-led Working Group that in turn would oversee the various major work streams. Key outcomes such as the revitalisation of the Town Centre; the regeneration of the Gungate site; the development of an Inward Investment Strategy that will seek to provide the basis for ongoing managed growth, future funding bids and more.			
	The first quarterly progress monitoring was reported to Cabinet on 24th November 2016 with work progressing since that time on the development (and set up) of a trading company (including the potential for development of private sector housing for market rental), the			



regeneration of the Gungate site and the development of an Place Investment Strategy.

A meeting of the Steering Group was held on 23rd May 2017 who gave approval for establishing our 'arm's length' or Independent Trading Company which will provide the means and structure from which we can generate sustainable income streams on behalf of the Council. This could be by acting as Private Sector Landlord; Joint Venture Partner; Asset Management or, subject to viability and a robust business plan, operating services on a commercial footing. The establishment of the Trading Company is very much seen as the precursor to us building new houses for market rent in the very near future.

Further work has centred on the regeneration of the former Gungate Precinct site and the potential to increase the size of the site to include other land in order to encourage a more ambitious development scheme.







Progress has been made on the third work stream with proposals designed to encourage both Inward Investment and the continued Growth of Existing Business with the consequence that we now have an outline specification/brief to support the commissioning of the strategy.

Milestones	Due Date	Completed (Yes/No)	Note

Performance Measures	RAG Status	Current Value	Last Update	Latest Note
Income collected through adopted commercial approach		N/A	Q2 2017/18	This performance indicator can be updated when a Commercial Investment Strategy project progresses to income generation stage.
Rate of return on identified projects in excess of 5%		N/A	Q2 2017/18	This performance indicator can be updated when a Commercial




				Investment Strategy project progresses to income generation stage.
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<b>Project/Action</b>	<b>Heritage, leisure &amp; events</b>			
<b>Desired Outcome</b>	A defined successful outdoor events programme is implemented Heritage venues are well maintained and open to the public Heritage lottery bid submitted to progress improvement works at the Castle			
<b>Latest Update</b>				
<b>Milestones</b>	<b>Due Date</b>	<b>Completed (Yes/No)</b>	<b>Note</b>	
Outdoor events plan published	30-Apr-2017	Yes		
Castle Heritage Lottery bid submitted	31-Aug-2017	Yes	The bid was submitted in August 2017 with the result expected in November 2017.	
Events held throughout the year	31-Mar-2018	No		

<b>Performance Measures</b>	<b>RAG Status</b>	<b>Current Value</b>	<b>Last Update</b>	<b>Latest Note</b>
Number of attendees at Arts Development Events		8,936	2017/18	
Number of participants at Arts Development Events		2,223	2017/18	
Visitor Numbers (Outdoor Events)		24,822	2017/18	
Overall Satisfaction Rate "Good to Excellent" (Outdoor Events)		99%	2017/18	
Percentage of people surveyed who would recommend event (Outdoor Events)		99%	2017/18	
Number of additional events supported – Outdoor Events		49	2017/18	






Total Number of visits/usages – Tamworth Castle		24,675	2017/18	
Total Number of Visitors – Tamworth Castle		23,776	2017/18	
Trip Advisor Rating – Tamworth Castle		4.5	2016/17	

<b>Project/Action</b>	Organisational well-being		
<b>Desired Outcome</b>	A workforce that is dynamic, agile and capable to adapt to our changing environment		
<b>Latest Update</b>			
<b>Milestones</b>	<b>Due Date</b>	<b>Completed (Yes/No)</b>	<b>Note</b>
Corporate Well-being day	30-Apr-2017	Yes	
Time to Change Pledge	30-Apr-2017	Yes	
Completion of the Agile Working Project	31-Dec-2017	No	
Staff Attitude Survey	31-Dec-2017	No	Short questionnaire to be designed and made available for staff completion by the end of the calendar year.
Workforce Development Plan approved	31-Dec-2017	No	
Payroll/HR services available via self serv	31-Jan-2018	No	Currently completing initial roll out following successful testing
Delivery of Corporate Plan	31-Mar-2018	No	
Staff Annual General Meeting/Celebration event		No	Date for delivery to be rearranged and possible use of an e-enabled AGM this year

Performance Measures	RAG Status	Current Value	Last Update	Latest Note
Working Days Lost Due to Sickness Absence (Year to date)		3.39	August 2017	
Working Days Lost Due to Sickness Absence (Monthly)		0.72	August 2017	
Results of Staff Attitude Survey			2017/18	Survey to be done


				by end of calendar year; results expected early in 2018.
<b>Project/Action</b>	<b>Digital Customer Services</b>			
<b>Desired Outcome</b>	Council services available for customers available on-line			
<b>Latest Update</b>				
<b>Milestones</b>	<b>Due Date</b>	<b>Completed (Yes/No)</b>	<b>Note</b>	
Customer Access Survey	30-Apr-2017	Yes		
Specification of Customer Portal	30-Apr-2017	Yes		
Procurement of customer portal	30-Nov-2017	No	A specification has been detailed. Soft market testing carried out with several suppliers. Specification to be advertised on the Portal by the end of October 2017.	
Approve revised Customer Services and Access Strategy	31-Dec-2017	No		
Communications and Marketing Plan (digital)	31-Dec-2017	No		
Digital by default plan submitted and approved	31-Dec-2017	No	Research is ongoing to support the development of this plan. To be completed by December 2017.	
Review of Customer Services and Access Strategy	31-Dec-2017	No	The review has commenced and is due to be completed by December 2017.	
Customer Portal Implementation Plan	31-Mar-2018	No	Date to be defined and dependent upon procurement activity.	
Implementation of customer portal commencing with Council Tax	30-Apr-2018	No		

Review portal implementation and customer satisfaction.	30-Sep-2018	No	
Website Development Plan (static content)	30-Sep-2019	No	The Content Management System (CMS) is being upgraded from Drupal 7 to 8 over the next two years up to 30th September 2019. All content will be reviewed during this process which has commenced with the 'Visit Tamworth' site.

Performance Measures	RAG Status	Current Value	Last Update	Latest Note
The number of face to face enquiries		6,112	2016/17	Annual figure only available due to system being decommissioned.
The number of self-serve processes available for customers		65	Q1 2017/18	this includes – interactive forms on the mobile app. Payment facilities – phone and web Online forms – both downloadable and fully automated.
The number of Portal users		0	Q2 2017/18	portal not procured yet so this should not be active until next year.
The number of downloads from the Tamworth App		945	Q2 2017/18	
The number of active users of the Tamworth App		342	Q2 2017/18	

The number of Ombudsman complaints received		7	2016/17	
The number of Ombudsman decisions made		8	2016/17	



<b>Project/Action</b>	<b>Corporate Knowledge Hub</b>			
<b>Desired Outcome</b>				
<b>Latest Update</b>				
<b>Milestones</b>	<b>Due Date</b>	<b>Completed (Yes/No)</b>	<b>Note</b>	
Workshop to scope design and delivery	31-May-2017	Yes		
Plan submitted and approved	31-Dec-2017	No		


<b>Performance Measures</b>	<b>RAG Status</b>	<b>Current Value</b>	<b>Last Update</b>	<b>Latest Note</b>
Number of Reports delivered to support the Tamworth Community Offer				

<b>Project/Action</b>	<b>New General Data Protection Regulations</b>			
<b>Desired Outcome</b>	Processes and procedures to enable compliance with data legislation			
<b>Latest Update</b>	<p>Activity in the second quarter of 2017/18 has included:</p> <ul style="list-style-type: none"> <li>the commencement of an internal awareness campaign,</li> <li>the review and preparation of training,</li> <li>the establishment of an Information Governance Group.</li> <li>the commencement of an Internal Asset Register.</li> </ul>			






Milestones	Due Date	Completed (Yes/No)	Note
Endorsement of action plan for implementation	30-Apr-2017	Yes	Action plan in draft to be approved by Chief Executive. Two members of staff qualified as practitioners in General Data Protection Regulations to enable implementation. Activity has commenced to establish a new statutory role. This remains on-going with the Head of Paid Services preparing relevant information for Appointments and Staffing Committee.
Processes and procedures tested and developed into local framework	28-Feb-2018	No	
All staff trained in internal framework and legislation	31-May-2018	No	






Performance Measures	RAG Status	Current Value	Last Update	Latest Note
The number of data breaches		N/A	Q2 2017/18	This performance indicator will measure reportable data breaches as defined by the regulations and won't commence until 25/05/2018.
The number of complaints upheld by the Information Commissioner's Office			2017/18	The criteria around this still needs to be agreed and measurement of

				this performance indicator won't commence until 25/05/2018.
<b>Project/Action</b>	<b>Office 365</b>			
<b>Desired Outcome</b>	Corporate roll out of Office 365 functionality All officers trained and competent in use of technology Access to Exchange online Access to cloud services			
<b>Latest Update</b>	Trials in ICT, Revenues and Housing until December 2017 with the view to a corporate roll out in January 2018; subject to the results of the trials.  Training and overview material has been prepared.			
<b>Milestones</b>	<b>Due Date</b>	<b>Completed (Yes/No)</b>	<b>Note</b>	
Roll out of technology	31-Jan-2018	No		
Training completed	31-Mar-2018	No		
New working practises in place	30-Jun-2018	No		
<b>Performance Measures</b>	<b>RAG Status</b>	<b>Current Value</b>	<b>Last Update</b>	<b>Latest Note</b>
The percentage of the organisation using Office 365		N/A	Q2 2017/18	Trials of this in the scoped service areas (ICT, Housing, Revenues) are about to commence and subject to the testing it will be

				rolled out corporately after the trial.
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<b>Project/Action</b>	<b>Enablement of Self-Service</b>			
<b>Desired Outcome</b>	Delivery of technology to support self-service including portal, online forms, mobile apps and website development			
<b>Latest Update</b>	The specification for a customer portal is in draft format and expected to be with the Procurement Team by the end of October 2017.			
<b>Milestones</b>	<b>Due Date</b>	<b>Completed (Yes/No)</b>	<b>Note</b>	
Implementation of mobile apps and online forms	31-Dec-2017	No		
Implementation of customer portal and integration to support website development	31-Mar-2018	No		

<b>Performance Measures</b>	<b>RAG Status</b>	<b>Current Value</b>	<b>Last Update</b>	<b>Latest Note</b>
The number of face to face enquiries		6,112	2016/17	Annual figure only available due to system being decommissioned.
The number of telephone calls into the Customer Services Centre		20,341	Q2 2017/18	
The number of self-serve processes available for customers		65	Q1 2017/18	this includes – interactive forms on the mobile app. Payment facilities – phone and web Online forms – both downloadable and fully automated.







PI RAG Status	
	Alert
	Warning
	OK
	Unknown
	Data Only




2017/18 Corporate Risk Register



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Risk	Description of Risk	Date Last Reviewed	Severity	Likelihood	Current Risk Rating	Current Risk Status
Loss of Community Cohesion	Failure to achieve community cohesion	27-Sep-2017	3	3	9	
Safeguarding Children & Vulnerable Adults	Failure to safeguard children and vulnerable adults	27-Sep-2017	3	3	9	
Medium Term Financial Planning & Sustainability Strategy	Loss of Funding and Financial Stability & application of uncertainties of Brexit	27-Sep-2017	4	2	8	
Inability to manage the impact corporately of the Government Austerity measures and new legislative requirements	Inability to manage the impact corporately of the Government Austerity measures and new legislative requirements	27-Sep-2017	4	2	8	
Implementation of response to GDPR Legislation	General Data Protection Regulations (GDPR) coming into effect in May 2018 resulting in significant change for the organisation, including substantial penalties for failing to adhere and breaches	27-Sep-2017	4	2	8	
Information Management & Information Technology	Failure to secure and manage data and IT infrastructure	27-Sep-2017	3	2	6	
Health & Safety	Failure to manage Health & Safety	27-Sep-2017	3	2	6	
Reputation	Damage to Reputation	27-Sep-2017	2	2	4	
Governance & Regulatory Failure	Failure to achieve adequate Governance Standards and statutory responsibilities	27-Sep-2017	2	2	4	

Risk	Description of Risk	Date Last Reviewed	Severity	Likelihood	Current Risk Rating	Current Risk Status
Partnership Working and Supply Chain Challenges	Failure in partnership working, shared services or supply chain	27-Sep-2017	2	2	4	
Emergency & Crisis Response Threats	Failure to manage an external or internal emergency/disaster situation	27-Sep-2017	2	2	4	
Workforce Planning Challenges	Failure to manage workforce planning challenges	27-Sep-2017	2	2	4	
Corporate Change	Failure to manage corporate change	27-Sep-2017	2	2	4	
Taxi Licences	Taxi Licensing process not followed, giving rise to licenses being issued to persons who are not fit and proper	27-Sep-2017	4	1	4	
Economic Changes	Failure to plan and adapt services to economic changes within the community	27-Sep-2017	3	1	3	

Risk Status	
	High
	Medium
	Low

## General Fund – Main Variances

Cost Centre	Account Code	Year To Date Position Sub Total	Year To Date Position Budget	Year To Date Position Variance	Full Year Position Budget	Full Year Position Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment
Community Safety	Salaries	21,010	43,890	(22,880)	93,800	(44,220)	49,580	Underspend is forecast due to vacant posts
Disabled Facilities Grant-Admin	Salaries	-	13,380	(13,380)	1,470	(26,800)	(25,330)	DFG Service being procured by SCC, staffing subject to review following outcome.
	Vacancy Allowance	-	(720)	720	(1,470)	1,470	-	
	Car Allowances	-	960	(960)	-	(1,950)	(1,950)	
	Prov Of Occup Health Services	-	2,640	(2,640)	-	(5,250)	(5,250)	
Industrial Properties	Rents	(556,791)	(516,000)	(40,791)	(770,000)	(40,000)	(810,000)	Windfall Income - one off ground rent for Neander
Marmion House	Rates	123,964	187,770	(63,806)	187,770	(63,800)	123,970	Windfall - reduction in Rateable Value compared to when budgets were originally set
Assembly Rooms Bar	Wages	-	9,360	(9,360)	18,690	(18,690)	-	Underspend will offset under recovered income.
	Bar Purchases	-	10,680	(10,680)	21,330	(21,330)	-	
	Bar Sales	(67)	(26,940)	26,873	(53,840)	53,840	-	As the project has been delayed this income target is unachievable. There will savings on expenditure budgets across the service that offset this.

Cost Centre	Account Code	Year To Date Position Sub Total	Year To Date Position Budget	Year To Date Position Variance	Full Year Position Budget	Full Year Position Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment
Assembly Rms 3rd Party Tickets	Performers Fees	-	11,820	(11,820)	23,590	(23,590)	-	Underspend will be offset by loss of income. This is due to the delay in the Assembly Rooms capital project
	Split Profit Event Ticket Sale	2,125	15,000	(12,875)	30,000	(25,000)	5,000	
Assembly Rms 3rd Party Tickets	Split Profit Event Income	(114)	(15,000)	14,886	(30,000)	29,000	(1,000)	As the project has been delayed this income target is unachievable. There will savings on expenditure budgets across the service that offset this.
Print Waste Arrangement	Specific Contingency	-	50,000	(50,000)	50,000	-	50,000	Expected that contingency budget will be required this year due to changes in service delivery
Community Development	Salaries	37,901	54,360	(16,459)	108,680	(32,000)	76,680	Underspend relates to a vacant post. The predicted outturn is based on the current situation but a service review is underway.
Homelessness Strategy	Government Grants	(58,801)	-	(58,801)	-	-	-	Report currently on MODGOV outlining proposed use of this grant
Chief Executive	Salaries	90,901	93,300	(2,399)	168,220	(39,880)	128,340	Expected underspend following retirement of Chief Executive



Cost Centre	Account Code	Year To Date Position Sub Total	Year To Date Position Budget	Year To Date Position Variance	Full Year Position Budget	Full Year Position Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment
Corporate Finance	Government Grants	(214,729)	(204,180)	(10,549)	(408,390)	(54,890)	(463,280)	Higher S31 grant income due to higher level of Small Business Rate relief
	Government Grants	(26,657)	-	(26,657)	-	(106,630)	(106,630)	Additional S31 grant - Discretionary Rate Relief Scheme
Treasury Management	External Interest Payable	1,277,000	1,356,660	(79,660)	2,713,280	(159,310)	2,553,970	Lower than forecast as not planning to take additional debt of c.£8million
	Minimum Revenue Provision Gf	28,820	47,940	(19,120)	95,880	(38,230)	57,650	Lower than forecast MRP as not planning to take additional GF debt of c.£1million
Treasury Management	Treasury Man. Rechg To Hra	-	-	-	(2,731,580)	99,411	(2,632,169)	Lower than forecast Item 8 DR as not planning to take additional HRA debt of £7.2million
Electoral Process	Election Staff	3,798	53,310	(49,512)	55,410	(45,000)	10,410	One by-election only this year
Benefits	Rent Allowances	4,258,774	4,689,200	(430,426)	10,027,990	(910,240)	9,117,750	Based on DWP Est Claim P6
	Council Tenant Rent Rebates	5,485,937	5,769,750	(283,813)	11,077,800	(1,037,150)	10,040,650	
	Council Tenant Grant	(5,349,993)	(5,670,250)	320,257	(10,886,810)	1,009,900	(9,876,910)	
	Private Tenant Grant	(4,104,548)	(4,582,000)	477,452	(9,801,250)	980,590	(8,820,660)	
	Non-Hra Rent Rebate Grant	(119,886)	(68,640)	(51,246)	(137,140)	(93,750)	(230,890)	
	Discretionary Hsg Paymt Grant	(53,031)	-	(53,031)	-	(159,090)	(159,090)	Based on DHP Mid-Year Estimate

Cost Centre	Account Code	Year To Date Position Sub Total	Year To Date Position Budget	Year To Date Position Variance	Full Year Position Budget	Full Year Position Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment
	Overpayment Private Tenant	(243,766)	(173,700)	(70,066)	(347,380)	(140,150)	(487,530)	Based on e-Fins @ P6
	Overpayment Council Tenant	(202,432)	(147,240)	(55,192)	(294,500)	(110,360)	(404,860)	
	Pt Overpayment Recovery	54,810	-	54,810	-	109,620	109,620	
	Ct Overpayment Recovery	59,709	-	59,709	-	119,420	119,420	
Benefits Administration	Government Grants	(64,619)	(9,280)	(55,339)	(9,280)	(55,340)	(64,620)	New Burdens & Welfare reform grants - unspent amount to be transferred to retained fund at year end
	Admin. Grant	(210,172)	(225,850)	15,679	(361,770)	31,320	(330,450)	Reduction in admin grant receivable compared to budgeted amount

## Housing Revenue Account – Main Variances

Cost Centre	Account Code	Year To Date Position Sub Total	Year To Date Position Budget	Year To Date Position Variance	Full Year Position Budget	Full Year Position Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment
H R A Summary	Provision For Bad Debts	102,153	216,400	(114,247)	216,400	-	216,400	Bad debt is being contained by ongoing robust and effective arrears recovery management
	Item 8 Debit	-	-	-	2,731,580	(99,411)	2,632,169	Lower than forecast Item 8 DR as not planning to take additional HRA debt of £7.2million
	Rents	(9,207,337)	(9,146,835)	(60,502)	(17,558,690)	(61,000)	(17,619,690)	Rent income is currently exceeding budget due to void levels being lower than budgeted
Repairs - General	Responsive Repairs	291,603	751,655	(460,052)	1,503,310	(400,000)	1,103,310	Predict £400k underspend based on level of repairs completed to date and invoices received. This will be reviewed on monthly basis and adjusted accordingly as contract progresses
	Planned Maintenance	255	219,065	(218,810)	438,130	-	438,130	Work on High Rise blocks delayed pending planning permission



<b>&amp; Health</b>										
<b>GENERAL FUND</b>	<b>Budget Reprofiled from 2016/17 £000</b>	<b>YTD Budget £000</b>	<b>YTD Spend £000</b>	<b>Variance £000</b>	<b>Budget £000</b>	<b>Predicted Outturn £000</b>	<b>Variance £000</b>	<b>Reprofile £000</b>	<b>Outturn £000</b>	<b>Comments</b>
Private Sector Coalfields Fund	92	92	-	(92)	92	92	-	-	92	Programme of new initiatives to be developed to target help for venerable residents based on results of recent stock condition survey.
<b>Directorate Total</b>	<b>92</b>	<b>92</b>	<b>-</b>	<b>(92)</b>	<b>92</b>	<b>92</b>	<b>-</b>	<b>-</b>	<b>92</b>	
<b>Director of Assets &amp; Environment</b>										
Disabled Facilities Grant	91	396	423	27	554	554	-	-	554	Current commitments nearly accounts for the budget available for the full year and new cases are still being referred all the time. This position confirms the current budget allocation is significantly insufficient to meet demand. Monies allocated but not actually paid to 3rd parties - outside TBC control.
Cctv Camera Renewals	29	36	-	(36)	44	44	-	-	44	Review of cameras locations etc. now completed - spend plan to be formulated following results of review. Report to Cabinet in November to discuss options

Streetscene Service Delivery Enhancements	30	30	-	(30)	30	-	(30)	30	30	Delays in the project due to the delays in the full implementation of the CRM system. Delivery of new vehicles in 2017/18 may need to use these funds to facilitate purchase of software interface.
Wigginton Park Section Section 106	29	29	13	(16)	29	29	-	-	29	Plans ongoing to deliver items from the Wigginton Park Management Plan
Broadmeadow Nature Reserve	44	52	47	(5)	52	52	-	-	52	Ongoing works to complete management plan and HLS agreement. Delay to Bridge works however, now due to completed early November.
Public Open Space Section 106	31	31	22	(9)	31	31	-	-	31	Project group established - list of works currently being collated for remaining budget.
<b>GENERAL FUND</b>	<b>Budget Reprofiled from 2016/17 £000</b>	<b>YTD Budget £000</b>	<b>YTD Spend £000</b>	<b>Variance £000</b>	<b>Budget £000</b>	<b>Predicted Outturn £000</b>	<b>Variance £000</b>	<b>Reprofile £000</b>	<b>Outturn £000</b>	<b>Comments</b>
Agile Working Phase 2	124	124	-	(124)	124	124	-	-	124	Plans to remodel 1st floor pending NHS occupation of Marmion House being developed.
Street Lighting	1	3	1	(2)	4	4	-	-	4	Contractors working to management plan.
Belgrave Play Area	-	-	-	-	60	60	-	-	60	Tender evaluation now complete awaiting contract signing looking for to complete before January

										2018
Assembly Rooms Development	100	890	188	(702)	1,680	1,000	(680)	680	1,680	Construction contract out to tender - scheduling to be onsite end by end of December. Building works to be finished in approx. 15 months. Will need a report to Cabinet to increase budget following successful grant bid to Arts Council.
Castle Mercian Trail	635	635	18	(617)	635	635	-	-	635	Waiting to hear if bid to HLF has been successful likely to hear November - project update report to be sent to Cabinet once outcome known.
Gateways	27	112	24	(88)	197	197	-	-	197	The County Council are progressing the works to phase two between the Station and the town
Cultural Quarter - Phil Dix Centre	-	2	2	-	2	2	-	-	2	Project complete - official opening of the centre will be on 26th July
Cultural Quarter - Carnegie Centre	10	10	-	(10)	10	-	(10)	10	10	No update to report progress not likely until towards the end of the year
Cultural Quarter - Public Realm	-	22	22	-	22	22	-	-	22	Works being led by SCC - although any spend from TBC to support project will be reclaimed through SLGF Returns.
<b>Directorate Total</b>	<b>1,151</b>	<b>2,372</b>	<b>760</b>	<b>(1,612)</b>	<b>3,474</b>	<b>2,754</b>	<b>(720)</b>	<b>720</b>	<b>3,474</b>	

GENERAL FUND	Budget Reprofiled from 2016/17 £000	YTD Budget £000	YTD Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile £000	Outturn £000	Comments
<b>Contingency</b>										
Gf Contingency	50	50	-	(50)	50	-	(50)	50	50	Carry forward as contingency for 2018/19
Cont-Return On Investment	160	160	-	(160)	160	-	(160)	160	160	Carry forward as contingency for 2018/19
GF Contingency Plant and Equipment	1,000	1,000	-	(1,000)	1,000	100	(900)	100	200	Carry forward £100,000 as contingency for 2018/19
Civil Contingencies Technology 17/18 (Contingency)	-	10	-	(10)	19	19	-	-	19	-
Refurbishment of Marmion House Reception (Contingency)	-	50	-	(50)	100	-	(100)	100	100	-
Private Sector Improvement Grants (Coalfields Funding)	130	130	-	(130)	130	-	(130)	130	130	-
<b>Directorate Total</b>	<b>1,340</b>	<b>1,400</b>	<b>-</b>	<b>(1,400)</b>	<b>1,459</b>	<b>119</b>	<b>(1,340)</b>	<b>540</b>	<b>659</b>	
<b>GENERAL FUND TOTAL</b>	<b>2,731</b>	<b>4,125</b>	<b>761</b>	<b>(3,364)</b>	<b>5,397</b>	<b>3,235</b>	<b>(2,162)</b>	<b>1,275</b>	<b>4,510</b>	





Structural Works	-	50	14	(36)	100	100	-	-	100	This is an ad-hoc budget that will be spent according to structural defects being identified through the repairs team.
Bathroom Renewals	-	398	200	(198)	796	796	-	-	796	Sufficient work has been identified to take up the full budget and full spend is anticipated at year-end
<b>HOUSING REVENUE ACCOUNT</b>	<b>Budget Reprofiled from 2016/17 £000</b>	<b>YTD Budget £000</b>	<b>YTD Spend £000</b>	<b>Variance £000</b>	<b>Budget £000</b>	<b>Predicted Outturn £000</b>	<b>Variance £000</b>	<b>Reprofile £000</b>	<b>Outturn £000</b>	<b>Comments</b>
Gas Central Heating Upgrades and Renewals	-	257	22	(235)	514	514	-	-	514	Sufficient work has been identified to take up the full budget and full spend is anticipated at year-end
Kitchen Renewals	-	472	290	(182)	945	945	-	-	945	Sufficient work has been identified to take up the full budget and full spend is anticipated at year-end
Major Roofing Overhaul and Renewals	-	81	7	(74)	161	161	-	-	161	Sufficient work has been identified to take up the full budget and full spend is anticipated at year-end
Window and Door Renewals	-	125	12	(113)	250	250	-	-	250	Sufficient work has been identified to take up the full budget and full spend is anticipated at year-end
Neighbourhood Regeneration	-	50	11	(39)	100	100	-	-	100	This is an ad-hoc budget - spending plans being considered.
Disabled Facilities Adaptations	-	158	69	(89)	316	316	-	-	316	Sufficient work has been identified to take up the full budget and full spend is anticipated at year-end. It is anticipated that the value of

										works required will exceed the available budget.
High Rise Lift Renewals 2012	1,055	486	481	(5)	486	255	(231)	231	486	Anticipate that only one lift will be completed within year. Remainder have been ordered and are being manufactured but will not be complete
Fire Upgrades To Flats 2012	718	2,079	19	(2,060)	2,079	362	(1,717)	1,717	2,079	Anticipate that only one of the blocks will be completed before year end subject to outcome of tender process. To be reviewed again in December.
Sheltered Schemes	143	143	133	(10)	143	143	-	-	143	Sufficient work has been identified to take up the full budget and full spend is anticipated at year-end
<b>HOUSING REVENUE ACCOUNT</b>	<b>Budget Reprofiled from 2016/17 £000</b>	<b>YTD Budget £000</b>	<b>YTD Spend £000</b>	<b>Variance £000</b>	<b>Budget £000</b>	<b>Predicted Outturn £000</b>	<b>Variance £000</b>	<b>Reprofile £000</b>	<b>Outturn £000</b>	<b>Comments</b>
Energy Efficiency Improvements	100	125	-	(125)	150	150	-	-	150	Sufficient work has been identified to take up the full budget and full spend is anticipated at year-end.
Roofing High-Rise	43	43	-	(43)	43	-	(43)	43	43	Due to overall High-Rise programme Peel House Roof will not be completed until mid-2018
High Rise Balconies	577	577	-	(577)	577	96	(481)	481	577	Only 1 of the 6 blocks is likely to be complete by year-end.
Works to High Rise Flats	515	598	37	(561)	598	100	(498)	498	598	Anticipate that only 1 block will be complete at year-end.

Retention of Garage Sites	-	75	-	(75)	150	150	-	-	150	Further work is required to identify the programme once the garage site development programme has been agreed.
Capital Salaries	-	-	-	-	201	201	-	-	201	To be recharged as part of final accounts process
CDM Fees	-	3	-	(3)	5	-	(5)	-	-	We do not anticipate spending this budget
<b>Directorate Total</b>	<b>3,151</b>	<b>5,720</b>	<b>1,295</b>	<b>(4,425)</b>	<b>7,614</b>	<b>4,639</b>	<b>(2,975)</b>	<b>2,970</b>	<b>7,609</b>	
<b>HRA Contingency</b>										
HRA Contingency	100	100	-	(100)	100	-	(100)	100	100	-
<b>Directorate Total</b>	<b>100</b>	<b>100</b>	<b>15</b>	<b>(85)</b>	<b>100</b>	<b>-</b>	<b>(100)</b>	<b>100</b>	<b>100</b>	
<b>HOUSING REVENUE ACCOUNT TOTAL</b>	<b>9,575</b>	<b>18,120</b>	<b>4,919</b>	<b>(13,201)</b>	<b>25,989</b>	<b>11,962</b>	<b>(14,027)</b>	<b>14,022</b>	<b>25,984</b>	

**Treasury Management Update – Period 6 - 2017/18****Investments held as at 30<sup>th</sup> September 2017:**

Borrower	Deposit £m	Rate %	From	To	Notice
Royal Bank of Scotland	2.00	0.65%	31-Jan-17	30-Jan-18	-
Lloyds Bank	2.00	0.55%	03-Apr-17	03-Oct-17	-
Lloyds Bank	2.00	0.55%	03-Apr-17	03-Oct-17	-
Royal Bank of Scotland	2.00	0.63%	05-Apr-17	04-Apr-18	-
Lloyds Bank	2.00	0.55%	10-Apr-17	10-Oct-17	-
Royal Bank of Scotland	2.00	0.67%	11-Apr-17	10-Apr-18	-
Sumitomo Mitsui Banking Corporation Europe Ltd	2.00	0.36%	18-Apr-17	18-Oct-17	-
Lloyds Bank	1.00	0.55%	28-Apr-17	30-Oct-17	-
Nationwide	1.00	0.37%	09-May-17	09-Nov-17	-
Nationwide	1.00	0.37%	31-May-17	30-Nov-17	-
Lloyds Bank	1.00	0.55%	01-Jun-17	01-Dec-17	-
Royal Bank Of Scotland	2.00	0.61%	05-Jun-17	25-May-18	-
Bank of Scotland	2.00	0.36%	30-Jun-17	02-Jan-18	-
Santander UK plc	8.00	0.70%	03-Jul-17	03-Jan-18	-
Royal Bank Of Scotland	2.00	0.6125%	10-Jul-17	29-Jun-18	-
Santander UK plc	2.00	0.70%	13-Jul-17	15-Jan-18	-
Barclays Bank	2.00	0.34%	17-Jul-17	17-Jan-18	-
Lloyds Bank	1.00	0.36%	09-Aug-17	09-Feb-18	-
Bank of Scotland	2.00	0.36%	10-Aug-17	12-Feb-18	-
Coventry BS	2.00	0.35%	05-Sep-17	05-Mar-18	-
Coventry BS	4.00	0.35%	13-Sep-17	13-Mar-18	-
Barclays Bank	3.00	0.31%	13-Sep-17	13-Mar-18	-
Nationwide	2.00	0.30%	13-Sep-17	13-Mar-18	-
Goldman Sachs International Bank	2.00	0.665%	15-Dec-16		180 day
Goldman Sachs International Bank	1.00	0.79%	10-Feb-17		180 day
Goldman Sachs International Bank	1.00	0.755%	06-Mar-17		180 day
Goldman Sachs International Bank	4.00	0.79%	13-Mar-17		180 day
Goldman Sachs International Bank	2.00	0.775%	05-Apr-17		180 day
MMF – PSDF	4.47	0.18*	-	-	On call
<b>Total</b>	<b>64.47</b>	<b>0.52 (avg)</b>			

\* Interest rate fluctuates daily dependant on the funds investment portfolio, rate quoted is approximate 7 day average.

External Borrowing as at 30<sup>th</sup> September 2017:

<b><u>Borrowing from PWLB</u></b>				
<b><u>Loan Number</u></b>	<b><u>Rate</u></b>	<b><u>Principal</u></b>	<b><u>Start</u></b>	<b><u>Maturity</u></b>
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
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
500759	3.520%	5,000,000	28/03/2012	28/03/2053
500758	3.510%	5,000,000	28/03/2012	28/03/2054
500757	3.510%	5,000,000	28/03/2012	28/03/2055
500761	3.510%	5,000,000	28/03/2012	28/03/2056
500755	3.500%	5,000,000	28/03/2012	28/03/2057
500756	3.500%	3,000,000	28/03/2012	28/03/2058
500753	3.500%	1,000,000	28/03/2012	28/03/2059
500760	3.490%	5,000,000	28/03/2012	28/03/2060
500762	3.490%	5,000,000	28/03/2012	28/03/2061
500754	3.480%	5,668,000	28/03/2012	28/03/2062
504499	3.230%	3,000,000	30/11/2015	30/11/2065
Total		<b>63,060,194</b>		

30<sup>th</sup> November 2017

### REPORT OF THE LEADER OF THE COUNCIL

#### DRAFT BASE BUDGET FORECASTS 2018/19 to 2022/23

##### **Purpose**

To inform Members of the re-priced base budget for 2018/19, base budget forecasts for the period 2018/19 to 2022/23 (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 2018/19 & indicative budgets to 2022/23 be approved (as attached at Appendix B, C, D, E, F, G & H);**
- 2. consideration be given to the proposed Policy Changes and Capital Programmes, as detailed within the report;**
- 3. consideration be given to the planned changes to Council Tax and Housing Rent for 2018/19, as detailed within the report; and**
- 4. in compliance with 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 2018/19 in respect of the General Fund (GF) and Housing Revenue Account (HRA);
- A five year, medium term financial forecast for the General Fund and HRA;
- The associated strategy to address the financial trends & projection;
- The Provisional Capital Programmes for the General Fund and Housing Revenue Account for the period 2018/19 to 2022/23.

The Medium Term Financial Planning process is being challenged by the ongoing uncertain economic conditions. The attached forecast is based on a 5 year period, but does contain a number of uncertainties.

Currently projections identify:

1. a General Fund shortfall of £1m over 3 years (with a shortfall of £3.9m over 5 years), including the minimum approved level of £0.5m;
2. HRA balances of £1.9m over 3 years (with £0.6m over 5 years) including the minimum recommended balances of £0.5m.

As a result of the updated **base budget** forecast, the GF forecast shows that balances are comparable with the position when the Medium Term Financial Strategy (MTFS) was approved in February 2017 – **before the inclusion of the policy change proposals**. However, it should be noted that for the General Fund this is after the inclusion of:

- Higher costs of c.£0.5m over 3 years in anticipation of a higher pay award following recent Government announcements for public sector pay – now budgeted at 2% for 2018/19 and 2019/20 (compared to 1% within the MTFS – which was in line with the Government's pay cap);
- Reduced new homes bonus income of c.£1m over 3 years due to lower than forecast numbers of new house building within the borough – 315 new homes were forecast by October 2017 compared to an actual of around 100;
- Offset by better than forecast outturn underspends for 2016/17 of c.£0.8m and 2017/18, currently forecast at £0.6m.

The updated GF **base budget** forecast shows that over the 3 year period to 2020/21, balances will remain above the approved minimum of £0.5m at £0.7m (compared with a forecast in February of £0.8m) with a shortfall in balances of £1.3m over the 4 years to 2021/22 increasing to £2.9m in 2022/23 (the shortfall was previously c.£1m in 2021/22).

However, once new policy change proposals of c.£1.2m over 3 years (£1m over 5 years) are included the updated forecast shows that over the 3 year period to 2020/21, there will be a shortfall in balances of £1m (compared with a forecast surplus in February of £0.3m) with a shortfall in balances of £2.4m over the 4 years to 2021/22 increasing to £3.9m in 2022/23 (the shortfall was previously c.£1m in 2021/22). **It should also be noted that this is after the inclusion of the additional investment income arising from the anticipated use of property funds (of £0.5m over 3 years, £1.1m over 5 years).**

**Further savings of around £0.325m p.a. will be required** over the next 3 years (based on annual £5 increases in Council Tax) with savings of c.£0.8m p.a. required over 5 years. On an annualised basis this would equate to a year on year ongoing saving of £165k over 3 years (£260k over 5 years).

A balanced 5 year forecast was presented for the Housing Revenue Account (HRA). As a result the updated **base budget** forecast, the HRA forecast shows that balances are comparable with the position when the MTFS was approved in February 2017 – **before the inclusion of the policy change proposals**.



The updated **base budget** forecast shows that over the 3 year period to 2020/21, balances will remain above the approved minimum of £0.5m at £4m (compared with a forecast in February of £3.2m) with balances of £3.6m over the 4 years to 2021/22 reducing to £3.5m in 2022/23 (balances were previously forecast at £3m in 2021/22).

