



CABINET

21 November 2018

A meeting of the CABINET will be held on Thursday, 29th November, 2018, 6.00 pm
in Committee Room 1 - Marmion House

A G E N D A

NON CONFIDENTIAL

1 Apologies for Absence

2 Minutes of Previous Meeting (Pages 5 - 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

The following items are referred by the Corporate Scrutiny Committee to Cabinet in accordance with the Overview and Scrutiny Procedure Rules:

Festive Ward Grants Recommendations

Corporate Scrutiny resolved that:

- Cabinet be requested to investigate the potential for there to be more flexibility in the festive grant scheme to allow smaller groups that do not meet the exacting requirements that the scheme currently prescribes;
- the scheme should not be openly promoted through the press;
- no issues were found in allowing grants to be awarded to the previous years' recipients.

Private Sector Housing Enforcement Policy

Corporate Scrutiny resolved that Cabinet be invited to consider whether to establish a self-financing inspection scheme to regulate HMOs.

- 6 Quarter 2 Performance Report 2018/19** (Pages 7 - 66)
(Report of the Leader of the Council)
- 7 Draft Base Budget Forecasts 2019/20 to 2023/24** (Pages 67 - 122)
(Report of the Leader of the Council)
- 8 Council Taxbase 2019/20** (Pages 123 - 126)
(Report of the Portfolio Holder for Assets and Finance)
- 9 Write Offs 01/04/18 to 30/09/18** (Pages 127 - 134)
(Report of the Portfolio Holder for Assets and Finance)
- 10 Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2018/19** (Pages 135 - 152)
(Report of the Portfolio Holder for Assets and Finance)
- 11 Local Council Tax Reduction Scheme 2019/20 onwards** (Pages 153 - 190)
(Report of the Portfolio Holder for Assets and Finance)
- 12 Revised Gambling Act 2005 Statement of Principles** (Pages 191 - 228)
(Report of the Portfolio Holder for Communities and Partnerships)
- 13 Release of Capital Contingency Funding** (Pages 229 - 230)
(Report of the Portfolio Holder for Culture and Operational Services)

Yours faithfully



Chief Executive

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

To Councillors: D Cook, R Pritchard, J Chesworth, S Claymore, S Doyle and
M Thurgood.

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**MINUTES OF A MEETING OF THE
CABINET
HELD ON 8th NOVEMBER 2018**

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

The following officers were present: Andrew Barratt (Chief Executive) and Matthew Bowers (Assistant Director Growth & Regeneration)

62 APOLOGIES FOR ABSENCE

No apologies for absence were received.

63 MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 18th October 2018 were approved and signed as a correct record.

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

64 DECLARATIONS OF INTEREST

There were no Declarations of Interest.

65 QUESTION TIME:

None

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

None

67 BUDGET CONSULTATION 2019/20

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

RESOLVED That Cabinet;
Endorsed the report and take account of the findings along with other sources of information when setting the 2019/20 Budget

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

68 TOWN CENTRE REPORT

The Portfolio Holder for Heritage and Growth is seeking approval to put in place a formal programme management approach and structure that will prioritise action by the Council to improve Tamworth Town Centre. Approval to develop a Town Centre Strategy is also sought to assist in identifying areas of weakness and potential failure with a focussed, co-ordinated response that will seek to improve the vitality and viability of the town centre for years to come. The town centre strategy will need to show how the Council can achieve a clear vision for the future to achieve maximum potential from the town centre and set guidelines for working together to deliver change.

RESOLVED That Cabinet;

Approved the production of a Town Centre Strategy covering the topics indicated in the report for future consideration and adoption by Cabinet.

Approved a Programme management approach to delivery of town centre activity and projects as detailed in the report

Approved the creation of a 5 year programme budget and retained fund using existing budgets as detailed in the report

(Moved by Councillor S Claymore and seconded by Councillor D Cook)

Leader

THURSDAY 29 NOVEMBER 2018

REPORT OF THE LEADER OF THE COUNCIL

QUARTER 2 PERFORMANCE REPORT 2018/19

EXEMPT INFORMATION

Not applicable.

PURPOSE

This report aims to provide Cabinet with a performance and financial health-check. The report was considered by Corporate Scrutiny Committee on 14th November 2018.

RECOMMENDATIONS

That Cabinet endorses the contents of this report.

EXECUTIVE SUMMARY

This report is divided into the following sections:

1. Overview of corporate plan actions, 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 2018/19 Performance Report

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Quarter Two 2018/19 Performance Report

- 1. Overview of corporate plan actions, measures and corporate risks,**
- 2. Impact of Welfare Benefit Reform on Council services,**
- 3. Medium term financial strategy monitoring,**
- 4. Financial healthcheck.**

Appendix A 2017 to 2020 Corporate Plan actions and performance measures update,

Appendix B Corporate Risks,

Appendix C General Fund & Housing Revenue Account main variances,

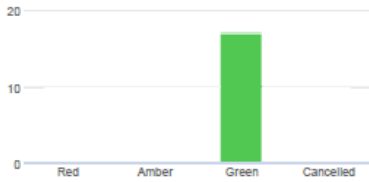
Appendix D Capital programme monitoring,

Appendix E Treasury management update.

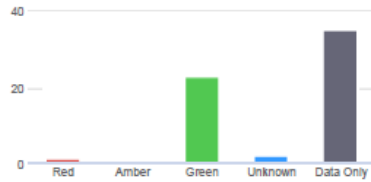
1. Overview of corporate plan actions, performance measures and corporate risks

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

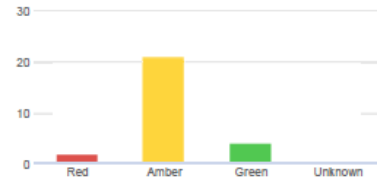
Corporate Plan Actions



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 Payments (DHP) claims is reported - DHP claims paid total £77k (£17k higher than at September 2017 - £60k) with 177 successful claims from 264 applications (compared to 134 successful claims from 216 applications at September 2017). There is a 4 week backlog (1 week as at 30 September 2017) with claims still to be processed which may increase this figure.

Live caseload figures are 391 lower than 2017/18 – currently 5,599 (5,990 at September 2017). The average time taken to process new Housing Benefit/Council Tax Benefit claims and change events was 11.4 days to September 2018 (12.6 days to September 2017).

NNDR

Reminders (396 at September 2018) are lower than 2017/18 levels (436 at September 2017) with summons and liability orders also at slightly lower levels than 2017/18. Enforcement agent referrals are 38% lower than 2017/18 levels (20 referrals to September 2018 compared to 32 at September 2017).

Strong collection performance is reported - current year collection levels are at 56.4%, ahead of target by 0.3% at 30 September. Court costs of £4k are lower than the target of £6k due to the lower levels of recovery action. Arrears for 2017/18 are ahead of target at 27.2% compared to target of 17.4%.

Council Tax

Reminders are 302 higher than 2017/18 levels (8,774 at 30 September 2018 compared to 8472 at 30 September 2017), with summonses and liability orders referrals slightly lower. Enforcement agent referrals are 20% lower than 2017/18 levels (881 referrals to September 2018 compared to 1099 at September 2017).

Current year collection levels at 58.1% are behind the target of 58.4% at September 2018 (with a target of 98% for the 2018/19 financial year) due to higher levels of re-profiling of payment instalments over 12 months. Court cost income is lower than target by £7k at £130k.

Arrears for 2017/18 are slightly behind of target at 31.1% compared to target of 34% - work on further approaches to realise more Council Tax revenue is in place.

Collection Fund – the estimated surplus is £28k for the year with a LCTS projected underspend of £21k (total £49k compared to £54k at September 2017).

Housing

Total Rent arrears (excluding former tenants) at 30 September 2018 were £678k compared to £379k (as adjusted) at 31 March 2018 – an increase of £299k (compared to a £205k increase as at 30 September 2017).

Total arrears (including garages etc.) are £2m at 30 September 2018, compared to £1.68m at 31 March 2018, an increase of £320k (compared to a £224k increase between 31 March 2017 and 30 September 2017).

Total arrears (including garages etc.) were £1.68m at 31 March 2018 compared to 31 March 2017 - £1.6m (£81k higher).

There were 6 evictions during the period to 30 September 2018 compared to 7 during the period to 30 September 2017.

There were 3 court cases where bedroom subsidy, cap or other is the primary reason for possession proceedings (nil to September 2017).

Universal Credit

With regard to the roll out of universal credit, the current indicators show:

Indicator	September 2018
Number of Assisted Digital Support Received (Universal Credit)	109
Number of Assisted Digital Support Actioned (Universal Credit)	100
Number of Assisted Digital Support did not attend (Universal Credit)	12
Number of Personal Budgeting Support Received (Universal Credit)	72
Number of Personal Budgeting Support Actioned (Universal Credit)	50
Number of Personal Budgeting did not attend (Universal Credit)	22
Number of Universal Credit claimants in Tamworth as at 30 June 2018	1644
Number of Universal Credit Social Sector claimants with the Housing Element (data provided by DWP and figure for Private Sector tenants is not available) as at 30 June	612
Number of Council Tenants on Universal Credit	523
Number of Council Tenants on Universal Credit and in Rent Arrears	441
Percentage of Council Tenants on Universal Credit and in Rent Arrears	84.3%
Number of Council Tenants on Universal Credit and not in Rent Arrears	82
Percentage of Council Tenants on Universal Credit and not in Rent Arrears	15.7%
Number of successful Alternative Payment Arrangements set up (Universal Credit)	148
Number of Council Tax Payers on Universal Credit	529
Number of Council Tax Payers on Universal Credit and in arrears with Council Tax payments	161
Percentage of Council Tax Payers on Universal Credit and in arrears with Council Tax payments	30.4%
Number of Council Tax Payers on Universal Credit and not in arrears with Council Tax payments	368
Percentage of Council Tax Payers on Universal Credit and not in arrears with Council Tax payments	69.6%
Number of Universal Credit claimants nationally	1100000
Discretionary Housing Payments made - Year to date	£76,487
Amount of Discretionary Housing Payments made to Universal Credit claimants - Year to date	£34,343

3. Medium Term Financial Strategy 2018 to 2023 monitoring: September 2018

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.

The Authority has been proactive in the design and implementation of innovative and effective measures for driving efficiency and reducing cost within the Medium Term Financial Strategy (MTFS).

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.

In addition, through the adoption of a 'Demand Management' operating model, 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.

This approach will change the organisation and how it works; will require Members to put evidence and insight at the heart of our decision making to ensure that we are transparent about the rationale for our decisions and plans; 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.

However, there remains a high degree of uncertainty arising from the most significant changes in Local Government funding for a generation in 2020/21 arising from:

- The Government's Fair Funding Review (FFR) of the distribution methodology including:
 - changes to the needs assessment (which will determine each Council's share of the national funding for Local Government – it is likely that this will reflect the impact of Social Care demands and that funding will be redistributed to Unitary and County Councils to the detriment of District Councils);
 - treatment of relative resources (to determine how much each Council can fund locally through income from fees and charges and council tax); and
 - any transitional arrangements to protect Councils from significant reductions in funding – and the impact from their unwinding from 2021/22.
- Spending Review 2019 (SR19) – where the total spending allocation for Government Departments will be set – including national control totals for Local Government spending. It has already been announced that significant additional funding will be diverted to the NHS which could mean further reductions for other Departments including Local Government;

- The ongoing review of the Business Rates Retention (BRR) scheme – the Government announced that Councils will be able to retain 75% of business rates collected from 2020/21 rather than 100% as previously planned with work progressing on the design of the new system including the impact of ‘rolling in’ grants such as Housing Benefit administration and New Homes Bonus;
- The planned reset of the Business Rates baseline for each Council from 2020/21 and redistribution of the growth achieved since 2013 (of over £1m p.a.);
- Uncertainty over the ongoing funding for the New Homes Bonus scheme, local growth in housing numbers and share of the national pool (including potential increases to the ‘deadweight’ for which Councils no longer receive grant).