However, once new policy change proposals of c.£2.1m over 3 years (£2.9m over 5 years) are included the updated forecast shows that over the 3 year period to 2020/21, balances of £1.9m will remain with balances of £1.2m over the 4 years to 2021/22 reducing to £0.6m in 2022/23 (balances were previously forecast at £3m in 2021/22).

The key uncertainties which will inform further budget considerations before the final budget proposals are developed are:

- a) Potential further changes to future New Homes bonus levels following the changes made by the Government regarding the future operation of the scheme. The Government confirmed as part of the Local Government Finance Settlement for 2017/18 that payments will reduce from 6 years to 5 years from 2017/18 and 4 years from 2018/19 and a 'deadweight' level of growth will be applied whereby payments will only be made should housing growth be over and above this level (confirmed as 0.4% of the Band D equivalents in an area).
- b) Future Revenue Support Grant levels for future years - the budget setting process has faced significant constraints in Government funding in recent years - over 50% reduction since 2010.

The 4 year Local Government Finance Settlement confirmed in February 2016 that austerity measures are to continue with Revenue Support Grant (RSG) all but eradicated for most Councils by 2020.

- c) The impact of Business Rate Reform and the associated forecast business rates receivable in 2017/18 and future years – of which the Council's budget will receive 40% (subject to a 20% levy reduction on 'excess' rates payable to the Local Enterprise Partnership (LEP) Pool after deduction of the 50% central share, 9% County Council and 1% Fire & Rescue Authority share).

Uncertainty remains over the revaluation in 2017 (and the associated impact on the Council's business rates income and associated baseline and tariff levels) and the work progressing on the system for Councils to keep 100% of the business rates collected by 2020.

Uncertain economic conditions within the UK economy, following the decision to leave the EU, may also lead to a suppression of business growth and investment – together with the associated impact on Business Rate growth and employment.

In addition, the calculation of the level of business rate appeal costs will impact on the forecast level of retained business rates – of which the Council has to fund 40% from its own budgets – a provision of £4.7m was set aside at the end of 2016/17 (40% of which relates to the Council);

- d) Future Pension contribution levels - following the triennial review in 2016 carried out by the Actuary employed by the Pension Fund - indicative *ongoing* annual increases in Employer's contributions of c. £200k p.a. have been included from 2017/18. This now includes an ongoing lump sum (with an annual increase) relating to past liabilities and a set rate for future employer contributions of 16.5% p.a.
- e) The impact of Pension Auto-Enrolment and the single tier pension from 2016/17 – no additional cost associated with auto enrolment has been included as salary budgets are prepared on a full cost basis (and then reduced by the vacancy allowance);
- f) While the Government announced a pay cap for 2014/15 & 2015/16, a 2.2% increase (plus other changes) was agreed from 1<sup>st</sup> January 2015. A further 1% pay cap for public sector workers for the 4 years from 2016/17 was set but following recent Government announcements regarding public sector pay there is a real possibility that this cap will be lifted from 2018/19.

In addition, from April 2016, a new compulsory National Living Wage for the over 25s was introduced to replace the National Minimum Wage. The National Living Wage was set at £7.20 with effect from April 2016, and it will rise over the next four years to over £9.00 per hour in 2020.

- g) Proposed changes set out in the Welfare Reform Act 2012 and the introduction of Universal Credit – impact on housing benefits and associated income receipts (including Housing Rents and Council Tax) of the Council;
- h) The impact of any further uncertainty over future interest rate levels and their impact on investment income / treasury management;
- i) Due to uncertainties around the Better Care Fund, a significant risk on the current grant funding for Disabled Facilities Grants (DFG) is highlighted after 2017/18.

A grant of £360k p.a. has been assumed to be redistributed – in line with the funding notified for 2017/18;

- j) Income levels and associated impact on the Joint Waste Service costs from implementation of Green Waste Charges and reduction in recycling credit payments from Staffordshire County Council (SCC).
- k) The effect of the reduction in Social Housing Rents – rents are to be reduced by 1% a year for four years from 2016/17, requiring local authorities and housing associations to make savings, and this will mean a reduction in HRA Rent Income of c.£600k p.a. each year for 4 years (cumulative);
- l) Inclusion of expected outcomes from development of the Commercial Investment Strategy;
- m) Review and finalisation of the revised budgets/policy changes and feedback from the scrutiny process – including the Council Tax increase for 2018/19.

## Options Considered

As part of the budget setting process a number of options for the council tax increase levels for 2018/19 and future years have been modelled / considered.

<b>Council Tax</b>	<b>Option Modelled / Considered</b>
<b>Model 1</b>	<b>£5.00 increase in Council tax in 2018/19 (followed by increases of £5.00 p.a.)</b>
Model 2	1.99% increase in Council tax in 2018/19 (followed by increases of c.1.99% p.a.)
Model 3	0% increase in Council tax in 2018/19 (followed by increases of c.1.99% p.a.)
Model 4	2.5% increase in Council tax in 2018/19 (followed by increases of 2.5% thereafter)
Model 5	0% increase in Council tax in 2018/19 (followed by increases of 0% thereafter)
Model 6	1% increase in Council tax in 2018/19 (followed by increases of 1% thereafter)
<b>Rent</b>	<b>Option Modelled / Considered</b>
<b>Statutory Requirement</b>	<b>Reduction of 1% (in line with the statutory requirement)</b>

## Resource Implications

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

- The Forecast projects a General Fund shortfall of £1m over 3 years (£3.9m over 5 years), including the minimum approved level of £0.5m – assuming annual Council Tax increases of £5 p.a. - in line with the cap set by the Department for Communities & Local Government (DCLG) for 2017/18.

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

- a) Impact of Committee decisions on the 2017/18 budget – a General Fund (GF) saving of £505k;
- b) GF Base Budget review 2018/19:
  - Increased pensions costs of c. £200k p.a. year on year following the triennial review as at 31<sup>st</sup> March 2016), and
  - Higher costs of c.£0.5m over 3 years in anticipation of a higher pay award following recent Government announcements for public sector pay – now budgeted at 2% for 2018/19 and 2019/20 (compared to 1% within the MTFs – which was in line with the Government’s pay cap);
  - Reduced new homes bonus income of c.£1m over 3 years due to lower than forecast numbers of new house building within the borough – 315 new homes were forecast by October 2017 compared to an actual of around 100;

- Offset by better than forecast outturn underspends for 2016/17 of c.£0.8m and 2017/18, currently forecast at £0.6m.
- The current forecast projects a Housing Revenue Account (HRA) surplus of £1.9m over 3 years with a surplus of £0.6m over 5 years including the minimum recommended balances of £0.5m.

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

a) Impact of Committee decisions on the 2017/18 budget – a net cost of £0.6m;

b) HRA Base Budget review:

- Increased pensions costs of c.£80k p.a. following the triennial review as at 31<sup>st</sup> March 2016), and

### **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 7<sup>th</sup> December 2017.

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 30<sup>th</sup> January 2018.

Proposed amendments to the 2017/18 base budget, approved by Council on 21<sup>st</sup> February 2017, are detailed within the report.

### **Key Risks**

- Impact of uncertain economic conditions, following the decision to leave the EU – there is a higher level of uncertainty than in previous budget setting processes. It is suggested that, given the uncertainty, there should be no knee jerk reactions – with a clear plan to focus on balancing the next 3 years' budget position for the General Fund (5 years for the HRA);
- Achievement of the anticipated growth in business rates income – in line with the assumed baseline and tariff levels set;
- Uncertainty remains over the work progressing on the system for Councils to keep 100% of the business rates collected by 2020 (and the associated impact on the Council's business rates income and associated baseline and tariff levels);

- Delivery of the planned Commercial Investment and Regeneration Strategy actions and associated improved investment returns of 4% p.a. arising from the investment of £24m from the capital receipt due to be received over the period 2016 – 2018 from the sale of the former golf course (to support the MTFs in the long term);
- Work is continuing on a number of actions to address the longer term financial position;
- Achievement of anticipated growth in new homes within the Borough and the associated dependency on the New Homes Bonus income to address / reduce the funding shortfall for the General Fund; and
- Challenge to continue to achieve high collection rates for council tax, business rates and housing rents – in light of further austerity, economic conditions and uncertainty.

The savings already contained within the Base Budget forecast include:

Planned Saving area	Risk	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Delivering Quality Services project	M	100	100	100	100	100
Reduced CRM costs	M	-	62	62	62	62
Recruitment freeze – increase the vacancy allowance from 5% to 7.5% over 5 years from 2017/18 – c. £45k p.a. year on year for the General Fund (£14k p.a. – HRA);	L	46	45	49	52	52
Rental of vacant accommodation space in Marmion House;	H	92	92	92	92	92
Implementation of charge for Green Waste service	M/H	245	245	245	245	245
Senior Management Review	M/H	130	130	130	130	130

Risks to Capital and Revenue Forecasts:

Risk	Control Measure
Major variances to the level of grant / subsidy from the Government (including specific grants e.g. Benefits administration, Business Rates Section 31 funding); <b>(High)</b>	Sensitivity modelling undertaken to assess the potential impact in the estimation of future grant levels; <b>(Medium / High)</b>
New Homes Bonus grant levels lower than estimated; Continuation of the scheme with revisions has been confirmed – further changes are possible in future years. Achievement of forecast growth in housing numbers / reduced void levels; <b>(High/Medium)</b>	Future levels included on a risk based approach in order to offset further grant reductions / uncertainty over additional property numbers; <b>(Medium)</b>
Potential ‘capping’ of council tax increases by the Government or local Council Tax veto / referendum; <b>(Medium)</b>	Current indications are that increases of 2% or £5 and above risk ‘capping’ (confirmed as 2% or £5 for District Councils for 2017/18); <b>(Low)</b>
The achievement / delivery of substantial savings / efficiencies will be needed to ensure sufficient resources will be available to deliver the Council’s objectives through years 4 to 5. Ongoing; <b>(High)</b>	A robust & critical review of savings proposals will be required / undertaken before inclusion within the forecast;  A minimum General Fund capital balance of £0.5m is a requirement – this has been financed in the past by revenue contributions (held in a revenue reserve). <b>(High/Medium)</b>
Pay awards greater than forecast; <b>(Medium)</b>	Public sector pay cap in place - 1% increase p.a. for 4 years from 2016/17. However, recent announcements suggest that this cap may be lifted from 2018/19; <b>(Medium / Low)</b>
Pension costs higher than planned / adverse performance of pension fund; <b>(Medium)</b>	Regular update meetings with Actuary; Increases of c.£200k p.a. with a new ‘lump sum’ element have been included following triennial review (during 2016 for 2017/18) for 3 years; <b>(Medium)</b>
Assessment of business rates collection levels to inform the forecast / budget (NNDR1) and estimates of appeals, mandatory & discretionary reliefs, cost of collection, bad debts and collection levels;  New burdens (Section 31) grant funding for Central Government policy changes – including impact on levy calculation;	Robust estimates included to arrive at collection target. Ongoing proactive management & monitoring will continue;  Business Rates Collection Reserve - provision of reserve funding to mitigate impact of any changes in business rate income levels;

<b>Risk</b>	<b>Control Measure</b>
Potential changes to the Business Rates Retention system by the DCLG following the announcement for Councils to keep 100% of the business rates collected by 2020; <b>(High)</b>	Monitoring of the situation / regular reporting;  <b>(High / Medium)</b>
Local Council Tax Reduction scheme implementation – potential yield changes and maintenance of collection levels;  <b>(High)</b>	Robust estimates included. Ongoing proactive management & monitoring (including a quarterly healthcheck on the implications on the organisation – capacity / finance) will continue; <b>(High / Medium)</b>
Achievement of income streams in line with targets e.g. treasury management interest, car parking, planning, commercial & industrial rents etc.; <b>(High / Medium)</b>	Robust estimates using a zero based budgeting approach have been included;  <b>(Medium)</b>
Delivery of the capital programme (GF / HRA – including Regeneration schemes) dependent on funding through capital receipts and grants (including DFG funding through the Better Care Fund); <b>(High / Medium)</b>	Robust monitoring and evaluation – should funds not be available then schemes would not progress;  <b>(Medium)</b>
Dependency on partner organisation arrangements and contributions e.g. Waste Management (SCC/LDC). <b>(High / Medium)</b>	Memorandum of Understanding in place with LDC.  <b>(Medium)</b>

### Report Author

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

Background Papers:-	Corporate Vision, Priorities Plan, Budget & Medium Term Financial Strategy 2017/18, Council 21 <sup>st</sup> February 2017
	Budget and Medium Term Financial Planning Process, Cabinet 20 <sup>th</sup> July 2017
	Budget Consultation Report, Cabinet 2 <sup>nd</sup> November 2017

## **Base Budget Forecast 2018/19 to 2022/23**

Revisions / updates have been made to the 2017/18 base budget in order to produce an adjusted base for 2018/19 and forecast base for 2019/20 onwards.

### **General Fund Revenue**

*Forecast* – When the budget for 2017/18, and indicative budgets for 2018/19 to 2019/20, were approved by Council in February 2017 it was anticipated that balances would remain above the minimum approved level of £0.5m for the 3 year period.

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

- Increased pensions costs of c. £200k p.a. year on year following the triennial review as at 31<sup>st</sup> March 2016), and
- Higher costs of c.£0.5m over 3 years in anticipation of a higher pay award following recent Government announcements for public sector pay – now budgeted at 2% for 2018/19 and 2019/20 (compared to 1% within the MTFS – which was in line with the Government’s pay cap);
- Reduced new homes bonus income of c.£1m over 3 years due to lower than forecast numbers of new house building within the borough – 315 new homes were forecast by October 2017 compared to an actual of around 100;
- Offset by better than forecast outturn underspends for 2016/17 of c.£0.8m and 2017/18, currently forecast at £0.6m.

#### *Issues for the Medium Term*

The Forecast projects a General Fund shortfall of £1m over 3 years (£3.9m over 5 years), including the minimum approved level of £0.5m – assuming annual Council Tax increases of £5 p.a. - in line with the cap set by the Department for Communities & Local Government (DCLG) for 2017/18.

#### ***Implications & Options***

It is currently estimated that further savings of around £0.3m p.a. will be required over the next 3 years (based on annual £5 increases in Council Tax) with savings of £0.8m p.a. required over 5 years.

On an annualised basis this would equate to a year on year ongoing saving of £165k over 3 years (£260k over 5 years).

Work is continuing on a number of actions to address the financial position in future years:

- Delivering Quality Services project – the demand management approach to shift demand to more efficient methods of service delivery – online and automation (Interactive Voice Response). A savings target of £100k p.a. has already been included within the MTFS together with reduced CRM costs of £62k p.a. from 2019/20;



- Recruitment freeze – temporary 12 month appointments are now only being made; there is a robust challenge / re-justification process in place for all vacant posts with a requirement to investigate alternative options including restructuring to fill vacancies / looking at what we can stop doing. This means we have the opportunity to increase the vacancy allowance from 5% to 7.5% over the next 5 years – c. £45k p.a. year on year for the General Fund (£14k p.a. – HRA);
- Spend freeze – Managers have previously been required to restrict / limit spending to essential spend only (there was a £1.6m underspend in 2016/17 – although the majority was windfall income, c. £0.75m was lower level underspend);
- Alternative investment options arising from the Commercial Investment and Regeneration Strategy (as well as the Treasury Management Investment Strategy, including any prudential borrowing opportunities) to generate improved returns of c. 5% p.a. (plus asset growth) including:
  - Set up of trading company to develop new income streams;
  - Local investment options – Lower Gungate / Solway Close development including the potential to drawdown funding from the Local Growth Fund / Local Enterprise Partnerships (GBS and Staffordshire);
  - Investments in a Diversified Property Fund;
  - Investments in a Diversified Investment Vehicle (property, shares etc.);
- Review of reserves / creation of fund for transformation costs (if needed), and
- Targeted Savings – to identify potential areas for review in future years

Consideration of the level of Council tax increases over the 5-year period is also 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 £0.5m.

Decisions on future funding 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’ (& 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 2017/18, and indicative budgets for 2018/19 to 2021/22, were approved by Council in February 2017 it was anticipated that balances would remain above the minimum approved level of £0.5m for the 5-year period, with significant planned contributions to a regeneration reserve.

### *Base Budget*

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

- Increased pensions costs of c. £80k p.a. year on year following the triennial review as at 31<sup>st</sup> March 2016.

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

- Finalisation of the costs (following tender) / income associated with the regeneration / redevelopment schemes – to inform the likely need from the Regeneration Reserve;
- The impact of Welfare Benefit Reform on rent collection levels – limited so far but further measures are to be rolled out (e.g. Universal Credit);
- The effect of the reduction in Social housing rents – rents are to be reduced by 1% a year for four years from 2016/17, requiring local authorities and housing associations to make savings and will mean a reduction in HRA rent income of c.£0.6m p.a. each year for 4 years (cumulative);
- Future impact of the Government's increased discounts to promote Right to Buy sales on housing stock numbers and associated income levels – 50 sales p.a. have been assumed in future years.

The current forecast projects HRA balances of £1.9m over 3 years (with balances of £0.6m over 5 years) including the minimum recommended balances of £0.5m.

## Detailed Considerations

### Base Budget Forecasts 2018/19 to 2022/23

Revisions / updates have been made to the 2017/18 base budget in order to produce an adjusted base for 2018/19 and forecast base for 2019/20 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	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Base Budget B/Fwd	9,623	9,368	9,222	9,293	9,277
Committee Decisions	(505)	(779)	348	100	(19)
Inflation	45	35	38	38	38
Other	53	345	(565)	(406)	(9)
Pay Adjustments (Including pay award / reduction for vacancy allowance)	190	253	250	252	250
Revised charges for non-general fund activities	(38)	-	-	-	-
<b>Total / Revised Base Budget</b>	<b>9,368</b>	<b>9,222</b>	<b>9,293</b>	<b>9,277</b>	<b>9,537</b>

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**.

## Future Revenue Support Grant & Business Rate Income

The Local Government Finance Settlement figures for 2017/18 to 2019/20 were confirmed on 23<sup>rd</sup> February 2017 following an announcement in Parliament on 22<sup>nd</sup> February – with only minor changes from those confirmed in February 2016 as part of the Government’s confirmed offer of a four-year funding settlement.

This followed the confirmation received during November 2016 that the Government had accepted the Council’s application for a four-year funding settlement to 2019/20.

The National Core Spending Power figures are detailed below and include the Settlement Funding Assessment (SFA); Council Tax; the Improved Better Care Fund; New Homes Bonus (NHB); Transitional Grant; Rural Services Delivery Grant; and the Adult Social Care Support Grant. The table shows the national changes to Core Spending Power between 2016/17 and 2019/20. It shows a reduction of 1.1% for 2017/18 and an overall increase for the period 2016/17 to 2019/20 of 0.4%.

<b>Core Spending Power National Position</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Settlement Funding Assessment	21,250	18,601	16,632	15,599	14,584
Council Tax	22,036	23,247	24,623	26,082	27,629
Improved Better Care Fund	-	-	105	825	1,500
New Homes Bonus	1,200	1,485	1,252	938	900
Rural Services Delivery Grant	16	81	65	50	65
Transition Grant	-	150	150	-	-
Adult Social Care Support Grant	-	-	241	-	-
<b>Core Spending Power</b>	<b>44,502</b>	<b>43,564</b>	<b>43,068</b>	<b>43,494</b>	<b>44,678</b>
<b>Change %</b>		<b>(2.1)%</b>	<b>(1.1)%</b>	<b>1.0%</b>	<b>2.7%</b>
<b>Cumulative change %</b>		<b>(2.1)%</b>	<b>(3.2)%</b>	<b>(2.3)%</b>	<b>0.4%</b>

For future years, it has been assumed that there will be a reduction in Revenue Support Grant to 2019/20 in line with that notified within the Final LGFS for 2016/17, confirmed as unchanged as part of the 2017/18 LGFS, as detailed below.

<b>BASE BUDGET</b>	<b>2017/18 £</b>	<b>2018/19 £</b>	<b>2019/20 £</b>	<b>2020/21 £</b>	<b>2021/22 £</b>	<b>2022/23 £</b>
Revenue Support Grant	770,996	493,964	184,529	-	-	-
% Reduction		<b>(36)%</b>	<b>(63)%</b>	<b>(100)%</b>	-	-

## Business Rates

Given the current economic climate and further anticipated reductions in Central Government Grant support together with the uncertainty around the impact of the Business Rate Retention scheme, detailed modelling has been carried out in order to prepare estimated Business Rates income levels.

The 2018/19 finance settlement represents the sixth year in which the Business Rates Retention (BRR) scheme is the principal form of local government funding. As in the previous years, the provisional settlement provides authorities with a combination of provisional grant allocations and their baseline figures within the BRR scheme.

Additional monthly monitoring has been implemented since the implementation of business rate retention from 2013/14 – following approval of the NNDR1 form (Business Rates estimates) by Cabinet in January each year.

The Council received additional business rates during 2013/14 (above forecast / baseline) and had to pay a levy of £356k to the Greater Birmingham & Solihull Local Enterprise Partnership (GBSLEP). No levy was payable for 2014/15 due to the significant increase in appeals during March 2015 – which meant an increase in the provision from £1m to almost £4m. The Council received additional business rates during 2015/16 and 2016/17 (above forecast / baseline) and had to pay a levy of £534k and £612k respectively.

The latest estimates for 2017/18 indicate additional business rates receivable above the baseline – of which the Council will receive 40% less the Government set tariff payment of c.£11m (and a 20% levy on any surplus over the baseline to the GBSLEP - after deduction of the 50% Central Share, 9% County & 1% Fire & Rescue Authority shares).

However, the future position is less certain. A robust check & challenge approach has been taken of any increases on the base figure, including a risk assessed collection level.

New Burdens (Section 31) Grant is receivable for additional reliefs given by the Government relating to business rates from 1<sup>st</sup> April 2013 e.g. Small Business Rate Relief – of which 50% of any in excess of the baseline will be payable in levy to the GBSLEP. A prudent approach has been taken in respect of any new burdens funding – and, due to uncertainties & risk, the creation of an associated Business Rates Collection reserve to mitigate fluctuation in income. The forecast Section 31 Grants and levy payments included within the base budget forecasts are detailed below.

<b>Levy / Section 31 Grant</b>	<b>2017/18 £</b>	<b>2018/19 £</b>	<b>2019/20 £</b>	<b>2020/21 £</b>	<b>2021/22 £</b>	<b>2022/23 £</b>
NNDR Levy payment to GBSLEP (20%)	854,100	870,577	866,564	827,928	800,969	771,837
Section 31 Grant income	(447,191)	(505,215)	(490,248)	(478,568)	(480,839)	(485,989)

For future years, the Government assessed Business Rates Baseline is detailed below:

<b>BASELINE</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>February 2017 MTFS:</b>					
Retained Business Rates	12,360,849	12,800,526	13,107,739	13,422,325	13,744,461
Less: Tariff payable	(10,106,733)	(10,466,231)	(10,717,421)	(10,974,639)	(11,238,030)
Total	2,254,116	2,334,295	2,390,318	2,447,686	2,506,431
% Increase	3.2%	3.6%	2.4%	2.4%	2.4%
<b>Base Budget Forecast (November 2017):</b>					
Retained Business Rates	12,360,849	12,800,526	13,107,739	13,422,325	13,744,461
Less: Tariff payable	(10,106,733)	(10,466,231)	(10,717,421)	(10,974,639)	(11,238,030)
Total	2,254,116	2,334,295	2,390,318	2,447,686	2,506,431
% Increase	3.2%	3.6%	2.4%	2.4%	2.4%
<b>Increase / (Decrease)</b>	-	-	-	-	-

As identified above, no change to the Business Rates Baseline has been assumed. However, due to the variable nature of the BRR element of local authority funding, the baseline settlement no longer provides the absolute funding level for authorities.

The Government's assessed Business Rates Baseline for the authority is only based on an adjusted average income figure, and therefore is not representative of the actual Business Rates Baseline. The business rates forecast income has now been finalised – the updated budget estimates are detailed below:

<b>BASE BUDGET</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>February 2017 MTFS:</b>					
Retained Business Rates	13,600,578	14,038,666	14,266,204	14,495,244	14,728,764
Less: Tariff payable	(10,106,733)	(10,466,231)	(10,717,421)	(10,974,639)	(11,238,030)
Total	3,493,845	3,572,435	3,548,783	3,520,605	3,490,734
% Increase (Decrease)	0.9%	2.2%	(0.7)%	(0.8)%	(0.8)%
<b>Base Budget Forecast (November 2017):</b>					
Retained Business Rates	13,596,788	14,043,405	14,285,028	14,543,423	14,802,145
Less: Tariff payable	(10,106,733)	(10,466,231)	(10,717,421)	(10,974,639)	(11,238,030)
Total	3,490,055	3,577,174	3,567,607	3,568,784	3,564,115
% Increase / (Decrease)	0.8%	2.5%	(0.3)%	0.0%	(0.1)%
<b>Increase / (Decrease)</b>	<b>(3,790)</b>	<b>4,739</b>	<b>18,824</b>	<b>48,179</b>	<b>73,381</b>
<b>Total</b>		<b>949</b>	<b>19,773</b>	<b>67,952</b>	<b>141,333</b>

Based on this Government financial support will reduce as shown below:

<b>BASE BUDGET</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>February 2017 MTFS:</b>					
Revenue Support Grant	493,964	184,529	-	-	-
Retained Business Rates	13,600,578	14,038,666	14,266,204	14,495,244	14,728,764
Less: Tariff payable	<b>(10,106,733)</b>	<b>(10,466,231)</b>	<b>(10,717,421)</b>	<b>(10,974,639)</b>	<b>(11,238,030)</b>
<b>Total (a)</b>	<b>3,987,809</b>	<b>3,756,964</b>	<b>3,548,783</b>	<b>3,520,605</b>	<b>3,490,734</b>
% Increase / (Decrease)	<b>(5.8)%</b>	<b>(5.8)%</b>	<b>(5.5)%</b>	<b>(0.8)%</b>	<b>(0.8)%</b>
<b>Base Budget Forecast (November 2017):</b>					
Revenue Support Grant	493,964	184,529	-	-	-
Retained Business Rates	13,596,788	14,043,405	14,285,028	14,543,423	14,802,145
Less: Tariff payable	<b>(10,106,733)</b>	<b>(10,466,231)</b>	<b>(10,717,421)</b>	<b>(10,974,639)</b>	<b>(11,238,030)</b>
<b>Total (b)</b>	<b>3,984,019</b>	<b>3,761,703</b>	<b>3,567,607</b>	<b>3,568,784</b>	<b>3,564,115</b>
% Increase / (Decrease)	<b>(5.9)%</b>	<b>(5.6)%</b>	<b>(5.2)%</b>	<b>0.0%</b>	<b>(0.1)%</b>
<b>Increase / (Decrease) (b – a)</b>	<b>(3,790)</b>	<b>4,739</b>	<b>18,824</b>	<b>48,179</b>	<b>73,381</b>

The table shows that overall funding should be c.£141k more than expected over 5 years.

No provision for a levy redistribution from the GBSLEP has been included.

**There are still significant uncertainties - specifically the treatment of:**

- The level of inflation affecting the future increases to the multiplier and the tariff payment;
- The effect of the 2017 revaluation on the tariff payment levels;
- Forecast levels of growth in business rates;
- The estimated level of mandatory and discretionary reliefs;
- The estimated level of refunds of Business Rates following the appeal process; and
- Finalisation of the ongoing treatment of Section 31 grant funding (including Small Business Rate Relief Grant) – which could affect the calculation of any levy payment and thereby reduce retained Business Rate income.

## New Homes Bonus (NHB)

When the base budget was prepared, it had been assumed that the New Homes Bonus scheme will continue with such funding included using a risk based approach.

The New Homes Bonus scheme was subject to a consultation paper in December 2015. This paper outlined a number of potential changes to the scheme, including a change in the scheme's funding. This change moved from having an open-ended funding amount (based on the number of new homes) to a finite amount that could not be exceeded. The funding for the scheme over the period 2017/18 to 2019/20 was also announced, these amounts being:

2017/18	£1,493m
2018/19	£938m
2019/20	£900m

The government made the following changes to the scheme during 2016:

- Funding was reduced by £241m in 2017/18 (funding remains at pre-announced levels for 2018/19 and 2019/20);
- Funding was reduced from 6 years to 5 years in 2017/18;
- Funding will then reduce to 4 years for 2018/19 onwards;
- From 2018/19, the government will consider withholding payments from local authorities that are not *“planning effectively, by making positive decisions on planning applications and delivering housing growth”*; and
- A consultation was planned regarding withholding payments for homes that are built following an appeal.

It is important to note that:

- For authorities below the 0.4% threshold for growth (like Tamworth for 2017/18), it is only the “in-year” element of funding that is not received i.e. they will still receive the historic payments. For 2017/18, this will mean that an authority will still receive payments for the four previous years; and
- The allocations for 2018/19 and 2019/20 are indicative and will be reliant on any further changes to the scheme and growth locally.
- It had been assumed that a ‘deadweight’ factor of 0.25% would be implemented, in line with the consultation but, from 2017/18, the national baseline for housing growth below which New Homes Bonus will not be paid was set at 0.4% (reflecting a percentage of housing that would have been built anyway). The Government will retain the option of making adjustments to the baseline in future years to reflect significant and unexpected housing growth.



New Homes Bonus income forecasts have subsequently been updated (including changes in forecast new home increases) and included within the base budget as follows:

<b>BASE BUDGET NHB</b>	<b>2018/19 £</b>	<b>2019/20 £</b>	<b>2020/21 £</b>	<b>2021/22 £</b>	<b>2022/23 £</b>
MTFS Budget	331370	667180	754150	870770	870770
Base Budget Forecast	181890	276950	461540	615290	713860
<b>Reduced income</b>	<b>149480</b>	<b>390230</b>	<b>292610</b>	<b>255480</b>	<b>156910</b>
Risk Weighting applied	100%	75%	75%	50%	50%

**This results in an overall loss to the MTFS of £0.8m over 3 years (£1.2m over 5 years).**

## Forecast

Using the funding forecast and assuming increases in Council Tax of £5 per annum for 2018/19 onwards, the five year base budget forecast is as follows:

Summary	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
<b>Estimated Net Cost of Services</b>	<b>9,368</b>	<b>9,222</b>	<b>9,293</b>	<b>9,277</b>	<b>9,537</b>
Proposed Policy Changes / Additional Costs Identified	845	335	23	(93)	(93)
Net Expenditure	10,213	9,557	9,316	9,184	9,444
<b>Financing:</b>					
RSG	(494)	(185)	-	-	-
Tariff Payable	10,107	10,466	10,717	10,975	11,238
Non Domestic Ratepayers	(13,597)	(14,043)	(14,285)	(14,543)	(14,802)
Council Tax Income (Model 1)	(3,660)	(3,852)	(4,033)	(4,197)	(4,355)
Gross Financing	(7,644)	(7,614)	(7,601)	(7,765)	(7,919)
Surplus(-) / Deficit	2,569	1,943	1,715	1,419	1,525
Balances Remaining (-) / Overdrawn	(3,183)	(1,240)	475	1,894	3,419
Per Council, 21 <sup>st</sup> February 2017	(2,737)	(502)	-	-	-
Band D equivalents	21,308	21,793	22,189	22,472	22,710

Indicating a potential shortfall in General fund balances of approx. £1m over 3 years (£2.4m over 4 years & £3.9m over the 5 year period) - including the minimum approved level of £0.5m.

Balances are forecast to be £5.75m at 31<sup>st</sup> March 2018.

A detailed summary of the budget for 2018/19 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

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. The Council's Council Tax is currently £166.75.

The indication is that the 'capping' threshold for District Councils will be the higher of £5 or 2.0% - following a freeze in 2011/12 & 2012/13 and a below 2% increase from 2013/14 to 2016/17. The impact of a £5 p.a. increase (Band D) is outlined below:

#### Model 1 Impact of £5 increase in Council Tax in 2018/19 (followed by £5 p.a.)

Year:	2018/19	2019/20	2020/21	2021/22	2022/23
Forecast:	£'000	£'000	£'000	£'000	£'000
Surplus (-) /Deficit	2,569	1,943	1,715	1,419	1,525
<b>Balances Remaining (-) / Overdrawn</b>	<b>(3,183)</b>	<b>(1,240)</b>	<b>475</b>	<b>1,894</b>	<b>3,419</b>
£ Increase	5.00	5.00	5.00	5.00	5.00
% Increase	3.00%	2.91%	2.83%	2.75%	2.68%
Note: Resulting Band D Council Tax	171.75	176.75	181.75	186.75	191.75

which indicates a potential shortfall in balances of £1m over 3 years (£3.9m over 5 years) further savings of approx. £0.3m per annum over 3 years would have to be identified.

In order to consider alternative options, the following scenarios have been modelled:

**Model 2 Impact of 1.99% increase in Council Tax in 2018/19 (followed by increases of 1.99% thereafter)**

Year:	2018/19	2019/20	2020/21	2021/22	2022/23
Forecast:	£'000	£'000	£'000	£'000	£'000
<b>Reduction in Council Tax £</b>	36	71	105	137	170
Revised Surplus (-) /Deficit	2,605	2,014	1,820	1,556	1,695
<b>Balances Remaining (-) / Overdrawn</b>	<b>(3,147)</b>	<b>(1,133)</b>	<b>687</b>	<b>2,243</b>	<b>3,938</b>
£ Increase	3.31	3.39	3.45	3.52	3.59
% Increase	1.99%	1.99%	1.99%	1.99%	1.99%
Note: Resulting Band D Council Tax	170.06	173.45	176.90	180.42	184.01

which indicates a potential shortfall in balances of £1.2m over 3 years (with a shortfall of £4.4m over 5 years) further savings of approx. £0.4m per annum over 3 years would have to be identified.

**Model 3 Impact of 0% increase in Council Tax in 2018/19 (followed by increases of 1.99% thereafter)**

Year:	2018/19	2019/20	2020/21	2021/22	2022/23
Forecast:	£'000	£'000	£'000	£'000	£'000
<b>Reduction in Council Tax £</b>	107	144	180	214	249
Revised Surplus (-) /Deficit	2,676	2,087	1,895	1,633	1,774
<b>Balances Remaining (-) / Overdrawn</b>	<b>(3,076)</b>	<b>(989)</b>	<b>906</b>	<b>2,539</b>	<b>4,313</b>
£ Increase	0.00	3.31	3.38	3.45	3.52
% Increase	0.00%	1.99%	1.99%	1.99%	1.99%
Note: Resulting Band D Council Tax	166.75	170.06	173.44	176.89	180.41

which indicates a potential shortfall in balances of £1.4m over 3 years (£4.8m over 5 years) further savings of approx. £0.5m per annum over 3 years would have to be identified.

**Model 4 Impact of 2.5% increase in Council Tax in 2018/19 (followed by increases of 2.5% thereafter)**

Year:	2018/19	2019/20	2020/21	2021/22	2022/23
Forecast:	£'000	£'000	£'000	£'000	£'000
<b>Reduction in Council Tax £</b>	19	36	51	62	73
Revised Surplus (-) /Deficit	2,588	1,979	1,766	1,481	1,598
<b>Balances Remaining (-) / Overdrawn</b>	<b>(3,164)</b>	<b>(1,185)</b>	<b>581</b>	<b>2,062</b>	<b>3,660</b>
£ Increase	4.17	4.27	4.38	4.49	4.60
% Increase	2.50%	2.50%	2.50%	2.50%	2.50%
Note: Resulting Band D Council Tax	170.92	175.19	179.57	184.06	188.66

which indicates a potential shortfall in balances of £1.1m over 3 years (£4.2m over 5 years) further savings of approx. £0.4million per annum would have to be identified.

**Model 5 Impact of 0% increase in Council Tax in 2018/19 (followed by increases of 0% thereafter)**

Year:	2018/19	2019/20	2020/21	2021/22	2022/23
Forecast:	£'000	£'000	£'000	£'000	£'000
<b>Reduction in Council Tax £</b>	107	216	327	438	553
Revised Surplus (-) /Deficit	2,676	2,159	2,042	1,857	2,078
<b>Balances Remaining (-) / Overdrawn</b>	<b>(3,076)</b>	<b>(917)</b>	<b>1,125</b>	<b>2,982</b>	<b>5,060</b>
£ Increase	0.00	0.00	0.00	0.00	0.00
% Increase	0.0%	0.0%	0.0%	0.0%	0.0%
Note: Resulting Band D Council Tax	166.75	166.75	166.75	166.75	166.75

which indicates a potential shortfall in balances of £1.6m over 3 years (£5.5m over 5 years) further savings of approx. £0.5million per annum would have to be identified.

**Model 6 Impact of 1% increase in Council Tax in 2018/19 (followed by increases of 1% thereafter)**

Year:	2018/19	2019/20	2020/21	2021/22	2022/23
Forecast:	£'000	£'000	£'000	£'000	£'000
<b>Reduction in Council Tax £</b>	71	143	216	289	364
Revised Surplus (-) /Deficit	2,640	2,086	1,931	1,708	1,889
<b>Balances Remaining (-) / Overdrawn</b>	<b>(3,112)</b>	<b>(1,026)</b>	<b>905</b>	<b>2,613</b>	<b>4,502</b>
£ Increase	1.66	1.69	1.70	1.71	1.73
% Increase	1.00%	1.00%	1.00%	1.00%	1.00%
Note: Resulting Band D Council Tax	168.41	170.10	171.80	173.51	175.24

which indicates a potential shortfall in balances of £1.4m over 3 years (£5m over 5 years) further savings of approx. £0.5million per annum would have to be identified.

2) *Potential Savings / additional costs*

Potential revenue policy changes are highlighted below:

<b>Policy Changes Identified</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>	<b>2022/23 £'000</b>
Contingency budget to allow for 'in year' decisions to be made by Cabinet	100.0	(100.0)	-	-	-
Return on £12m investment in Property Funds at 4% return - phased over 6 months, net of existing return	-	(180.0)	(180.0)	60.0	-
Contribution to reserve for potential cost of property fund investment purchases (stamp duty, valuation changes etc.)	250.0	(250.0)	-	-	-
Ongoing costs of Capital scheme proposals	3.0	28.0	-	-	-
Cost of unsupported borrowing / lost investment income (2.5%) and repayment of debt (4%) - should all proposed capital schemes progress	108.0	9.0	6.0	-	-
To secure ongoing funding to recruit an apprentice within Information Services	13.7	-	-	-	-
One of the key requirements of the Civil Contingencies Act is the ability to operate Incident Control facilities which can be deployed	5.0	(5.0)	-	-	-
To secure funding for a further 3 years for a Security presence at Marmion House. 50% of cost met by HRA	15.0	-	-	(15.0)	-
To deliver identified and costed initiatives to prevent homelessness in the Borough from March 2018	20.0	(20.0)	-	-	-
Regarding the new Homelessness legislation, there will be a requirement to support the delivery of services across 2019/20 and 2020/21	-	140.0	-	(140.0)	-
To support the implementation of the Homelessness Reduction Act	71.0	-	(71.0)	-	-
Condition Surveys to address an ongoing programme of repairs and building conservation at Tamworth Castle	45.0	(45.0)	-	-	-
Outdoor event budgets be increased by £5,000 on a permanent basis to support non TBC Community Events	5.0	-	-	-	-
Review of the Tamworth Local Plan commencing in 2018/19 and continuing into 2019/20 when an examination will be held	40.0	-	(40.0)	-	-
Now the Tamworth Enterprise Centre has been operational for a period of months a more accurate estimate of income and expenditure can be made	22.0	(6.0)	17.0	(21.0)	-
Budget to fund the Heritage Project Officers salary	22.0	-	-	-	-
The recruitment of a Planning Trainee from September 2018 to August 2020	18.0	-	(18.0)	-	-

Policy Changes Identified	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
New burdens funding to meet the cost of the Planning Trainee from September 2018 to August 2020	(18.0)	-	18.0	-	-
Revised budgets for the Assembly Rooms due to delay in progressing the capital scheme	125.0	(81.0)	(44.0)	-	-
1.2ha local centre development in Amington	20.0	10.0	(30.0)	-	-
Section 106 funding for local centre development	(20.0)	(10.0)	30.0	-	-
<b>Total New Items / Amendments</b>	<b>844.7</b>	<b>(510.0)</b>	<b>(312.0)</b>	<b>(116.0)</b>	-

As part of the planned review & scrutiny process leading up to formal presentation of the budget, Executive Management Team will consider feedback received from the Budget Consultation process, the Joint Scrutiny Budget workshop and the Joint Budget Scrutiny Committee (planned for 30<sup>th</sup> January 2018) 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, and
  - Consideration of how the limited resources can be 'rationed' (& whether service improvements in a priority area should be met from service reductions elsewhere).
- Inclusion of any further potential savings in order to mitigate the forecast budget shortfall. This process is ongoing and will be reported as policy changes in the next phase of the budget process in order to formulate a balanced medium term financial strategy for approval by Cabinet & Council in February 2018.

Work is continuing on a number of actions to address the financial position in future years:

- Delivering Quality Services project – the demand management approach to shift demand to more efficient methods of service delivery – online and automation (Interactive Voice Response). A savings target of £100k p.a. has already been included within the MTFs together with reduced CRM costs of £62k p.a. from 2019/20;
- Recruitment freeze – temporary 12 month appointments are now only being made; there is a robust challenge / re-justification process in place for all vacant posts with a requirement to investigate alternative options including restructuring to fill vacancies / looking at what we can stop doing. This means we have the opportunity to increase the vacancy allowance from 5% to 7.5% over the next 5 years – c. £45k p.a. year on year for the General Fund (£14k p.a. – HRA);
- Spend freeze – Managers have previously been required to restrict / limit spending to essential spend only (there was a £1.6m underspend in 2016/17 – although the majority was windfall income, c. £0.75m was lower level underspend);



- Alternative investment options arising from the Commercial Investment and Regeneration Strategy (as well as the Treasury Management Investment Strategy, including any prudential borrowing opportunities) to generate improved returns of c. 5% p.a. (plus asset growth) including:
  - Set up of trading company to develop new income streams;
  - Local investment options – Lower Gungate / Solway Close development including the potential to drawdown funding from the Local Growth Fund / Local Enterprise Partnerships (GBS and Staffordshire);
  - Investments in a Diversified Property Fund;
  - Investments in a Diversified Investment Vehicle (property, shares etc.);
- Review of reserves / creation of fund for transformation costs (if needed), and
- Targeted Savings – to identify potential areas for review in future years

## Housing Revenue Account – Technical Adjustments Summary

Technical Adjustments	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Base Budget B/Fwd	360	1,515	624	453	320
Committee Decisions	578	(916)	30	(21)	(6)
Inflation	160	136	139	143	147
Other	292	(202)	(427)	(338)	(394)
Pay Adjustments (Including pay award / reduction for vacancy allowance)	86	91	87	83	80
Revised charges for non-general fund activities	39	-	-	-	-
<b>Total / Revised Base Budget</b>	<b>1,515</b>	<b>624</b>	<b>453</b>	<b>320</b>	<b>147</b>

The detail of the technical adjustments are shown in Appendix C with a more detailed summary of the HRA Technical Adjustments at Appendix E. Assuming reductions in Rent in line with the Government's requirement (a 1.0% reduction per annum for 4 years from 2016/17), the five year base budget forecast is as follows:

Summary	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
<b>Estimated Net (Surplus) / Deficit</b>	1,515	624	453	320	147
Proposed Policy Changes / Additional Costs Identified	1,416	331	366	373	373
Surplus (-) / Deficit	2,931	955	819	693	520
Balances Remaining (-) / Overdrawn	(3,627)	(2,672)	(1,853)	(1,160)	(640)

Per Council, 23 <sup>rd</sup> February 2016	(3,985)	(3,520)	(3,193)	(2,977)	-
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Indicating Housing Revenue Account (HRA) balances of £1.9m over 3 years (with balances of £0.6m over the next 5 years) including the minimum recommended balances of £0.5m.

A summary of the HRA over the 5 year period is shown at **Appendix H**.

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

- Finalisation of the costs (following tender) / income associated with the regeneration / redevelopment schemes;
- Delivery of regeneration programme to planned timescales;

- The impact of Welfare Benefit Reform on rent collection levels – limited so far but further measures are to be rolled out (e.g. Universal Credit);
- The effect of the reduction in Social housing rents announced in the Summer Budget 2015 – rents are to be reduced by 1% a year for four years from 2016/17, requiring local authorities and housing associations to make savings and will mean a reduction in HRA rent income of c.£600k p.a. each year for 4 years (cumulative);
- Future impact of the Government’s increased discounts to promote right to buy sales on housing stock numbers and associated income levels – 50 sales p.a. have been assumed in future years.

Potential revenue policy changes for the HRA are highlighted below:

<b>Policy Changes Identified</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>	<b>2022/23 £'000</b>
Fixed Electrical Installation Checks - to comply with regulations and form part of the council wide fire safety policy for its tenants of council housing	306.00	-	-	-	-
Revenue Implications of Capital Programme - Reduction in ongoing maintenance costs arising from anti-social behaviour (from creation of an office at Eringden)	(5.50)	-	-	-	-
Revenue Implications of Capital Programme - cost of unsupported borrowing (2.5%) should all proposed schemes progress	-	15.00	35.00	22.00	-
To secure funding for a further 3 years for a Security presence on the front desk at Marmion House. 50% of cost met by HRA	15.00	-	-	(15.00)	-
Additional Revenue Contribution to Capital Programme	1100.0	(1100.0)	-	-	-
<b>Total New Items / Amendments</b>	<b>1,415.5</b>	<b>(1,085.0)</b>	<b>35.0</b>	<b>7.0</b>	<b>-</b>

## Rent Restructuring

The introduction of rent restructuring in April 2003 required the Council to calculate rents in accordance with a formula on a property by property basis and account separately for rental payments and payments which are for services (for example grounds maintenance, upkeep of communal areas, caretaking) within the total amounts charged.

This framework removed the flexibility to independently set rent levels from Social Landlords and replaced it with a fixed formula (RPI plus 0.5% plus £2.00) based on the value of the property and local incomes.

The aim of the framework was to ensure that by a pre-set date all social landlord rents have reached a 'target rent' for each property that will reflect the quality of accommodation and levels of local earnings. In achieving this target rent councils were also annually set a "limit rent" which restricted the level of rent increase in any one year.

Housing rents were increased in accordance with the Rent Restructuring Framework for 2014/15. However, from 2015/16, Councils could decide locally at what level to increase rents. Government Guidance suggested an increase of CPI plus 1%, however, the Council agreed to vary this level, and applied the formula CPI plus 1% plus £2 (capped at formula rent) **for 2015/16 only**, to generate additional funding to support increased maintenance costs and the regeneration of key housing areas within the Borough.

However, under Benefit regulations and circulars issued by the DWP, the Rent Rebate Subsidy Limitation scheme penalises the Council should the average rent be above the notified limit rent. The guidance on rent increases stated a CPI + 1% increase which, when applied to the 2014/15 limit rent, gave a limit rent for 2015/16 of £82.56 which when compared to the actual rent for 2015/16 of £81.51 meant no loss of Housing Benefit subsidy grant.

The effect of the reduction in Social Housing Rents announced in the Summer Budget 2015 means that rents are to be reduced by 1% a year for four years from 2016/17 and will mean a reduction in HRA rent income of c.£600k p.a. each year for 4 years (cumulative) due to the 1% reduction and as the planned inflationary increases of c.3% p.a. will also not be made.

Following various articles in the professional press, particularly reports from National Housing Federation (NHF) in January 2016; DCLG sent an update to Local Authorities on 8<sup>th</sup> February 2016. The Government's note set out further detail in relation to the sale of high value vacant housing (detailed in the Housing & Planning Bill) and further clarification with regard to the 1% reduction in social rents for 4 years (2016-2020).

The Government announced that it would put in place a one-year exemption for all supported accommodation whilst they review this area of supported accommodation. The exemption has subsequently been confirmed for future years.

The Government identified a range of accommodation which would benefit from the exclusion - for the Council this includes its sheltered housing and supported accommodation for young people – totalling 385 units of council owned stock.

The 2016 revised definition of "Specialised supported housing" means supported housing:

- (a) which is designed, structurally altered, refurbished or designated for occupation by, and made available to, residents who require specialised services or support in order to enable them to live, or to adjust to living, independently within the community,
- (b) which offers a high level of support, which approximates to the services or support which would be provided in a care home, for residents for whom the only acceptable alternative would be a care home,

- (c) which is provided by a private registered provider under an agreement or arrangement with
  - (i) a local authority, or
  - (ii) the health service within the meaning of the National Health Service Act 2006(d),
- (d) in respect of which the rent charged or to be charged complies with the agreement or arrangement mentioned in paragraph (c), and
- (e) in respect of which either
  - (i) there was no public assistance, or
  - (ii) if there was public assistance, it was by means of a loan secured by means of a charge or a mortgage against a property.

The Government's expectation is that rents will not increase by more than CPI + 1% where the exemption is applied. Rents for Supported Accommodation were frozen at 2015/16 levels in 2016/17.

However, the remodelling of the Councils' 365 Sheltered units in 2015/16 in particular (with service charges levied for enhanced housing management) marked a shift away from specialist supported accommodation and therefore the ability to claim the exemption in line with the revised definition above.

For 2017/18 onwards, it has been assumed that all rents will fall by 1% - including rents for supported accommodation.

## Corporate Capital Strategy

The Council has an ongoing capital programme of over £31m for 2017/18 and an asset base valued at £207m (as at 31<sup>st</sup> March 2017).

This Strategy sets the policy framework for the development, management and monitoring of this investment and forms a key component of the Council's planning alongside the Medium Term Financial Strategy.

The capital strategy feeds into the annual revenue budget and MTFS by informing the revenue implications of capital funding decisions. The implications for the MTFS are fully considered before any capital funding decisions are confirmed.

Equally, the availability of prudential borrowing means that capital and revenue solutions to service delivery can be considered, and ranked, alongside each other as part of an integrated revenue and capital financial strategy.

The Capital Strategy further sets out the Council's approach to the allocation of its capital resources and how this links to its priorities at a corporate and service level. It describes how the Council has responded to the opportunities provided by prudential borrowing and other new sources of finance.

Each scheme is assessed with regard to:

- the contribution its delivery makes towards the achievement of the Council's Corporate Priorities;
- the achievement of Government priorities and grant or other funding availability;
- the benefits in terms of the contribution to the Council's Corporate Objectives and compliance with the Corporate Capital Strategy requirements of:
  1. Invest to save
  2. Maintenance of services and assets
  3. Protection of income streams
  4. Avoidance of cost.

The current de-minimis for capital expenditure is £10k per capital scheme.

Following a review of the Capital Programme approved by Council on 21<sup>st</sup> February 2017, a revised programme has been formulated including additional schemes which have been put forward for inclusion.

A schedule of the capital scheme appraisals for the General Fund (GF) & Housing Revenue Account (HRA) received for consideration is attached at **Appendix I – General Fund (GF) and Appendix J – Housing (HRA)**, together with the likely available sources of funding (capital receipts / grants / supported borrowing etc.).

With regard to the contingency schemes/allocation, **£50k** remains in current year GF contingency funds and **£100k** remains in current year HRA contingency funds (which will be re-profiled into 2018/19 to provide contingency funding).

To inform discussions, the proposals have been reviewed by the Asset Strategy Steering Group and Corporate Management Team with initial comments & suggestions for each of the schemes outlined below.

## General Fund

A significant number of new schemes have been proposed and the forecast has highlighted that insufficient resources are available to finance all of the GF schemes submitted which means, should the schemes progress either:

- 1) the Council would need to use supported borrowing to fund the shortfall – funding from borrowing would impact on the revenue budget through interest costs on the debt at c.2.5 to 3% p.a. plus debt repayment costs of 4% p.a. (based on a 25 year asset life); or
- 2) the potential use of part of the capital receipt from the Golf Course sale – which would mean the resources would no longer be available for investment through the Commercial Investment Strategy projects (and therefore impact on the revenue account through loss of potential investment income at c.4% p.a.).

The minimum approved level of GF capital balances is £0.5million which, should the programme progress without amendment, would mean c.£1.9m in borrowing would be needed (or use of the capital receipt) over the next 3 years (c.£1.9m over 5 years).

Details of the proposed capital programme are shown in **Appendix I**.

The capital programme has been reviewed and updated:

### General Fund

#### 1) Indoor and Outdoor Sports infrastructure Feasibility

A new capital submission had been prepared for £100k, funded through Section 106 (S106) income, for **feasibility** work which is needed now to understand the likely costs and specification of potential new facilities arising from the Sports Strategy Update - in particular a new multi-purpose community sports centre in an accessible location, with appropriate facilities and 3G pitches, to meet identified need.

It was questioned whether this work should be treated as capital or revenue (using the Section 106 funding).

#### 2) Refurbishment of Castle Grounds Toilets

A new capital submission had been prepared for £180k for refurbishment of public conveniences in Castle Grounds to provide a low maintenance, vandal resistant facility complete with a 'Changing Places' compliant facility for disabled children and adults. Updated design will also allow for year-round access.

Additional ongoing revenue costs of £10k p.a. (net of savings in current provision) were included to provide a 364 day per annum cleansing and full maintenance service. It was clarified that this was instead of the current maintenance arrangements but was not a necessity.

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**3) Disabled Facilities Grants (DFG)**

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The provisional programme included £250k p.a. A revised capital submission had been received to increase this to £650k p.a. in light of the current demand / anticipated backlog by 31<sup>st</sup> March 2018.

A Government review of the approach to DFGs is planned within the next 12 months and so it was agreed that the year 1 budget be increased to £650k to deal with the immediate demand/backlog.

Future years spend would be limited to an ongoing £360k p.a. in line with the funding assumed to be redistributed by Staffordshire County Council (SCC) through the Better Care Fund (BCF).

To be reviewed in 2018 following the Government review.

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**4) Energy Efficiency Upgrades to Commercial & Industrial Units**

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A new capital submission had been prepared for £75k p.a. to fund a degree of improvement to industrial units when they become vacant in order to be able to re-let them – as, with effect from April 2018, it will not be possible to enter into long term lease agreements for commercial and industrial units with an EPC rating of 'E' or less.

Depending on void levels, we could expect to lose around £20k p.a. increasing by £20k p.a. for the next 5 years (c.£300k over 5 years).

If we are able to let on License or Tenancy at Will arrangements we may be able to maintain a level of income but there will be an increase in other costs such as NNDR payments, repair costs, security costs and the like.

Investment in enveloping works to improve energy efficiency will prolong the life of the estate at the current rent levels but ultimately Sandy Way phase 2 will require a more significant investment project to give a long life expectancy.

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**5) Gateways Project**

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An updated appraisal had been prepared for £70k p.a. for 3 years (net cost after use of TBC S106/CIL funds of £75k, £50k and £120k respectively) with plans for significant capital works in future years for Phase 3 Corporation Street and Phase 4 Railway Station forecourt - which will draw in funding and professional support from SCC (funded by SCC through the Regional Growth Fund / S106 receipts). The provisional programme included £70k in 2018/19. SCC spend totaling £545k to be removed from appraisal.

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**6) Community Woodland Cycleway**

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A new capital submission had been prepared for spend of £160k in 2018/19 on construction of a cycleway on the proposed community woodland at Amington - funded by the Developer.

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**7) Amington Community Woodland**

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A new capital submission had been prepared for spend of £50k p.a. for 5 years on the creation of a community woodland on 7.5ha of the ex-municipal golf course - funded by the S106 income.

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**8) Property Funds**

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A new capital submission had been prepared for spend of £6m p.a. for 2 years. Cabinet has approved that one of the objectives of the Council's Commercial Investment Strategy (CIS) will be to explore measures to provide the Council with sustained revenue and income generation (while protecting the capital) contributing to a self-sustained financial position by 2020.

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It is envisaged that up to £12m will be required for the Specific CIS Projects, with the balance (net of sale costs/interest) of circa £12m available for long term investment (property fund, shares etc.) – with returns of c.4% p.a. (less existing budgeted returns at base rate).

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Following the a review into the feasibility and options for investment in Property Funds carried out during 2017/18, funds will be required to be invested into 'Capital' property funds from 2018/19 (as well as potential investment in 'Revenue' property funds - through revenue cash flow investments).

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#### **9) Technology Replacement – Mobile Phones (Contingency)**

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A new capital submission had been prepared for potential spend of £20k in 2018/19.

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ICT intends to procure a corporate, Authority wide contract covering all existing handsets and contracts with a single renewal date and access to improved handset deals/upgrades and call/data plans reducing the associated administrative overhead. This would be a contingency budget should handsets need to be procured.

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#### **10) Technology Replacement – Infrastructure/Security**

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A revised capital submission had been prepared for £60kp.a. (with revenue savings of £8k in 2018/19) for ongoing, large scale upgrade and maintenance to the TBC infrastructure, in line with agreed device lifecycles. Additional to this internal demand, external factors including legislative requirements from central government in the guise of the Public Sector Network (PSN) and Government Code of Connection, have resulted in required investment into static and mobile device management and security (the provisional programme included £60k p.a until 21/22).

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A new capital submission had also been prepared for spend of £45k relating to migrate the Civica system from Oracle to SQL Server.

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Civica are the suppliers of the Authority's corporate electronic document records management system (EDRMS) used by a number of services and due to be rolled out to further services. They are ending support for Oracle after the next release of the EDRMS software in December 2017. In order to maintain support, we are required to migrate from Oracle to SQL Server. Cost estimates vary from £27k to £45k. As the upgrade is required during 2017/18, it was agreed that the cost be met from the existing budget but that the cost be added to the 2018/19 budget to meet the cost of works deferred in 2017/18.

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#### **11) Civil Contingencies Technology – GDPR (Contingency)**

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A new capital submission had been prepared for spend of £50k in 2018/19.

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General Data Protection Regulation (GDPR) builds on the data protection act and will change how businesses and the public sector can handle customer information. The new regulations come into force in May 2018 and will be enforced by the Information Commissioners Office (ICO). The new legislation is designed to "harmonise" data privacy laws across Europe as well as give greater protection and rights to individuals. There are new rights for people to access the information companies hold about them, obligations for better data management for businesses, and a new regime of fines for none compliance. All of our systems have the potential to be impacted by the new GDPR regulations and may require additional modules or fixes by application suppliers for compliance.

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This would be a contingency budget should spend on upgrades be required.

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**12) IT requirements to support the implementation of the Homelessness Reduction Act**

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A new capital submission had been received after the meeting for spend of £30k in 2018/19, with ongoing revenue support costs of £20k p.a.

Implementation of the Act is anticipated to commence in April 2018. This will present Local Authorities with a number of significant challenges, both in terms of services delivered to members of the public and back-up support and training to ensure the Council's new duties are fully met. Central to this is having effective IT back-up in place to support implementation. There is currently a lack of clarity as to how these requirements will be best met but options are being explored currently, all of which have a cost implication for the Council.

Section 31 new burdens grant funding of £7.5k should be received to mitigate the cost.

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**13) General Fund Capital Contingency Budget**

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It was agreed that the 2017/18 contingency budget of £50k would be rolled forward to 2018/19.

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**14) With regard to the provisional programme, it was also confirmed:**

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**a) CCTV Camera Renewals**

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An updated appraisal has not been prepared but the funding would still be required – subject to the results of a recent review and recommendations in a report planned for Cabinet in November 2017.

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**b) Cultural Quarter / Assembly Rooms**

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The scheme business case has not been revised to reflect the current situation – it was agreed to leave the spend profile as is pending a review.

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**c) Street Lighting**

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An updated appraisal has not been prepared – following inclusion of a rolling programme with an annual spend required from 2016/17. The Council has its own stock of street lighting across the borough, mainly in housing areas and other communal parts such as play areas and car parks. The street lighting assets are inspected and maintained by Eon on behalf of the Council under the terms of Staffordshire County Council PFI contract with Eon. Eon have produced a replacement street lighting programme which spans 40 years and includes the replacement of all the lighting columns based on 'their life expectancy' and a lighting head replacement programme based on providing more efficient low energy lighting heads.

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## Housing

The proposed 5 year Housing Capital Programme is attached at **Appendix J**.

The majority of the Housing capital programme has not changed from that provisionally approved (pending updated stock conditional survey information) – however a number of new schemes have been proposed. It has also been updated to include the new year 5 costs for 2022/23 (at the same level as 2021/22).

The minimum approved level of HRA capital balances is £0.5million which, should the programme progress without amendment, would mean c.£3m in borrowing would be needed over the next 5 years (£2m over 3 years) - funding from borrowing would impact on the revenue budget through interest costs on the debt at c.2.5 to 3% p.a. but it should be noted that while there are no debt repayment costs for the HRA, the Government has set a debt cap of £79.407m.

The current HRA Capital Financing Requirement (CFR) stands at £68.041m with planned borrowing of £7.214m relating to the Tinkers Green and Kerria Regeneration projects, which means £4.152m would be available for additional borrowing up to the debt cap.

The capital programme has been reviewed and updated:

### Housing Revenue Account

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#### H1 Creation of Office at Eringden

A new capital submission had been received for spend of £10k in 2018/19 and £10k in 2020/21, with ongoing revenue savings of £5.5k p.a. net of additional costs.

The proposal is for the creation of office space within the medium-rise block on Eringden to provide intensive housing management service aimed at addressing some of the ongoing issues of anti-social behaviour. This is anticipated to be a twelve month trial only. It is anticipated to consult and seek to cover charges for this as a service charge (similar to sheltered) and therefore will be self financing.

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#### H2 Thermal Upgrades

A new capital submission had been received for spend of £540k p.a. from 2019/20 for thermal upgrade measures to address key failure points in the housing stock condition survey. The project is to consist of various strands such as thermal wraps, thermal boarding & insulation.

The works will be needed to ensure that the decent homes standard is achieved. There may be some external funding available to mitigate the costs.

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#### H3 Strode House Car Park & Garages

A new capital submission had been received for spend of £530k in 2018/19 for refurbishment of garages at Strode House along with the refurbishment of the underground car parking area to provide additional car parking on the estate and address structural issues. Potential future use of the site is to be investigated.

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**H4 Resurfacing of walkways to walk-up flats**

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A new capital submission had been received for spend of £250k p.a. from 2019/20 for resurfacing of walkways to walk-up flats. Many of these are starting to fail resulting in leaks and water ingress into the properties below (flagged by repairs team).

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**H5 Renewal of High-Rise Lifts**

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A new capital submission had been received for spend of £280k p.a. for 4 years from 2018/19 for renewal of all remaining High-Rise Lifts which have reached end of life. Spend will be subject to survey results and not all may be required.

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**H6 Renewal of timber walkways to Magnolia**

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A new capital submission had been received for spend of £260k in 2018/19 for renewal of timber walkways to Magnolia sheltered schemes which are failing due to age and weathering (flagged by repairs team).

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**H7 Replacement of High Rise Soil Stacks**

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A new capital submission had been received for spend of £315k p.a. for 3 years from 2019/20 for renewal of soil stacks in all six high rise blocks. Existing stacks are starting to fail, frequently block and becoming increasingly difficult to maintain.

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**H8 With regard to the provisional programme, it was also confirmed:**

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**a) Retention of Garage Sites**

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£500k p.a. for 2 years from 2018/19 was included to invest in retained garages to meet demand and to provide alternative uses including parking areas.

Work has started in 2017/18 on garages to be retained but work on alternative uses is still to commence.

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**b) Development Housing on Garage Sites / Other Acquisitions**

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Funding of £3m p.a. from 2018/19 has been provisionally approved for redevelopment of Garage Sites for housing with £0.5m p.a. for other housing acquisitions. It was agreed that the funding balance needs to be reviewed, with a report planned to Cabinet in December, to reflect potential redevelopment / acquisition levels.

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## Main Assumptions

Inflationary Factors	2018/19	2019/20	2020/21	2021/22	2022/23
Inflation Rate - Pay Awards	2.00%	2.50%	2.50%	2.50%	2.50%
National Insurance	9.50%	9.50%	9.50%	9.50%	9.50%
Superannuation	16.50%	16.50%	16.50%	16.50%	16.50%
Inflation Rate (RPI)	3.00%	2.50%	2.50%	2.50%	2.50%
Inflation Rate (CPI)	2.50%	2.15%	1.98%	1.90%	1.90%
Investment Rates	0.50%	0.75%	1.00%	1.50%	1.50%
Base Interest Rates	0.40%	0.60%	0.90%	1.50%	1.50%

1. Pay award – it had previously been assumed that public sector pay will be capped at 1% for 4 years from 2016/17, however, recent announcements suggest that this cap may be lifted from 2018/19.
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. Revised estimates for rent allowance / rent rebate subsidy levels have been included;
4. Changes to the level of recharges between funds has been included;
5. A reduction in Revenue Support Grant levels to zero by 2020 as confirmed within the 4 year Local Government Finance Settlement. The impact for the Council will be confirmed by DCLG as part of the *Local Government Finance Settlement* with a provisional announcement in December 2017.
6. Continuation of the New Homes Bonus scheme (at the lower payment levels) including additional receipts from new developments (including Anker Valley and the Former Golf Course Site);
7. Lower investment income returns due to lower interest rate forecasts;
8. An increase of £5 p.a. in Council Tax - current indications are that increases of 2% or £5 and above risk 'capping' (confirmed as 2% or £5 for District Councils for 2016/17);
9. The major changes to the previously approved policy changes are included within this forecast – Directors were issued with the provisional information in August to review, confirm & resubmit by the end of September;
10. Annual year-on-year pension cost increases of c. £200k p.a. via the pension lump sum element for past liabilities have been included (following initial indications from the SCC triennial review in 2016).
11. Reduction in rent levels by 1% per the statutory requirement & current indications that sales of council houses will be approximately 50 per annum.
12. Forecasts have been informed by the Bank of England Inflation report (August 2017), HM Treasury – Forecasts for the UK Economy (August 2017), Office for Budget Responsibility Economic & Fiscal Outlook (March 2017). Any significant variances will be considered later in the budget setting process.

## Technical Adjustments Analysis – General Fund 2018/19

Activity	£	£	£
<b>Chief Executive</b>			
Virements		-	
Committee Decisions			
12/09/17 Full Council: Roles of Chief Operating Officer and Head of Paid Service	(34,020)		
2017/18 Policy Change CE 1 Vacancy Allowance Increase	810	(33,210)	
Inflation		190	
Other			
2018/19 BWP 006 Car Allowances	(600)		
2018/19 BWP 017 Insurance	130	(470)	
Pay Adjustments		5,040	
Changes in Recharges		2,700	
			<b>(25,750)</b>
<b>Executive Director Corporate Services</b>			
Virements		(21,650)	
Committee Decisions			
2017/18 Policy Change ED Vacancy Allowance Increase		(5,370)	
Inflation		(1,610)	
Other			
2018/19 BWP 006 Car Allowances	(240)		
2018/19 BWP 012 Benefits Estimates	80,500		
2018/19 BWP 015 Fairer Charging	1,530		
2018/19 BWP 017 Insurance	500		
2018/19 BWP 035 Bank Charges	(340)	81,950	
Pay Adjustments		20,380	
Changes in Recharges		(11,840)	
			<b>61,860</b>
<b>Director of Finance</b>			
Virements		-	
Committee Decisions			
2014/15 Policy Change DF 1 New Homes Bonus	65,000		
2015/16 Policy Change CCP 6 Revenue Impact of Capital Scheme	42,000		
2015/16 Policy Change DF 4 Business Rates Section 31 Grant Income	(11,940)		
2015/16 Policy Change DF 5 Business Rates Levy	(80,000)		
2015/16 Policy Change DF 6 Contribution to Transformation Reserve	(360,000)		
2016/17 Policy Change DF 2 Contribution to Transformation Reserve	660,000		
2016/17 Policy Change DF 4 Business Rates Levy	(164,300)		
2016/17 Policy Change DF 5 Business Rates Section 31 Grant Income	10,900		

Activity	£	£	£
2017/18 Policy Change DF 1 General Contingency	(100,000)		
2017/18 Policy Change DF 3 Senior Management Review	(130,000)		
2017/18 Policy Change DF 5 New Homes Bonus	137,380		
2017/18 Policy Change DF 6 Pension Cost Savings	(120,000)		
2017/18 Policy Change DF 7 Interest on Golf Course Capital Receipt	117,000		
2017/18 Policy Change DF 10 Revenue Implications from Capital Scheme	(16,400)		
2017/18 Policy Change DF 11 Consultant Fees for CIS	(75,000)		
2017/18 Policy Change DF 12 Business Rates Levy	113,000		
2017/18 Policy Change DF 13 Business Rates Section 31 Grant Income	(2,000)		
2017/18 Policy Change DF 14 Vacancy Allowance Increase	(6,140)	79,500	
Inflation		3,710	
Other			
2018/19 BWP 005 Audit Fee	3,660		
2018/19 BWP 006 Car Allowances	(890)		
2018/19 BWP 007 Revenues Income	5,120		
2018/19 BWP 009 Interest SOCH/HAA	20		
2018/19 BWP 010 Superannuation Allowances	(3,130)		
2018/19 BWP 014 NNDR Cost Collection Grant	(1,360)		
2018/19 BWP 017 Insurance	(310)		
2018/19 BWP 027 Treasury Mgmt	(170,400)		
2018/19 BWP 030 Depreciation Charges	(50,310)		
2018/19 BWP 035 Bank Charges	(180)		
2018/19 BWP 037 NNDR Estimates	(193,080)		
2018/19 BWP 038 Contingencies	50,000		
2018/19 BWP 041 New Homes Bonus	(11,110)		
2018/19 BWP 039 Pensions	259,790		
2018/19 BWP 049 Credit Card Surcharges	6,300	(105,880)	
Pay Adjustments		24,820	
Changes in Recharges		32,790	
			<b>34,940</b>
<b>Director of Technology &amp; Corporate Programmes</b>			
Virements		-	
Committee Decisions			
2017/18 Policy Change TC 1 Training Staff Costs	8,000		
2017/18 Policy Change TC 2 Training Income	(8,000)		
2017/18 Policy Change TC 3 Revenue Implications of Capital Schemes	(10,000)		
2017/18 Policy Change TC 4 Vacancy Allowance Increase	(3,670)	(13,670)	
Inflation		14,060	
Other			
2018/19 BWP 006 Car Allowances	(40)		
2018/19 BWP 017 Insurance	480		
2018/19 BWP 025 Leases	850		
2018/19 BWP 030 Depreciation Charges	55,490	56,780	

Activity	£	£	£
Pay Adjustments		(370)	
Changes in Recharges		(25,940)	
			<b>30,860</b>
<b>Solicitor to the Council</b>			
Virements		-	
Committee Decisions			
2017/18 Policy Change SOL 2 Vacancy Allowance Increase		(2,820)	
Inflation		8,770	
Other			
2018/19 BWP 004 Members Allowances	6,580		
2018/19 BWP 006 Car Allowances	(350)		
2018/19 BWP 013 Gas & Electricity Charges	10		
2018/19 BWP 017 Insurance	(1,390)		
2018/19 BWP 035 Bank Charges	(10)		
2018/19 BWP 045 NNDR Charges for TBC Properties	40	4,880	
Pay Adjustments		9,000	
Changes in Recharges		6,530	
			<b>26,360</b>
<b>Director of Transformation &amp; Corporate Performance</b>			
Virements		21,650	
Committee Decisions			
12/09/17 Full Council: Roles of Chief Operating Officer and Head of Paid Service	15,120		
2015/16 Policy Change TCP 1 Revised Staffs Connects Contribution	(20,500)		
2017/18 Policy Change TCP 3 Revenue Implications of Capital Scheme	4,000		
2017/18 Policy Change TCP 5 Vacancy Allowance Increase	(10,890)	(12,270)	
Inflation		4,600	
Other			
2018/19 BWP 006 Car Allowances	190		
2018/19 BWP 017 Insurance	2,670		
2018/19 BWP 026 Staff Health Insurance	(740)		
2018/19 BWP 031 Staffs Connects Contribution	20,500		
2018/19 BWP 035 Bank Charges	(60)	22,560	
Pay Adjustments		27,070	
Changes in Recharges		(60,030)	
			<b>3,580</b>
<b>Director of Communities, Planning &amp; Partnerships</b>			
Virements		(5,120)	
Committee Decisions			
2017/18 Policy Change CPP 1 Senior Management Review		(2,000)	
Inflation		-	



Activity	£	£	£
Other			
2018/19 BWP 017 Insurance		(1,490)	
Pay Adjustments		-	
Changes in Recharges		-	
			<b>(8,610)</b>
<b>Director of Communities, Partnerships &amp; Housing</b>			
Virements		(20,000)	
Committee Decisions			
2017/18 Policy Change DHH 2 Vacancy Allowance Increase		(4,740)	
Inflation		3,200	
Other			
2018/19 BWP 002 Salaries Housing Solutions Policy Officer	(1,430)		
2018/19 BWP 013 Gas & Electricity Charges	560		
2018/19 BWP 017 Insurance	1,620		
2018/19 BWP 022 Bad Debt Provision	3,500		
2018/19 BWP 024 Private Sector Leasing Scheme	(3,070)	1,180	
Pay Adjustments		11,580	
Changes in Recharges		16,260	
			<b>7,480</b>
<b>Director of Growth, Assets &amp; Environment</b>			
Virements		25,120	
Committee Decisions			
12/09/17 Full Council: Roles of Chief Operating Officer and Head of Paid Service	18,900		
2015/16 Policy Change CPP 5 Revenue Impact of Capital Schemes	(144,570)		
2016/17 Policy Change CPP 1 Growth Project Officer	500		
2017/18 Policy Change AE 5 Green Waste Charge	(245,000)		
2017/18 Policy Change AE 6 Marmion House Rental Income	(46,000)		
2017/18 Policy Change AE 7 Marmion House Service Charge Income	(46,000)		
2017/18 Policy Change AE 8 Tamworth Enterprise Centre - Staffing Costs	1,130		
2017/18 Policy Change AE 9 Tamworth Enterprise Centre Savings	(20,030)		
2017/18 Policy Change AE 10 Vacancy Allowance Increase	(29,410)	(510,480)	
Inflation		11,380	
Other			
2015/16 BWP 021 Marmion House Rents and Service Charges	(2,350)		
2015/16 BWP 036 Waste Management	15,060		
2017/18 BWP 027 Marmion House Rents and Service Charges	(1,120)		
2018/19 BWP 013 Gas & Electricity Charges	1,660		