In addition, the next planned national Business Rates Revaluation will take effect from 2021/22 – with latest indications that the Government will also aim to introduce a centralised system for business rate appeals at the same time to cover future changes arising from the 2021 valuation list.

While we are aware of these forthcoming changes, little to no information is available on the potential impact for individual Councils’ finances.

A summary of the indicative Government timetable for the reviews is shown below:

Date	Issues
May 2018	Risk and gearing; appeals and loss payments; updates on Pool prospectus; update on FFR consultation.
July 2018	Resets and measuring growth; Revaluation; BRR transitional arrangements; Pooling; FFR – structure of needs assessment, treatment of relative resources, principles for transitional arrangements.
Oct 2018	Overall short term package and future reform; update on SR 2019; Potential consultation on BRR Baseline reset.
Early 2019	Technical BRR consultation and links to FFR; SR 2019 emerging issues; Potential consultation on BRR Baseline reset.
Mid 2019	Results of consultations (hopefully); SR 2019 emerging issues.
Later 2019	Indicative impact of systemic changes potentially this late
Late 2019 /Early 2020	Provisional Local Government Finance Settlement detailing impact for Councils

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

Work is continuing to mitigate the financial position in future years through:

- 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 Customer Relationship Management (CRM) costs of £62k p.a. from 2019/20;
- Recruitment re-justification process – where possible, 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.

We took the opportunity to increase the vacancy allowance from 5% to 7.5% by 2021/22 c. £45k p.a. year on year for the General Fund, c.£14k p.a. for the HRA (It should be noted that staffing in some services e.g. planning, are key to the delivery of the Council's economic growth agenda and have significant demand from the public and local businesses but can also experience severe recruitment difficulties – which may lead to the use of market supplements to attract staff).

- Spend freeze – Managers have previously been required to restrict / limit spending to essential spend only (there was a £1.8m underspend in 2017/18 – although much of this arose from windfall income, c. £1m was lower level underspends). A review of the underspend position is underway with a view to driving out as many savings as possible.
- 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. 4 to 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 Diversified Property Funds – a savings target to return c.4% p.a. from £12m invested has already been included from 2019/20.

Note: these would represent long term investments of between 5 – 10 years (minimum) in order to make the necessary returns (after set up costs).

- Review of reserves (including ensuring adequate provision for the funding uncertainties) / creation of a fund for transformation (if needed).
- Targeted Savings – to identify potential areas for review in future years. 6 priority reviews have been identified – Business Support, CCTV, Cleaning Services, Commercialisation, Community Leisure and Review and rationalisation of IT systems.
- Review and rationalisation of IT systems.

General Fund

The updated forecast as at September 2018 is detailed below:

MTFS Projections 2017/18 - 2023/24	General Fund						
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Projected Balances per MTFS Council February 2018	(6,631)	(3,553)	(1,846)	(551)	428	1,429	-
Revised Stress Tested Forecasts:							
Revised Forecast Balances - September 2018	(6,918)	(4,751)	(3,688)	(1,507)	564	2,573	4,783

On 2nd August, Cabinet approved the budget setting process (& project plan) for 2019/20.

In line with the approved timetable, work on the preparation of the detailed 5 year budget / forecast has progressed in order to inform the Base Budget Forecast for Cabinet on 29th November

As a result the updated forecast, the forecast projections identify a shortfall in General Fund balances of £1.1m over 3 years (compared with a forecast shortfall in the February 2018 MTFS projections of £0.9m) – with a shortfall of £3.1m to 2022/23 increasing to £5.3m over 5 years (the shortfall was previously forecast at £1.9m in 2022/23), including the minimum approved level of £0.5m – before the inclusion of the policy change proposals.

Further savings of around £0.35m p.a. will be required over the next 3 years (based on annual £5 increases in Council Tax). On an annualised basis this would equate to a year on year ongoing saving of £0.2m over 3 years.

The forecast has been updated to include:

- The final outturn for 2017/18 – additional balances of £0.3m from a higher than forecast underspend position of £1.8m. A projected underspend of £0.9m for 2018/19 has been included (including returned business rates levy from GBSLEP of £0.4m);
- Potential impact from the Business Rates Baseline reset – c. £1.2m p.a. reduced income / increased tariff from 2020/21 from a reset to the Council's baseline need level. No further changes to the level of Government support / grants arising from the Fair Funding Review / SR 2019 have been included given the uncertainty;
- Revised new homes bonus levels through the redistribution process - a 50% reduction in New Homes Bonus funding has been assumed, £0.5m over 3 years;
- Additional income from the Commercial Investment Strategy acquisitions – c.£0.25m to 2020/21;

- Additional savings arising from phases 1 and 2 of the Senior Management Review – c.£0.5m over 3 years;
- Work is progressing to understand the impact of the recent pay award and associated changes to pay scales arising from implementation of the national living wage – at this stage no additional costs have been included.

Housing Revenue Account

The updated forecast as at September 2018 is detailed below:

	Housing Revenue Account						
MTFS Projections 2017/18 - 2023/24	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Projected Balances per MTFS Council February 2018	(6,850)	(3,045)	(2,223)	(1,565)	(1,048)	(698)	-
Revised Stress Tested Forecasts:							
Revised Forecast Balances - September 2018	(6,824)	(3,177)	(3,126)	(2,886)	(2,844)	(2,954)	(3,226)

As part of the approved MTFS in February 2018, a balanced 5 year forecast was presented for the Housing Revenue Account (HRA).

As a result the updated forecast, over the 3 year period to 2021/22, balances will remain above the approved minimum of £0.5m at £2.8m (compared with a forecast in February of £1m) with balances of £3m over the 4 years to 2022/23 increasing to £3.2m in 2023/24 (balances were previously forecast at £0.7m in 2022/23) – before the inclusion of the policy change proposals.

The forecast has been updated to include:

- The final outturn for 2017/18 and a projected underspend of £169k for 2018/19 has been included;
- Savings arising from phases 1 and 2 of the Senior Management Review – c.£0.1m p.a.
- The proposals arising from the review of the HRA Business plan will be included within planned policy changes.

4. Financial Healthcheck

Financial healthcheck report – Period 6 September 2018

Executive Summary

This section to the report summarises the main issues identified at the end of September 2018.

General Fund

Revenue

GENERAL FUND	YTD Budget £000	YTD Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000
Chief Executive	904	832	(72)	1,465	1,328	(137)
AD Growth & Regeneration	657	507	(150)	1,976	1,969	(7)
ED Organisation	412	384	(28)	594	605	11
AD People	1,381	1,390	9	188	239	51
AD Operations & Leisure	1,587	1,682	95	2,782	2,842	60
ED Finance	233	235	2	179	180	1
AD Finance	2,145	1,772	(373)	1,468	631	(837)
AD Assets	(722)	(829)	(107)	(1,067)	(1,260)	(193)
AD Neighbourhoods	335	317	(18)	1,261	1,347	86
AD Partnerships	503	555	52	1,423	1,478	55
Total	7,435	6,845	(590)	10,269	9,359	(910)

- The General Fund has a favourable variance against budget at Period 6 of £590k (£567k favourable at period 5)
- The projected full year position identifies a favourable variance against budget of £910k or 8.86% % (£691k or 6.73% favourable at period 5).
- This projection has highlighted several budget areas for concern (detailed at **Appendix C**).
- A balance of £242k was held in the General Contingency Budget at the end of September 2018.

Capital

GENERAL FUND	Budget Reprofiled from 2017/18 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2019/20 (memo only) £000	Outturn £000
Chief Executive	-	4,000	3,270	(730)	4,000	4,000	-	-	4,000
AD Growth & Regeneration	771	825	143	(682)	898	898	-	-	898
ED Organisation	-	-	-	-	-	-	-	-	-
AD People	208	281	138	(143)	333	333	-	-	333
AD Operations & Leisure	1,276	2,865	1,076	(1,789)	4,188	3,948	(240)	210	4,158
AD Finance	6,000	9,000	3,869	(5,131)	12,000	12,000	-	-	12,000
AD Assets	155	517	395	(122)	1,060	906	(154)	30	936
AD Neighbourhoods	44	66	17	(50)	89	89	-	-	89
AD Partnerships	92	92	-	(92)	92	42	(50)	50	92
GF Contingency	559	577	-	(577)	609	-	(609)	609	609
TOTAL GENERAL FUND	9,105	18,223	8,908	(9,315)	23,268	22,215	(1,053)	899	23,114

- Capital expenditure incurred was £8.908m compared to a profiled budget of £18.223m. (£8.702m compared to a profiled budget of £17.395m as at period 5).
- It is predicted that £22.215m will be spent by the year-end compared to a full year budget of £23.268m (this includes re-profiled schemes from 2017/18 of £9.105m).
- A summary of Capital expenditure is shown at **Appendix D**.

Treasury Management

- At the end of September 2018 the Authority had £66.51m invested in the money markets. The average rate of return on these investments is 0.77% though this may change if market conditions ease.
- Borrowing by the Authority stood at £63.060m at the end of September 2018, all being long term loans from the Treasury Public Works Loans Board. The average rate payable on these borrowings equates to 4.05%.
- 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 £4.75m at the year-end from normal revenue operations compared to £3.55m projected within the 2018/19 budget report – additional balances of £1.2m.

Housing Revenue Account (HRA)

Revenue

HOUSING REVENUE ACCOUNT	YTD Budget £000	YTD Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000
HRA Summary	(9,157)	(9,322)	(165)	(456)	(686)	(230)
AD Operations & Leisure	232	244	12	563	582	19
AD Assets	254	276	22	1	1	-
AD Neighbourhoods	1,313	1,183	(130)	3,698	3,750	52
Housing Repairs	2,361	2,002	(359)	-	-	-
Total	(4,997)	(5,617)	(620)	3,806	3,647	(159)

- The HRA has a favourable variance against budget at Period 6 of £620k. (£473k at period 5)
- The projected full year position identifies a favourable variance against budget of £159k. (£1k unfavourable at period 5)
- Individual significant budget areas reflecting the variance are detailed at **Appendix C**.

Capital

HOUSING REVENUE ACCOUNT	Budget Reprofiled from 2017/18 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2019/20 (memo only) £000	Outturn £000
AD Assets	18,098	9,323	6,933	(2,390)	31,622	30,867	(755)	474	31,341
HRA Contingency	100	100	-	(100)	100	-	(100)	100	100
TOTAL HOUSING REVENUE ACCOU	18,198	9,423	6,933	(2,490)	31,722	30,867	(855)	574	31,441

- Housing Capital expenditure of £6.933m has been incurred as at the end of Period 6 compared to a profiled budget of £9.423m. (£4.432m compared to a profiled budget of £7.823m at period 5)
- It is predicted that £30.867m will be spent by the year-end compared to the full year budget of £31.722m (including £18.198m re-profiled from 2017/18);
- 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 £3.18m at the year-end compared to £3.05m projected within the 2018/19 budget report – additional balances of £0.13m.