Activity	£	£	£
2018/19 BWP 017 Insurance	(2,170)		
2018/19 BWP 025 Leases	(5,210)		
2018/19 BWP 030 Depreciation Charges	(5,180)		
2018/19 BWP 034 National Minimum Wage Increase	1,620		
2018/19 BWP 035 Bank Charges	(5,930)		
2018/19 BWP 036 Income Targets	41,420		
2018/19 BWP 043 Environmental Health Income	2,420		
2018/19 BWP 045 NNDR Charges for TBC Properties	(46,270)		
2018/19 BWP 047 OPCC Grant	-	(6,050)	
Pay Adjustments		92,830	
Changes in Recharges		1,090	
			<b>(386,110)</b>
<b>TOTAL</b>			<b>(255,390)</b>

( ) denotes saving

	£	£	£
<b>Director of Communities, Partnerships &amp; Housing</b>			
Virements		-	
Committee Decisions:		-	
2017/18 Policy Change HRA 3 Increase Vacancy Allowance		(17,800)	
Inflation		37,650	
Other			
2018/19 BWP 005 Audit Fee	650		
2018/19 BWP 010 Superannuation Allowances	360		
2018/19 BWP 013 Gas & Electricity Charges	15,770		
2018/19 BWP 017 Insurance	13,080		
2018/19 BWP 019 HRA Alarm Call Contract	3,600		
2018/19 BWP 023 Enhanced Housing Management Charges	(8,030)		
2018/19 BWP 025 Leases	(6,860)		
2018/19 BWP 026 Staff Health Insurance	(740)		
2018/19 BWP 035 Bank Charges	2,420		
2018/19 BWP 045 NNDR Charges for TBC Properties	3,250	23,500	
Pay Adjustments		82,590	
Changes in Recharges		38,460	
			<b>164,400</b>
<b>Director of Growth, Assets &amp; Environment</b>			
Virements		-	
Committee Decisions:			
2017/18 Policy Change HRA 3 Increase Vacancy Allowance		(850)	
Inflation		230	
Other			
2018/19 BWP 017 Insurance		40	
Pay Adjustments		3,610	
Changes in Recharges		960	
			<b>3,990</b>
<b>Housing Revenue Account Summary</b>			
Virements		-	
Committee Decisions:			
2015/16 Policy Change HRA 4A Revenue Impact of Capital Schemes	(536,000)		
2015/16 Policy Change HRA 5A (Reversal) of Reduction in RCCO	1,450,000		
2015/16 Policy Change HRA 5B (Reversal) of Increase in RCCO	(1,000,000)		
2015/16 Policy Change HRA 6 Rent Increase	(2,680)		
2016/17 Policy Change HRA 1 Reduction in Social Housing Rents by 1%	722,000		
2017/18 Policy Change HRA 2 Pension Cost Savings	(37,000)	596,320	

	£	£	£
Inflation		121,260	
Other			
2018/19 BWP 009 Interest SOCH/HAA	750		
2018/19 BWP 020 Garage Rents	(2,970)		
2018/19 BWP 021 Housing Rents	167,360		
2018/19 BWP 022 Bad Debt Provision	(20,200)		
2018/19 BWP 027 Treasury Mgmt	(2,390)		
2018/19 BWP 030 Depreciation Charges	45,820		
2018/19 BWP 039 Pensions	80,210	268,580	
Pay Adjustments		-	
Changes in Recharges		-	
			<b>986,160</b>
<b>TOTAL</b>			<b>1,154,550</b>

( ) denotes saving

## General Fund – Technical Adjustments 2018/19

<i>Figures exclude internal recharges which have no bottom line impact</i>	Budget 2017/18	Technical Adjustments						Total Adjustments £	Total Adjusted Base 2018/19
		Virements £	Committee Decisions £	Inflation £	Other £	Pay Adjustments £	Changes in Recharges £		
Chief Executive	168,640	-	(33,210)	190	(470)	5,040	2,700	(25,750)	142,890
Executive Director Corporate Services	385,240	(21,650)	(5,370)	(1,610)	81,950	20,380	(11,840)	61,860	447,100
Director of Finance	44,670	-	79,500	3,710	(105,880)	24,820	32,790	34,940	79,610
Director of Technology & Corporate Programmes	922,710	-	(13,670)	14,060	56,780	(370)	(25,940)	30,860	953,570
Solicitor to the Council	627,660	-	(2,820)	8,770	4,880	9,000	6,530	26,360	654,020
Director of Transformation & Corporate Performance	1,017,650	21,650	(12,270)	4,600	22,560	27,070	(60,030)	3,580	1,021,230
Director of Communities, Planning & Partnerships	8,610	(5,120)	(2,000)	-	(1,490)	-	-	(8,610)	-
Director of Communities, Partnerships & Housing	1,786,010	(20,000)	(4,740)	3,200	1,180	11,580	16,260	7,480	1,793,490
Director of Growth, Assets & Environment	4,662,050	25,120	(510,480)	11,380	(6,050)	92,830	1,090	(386,110)	4,275,940
<b>Grand Total</b>	<b>9,623,240</b>	<b>-</b>	<b>(505,060)</b>	<b>44,300</b>	<b>53,460</b>	<b>190,350</b>	<b>(38,440)</b>	<b>(255,390)</b>	<b>9,367,850</b>

## Housing Revenue Account – Technical Adjustments 2018/19

<i>Figures exclude internal recharges which have no bottom line impact</i>	Budget 2017/18	Technical Adjustments						Total Adjustments £	Total Adjusted Base 2018/19
		Virements £	Committee Decisions £	Inflation £	Other £	Pay Adjustments £	Changes in Recharges £		
Director of Communities, Partnerships & Housing	4,033,600	-	(17,800)	37,650	23,500	82,590	37,710	163,650	4,197,250
Director of Growth, Assets & Environment	(37,400)	-	(850)	230	40	3,610	1,710	4,740	(32,660)
HRA Summary	(3,636,210)	-	596,320	121,260	268,580	-	-	986,160	(2,650,050)
<b>Grand Total</b>	<b>359,990</b>	<b>-</b>	<b>577,670</b>	<b>159,140</b>	<b>292,120</b>	<b>86,200</b>	<b>39,420</b>	<b>1,154,550</b>	<b>1,514,540</b>

## General Fund Summary Budgets – 2018/19

<i>Figures exclude internal recharges which have no bottom line impact.</i>	<b>Base Budget 2017/18 £</b>	<b>Technical Adjustments £</b>	<b>Policy Changes £</b>	<b>Budget 2018/19 £</b>
Chief Executive	168,640	(25,760)	-	142,880
Executive Director Corporate Services	385,240	61,850	-	447,090
Director of Finance	44,670	34,940	461,000	540,610
Director of Technology & Corporate Programmes	922,710	30,870	18,700	972,280
Solicitor to the Council	627,660	26,380	-	654,040
Director of Transformation & Corporate Performance	1,017,650	3,600	15,000	1,036,250
Director of Communities, Planning & Partnerships	8,610	(8,610)	-	-
Director of Communities, Partnerships & Housing	1,786,010	7,470	91,000	1,884,480
Director of Growth, Assets & Environment	4,662,050	(386,130)	259,000	4,534,920
<b>Total Cost of Services</b>	<b>9,623,240</b>	<b>(255,390)</b>	<b>844,700</b>	<b>10,212,550</b>
Transfer to / (from) Balances	(1,454,266)	(1,114,616)	-	(2,568,882)
Revenue Support Grant	(770,996)	277,032	-	(493,964)
Retained Business Rates	(13,253,351)	(343,437)	-	(13,596,788)
Less: Tariff payable	9,791,708	315,025	-	10,106,733
Collection Fund Surplus (Council Tax)	(80,965)	80,965	-	-
Collection Fund Surplus (Business Rates)	(338,112)	338,112	-	-
<b>Council Tax Requirement</b>	<b>(3,517,258)</b>	<b>702,309</b>	<b>(844,700)</b>	<b>(3,659,649)</b>

General Fund Summary Budgets – 2017/18 to 2022/23

<i>Figures exclude internal recharges which have no bottom line impact.</i>	<b>Base Budget 2017/18</b> £	<b>Budget 2018/19</b> £	<b>Budget 2019/20</b> £	<b>Budget 2020/21</b> £	<b>Budget 2021/22</b> £	<b>Budget 2022/23</b> £
Chief Executive	168,640	142,880	179,000	183,250	187,610	193,140
Executive Director Corporate Services	385,240	447,090	462,080	475,940	490,590	510,090
Director of Finance	44,670	540,610	64,770	(261,000)	(432,640)	(428,700)
Director of Technology & Corporate Programmes	922,710	972,280	990,190	1,013,030	1,036,370	1,063,060
Solicitor to the Council	627,660	654,040	671,980	689,180	707,000	726,970
Director of Transformation & Corporate Performance	1,017,650	1,036,250	902,170	930,380	945,320	976,300
Director of Communities, Planning & Partnerships	8,610	-	-	-	-	-
Director of Communities, Partnerships & Housing	1,786,010	1,884,480	1,967,400	1,946,450	1,837,620	1,873,990
Director of Growth, Assets & Environment	4,662,050	4,534,920	4,319,210	4,338,200	4,411,530	4,528,530
<b>Total Cost of Services</b>	<b>9,623,240</b>	<b>10,212,550</b>	<b>9,556,800</b>	<b>9,315,430</b>	<b>9,183,400</b>	<b>9,443,380</b>
Transfer to / (from) Balances	(1,454,266)	(2,568,882)	(1,943,184)	(1,714,972)	(1,417,970)	(1,524,622)
Revenue Support Grant	(770,996)	(493,964)	(184,529)	-	-	-
Retained Business Rates	(13,253,351)	(13,596,788)	(14,043,405)	(14,285,028)	(14,543,423)	(14,802,145)
Less: Tariff payable	9,791,708	10,106,733	10,466,231	10,717,421	10,974,639	11,238,030
Collection Fund Surplus (Council Tax)	(80,965)	-	-	-	-	-
Collection Fund Surplus (Business Rates)	(338,112)	-	-	-	-	-
<b>Council Tax Requirement</b>	<b>(3,517,258)</b>	<b>(3,659,649)</b>	<b>(3,851,913)</b>	<b>(4,032,851)</b>	<b>(4,196,646)</b>	<b>(4,354,643)</b>

\* Figures include proposed Policy Changes



## Housing Revenue Account 2017/18 to 2022/23

<i>Figures exclude internal recharges which have no bottom line impact.</i>	<b>Base Budget 2017/18</b> £	<b>Budget 2018/19</b> £	<b>Budget 2019/20</b> £	<b>Budget 2020/21</b> £	<b>Budget 2021/22</b> £	<b>Budget 2022/23</b> £
Director of Communities, Partnerships & Housing	4,039,380	4,218,760	4,310,830	4,400,240	4,472,420	4,570,460
Director of Growth, Assets & Environment	(43,180)	(39,190)	(35,530)	(31,780)	(29,010)	(25,440)
HRA Summary	(3,636,210)	(1,249,530)	(3,320,650)	(3,550,190)	(3,750,680)	(4,026,040)
<b>Grand Total</b>	<b>359,990</b>	<b>2,930,040</b>	<b>954,650</b>	<b>818,270</b>	<b>692,730</b>	<b>518,980</b>

\* Figures include proposed Policy Changes

## Draft General Fund Capital Programme 2018/19 to 2022/23

<u>General Fund Capital Programme</u>	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	Total £
Technology Replacement	60,000	60,000	60,000	60,000	-	240,000
Private Sector Grants - Disabled Facilities Grants	250,000	250,000	250,000	250,000	-	1,000,000
CCTV Camera Renewals	15,000	15,000	15,000	15,000	-	60,000
Street Lighting	3,100	28,200	115,300	-	-	146,600
Cultural Quarter - AR	2,592,830	-	-	-	-	2,592,830
Gateways	70,000	-	-	-	-	70,000
<b>2018/19 Proposed schemes:</b>						
1 Indoor and Outdoor Sports Infrastructure Feasibility	100,000	-	-	-	-	100,000
2 Refurbishment of Castle Grounds Toilets	180,000	-	-	-	-	180,000
3 Private Sector Grants Disabled Facilities Grants - Additional	400,000	110,000	110,000	110,000	360,000	1,090,000
4 Energy Efficiency Upgrades to Commercial and Industrial Units	75,000	75,000	75,000	75,000	75,000	375,000
5 Gateways Project - Additional	75,000	120,000	190,000	-	-	385,000
6 Community Woodland Cycleway	160,000	-	-	-	-	160,000
7 Amington Community Woodland	50,000	50,000	50,000	50,000	50,000	250,000
8 Property Funds	6,000,000	6,000,000	-	-	-	12,000,000
9 Technology Replacement Mobile Phone Contract - <b>CONTINGENCY</b>	20,000	-	-	-	-	20,000
10 Technology Replacement GDPR Compliance - <b>CONTINGENCY</b>	45,000	-	-	-	60,000	105,000
11 <b>CONTINGENCY</b>	50,000	-	-	-	-	50,000
12 Homelessness Reduction Act	30,000	-	-	-	-	30,000
<b>Total General Fund Capital</b>	<b>10,175,930</b>	<b>6,708,200</b>	<b>865,300</b>	<b>560,000</b>	<b>545,000</b>	<b>18,854,430</b>
<b>Proposed Financing:</b>						
Grants - Disabled Facilities	360,000	360,000	360,000	360,000	360,000	1,800,000
Section 106 Receipts	225,000	100,000	140,000	50,000	50,000	565,000
General Fund Capital Receipts	301,500	-	-	15,000	-	316,500
Golf Course Receipts	6,000,000	6,000,000	-	-	-	12,000,000
Sale of Council House Receipts	411,500	103,200	240,300	135,000	135,000	1,025,000
Grants - Assembly Rooms (HLF)	339,690	-	-	-	-	339,690
Grants - Assembly Rooms (SLGF)	654,480	-	-	-	-	654,480
Community Infrastructure Levy	-	-	30,000	-	-	30,000
Public Contributions (Assembly Rooms)	50,000	-	-	-	-	50,000
Other Contributions	167,500	-	-	-	-	167,500
<b>Unsupported Borrowing</b>	<b>1,666,260</b>	<b>145,000</b>	<b>95,000</b>	<b>-</b>	<b>-</b>	<b>1,906,260</b>
Total	<b>10,175,930</b>	<b>6,708,200</b>	<b>865,300</b>	<b>560,000</b>	<b>545,000</b>	<b>18,854,430</b>

## Draft Housing Revenue Account Capital Programme 2018/19 to 2022/23

<b>Housing Revenue Account Capital Programme</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>TOTAL</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Structural Works	100,000	100,000	100,000	100,000	100,000	<b>500,000</b>
Bathroom Renewals	817,420	839,900	850,000	850,000	850,000	<b>4,207,320</b>
Gas Central Heating Upgrades and Renewals	420,000	550,000	460,000	460,000	460,000	<b>2,350,000</b>
Kitchen Renewals	970,690	997,380	900,000	900,000	900,000	<b>4,668,070</b>
Major Roofing Overhaul and Renewals	165,510	170,060	174,310	174,310	174,310	<b>858,500</b>
Window and Door Renewals	250,000	250,000	250,000	250,000	250,000	<b>1,250,000</b>
Works to High Rise Flats	525,000	-	-	-	-	<b>525,000</b>
Disabled Facilities Adaptations	324,650	333,580	341,920	341,920	341,920	<b>1,683,990</b>
Retention of Garage Sites	500,000	500,000	-	-	-	<b>1,000,000</b>
Capital Salaries	176,840	180,730	180,000	180,000	180,000	<b>897,570</b>
CDM Fees	5,000	5,000	5,000	5,000	5,000	<b>25,000</b>
<b>Regeneration Schemes</b>						
Tinkers Green	1,634,000	-	-	-	-	<b>1,634,000</b>
Kerria	3,805,250	-	-	-	-	<b>3,805,250</b>
Redevelopment of Garage sites	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	<b>15,000,000</b>
Other acquisitions	500,000	500,000	500,000	500,000	500,000	<b>2,500,000</b>
<b>2018/19 Proposed schemes:</b>						<b>-</b>
H1 Creation of Office at Eringden	10,000	-	10,000	-	-	<b>20,000</b>
H2 Thermal Upgrades	-	540,000	540,000	540,000	540,000	<b>2,160,000</b>
H3 Strode House Car Park & Garages	530,000	-	-	-	-	<b>530,000</b>
H4 Resurfacing of walkways to walk-up flats	-	250,000	250,000	250,000	250,000	<b>1,000,000</b>
H5 Renewal of High-Rise Lifts	280,000	280,000	280,000	280,000	-	<b>1,120,000</b>
H6 Renewal of Timber walkways to Magnolia	260,000	-	-	-	-	<b>260,000</b>
H7 Replacement of High Rise Soil Stacks	-	315,000	315,000	315,000	-	<b>945,000</b>
<b>Total HRA Capital</b>	<b>14,274,360</b>	<b>8,811,650</b>	<b>8,156,230</b>	<b>8,146,230</b>	<b>7,551,230</b>	<b>46,939,700</b>
<b>Proposed Financing:</b>						
Major Repairs Reserve	5,077,110	4,426,650	3,466,230	5,161,230	4,871,230	<b>23,002,450</b>
HRA Capital Receipts	1,665,000	500,000	1,290,000	500,000	-	<b>3,955,000</b>
Regeneration Revenue Reserves	3,906,300	2,010,000	1,355,000	1,210,000	2,365,000	<b>10,846,300</b>
Capital Receipts from Additional Council House Sales (1-4-1)	708,000	300,000	300,000	390,000	315,000	<b>2,013,000</b>
Regeneration Reserve	2,917,950	900,000	350,000	-	-	<b>4,167,950</b>
Unsupported Borrowing	-	675,000	1,395,000	885,000	-	<b>2,955,000</b>
<b>Total</b>	<b>14,274,360</b>	<b>8,811,650</b>	<b>8,156,230</b>	<b>8,146,230</b>	<b>7,551,230</b>	<b>46,939,700</b>

**Contingencies 2018/19 - 2022/23**

<b>Revenue</b>	2018/19	2019/20	2020/21	2021/22	2022/23
Specific Earmarked &	£'000	£'000	£'000	£'000	£'000
<b>General</b>					
<b>General Fund</b>					
<b><i>Specific Contingencies</i></b>					
Waste Management	50	50	50	50	50
<i>General Contingency</i>	42	97	190	264	264
<b>Total GF Revenue</b>	<b>92</b>	<b>147</b>	<b>240</b>	<b>314</b>	<b>314</b>
<b>Housing Revenue Account</b>					
<i>HRA - General Contingency</i>	100	100	100	100	100
<b>Total HRA Revenue</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

30 November 2017

**REPORT OF THE PORTFOLIO HOLDER FOR ASSETS AND FINANCE****COUNCIL TAX BASE 2018/19****EXEMPT INFORMATION**

None

**PURPOSE**

To report the Council Tax Base for the Borough Council for 2018/19.

**RECOMMENDATIONS**

That Tamworth Borough Council resolves its calculation of the Council Tax Base for the year 2018/19 to be 21,438 (2017/18 – 21,093).

**EXECUTIVE SUMMARY**

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

The Authority is required to approve the Council Tax Base.

The Council Tax Base is the total of the number of domestic properties in the Borough, after making deductions for exempt dwellings and for the granting of reliefs and discounts for disabled occupiers, single occupiers and as appropriate empty properties. The figure is also reduced for the properties where Council Tax Support (replacing Council Tax Benefit from April 2013) is given. This is expressed as Band D equivalents.

**OPTIONS CONSIDERED**

Not applicable.

**RESOURCE IMPLICATIONS**

The figure for 2018/19 Council Tax Base is calculated at 21,438. This represents an increase in the current year of 345 or 1.6%.

**LEGAL/RISK IMPLICATIONS BACKGROUND**

If the base is not set in the legally required timeframe it can be calculated by precepting authorities and imposed upon us.

## **SUSTAINABILITY IMPLICATIONS**

None

## **BACKGROUND INFORMATION**

Under the Local Government Finance Act 1992 as amended the Borough Council is required to calculate its Council Tax Base for each financial year and is required to notify Staffordshire County Council, The Office of the Police and Crime Commissioner Staffordshire and Staffordshire Fire Authority by 31 January preceding that financial year.

In accordance with the Local Authority (Calculation of Council Tax Base) Regulations 1992 as amended, the Tax Base for the year 2018/19 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).

*B* is the Authority's estimate of its collection rate for that year. It is recommended that this should be 97.9%.

Applying the collection rate to *A* gives a Council Tax Base of 21,438 (21,898 x 97.9%).

## **REPORT AUTHOR**

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## **LIST OF BACKGROUND PAPERS**

Local Government Finance Act 1992  
Local Authority (Calculation of Council Tax Base) Regulations 1992  
Local Government Finance Act 2012  
Local Authority (Calculation of Council Tax Base) (England) Regulations 2012

## **APPENDICES**

**Appendix A** – Council Tax Base Calculation 2018/19

<b>Appendix A</b>			
Band	Band D Equivalent	LCTS adjustment	Total
A	5,435.8	-1409.9	4,025.9
B	8,344.9	-863.8	7,481.1
C	4,533.6	-206.4	4,327.2
D	3,454.9	-62.5	3,392.4
E	2,001.4	-22.2	1,979.2
F	594.0	-9.8	584.2
G	104.6	-0.9	103.7
H	4.5	0.0	4.5
<b>Total</b>	<b>24,473.7</b>	<b>-2,575.5</b>	<b>21,898.2</b>
	x 97.90%	<b>-2,521.4</b>	<b>21,438.3</b>
<b>Council Tax Base</b>			<b>21,438</b>

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## CABINET

THURSDAY 30<sup>TH</sup> NOVEMBER 2017

### REPORT OF THE PORTFOLIO HOLDER FOR ASSETS AND FINANCE

#### TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY MID-YEAR REVIEW REPORT 2017/18

##### EXEMPT INFORMATION

None

##### PURPOSE

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

##### RECOMMENDATIONS

**That Council be requested to accept the Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2017/18.**

##### 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 2017/18;
- 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 2017/18;
- A review of the Council's borrowing strategy for 2017/18;
- A review of any debt rescheduling undertaken during 2017/18;
- A review of compliance with Treasury and Prudential Limits for 2017/18;
- Revised CIPFA codes and Markets in Financial Instruments Directive II (MIFID II)

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 0.52% (0.59% for the same period in 2016/17) compared to the 3 Month LIBID benchmark rate of 0.18% (0.38% for the same period in 2016/17).

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 was most recently delivered for Members in October 2015 and will be provided as and when required.

## **RESOURCE IMPLICATIONS**

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

## **LEGAL/RISK IMPLICATIONS BACKGROUND**

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.

## **SUSTAINABILITY IMPLICATIONS**

None

## **BACKGROUND INFORMATION**

The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (revised 2011) 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 2017/18 presented to Members this year and therefore ensures the Council is embracing best practice. Cabinet also receives 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."*

## Introduction

The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (revised 2011) was adopted by this Council on 13<sup>th</sup> December 2012.

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 part of the 2017/18 financial year;
- 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 2017/18;
- A review of the Council's borrowing strategy for 2017/18;
- A review of any debt rescheduling undertaken during 2017/18;
- A review of compliance with Treasury and Prudential Limits for 2017/18.

### 1. Economic Update

#### 1.1 UK

After the UK economy surprised on the upside with strong growth in 2016, growth in 2017 has been disappointingly weak; quarter 1 came in at only +0.3% (+1.7% y/y) and quarter 2 was +0.3% (+1.5% y/y) which meant that growth in the first half of 2017 was the slowest for the first half of any year since 2012. The main reason for this has been the sharp increase in inflation, caused by the devaluation of sterling after the referendum, feeding increases in the cost of imports into the economy. This has caused, in turn, a reduction in consumer disposable income and spending power and so the services sector of the economy, accounting for around 75% of GDP, has seen weak growth as consumers cut back on their expenditure.

However, more recently there have been encouraging statistics from the manufacturing sector which is seeing strong growth, particularly as a result of increased demand for exports. It has helped that growth in the EU, our main trading partner, has improved significantly over the last year. However, this sector only accounts for around 11% of GDP so expansion in this sector will have a much more muted effect on the average total GDP growth figure for the UK economy as a whole.

The Monetary Policy Committee (MPC) meeting of 14 September 2017 surprised markets and forecasters by suddenly switching to a much more aggressive tone in terms of its words around warning that Bank Rate will need to rise. The Bank of England Inflation Reports during 2017 have clearly flagged up that they expected CPI inflation to peak at just under 3% in 2017, before falling back to near to its target rate of 2% in two years' time. Inflation actually came in at 2.9% in August, (this data was released on 12 September), and so the Bank revised its forecast for the peak to over 3% at the 14 September meeting MPC. This marginal revision can hardly justify why the MPC became so aggressive with its wording; rather, the focus was on an emerging view that with unemployment falling to only 4.3%, the lowest level since 1975, and improvements in productivity being so weak, that the amount of spare capacity in the economy was significantly diminishing towards a point at which they now needed to take action. In addition, the MPC took a more tolerant view of low wage inflation as this now looks like a common factor in nearly all western economies as a result of increasing globalisation. This effectively means that the UK labour faces competition from overseas labour e.g. in outsourcing work to third world countries, and this therefore depresses the negotiating power of UK labour. However, the Bank was also concerned that the withdrawal of the UK from the EU would effectively lead to a decrease in such globalisation pressures in the UK, and so would be inflationary over the next few years.

The MPC increased Bank Rate to 0.5% in November. The big question is now whether this will be a one off increase or the start of a slow, but regular, increase in Bank Rate. As at the start of October, short sterling rates were indicating that financial markets do not expect a second increase until May 2018 with a third increase in November 2019. However, some forecasters are flagging up that they expect growth to improve significantly in 2017 and into 2018, as the fall in inflation will bring to an end the negative impact on consumer spending power while a strong export performance will compensate for weak services sector growth. If this scenario were to materialise, then the MPC would have added reason to embark on a series of slow but gradual increases in Bank Rate during 2018. While there is so much uncertainty around the Brexit negotiations, consumer confidence, and business confidence to spend on investing, it is far too early to be confident about how the next two years will pan out.

## 1.2 EU

Economic growth in the EU, (the UK's biggest trading partner), has been lacklustre for several years after the financial crisis despite the ECB eventually cutting its main rate to -0.4% and embarking on a massive programme of QE. However, growth picked up in 2016 and now looks to have gathered ongoing substantial strength and momentum thanks to this stimulus.

GDP growth was 0.5% in quarter 1 (2.0% y/y) and 0.6% in quarter (2.3% y/y). However, despite providing massive monetary stimulus, the European Central Bank is still struggling to get inflation up to its 2% target and in August inflation was 1.5%. It is therefore unlikely to start on an upswing in rates until possibly 2019.

### 1.3 USA

Growth in the American economy has been volatile in 2015 and 2016. 2017 is following that path again with quarter 1 coming in at only 1.2% but quarter 2 rebounding to 3.1%, resulting in an overall annualised figure of 2.1% for the first half year. Unemployment in the US has also fallen to the lowest level for many years, reaching 4.4%, while wage inflation pressures, and inflationary pressures in general, have been building. The Fed has started on a gradual upswing in rates with three increases since December 2016; and there could be one more rate rise in 2017 which would then lift the central rate to 1.25 – 1.50%. There could then be another four more increases in 2018. At its June meeting, the Fed strongly hinted that it would soon begin to unwind its \$4.5 trillion balance sheet holdings of bonds and mortgage backed securities by reducing its reinvestment of maturing holdings.

### 1.4 Japan and China

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

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

### 1.5 Interest rate forecasts

The Council's treasury advisor, Link Asset Services (previously known as Capita Asset Services), has provided the following forecast:

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate	0.50%	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%
5yr PWLB Rate	1.50%	1.60%	1.60%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.10%	2.10%	2.20%	2.30%	2.30%
10yr PWLB View	2.10%	2.20%	2.30%	2.40%	2.40%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%
25yr PWLB View	2.80%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB Rate	2.50%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%

As expected, the Monetary Policy Committee (MPC) delivered a 0.25% increase in Bank Rate at its meeting on 2 November. This removed the emergency cut in August 2016 after the EU referendum. The MPC also gave forward guidance that they expected to increase Bank rate only twice more by 0.25% by 2020 to end at 1.00%. The Link Asset Services forecast as above includes increases in Bank Rate of 0.25% in November 2018, November 2019 and August 2020.

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

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

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

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

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

- The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflation pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- UK inflation returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.
- The Fed causing a sudden shock in financial markets through misjudging the pace and strength of increases in its Fed.

Funds Rate and in the pace and strength of reversal of Quantitative Easing, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.

## 2. Treasury Management Strategy Statement and Annual Investment Strategy Update

The Treasury Management Strategy Statement (TMSS) for 2017/18 was approved by Council on 21st February 2017.

There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

## 3. 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.

### 3.1 Prudential Indicator for Capital Expenditure

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

Capital Expenditure by Service	2017/18 Original Programme	Budget B'fwd from 2016/17	Virements to Programme in Year	Total 2017/18 Budget	Actual Spend @ Period 6	Predicted Outturn	2017/18 Revised Estimate*
	£m	£m	£m	£m	£m	£m	£m
General Fund	2.421	2.731	0.245	5.397	0.760	3.236	4.511
HRA	16.413	9.575	-	25.988	4.918	11.961	25.983
<b>Total</b>	<b>18.834</b>	<b>12.306</b>	<b>0.245</b>	<b>31.385</b>	<b>5.678</b>	<b>15.197</b>	<b>30.494</b>

\* Includes potential expenditure slippage into 2018/19

### 3.2 Changes to the Financing of the Capital Programme

The following table 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. Any borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (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.

<b>Capital Expenditure</b>	<b>2017/18 Capital Programme £m</b>	<b>2017/18 Predicted Outturn £m</b>	<b>2017/18 Budget * £m</b>
Unsupported	4.972	0.100	8.214
Supported	13.862	15.097	23.171
<b>Total spend</b>	<b>18.834</b>	<b>15.197</b>	<b>31.385</b>
Financed by:			
Grants - Disabled Facilities	0.224	0.404	0.404
Coalfields Grant	-	0.092	0.222
Section 106's	0.100	0.239	0.239
GF Receipts	0.222	0.407	0.462
GF Reserve	0.180	0.259	0.519
Sale of Council House Receipts	0.114	0.204	0.341
HRA Receipts	0.500	0.513	0.513
HLF Assembly Rooms Lottery	0.316	0.215	0.344
Grants - Assembly Rooms (SLGF)	1.264	0.809	1.334
Public Contributions (Assembly Rooms)	-	-	0.025
HLF/SCC/Donation - Castle Mercian Trail	-	0.508	0.508
MRR	4.213	4.192	6.408
HRA 1-4-1 Replacements Receipts	0.650	0.879	0.879
HRA Reserve	5.009	2.564	7.161
HRA Regeneration Fund	1.070	3.566	3.566
HCA Grant	-	0.246	0.246
<b>Total Financing</b>	<b>13.862</b>	<b>15.097</b>	<b>23.171</b>
<b>Borrowing need</b>	<b>4.972</b>	<b>0.100</b>	<b>8.214</b>

\* includes potential expenditure slippage into 2018/19

### 3.3 Changes to the Prudential Indicators for the Capital Financing Requirement, External Debt and the Operational Boundary

The following 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 – Capital Financing Requirement

We are on target to achieve the original forecast Capital Financing Requirement.



Prudential Indicator – the Operational Boundary for External Debt

Operational Boundary	2016/17	2017/18	2017/18	2017/18
	Outturn £m	Capital Programme £m	Projected Outturn £m	Budget* £m
CFR – Non Housing	0.943	1.885	0.885	0.885
CFR – Housing	68.041	75.255	68.041	76.255
Total CFR	68.984	77.140	68.926	77.140
<b>Net movement in CFR</b>	<b>(0.058)</b>	<b>4.914</b>	<b>(0.058)</b>	<b>8.156</b>
Operational Boundary				
Expected Borrowing	63.060	65.060	63.060	63.060
<b>Total debt 31 March</b>	<b>63.060</b>	<b>65.060</b>	<b>63.060</b>	<b>63.060</b>

### 3.4 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. Gross 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 2017/18 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.

Net Borrowing to CFR	2016/17 Outturn £m	2017/18 Original Estimate £m	2017/18 Projected Outturn £m	2017/18 Budget £m
Gross borrowing	63.060	65.060	63.060	63.060
Less investments	51.211	58.143	57.408	49.194
Net borrowing	11.849	6.917	5.653	13.867
CFR (year end position)	68.984	77.140	68.926	77.140

The Executive Director Corporate Services 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.

<b>Authorised Limit for External Debt</b>	<b>2017/18 Original Indicator</b>	<b>Current Position</b>	<b>2017/18 Revised Indicator</b>
Borrowing	84.292	84.292	84.292
Total	84.292	84.292	84.292

#### **4. Investment Portfolio 2017/18**

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 1, 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 current 0.50% Bank Rate. The continuing potential for a re-emergence of a Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and short-term strategy. Given this risk environment and the fact that increases in Bank Rate are likely to be gradual and unlikely to return to the levels seen in previous decades, investment returns are likely to remain low.

The Council held £64.5m of investments as at 30<sup>th</sup> September 2017 (£50.119m at 31<sup>st</sup> March 2017) and the investment portfolio yield for the first six months of the year is 0.52% against a benchmark of the 3 months LIBID of 0.18%. A full list of investments held as at 30<sup>th</sup> September 2017 is detailed in **APPENDIX 1**.

The Council's budgeted investment return for 2017/18 is £260k, and performance for the year is projected to be £26k below budget, due to continuing low interest rates.

#### **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. Our average return for In House Investments for the period October 2016 to September 2017 was 0.5% compared to the group average of 0.6% (information from CIPFA Benchmarking Report Q2 2017/18). This is considered to be a reasonable 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:

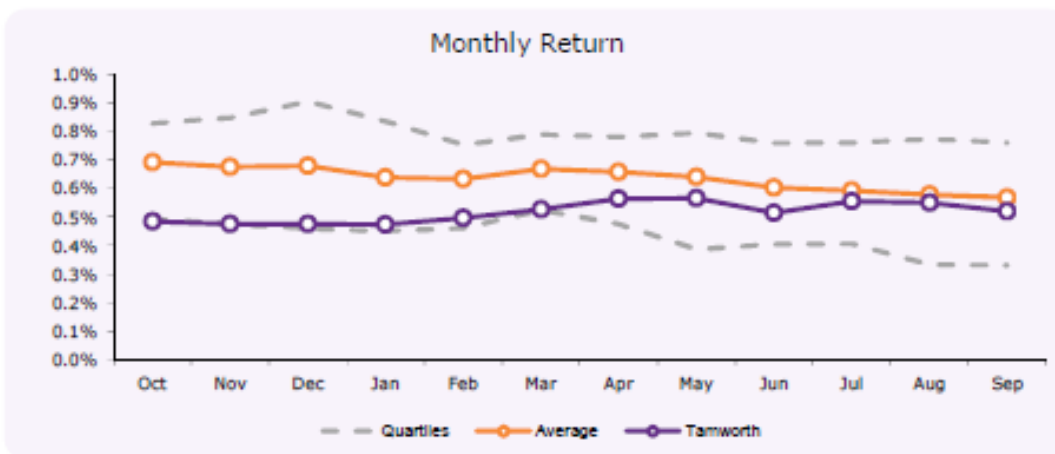
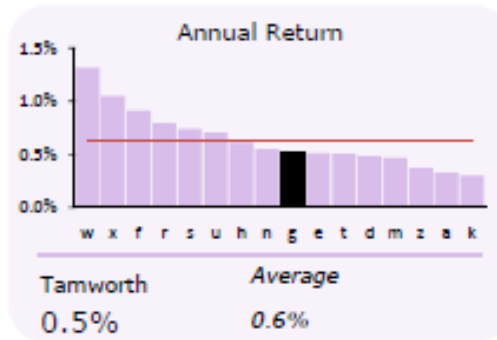
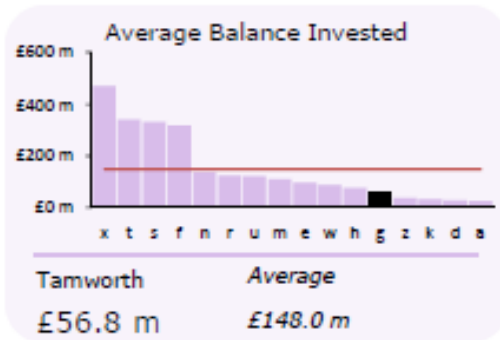
Category	Average Balance Invested £m		Average Annual Return Received %	
	Tamworth Borough Council	CIPFA Benchmarking Club	Tamworth Borough Council	CIPFA Benchmarking Club
Fixed Investments (up to 30 days)	-	0.2	-	0.3
Fixed Investments (between 31 and 90 days)	-	1.2	-	0.3
Fixed Investments (between 91 and 364 days)	29.3	58.4	0.5	0.7
Fixed Investments (between 1 year and 3 years)	-	15.4	-	1.0
Fixed Investments (over 3 years)	-	12.3	-	2.2
Callable and Structured Deposits	-	11.3	-	1.7
Notice Accounts	12.0	22.4	0.7	0.4
Money Market Funds (Constant Net Asset Value)	9.5	24.2	0.2	0.3
Money Market Funds (Variable Net Asset Value)	-	29.2	-	0.6
DMADF	-	0.5	-	0.1
CDs, Gilts and Bonds	6.0	24.7	0.5	1.9
<b>Average of all investments (Managed in House)</b>	<b>56.8</b>	<b>148.0</b>	<b>0.5</b>	<b>0.6</b>

The data above and graphs below display that despite the Council being a small investor in the markets, performance is only marginally lower in those areas where both the Council and other member authorities invest.