2017 -2020 Corporate Plan Progress Report







2017 – 2020 Corporate Plan Actions

Corporate Priority




1. Living a quality life in Tamworth

Project/Action	Maintain & Manage the environment within Tamworth		
Desired Outcome	<p>Well managed local nature reserves and sports pitches that are maintained at a level proportionate to their use.</p> <p>Provision of high quality open spaces both existing and arising from new developments.</p> <p>Ensure the Council meets its obligations to ensure its watercourses and drainage systems are maintained.</p> <p>Provision of well- maintained play facilities.</p> <p>To ensure cleansing is carried out to a standard that meets or exceeds measured requirements</p> <p>Achieving a gold standard in the 'Tamworth in Bloom' programme</p>		
Latest Update			
Milestones	Due Date	Completed (Yes/No)	Note
Play area provision scoped	30-Sep-2017	Yes	Project scoped and considered by Cabinet in August 2017. Project now in tender stage.
Installation of a new play facility	31-Mar-2018	Yes	The play facility was installed in December 2017
Tamworth In Bloom Judging 2018	31-Jul-2018	Yes	Judging complete 19/7/18
Tamworth in Bloom 2018 award notification	30-Sep-2018	Yes	9th consecutive Gold Award, also Mike Garwood memorial Award and Gold for Wigginton park for second year running
Balancing pond dredging works scoped in accordance with the management plan	31-Dec-2018	No	Tender documents are prepared and waiting to be put out through

			procurement, we have been waiting for a silt analysis report to include with the documents which had led to the delay. Still awaiting silt analysis reports
Ongoing commitment throughout the year to ensure green spaces are managed	31-Mar-2020	No	Identified projects are underway.








Performance Measures	RAG Status	Current Value	Last Update	Latest Note
Ongoing works to deliver the output of the watercourse management plan are actioned				
Tamworth 'In Bloom' Gold Award		3	2018/19	'Gold' awarded for the ninth year in a row.
Improved street and environmental cleanliness – Detritus		8.15%	July 2018	
Improved street and environmental cleanliness – Graffiti		1.51%	July 2018	
Improved street and environmental cleanliness – Litter		1.51%	July 2018	
Improved street and environmental cleanliness – Dog Fouling		0.67%	July 2018	

Project/Action	Delivery of the Community Safety Partnership			
Desired Outcome	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			
Latest Update				
Milestones	Due Date	Completed (Yes/No)	Note	
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.	

Performance Measures	RAG Status	Current Value	Last Update	Latest Note
All Crime – Total		4,676	2018	For the period January 2018 to August 2018. (Figure was 5019 for the same period last year).
Incidents of Anti-Social Behaviour		1,471	2018	For the period January 2018 to August 2018. (Figure was 1636 for the same period last year).
Percentage of people surveyed who feel very/fairly safe outside in their local area after dark (Feeling the Difference FTD survey)		85%	H2 2017/18	March 2018 survey (Waves 21 to 24).

Percentage of people surveyed who feel very/fairly safe outside in their local area during the day (Feeling the Difference FTD survey)		98%	H2 2017/18	March 2018 survey (Waves 21 to 24).
Percentage of people surveyed who had been a victim of crime in the last twelve months (Feeling the Difference FTD survey)		7%	H2 2017/18	March 2018 survey (Waves 21 to 24).
Percentage of people surveyed who feel very/fairly likely to be a victim of crime in their local area (Feeling the Difference FTD survey)		13%	H2 2017/18	March 2018 survey (Waves 21 to 24).

Project/Action	Delivery of an effective regulatory service		
Desired Outcome	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		
Latest Update			
Milestones	Due Date	Completed (Yes/No)	Note

Performance Measures	RAG Status	Current Value	Last Update	Latest Note
The number of food businesses that are 0 and 2 star rated		43	Q2 2018/19	
The quarterly percentage of planned high risk interventions undertaken		100%	Q2 2018/19	
The percentage of planned interventions undertaken		100%	Q2 2018/19	
The percentage of complaints relating to smoking legislation responded to		100%	H1 2018/19	
The annual percentage of planned inspections undertaken of industry for environmental emissions		100%	2017/18	
Satisfaction of business with local authority regulation services (Tamworth)		83%	2017/18	
Food establishments in the area which are broadly compliant with food hygiene law (Tamworth)		91.4%	2017/18	

Project/Action	Growth & Regeneration in Tamworth		
Desired Outcome	<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 West Midland Combined Authority, Local Enterprise Partnerships for the purpose of growth, skills, infrastructure and economy</p>		
Latest Update			
Milestones	Due Date	Completed (Yes/No)	Note
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	
Adoption of the inward investment strategy and the town centre strategy	31-Oct-2018	No	Cabinet will be asked to consider an approach to working re the town centre, and the production of a strategy in Oct / Nov 18
Re-opening of the Assembly Rooms and new facility at the Carnegie Centre	28-Feb-2019	No	Marketing for the Carnegie Centre has commenced
Completion of the public realm enhancements	30-Apr-2019	No	
Completion of works to Tamworth Library	30-Apr-2019	No	
Scoping works with partners to look at viability/opportunities with the current vacant site at Gungate.		No	Report to Full Council 11th April 2018 to consider the proposal.

			<p>The site was acquired by the Council in June 2018 for investment purposes with the longer term aim of unlocking it for regeneration.</p> <p>The Council has successfully bid for £100k support to develop options for the site</p>
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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		193	September 2018	
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	
Birth of New Business Enterprises in the year		355	2016/17	Latest available data from the ONS
Death of Business Enterprises in the year		290	2016/17	Latest available data from the ONS
Number of active Business Enterprises		2,620	2016/17	Latest available data from the ONS

Commented [GS1]: Is this the latest available data?

Commented [GS2]: Is this the latest available data?



Commented [GS3]: Is this the latest available data?

Project/Action	Tinkers Green & Kerria Regeneration			
Desired Outcome	Access to suitable housing is improved Neighbourhoods are improved Satisfaction with neighbourhoods increased			
Latest Update				
Milestones	Due Date	Completed (Yes/No)	Note	
4. Demolition at Kerria commenced	01-Jul-2018	Yes	Demolition commenced	
3. Contractor start on site	31-Jul-2018	Yes	The contractor has taken possession of the site and commenced some preparatory work.	
6. Completion of build	31-Jul-2020	No		
7. Allocation of New Homes	31-Jul-2020	No		
1. Demolition at Tinkers Green completed		Yes	The demolition at Tinkers Green is now complete	
2. Contractor appointed		Yes	Contractor appointed	
5. Demolition at Kerria completed		No	Date TBA	



Performance Measures	RAG Status	Current Value	Last Update	Latest Note
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			
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Project/Action	Garage sites redevelopment		
Desired Outcome	Access to suitable housing is improved Neighbourhoods are improved Satisfaction with neighbourhoods increased		
Latest Update	The programme is currently on hold with a revised programme to be completed by August 2019.		
Milestones	Due Date	Completed (Yes/No)	Note
Phase One start on site	30-Apr-2017	Yes	Work has started on Phase One.
Phase One Completed	31-Dec-2017	Yes	Phase one was completed ahead of schedule at the end of November 2017 and provided 19 units of accommodation across the borough.
Revised programme		No	A revised approach to garage sites redevelopment is to be considered by Cabinet.

Performance Measures	RAG Status	Current Value	Last Update	Latest Note
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				

Project/Action	New Repairs Contract			
Desired Outcome	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			
Latest Update				
Milestones	Due Date	Completed (Yes/No)	Note	
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	Yes	Findings of options review agreed and being considered by Cabinet in February 2018.	
Report to members on future arrangements for service delivery	22-Feb-2018	Yes	Report at Cabinet on 22nd February 2018.	
Further report to members to enable a final decision to be taken on the financial and commercial viability of an in-house contractor	28-Feb-2019	No		
Implement future options		No		
Measure satisfaction		No		



Performance Measures	RAG Status	Current Value	Last Update	Latest Note
KPI 1 - (Responsive) To determine the overall satisfaction with the works		94.2%	2018/19	
Percentage of local authority dwellings that achieve the decent homes standard		99.07%	2017/18	

Project/Action	Preparation for collection of the Business Improvement District (BID) Levy		
Desired Outcome	Implementation of the software necessary to facilitate collection of the levy income Maximise the level of income collected for investment in local infrastructure		
Latest Update	As the ballot resulted in the BID being rejected, the software is now no longer required. This item will be removed from future quarterly performance reports.		
Milestones	Due Date	Completed (Yes/No)	Note
Budget approval for purchase of software	30-Apr-2017	Yes	Budget approved by Council on 21 February 2017
Software purchased	03-Nov-2017	Yes	Original plan was to purchase software by 31 August – delayed until result of the ballot known early in November 2017. As the ballot resulted in the BID being rejected, the software is now no longer required.
Software installed and tested	31-Dec-2017	Yes	As the ballot resulted in the BID being rejected, the software is now no longer required.
Levy included on 2018/19 bills	31-Mar-2018	Yes	As the ballot resulted in the BID being rejected, the software is now no longer required.



Commented [GS4]: Can this now be removed from the Corporate Monitoring?

Performance Measures	RAG Status	Current Value	Last Update	Latest Note







Project/Action	Business Rates Retention		
Desired Outcome	Maximise collection of business rates within the GBS rate retention pool		
Latest Update	<p>The Council is a member of the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) Business Rates Pool – for 2017/18 a levy of £1.2m (payable to the GBSLEP pool) was generated through additional growth in business rates income.</p> <p>As a result of the pool being in place, the GBSLEP will have an additional £3.3m in total from LEP members from the outturn for 2017/18 to support projects to improve the economy and infrastructure of the region.</p>		
Milestones	Due Date	Completed (Yes/No)	Note

Performance Measures	RAG Status	Current Value	Last Update	Latest Note
Percentage of Non-domestic Rates Collected		56.40%	September 2018	
Percentage change in rateable value of commercial buildings		1.61%	Q2 2017/18	

Project/Action	Commercial opportunities in business decision making		
Desired Outcome	<p>A risk/reward based return on investment requirement within planned projects</p> <p>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</p>		
Latest Update	<p>The Tamworth Commercial Investment Strategy to promote growth and regeneration was approved by Cabinet on 16th June 2016.</p> <p>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.</p> <p>Work has progressed 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 a Place Investment Strategy. A Business Case investment model was finalised during the first quarter of 2018, including advice on the treatment of taxation.</p> <p>Council on 17th July 2018 approved the set up (at the beginning of August 2018) of a Local Authority Trading Company which will provide the means and structure from which we can generate sustainable income streams on behalf of the Council. Initially this will be by acting as Private Sector Landlord; but could lead to, 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.</p> <p>Further work has centred on the regeneration of the former Gungate Precinct site, including the acquisition of the site by the Council in June 2018, and the potential to increase the size of the site to include other land in order to encourage a more ambitious development scheme.</p> <p>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.</p>		
Milestones	Due Date	Completed (Yes/No)	Note