The main variances arise from longer term fixed investments (in excess of 1 year) and instruments that the council do not currently get involved with i.e. Callable and Structured Deposits which are longer term deposits which (in line with our use of the Link Asset Services methodology and our approved specified limits in our Treasury Management strategy) are currently prohibited for Tamworth Borough Council and

affirms our 'low appetite for risk' in the continuing unsettled markets.

### Combined In-House Investments (excl. impaired investments)



Monthly Return (Oct 16 - Sept 17)													
	Oct	Nov	Dec	Jan	Feb	March	Apr	May	June	July	Aug	Sept	Year
Balance £'m	58.5	59.9	60.3	60.5	57.9	53.1	53.0	51.4	52.9	54.5	56.0	63.6	56.8
Interest £'k	24.1	23.4	24.3	24.3	22.1	23.8	24.5	24.7	22.3	25.6	26.1	27.1	292.3
Return	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.6%	0.6%	0.5%	0.6%	0.5%	0.5%	0.5%
Upper Quartile	0.8%	0.8%	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Average	0.7%	0.7%	0.7%	0.6%	0.6%	0.7%	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Lower Quartile	0.5%	0.5%	0.5%	0.4%	0.5%	0.5%	0.5%	0.4%	0.4%	0.4%	0.3%	0.3%	0.5%
% Diff from Avg	-0.2%	-0.2%	-0.2%	-0.2%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	0.0%	0.0%	0.0%	-0.1%

### Investment Counterparty Criteria

The current investment counterparty criteria selection approved in the TMSS and as approved by Council on the 21st February 2017 will meet the requirement of the Treasury Management function.

### 5. Borrowing

The Council's estimated revised capital financing requirement (CFR) for 2017/18 is £68.926m. 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. Table 3.4 shows the Council will have estimated borrowings of

£63.060m and has utilised £5.866m of cash flow funds in lieu of borrowing. This is a prudent and cost effective approach in the current economic climate but will require ongoing monitoring in the event that upside risk to gilt yields prevails.

In the first half of the year the Council had no PWLB debt maturing. The capital programme requires additional unsupported borrowing of £8.2m.

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

Use of internal funds is a more efficient use of resources as borrowing rates are significantly higher than investment returns. However, as and when resources are depleted or utilised, the opportunity to use internal balances will decrease and interest charges will increase.

Against this background and the risks within the economic forecast, caution will be adopted with the 2017/18 treasury operations. The Director of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

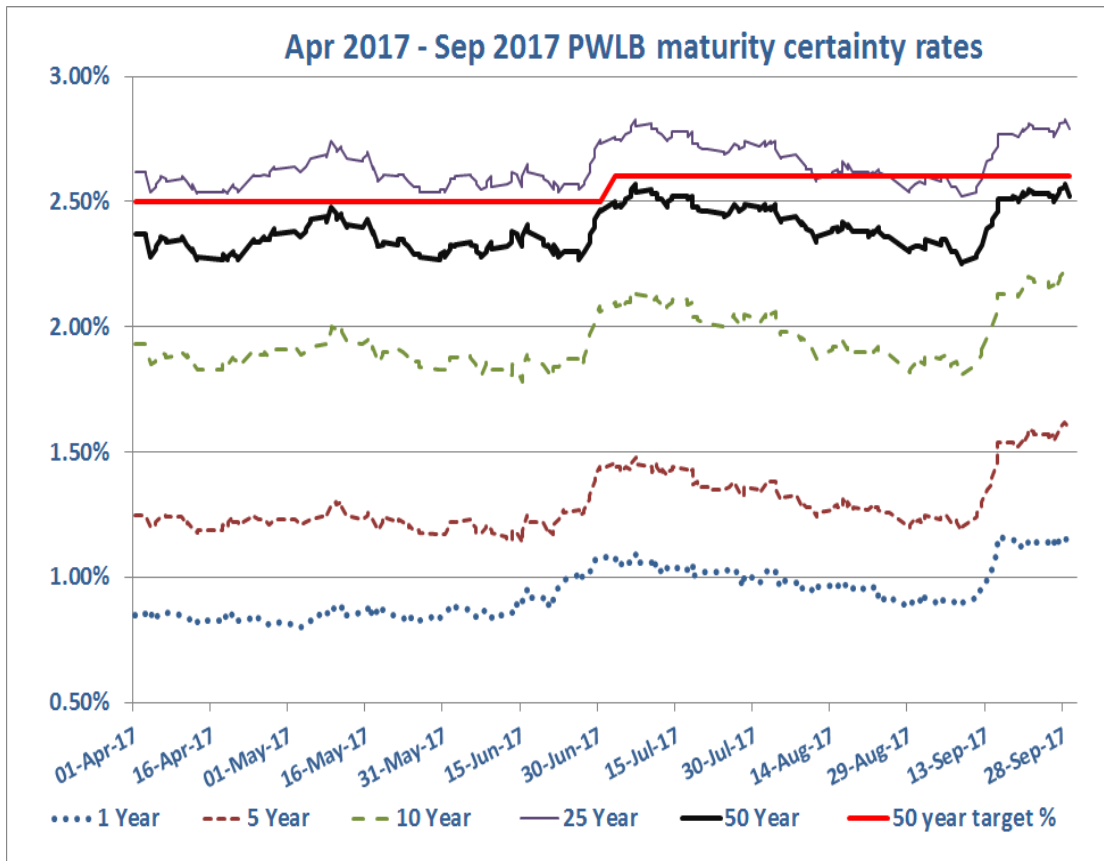
- \* *if it was felt that there was a significant risk of a sharp FALL in long and short term rates (e.g. due to a marked increase of risks around recession or risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.*
- \* *if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they will be in the next few years.*

Given the current economic forecasts for the coming years, it is unlikely that any additional borrowing will be undertaken during 2017/18.

The table and graph below show the movement in PWLB (Certainty Rates) for the

first six months of the year to date:

**PWLB certainty rates 1 April 2017 to 30 September 2017**



	1 Year	5 Year	10 Year	25 Year	50 Year
Low	0.8	1.14	1.78	2.52	2.25
Date	03/05/2017	15/06/2017	15/06/2017	08/09/2017	08/09/2017
High	1.16	1.62	2.22	2.83	2.57
Date	15/09/2017	28/09/2017	28/09/2017	07/07/2017	07/07/2017
Average	0.9408	1.2981	1.9470	2.6475	2.3917

**6. Debt Rescheduling**

Debt rescheduling opportunities have been very limited in the current economic climate given the consequent structure of interest rates, and following the increase in the margin added to gilt yields which has impacted PWLB new borrowing rates since October 2010. No debt rescheduling has therefore been undertaken to date in the current financial year.

**7. Revised CIPFA Codes and MIFID II**

**7.1 Revised CIPFA Codes**

The Chartered Institute of Public Finance and Accountancy (CIPFA) is currently conducting an exercise to consult local authorities on revising the Treasury Management Code and Cross Sectoral Guidance Notes, and the Prudential Code. CIPFA is aiming to issue the revised codes during November.

A particular focus of this exercise is how to deal with local authority investments which are not treasury type investments e.g. by investing in purchasing property in order to generate income for the authority at a much higher level than can be attained by treasury investments. One recommendation is that local authorities should produce a new report to members to give a high level summary of the overall capital strategy and to enable members to see how the cash resources of the authority have been apportioned between treasury and non treasury investments. Officers are monitoring developments and will report to members when the new codes have been agreed and issued and on the likely impact on this authority.

## 7.2 MIFID II

MIFID is the EU legislation that regulates firms who provide services to clients linked to financial instruments and it is now being revised to strengthen consumer protection and improve the functioning of markets in light of the 2008 financial crisis.

The EU has now set a deadline of 3 January 2018 for the introduction of regulations under MIFID II. These regulations will govern the relationship that financial institutions conducting lending and borrowing transactions will have with local authorities from that date. This will have little effect on this authority apart from having to fill in forms sent by each institution dealing with this authority and for each type of investment instrument we use apart from for cash deposits with banks and building societies.

## REPORT AUTHOR

Please contact Stefan Garner, Director of Finance, extension 242, or Jo Goodfellow, Management Accountant , extension 241.

## LIST OF BACKGROUND PAPERS

<i>Background Papers -</i>	<i>Local Government Act 2003</i>
	<i>CIPFA Code of Practice on Treasury Management in Public Services 2011</i>
	<i>Annual Report on the Treasury Management Service and Actual Prudential Indicators 2016/17 – Council 12<sup>th</sup> September 2017</i>
	<i>Treasury Management Strategy &amp; Prudential Indicators Report 2017/18 - Council 21<sup>st</sup> February 2017</i>
	<i>Budget &amp; Medium Term Financial Strategy 2017/18 - Council 21st February 2017</i>
	<i>Financial Healthcheck Period 6, September 2017</i>
	<i>CIPFA Treasury Management Benchmarking Club Report Quarter 2, September 2017</i>

## APPENDICES

### APPENDIX 1 Current Investment List

APPENDIX 1

Investments held as at 30<sup>th</sup> September 2017:  
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Borrower	Deposit £m	Rate %	From	To	Notice
Royal Bank of Scotland	2.00	0.65%	31-Jan-17	30-Jan-18	-
Lloyds Bank	2.00	0.55%	03-Apr-17	03-Oct-17	-
Lloyds Bank	2.00	0.55%	03-Apr-17	03-Oct-17	-
Royal Bank of Scotland	2.00	0.63%	05-Apr-17	04-Apr-18	-
Lloyds Bank	2.00	0.55%	10-Apr-17	10-Oct-17	-
Royal Bank of Scotland	2.00	0.67%	11-Apr-17	10-Apr-18	-
Sumitomo Mitsui Banking Corporation Europe Ltd	2.00	0.36%	18-Apr-17	18-Oct-17	-
Lloyds Bank	1.00	0.55%	28-Apr-17	30-Oct-17	-
Nationwide	1.00	0.37%	09-May-17	09-Nov-17	-
Nationwide	1.00	0.37%	31-May-17	30-Nov-17	-
Lloyds Bank	1.00	0.55%	01-Jun-17	01-Dec-17	-
Royal Bank Of Scotland	2.00	0.61%	05-Jun-17	25-May-18	-
Bank of Scotland	2.00	0.36%	30-Jun-17	02-Jan-18	-
Santander UK plc	8.00	0.70%	03-Jul-17	03-Jan-18	-
Royal Bank Of Scotland	2.00	0.6125%	10-Jul-17	29-Jun-18	-
Santander UK plc	2.00	0.70%	13-Jul-17	15-Jan-18	-
Barclays Bank	2.00	0.34%	17-Jul-17	17-Jan-18	-
Lloyds Bank	1.00	0.36%	09-Aug-17	09-Feb-18	-
Bank of Scotland	2.00	0.36%	10-Aug-17	12-Feb-18	-
Coventry BS	2.00	0.35%	05-Sep-17	05-Mar-18	-
Coventry BS	4.00	0.35%	13-Sep-17	13-Mar-18	-
Barclays Bank	3.00	0.31%	13-Sep-17	13-Mar-18	-
Nationwide	2.00	0.30%	13-Sep-17	13-Mar-18	-
Goldman Sachs International Bank	2.00	0.665%	15-Dec-16	-	180 day
Goldman Sachs International Bank	1.00	0.79%	10-Feb-17	-	180 day
Goldman Sachs International Bank	1.00	0.755%	06-Mar-17	-	180 day
Goldman Sachs International Bank	4.00	0.79%	13-Mar-17	-	180 day
Goldman Sachs International Bank	2.00	0.775%	05-Apr-17	-	180 day
MMF – PSDF	4.47	0.18*	-	-	On call
<b>Total</b>	<b>64.47</b>	<b>0.52 (avg)</b>	-	-	-

\* Interest rate fluctuates daily dependant on the funds investment portfolio, rate quoted is approximate 7 day average.





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30 November 2017

## REPORT OF THE PORTFOLIO HOLDER FOR ASSETS AND FINANCE

## WRITE OFFS 01/04/17 - 30/09/17

## EXEMPT INFORMATION

None

## PURPOSE

That Members endorse the amount of debt written off for the period 01 April 2017 to 30 September 2017 and to seek approval to write off irrecoverable debt in line with policy re Housing Benefit Overpayments and Business Rates in excess of £10k.

## RECOMMENDATIONS

That Members

- 1) Endorse the amount of debt written off for the period of 1st April 2017 to 30th September 2017 – **Appendix A-D**, and:
- 2) Approve the write off of irrecoverable debt for Housing Benefit Overpayments of £35,778.61 – **Appendix E** and Business Rates of £184,355.96 – **Appendix F** respectively.

## 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. The first part of this report shows the position for the period to 30<sup>th</sup> September. Further updates will continue to be produced on a quarterly basis.

Type	01/04/17 – 30/09/17 £ p
Council Tax	£51,004.05
Business Rates	£61,842.47
Sundry Income	£0.00
Housing Benefit Overpayments	£83,953.42

A revised approach to the calculation of Business Rates bad debt has been developed which involves a review of all of the outstanding debts to ascertain whether they are likely to be collectable. This has then been used to determine the balance to apply the usual aged debtor percentage.

Business Rates	01/04/17 – 30/09/17 £ p
Bad Debt provision	£1,026,827.66
Less, amount written off to date under delegated powers	£61,842.47
Amount remaining	£964,985.19

The second part of the report is in respect of debts which are in excess of £10k.

Under Financial Regulations, debts for write-off greater than £10k require Cabinet authorisation and this report details such accounts. The amount for Housing Benefit Overpayments is attached in **Appendix E** and Business Rates **Appendix F**.

**OPTIONS CONSIDERED**

Not applicable

**RESOURCE IMPLICATIONS**

The write offs detailed are subject to approval in line with the Corporate Credit Policy/Financial Regulations, and have been provided for under the bad debt provision calculation.

**LEGAL/RISK IMPLICATIONS BACKGROUND**

Not applicable

**SUSTAINABILITY IMPLICATIONS**

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.

**BACKGROUND INFORMATION**

Debt Write Off

Authorisations are needed to write off debt:

<b>Authority</b>	<b>Account Value</b>
Head of Revenues	up to £1,000
Chief Officer (or authorised delegated officer)	£1,001 - £5,000
Executive Director Corporate Services	£5,001 - £10,000
Cabinet	over £10,000

These limits apply to each transaction

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 Period	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  
e-mail [michael-buckland@tamworth.gov.uk](mailto: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 Revenues and Benefits Services for 01 April 2017 to 30 September 2017

**Appendix E** gives details of Housing Benefit Overpayment write offs for approval

**Appendix F** gives details of Business Rates write offs for approval

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# Appendix A

## Summary of Council Tax Write Offs 01/04/2017-30/09/2017

Date of Write Off	Head of Revenues			Director of Finance	Executive Director Corporate Services	Remitted	Credit Write Off	Reversed Write Off	Total	No. of Accounts (Write Off Only)	Reason(s)	
	(£0.00-£75.00)	(£75.01-£500.00)	(£500.01-£1,000.00)	(£1,000.01-£5,000)	(£5,000.01-£10,000.00)							(£10,000.01 and Over)
14/07/2017								(£5.95)	(£5.95)		Dividend received	
27/07/2017	£746.55								£746.55	35	Uneconomic to pursue	
28/07/2017		£643.92							£643.92	2	Uneconomic to pursue	
"		£262.34							£262.34	1	Deceased	
"		£2,211.32	£4,333.66						£6,544.98	14	Absconded	
31/07/2017								(£81.34)	(£81.34)		Band change	
04/08/2017				£8,502.27					£8,502.27	4	Absconded	
10/08/2017								(£175.78)	(£175.78)		Band change	
17/08/2017								(£19.51)	(£19.51)		Debit adjustments	
"								(£74.80)	(£74.80)		Payments received	
31/08/2017		£363.22							£363.22	1	Deceased	
"		£2,756.60	£4,111.32						£6,867.92	14	Absconded	
02/09/2017								(£64.46)	(£64.46)		Dividend received	
09/09/2017								(£5.98)	(£5.98)		Dividend received	
<b>Q2 Totals</b>	<b>£746.55</b>	<b>£6,237.40</b>	<b>£8,444.98</b>	<b>£8,502.27</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>(£427.82)</b>	<b>£23,503.38</b>	<b>71</b>	
<b>Q1 Totals (B/F)</b>	<b>£1,153.35</b>	<b>£9,369.24</b>	<b>£17,495.48</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>(£445.25)</b>	<b>(£72.15)</b>	<b>£27,500.67</b>	<b>125</b>	
<b>Overall Total</b>	<b>£1,899.90</b>	<b>£15,606.64</b>	<b>£25,940.46</b>	<b>£8,502.27</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>(£445.25)</b>	<b>(£499.97)</b>	<b>£51,004.05</b>	<b>196</b>	

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# Appendix B

## Summary of NDR Write Offs 01/04/2017-30/09/2017

Date of Write Off	Head of Revenues			Director of Finance	Executive Director Corporate Services	Remitted	Credit Write Off	Reversed Write Off	Total	No. of Accounts (Write Off Only)	Reason(s)
	(£0.00-£75.00)	(£75.01-£500.00)	(£500.01-£1,000.00)	(£1,000.01-£5,000)	(£5,000.01-£10,000.00)						
03/08/2017				£58,205.01					£58,205.01	23	Insolvency
<b>Q2 Totals</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£58,205.01</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£58,205.01</b>	<b>23</b>	
<b>Q1 Totals (B/F)</b>	<b>£63.17</b>	<b>£874.65</b>	<b>£2,699.64</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£3,637.46</b>	<b>8</b>	
<b>Overall Total</b>	<b>£63.17</b>	<b>£874.65</b>	<b>£2,699.64</b>	<b>£58,205.01</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£61,842.47</b>	<b>31</b>	



Appendix C

Summary of Sundry Income Write Offs 01/04/2017-30/09/2017

Date of Write Off	Corporate Director Growth, Assets & Environment (£0.00-£999.99) (£1,000.00-£5,000.00)	Director of Transformation & Corporate Finance (up to £5,000.00)	Head of Revenues (£0.01-£999.99)	Director of Finance (£1,000.00-£5,000.00)	Director Communities, Planning & Partnerships (up to £5,000.00)	Director Housing & Health (up to £5,000.00)	Executive Director Corporate Services (£5,000.01-£10,000.00)	Cabinet (£10,000.01 +)	Total	No. of Accounts	Reason(s)
Q2 Totals	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0	
Q1 Totals (B/F)	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0	
Overall Total	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0	

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## Appendix D

### Summary of Benefit Overpayment Write Offs 01/04/2017-30/09/2017

Date of Write Off	Head of Benefits				Executive Director Corporate Services (£2,000.01-£10,000.00)	Cabinet (£10,000.01 and Over)	Total	No. of Accounts	Reason(s)
	(£0.00-£75.00)	(£75.01-£500.00)	(£500.01-£1,000.00)	(£1,000.01-£2,000)					
31.07.2017	£27.81	£961.02			£4,964.03		£5,952.86	6	not financially viable (2012)
"	£160.00						£160.00	3	court costs (2014)
"	£132.53	£538.45					£670.98	7	HB Reg 100 compliant - not recoverable (2017)
"	£21.16						£21.16	2	<£40 o/s (2016)
"	£9.76						£9.76	5	uneconomical to pursue (2014)
"		£413.21	£571.15				£984.36	2	deceased (2013)
"		£274.50					£274.50	3	<2 wks o/s due to death (2017)
31.08.2017	£86.86						£86.86	5	<£40 o/s (2015)
"	£2.60						£2.60	1	uneconomical to pursue (2016)
"	£48.41	£96.23					£144.64	2	not financially viable (2009)
"	£7.82	£659.60	£833.68				£1,501.10	5	HB Reg 100 compliant - not recoverable (2017)
"		£882.21					£882.21	6	<2 wks o/s due to death (2017)
"			£1,545.72		£10,094.49		£11,640.21	4	bankruptcy (2005)
"						£23,770.67	£23,770.67	2	bankruptcy (2005) agreed at Cabinet July 17
30.09.2017	£1.57						£1.57	1	uneconomical to pursue (2017)
"	£42.15	£348.23	£587.67				£978.05	4	not financially viable (2013)
"	£40.00						£40.00	1	court costs (2014)
"	£31.97						£31.97	2	<£40 o/s (2016)
"		£256.70					£256.70	3	<2 wks o/s due to death (2017)
"		£81.91					£81.91	1	absconded (2017)
"	£46.11	£266.69					£312.80	3	HB Reg 100 compliant - not recoverable (2017)
<b>Q2 Totals</b>	<b>£658.75</b>	<b>£4,778.75</b>	<b>£3,538.22</b>	<b>£0.00</b>	<b>£15,058.52</b>	<b>£23,770.67</b>	<b>£47,804.91</b>	<b>68</b>	
<b>Q1 Totals (B/F)</b>	<b>£545.26</b>	<b>£2,674.48</b>	<b>£1,313.07</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£31,615.70</b>	<b>£36,148.51</b>	<b>48</b>	
<b>Overall Total</b>	<b>£1,204.01</b>	<b>£7,453.23</b>	<b>£4,851.29</b>	<b>£0.00</b>	<b>£15,058.52</b>	<b>£55,386.37</b>	<b>£83,953.42</b>	<b>116</b>	



**WRITE OFF REQUEST - DEBTS > £2000**

Academy Reference: 400 [REDACTED]

Name: [REDACTED]

Address: [REDACTED] B79 7RP

£24,099.60 TOTAL d/s

Amount d/s

Invoice: 8569271 Raised: 2/7/10. Period: 23/7/01 - 21/12/09 } £23999.60

Invoice: 8705572 Raised: 2/7/15. Period: COURT COSTS } £100

Invoice: 8714372 Raised: 6/10/15. Period: COURT COSTS. }

CIS CHKD 21/6/17 - Confirmed no entitlement to bases.

Reason for w/o All recovery methods exhausted

Supporting evidence emails from Sherriffs office - continuing failed action.

Write Off requested by: Eayne Chipman Date: 11/7/17

Authorised by: [Signature] Date: 14/7/17

Additional Notes: Original invoice created as a result

of a fraud investigation for LHMW - case was  
just investigator with DWP and was heard in  
court August 2011, she received 10 months sentence,  
suspended for 2 years, 200 hours unpaid work with  
supervision, no costs.

She has not been in employment due to mental  
health issues, her partner paid until Nov 2013 but  
he cannot be held responsible for repayment.

Contact/visit made throughout 2014, [REDACTED] pled  
suicide, was admitted to George Bryant. Despite  
conversation with partner + promises for payment  
nothing has been received.

Court order obtained 27/4/16 [REDACTED] - Mr contacted  
+ offered repayment and again failed to pay  
throughout 2015/16 High Court enforcement action taken  
but no payment made. Discussion held with KT at  
[REDACTED] office.

**WRITE OFF REQUEST - DEBTS >£2000**

Academy Reference: 4- [REDACTED]

Name: [REDACTED]

Address: [REDACTED]

TOTAL: £11,679.01

Invoice: 8653394	Raised: 19/9/13	Period: 4/7/11 - 23/9/13
8671415	2/6/14	
Invoice: 8679158	Raised: 20/8/14	} COURT COSTS
Invoice: 8714369	Raised: 6/10/14	
CIS CHKD YCS 23/6/17		
Reason for w/o ALL ACTION EXHAUSTED - HIGH COURT FILED		
Supporting evidence HIGH COURT RETURN EMAILS		

Amounts  
£11519.01  
£160.00

Write Off requested by: E CHIPMAN Date: 23/6/17

Authorised by: [Signature] Date: 5/7/17

Additional Notes: ORIGINAL INVOICE MISSED DUE TO INVESTIGATION INTO LTAMMS. COURT QUESTIONING HELD JAN 15 AND OFFER OF PAYMENT MADE - ONLY 3X PAYMENTS MADE DURING 2015. HIGH COURT ACTION COMMENCED OCT 15 - FILED AND RETURNED NOV 16. SEVERAL VISITS / LETTERS SENT THROUGHOUT PERIOD 2013-2015 NO FURTHER PAYMENT RECEIVED [REDACTED] IS NOT KNOWN TO WORK OR CLAIM BENEFITS.

[Signature] 5/7/17

## Appendix F

Name	Year	From	To	Balance	Total	Comments
Coton Arms 2013 Ltd	2014/15	01/04/2014	01/04/2015	£ 10,523.48		
	2015/16	01/04/2015	09/04/2015	£ 236.61		
					£ 10,760.09	Dissolved via compulsory strike off 02/06/2015
CS Electrical (Midlands) Ltd	2012/13	01/12/2012	14/12/2012	£ 339.42		
CS Electrical (Midlands) Ltd	2012/13	14/12/2012	01/04/2013	£ 2,125.55		
	2013/14	01/04/2013	01/04/2014	£ 7,045.50		
	2014/15	01/04/2014	01/04/2015	£ 7,182.75		
	2015/16	01/04/2015	05/05/2015	£ 680.00		
					£ 17,373.22	Dissolved via compulsory strike off 05/05/2015
Fashion Retail (Midlands) Ltd	2016/17	05/05/2016	15/11/2016	£ 15,731.44		
					£ 15,731.44	Dissolved via compulsory strike off 15/11/2016
GBLA UK Ltd	2014/15	01/08/2014	10/01/2015	£ 15,925.73		
					£ 15,925.73	Dissolved via compulsory strike off 15/03/2016
Halls Snooker Ltd	2012/13	14/03/2013	01/04/2013	£ 529.79		
	2013/14	01/04/2013	01/04/2014	£ 9,066.75		
	2014/15	01/04/2014	15/05/2014	£ 1,118.50		
					£ 10,715.04	Dissolved via compulsory strike off 26/08/2014
Liric Ltd	2012/13	18/04/2012	11/09/2012	£ 29,128.00		
					£ 29,128.00	Compulsory liquidation 20/12/2013, dissolved 23/09/2016
Miproota Ltd	2012/13	05/11/2012	01/04/2013	£ 3,165.96		
	2013/14	01/04/2013	21/10/2013	£ 4,463.11		
	2013/14	21/10/2013	01/04/2014	£ 2,145.52		
	2014/15	01/04/2014	17/04/2014	£ 301.47		
					£ 10,076.06	Dissolved via compulsory strike off 06/05/2014
Night Realisations Ltd	2012/13	01/04/2012	06/02/2013	£ 7,149.20		
	2012/13	06/02/2013	05/03/2013	£ 7,487.36		
					£ 14,636.56	Administration order 05/03/2013
Orkis Ltd	2013/14	08/02/2014	01/04/2014	£ 5,060.50		
	2014/15	01/04/2014	01/08/2014	£ 11,921.91		
					£ 16,982.41	Dissolved via compulsory strike off 01/09/2015
Quantum Pharmacy Solutions Ltd	2014/15	20/02/2015	01/04/2015	£ 35.00		
	2015/16	01/04/2015	23/02/2016	£ 17,840.08		
					£ 17,875.08	Creditors voluntary liquidation 21/03/2016, dissolved 14/09/2017
Railcare Property LLP	2013/14	07/10/2013	01/04/2014	£ 1,269.75		
	2014/15	01/04/2014	20/02/2015	£ 12,044.30		
					£ 13,314.05	Creditors voluntary liquidation 20/02/2015, dissolved 18/06/2016
Unique Car Solutions (Bodyshop) Ltd	2015/16	18/05/2015	01/04/2016	£ 6,788.77		
	2016/17	01/04/2016	25/11/2016	£ 5,049.51		
					£ 11,838.28	Dissolved via voluntary strike off 13/06/2017
					<b>£ 184,355.96</b>	<b>13 accounts (12 ratepayers)</b>

## CABINET

30 NOVEMBER 2017

### REPORT OF THE PORTFOLIO HOLDER FOR ASSETS AND FINANCE EXISTING CAPITAL FUNDS, RETAINED FUNDS, TEMPORARY AND OTHER RESERVES

#### PURPOSE

To advise Members on the levels of reserves and to seek approval for the return of unspent reserves to balances, following the recent review by the Executive Director Corporate Resources.

#### RECOMMENDATIONS

**Cabinet is asked to**

- 1) Approve the return of the reserves, as detailed in Appendix A, of £238,741 to General Fund balances and £83,500 to Housing Revenue Account (HRA) balances;**
- 2) Note the reserves to be spent in 2017/18 and 2018/19 which will otherwise be returned to balances; and**
- 3) Note the current levels of reserves remaining.**

#### EXECUTIVE SUMMARY

An updated Reserves Policy Statement was adopted by Cabinet on 16<sup>th</sup> February 2017 along with approval, given the accelerated timeline for the closure and preparation of the accounts by 31<sup>st</sup> May each year, that the Executive Director Corporate Resources be given delegated authority to approve the use and creation of reserves at each financial year end.

In order to inform and align with the budget process a major review of the levels of reserves will take place annually at the end of September each year. This will identify and release any unspent funds back to balances. The review builds on the review carried out in April, including provision of updated information on the plans for spend of the retained reserves.

The review has now identified reserves in the sum of £238,741 for return to General Fund balances and £83,500 to Housing Revenue Account balances.

## **OPTIONS CONSIDERED**

None

## **RESOURCE IMPLICATIONS**

A summary of the current levels of reserves is provided at **Appendix A** which identifies £238,741 which can be returned to General Fund balances and £83,500 to Housing Revenue Account balances.

## **LEGAL / RISK IMPLICATIONS**

None

## **SUSTAINABILITY IMPLICATIONS**

None

## **REPORT AUTHOR**

If Members would like further information or clarification prior to the meeting please contact Stefan Garner, Director of Finance (tel. 709242) or Lynne Pugh, Chief Accountant (tel. 709272).

## **APPENDICES**

**Appendix A** – Review of Existing Capital Funds, Retained Funds, Temporary And Other Reserves



APPENDIX A

**EXISTING CAPITAL FUNDS, RETAINED FUNDS, TEMPORARY AND OTHER RESERVES**

TEMPORARY RESERVES, RETAINED FUNDS and PROVISIONS								
Hsg / GF	Reserve	Balance 01/04/2017	Released / Received to Date	Balance @ 02/10/2017	Maximum Fund Balance	Potential Release H/M/L Impact	October Review	Year Created
		£	£	£				
	<b>Future Capital Expenditure</b>							
	Major Repairs Reserve	(2,521,679)					The fund is statutorily ring fenced to finance capital works on council housing, the balance being included in future capital resource projections.	
	Housing Capital Reserve	(11,498,177)	0	(11,498,177)			To finance capital works on council housing, the balance being included in future capital resource projections.	
	Capital Fund	(874,072)	0	(874,072)			To finance general capital works, the balance being included in future capital resource projections	
	Section 106's Capital Fund	(80,467)	8,581	(89,048)			To finance general capital works, the balance being included in future capital resource projections.	2016/17
		<b>(14,974,395)</b>	<b>8,581</b>	<b>(12,461,297)</b>				
	<b>Retained Funds</b>							
	Hsg Property Insurance Excess	(211,184)	0	(211,184)	(215,000)		The level of excess held on the property policy has been increased to £10k and has provided significant savings in premium costs but the cover for future payments will need to be financed from internal funds. The property policy carries a stop loss amount of £150k which represents our maximum exposure before external funds are available.	2010/11
	Housing Condition Survey	(80,100)	0	(80,100)	0		Arrangements are in place to update the existing stock condition data until 2018 at which point a new stock condition survey will be commissioned to determine the housing capital programme for the next five year period	2010/11

TEMPORARY RESERVES, RETAINED FUNDS and PROVISIONS								
Hsg / GF	Reserve	Balance 01/04/2017	Released / Received to Date	Balance @ 02/10/2017	Maximum Fund Balance	Potential Release H/M/L Impact	October Review	Year Created
	Imps Orchard-Funding Home & Tt	(59,040)	0	(59,040)	0		Corporate and Orchard development, new Orchard web base system bring in digital £10,000; Arrears Rents Analytics tool support with rent arrears still to be tendered approx. cost £25,000 to £40,000 pa; Customer Portal with Application Program Interface approx £20,000; Choice Base Letting review of web site approx £30,000. Some cost will have to met from existing revenue budget.	2012/13
	Maintenance & Security Upgrade	(60,285)	0	(60,285)	0		This fund has built up from SP surplus funding for future provision of lifeline upgrades. Future funding for support housing is current under review by DCLG and funding will form part of any future proposal.	2011/12
Page 150	Arts Grants Reserve	(9,594)	0	(9,594)	0	9,594	Used to allocate grant applications to individuals/groups for specific projects. Maintained through the transfer of underspends from the revenue budget. Approval by Grants Sub Committee. Made in accordance with the S137 LG Act 1972 although the requirement to hold the fund is not statutory.	2000/01
	Castle Accession Fund	(15,000)	0	(15,000)	(10,000)	5,000	To enable acquisition of specimens for the museum. Maintained through the transfer of underspends at the year end from the revenue budget.	2000/01
	Insurance-Third Party Excess	(326,013)	(250)	(325,763)	(400,000)		Maintained through insurance budgets in order to finance claims below the excess level on current policies. Enquiries are ongoing into using this reserve to 'self fund' some insurance risks which could result in savings on insurance premiums.	2000/01
	Grants To Local Organisation	(7,363)	0	(7,363)	0	7,363	"To provide financial support to local organisations/groups and maintained by underspends on revenue budget. Made in accordance with S137 LG Act 1972 the requirement to hold funds is not statutory. Approved by Grants sub committee.	2000/01

TEMPORARY RESERVES, RETAINED FUNDS and PROVISIONS								
Hsg / GF	Reserve	Balance 01/04/2017	Released / Received to Date	Balance @ 02/10/2017	Maximum Fund Balance	Potential Release H/M/L Impact	October Review	Year Created
	4 Future Memorial Insp/Maint	(150,000)	0	(150,000)	(150,000)	75,000	Funding for ongoing inspection, testing & maintenance of memorials, to be made through the transfer of annual budget surpluses from burial fees and charges (as reported to Cabinet on 15th November 2005).	2004/05
Page 151	Castle Structure Repairs	(46,011)	0	(46,011)	0		Annual revenue budget is £11,880. No condition survey done since 2005 when £2.5m of conservation work required. Currently this money is needed to fund the following urgent issues in order of priority: Second condition survey to give up to date picture of repair needs; pigeon guano clear-up; Bird of prey pigeon control; Repair of Warders Lodge Roof; directly linked to repair of Ferrers room lath and plaster ceiling; replacement or over-boarding of office lath and plaster ceiling; repair to Great Hall Roof; repair of plaster ceiling in Georgian Corridor; Removal of ceiling paper in all south side rooms and then replacement or repair of all South side plaster ceilings; replacement of Tower timber roof decking; replacement of all track lighting; plaster repairs to Guard Room	2005/06
	Lifecheck/Pct Fund	0	0	0	0	0		2007/08
	Lpsa Reward	(9,140)	0	(9,140)	0		There are plans to utilise these funds which will be included in a report re Homelessness Reduction Act.	2007/08
	Car Parks Maintenance	(25,000)	0	(25,000)	(25,000)		Funds retained to ensure ongoing maintenance programme for outside car parks can be funded appropriately year on year.	2007/08
	Tree Maintenance	(12,755)	0	(12,755)	0		To provide funding for further felling, removal and replanting of trees across the borough.	2007/08

TEMPORARY RESERVES, RETAINED FUNDS and PROVISIONS								
Hsg / GF	Reserve	Balance 01/04/2017	Released / Received to Date	Balance @ 02/10/2017	Maximum Fund Balance	Potential Release H/M/L Impact	October Review	Year Created
	External Support	(11,615)	0	(11,615)	(11,615)		To ensure that funds are available to cover staff sickness/maternity leave or additional support for a special investigation, particularly during shared service arrangements with Lichfield	2015/16
	Lspa Locality Working Reserve	(110,440)	(4,000)	(106,440)	0		LPSA reward funds to support activity across four neighbourhoods.	2010/11
	Staffordshire Hoard	(3,200)	(3,200)	0	0	0		2009/10
	Support For Town Centres	(39,000)	(39,000)	0	0	0		2010/11
	Homelessness Prevention	(281,545)	(155,000)	(126,545)	0		With the introduction of the Homelessness Reduction Act there is unlikely to be sufficient resources within the existing retained fund to meet the anticipated demands placed on the service following implementation of the new legislation. A full review of funds available for homelessness prevention purposes is underway but final confirmation of grant funding and use of Homelessness Prevention Grant to be determined.	2012/13
	Antisoc Behaviour Support Fun	(4,768)	0	(4,768)	0	4,768	External grant funding received from the police and crime commissioner where small under spends have accrued have been allowed to be retained as a reserve to be utilised as and when the need arises to tackle emerging community safety concerns. Included in this retained fund is an amount of external funding received via Staffordshire County Council to tackle anti social behaviour issues.	2009/10