Performance Measures	RAG Status	Current Value	Last Update	Latest Note
Income collected through adopted commercial approach		£219,200.00	Q2 2018/19	Return expected in 2018/19 on investments made through CIS – Gungate together with 2 Property Fund investments
Rate of return on identified projects in excess of 5%		£219,200.00	Q2 2018/19	3.2% return on investments expected 2018/19 (part year) – 3.9% on an annualised basis

Project/Action	Heritage, leisure & events		
Desired Outcome	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		
Latest Update			
Milestones	Due Date	Completed (Yes/No)	Note
Outdoor events plan published	30-Apr-2017	Yes	
Castle Heritage Lottery bid submitted	31-Aug-2017	Yes	The bid was submitted in August 2017 and was successful; £499,000 was awarded. The money will be used for a project that will create an innovative and engaging permanent exhibition exploring and celebrating Tamworth's important Anglo-Saxon history.
Events held throughout the year	31-Mar-2019	No	

Performance Measures	RAG Status	Current Value	Last Update	Latest Note
Number of attendees at Arts Development Events		1,100	2018/19	
Number of participants at Arts Development Events		6,500	2018/19	
Visitor Numbers (Outdoor Events)		15,000	2018/19	
Overall Satisfaction Rate "Good to Excellent" (Outdoor Events)		99%	2018/19	
Percentage of people surveyed who would recommend event (Outdoor Events)		99%	2018/19	
Number of additional events supported – Outdoor Events		16	2018/19	




Total Number of visits/usages – Tamworth Castle		14,043	2018/19	
Total Number of Visitors – Tamworth Castle		13,785	2018/19	
Trip Advisor Rating – Tamworth Castle		4.5	2017/18	





Project/Action	Organisational well-being		
Desired Outcome	A workforce that is dynamic, agile and capable to adapt to our changing environment		
Latest Update	ELT briefings held in place of AGM due to non-availability of Assembly Rooms. Celebration event to be held in new year		
Milestones	Due Date	Completed (Yes/No)	Note
Corporate Well-being day	30-Apr-2017	Yes	
Time to Change Pledge	30-Apr-2017	Yes	
Staff Attitude Survey	31-Dec-2017	Yes	Details of initial findings presented to CMT Oct 18 – draft action plan developed. Plan to be discussed with new Human Resources Business Partner for delivery and communication
Payroll/HR services available via self serv	31-Jan-2018	Yes	All services now available.
Delivery of Corporate Plan	31-Mar-2018	Yes	
Completion of the Agile Working Project	31-Dec-2018	No	A new implementation plan will be developed immediately following the Senior Management Review.
Staff Annual General Meeting/Celebration event	31-Dec-2018	No	ELT briefings held in place of AGM due to non-availability of Assembly Rooms. Celebration event to be held in new year
Workforce Development Plan approved	31-Dec-2018	No	Work has commenced on this and is linked to the senior management review.

Performance Measures	RAG Status	Current Value	Last Update	Latest Note
Working Days Lost Due to Sickness Absence (Year to date)		1.87	June 2018	
Results of Staff Attitude Survey		Yes	2017/18	Details of initial findings presented to CMT Oct 18 – draft action plan developed. Plan to be discussed with new Human Resources Business Partner for delivery and communication

Project/Action	Digital Customer Services			
Desired Outcome	Council services available for customers available on-line			
Latest Update				
Milestones	Due Date	Completed (Yes/No)	Note	
Customer Access Survey	30-Apr-2017	Yes		
Specification of Customer Portal	30-Apr-2017	Yes		
Procurement of customer portal	31-May-2018	Yes	A specification has been detailed. Soft market testing carried out with several suppliers. Specification launched in January 2018 and procurement anticipated by end of May 2018. The portal was purchased in July 2018.	

Approve revised Customer Services, Access & Digital Strategy	30-Jun-2018	Yes	The Customer Services, Access & Digital Strategy is complete and now needs to link to the ICT Strategy
Communications and Marketing Plan	31-Dec-2018	No	The review of PR, communications & marketing activities is to be completed by December 2018.
Implementation of customer portal commencing with Council Tax	31-Dec-2018	No	The portal has now been purchased and will commence with Council Tax. A project plan has been developed and will 'Go live' by the end of December 2018.
Review of Customer Services and Access Strategy	30-Jun-2019	No	The strategy is scheduled for completion by June 2018 consequently, the review will be undertaken by June 2019
Review portal implementation and customer satisfaction.	30-Sep-2019	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		9,210	2017/18	
The number of self-serve processes available for customers		67	2017/18	
The number of Portal users		0	2017/18	Portal not yet


				procured.
The number of downloads from the Tamworth App		504	2017/18	
The number of active users of the Tamworth App		404	Q2 2018/19	
The number of Ombudsman complaints received		8	2017/18	
The number of Ombudsman decisions made		7	2017/18	

Project/Action	Corporate Knowledge Hub			
Desired Outcome				
Latest Update	Initial plan now discussed by CMT			
	Further development work to be linked to Organisational Change Process with a view to formal Cabinet approval by end of March 2019			
Milestones	Due Date	Completed (Yes/No)	Note	
Workshop to scope design and delivery	31-May-2017	Yes		
Initial Plan discussed by CMT	31-Mar-2019	No	The development of the 'Tamworth Community Offer' is now in the final stages of design with a supporting action plan. Implementation of the plan will be directly linked to the Organisational Change Process prior to formal approval by Cabinet in March 2019	

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

Project/Action	New General Data Protection Regulations			
Desired Outcome	Processes and procedures to enable compliance with data legislation			
Latest Update	Activity in the third quarter of 2017/18 has seen the development of the Information Asset and an awareness campaign.			
Milestones	Due Date	Completed (Yes/No)	Note	
Endorsement of action plan for implementation	30-Apr-2017	Yes	Action plan endorsed and in progress Two members of staff qualified as practitioners in General Data Protection Regulations to enable implementation. A new statutory role of Data Protection Officer has been established.	
All staff trained in internal framework and legislation	31-May-2018	Yes	On line training commenced in March 2018 with three modules; 'Accountability and the GDPR', 'Preparing for GDPR' and 'The right to be forgotten'. In addition, 'face to face' training given to those members of staff in higher risk areas. Three additional modules were rolled out in April 2018.	
Processes and procedures tested and developed into local framework	31-Jul-2018	Yes	The development of processes is ongoing and on target for completion by the end of July 2018.	

Performance Measures	RAG Status	Current Value	Last Update	Latest Note
The number of data breaches		11	Q1 2018/19	

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.
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Commented [GS5]: Has this now commenced?

Project/Action	Office 365			
Desired Outcome	Corporate roll out of Office 365 functionality All officers trained and competent in use of technology Access to Exchange online Access to cloud services			
Latest Update	Progress in the trial areas: <ul style="list-style-type: none"> • Revenues – Managers trained and testing the product and providing fortnightly updates on progress. Training is being arranged for the rest of the team, • Housing – Training scheduled for managers, • ICT – Managers trained and testing virtual meetings. 			
Milestones	Due Date	Completed (Yes/No)	Note	
Roll out of technology	31-Jan-2018	Yes	The technology is installed and dependent on feedback from Revenues, Housing and ICT.	
New working practises in place	30-Jun-2018	Yes	Pilots are in place in Revenues, Planning and Housing. Once the pilots are completed, the learning will be available on Infozone as	




			case studies for reference for the rest of the organisation.
Training completed	30-Jun-2018	Yes	All those in the areas doing the pilots have been trained.






Performance Measures	RAG Status	Current Value	Last Update	Latest Note
The percentage of the organisation using Office 365		30%	Q2 2018/19	The position in terms of Office 365 (Cloud applications) use is as follows - Skype for Business is now generally available with the client installed on all VMware desktops. We are now looking at use cases for Teams which is Microsoft's new Office 365 collaboration tool and includes Skype. We are also looking at the feasibility of using cloud mailboxes and use cases for other 365 applications to further exploit

				<p>Office 365 licensed features. In addition, Office 365 versions of Word/Excel/Outlook are also being looked at as part of a future desktop upgrade to Windows 10.</p> <p>It is difficult to put a percentage on those in the organisation using Office 365 as there are a number of different pieces of work under the wider Office 365 activity. If the figure were to include staff who have been trained on various Office 365 applications and staff using some of the other services, it would be around 30% ICT users..</p>
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Project/Action	Enablement of Self-Service			
Desired Outcome	Delivery of technology to support self-service including portal, online forms, mobile apps and website development			
Latest Update	<p>Engaged with supplier</p> <p>Project team assembled</p> <p>Work commenced: business analyst looking at high volume processes</p>			
Milestones	Due Date	Completed (Yes/No)	Note	
Revenues Process Maps	31-Oct-2018	Yes	Revenues process maps supplied to Civica	
Housing Process Maps	15-Nov-2018	No		
Data Protection Impact Assessment	30-Nov-2018	No		
Golden Customer Record Specified	31-Dec-2018	No		
Upgrade Workflow360 to rel25	31-Dec-2018	No		
Housing Portal Process Build	31-Jan-2019	No		
Implementation of customer portal and integration to support website development	31-Jan-2019	No	<p>Two responses were received to the procurement activity; one of these was discounted due to it being cost prohibitive.</p> <p>The contract for the customer portal was awarded in July 2018. Site visits and scoping will take place next prior the project 'kick off'</p> <p>.</p>	
Implementation of mobile apps and online forms	31-Jan-2019	No	<p>The first mobile app 'Report It' is under development with implementation due for the end of July 2018.</p>	

Process Builders' training	31-Jan-2019	No	
Revenues Portal Process Build	31-Jan-2019	No	

Performance Measures	RAG Status	Current Value	Last Update	Latest Note
The number of face to face enquiries		9,210	2017/18	
The number of telephone calls into the Customer Services Centre		19,882	Q2 2018/19	
The number of self-serve processes available for customers		67	2017/18	

PI RAG Status	
	Alert
	Warning
	OK
	Unknown
	Data Only

Corporate Risk Register









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Title	Description
Finance	To ensure that the Council is financially sustainable as an organisation

Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Funding gaps	04-Sep-2018	3	3	9	
Business Rates Retention	04-Sep-2018	3	3	9	
New Homes Bonus	04-Sep-2018	3	2	6	
Brexit	04-Sep-2018	3	4	12	
Welfare and Benefit Reform	04-Sep-2018	3	3	9	
Failure to manage budgets	04-Sep-2018	3	2	6	




Title	Description
Modernisation & Commercialisation Agenda	Develop and implement continuous improvement and develop employees to perform the right work

Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Contract Management & Procurement	04-Sep-2018	2	2	4	
Management of Assets	04-Sep-2018	2	2	4	
New Revenue Streams	04-Sep-2018	3	3	9	
Workforce Planning Challenges	05-Sep-2018	3	2	6	
Continuous Improvement	05-Sep-2018	2	2	4	
Partnerships fail	16-Oct-2018	3	2	6	





Title	Description
Governance	Ensure that processes, policies and procedures are in place and the authority is held to account

Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Democratic Process	05-Sep-2018	3	3	9	
Assurance Process	04-Sep-2018	2	3	6	
Legislation	05-Sep-2018	3	2	6	
Policies & Procedures	05-Sep-2018	3	2	6	
Ethics	10-Oct-2018	2	2	4	




Title	Description
Community Focus	To ensure the safety, health and wellbeing of the citizens of the borough




Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Community Cohesion & Engagement	16-Oct-2018	3	3	9	
Safeguarding Children & Adults (including Modern Slavery)	16-Oct-2018	2	3	6	
Emergency Planning	10-Oct-2018	3	2	6	

Title	Description
Economic Growth & Sustainability	To ensure that the economic growth and sustainability of the borough is maintained

Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Regeneration	10-Oct-2018	3	3	9	
Housing Needs	10-Oct-2018	3	3	9	
Economic Changes	10-Oct-2018	3	3	9	
Demographics	10-Oct-2018	3	3	9	

Title	Description
Information Safeguarding	To ensure that our data is protected

Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Data Protection	05-Sep-2018	4	3	12	
Cyber Security	05-Sep-2018	4	2	8	
Business Continuity	10-Oct-2018	3	3	9	

Risk Status	
 High Risk	
 Medium Risk	
 Low Risk	

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
ICT	Vacancy Allowance	-	(16,260)	16,260	(32,480)	32,480	-	Vacancy Allowance
Disabled Facilities Grant-Admin	Salaries	-	13,680	(13,680)	27,330	(27,330)	-	Holding until outcome of new contract -may need to transfer to Capital budgets
	Car Allowances	-	1,020	(1,020)	2,010	(2,010)	-	
	Prov Of Occup Health Services	-	2,700	(2,700)	5,360	(5,360)	-	
Commercial Property Management	Finance Lease Income	(39,836)	-	(39,836)	-	(110,000)	(110,000)	Windfall Income - Gungate lease income
GP0652 Homelessness	Provision For Bad Debts	13,343	57,700	(44,357)	57,700	-	57,700	Report to go to Cabinet re write off of historical B&B debt
	Bed And Breakfast Cost	59,359	101,520	(42,161)	203,000	(50,000)	153,000	Report will be going to Cabinet outlining changes to charging policy for B&B, following audit and review by TMM
	Bed & Breakfast Income	(25,819)	(101,520)	75,701	(203,000)	100,000	(103,000)	
Community Wardens	Salaries	77,955	107,520	(29,565)	215,080	(50,000)	165,080	Underspend is offset by costs of external arrangement for car park enforcement - income derived from this is shown on GP0605 budgets
	Payments For Temporary Staff	38,215	-	38,215	-	50,000	50,000	Overspend offset by underspend on 3FTE vacant posts shown elsewhere noting income derived is on GP06
Community Development	Actuarial Strain Payments	46,354	-	46,354	-	46,350	46,350	Unbudgeted costs following service review
Joint Waste Arrangement	Specific Contingency	-	50,000	(50,000)	50,000	(50,000)	-	Specific contingency that may be required to delivery services through the joint waste arrangement

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
	Refuse Joint Arrangements	641,430	675,440	(34,010)	1,350,860	(68,000)	1,282,860	Revised estimated figures from LDC re year end charges
Chief Executive	Salaries	64,650	86,153	(21,502)	209,170	(50,000)	159,170	CE vacancy at start of year, plus reduced cost re Democratic Services support
Development Control	Cont To Reserves	28,000	-	28,000	-	28,000	28,000	Following government guidelines planning application fees were increased by 20% but this increase will need to be re-invested in the Planning Service and therefore a temporary reserve will be sort.
	Fees & Charges Planning App	(169,716)	(104,020)	(65,696)	(218,080)	(30,000)	(248,080)	Fee income is well above profiled budget to date due to two major applications. Should the trend continue the current predicted outturn could well be more significant but 20% of all income collected will need to be re-invested in the service, as per government guidelines, following an increase in fees. A temporary reserve will be requested in order to retain 20% of the outturn amount
Benefits	Rent Allowances	3,597,909	4,292,000	(694,091)	9,175,580	(1,436,600)	7,738,980	Based on DWP est claim @ P6
	Non-HRA Rent Rebates	14,047	138,060	(124,013)	275,980	(225,130)	50,850	
	Council Tenant Rent Rebates	4,847,049	5,247,250	(400,201)	10,074,830	(1,183,310)	8,891,520	
	Council Tenant Grant	(4,730,971)	(5,155,250)	424,279	(9,897,950)	1,163,850	(8,734,100)	
	Private Tenant	(3,473,509)	(4,161,400)	687,891	(8,896,620)	1,363,790	(7,532,830)	

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
	Grant							
	Non-HRA Rent Rebate Grant	(23,105)	(57,720)	34,615	(115,260)	70,760	(44,500)	
	Discretionary Hsg Paymt Grant	(46,873)	-	(46,873)	-	(140,620)	(140,620)	Based on DHP Mid-Year Est
	Overpayment Private Tenant	(251,678)	(187,140)	(64,538)	(374,320)	(129,040)	(503,360)	Based on e-Fins @ P6
	Pt Overpayment Recovery	105,928	-	105,928	-	211,860	211,860	
	Ct Overpayment Recovery	62,596	-	62,596	-	125,190	125,190	
Benefits Administration	Cont To Reserves	-	-	-	-	87,610	87,610	Unspent Gov't grant income to transfer to reserve at year end subject to approval
	Government Grants	(113,424)	(17,160)	(96,264)	(17,160)	(96,260)	(113,420)	Government grant unspent at year end to transfer to reserve subject to approval
Welfare Bens & Fairer Charging	Salaries	30,422	39,900	(9,478)	73,040	(42,620)	30,420	Staff transferred back to SCC
Welfare Bens & Fairer Charging	Fees & Charges	(37,506)	(50,940)	13,434	(101,920)	64,410	(37,510)	No further income due on cessation of provision of service to SCC
Corporate Finance	Pensions	643,100	679,850	(36,750)	679,850	(36,750)	643,100	Underspend in 2018/19 arising from pension pre-payment agreement
	Consultants Fees	46,070	87,480	(41,410)	175,000	-	175,000	No variance underspend reported at this stage
	Specific Contingency	-	-	-	242,000	(142,000)	100,000	Contingency for potential reduced income levels not required 2018/19
	NNDR Levy Payments	-	-	-	781,960	41,910	823,870	Higher levy due to additional business rates income
	Government Grants	(340,264)	(325,320)	(14,944)	(650,600)	(113,540)	(764,140)	Additional S31 Grant income for Business Rates Relief

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
Treasury Management	Minimum Revenue Provision Gf	73,140	52,140	21,000	104,270	42,000	146,270	Offsetting underspend on interest income
	Misc Interest & Dividends	(237,960)	(87,960)	(150,000)	(175,970)	(300,000)	(475,970)	Interest expected above budget
	Property Fund Dividends	(13,693)	-	(13,693)	-	(109,200)	(109,200)	Receipt of Property Fund interest due to investment earlier than budgeted

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
Page 55 H R A Summary	Provision For Bad Debts	161,019	196,200	(35,181)	196,200	-	196,200	Bad debt is likely to increase whilst the rollout of UC continues. Income recovery remains a priority to limit any increase in arrears.
	Specific Contingency	-	2,500	(2,500)	117,500	(100,000)	17,500	No issues currently identified that would require the use of this budget
	Rents	(9,120,328)	(9,021,256)	(99,072)	(17,320,810)	(130,000)	(17,450,810)	Rent income is currently exceeding budget due to void levels being lower than budgeted. The acquisition programme also continues to provide additional properties let at Affordable Rent and offset those sold under the Right to Buy.

Capital Programme Monitoring

Directorate	Budget Reprofiled from 2017/18 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2019/20 (memo only) £000	Outturn £000	Comments
Chief Executive										
Gungate Development	-	4,000	3,270	(730)	4,000	4,000	-	-	4,000	Site purchased in June work on going to develop plans for redevelopment
Directorate Total	-	4,000	3,270	(730)	4,000	4,000	-	-	4,000	
AD Growth										
Castle Mercian Trail	748	748	128	(621)	748	748	-	-	748	Work to start on site imminently
Gateways	15	66	7	(59)	138	138	-	-	138	Aethelflaed statue installed and phase 2 complete. Brief for Phase 3 (Corporation St) finalised.
Cultural Quarter - Carnegie Centre	7	7	4	(3)	7	7	-	-	7	No update to report, currently being used as site office for overall project.
Cultural Quarter - Public Realm	-	4	4	(0)	4	4	-	-	4	Works being led by SCC - although any spend from TBC to support project will be reclaimed through SLGF Returns.
Directorate Total	771	825	143	(682)	898	898	-	-	898	
AD People										
Replacement It Technology	7	59	15	(45)	112	112	-	-	112	At this stage budget is expected to spent in line with requirements set out in capital appraisal

Directorate	Budget Reprofiled from 2017/18 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2019/20 (memo only) £000	Outturn £000	Comments
EDRMS (Electronic Document Records Management System)	63	63	13	(50)	63	63	-	-	63	Scoping of project following migration from Oracle platform to SQL server to be agreed with supplier
Income Management & Receipting System	-	20	20	(0)	20	20	-	-	20	Upgrade Capita system following Cabinet approval 2nd August 2018
Gazetteer Development	9	9	-	(9)	9	9	-	-	9	Amount re-profiled for further development of the system
New Time Recording System 17/18	15	15	-	(15)	15	15	-	-	15	Project to commence shortly
Self Service Customer Portal	115	115	90	(25)	115	115	-	-	115	Standstill in progress before award of contract
Directorate Total	208	281	138	(143)	333	333	-	-	333	
AD Operations & Leisure										
Streetscene Service Delivery Enhancements	30	30	-	(30)	30	-	(30)	-	-	Delays in the project due to the delays in the full implementation of the CRM system.
Wigginton Park Section Section 106	20	22	10	(12)	22	22	-	-	22	Plans ongoing to deliver items from the Wigginton Park Management Plan
Broadmeadow Nature Reserve	23	23	-	(23)	23	23	-	-	23	Ongoing works to complete management plan and HLS agreement. Bridge works now completed however ongoing contractual dispute over rates and works undertaken.

Directorate	Budget Reprofiled from 2017/18 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2019/20 (memo only) £000	Outturn £000	Comments
Public Open Space Section 106	24	24	15	(9)	24	24	-	-	24	Project group established - list of works currently being collated.
Street Lighting	4	6	4	(2)	7	7	-	-	7	Works to be delivered in line with 30 year project plan
Local Nature Reserves	36	39	16	(23)	39	39	-	-	39	Work ongoing to deliver items from management plan
Community Woodland Cycleway	-	160	-	(160)	160	-	(160)	160	160	At this stage budget is expected to spent in line with requirements set out in capital appraisal
Arington Community Woodland	-	25	7	(18)	50	-	(50)	50	50	At this stage budget is expected to spent in line with requirements set out in capital appraisal
Assembly Rooms Development	1,140	2,436	1,024	(1,412)	3,732	3,732	-	-	3,732	Work started on site December - Building works to be finished in approx. 15 months.
Indoor and Outdoor Sports Feasibility	-	100	-	(100)	100	100	-	-	100	At this stage budget is expected to spent in line with requirements set out in capital appraisal
Directorate Total	1,276	2,865	1,076	(1,789)	4,188	3,948	(240)	210	4,158	
AD Finance										
Property Funds	6,000	9,000	3,869	(5,131)	12,000	12,000	-	-	12,000	Opportunities to invest being continuously reviewed. As such the budget will be spent on an ad-hoc basis throughout the financial year.
Directorate Total	6,000	9,000	3,869	(5,131)	12,000	12,000	-	-	12,000	

Directorate	Budget Reprofiled from 2017/18 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2019/20 (memo only) £000	Outturn £000	Comments
AD Assets										
Disabled Facilities Grant	31	356	391	35	681	681	-	-	681	Current referrals nearly accounts for the budget available for the full year and new cases are still being opened 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.
Agre Working Phase 2	124	124	-	(124)	124	-	(124)	-	-	Expenditure of this budget is reliant upon us entering into a formal lease agreement with the a 3rd party to occupy space in Marmion House.
Energy EFF Upgrade Commercial and Industrial Properties	-	38	4	(33)	75	75	-	-	75	The energy efficiency works will largely be allocated to bringing vacant properties up to the minimum required standard for letting. As such the budget will be spent on an ad-hoc basis throughout the financial year.

Directorate	Budget Reprofiled from 2017/18 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2019/20 (memo only) £000	Outturn £000	Comments
Castle Grounds Toilet Refurbishment	-	-	-	-	180	150	(30)	30	180	Tenders for this work will be invited through the summer months with a view to commencing works in the Autumn/Winter period in readiness for the toilets to re-open in the Spring. Anticipate full spend before March 31st.
Directorate Total	155	517	395	(122)	1,060	906	(154)	30	936	
AD Neighbourhoods										
Homelessness Reduction Act	-	15	-	(15)	30	30	-	-	30	At this stage budget is expected to spent in line with requirements set out in capital appraisal
CCTV Camera Renewals	44	51	17	(35)	59	59	-	-	59	Further report to Scrutiny Committee in 2018 to discuss way forward.
Directorate Total	44	66	17	(50)	89	89	-	-	89	
AD Partnerships										
Private Sector Coalfields Fund	92	92	-	(92)	92	42	(50)	50	92	Programme of new initiatives to be developed to target help for vulnerable residents based on results of recent stock condition survey
Directorate Total	92	92	-	(92)	92	42	(50)	50	92	
GF Contingency										
Gf Contingency	50	35	-	(35)	35	-	(35)	35	35	Will require approval from Cabinet to release funds
Cont-Return On Investment	160	160	-	(160)	160	-	(160)	160	160	Will require approval from Cabinet to release funds

Directorate	Budget Reprofiled from 2017/18 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2019/20 (memo only) £000	Outturn £000	Comments
GF Contingency Plant and Equipment	100	100	-	(100)	100	-	(100)	100	100	Will require approval from Cabinet to release funds
Civil Contingencies Technology 17/18 (Contingency)	19	19	-	(19)	19	-	(19)	19	19	Will require approval from Cabinet to release funds
Refurbishment of Marmion House Reception (Contingency)	100	100	-	(100)	100	-	(100)	100	100	Will require approval from Cabinet to release funds
GDPR Compliance (Contingency)	-	23	-	(23)	45	-	(45)	45	45	Will require approval from Cabinet to release funds
Mobile Phone Contract (Contingency)	-	10	-	(10)	20	-	(20)	20	20	Will require approval from Cabinet to release funds
Private Sector Improvement Grants (Coalfields Funding)	130	130	-	(130)	130	-	(130)	130	130	Will require approval from Cabinet to release funds
Directorate Total	559	577	-	(577)	609	-	(609)	609	609	
GENERAL FUND TOTAL	9,105	18,223	8,908	(9,315)	23,268	22,215	(1,053)	899	23,114	

HOUSING REVENUE ACCOUNT										
Directorate	Budget Reprofiled from 2017/18 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2019/20 (memo only) £000	Outturn £000	Comments
AD Assets										
Structural Works	-	50	3	(47)	100	100	-	-	100	This is an ad-hoc budget that is driven by reported repairs.
Bathroom Renewals	-	409	555	146	817	817	-	-	817	Sufficient works issued to take up full spend by year-end.
Gas Central Heating Upgrades and Renewals	-	210	(3)	(213)	420	420	-	-	420	Sufficient works issued to take up full spend by year-end.
Kitchen Renewals	8	743	397	(346)	1,228	1,228	-	-	1,228	Sufficient works issued to take up full spend by year-end.
Major Roofing Overhaul and Renewals	-	83	-	(83)	166	166	-	-	166	Sufficient works issued to take up full spend by year-end.
Window and Door Renewals	12	137	14	(124)	262	262	-	-	262	Sufficient works issued to take up full spend by year-end.
Disabled Facilities Adaptations	108	270	163	(107)	432	432	-	-	432	Sufficient works issued to take up full spend by year-end. Likelihood of being more demand than we can fund.
Strode House Car Park and Garages	-	75	457	382	530	530	-	-	530	Awaiting final project costs, anticipate full spend by year-end.
Renew High Rise Lifts	-	-	-	-	280	-	(280)	-	-	Extension of current project. May extend into 2019/20. Confirmation of programme during year.

Directorate	Budget Reprofiled from 2017/18 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2019/20 (memo only) £000	Outturn £000	Comments
Renew Walkways Magnolia	-	37	-	(37)	260	260	-	-	260	Awaiting final project costs, anticipate full spend by year-end.
High Rise Lift Renewals 2012	278	125	20	(105)	278	138	(140)	140	278	Contract currently on site, may extend into 2019/20.
Fire Upgrades To Flats 2012	2,057	2,057	-	(2,057)	2,057	2,057	-	-	2,057	Tenders received, awaiting contract award. Programme of works to be agreed but likely to extend into 2019/20
Roofing High-Rise	43	-	-	-	43	43	-	-	43	Due to be completed summer 2018.
High Rise Balconies	577	288	403	115	577	463	(114)	114	577	Contract currently on site, may extend into 2019/20.
Works to High Rise Flats	573	836	509	(327)	1,098	878	(220)	220	1,098	Contract currently on site, may extend into 2019/20.
Retention of Garage Sites	15	-	183	183	385	385	-	-	385	Scheme to be agreed.
Capital Salaries	-	-	-	-	177	177	-	-	177	
CDM Fees	-	3	-	(3)	5	-	(5)	-	-	No longer required
Creation of Eringden Office	-	5	2	(3)	10	10	-	-	10	Subject to planning consent works to be completed during the summer of 2018.
Tinkers Green	8,554	1,250	1,453	203	13,070	13,070	-	-	13,070	Contract currently on site, will extend into 2019/20
Kerria Estate Project	2,178	410	488	78	6,840	6,840	-	-	6,840	Contract currently on site, will extend into 2019/20
Regeneration General	2,234	-	4	4	-	4	4	-	4	Budget vired to Regeneration schemes as per April Cabinet report
Other Acquisitions	1,461	2,336	2,286	(50)	2,586	2,586	-	-	2,586	Scheme to be agreed.
Directorate Total	18,098	9,323	6,933	(2,390)	31,622	30,867	(755)	474	31,341	

Directorate	Budget Reprofiled from 2017/18 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2019/20 (memo only) £000	Outturn £000	Comments
HRA Contingency										
HRA Contingency	100	100	-	(100)	100	-	(100)	100	100	Will require approval from Cabinet to release funds
Directorate Total	100	100	-	(100)	100	-	(100)	100	100	
HRA Total	18,198	9,423	6,933	(2,490)	31,722	30,867	(855)	574	31,441	

Treasury Management Update – Period 6 - 2018/19**Investments held as at 30th September 2018:**

Borrower	Deposit £	Rate %	From	To	Notice
Lloyds Bank	1,000,000	0.90%	30-Nov-17	30-Nov-18	
Lloyds Bank	1,000,000	0.90%	01-Dec-17	30-Nov-18	-
Bank of Scotland	2,000,000	0.85%	03-Jan-18	03-Jan-19	-
Bank of Scotland	2,000,000	0.85%	05-Jan-18	04-Jan-19	-
Lloyds Bank	1,000,000	0.80%	09-Feb-18	08-Feb-19	-
Bank of Scotland	2,000,000	0.85%	12-Feb-18	11-Feb-19	-
Lloyds Bank	2,000,000	0.90%	03-Apr-18	03-Apr-19	-
Lloyds Bank	2,000,000	0.90%	03-Apr-18	03-Apr-19	-
Barclays Bank	2,000,000	0.75%	05-Apr-18	05-Oct-18	-
Royal Bank of Scotland	2,004,563	0.87%	10-Apr-18	27-Nov-18	-
Barclays Bank	2,000,000	0.76%	10-Apr-18	10-Oct-18	-
Coventry BS	2,000,000	0.67%	25-May-18	26-Nov-18	-
National Westminster Bank plc	2,000,593	0.94%	29-Jun-18	28-Jun-19	-
National Westminster Bank plc	4,001,189	0.95%	05-Jul-18	05-Jul-19	-
Barclays Bank	3,000,000	0.81%	12-Sep-18	12-Mar-19	-
Coventry BS	2,000,000	0.79%	12-Sep-18	12-Mar-19	-
Guildford Council	4,000,000	0.85%	13-Sep-18	13-Mar-19	-
Goldman Sachs	10,000,000	0.67%	-	-	180 day
Santander	10,000,000	0.70%	-	-	180 day
MMF - Ignis	508,000	0.62%*	-	-	On call
MMF – PSDF	10,000,000	0.69%*	-	-	On call
Total	66.51	0.77 (avg)			

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

External Borrowing as at 30th September 2018:

<u>Borrowing from PWLB</u>				
<u>Loan Number</u>	<u>Rate</u>	<u>Principal</u>	<u>Start</u>	<u>Maturity</u>
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		63,060,194		

29th November 2018

REPORT OF THE LEADER OF THE COUNCIL

DRAFT BASE BUDGET FORECASTS 2019/20 to 2023/24

Purpose

To inform Members of the re-priced base budget for 2019/20, base budget forecasts for the period 2019/20 to 2023/24 (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 2019/20 & indicative budgets to 2023/24 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 2019/20, as detailed within the report; and**
- 4. in compliance with the Constitution of the Council, the Leader's 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 2019/20 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 2019/20 to 2023/24.

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 £1.8m over 3 years (with a shortfall of £6.4m over 5 years), including the minimum approved level of £0.5m;
2. HRA balances of £2.3m over 3 years (with £1.2m over 5 years) including the minimum recommended balances of £0.5m.

Including new policy change proposals of c.£0.8m over 3 years (£1.1m over 5 years) the updated forecast shows that over the 3 year period to 2021/22, there will be a shortfall in balances of £1.8m (compared with a forecast shortfall of £0.9 when the Medium Term Financial Strategy (MTFS) was approved in February 2018) with a shortfall in balances of £4m over the 4 years to 2022/23 increasing to £6.4m in 2023/24 (the shortfall was previously c.£1.9m in 2022/23).

Further savings of around £0.6m p.a. will be required over the next 3 years (based on annual £5 increases in Council Tax) with savings of c.£1.3m p.a. required over 5 years. On an annualised basis this would equate to a year on year ongoing saving of £0.3m over 3 years (£0.4m over 5 years).

A balanced 5 year forecast was presented for the Housing Revenue Account (HRA). Including new policy change proposals of c.£0.5m over 3 years (£2m over 5 years) the updated forecast shows that over the 3 year period to 2021/22, balances of £2.3m will remain with balances of £1.1m over the 4 years to 2022/23 increasing to £1.2m in 2023/24 (balances were previously forecast at £0.7m in 2022/23).