TEMPORARY RESERVES, RETAINED FUNDS and PROVISIONS								
Hsg / GF	Reserve	Balance 01/04/2017	Released / Received to Date	Balance @ 02/10/2017	Maximum Fund Balance	Potential Release H/M/L Impact	October Review	Year Created
	Lpsa2 Grant Asb	(47,964)	(3,360)	(44,604)	0		External grant funding received as a result of achieving targets required in an LPSA2 activities to reduce perceptions of ASB. Part of the fund has been used to commission the services of the victim and witness champion for ASB through Victim Support. Pending review of TCSP the retained fund will be used to support continuation of that funding until 31st March 2018	2010/11
	Dwp Recession Busting Grant	(9,302)	0	(9,302)	(70,000)		This retained fund was established on receipt of DWP grant and pays for additional hours/temp staff cover, and IEG 4 software maintenance, and its retention is vital in light of continuing reductions in admin grant allocated by DWP and DCLG.	2011/12
Page 153	Inward Investment	(32,824)	(2,055)	(30,769)	0		The development of a Place Investment Strategy is a key workstream under the CIS. There are a number of actions associated with developing this workstream which will incur expenditure (production of a strategy, data collection, market intelligence etc) which is unlikely to be incurred until early to mid 2018. There will then be expenditure associated with the actions of the strategy between 2018 and 2020. Therefore all of the retained fund is required	2011/12
	Gf Property Insurance Excess	(20,578)	0	(20,578)	(50,000)		To cover the ongoing commitment to settle the excess level of General fund property insurance claims. The amount to transfer will depend on claims experience at the year end and any adjustment in the premium charged.	2010/11
	Gf Motor Insurance Excess	(21,191)	0	(21,191)	(25,000)		To cover the ongoing commitment to settle the excess level of General fund Motor insurance claims. The amount to transfer will depend on claims experience at the year end and any adjustment in the premium charged.	2010/11
	Asb Residents (Grant Funding)	(4,662)	0	(4,662)	0	4,662	External grant funding received from the DCLG in 2010 to empower residents to decide how the funding is to be spent to tackle ASB. CLG funding is not time limited.	2010/11

TEMPORARY RESERVES, RETAINED FUNDS and PROVISIONS								
Hsg / GF	Reserve	Balance 01/04/2017	Released / Received to Date	Balance @ 02/10/2017	Maximum Fund Balance	Potential Release H/M/L Impact	October Review	Year Created
	Icelandic Interest / Impairment	(200,000)	0	(200,000)	(135,000)	65,000	£135k needed to fund notional loss on settlement - £65k to be returned to balances	2016/17
	Town Hall Improvements	(6,126)	0	(6,126)	(7,000)		To be spent on improvements/decoration/furniture to enable wedding ceremonies to take place in the Town Hall. No other funding exists for such improvements.	2015/16
	Town Centre Markets	(49,303)	0	(49,303)	0		Cabinet agreed in 2011 to retain the contribution made to the Council by LSD Promotions Ltd each year for the rights to operated the town centre market for use for initiatives to support and enhance the town centre. This fund is to be retained to support on going initiatives and events such as Love Your Local Market. It will be retained also to be used for initiatives arising from the Gateways Project, town centre and Cultural Quarter.	2011/12
	Legal Fees	(12,400)	0	(12,400)	0		Annual revenue budget is only £2.4k which is insufficient to cover any legal costs relating to ASB. This fund will give increased capacity and greater flexibility when determining how ASB perpetrators are to be dealt with.	2011/12
	Individual Voter Registration	(108,940)	0	(108,940)	(110,000)	50,000	This retained fund was established from one-off budgets and Government grant received to meet the requirements of the IVR, which has resulted in additional staffing, printing, postage and equipment requirements which will continue into 2017/18 and beyond.	2014/15

TEMPORARY RESERVES, RETAINED FUNDS and PROVISIONS								
Hsg / GF	Reserve	Balance 01/04/2017	Released / Received to Date	Balance @ 02/10/2017	Maximum Fund Balance	Potential Release H/M/L Impact	October Review	Year Created
Page 155	Maint. Of A5 Balancing Ponds	(276,162)	0	(276,162)	(500,000)		When the A5 bypass was constructed, a network of 8 balancing ponds and reedbeds were also constructed alongside it to take excess water from the surface of the road and prevent this water being discharged as either groundwater or surface water, and also to reduce the effects of certain pollutants from the carriageway. Over time these balancing ponds which flow from Kettlebrook through to Tamworth centre become 'silted' up and have to be cleansed. A recent survey of the ponds has highlighted the fact that the original commuted sum set aside to maintain these ponds is insufficient and further funding is required in order to support the proposed 10 year maintenance plan. Therefore it is proposed that the surplus revenue from the Highway Maintenance budget be retained to assist in the delivery of this cleansing and maintenance programme.	2012/13
	Cil	(22,728)	(8,000)	(14,728)	0		The CIL has been submitted to the Secretary of State for examination. We are awaiting an examination date from PINS. It is likely that the majority of funding will be drawn down once the examination has been concluded which may not be until early 2018. However, it is possible that some expenditure will be incurred early in financial year 18/19 as CIL is set up.	2012/13
	Community Cohesion	(8,800)	0	(8,800)	0		DCLG funds to support community cohesion. Community Development service review is due to go to Cabinet in November which will include the review of this retained fund.	2012/13

TEMPORARY RESERVES, RETAINED FUNDS and PROVISIONS								
Hsg / GF	Reserve	Balance 01/04/2017	Released / Received to Date	Balance @ 02/10/2017	Maximum Fund Balance	Potential Release H/M/L Impact	October Review	Year Created
	Public Participation	(9,470)	0	(9,470)	0		"This fund was set up from funding provided by Staffs Police and LPSA to support Participatory Budgeting projects across the locality areas. Community Development service review is due to go to Cabinet in November which will include a review of this retained fund.	2012/13
	Business Rates Collection	(410,380)	0	(410,380)	(600,000)		This retained fund was established from revenue contributions for new burdens (Small Business Rate Relief) grant received by the Council. It is required to mitigate the impact on the budget from fluctuations in business rates receivable (due to the increased risk/reliance on business rates received and the direct impact on the Council's budgets).	2013/14
Page 156	Regeneration Budget	(9,720)	0	(9,720)	0		The Regeneration budget amounts to an annual £10,000. This is insufficient to cover the costs of the feasibility work needed to develop several of the regeneration projects such as the Castle Walls. It is envisaged that this retained fund, plus any underspend from this financial year will be added to next years budget to progress.	2016/17
	VR Savings - Temporary Staffing	(50,000)	(40,167)	(9,833)	0		Approx £40,000 will be drawn down as an interim solution to cover the costs associated with the Arkall Farm. The remainder should be retained as previously agreed to cover temporary staffing or bringing in expert skills.	2013/14
	Sports Grant	(2,400)	0	(2,400)	0		This fund was set up to assist with the maintenance of the local BMX track. It is noted that a claim hasn't been made for a period of time so contact will be made with the BMX club.	2013/14
	Economic Development Shared Se	(34,530)	(34,530)	0	0	0		2015/16



TEMPORARY RESERVES, RETAINED FUNDS and PROVISIONS								
Hsg / GF	Reserve	Balance 01/04/2017	Released / Received to Date	Balance @ 02/10/2017	Maximum Fund Balance	Potential Release H/M/L Impact	October Review	Year Created
	Service Review Sal Protect Wc	(300)	(300)	0	0	0	Reserve used completely	2014/15
	Service Review Sal Protectcctv	(3,460)	(3,460)	0	0	0	Reserve used completely	2014/15
	Housing Strategy Statement	(24,625)	0	(24,625)	0		Following completion of the Private Sector Stock Condition Survey, further associated works have been identified which are scheduled to be completed within the next 18 months.	2014/15
	Healthy Tamworth-Exist Reserve	(16,684)	0	(16,684)	0		Work on health promotions is due to end March 21018 therefore the retained fund will be released and spent within the current financial year	2014/15
191 069 157	Police&Crime Commissioners Grt	(14,654)	0	(14,654)	0	7,354	This reserve is an underspend from the PCC grant 2014/15 total amount £85K and any underspend at year end 2015/16. Due to the grant funding commissioning process whereby some applications did not meet the threshold there is a small underspend. The PCC can have the underspend returned or can allow retention and use in 2017/18. Although the OPCC has indicated funding for future years it is not guaranteed.	2014/15
	Wellbeing Project	(7,440)	(7,440)	0	0	0		2015/16
	Conservation Grants	(16,457)	0	(16,457)	0		To assist in the improvement of the historic town centre and to the upkeep of listed buildings and conservation areas by making a financial contribution via Conservation Grants. It is requested that this budget is retained to meet demand for applications in years when annual revenue budget is insufficient.	2015/16

TEMPORARY RESERVES, RETAINED FUNDS and PROVISIONS								
Hsg / GF	Reserve	Balance 01/04/2017	Released / Received to Date	Balance @ 02/10/2017	Maximum Fund Balance	Potential Release H/M/L Impact	October Review	Year Created
	Local Plan	(24,470)	(24,470)	0	0	0		2015/16
	Rate Refunds	(0)	0	(0)	0	0		2007/08
		<b>(2,907,623)</b>	<b>(325,232)</b>	<b>(2,582,391)</b>	<b>(2,308,615)</b>			
	<b>Temporary Reserves</b>							
	Repairs Contract Pre Mobil	(83,500)	0	(83,500)		83,500	Following successful negotiations to close down the previous contract together with early indications that the costs for the new contract will remain within budget, it is unlikely that this reserve will now be needed and can therefore be returned to balances	2016/17
	Conservation Grants Committed	(5,200)	(5,200)	0		0		2012/13
	Planning Advisory Service Grant	(4,510)	0	(4,510)			It is expected that this will be spent before the end of the financial year. B.Ham City Council have been carrying out legal work in relation to Staffs One Place. The time taken to complete the work has been delayed by competing work pressures and legal issues.	2013/14

TEMPORARY RESERVES, RETAINED FUNDS and PROVISIONS								
Hsg / GF	Reserve	Balance 01/04/2017	Released / Received to Date	Balance @ 02/10/2017	Maximum Fund Balance	Potential Release H/M/L Impact	October Review	Year Created
	FERIS Maintenance fund	10,000	10,000	0		0		2014/15
	HR External Support	(7,000)	0	(7,000)			This reserve is required to ensure backfill/support for the HR team whilst the Head of Organisational Development post remains vacant, and is expected to be released this financial year.	2015/16
	Community Projects	(1,240)	0	(1,240)			To match fund a PCC bid and in addition deliver local health and wellbeing sessions within the community with local groups/organisations (blood pressure tests etc) as part of the Prevention Agenda. This will include the purchase of minor equipment and staff delivery.	2015/16
	Gym Project Community Safety	(4,980)	0	(4,980)			To match fund a PCC bid and in addition deliver local health and wellbeing sessions within the community in local groups /organisations (blood pressure test etc) as part of the Prevention Agenda. This will include the purchase of some minor equipment and staff delivery.	2015/16

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TEMPORARY RESERVES, RETAINED FUNDS and PROVISIONS								
Hsg / GF	Reserve	Balance 01/04/2017	Released / Received to Date	Balance @ 02/10/2017	Maximum Fund Balance	Potential Release H/M/L Impact	October Review	Year Created
	Belgrave Activities	(5,000)	0	(5,000)			We have entered into a partnership agreement with Tamworth Enterprise College Belgrave who are devising and delivering a programme of local activity to the community via their sporting facility. Following the withdrawal of TBC from the dual use agreement Cabinet approved that the funds should be spent within the Belgrave community. It is anticipated that the fund will be spent by the end of March 2018 following receipt and approval of the activity plan from the college.	2016/17
	Planning Appeal	(4,000)	(4,000)	0		0		2016/17
Page 60	Sandy Way Depot Hot Water	(6,765)	(6,765)	0		0	Reserve used completely	2016/17
	CCTV Review	(5,600)	(5,600)	0		0	Survey works being finalised - report of findings to go to Cabinet in November	2016/17
	Highways Programmed Works	(40,000)	0	(40,000)			Reports and costings being finalised by County should be released and used by end of December. Released 13/10/17	2016/17
	Bridge Surveys and Associated Works	(20,000)	0	(20,000)			Reports being finalised to be presented end of September for works programme to be established.	2016/17
	DWP Admin Grant	(31,970)	(31,970)	0		0		2016/17
	Corporate Review of Communications and Marketing	(10,000)	0	(10,000)		10,000	This reserve is to fund the external review of the corporate Comms & Marketing function, which is expected to be completed this financial year.	2016/17

<b>TEMPORARY RESERVES, RETAINED FUNDS and PROVISIONS</b>								
<b>Hsg / GF</b>	<b>Reserve</b>	<b>Balance 01/04/2017</b>	<b>Released / Received to Date</b>	<b>Balance @ 02/10/2017</b>	<b>Maximum Fund Balance</b>	<b>Potential Release H/M/L Impact</b>	<b>October Review</b>	<b>Year Created</b>
	Carnegie Centre Ongoing Costs	(3,200)	(3,200)	0		0	Reserve used completely	2016/17
		<b>(222,965)</b>	<b>(46,735)</b>	<b>(176,230)</b>				
	<b>Commuted Sums Reserves</b>							
	Commuted Sum Open Space S.9c	(504,462)	(3,519)	(500,943)				
	Recreational Facilities	(97,823)	(10,102)	(87,721)				
	Sec 106 Agreement C.S. C'Par	(4,038)	(1,022)	(3,016)				
	Sec 106 Super'N Fee Highways	(424,594)	(0)	(424,594)				
	Sec 106 C.S.- Highways	(252,147)	(110,609)	(141,538)				
	Sec 106 Leisure Facilities	0	111,631	(111,631)				
	Agreement Monitoring	(35,302)	0	(35,302)				
		<b>(1,318,367)</b>	<b>(13,621)</b>	<b>(1,304,746)</b>				
	<b>Other Reserves</b>							
	Building Repairs Fund	(428,337)	0	(428,337)				
	Transformation Reserve	(387,428)	0	(387,428)				
		<b>(815,764)</b>	<b>0</b>	<b>(815,764)</b>				
	<b>Totals</b>	<b>(20,239,114)</b>	<b>(377,007)</b>	<b>(17,340,428)</b>		<b>322,241</b>		

High

(15,418,383)

TEMPORARY RESERVES, RETAINED FUNDS and PROVISIONS								
Hsg / GF	Reserve	Balance 01/04/2017	Released / Received to Date	Balance @ 02/10/2017	Maximum Fund Balance	Potential Release H/M/L Impact	October Review	Year Created
	Medium			(1,599,803)				
	Low - Release GF					(238,741)		
	Low - Release HRA					(83,500)		

THURSDAY, 30 NOVEMBER 2017

**REPORT OF THE PORTFOLIO HOLDER FOR REGENERATION****BROWNFIELD LAND REGISTER PUBLICATION****EXEMPT INFORMATION**

None

**PURPOSE**

To seek approval to publish the Tamworth Borough Council Brownfield Land Register.

**RECOMMENDATIONS**

- That Cabinet approves the publication of the Brownfield Land Register 2017.
- That Cabinet approves delegated authority to the Portfolio Holder for Regeneration and the Head of Managed Growth, Regeneration and Development to make any final changes to the Brownfield Register prior to publication.
- That Cabinet authorises approval of the publishing the Brownfield Register in future years to the Portfolio Holder for Regeneration and the Head of Managed Growth, Regeneration and Development.

**EXECUTIVE SUMMARY**

In 2016 73 councils across England piloted new brownfield<sup>1</sup> registers. Experiences from these pilot councils shaped The Town and Country Planning (Brownfield Land Register) Regulations 2017 (the regulations), which came into force on 16<sup>th</sup> April 2017. These regulations instruct Local Planning Authorities to prepare, maintain and publish a list of brownfield sites, to help improve the quality and consistency of data on brownfield land suitable for housing and accelerate housing development. The Government hopes that the brownfield register will provide much needed upfront certainty in the planning process to encourage investment.

The Brownfield Register will be published by Tamworth Borough Council by the cut-off date of 31<sup>st</sup> December 2017, subject to Cabinet approval, and will be updated on a yearly basis.

**OPTIONS CONSIDERED**

The regulations state that each local planning authority must prepare and maintain a register of previously developed land and that the register must be published by 31<sup>st</sup> December 2017. There are not as yet any punitive measures from government for LPAs that do not publish by the cut-off date but they are actively encouraging publication.

Not publishing the register by 31<sup>st</sup> December 2017 would be a reputational risk. It is understood that the vast majority of LPA's in England will be publishing Part one of the register by the cut-off date. Not publishing Part one of the register would detract from the high performance levels in the planning service.

Publishing both part one and part two of the register by the cut off date is an option that has been considered. At present the council is not in a position to publish Part two of the register as this would require more considerably more resource from both the planning teams and external consultants. No specific budget has been identified for this work in this financial year. It is understood that most other LPA's will be publishing part one of the register only in 2017.

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<sup>1</sup> Brownfield Land is defined in the National Planning Policy Framework as previously developed land

## RESOURCE IMPLICATIONS

Government recognise the added burden placed upon LPAs and have given a 'new burdens grant payment' to each LPA for publishing brownfield registers this financial year. Publishing Part one of the register by 31<sup>st</sup> December 2017 has required officer time only. Updating part one of the register on an annual basis can be met from existing staff resources.

Going forwards, should the council decide to publish any sites in part two of the register, the exact resource implications would be identified and costed at the time. Currently there is no capacity within the planning team to commence this work.

## LEGAL/RISK IMPLICATIONS BACKGROUND

Not publishing the register by the 31<sup>st</sup> December 2017 would pose some reputational damage and detract from the high performance levels of the planning service currently. There will be few if any local authorities that do not publish a Part one register. Part 2 (permission in principle or PiP) of the register involves a greater level of risk in managing development so that it is appropriate and sustainable and site specific constraints are taken into account.

## SUSTAINABILITY IMPLICATIONS

None

## BACKGROUND INFORMATION

### The Brownfield Register

The register is split into two parts:

**Part 1** – a list (compliant with Government Open Data principles) of eligible brownfield sites in Tamworth Borough, which the Council are satisfied are appropriate for residential development.

To be eligible according to the regulations a site must meet the following criteria<sup>1</sup>:

- a) The land has an area of 0.25 hectares or is capable of supporting at least 5 dwellings
- b) The land is *suitable* for residential development
- c) The land is *available* for residential development
- d) Residential development of the land is *achievable*

*Suitable* in relation to residential development requires that the land:

- a) Has been allocated in the Tamworth Local Plan 2006/2031
- b) Has planning permission for residential development
- c) Is in the opinion of the Local Authority appropriate for residential development, having regard to the natural environment, built assets and local amenity.

*Available* in relation to any land means:

- a) The owner or developer has expressed an intention to sell or develop the land
- b) In the opinion of the local authority there are no issues relating to the land that might prevent residential development.

*Achievable* in relation to residential development of any land means that, in the opinion of the local planning authority, the development is likely to take place within 15 years.

All sites deemed eligible according to the criteria above have been entered into Part 1 of the register (see Appendix A).

### Part 2

Part 2 of a brownfield land register is a subset of part 1. Part 2 will comprise of only those sites in Part 1 that the local planning authority has decided that the land would be suitable for a grant of permission in principle for residential development.



Entering sites into Part 2 of the register is more onerous as local planning authorities must undertake the publicity, notification and consultation procedures as set out in the legislation. Entering land into Part 2 of the register or giving "Permission in Principle" (PiP) is effectively an alternative way of obtaining planning permission for residential development. For the first publication of the register no sites will be added to Part 2. The Council will look at suitable sites to be assessed for PiP in 2018.

### **What will be on the Tamworth Brownfield Register?**

For the first Brownfield Register existing information has been used.

Sites entered into the 2017 register have come from:

1. Local Plan 2006-2031 housing land allocations (brownfield only)
2. 2012 SHLAA database
3. Brownfield sites with residential planning permission

Firstly, sites meeting the definition of brownfield, allocated in the plan (with or without planning permission and not commenced) were entered onto the register. Fifteen of these sites were added to the draft register.

Secondly 2012 SHLAA sites were filtered using the criteria outlined in the regulations and a list of fifty-five sites were identified. Twenty-two of these sites were assessed to be suitable, available and achievable according to the regulations.

Finally two brownfield sites meeting the criteria *with* planning permission were entered onto the register, making a total of thirty-nine.

Once sites had been filtered according to the criteria they were put in an 'open data' format, prescribed by the Government. Data included in the register gives details on any planning permission, the size of the site in hectares, the capacity of the site, a link to an online map and any further information.

The resulting completed Brownfield Land Register Report and the open data register can be found in Appendix A. Only columns deemed mandatory by the Government for Part one of the register have been completed.

### **REPORT AUTHOR**

Corinne O'Hare, Planning Policy and Delivery Officer, x278

### **LIST OF BACKGROUND PAPERS**

The Regulations: [http://www.legislation.gov.uk/ukxi/2017/403/pdfs/ukxi\\_20170403\\_en.pdf](http://www.legislation.gov.uk/ukxi/2017/403/pdfs/ukxi_20170403_en.pdf)

### **APPENDICES**

Appendix A: Tamworth Borough Council Brownfield Register 2017

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Appendix A – Tamworth Brownfield Register 2017 (simplified version)

SiteReference	SiteNameAddress	CoordinateReferenceSystem	GeoX	GeoY	Hectares	OwnershipStatus	PlanningStatus	MinNetDwellings	Notes	FirstAddedDate
BR011	Coton's van Hire / Millfields House, Lichfield Road	ETRS89	-1.711400169	52.634996788669	0.66	not owned by a public authority	not permitted	12	Site allocation in TBC LP 2006-2031	31/12/2017
BR039	Co-op filling station	ETRS89	-1.69802109044437	52.6292028766814	0.32	not owned by a public authority	not permitted	12	Site allocation in LP 2006-2031	31/12/2017
BR007	Station Car Park off B5404	ETRS89	-1.67879145993721	52.6111373197741	0.23	not owned by a public authority	not permitted	9		31/12/2017
BR010	Jewsons, Saxon Drive	ETRS89	-1.68630990346063	52.6353242030756	0.51	not owned by a public authority	not permitted	32		31/12/2017
BR005	Arriva Bus Depot, Aldergate	ETRS89	-1.6935138991394	52.6350240588637	0.39	not owned by a public authority	not permitted	40	Site allocation in TBC LP 2006-2031	31/12/2017
BR001	Phoenix Special Purpose Machines, Hospital Street	ETRS89	-1.69554447334806	52.6353914315818	0.31	not owned by a public authority	not permitted	11	Site allocation in TBC LP 2006-2031	31/12/2017
BR008	Hyundai Garage, Lichfield Street	ETRS89	-1.70078461016308	52.6340270426314	0.24	not owned by a public authority	not permitted	12		31/12/2017
BR004	Norris Bros, Lichfield Street	ETRS89	-1.6977460087506	52.6338955846147	0.2	not owned by a public authority	not permitted	20	Site allocation in TBC LP 2006-2031	31/12/2017
BR002	Land off Cottage Farm Road	ETRS89	-1.67968572536971	52.6104201231253	1.5	not owned by a public authority	not permitted	48	Site allocation in TBC LP 2006-2031	31/12/2017
BR009	Factory north of B5404	ETRS89	-1.67370443828017	52.609930745758	0.17	not owned by a public authority	not permitted	7		31/12/2017
BR003	Derelict buildings south of B5404	ETRS89	-1.68052040649704	52.6109042895718	0.17	not owned by a public authority	not permitted	6	Site allocation in TBC LP 2006-2031. Lapsed planning permission 0551/2007	31/12/2017
BR006	Northern Part of Beauchamp Employment Area	ETRS89	-1.67546995853586	52.6107783576017	1.04	not owned by a public authority	not permitted	34	Site allocation in TBC LP 2006-2031	31/12/2017
BR012	Amington Pub	ETRS89	-1.67613802623588	52.6321031427379	0.39	not owned by a public authority	not permitted	14		31/12/2017
BR013	Car Park off Park Farm Road	ETRS89	-1.6850907394807	52.6186015486317	0.42	owned by a public authority	not permitted	34	Site allocation in TBC LP 2006-2031	31/12/2017
BR014	Fazeley Autocentre and Units behind	ETRS89	-1.69707858787965	52.6226176656606	0.52	not owned by a public authority	not permitted	14		31/12/2017
BR015	Sandyback Pub, Overwoods Road	ETRS89	-1.66114474836617	52.600952975175	0.24	not owned by a public authority	not permitted	8		31/12/2017
BR016	Staffs County Council Care Home, New Road	ETRS89	-1.66492747871507	52.6064997657169	0.5	owned by a public authority	not permitted	16	Site allocation in TBC LP 2006-2031	31/12/2017
BR018	Seaton Hire Ltd and land to south, Wilnecote Lane	ETRS89	-1.67585401231111	52.6152830982491	0.36	not owned by a public authority	not permitted	14	Site allocation in TBC LP 2006-2031	31/12/2017
BR019	Royal Mail sorting office, Blythe Street	ETRS89	-1.6836027620758	52.6279001655477	0.39	mixed ownership	not permitted	14		31/12/2017

BR020	Briers Scrapyard, Glascote	ETRS89	-1.67744913495736	52.6291824163786	0.31	not owned by a public authority	not permitted	11		31/12/2017
BR021	JE Harrison Depot, Moor Lane	ETRS89	-1.68083416438998	52.6338325356938	0.15	not owned by a public authority	not permitted	5		31/12/2017
BR022	Units North of Campion Drive	ETRS89	-1.68775771678107	52.6247138249812	0.16	not owned by a public authority	not permitted	6		31/12/2017
BR023	Treetops Garage, Dosthill	ETRS89	-1.68233533895497	52.6003179572244	0.38	not owned by a public authority	not permitted	6	Site allocation in TBC LP 2006-2031	31/12/2017
BR024	Club, Spinning School Lane	ETRS89	-1.69169935517184	52.6354635665457	0.15	owned by a public authority	not permitted	12	Site allocation in TBC LP 2006-2031	31/12/2017
BR025	Youth Centre, Albert Road	ETRS89	-1.69125082886706	52.6358402667107	0.21	owned by a public authority	not permitted	16	Site allocation in TBC LP 2006-2031	31/12/2017
BR026	Job Centre, Saxon Mill Lane	ETRS89	-1.6884226664694	52.6323108440091	0.19	unknown ownership	not permitted	15		31/12/2017
BR027	Former railway goods yard, Wilnecote	ETRS89	-1.67927737253041	52.6126313193725	0.86	not owned by a public authority	not permitted	30	site allocation in TBC LP 2006-2031. Wilnecote regeneration corridor	31/12/2017
BR028	Beauchamp Employment Area	ETRS89	-1.67747204326468	52.6108886848789	0.63	not owned by a public authority	not permitted	18		31/12/2017
BR017	Profile Wrappers, Marlborough Way	ETRS89	-1.66604040850695	52.6254757710995	0.48	not owned by a public authority	not permitted	12	Now Wake engineering. Lapsed pp 0289/2008	31/12/2017
BR029	Petrol filling station, part of Beauchamp Emp Area	ETRS89	-1.67493233930413	52.6102194231475	0.26	not owned by a public authority	not permitted	9		31/12/2017
BR030	Progressive Club, Halford Street	ETRS89	-1.69799739370623	52.6342827243544	0.09	not owned by a public authority	not permitted	6	behind Norris Brothers on Lichfield Street	31/12/2017
BR031	Adjacent to Tame Valley Alloys	ETRS89	-1.66953911497101	52.6009704536682	0.73	not owned by a public authority	not permitted	26		31/12/2017
BR032	Solway Close	ETRS89	-1.70428156954481	52.6440048592988	0.78	owned by a public authority	pending decision	20	TBC owned. In LP 25006-2031. Planning app in with resolution to permit 0424/2015	31/12/2017
BR033	Kettlebrook Road Industrial Estate, South	ETRS89	-1.68358432881117	52.6243991742623	1.05	not owned by a public authority	not permitted	30		31/12/2017
BR034	The Winning Post Pub, Argyle Street	ETRS89	-1.67033044535894	52.6319168892992	0.17	not owned by a public authority	not permitted	6		31/12/2017
BR035	WMC, Bowling Green Avenue	ETRS89	-1.66733382719414	52.6067921813912	0.7	not owned by a public authority	not permitted	20		31/12/2017
BR036	Two Gates Working Mens Club	ETRS89	-1.6824040453728	52.6113111459059	0.66	not owned by a public authority	not permitted	18		31/12/2017
BR037	High Wynard, Highfield Avenue, Amington, B77 3JB	ETRS89	-1.65903108822803	52.6328081709099	0.19	not owned by a public authority	permitted	5	0326/2016	31/12/2017
BR038	10 Colehill, Tamworth, B79 7HE	ETRS89	-1.69099515894775	52.6334977129496	0.05	not owned by a public authority	permitted	5	0467/2016. Change of use of 4 units on ground floor and creation of 5 residential units on first and second floors	31/12/2017



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THURSDAY, 30 NOVEMBER 2017

**REPORT OF THE PORTFOLIO HOLDER FOR COMMUNITIES****TAMWORTH BOROUGH COUNCIL CCTV RESILIENCE AND DEVELOPMENT****PURPOSE**

To understand the current status of Tamworth Borough Council CCTV system and approve further actions to ensure future resilience and development.

**RECOMMENDATIONS**

That Members endorse the findings of this report and recommend that Officers, in consultation with the Portfolio Holder for Communities, explore the options available to provide a resilient and fit for purpose CCTV operation in Tamworth, noting this may:-

- Require capital investment for upgrades
- Require consideration of a new operational model for the provision of CCTV
- Consider future maintenance of ongoing system based on current investment on a planned basis and recognising those limitations

It is further recommended that Cabinet refer this to Infrastructure and Growth Scrutiny Committee in order to seek views on any proposals that come out of this options appraisal.

**EXECUTIVE SUMMARY****Current Equipment**

The audit of the CCTV system has highlighted the fact that the current Synectics analogue operating system is obsolete, and that parts of the digital system will become unsupported in the near future.

Synectics announced the end-of-life (EOL) of all its analogue product portfolio from 31st May 2016 and from this date, recommended the purchase of spare parts to provide reassurance against critical analogue equipment failure.

A major component of the TBC CCTV system is camera control (telemetry) and video switching (the monitor wall and desk monitors) and this functionality is achieved using Synectics analogue equipment, the failure of which represents a significant risk to the day-to-day operation of the service.

Tamworth Borough Council system is not in immediate danger of failure as spares are available at this time, but there is a need for targeted investments to ensure business criticalities in the medium term. The recommendations from the report are as follows:-

Synectics Analogue Matrix and Telemetry Control Interfaces	This control equipment is at the heart of the TBC CCTV scheme and its failure poses a significant risk to the continuity of the CCTV monitoring service. Plans to replace this hardware should be put in place as soon as possible but should form part of a wider system design review and not an insular or knee-jerk decision
Vicon Kollektor Pro Digital Recording Servers	The digital recording hardware is another significantly important component of the TBC CCTV scheme and a planned upgrade or replacement of this hardware should form part of the wider design review of the CCTV monitoring scheme.
Vicon KTX4 Video Encoding Servers	The replacement of these obsolete encoders should form part of any future upgrade plans.
Wireless Network	Review of current wireless network design to consolidate the use of unlicensed 5GHz equipment and move to licensed V-Band and EBand equipment. Shared wireless links with TBC IT Dept should be included in the design review to look at reducing costs and/or increasing capacity.
Existing Analogue Cameras	The existing analogue camera technology is still capable of meeting the original operational requirement (OR) in relation to public-space CCTV monitoring and there is no pressing need to unnecessarily upgrade camera technology to high-definition (HD) or otherwise unless the OR for a specific location(s) changes. The upgrade of analogue cameras to HD without any thought can have an adverse effect on other elements of the scheme, such as the wireless network and digital recording storage. Where necessary, cameras that do need to be upgraded should be replaced on a planned programme of works over a pre-determined amount of time.

## Maintenance

In general, the consultant's report recognises that reactive service and support provided by the current contractor for all current maintenance contracts reflects a good level of service and feedback from the CCTV operators suggests that there are no major issues in terms of response to system faults and call-outs and that, on most occasions, the issue is resolved within an acceptable timeframe.



It has been identified, however that the routine maintenance of the system does not appear to be scheduled and planned in a manner which may allow for some issues to be missed. The consultant recommends that for a system of this size and nature there should be a tailor-made specification for service and maintenance of CCTV and associated systems to ensure that our own requirements are being fully met. This specification should be KPI-based (key performance indicators) for response and fix times and include genuine penalty costs for poor supplier performance.

Current maintenance costs amount to £35,000 per annum across the Council and it is necessary to review and potentially tender for the provision of this service based upon the report.

It is recognised, however, that whilst the equipment is well maintained, due to the fact that the infrastructure and control equipment is outdated, with a mix of analogue and digital cameras and processors a £15K per year capital budget will only cover minimal replacement of cameras and is insufficient to ensure replacement of obsolete equipment.

## **Privacy Zones**

A number of the analogue cameras were reported as requiring some enhanced privacy zones on them. Some of these cameras may not have the capability to have privacy masking zones placed on them due to technology and will need replacing.

Both the Information Commissioner's Office (ICO) and the Surveillance Camera Commissioner (SCC) refer to the twelve (12) 'Guiding Principles' in their respective codes of practice and principles 2 and 3 have particular relevance to privacy:

- "Principle 2 - The use of a surveillance camera system must take into account its effect on individuals and their privacy, with regular reviews to ensure its use remains justified."
- "Principle 3 - There must be as much transparency in the use of a surveillance camera system as possible, including a published contact point for access to information and complaints."

All aspects of this are currently being addressed in order to ensure current equipment and signage is appropriate in order to ensure compliance with these principles. An interim measure is also in place, with some cameras being temporarily switched off as part of this review or restriction in movement undertaken.

The sub-sections of guiding principles also make specific reference to need for privacy impact assessment (PIA) process to be put in place and for this PIA to not only be part of the review process for new camera systems but also part of the review process for justifying the use of existing camera.

The current location and numbers of cameras may not be appropriate for the ongoing needs of the town – there have been new developments around the cameras and significant impact from trees which have since grown and there may be areas which may benefit from provision.

This principle will form part of the review of both current camera locations and has resulted in some cameras already being removed. Seeking a new location and moving fixed cameras does, require substantial capital investment.

Immediate privacy concerns have been addressed to ensure compliance with the code of practice.

### **Remote Sites**

There are several remote sites that are currently not directly included within the main TBC CCTV scheme and, if connected and integrated directly with the main CCTV system hardware, each site could provide an additional capability for enhanced coverage and public-space monitoring.

### **Marmion House**

The existing CCTV system at Marmion House currently utilises Adpro (now Xtralis) FastTrace digital recording and video transmission hardware connected over ADSL broadband to the CCTV control room and uses Adpro Video Central Gold software for remote viewing and control of the cameras.

There are some proposals for revenue savings by connecting the CCTV control room via existing wireless connections.

Furthermore, it is recommended that the digital recording platform at Marmion House is replaced with new to allow for direct integration into the control system currently being used in the CCTV control room – i.e. ViconNet

### **Tamworth Castle**

The CCTV system at Tamworth Castle is currently a standalone system based on the use of American Dynamics hardware installed by ADT.

The system uses a number of static IP dome cameras and several network switches installed around the castle as collection points for groups of local cameras before being connected to a digital recorder in the basement of the castle.

The CCTV system is registered separately with ICO and as such, the site responsible for the control of its own data and is not part of the larger TBC public-space scheme. However, there is a lack of visible signage around the site which should be present to state the need for the use of CCTV and reflect the necessary contact details of data controller in order to be fully compliant with the ICO and Data Protection Act.

To ensure full compliance and consistency with Council policies and practices, it is recommended that the Tamworth Castle CCTV system is integrated directly with the main TBC CCTV scheme via the use of suitable compatible hardware and a wireless link to Marmion House, and this be considered as part of the options appraisal process.

### **Phil Dix House**

The new CCTV system, installed at this site as part of the recent refurbishment to the Tamworth Enterprise Centre, will be linked (via wireless link to nearby camera

location) into the main Council CCTV scheme to allow for remote monitoring via freely available software.

To ensure full compliance and consistency with Council policies and practices, suitable signage is to be installed around the site to be fully compliant with the ICO and DPA.

As part of a future way-forward approach, the CCTV hardware installed at the site should be considered for direct integration into the main TBC CCTV scheme to allow for more pro-active monitoring.

### **Amington Depot**

The site is currently linked to the CCTV control room for monitoring and will need to be considered for any future enhancements to the system.

### **Eringden Flats**

The site is currently linked to the CCTV control room for recording purposes. Tamworth Borough Council Landlord Services are currently looking at options for additional CCTV coverage at this location and this will form part of the review, including additional revenue budgets.

### **Mobile Deployable Cameras**

The Council do not currently have access to mobile deployable cameras which could be used to address short term concerns or anti-social behaviour issues with community safety partners. The report recommends consideration as to their usage and to work in partnership with Staffordshire County Council lighting contractors to use available lampposts and infrastructure to make use of new technology.

## **OPTIONS CONSIDERED**

Significant capital investment by Tamworth Borough Council to upgrade operating system, cameras and control room

Do nothing and update cameras and control room as they exist at present

Consider new models of working

## **RESOURCE IMPLICATIONS**

The options appraisal on the future of the service will need to consider all the financial implications of each option explored.

The current ongoing revenue costs to the Council are estimated at £453,000 per year however, not all costs would be saved should an alternative delivery model be selected. An amount of £65,000 relates to internal support costs and would still need to be met by the council. There are no contributions from partners and the service is not statutory.

The 2017/18 approved capital programme includes an amount of £15,000 per year for the continued investment in the system, which enables replacement of cameras and upgrades where necessary to existing lines.

The cost of additional signage required as outlined above will be met from existing resources.

## **LEGAL/RISK IMPLICATIONS BACKGROUND**

The public CCTV system must be compliant with the Information Commissioner's Office (ICO) and the Surveillance Camera Commissioner (SCC) twelve (12) 'Guiding Principles'

## **SUSTAINABILITY IMPLICATIONS**

To form part of future review reports

## **BACKGROUND INFORMATION**

The public CCTV system in Tamworth was installed in the 1990s in response to public safety issues with Home Officer funding and as part of the contribution to work in partnership for the reduction of crime and disorder.