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

- Potential changes to future New Homes bonus levels and doubt over 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). Current indications are that this will increase to 0.6% for 2019/20 as the funding allocation is cash limited.
- 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.

However, there remains a high degree of uncertainty arising from the most significant changes in Local Government funding for a generation in 2020/21 arising from:

- The Government's Fair Funding Review (FFR) of the distribution methodology including:
 - changes to the needs assessment (which will determine each Council's share of the national funding for Local Government – it is likely that this will reflect the impact of Social Care demands and that funding will be redistributed to Unitary and County Councils to the detriment of District Councils);
 - treatment of relative resources (to determine how much each Council can fund locally through income from fees and charges and council tax); and
 - any transitional arrangements to protect Councils from significant reductions in funding – and the impact from their unwinding from 2021/22.
- Spending Review 2019 (SR19) – where the total spending allocation for Government Departments will be set – including national control totals for Local Government spending. It has already been announced that significant additional funding will be diverted to the NHS which could mean further reductions for other Departments including Local Government;
- The ongoing review of the Business Rates Retention (BRR) scheme – the Government announced that Councils will be able to retain 75% of business rates collected from 2020/21 rather than 100% as previously planned with work progressing on the design of the new system including the impact of 'rolling in' grants such as Housing Benefit administration and New Homes Bonus; 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 £4.3m was set aside at the end of 2017/18 (40% of which relates to the Council);
- The planned reset of the Business Rates baseline for each Council from 2020/21 and redistribution of the growth achieved since 2013 (of over £1m p.a.);
- Uncertainty over the ongoing funding for the New Homes Bonus scheme, local growth in housing numbers and share of the national pool (including potential increases to the 'deadweight' for which Council's no longer receive grant).

In addition, the next planned national Business Rates Revaluation will take effect from 2021/22 – with latest indications that the Government will also aim to introduce a centralised system for business rate appeals at the same time to cover future changes arising from the 2021 valuation list.

While we are aware of these forthcoming changes, little to no information is available on the potential impact for individual Councils' finances.

- 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.
- 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 for 3 years. 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.
- 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);
- While the Government announced a pay cap for 2014/15 & 2015/16, a 2.2% increase (plus other changes) was agreed from 1st January 2015. A further 1% pay cap for public sector workers for the 4 years from 2016/17 was set but following Government announcements regarding public sector pay this cap was lifted from 2018/19 with a 2% increase agreed.

For 2019/20 a 2% increase was agreed and included the introduction of a new pay spine on 1st April 2019 based on a bottom rate of £17,364 with additions, deletions and changes to other spinal column points. This could have a significant impact in terms of current grading and a review is underway to assess the impact of the assimilation and implementation of the new pay spine from 1st April 2019.

In addition, from April 2016, a new compulsory National Living Wage (NLW) for the over 25s was introduced to replace the National Minimum Wage.

- 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;
- The impact of any further uncertainty over future interest rate levels and their impact on investment income / treasury management;
- Due to uncertainties around the Better Care Fund, a significant risk on the current grant funding for Disabled Facilities Grants (DFG) is highlighted after 2018/19.

A grant of £400k p.a. has been assumed to be redistributed – in line with the funding notified for 2018/19;

- Inclusion of expected outcomes from development of the Commercial Investment Strategy;
- Review and finalisation of the revised budgets/policy changes and feedback from the scrutiny process – including the Council Tax increase for 2019/20.

Options Considered

As part of the budget setting process a number of options for the council tax increase levels for 2019/20 and future years have been modelled / considered.

Council Tax	Option Modelled / Considered
Model 1	£5.00 increase in Council tax in 2019/20 (followed by increases of £5.00 p.a.)
Model 2	2.99% increase in Council tax in 2019/20 (followed by increases of c.2.99% p.a.)
Model 3	0% increase in Council tax in 2019/20 (followed by increases of c.2.99% p.a.)
Model 4	2.5% increase in Council tax in 2019/20 (followed by increases of 2.5% thereafter)
Model 5	0% increase in Council tax in 2019/20 (followed by increases of 0% thereafter)
Model 6	1% increase in Council tax in 2019/20 (followed by increases of 1% thereafter)

Rent	Option Modelled / Considered
Statutory Requirement	Reduction of 1% (in line with the statutory requirement)

Resource Implications

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

- The Forecast projects a General Fund shortfall of £1.8m over 3 years (£6.4m 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 Ministry for Housing, Communities & Local Government (MHCLG) for 2018/19.

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

- a) Impact of Committee decisions on the 2018/19 budget – a General Fund (GF) saving of £1.6m;
- b) GF Base Budget review 2019/20:
 - The final outturn for 2017/18 – additional balances of £0.3m from a higher than forecast underspend position of £1.8m. A projected underspend of £0.9m for 2018/19 has been included (including returned business rates levy from GBSLEP of £0.4m);
 - Potential impact from the Business Rates Baseline reset – c. £1.2m p.a. reduced income / increased tariff from 2020/21 from a reset to the Council's baseline need level. No further changes to the level of Government support / grants arising from the Fair Funding Review / SR 2019 have been included given the uncertainty;

- Revised new homes bonus levels through the redistribution process - a 50% reduction in New Homes Bonus funding has been assumed, £0.5m over 3 years;
 - Additional income from the Commercial Investment Strategy acquisitions – c.£0.25m to 2020/21;
 - Additional savings arising from phases 1 and 2 of the Senior Management Review – c.£0.5m over 3 years;
 - Reduced Benefits costs, increased grants and reduced bad debt provision, £0.25m p.a.
 - Work is progressing to understand the impact of the recent pay award and associated changes to pay scales arising from implementation of the national living wage – at this stage no additional costs have been included.
- The current forecast projects Housing Revenue Account (HRA) balances of £2.3m over 3 years with balances of £1.2m 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 2019/20 budget – savings of £3.1m;

b) HRA Base Budget review:

- The final outturn for 2017/18 and a projected underspend of £169k for 2018/19 has been included;
- Savings arising from phases 1 and 2 of the Senior Management Review – c.£0.1m p.a.;
- Additional rent income, £0.5m over 3 years;
- Additional interest income due to higher level of balances, £0.25m over 3 years;
- Changes arising from the updated HRA Business plan.

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 6th December 2018.

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 30th January 2019.

Proposed amendments to the 2018/19 base budget, approved by Council on 27th February 2018, 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 with regard to business rates retention (and the associated impact on the Council’s business rates income and associated baseline and tariff levels) – it has recently been announced that Councils will be able to retain 75% of business rates collected from 2020/21 rather than 100% as previously planned. In addition, the Government are also consulting on a review of the distribution methodology, the ‘Fair Funding Review’ as well as the planned Business Rates Reset (when a proportion of the growth in business rates achieved since 2013/14 will be redistributed) - both of which will also take effect from 2020/21. **There is a high risk that this will have a significant effect on the Council’s funding level from 2020/21;**
- Delivery of the planned Commercial Investment 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);

The MHCLG recently issued revised Investment and Minimum Revenue Provision (MRP) guidance, in response to recent concerns with regard to Councils who are borrowing large sums to invest in commercial property activities. Key issues include amendments to the definition of an investment, so that it now covers all financial assets and other non-financial assets that an authority holds primarily to generate financial returns, such as investment portfolios; and the proviso that authorities should not borrow in advance of need purely to profit from the investment of extra sums borrowed. Additional disclosures are also required in terms of risk management around investments.

- 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;
- 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	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Delivering Quality Services project	M	100	100	100	100	100
Reduced CRM costs	M	62	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 GF (£14k p.a. – HRA)	L	45	49	52	52	52
Rental of vacant accommodation space in Marmion House	H	46	92	92	92	92

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); (High)	Sensitivity modelling undertaken to assess the potential impact in the estimation of future grant levels; (Medium / High)
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; (High/Medium)	Future levels included on a risk based approach in order to offset further grant reductions / uncertainty over additional property numbers; (Medium)
Potential 'capping' of council tax increases by the Government or local Council Tax veto / referendum; (Medium)	Current indications are that increases of 3% or £5 and above risk 'capping' (confirmed as 3% or £5 for District Councils for 2018/19); (Low)
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; (High)	A robust & critical review of savings proposals will be required / undertaken before inclusion within the forecast; (High/Medium)
Pay awards greater than forecast; (Medium)	Public sector pay cap was in place - 1% increase p.a. for 4 years from 2016/17. However, this cap was lifted from 2018/19 with pay awards of 2% p.a. for 2 years; (Medium / Low)
Pension costs higher than planned / adverse performance of pension fund;	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

Risk	Control Measure
(Medium)	2017/18) for 3 years; (Medium)
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;	Robust estimates included to arrive at collection target. Ongoing proactive management & monitoring will continue;
New burdens (Section 31) grant funding for Central Government policy changes – including impact on levy calculation;	Business Rates Collection Reserve - provision of reserve funding to mitigate impact of any changes in business rate income levels;
Potential changes to the Business Rates Retention system following the announcement for Councils to keep 75% (previously up to 100%) of the business rates collected by 2020/21; (High)	Monitoring of the situation / regular reporting; (High / Medium)
Local Council Tax Reduction scheme implementation – potential yield changes and maintenance of collection levels;	Robust estimates included. Ongoing proactive management & monitoring (including a quarterly healthcheck on the implications on the organisation – capacity / finance) will continue; (High / Medium)
(High)	
Achievement of income streams in line with targets e.g. treasury management interest, car parking, planning, commercial & industrial rents etc.; (High / Medium)	Robust estimates using a zero based budgeting approach have been included; (Medium)
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); (High / Medium)	Robust monitoring and evaluation – should funds not be available then schemes would not progress; (Medium)
Dependency on partner organisation arrangements and contributions e.g. Waste Management (SCC/LDC). (High / Medium)	Memorandum of Understanding in place with LDC. (Medium)
Delivery of the planned Commercial Investment Strategy actions - recent review of the Treasury Management Investment Guidance / Minimum Revenue Provision Guidance carried out by MHCLG - with a potential restriction of investments by Councils given increased risk exposure. (High/Medium)	The main issue seems to be the increased risks associated with those Councils who are borrowing large sums to invest in commercial property activities. (Medium)
Maintenance and repairs backlog for corporate assets – and planned development of long term strategic plan to address such. (High / Medium)	Planned development of long term strategic corporate capital strategy and asset management plan to consider the requirements and associated potential funding streams. (Medium)
Significant financial penalties arising from the implementation of the General Data Protection Regulations (GDPR).	Implementation plan in place with corporate commitment and good progress.