The control room is based in the town centre within a secure location in Ankerside, has around 76 cameras and is manned 24 hours per day 365 days per year.

The current ongoing revenue costs to the Council are £453,000 per year. There are no contributions from partners and the service is not statutory.

The system has suffered through lack of ongoing substantial investment and is a mix of digital and analogue cameras, wireless, fibre and optical infrastructure and an aging control room.

The continued investment in the system is £15,000 per year, through the approved capital programme which enables replacement of cameras and upgrades where necessary to existing lines.

In 2016 the Information Commissioner introduced Codes of Practice for CCTV systems, including privacy impact assessment, community impact assessments and requires compliance by all authorities.

In order to ensure compliance and ongoing resilience, in January 2017 the Council procured the services of the CCTV consultant to provide a report on the condition and future options for the development of the public CCTV system in Tamworth.

The report requested several options:-

- Complete a full inventory of current CCTV cameras (both IP and radio-link) and associated network equipment to include locations and IT set up including control room assets and recording equipment. Report is required to highlight any special concerns with regard to sight lines and privacy impact

- Provide a complete analysis of the current CCTV system's maintenance contracts – all cameras, network and recording system.
- Conduct a capability and limitations report of CCTV assets and determine the capacity of equipment in terms of anticipated future maintenance and likely ongoing operating options
- Review current operational policy and processes against current ICO Code of Practice and make appropriate recommendation to ensure compliance
- An analysis of upgrading options and development of a future plan to improve current standards of CCTV coverage, recording, operation and viewing systems to enable re-tendering exercise. This must include (but not exclusive) :-
  - Options for re-location of control room
  - Use of remote and mobile camera solutions
  - Solutions to combine all current systems to one monitoring location
  - Options for more operator efficiency savings
  - Review current plans redevelopment of sites with existing cameras at Wilnecote and the Kerria and town centre Creative Quarter (around Assembly Rooms)
- Provide information to form the basis and recommendation for the Council to undertake a tendering exercise for any operational upgrade for the future
- Provide guidance and recommendations on the use of the most appropriate mobile camera technology and associated equipment to allow the Council to make recommendations to Staffordshire County Council lighting contractor for their use at identified hotspots and for future re-deployment for the purposes of public safety/crime detection as necessary and to enable a tendering process for their purchase

## **REPORT AUTHOR**

## **LIST OF BACKGROUND PAPERS**

## **APPENDICES**

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## CABINET

THURSDAY, 30<sup>TH</sup> NOVEMBER 2017

### REPORT OF THE PORTFOLIO HOLDER FOR ENVIRONMENT & CULTURE

#### ARTS AND EVENTS DELIVERY 2018/19

#### EXEMPT INFORMATION

None

#### PURPOSE

To update members on current projects and progress.

Endorse the Mid-Point evaluation submitted to Arts Council England.

To seek approval for the proposed programme of work for 2018-19

To seek approval to the proposed changes to outdoor events booking processes, timelines and requirements and note that once amended that the new procedure's will be presented to Cabinet for endorsement at a later date prior to implementation..

To advise Cabinet of the proposed Policy Change ( Net £15,000) for Outdoor Events 2018/19 Budgets and the proposal to seek approval for the creation of retained fund for the financial year ending 31<sup>st</sup> March 2019

To seek approval for spending the Capital Grant from Arts Council England as part of the Tamworth Assembly Rooms Development Project.

#### RECOMMENDATIONS

1. Endorse the update given on the 2016/17 programme and Arts Council Mid-Point Grant for the Arts Review.
2. Approve the 2018/19 programme
3. Approve the proposed changes to the Outdoor events processes.
4. Note the proposed changes to the Outdoor Events budget which are to be considered as a Policy Change during the 2018/19 Budget Process
5. Approve Capital Grant expenditure.

#### EXECUTIVE SUMMARY

1. Service Overview and Update

Tamworth Arts and Events Service have delivered a wide and varied programme throughout 2016/2017. The programme has received positive feedback from the general public and attracted further funding.

Tamworth Assembly Rooms on Tour has supported over 20 performances taking part across a range of venues in Tamworth. Supporting our community groups whilst empowering our local promoters to run performance in their own community venues is helping keep audiences engaged. The Outdoor events service has continued to grow delivering a strong programme of over 18 events and supporting a further 30 community and commercial events so far to date this year. The Art in Unusual Spaces Programme has seen engagement from over 4500 participants and 54 artists. It has also recently won an award as part of the partnership with the Britain in Bloom Programme.

The arts development service has a strong track record of attracting a range of funding in to Tamworth. The Arts in Unusual Spaces programme is funded by Arts Council England through a Grant for the Arts application of £68,000. As part of this funding arrangement Tamworth Borough Council submits outline reports to give a clear overview of the projects progress. The Mid-point report submitted to Arts Council can be found in Appendix One.

## 2. Programme of Work for 2018/19

The Arts and Events Service will continue to deliver against Council priorities and approved business planning. Tamworth Assembly Rooms Development is now entering the next stage. To facilitate the reopening of Tamworth Assembly Rooms and ensure Tamworth Borough Council makes the most of potential opportunities within the new facility a wide reaching programme of work is currently taking place. This includes support from business planning professionals, catering experts, interior designs and safety professionals. The review aims to ensure the facility complies with all best practice moving forward and creating an arts venue that Tamworth can take great pride in. A proposed programme of work to facilitate this is included in Appendix Two.

## 3. Outdoor Events

The Outdoor events programme has proved a successful model and has created a successful and popular events programme alongside encouraging a wider range of events created by external groups across Tamworth. The service has raised the profile of Tamworth and is now a treasured part of life in Tamworth. The service is currently facing a range of issues that require a review in how the service operates and tackles these issues. Identified issues include:

- Current Tamworth Borough Council Programme at Capacity
- Onus of regulatory bodies has shifted from hirer to Council to ensure legislative compliance.
- Increase in demands due to changes in working practises across authority including changes to toilet facilities and enforcing legislation.
- Increase in external bookings and their requirements.
- Changes to wider market place of outdoor events such as a steep reduction in local authorities running free events and changes in customer preferences.
- Safeguarding Process- Incident has meant we have needed to review and increase current provision and ensure best practise.
- Progressive increase in Costs including Suppliers, PRS, Fireworks, Performer charges.
- National Events impacting on delivery and changing work processes these include recent terrorist attacks focusing on soft targets such as events and high profile event issues due to weather.



## **Hire Process**

Tamworth Borough Council has always had a stringent hire process for events. This is to protect, the organiser, the public and the authority. It is due to this process the standards of events are of high standard and safe calibre ensuring an enjoyable environment for our visitors and residents.

Tamworth Borough Council faces a growing pressure to ensure that all hirers meet a range of legislation requirements. The requirement fall firmly on the authority as premises owners to ensure compliance and recently a number of authorities have found themselves facing investigations and legal procedures. Due to this external hirers are required to complete and supply more information additional work to carry out events safely and provide this evidence to the authority. The outdoor events team strongly feel this is really affecting our groups and are trying to streamline processes and information to make this as simple as possible and user friendly.

The service would like to introduce new guidance and a two tier application process to make the process straight forward. In addition the service would like to put in clear time restrictions in place that will enable event organisers to plan their events safely. This will mean that larger events such as music festivals, food festivals and large run events have to provide the information 4 months in advance of an event, with smaller scale events having more leeway if they meet a clear set of guidelines. This includes that the event is transient in nature, low attendance figure, they are erecting no structure larger than a basic gazebo and have no licensing requirements. Officer discretion will be final.

Following approval from Cabinet to amend the hiring procedure a further Cabinet report will be undertaken to endorse the new procedures.

Outdoor Event Applications have increased both in number and size of event requiring more input from outdoor events service and wider authority.

<b>YEAR</b>	<b>EXTERNAL BOOKINGS</b>
2013	22
2014	18
2015	20
2016	25
2017	30

Due to the changes outlined this is now taking up a significant amount of officer time, the service feel that providing a clear and robust system will enable a better service from Tamworth Borough Council to event organisers and allow plenty of time to ensure event safety is paramount. Enforcing strict application deadlines will help facilitate this.

## **Tamworth Borough Council Outdoor Events Programme**

The events have all increased in size due to their popularity this obviously has an impact on the local infrastructure and staffing requirements. The service has made a range of changes to delivery over the years to meet these changing needs, including increasing income via rents, sponsorship and commercial activities in order to support the growing programme and the delivery of commercial events. However this

year we have faced widespread sharp increases in costs and it is evident these costs will continue to rise. Examples of these increases includes increase in licensing fees and PRS due to increasing numbers pushing the event in to higher capacity brackets, safety equipment and wider equipment issues. In addition the numbers attending events have grown steadily. This impacts the number of staff required and in turn the costs.

**Attendance at Events**

<b>YEAR</b>	<b>ATTENDANCE AT EVENTS</b>
2013	43700
2014	44310
2015	48450
2016	52400 (Includes 1 event cancelled)
2017	52000 (to November 6th 2017) Annual programme expected to exceed 60,000 this year.

**Fireworks Event**

A key event facing the full force of these issues is the annual Fireworks event. The event is now hugely popular meaning visitor numbers have soared. As many authorities have cut events programmes we are now attracting crowds from further afield. This is putting the local infrastructure under great pressure. Managing the capacity without changes to the event is impossible due to the nature of the grounds, this significantly reduces Tamworth Borough Council’s ability to be legally complaint and ensure the safety of those in attendance. An increase in budgets of £20,000 is required to meet this gap to allow the authority to invest in additional staff and safety measures.

In addition the costs of the events are increasing. This is due to increase charges for many of the infrastructure elements of the event such as the fireworks display. The display is getting shorter as a result of this increase. Due to the fireworks coming from abroad, the fall in the pound has a substantial effect over the years and has now effectively reduced the amount of fireworks we use by 20%. The events team have created a range of options to manage this for 2017 but these are short term solutions and a more permanent way forward is required. The 2017 event cost Tamworth Borough Council £30,704.57 against a budget of £18,000. This year the authority has used additional income generated throughout the year of £10,000 to offset this and made savings in other areas of the wider events budget.

The arts and events service has worked hard to increase income for the events and to offset the increase in budget an increase in income targets is also proposed of £5000. Officers would suggest the creation of a retained fund for Outdoor Events Service from any additional income that exceeds targets at the end of the financial year. This would mitigate growing annual costs, in addition to any budget increase longer term, enabling the authority to develop a retained fund to support the programme moving forward.

4. Tamworth Assembly Rooms Development Project Grant

To support the development programme Tamworth Borough Council applied for

Funding from the Arts Council Small Grants Scheme. The programme is very competitive and Tamworth Borough Council was one of 28 successful applicants nationwide in this round. The grant is £365,000 and is to fund the development programme moving in to its next stage and officers are seeking approval to spend the grant as part of the capital project programme as per agreed project objectives.

### **OPTIONS CONSIDERED**

Please see Appendix C

### **RESOURCE IMPLICATIONS**

In order to maintain the event at current levels a policy change of £20,000 will be submitted to Cabinet as part of the 2018/19 Budget Process for Fireworks Event and an income target increase of £5000 . Should the policy change be refused other options may need to be considered.

Approval will be sought from the Executive Director Corporate Resources to create a retained fund from any additional income to support rising costs in future years and equipment expenditure.

Capital Grant of £365,000 has been secured from the Arts Council to support the Assembly Rooms Development Project.

### **LEGAL/RISK IMPLICATIONS BACKGROUND**

The Arts and Events Service has to comply with a wide range of legal requirements. The service is also responsible for advising Tamworth Borough Council to ensure the authority operates within these parameters as both providers and premises owners. Implications of non-compliance are wide reaching and can include prosecution for the authority and officers, fines and reputational damage. In addition noncompliance could place residents and visitors attending the event at risk.

### **SUSTAINABILITY IMPLICATIONS**

Increasing the budget at this point should create a stable platform moving forward. In addition further opportunities for increasing income are currently under review.

### **BACKGROUND INFORMATION**

### **REPORT AUTHOR**

Elanor Hazlehurst Arts and Events Manager

### **LIST OF BACKGROUND PAPERS**

Arts and Events Programme 2016-2017 Cabinet Report October 2015

### **APPENDICES**

1. Grants for the Arts Mid-point project evaluation for Arts in Unusual spaces.
2. 2018/19 Programme of Work
3. Options Considered
4. Images of Projects in 2016/17



## Project information

Reference Submissions
Step
Application
Award Schedule
Offer Letter Acknowledgement

### Grants for the arts

**Applicant name:** Tamworth Borough Council

**Project title:** Arts in Unusual Spaces

**Project number:** GFTA-00005921

**Amount awarded (£):** £68,000

**Report type:** Interim activity report

## Introduction

This online submission allows you to complete either:

- an interim report form (completed during your activity); or
- an activity report form (completed at the end of your activity)

The report forms are pre-populated with information from your original application but you may still find it useful to refer to the submitted application and any changes you have agreed with us when you complete the report.

Please complete all questions marked with a symbol \*. If you do not fill in these questions you will not be able to submit this report.

Interim report form (Grants for £15,000 or more)

If your grant was for more than £15,000, your payment schedule will show that you must complete an interim report form in order to release a payment part way through your activity. This report updates us on your activity's progress and budget to date.

Activity report form (all grants)

Please read this introduction and the information sheet on Final income and expenditure for Grants for the Arts activities carefully before filling in this form.

Everyone who receives a grant from Arts Council England must complete a final activity report form. You should use the information (or 'evidence') collected throughout your project to inform your report.

Our Terms and Conditions for grants specify that you must use the grant exclusively for the activity described in your application form. We are therefore unable to allow you to keep any part of our funding for activity that is not related to the activity we originally funded. If you have any questions relating to this, please contact us before submitting your Activity report form at [grant.management@artscouncil.org.uk](mailto:grant.management@artscouncil.org.uk)

Please note that this online form must only be used for your final report once your activity is complete.

# Evaluation

**1. An outline of the activity delivered to date, and summary of progress against the activity plan:**

No more than 3000 characters.

10 project strands are underway, being delivered by partners, artists and organisations identified in our bid. Below is a status summary for each strand.

\*See Challenges

Touring performances 1/10/16–31/7/18 On target\*  
NPO 'Live and Local' are up-skilling community leaders to develop future venue programming. One outcome is a community church, planning to develop a theatre space.

Roundabout Art 1/9/16–31/12/16 Extended project deadline\*  
Returning artist Luke Perry led consultation to produce a public piece of art raising the local heritage profile. A reviewed time scale allows us to coincide with a larger project, receiving a wider regional reach to celebrate the anniversary of Aethelflaed,

Catch Art 1/2/17–31/7/17 Extended project deadline\*  
Catch Art has enhanced engagement with schools, community groups and artists. Consultation with schools has led to an extended project deadline to match the academic calendar.

Focus 24 1/9/17–31/10/17 Ahead of schedule (expected completion 1/10/16)  
The model of home engagement through social media has been successful receiving many public submissions.

24 Hours in Tamworth 1/9/17-31/10/17 On target  
A series of workshops saw individuals make the 24 hrs in Tamworth film with industry experts. The film launches at the 'We love Tamworth' event taking advantage of high footfalls.

Mercian Mosaic 1/5/17–30/6/17 Extended project deadline\*  
Extending the deadline has enabled us to maximise participation levels and build exposure by linking to the anniversary of Aethelflaed.

Creative Network 1/8/16–30/6/18 On target  
Consultation with Tamworth's Arts sector identified personal career development needs and how we can support. As a result, networking, promotional activity and a website will be launched in early 2018. The newly developed Tamworth Cultural Education Partnership will support this initiative.

Art Attack 1/10/16–31/10/17 On target  
Art Attack has successfully linked with the national campaign, The Big Draw broadening our audience and partnership reach. Various artists are involved from a range of backgrounds, including the Head of Art at South Staffordshire College.

Music Outside 1/8/16–30/9/17 On Target  
Tamworth Jam in partnership with Make Some Noise has enabled us to connect with a younger, creative audience; generated confidence amongst participants and up-skilled their musicianship. Moving forward, the participants have been successful in obtaining a 1 year music industry programme and as an organisation we have successfully produced a Tamworth Busking Policy. CPD days with Mr Wilsons 2nd Liners and local brass bands are planned to take place. Whilst, Local performers have showcased themselves in the Music



Outside bandstand programme.

We Will Remember 1/9/16–13/11/16 Complete

This project has resulted in an original score for Tamworth working with returning artists. Successful re-engagement has up-skilled our choirs, continued local collaboration and ensured quality and trust in the Arts and Events brand.

## **2. Issues/challenges encountered and action taken:**

No more than 3000 characters.

The project has faced a range of challenges most all of which we have felt we have found alternatives for and in some cases have improved the project. They have also provided us with key learning outcomes to apply to the project as it moves forward, particularly around recruitment of participants in some key projects. This has resulted in us delaying the completion of some strands to be able to maximise participation levels and marketing opportunities to celebrate to a wider audience.

The Roundabout Art project started on time however due to various challenges including planning permission, public consultation and the scale of the sculpture, design and manufacturing it has taken longer than initially anticipated. In order to fit in with the Gateway Project timetable and really make the most of the project the sculpture will be installed mid-November (end date was December 2016). Due to the scale of the project and feedback from consultation with historians, we have amended the timetable accordingly to ensure the art work really achieves key goals and also to ensure we are staying as factually correct as possible.

Focus 24 – The workshop element of the project hasn't been as successful as hoped, although social media engagement levels are higher than expected. This is a key learning process that we will be able to use for future programming and public engagement. We believe a lot of the issues were around the timing of workshops and promotion meaning it was often difficult for people to attend. This is something we have addressed moving forward.

Mercian mosaic – We started this strand earlier than planned and will be extending the project to increase participation figures and raise the profile of the project. We are now linking into wider celebrations with the anniversary of queen Aethelflaed. Celebrations will include Talks and tours attended by academics and historians. The mosaic is a very ambitious piece and has received a much larger amount of interest from groups wanting to participant than expected. We felt these changes allowed this to happen and has enabled Artists to work with a wider range of schools, sheltered housing schemes, arts organisations and community groups.

Catch Art - The interest in this project led to partners paying for their own designer bus stop that has been delivered. Unfortunately this bus stop has been vandalised and we are reviewing the bus stops we will be using. However it's important to note positive press around community ownership has given localised exposure to the project and reunited the community into supporting public art. The community were particularly keen to ensure the artwork was repaired and reinstated. This has also led to a review of materials to be used on the project.

## Activity income

We require you to complete an income and expenditure statement for your activity. The first column below shows what you estimated in your application. Please use the second column to show the actual figures for your activity. Please enter full pounds only and check your figures carefully.

For more information about entering income and expenditure, please refer to the Finance section of the 'How to apply' guidance.

### Income summary

If this is an interim report, please give 'Actual' amounts to date.

If this is a final Activity Report Form, please give 'Actual' amounts to reflect the full final income.

Income heading	Budgeted income (£)	Actual income (£)
Earned income	£4,000	£2,000
Local authority funding	£59,000	£22,283
Other public funding	£0	£0
Private income	£0	£0
<b>Income total (cash)</b>	<b>£63,000</b>	<b>£24,283</b>
Support in kind	£19,740	£12,240
<b>Arts Council England funding</b>	<b>£68,000</b>	<b>£34,000</b>
<b>Income total</b>	<b>£150,740</b>	<b>£70,523</b>

Please click the 'ADD' button above the table at the bottom of the page to add items of income.

Income heading	Description	Budgeted income	Actual income
Local authority funding	Tamworth	£59,000	£22,283
Earned income	Sponsorship	£4,000	£2,000
Support in kind	Building Use and Equipment Hire	£19,740	£12,240
Other public funding	Error	£0	£0
Other public funding	Error	£0	£0
Other public funding	Error	£0	£0

## Income details

**Income heading:** Local authority funding  
**Description:** Tamworth  
**Budgeted income (£):** £59,000  
**Actual income (£):** £22,283

## Income details

**Income heading:** Earned income  
**Description:** Sponsorship  
**Budgeted income (£):** £4,000  
**Actual income (£):** £2,000

## Income details

**Income heading:** Support in kind  
**Description:** Building Use and Equipment Hire  
**Budgeted income (£):** £19,740  
**Actual income (£):** £12,240

## Income details

**Income heading:** Other public funding  
**Description:** Error  
**Budgeted income (£):** £0  
**Actual income (£):** £0

## Income details

**Income heading:** Other public funding  
**Description:** Error  
**Budgeted income (£):** £0  
**Actual income (£):** £0

## Income details

**Income heading:** Other public funding  
**Description:** Error  
**Budgeted income (£):** £0  
**Actual income (£):** £0

## Activity expenditure

### Spending (expenditure) summary

If this is an Interim Report, please give 'Actual' amounts to date.

If this is a final Activity Report Form, please give 'Actual' amounts to reflect the full final expenditure.

Expenditure heading	Budgeted expenditure (£)	Actual expenditure (£)
Artistic spending	£64,300	£30,750
Making your work accessible	£0	£0
Developing your organisation and people	£0	£0
Marketing and developing audiences	£29,000	£14,700
Overheads	£16,700	£10,927
Assets - buildings, equipment, instruments and vehicles	£15,000	£156
Other	£6,000	£1,750
Personal access costs	£0	£0
<b>Expenditure total (cash)</b>	<b>£131,000</b>	<b>£58,283</b>
<b>Support in kind</b>	<b>£19,740</b>	<b>£12,240</b>
<b>Expenditure total</b>	<b>£150,740</b>	<b>£70,523</b>

Please click the 'ADD' button above the table at the bottom of the page to add items of expenditure.

Expenditure	Description	Budgeted expenditure	Actual expenditure
Artistic spending	Artist Cost	£64,300	£30,750
Marketing and developing audiences	Marketing and Development plan	£29,000	£14,700
Other	Contingency	£2,000	£0
Overheads	Materials, resource and equipment	£16,700	£10,927
Assets - buildings, equipment, instruments and vehicles	Equipment Hire	£15,000	£156
Other	Evaluation	£4,000	£1,750
Other	Error	£0	£0
Other	Error	£0	£0
Other	Error	£0	£0
Other	Error	£0	£0
Other	Error	£0	£0
Other	Error	£0	£0

## **Expenditure details**

**Expenditure heading:** Artistic spending  
**Description:** Artist Cost  
**Budgeted expenditure (£):** £64,300  
**Actual expenditure (£):** £30,750

## **Expenditure details**

**Expenditure heading:** Marketing and developing audiences  
**Description:** Marketing and Development plan  
**Budgeted expenditure (£):** £29,000  
**Actual expenditure (£):** £14,700

## **Expenditure details**

**Expenditure heading:** Other  
**Description:** Contingency  
**Budgeted expenditure (£):** £2,000  
**Actual expenditure (£):** £0

## **Expenditure details**

**Expenditure heading:** Overheads  
**Description:** Materials, resource and equipment  
**Budgeted expenditure (£):** £16,700  
**Actual expenditure (£):** £10,927

## Expenditure details

**Expenditure heading:** Assets - buildings, equipment, instruments and vehicles

**Description:** Equipment Hire

**Budgeted expenditure (£):** £15,000

**Actual expenditure (£):** £156

## Expenditure details

**Expenditure heading:** Other

**Description:** Evaluation

**Budgeted expenditure (£):** £4,000

**Actual expenditure (£):** £1,750

## Expenditure details

**Expenditure heading:** Other

**Description:** Error

**Budgeted expenditure (£):** £0

**Actual expenditure (£):** £0

## Expenditure details

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**Actual expenditure (£):** £0

## **Expenditure details**

**Expenditure heading:** Other  
**Description:** Error  
**Budgeted expenditure (£):** £0  
**Actual expenditure (£):** £0



## Finance narrative

**Income: You should explain any differences between the actual figures and the original figures in this space using the relevant budget heading.**

Earned Income: To date we have received £2,000 from our Sponsor for the first half of the project, an additional £2,000 of sponsorship is to be finalised in January 2018 for the second part of the project.

Local Authority Funding: This figure is less than the budgeted income as the project is only halfway through its timeline.

**Expenditure: You should explain any differences between the actual figures and the original figures in this space using the relevant budget heading.**

Artist Spend, Marketing, Overheads and Assets: The project is just over halfway through the activity timeline therefore the Artist spend, overheads and assets are below the budgeted expenditure however there are still invoices due for project completion.

**Support in kind: You should explain any differences between the actual figures and the original figures in this space using the relevant budget heading.**

Support in Kind: The Support in kind actual income is less than the budgeted income due to the current project timeline. We are due to receive more support in kind within the next 11 months

## Attachments

You can use the links below to upload documents. Please note that the maximum file size you can upload is 10MB and we accept pdf, MS Word, MS Excel, MS PowerPoint and jpeg files.

**Web link:**

**Web link:**

**Web link:**

Document Type	Required?	Document description	Date attached	Attachment type
Click to add attachment...	No	Interim Report- Budget Breakdown	04/09/2017	Additional information
Click to add attachment...	No	Tamworth Arts in Unusual Spaces Leaflet	24/08/2017	Additional information
Click to add attachment...	No	Project Highlights	25/08/2017	Additional information

## **Attachment details**

**Document description:** Interim Report- Budget Breakdown

**Activity report attachment type:** Additional information

## **Attachment details**

**Document description:** Tamworth Arts in Unusual Spaces Leaflet

**Activity report attachment type:** Additional information

## **Attachment details**

**Document description:** Project Highlights

**Activity report attachment type:** Additional information

# Declaration

## Data protection and freedom of information

We comply with all aspects of the Data Protection Act 1998 – to find out more about how we use your information please read our data protection policy which is available from our website.

As a public organisation we also have to follow the Freedom of Information Act 2000, which may mean we have to provide information about your grant to a member of the public if they request it under the Act.

**Tick this box if you consider any part of your activity report or any supporting documentation to be confidential information and would expect us to treat as such on receipt of a request for information under the Freedom of Information Act.**

Please be aware that if we do receive a request for information we will contact you in the first instance to obtain your views on disclosing the information relating to your application and whilst we will take on board your response above, we cannot guarantee that information will not be provided in response to a request as we are required to approach each case individually and ultimately meet our legal obligations.

## Checklist for submitting your activity report form

**Have you met all the payment conditions attached to your next payment?**

**Have you checked that the bank account details we hold are still correct?**

**I confirm that, as far as I know, the information in this activity report is true and correct.**

**I understand that Arts Council England conduct checks on a sample of applications each year to ensure that the funding is being used appropriately and that it reserves the right to ask grant holders for access to all project management and financial documentation relating to their activity.**

**I confirm I am authorised to submit this activity report.**

**Name:** Laura Hastilow

## Submission summary

Page	Last Updated
<b>Project information</b>	No Input Required
<b>Introduction</b>	No Input Required
<b>Evaluation</b>	24/08/2017
<b>Activity income</b>	04/09/2017
<b>Activity expenditure</b>	04/09/2017
<b>Finance narrative</b>	No Input Required
<b>Attachments</b>	04/09/2017
<b>Declaration</b>	25/08/2017

## Introduction

Over the next two years art in all its forms will be popping up in some unusual spaces across Tamworth.

The project will be made up of a wide variety of exciting and never-before-seen initiatives for Tamworth, including a striking new sculpture for the town centre, bus shelter art, street music, a big draw, a massive community mosaic, theatre in new community locations, a film depicting a day in the life of Tamworth and an original WWI commemorative song performed by local choirs.

We look forward to seeing you there.

Tamworth Arts in Unusual Spaces has been made possible after Tamworth Arts & Events team successfully won funding from Arts Council England.

Page 2 of 3

**We Will remember**

Local poets and performers come together to mark the centenary of World War I in the beautiful venue of St Editha's Church. Including an original score composed by Sophy Smith and conducted by Dan Watson which will be produced and premiered at the event.

**Autumn 2016**

**CREATIVE network**

A new website for artists to highlight the creative talent on offer in Tamworth, developing links for local artists and the creative industries.

**2017 - 2018**

**roundabout art**

The creation of a permanent piece of visual art in the town centre, situated on the roundabout outside Tamworth Railway Station. The commissioned piece will highlight the area's heritage and culture.

**Autumn 2017**

**TOURING THEATRE**

A range of wonderfully exciting theatre, music and public art performances will be found touring around Tamworth.

**2017 - 2018**

**mercian mosaic**

An ambitious community mosaic will be created on the Lower Lawn in the Castle Grounds. The individual tiles will contribute to an overall image of Tamworth.

**Spring 2017**

**Funded by**

Tamworth Borough Council

T I A&E Tamworth Arts & Events

Supported using public funding by

ARTS COUNCIL ENGLAND

**Supported by**

Tamworth Herald

Sturfordshire County Council YOUR LIBRARY

Community Together CIC

TCR fm 106.8 Get Creative



Creating music opportunities for gifted and talented musicians in unusual outdoor spaces.

Plus-an extension of the usual bandstand programme and busking opportunities for talented musicians.

Winter 2016 – Summer 2017



Catch our bus shelter art project. Bus shelters will be improved with artwork designed by members of the community.

Working with local groups and artists to take art into the everyday by creating artwork and murals for bus shelters throughout the town.

Summer 2017



24 hours...  
24 photographs...  
24 exhibition days.

A photography project capturing moments of Tamworth in a 24 hour period. Featuring a number of workshops and social media involvement.

Autumn 2017



24 hour film project providing an insight into the day of lives in Tamworth.

Autumn 2017



A weekend of arts events and activities linked to the world's biggest drawing festival, The Big Draw! Allowing the town centre to come alive as people of all ages are encouraged to pick up a pencil or paintbrush and get creative!

Autumn 2017

Please contact the Arts & Events team if you have a group that would like to participate in these activities.

TARartsdevelopment@tamworth.gov.uk  
Tamworth Assembly Rooms,  
Corporation Street,  
Tamworth,  
Staffordshire B79 7DN

TAMWORTH ARTS IN UNUSUAL SPACES

Tel: 01827 709618

#Tamworth#ArtsinUnusualSpaces  
www.tamworthartsandevents.co.uk





MAY 17  
TAMWORTH JAM  
BUSKING LAUNCH



JULY 17  
IN BLOOM BUS STOP



NOVEMBER 16  
CHOIR REHEARSAL



APRIL 17  
FABULARIUM



AUGUST 17  
SCULPTURE IN  
PROGRESS



JULY 17  
YNDAU FORTE SIXTH  
FORM WORKSHOP



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<b>SERVICE AREA</b>	<b>WORK STRAND</b>	<b>OVERVIEW</b>	<b>LEAD OFFICER</b>
Tamworth Assembly Rooms	Development Project	Re-Development of Tamworth Assembly Rooms	Neil Mason/ Thomas Hobbs/Jody Ross
	Tamworth Assembly Rooms on Tour	Supporting groups who previously used Tamworth Assembly Rooms and continuing a programme of performances.	Jody Ross
	Operations Review	Developing operation plans for building once opening including developing business plans.	Jody Ross
	Community Development Programme	Working closely with Groups across the area to support development and growth to ensure arts thrive in the area. Will also support helping groups become more compliant with current legislation and training requirements.	Jody Ross/Laura Patrick
Outdoor Events	2018 Tamworth Borough Council Programme	St Georges Day – Saturday 21 <sup>st</sup> April  Bandstand Concerts – July – September  Outdoor Theatre – Date to be Confirmed	Laura Patrick

		<p>Outdoor Cinema- Saturday 4<sup>th</sup> August – Date to be Confirmed</p> <p>We Love Tamworth - Saturday 1<sup>st</sup> September</p> <p>Fireworks Night – Saturday 3<sup>rd</sup> November</p> <p>Remembrance Sunday- Sunday 11<sup>th</sup> November</p> <p>Christmas Lights Switch On – Sunday 25<sup>th</sup> November - Date to be Confirmed</p>	
	2018 External Hirers Programme	<p>8 Large Scale Events 25 Smaller Community Events</p>	Laura Patrick
	Remembrance Project	Project to mark anniversary of end of World War One. Details to be confirmed.	Laura Patrick
Arts Development	Touring Theatre	Part of Arts in Unusual Spaces programme funded by Arts Council England. Working with Live and Local continue to develop local promoters to continue to provide arts opportunities in a range of local buildings.	Laura Patrick

	Mercian Mosaic	Part of Arts in Unusual Spaces programme funded by Arts Council England. Large mosaic created by a range of local schools and community groups to be laid out in the Castle grounds as part of the Aethelflaed Anniversary event.	Laura Patrick
	Roundabout Art	Part of Arts in Unusual Spaces programme funded by Arts Council England. Large scale sculpture of Queen Aethelflaed.	Laura Patrick
	Creative Network	Further to our work developing local artists and creative industries work will start to create an online platform and network to highlight work in Tamworth. Graphics team are supporting this.	Laura Patrick/ Simon Piaia
	Community Development Programme	As Above	Jody Ross/ Laura Patrick
	Train Station Gateways Project	Working with a range of partners to improve the look and feel of Tamworth Train station.	Laura Patrick
Marketing	Box Office Review	Current contract is up for review. Will be exploring	Hannah McKenzie

		options to maximise income potential.	
	Marketing and Promotion Campaign	Large scale marketing projects to both support current work and build momentum for new building and operations.	Hannah McKenzie

<b>Option</b>	<b>Overview</b>	<b>Requirements of Local Authority</b>	<b>Advantages</b>	<b>Disadvantages</b>	<b>Resource Implications</b>
Ticket Event-Voluntary Donation	Tickets required for entering site to be booked in advance. Tickets will be free of charge.	Site will need to be full secured with fencing. Additional Staff. Increase demand on TIC team. Large amount of pre event marketing required.	Clear idea of numbers, ability to control capacity. Random bag checks. Increase safety and security. Manageable areas.	Public Image. Public response. Large Fencing costs. Practically difficult to deliver. Changes to operating. Increase in staff. Increase in cost.	Fully securing the Castle grounds will cost a substantial amount of money estimated to be around £30,000. This figure includes installing charges and additional staff to man the fencing, as well as equipment.
Ticket Events-Charge	Tickets required for entering site to be booked in advance. Charge for tickets.	Site will need to be full secured with fencing. Additional Staff. Increase demand on TIC team. Large amount of pre event marketing required	Clear idea of numbers, ability to control capacity. Random bag checks. Increase safety and security. Manageable areas. Increase income	Public perception. Fencing costs. Increase in costs. Practically difficult to deliver. Changes to operating. Affordability for low income families	As above.
Voluntary Donations	Ask the public for voluntary donations for events on site.	Staff with secure donation points. Site security. Secure cash transfers.	Potential for income that can offset costs.	Very poorly received by the public at previous attempts. Very low amounts of income made. Safety issues. Puts staff at risk.	Additional resources will be required to manage current safety concerns but would be offset with donations.

				Issues with cash transfers.	
Cancel Event	Tamworth Borough Council no longer runs an annual fireworks event.	Public Announcement.	Frees up resources. That could be invested in to other commercial events. Removes current risks associated with the event.	Public response. High profile events. Council will face backlash.	Budget commitment remains the same. Options to increase service income.
Reduce Event	The fireworks display can be reduced.	Reduce Current display length and other activities on site. Important to note that this has already taken place and officers feel any further reduction will drastically reduce quality of event.	Requires current investment.	Impact on reputation. Safety concerns remain	Budget commitment remains the same.
Maintain Current levels	To achieve this a budget increase will be required.	Maintain current event as is.	Ensure event continues	If numbers increase further the event will not be safe. Would require year on year budget increase to meet needs. Grounds have a limit of what they can take.	Increase in budget. Increase in budget for Fireworks of £10,000 Fireworks -£3,000 Security/Staffing - £3,000 Equipment -£3,000 Licensing Fee's £1,000
Make event Bi-annual	Run the event every other year.	Budgets can be moved for a larger	Ensures event can run safely and successfully by providing	Currently working well. Elements of public	Combine current budget allowances



		budget in the fireworks year rolling two years of resources in to one. Some budgets can help offset other issues in the current Outdoor Events budget.	resources required. Does not increase financial pressures on local authority.	backlash but minimal.	across the two years.
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## Arts and Events Service 2016-2017

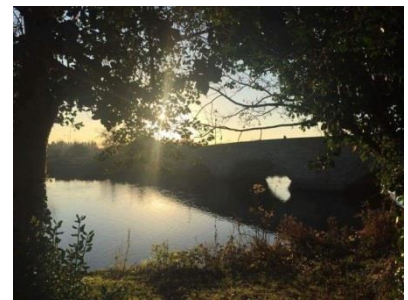
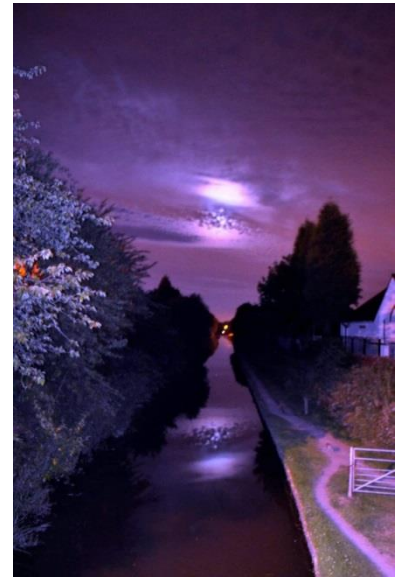


# TAMWORTH ARTS IN UNUSUAL SPACES



# 24 HOURS IN TAMWORTH

# focus 24



# mercian mosaic



# MUSIC OUTSIDE



# We Will remember



# Roundabout art



# TOURING THEATRE



# THE GREAT OUTDOORS

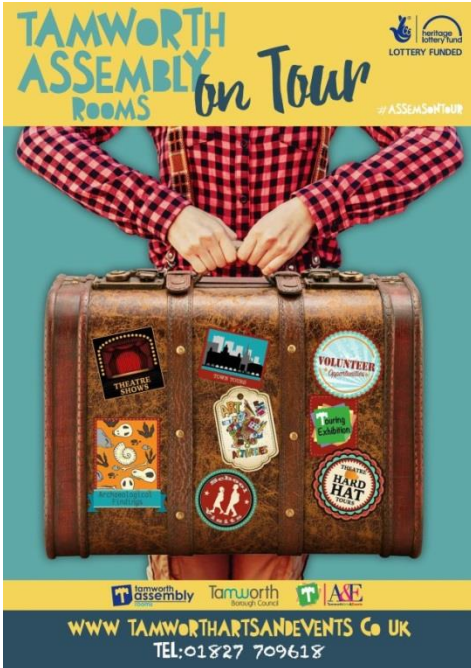




# TAMWORTH ASSEMBLY ROOMS on Tour



#ASSEMBSONTOUR



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THURSDAY, 30 NOVEMBER 2017

**REPORT OF THE PORTFOLIO HOLDER FOR HOUSING SERVICES****VARIABLE RENT POLICY FOR COUNCIL TENANTS****EXEMPT INFORMATION**

N/A

**Purpose**

The scope of the report is to amend the Councils Rent Setting Policy to include arrangements to charge affordable rents on new and affordable housing as detailed in the report.

In accordance with DCLG guidance<sup>1</sup> Local authorities should only let properties on affordable rent terms:

- Where they have a Framework Delivery Agreement in place with the Homes and Communities Agency, under the Government's affordable homes programmes; or
- Where the Homes and Communities Agency have indicated that the new supply they propose to provide represents value for money, for new build affordable housing that is not funded (in part) by Government grant; or
- Where they have an agreement in place with the Secretary of State, to retain additional Right to Buy receipts for investment in new affordable rented homes.

**Recommendations****Cabinet:-**

- Approve the Rent Setting Policy as provided at Annex one detailing the specific arrangements for charging affordable rent as per the DCLG conditions listed above.
- Delegate authority to the Director Communities, Partnerships and Housing in conjunction with the Portfolio Holder of Housing to
  - amend the Rent Setting Policy in line with the changing Government agenda around rent setting and charging.

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<sup>1</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/313355/14-05-07\\_Guidance\\_on\\_Rents\\_for\\_Social\\_Housing\\_Final\\_.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/313355/14-05-07_Guidance_on_Rents_for_Social_Housing_Final_.pdf)

- to vary affordable rent charges in line with HCA grant funding conditions should it differ from the methodology contained in the proposed policy to ensure it maximises commercial opportunities around future grant funding.
- in conjunction with Councils s151 Officer seek a financial waiver to invest in the Orchard Housing Management *Affordable rent* module to ensure efficient rental recovery. In order to oversee the arrangements for investing in the housing management system to ensure digital solution to track affordable tenancy types for the purposes of both re-valuation and rent generation

## Executive Summary

Cabinet approved on the 24<sup>th</sup> November 2016 to charge affordable rents<sup>2</sup> on new build council housing; capped at Local Housing Allowance rates where affordable rent levels were higher. The attached Rent Setting Policy 2017 details the arrangements to give effect to this taking into account the DCLG guidance on rents for social housing as well as legislation detailed in the Welfare Reform Act 2016 and associated Social Housing Rent Regulations 2016.

At the time of the November Cabinet decision there were plans by the Government, confirming that from April 2019, all social sector rents would be subject to the LHA cap. Notice has only been received in the last week (13/11/17) that this will now not go ahead. So there will only continue to be the *under occupancy reductions* of 14% and 25% for additional bedrooms above the householders needs. Housing benefit will continue to be paid and Subsidy claimed on the actual rent charged (reasonable rents less any ineligible service charges which have never been claimed anyway). Whilst this allows the Council to charge above the LHA cap (as benefit will be payable) it is proposed at this stage to continue with the cap until a full affordability assessment can be done with regard to charging up to 80% of market rent for those who are on a low income but ordinarily would be just outside of housing benefit eligibility. Clearly this reduces the overall income available for reinvestment but does mitigate the potential for increased rent charges and bad debt.

An assessment will be undertaken as part of the first review of the rent setting policy and linked to the HRA Business plan update in 2018/19.

To date the Council has plans in place to deliver 19 new build council housing units, noting that the development conditions of accessing partial HCA funding stipulated affordable rent levels. Indicative affordable rent levels have been calculated and other than the 1x4bed at Bloomfield Way are all capped at LHA rates; including the 4 already let at Kirtley. It is proposed that the principles and methodology to calculate these rents will be applied to other new build &/or acquisitions that meet the affordable rent criteria.

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<sup>2</sup> Section 19 of the Social Housing Rents (Exceptions and Miscellaneous Provisions) Regulations 2016 defines Affordable Rent as “an initial rent which is no more than 80 % of the market rent or rent set on a social rent basis (if higher). As the proposed rate will be not be more than 80 % than market rent then it will be classed as an affordable rent.

Additionally acquisitions (either obtained through traditional buy back routes &/or via s.106) using partial HCA funding &/or 1-4-1 right to buy receipts will also be subject to affordable rent levels based on the principles set out in the report and associated policy.

Commercially this benefits the Housing Revenue Account as additional income is generated and the difference between Social (often referred to as formula rents) and affordable rent levels is estimated to provide between c£1,000 and £3,500 per property. Members are referred to the table within the financial implications sections of this report, showing the potential for an additional income of between £27,000 and £69,000 assuming 20 additional properties per annum; which over the medium term potentially generates between £108,000 and £345,000 to support the Councils strategic priorities around investing in new and affordable housing.

As the Council progresses its commercial ambitions around growth and seeks to invest in new and affordable council housing it is expected that income may increase allowing for continued investment to deliver more affordable housing.

In summary by approving the Rent Setting Policy, Cabinet are endorsing key principles seeking to provide clarity and detail around:-

<b>Proposals</b>	<b>Summary Policy Principles and details</b>
Market rent methodology	Market rents are assessed in line with RICs approved methodology as detailed in the policy
LHA cap – calculations and formula	LHA rates are set by the Government and fixed until 2020. LHA rates are published on the Councils website <sup>3</sup> and will be calculated in accordance with the relevant legislation and in conjunction with development partners where HCA funding conditions exist.
Affordable rent for the first 19 new council homes – up to 80% of market rent as shown in the spreadsheet at Annex two	The development agreement with Waterloo (dated 17/2/15) confirms that under clause 10.4.2. rent charges must not be higher than set out in the firm scheme details agreed by the HCA. Rents will therefore be assessed in compliance with that agreement and all relevant terms to maximise income to the Council and in order to secure HCA funding. The illustration at Annex two shows rents are typically between 73%-76% of market rents (capped at LHA) other than 1x4bed at Bloomfield where affordable rent (80%) will be charged as LHA is higher. The rents for these properties have already been agreed by Waterloo on behalf the HCA.
Compliance with tenancy management arrangements with regard to either secure or fixed term tenancies	Unless explicitly stated as part of a separate HCA &/or funding agreements, legal advice has confirmed there is no current legislation that states that affordable rented tenancies should be fixed term automatically. It is therefore recommended that the Council's tenancy management policy would apply and FTT would be offered save continuation of tenancy rights for transferring secure tenants' in compliance with those previously agreed arrangements.
Arrangements to capture social and	Capturing this information will require investment in the Councils Housing management system – Orchard. Initially

<sup>3</sup> <https://www.tamworth.gov.uk/local-housing-allowances-2015-2020>

affordable rents so additional income can be re-invested in new and affordable housing	information will be manually calculated but the policy suggests ongoing monitoring and reporting will benefit from the efficient use of software solutions to reduce duplication & waste hence the recommendation to waive charges to use the Orchard affordable rent module.
Rent Charging generally	The policy states that affordable rents may be charged (capped at LHA rates as applicable) on all partially HCA funded units &/or where 1-4-1 RTB receipts have been used; to comply with relevant site specific HCA agreements. Where neither HCA grant conditions &/or 1-4-1 receipts are not applicable then social rents will apply in accordance with the rent setting regulations. This will allow the Council to charge affordable rents on those properties that become void which were acquired using 1-4-1 capital receipts and could be charged affordable rent legitimately.
Service Charges and affordable rent	The Market rent is assessed to include provision for service charges. The LHA cap is also inclusive of service charges so should there be additional service charges then these will be collected in accordance with the current service charge policy and will not be additional to the LHA rate. When the Council calculates the additional rent it has collected, where it charges an affordable rent instead of a social (formula ) rent, the formula rent used will be exclusive of service charges and where these cannot be passed on to the tenant they will be met from HRA balances as is the case now.

## Financial & Resource Implications

Charging affordable rents presents a significant commercial opportunity to generate additional rental income. Previously Cabinet have decided to cap rents at the LHA rates given previous Government intentions. However, notice has only been received in the last week (13/11/17) that this will now not go ahead. So there will only continue to be the Under Occupancy reductions of 14% and 25% for additional bedrooms above the householders needs. Housing Benefit will continue to be paid and Subsidy claimed on the actual rent charged (reasonable rents less any ineligible service charges which have never been claimed anyway). It is not proposed the full affordable rent is charged until a full affordability impact assessment can be undertaken.

The difference between LHA rates and up to 80% market rents (affordable), based on the figures obtained for the 19 new units, varies between 4 and 7%, and equates to less than £10 per week, which does potentially reduce available income for re-investment by £10,000. That said the additional income generated for re-investment is illustrated below and further business planning can seek to balance income generation with affordability as that is reviewed in 2018/19.

The table below seeks to illustrate potential increased income from charging Affordable rent capped by LHA rent based on assumptions around numbers and property type.

	<b>Average / Formula Rent</b>	<b>LHA</b>	<b>Affordable Rents</b>	<b>LHA - Formula Rent Diff per Week</b>	<b>Total for the year</b>	<b>20 Additional Units</b>
1 Bed		98.48				
2 Bed	94.90	123.41	132.35	28.51	1,368.48	27,370
3 Bed	106.94	140.26	150.00	33.32	1,599.36	31,987
4 Bed	113.23	184.89	170.00	71.66	3,439.68	68,794

The second table illustrates potential income forgone by charging Affordable rent capped by LHA rent compared to Affordable rents at 80% of Market rent, based on assumptions around numbers and property type.

	<b>Average / Formula Rent</b>	<b>LHA</b>	<b>Affordable Rents</b>	<b>Affordable Rent - LHA per week</b>	<b>Potential Income lost per unit per week</b>	<b>Potential Income lost per 20 unit</b>
1 Bed		98.48				
2 Bed	94.90	123.41	132.35	8.94	8.94	8,582
3 Bed	106.94	140.26	150.00	9.74	9.74	9,350
4 Bed	113.23	184.89	170.00	0.00	0.00	0

It should be noted that in the example above as the LHA capped rent is greater than market rent for the 4 bed property no potential income is forgone.

The difference between social and affordable rents varies based on property type between £28 and £71pw as per the illustration above for the new build properties. As Housing benefit is payable, those claimants in receipt of maximum housing benefit will have their rent costs covered. However those not in receipt of housing benefits (either partial or wholly) may have a higher rent charge.

The illustration at Annex two shows that the typical affordable rent charge is between 73%-76% of market rent. Affordable rent will be capped at LHA rates unless 80% of market rent is less, in line with the Cabinet decision on the 24<sup>th</sup> November 2016. Currently the only property where LHA cap does not apply is the new build property at Bloomfield Way (1x4bed) where the LHA cap represents 87% of market value and therefore in this case (and it is proposed in similar cases) the cheaper rent applies – affordable rent.

As the HRA business planning assessment is undertaken affordability will be a key consideration as the Council can charge up to 80% of market rent noting the formula rent represents a charging floor. It is also confirmed that currently Housing benefits will pay up to 80% of market and this will be a future commercial consideration as there is opportunity to charge more.

Members should note affordable rents are subject to the requirement to reduce rents by 1% in each of the four years from 2016; should this reduction be changed this

would affect the rents going forward and will be built into the usual budget setting process.

Local Allowance Rates have been set for 5 years from 2015-2020 and should this be revised then this will affect the current calculations.

When tenancies are let on an affordable rent basis and relet then this will also trigger a reassessment and is likely to incur additional administrative costs which can be met from existing budgets whilst the numbers are relative modest; however this will be kept under review.

Costs of investment in the development of the Orchard Housing Management System, allowing for efficient management of affordable tenancies for the purposes of re-valuations and to assess income for re-investment is likely to up to a maximum of £10k. It is recommended that a financial waiver is sought to progress this development within Orchard and these costs can be met from existing budgets.

**Legal & Risk Implications**

<b>Risk</b>	<b>Mitigation</b>
<p>Tenants’ dissatisfaction as those liable for affordable rent will see higher rental charge from those social renting.</p>	<p>Rent will be capped at the LHA rate and although it has been confirmed in the last week that housing benefit will pay social tenants up to affordable rent levels (if eligible) it is recommended that this is assessed as part of the wider HRA business plan vis affordability and how this is balanced with commerciality. Equally the exact details behind the LHA cap and the Governments clear intention and decision are not known in full so this avoids the potential for rent subsidy to be affected should the Government review its approach as part of the Autumn budget.</p> <p>The current proposal is that only those properties delivered with HCA grant conditions &amp;/or those acquired using 1-4-1 RTB capital receipts will attract affordable rents. For 2017/18 this is likely to be less than 10% of the overall stock.</p> <p>As other commercial opportunities are progressed this could increase as decisions around social and affordable rent levels are not confirmed at this stage on those schemes.</p> <p>The Housing Revenue Account Business Plan update planned for April 2018 will consider future commercial opportunities</p>



	around affordable rent and will be cognisant of the Councils position vis maximising income.
Unable to let the properties due to affordability	The Councils Finding a Home lettings scheme is popular and given the LHA cap arrangements it is not a material risk.  Elsewhere the Council is reviewing its allocations policy and consideration will be given to issues of affordability in relation to reviews of the suitability of offers.
Increase in rent arrears if tenants are not in receipt of welfare benefits	Robust action is in place to monitor rent accounts and offer support to tenants where appropriate
1% reduction over the next financial years could eventually result in affordable rent being lower than the LHA	The Rent setting policy (at annex one on point 4.25) does confirm that affordable rent will be no lower than the potential formula rent for the property. In cases where the affordable rent would be lower, then the formula rent will constitute a floor for the rent to be charged however this is extremely unlikely.
If tenants have to pay for service charges not covered by housing benefit then rent arrears could increase	Robust recovery mechanisms are in place to monitor rent accounts and offer support to tenants if appropriate
The government makes changes to the LHA allowance	Staff are regularly updated on Government changes to Housing and will plan for any changes

## Matters for Consideration

### Rent Setting Context

Charting the history of rent setting - in 2002 the Labour Government introduced a rent convergence policy under which, over a ten year period, rents in social housing (local authority and housing association owned stock) were to be brought into alignment.<sup>4</sup>

A rent formula was established with actual rents moving towards a national formula rent which took account of values of properties and local earnings relative to national earnings. A 'bedroom weighting' factor was also applied to try and ensure the resulting rents better reflected the perceived value of the properties. These formula rents were increased each year by the Retail Prices Index (RPI) + 0.5%.

The Coalition Government continued this rent setting process with (initially) a revised target convergence date for local authorities of 2015-16, subject to a maximum annual rent rise for an individual tenant of RPI + 0.5% + £2 per week.

<sup>4</sup> <http://researchbriefings.files.parliament.uk/documents/SN01090/SN01090.pdf>

As part of the 2013 Spending Round the Coalition Government announced that “from 2015-16 social rents will rise by CPI plus 1% each year for 10 years.” Following this announcement, DCLG sent a letter to housing bodies on 2 July 2013 in which plans to cut short the policy of converging council and housing association rents were revealed. Social landlords whose average rents had not yet reached target levels were concerned about the implications for their ability to repay debt and invest in new and existing social housing stock, but the certainty delivered by a 10-year rent settlement was welcomed.

The Draft Guidance on Rents for social housing from 2015 to 2016 consultation was published in October 2013 with a summary of responses published in May 2014. At the same time, the Government published its policy on rents for local authority owned social housing from April 2015 onwards - Guidance on rents for social housing. The guidance confirmed the intention to proceed with its policy of ending rent convergence in April 2015, and that CPI plus 1% would form the basis of rent increases for the next ten years.

Arrangements for the 10 year settlement ended on 8 July 2015 (Summer Budget 2015) when the Chancellor announced that rents in social housing would be reduced by 1% a year for four years resulting in a 12% reduction in average rents by 2020-21. The measure was forecast to save the treasury £1.4 billion by 2020-21, primarily in reduced Housing Benefit expenditure. Around 1.2 million tenants not in receipt of Housing Benefit in the social rented sector were expected to benefit by £700 per year (current prices).

The Office for Budget Responsibility (OBR) predicted an overall reduction in housing investment as a result of the rent reduction policy. The measure has been implemented through provisions contained in the Welfare Reform and Work Act 2016.

### **New and Affordable Housing Delivery**

In line with previously agreed development proposals the first four 2 bedroom houses in Kirtley, Glascoate were successfully let on the 13<sup>th</sup> October 2017. Using the principles in the policy all 4 properties were let on affordable rents (capped at LHA rates) as affordable rent levels were higher (as per annex two).

The remaining 15 properties are anticipated to be available before Christmas and will be let at the rent levels in the attached annex two.

### **Next Steps**

The Rent Setting Policy 2017 will be kept under review and as Government and regulatory changes arise with regard to rent setting these will be reported to the Portfolio Holder of Housing. A review of the Housing Revenue Account Business Plan is on the Council's forward plan for April 2018 and this will review all available commercial opportunities in line with the Council's ambitions and strategic priorities.

The Housing White Paper, *Fixing our broken housing market*, (February 2017), includes a commitment to develop a rent policy for social landlords beyond 2020. Progress of this will be monitored and reflected in the medium term financial strategy which details opportunities and risks around budget setting.

**Author:** Tina Mustafa Head of Landlord Services & Sue Philp ext. 467

**Background papers**

**Appendices:**

Annex One Rent Setting Policy

Annex Two – Rent illustrations on New Build

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**Housing Landlord Services**

**Rent Setting Policy, Landlord Services**

Document Status: Draft

Document Ref: Aff Rent 1

Originator: Tina Mustafa

Owner: Robert Barnes

Version: 4

Date: 07/11/2017

**Approved by Cabinet**

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Classification: SEC1 - Routine

## Document Location

Printed documents may be obsolete, an electronic copy will be available on Tamworth Borough Councils Intranet. Please check for current version before using.

## Revision History

Revision Date	Version Control	Summary of changes
October 2017	1	Draft to RB
October 2017	2	Changes to Policy following RB feedback and passed to NWL solicitors
November 7 <sup>th</sup> 2017	3	Amended following finance and solicitors comments
17 <sup>th</sup> November 2017	4	Updated following policy development

## Approvals Creation and Major Change

Name	Title	Approved
CMT		
Cabinet		
TULG		
Data Protection Officer		

## Approvals Minor Change and Scheduled Review

Name	Title	Approved
Tina Mustafa	Head of Landlord Services	

## Document Review Plans

This document is subject to a scheduled review to take place every three years. Updates shall be made in accordance with business requirements and changes and will be with agreement with the document owner.

## Distribution

The document will be distributed and targeted to key staff through NETConsent and will also be available on the Intranet and paper based copies.

## Security Classification

This document is classified open with public access

# Tamworth Borough Council's Landlords Services Rent Setting Policy

**This policy sets out how Tamworth Borough Council sets its council house rents and how changes in rent are worked out.**

## 1. Scope

- 1.1 This policy applies to supported and general need tenants of Tamworth Borough Council and will apply to secure tenancies and fixed term tenancies.
- 1.2 There are currently 3818 tenants with a secure tenancy and 365 with a flexible fixed term tenancy and 4 fixed term tenancies at an affordable rent and 21 voids totalling 4208 as at November 2017.
- 1.3 The average rent for a Tamworth Borough Council property in 2017/18 following the 1% reduction was £85.29 over a 48-week rent year<sup>1</sup>.

## 2. Policy Purpose and Aims

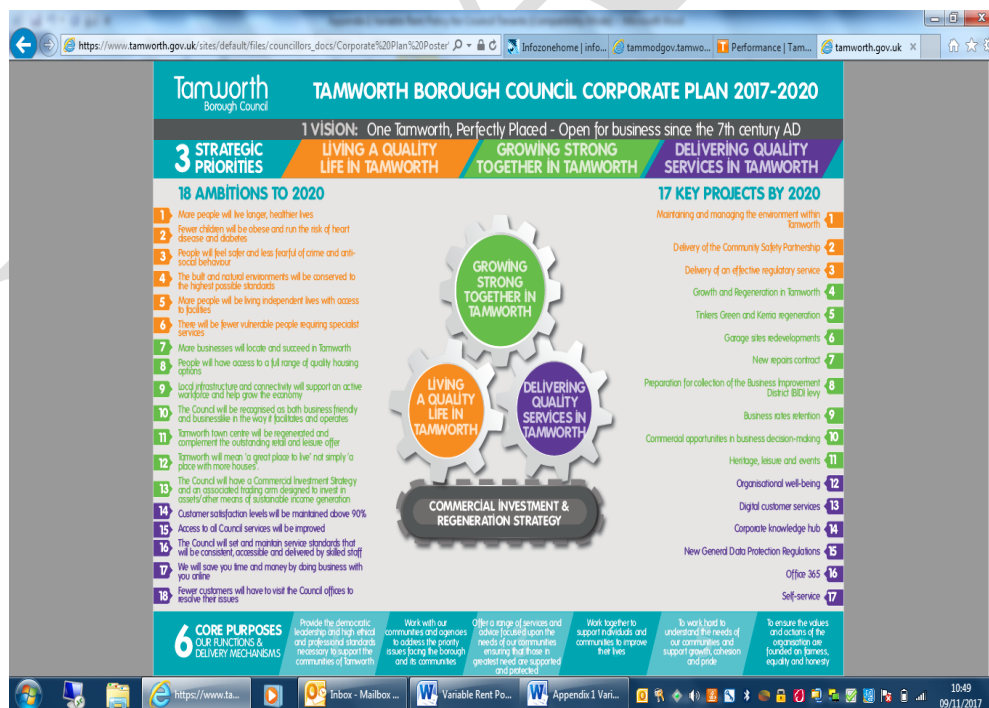
- 2.1 This policy provides a framework within which Tamworth Borough Council will set rents and service charges and draws on the Department for Communities and Local Government Guidance on Rent Setting for Social Housing.
- 2.2 The Council aims to demonstrate compliance with the Government's aims for its rent policy by applying the following principles:-
  - Ensuring rents remain affordable in the long-term
  - Protecting social tenants from excessive increases in rents
  - Ensuring rents take account of local conditions
  - Providing long-term certainty and stability to social tenants, social landlords and their funders in order to:-

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<sup>1</sup> [http://tammodgov.tamworth.gov.uk/documents/b2934/To%20Follow%20Report%20-%20Corporate%20Vision%20Priorities%20Plan%20Budget%20Medium%20Term%20Financial%20Strategy%2020171.pdf?T=9&SLO\\$=1](http://tammodgov.tamworth.gov.uk/documents/b2934/To%20Follow%20Report%20-%20Corporate%20Vision%20Priorities%20Plan%20Budget%20Medium%20Term%20Financial%20Strategy%2020171.pdf?T=9&SLO$=1)

- Enable tenants to understand their housing costs better
  - Enable planning for future investment
  - Encourage investment into new and affordable housing, helping more people in need
  - Support value for money and increase investor confidence in commercial decisions supporting social housing
- Maximising rental income, whilst remaining affordable, to invest in the management and maintenance of the Councils existing stock; including the provision of new and affordable homes to secure continued improvements in customer satisfaction with the Councils services.
  - Contributing to the wider control of Government public expenditure by being alive to the impact of housing benefit costs

2.3 These policy aims directly contributes to the strategic priorities of the Council to ultimately deliver quality services through the application of consistent and accessible service standards.



2.4 The national and strategic context described within the policy principles above are reflected in the Councils Rent Standard Service Offer.



### **3. The Policy**

- 3.1. In amending this rent setting policy the Council has had full regard to legislation, regulations and associated rent setting guidance. The Welfare Reform and Work Act 2016 gave effect to the Government's 1% rent reduction for four years up to 2020/2021.
- 3.2. Rents are charged in accordance with Council Tenants' tenancy agreements. The Councils Landlord Service is regulated by the Homes and Communities Agency (HCA) with regard to its tenancy standard. The HCA rent standard forms part of the economic standards and therefore does not currently apply to Local Authority stock retained landlords.
- 3.3. Rents are calculated annually in advance, with 4 annual rent free weeks, which are part of the rent service standard. The 4 rent free weeks do not change and are offered as follows:-
  - 2 x rent free week at the end of March
  - 1 x rent free week over the summer
  - 1 x rent free week at Christmas
- 3.4. Tenants' will be given at least four weeks' notice of any rent increase or decrease in accordance with section 103 of the Housing Act 1985 and this standard practice and is built into the Councils financial management strategy.

### **4. Rent Setting**

The Council intends to charge both social and affordable rents and the policy conditions are set out below.

#### **Social Rent Setting**

- 4.1. The setting of social rents is based on a formula. The Government prescribes that social rents take account of:-
  - The condition and location of a property – reflected in its value:
  - Local earnings; and
  - Property Size (specifically, the number of bedrooms in a property)
- 4.2. Property Value provides a simple way of reflecting the attractiveness and quality of the property. Local earnings ensure that rents take account of how much income people have, helping them to remain affordable. And property size helps to ensure that properties with more bedrooms have a proportionately higher rent, as would be expected.

4.3. The basis for the calculation of formula rents is:-

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

4.4. This can be expressed as a formula, in which the formula rent for a property is calculated using the following approach:-

**Weekly formula rent is equal to:**

70% of the national average rent<sup>2</sup>  
Multiplied by relative County Earnings<sup>3</sup>  
Multiplied by the bedroom weight

**PLUS**

30% of the national average rent  
Multiplied by relative property value<sup>4</sup>

**Uplift &/or Reduction to Social Rent**

4.5. The Welfare Reform and Work Act 2016 implemented the Governments four year 1% reduction to social rented properties (including sheltered and supported). This policy will continue until 31<sup>st</sup> March 2020 unless amended by the Government and will be reflected in the Councils Medium Term Financial Strategy.

4.6. Currently the Government intention post 1<sup>st</sup> April 2020 is to uplift social rents by Consumer Price Index (CPI) at September of the previous year plus 1%. Unless legislation changes then it is anticipated that rents will be (longer-term) adjusted on this basis.

**Rent Flexibility Level**

4.7. This policy does allow for flexibility to set rents up to 5% above formula rent (10% for sheltered and Supported housing) and as this will need to be applied in a balanced way so as not set all rents 5% (or 10%) above

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<sup>2</sup> National Average Rent means the national (England) average rent in April 2000

<sup>3</sup> Relative County Earnings means the average manual earnings for Staffordshire divided by national average manual earnings, both at 1999 levels. (details contained within the DCLG Rent Guidance)

<sup>4</sup> Relative Property Value means an individual property's value divided by the National (England) average property value as at January 1999 prices.

the formula rent and therefore will be part of the council usual budget setting process.

### **Limit on Rent Charges**

- 4.9. From April 2016 the Government requires Landlords to reduce rents by 1% for 4 years, until 31<sup>st</sup> March 2020. Previous guidance suggested that where rents were below formula then notwithstanding the limits should charge formula rent where the property is relet following a vacancy. This will be applied unless changed post 2020/2021.

### **Rent Caps**

- 4.10. Rent caps will be applied in determining formula rents as per the Governments guidance, however Tamworth's rent levels are well below these current caps and therefore the policy detail below is advisory only.
- 4.13 Where a rent is above the rent cap level, the Council will look to reduce the rent level over time so that it is within the cap.

### **Property Valuations**

- 4.14 A common approach will be used for the valuation of properties. Existing use value is not the same as "existing use value – social housing", which is typically used for resource accounting purposes, and makes a downward adjustment to the existing use value to reflect the lower value of properties when used for social housing.
- 4.15 A downward adjustment to open market valuations – to reflect factors such as sub-market rents – should not be made for social rent purposes. It would add complication and introduce circularity by allowing the pattern of current rents to influence the pattern of formula rents.
- 4.16 As set out above, the valuation should be made at January 1999 prices.
- 4.17 As the price base is constant, the valuation of a property for social rent purposes should generally remain the same, over time. However, an authority may want to revalue where it has carried out major works that materially affect the value of the property.
- 4.18 Individual valuations of each individual property need not be undertaken. Generic valuations for particular types and sizes of properties in different locations are assessed.

## **Affordable Rent**

### **Key Principles**

- 4.18 Properties let on affordable rent terms fall within the definition of social housing, but are exempt from the social rent expectations outlined in 4.1 to 4.17.
- 4.19 Affordable rent allows the Council to set rents at levels that are typically higher than social rents. The intention behind this flexibility is to enable additional financial capacity for investment in new affordable housing.

### **Applicability**

- 4.20 Local authorities should only let properties on affordable rent terms:-
- Where they have a Framework Delivery Agreement in place with the Homes and Communities Agency or Greater London Authority, under the Government's affordable homes programmes; or
  - Where the Homes and Communities Agency have indicated that the new supply they propose to provide represents value for money, for new build affordable housing that is not funded (in part) by Government grant; or
  - Where they have an agreement in place with the Secretary of State, to retain additional Right to Buy receipts for investment in new affordable rented homes.

### **Rent Setting**

- 4.21 Homes let on affordable rent terms should be made available at a rent level of up to 80% gross market rents, inclusive of service charges where these are applicable and capped at current LHA rates as per cabinet decisions.
- 4.22 Gross market rents generally include any service charges, and these, as well as the property size and location, should be taken into account when determining what rent level a property might achieve.

- 4.23 Affordable rents (up to 80%) of the RICs assessed market value will be charged unless it exceeds the Local Housing Allowance rate, whereupon it will capped (unless HCA and/or 1-4-1 conditions prevent this)
- 4.24 The LHA rate will be applied in accordance with the Government guidelines and as published on the Councils website.
- 4.25 An affordable rent should be no lower than the potential formula rent for the property. In cases where the affordable rent would be lower than the formula rent, the formula rent will constitute a floor for the rent to be charged.
- 4.26 The Council will comply with the terms of relevant agreements with the Homes and Communities Agency where applicable, in setting rents.

### **Property Valuations**

- 4.27 Valuations for initial rent setting will be made in accordance with a method recognised by the Royal Institution of Chartered Surveyors. This expectation is intended to help ensure that authorities adopt a consistent and transparent approach to the valuation of market rents.

### **New and Reissued Tenancies**

- 4.28 On each occasion that an affordable rent tenancy is issued for a property – whether it is let to a new tenant, or an existing tenancy is re-issued – the Council will re-set the rent based on a new valuation, to ensure it remains at no more than 80 percent of the relevant market rent &/or LHA cap where 80% of market rent is more.

### **Housing Benefit**

- 4.30 The Government has implemented a process to allow properties let on affordable rent terms by Councils to be treated outside of the Rent Rebate Subsidy Limitation scheme.
- 4.31. To claim Housing Benefit subsidy above the limit rent for affordable rent properties, the Council will comply with the Section 151 Officer requirements in order to maximise its subsidy and remain compliant.

## **5. Service Charges**

- 5.1 In addition to their rent, tenants also pay service charges. Rents are generally taken to include all charges associated with the occupation of a property, such as maintenance and general housing management services. Service charges reflect additional services which may not be provided to every tenant, or which may be connected with communal facilities rather than being particular to the occupation of a dwelling. Service charges are subject to separate legal requirements and are limited to covering the cost of providing the services and details are set out in the Councils Service Charge Policy.
- 5.2. Additional income raised as a result of charging of affordable rent and not social (formula rent) will be reinvested into affordable housing.

More details can be found in the Service Charge Offer document, at the following link  
[http://www.tamworth.gov.uk/sites/default/files/housing\\_docs/Service-charge-offer-document.pdf](http://www.tamworth.gov.uk/sites/default/files/housing_docs/Service-charge-offer-document.pdf)

## **6. Garage Rents**

- 6.1 Garage rents are agreed by the Council and are usually increased each year by inflation 'fees & charges'. There will be a 2.5% increase in garage rent for 2017/2018 and 2018/2019.
- 6.2 Garages let to non-Council tenants will have VAT added to the rent in accordance with HMRC guidelines.
- 6.3 Garages let to tenants who are disabled and have a blue parking badge will have a reduction of 10% on the full charge.

## **7. Communicating with our tenants**

- 7.1 Secure and fixed tenants will receive a letter giving 4 weeks' notice of any change in rents and service charges.
- 7.2 Garage tenants will receive a letter giving at least one weeks' notice of a garage rent increase or decrease.
- 7.3 Under the Council's landlord regulatory framework, the tenant Consultative Group (TCG) are constituted and seeks to inform, scrutinise and monitor all of its policies including the rent setting. Through the budget setting process customers are also consulted on priority spending and savings as a result of rent setting decisions.
- 7.4 The TCG will also inform the production of an "easy read" customer guide.

## **8. Associated Policies**

Rent Collection, Arrears Prevention and Recovery Policy  
Service Charge Policy  
Garage Policy  
Financial Inclusion Strategy

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Property Sequence	Property	Postcode	RTB Code	RTB Description	Property Type	Property Count	Formula Rents:		LHA rents:		Market Rents:		Affordable Rents: 48 weeks				LHA Rent as % of Market Rent
							Jan1999 Value	Formula rent 48wks	LHA p.a.	LHA rent 48wks	Market Rents p.a	Market Rent 48 Wks	60%	65%	75%	80%	
11783	29A Kirtley, Glascote	B77 2HE	1	CAN BE BO 2B house semi detached		1	50,000	92.44	5,923.84	123.41	7,800.00	162.50	97.50	105.63	121.88	130.00	75.94%
11784	29B Kirtley, Glascote	B77 2HE	1	CAN BE BO 2B house semi detached		1	50,000	92.44	5,923.84	123.41	7,800.00	162.50	97.50	105.63	121.88	130.00	75.94%
11785	29C Kirtley, Glascote	B77 2HE	1	CAN BE BO 2B house semi detached		1	50,000	92.44	5,923.84	123.41	7,800.00	162.50	97.50	105.63	121.88	130.00	75.94%
11786	29D Kirtley, Glascote	B77 2HE	1	CAN BE BO 2B house semi detached		1	50,000	92.44	5,923.84	123.41	7,800.00	162.50	97.50	105.63	121.88	130.00	75.94%
	Bloomfield Way				4 bed house	1	64,000	113.23	8,874.84	184.89	10,200.00	212.50	127.50	138.13	159.38	170.00	87.01%
	Bloomfield Way				3 bed house	1	64,000	106.94	6,732.44	140.26	9,000.00	187.50	112.50	121.88	140.63	150.00	74.81%
	Chestnut Ave				2bed bungalow	1	66,000	101.77	5,923.84	123.41	8,100.00	168.75	101.25	109.69	126.56	135.00	73.13%
	Chestnut Ave				2bed bungalow	1	66,000	101.77	5,923.84	123.41	8,100.00	168.75	101.25	109.69	126.56	135.00	73.13%
	Ferrers Rd				2bed house	1	56,000	95.92	5,923.84	123.41	8,100.00	168.75	101.25	109.69	126.56	135.00	73.13%
	Ferrers Rd				2bed house	1	56,000	95.92	5,923.84	123.41	8,100.00	168.75	101.25	109.69	126.56	135.00	73.13%
	Ferrers Rd				2bed house	1	56,000	95.92	5,923.84	123.41	8,100.00	168.75	101.25	109.69	126.56	135.00	73.13%
	117 Cambrian	B77 2EF			2 bed bungalow	1	56,000	95.92	5,923.84	123.41	8,100.00	168.75	101.25	109.69	126.56	135.00	73.13%
	118 Cambrian	B77 2EF			2 bed bungalow	1	56,000	95.92	5,923.84	123.41	8,100.00	168.75	101.25	109.69	126.56	135.00	73.13%
	Cambrian				2 bed house	1	48,000	91.24	5,923.84	123.41	7,800.00	162.50	97.50	105.63	121.88	130.00	75.94%
	Cambrian				2 bed house	1	48,000	91.24	5,923.84	123.41	7,800.00	162.50	97.50	105.63	121.88	130.00	75.94%
	Cambrian				2 bed house	1	48,000	91.24	5,923.84	123.41	7,800.00	162.50	97.50	105.63	121.88	130.00	75.94%
	Broadsmeath				2 bed house	1	50,000	92.44	5,923.84	123.41	7,800.00	162.50	97.50	105.63	121.88	130.00	75.94%
	Broadsmeath				2 bed house	1	50,000	92.44	5,923.84	123.41	7,800.00	162.50	97.50	105.63	121.88	130.00	75.94%
	Broadsmeath				2 bed fully adapted bungalow	1	66,000	101.77	5,923.84	123.41	8,100.00	168.75	101.25	109.69	126.56	135.00	73.13%
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									127.54								

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