Risk	Control Measure
(High / Medium)	(Medium)
<p>Property funds are not risk free - as such a risk based approach will need to be adopted – to balance risk against potential yield or return.</p> <p>Based on past performance there is the potential for returns of c.4 to 5% p.a. but this is not guaranteed.</p> <p>The value of the funds are also subject to fluctuation – which could mean a capital loss in one year (as well as expected gains).</p> <p>The initial cost associated with the purchase of the investment in the funds is expected to be in the region of 5% - which would have to be recovered over the life of the investment (either from annual returns or capital appreciation). There is a real risk of a revenue loss therefore in the first year.</p>	<p>Any investment in funds which are deemed as capital expenditure will require the necessary capital programme budgets to be approved by full Council.</p> <p>Risk is inherent in Treasury Management and as such a risk based approach will need to be adopted – to balance risk against potential yield or return.</p> <p>It is suggested that risk be mitigated (although not eliminated) through investment in a diversified portfolio using a range of property funds.</p> <p>Provision has been made within the proposed policy changes to fund the initial cost of purchase of c.5%. The Council will also endeavour to use of the secondary market for purchases to potentially gain access to a fund at a lower level of cost than via the primary route</p>
(High/Medium)	(Medium)

Report Author

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

Background Papers:-	Corporate Vision, Priorities Plan, Budget & Medium Term Financial Strategy 2018/19, Council 27 th February 2018
	Budget and Medium Term Financial Planning Process, Cabinet 2 nd August 2018
	Budget Consultation Report, Cabinet 8 th November 2018

Base Budget Forecast 2019/20 to 2023/24

Revisions / updates have been made to the 2018/19 base budget in order to produce an adjusted base for 2019/20 and forecast base for 2020/21 onwards.

General Fund Revenue

Forecast – When the budget for 2018/19, and indicative budgets for 2019/20 to 2020/21, were approved by Council in February 2018 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:

- The final outturn for 2017/18 – additional balances of £0.3m from a higher than forecast underspend position of £1.8m. A projected underspend of £0.9m for 2018/19 has been included (including returned business rates levy from GBSLEP of £0.4m);
- Potential impact from the Business Rates Baseline reset – c. £1.2m p.a. reduced income / increased tariff from 2020/21 from a reset to the Council's baseline need level. No further changes to the level of Government support / grants arising from the Fair Funding Review / SR 2019 have been included given the uncertainty;
- Revised new homes bonus levels through the redistribution process - a 50% reduction in New Homes Bonus funding has been assumed, £0.5m over 3 years;
- Additional income from the Commercial Investment Strategy acquisitions – c.£0.25m to 2020/21;
- Additional savings arising from phases 1 and 2 of the Senior Management Review – c.£0.5m over 3 years;
- Reduced Benefits costs, increased grants and reduced bad debt provision, £0.25m p.a.
- Work is progressing to understand the impact of the recent pay award and associated changes to pay scales arising from implementation of the national living wage – at this stage no additional costs have been included.

Issues for the Medium Term

The Forecast projects a General Fund shortfall of £1.8m over 3 years (£6.4m 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 MHCLG for 2017/18.

Implications & Options

It is currently estimated that further savings of around £0.6m p.a. will be required over the next 3 years (based on annual £5 increases in Council Tax) with savings of £1.3m p.a. required over 5 years.

On an annualised basis this would equate to a year on year ongoing saving of £0.3m over 3 years (£0.4m 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 re-justification process – where possible, 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.

We took the opportunity to increase the vacancy allowance from 5% to 7.5% by 2021/22 c. £45k p.a. year on year for the General Fund, c.£14k p.a. for the HRA (It should be noted that staffing in some services e.g. planning, are key to the delivery of the Council's economic growth agenda and have significant demand from the public and local businesses but can also experience severe recruitment difficulties – which may lead to the use of market supplements to attract staff).

- Spend freeze – Managers have previously been required to restrict / limit spending to essential spend only (there was a £1.8m underspend in 2017/18 – although much of this arose from windfall income, c. £1m was lower level underspends).

A review of the underspend position is planned with a view to driving out as many savings as possible.

- 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. 4 to 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 Diversified Property Funds – a savings target to return c.4% p.a. from £12m invested has already been included from 2019/20.

Note: these would represent long term investments of between 5 – 10 years (minimum) in order to make the necessary returns (after set up costs).

- Review of reserves (including ensuring adequate provision for the funding uncertainties) / creation of a fund for transformation (if needed).
- Targeted Savings – to identify potential areas for review in future years.
- Review and rationalisation of IT systems.

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 2018/19, and indicative budgets for 2019/20 to 2022/23, were approved by Council in February 2018 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:

- The final outturn for 2017/18 and a projected underspend of £169k for 2018/19 has been included;
- Savings arising from phases 1 and 2 of the Senior Management Review – c.£0.1m p.a.;
- Additional rent income, £0.5m over 3 years;
- Additional interest income due to higher level of balances, £0.25m over 3 years;
- Changes arising from the updated HRA Business plan.

The current forecast projects a Housing Revenue Account (HRA) balances of £2.3m over 3 years with a balances of £1.2m over 5 years including the minimum recommended balances of £0.5m.

Detailed Considerations

Base Budget Forecasts 2019/20 to 2023/24

Revisions / updates have been made to the 2018/19 base budget in order to produce an adjusted base for 2019/20 and forecast base for 2020/21 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	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Base Budget B/Fwd	10,270	8,898	8,579	8,700	8,861
Committee Decisions	(1,624)	(44)	52	(15)	-
Inflation	38	38	39	39	41
Other	(45)	(590)	(245)	(122)	134
Pay Adjustments (Including pay award / reduction of 5% for vacancy allowance)	135	277	275	259	245
Revised charges for non-general fund activities	124	-	-	-	-
Total / Revised Base Budget	8,898	8,579	8,700	8,861	9,281

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 2018/19 to 2019/20 were confirmed on 8th February 2018 following an announcement in Parliament on 8th February – with only minor changes from those confirmed in February 2017 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 an increase of 1.9% for 2018/19 and an overall increase for the period 2016/17 to 2019/20 of 2.1%.

Core Spending Power National Position	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Settlement Funding Assessment	21,250	18,601	16,632	15,574	14,398
Under-indexing the business rates multiplier	165	165	175	275	375
Council Tax	22,036	23,247	24,666	26,600	28,047
Improved Better Care Fund	-	-	1,115	1,499	1,837
New Homes Bonus	1,200	1,485	1,252	948	900
Rural Services Delivery Grant	16	81	65	81	65
Transition Grant	-	150	150	-	-
Adult Social Care Support Grant	-	-	241	150	-
Core Spending Power	44,666	43,729	44,296	45,127	45,622
Change %		(2.1)%	1.3%	1.9%	1.1%
Cumulative change %		(2.1)%	(0.8)%	1.0%	2.1%

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 2018/19 LGFS, as detailed below.

BASE BUDGET	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	2023/24 £
Revenue Support Grant	493,964	184,529	-	-	-	-
% Reduction	(36)%	(63)%	(100)%	-	-	-

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 changes to the Business Rate Retention scheme, the Business Rate reset and the Fair Funding Review, detailed modelling has been carried out in order to prepare estimated Business Rates income levels.

The 2019/20 finance settlement represents the seventh 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, 2016/17 and 2017/18 (above forecast / baseline) and had to pay a levy of £534k, £612k and £1.17m respectively.

The latest estimates for 2018/19 indicate additional business rates receivable above the baseline – of which the Council will receive 40% less the Government set tariff payment of c.£10m (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 1st 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.

Levy / Section 31 Grant	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	2023/24 £
NNDR Levy payment to GBSLEP (20%)	906,093	1,054,810	-	-	-	-
Section 31 Grant income	(762,968)	(752,760)	-	-	-	-

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

BASELINE	2019/20	2020/21	2021/22	2022/23	2023/24
	£	£	£	£	£
February 2018 MTFS:					
Retained Business Rates	12,565,929	12,816,353	13,082,242	13,341,439	13,341,439
Less: Tariff payable	(10,231,634)	(10,426,035)	(10,634,556)	(10,847,247)	(10,847,247)
Total	2,334,295	2,390,318	2,447,686	2,494,192	2,494,192
% Increase	3.56%	2.40%	2.40%	1.90%	-
Base Budget Forecast (November 2018):					
Retained Business Rates	12,530,991	14,279,743	14,560,973	14,815,263	15,113,978
Less: Tariff payable	(10,231,634)	(11,936,698)	(12,173,977)	(12,405,147)	(12,653,250)
Total	2,299,357	2,343,045	2,386,996	2,410,116	2,460,728
% Increase	2.22%	1.90%	1.88%	0.97%	2.10%
Increase / (Decrease)	(34,938)	(47,273)	(60,690)	(84,076)	(33,464)

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:

BASE BUDGET	2019/20	2020/21	2021/22	2022/23	2023/24
	£	£	£	£	£
February 2018 MTFS:					
Retained Business Rates	14,070,290	14,353,777	14,646,104	14,939,916	14,939,916
Less: Tariff payable	(10,231,634)	(10,426,035)	(10,634,556)	(10,847,247)	(10,847,247)
Total	3,838,656	3,927,742	4,011,548	4,092,669	4,092,669
% Increase (Decrease)	21.51%	2.32%	2.13%	2.02%	-
Base Budget Forecast (November 2018):					
Retained Business Rates	14,014,371	14,279,743	14,563,883	14,842,850	15,139,707
Less: Tariff payable	(10,231,634)	(11,936,698)	(12,173,977)	(12,405,147)	(12,653,250)
Total	3,782,737	2,343,045	2,389,906	2,437,703	2,486,457
% Increase / (Decrease)	19.74%	(38.06)%	2.00%	2.00%	2.00%
Increase / (Decrease)	(55,919)	(1,584,697)	(1,621,642)	(1,654,966)	(1,606,212)
Total		(1,640,616)	(3,262,258)	(4,917,224)	(6,523,436)

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

BASE BUDGET	2019/20	2020/21	2021/22	2022/23	2023/24
	£	£	£	£	£
February 2018 MTFS:					
Revenue Support Grant	184,529	-	-	-	-
Business Rates Levy	(1,103,750)	(1,126,790)	(1,136,240)	(1,146,960)	(1,146,960)
Business Rates S31 Grants	672,950	687,710	699,020	712,350	712,350
Retained Business Rates	14,070,290	14,353,777	14,646,104	14,939,916	14,939,916
Less: Tariff payable	(10,231,634)	(10,426,035)	(10,634,556)	(10,847,247)	(10,847,247)
Total (a)	3,592,385	3,488,662	3,574,328	3,658,059	3,658,059
% Increase / (Decrease)		(2.89)%	2.46%	2.34%	-
Base Budget Forecast (November 2018):					
Revenue Support Grant	184,529	-	-	-	-
Business Rates Levy	(1,054,810)	-	-	-	-
Business Rates S31 Grants	752,760	-	-	-	-
Retained Business Rates	14,014,371	14,279,743	14,563,883	14,842,850	15,139,707
Less: Tariff payable	(10,231,634)	(11,936,698)	(12,173,977)	(12,405,147)	(12,653,250)
Total (b)	3,665,216	2,343,045	2,389,906	2,437,703	2,486,457
% Increase / (Decrease)		(36.07)%	2.00%	2.00%	2.00%
Increase / (Decrease) (b – a)	72,831	(1,145,617)	(1,184,422)	(1,220,356)	(1,171,602)

The table shows that overall funding should be c.£1.2m p.a. less than expected over 5 years arising from the anticipated business rates baseline reset and fair funding review.

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;
- 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;
- Finalisation of the ongoing treatment of Section 31 grant funding (including Small Business Rate Relief Grant); and
- The impact of the Business Rates Retention scheme review, Baseline reset (the Council's baseline need level), the Fair Funding Review and the Spending Review planned for 2019 on the likely tariff levels for future years.

In addition, the next planned national Business Rates Revaluation will take effect from 2021/22 – with latest indications that the Government will also aim to introduce a centralised system for business rate appeals at the same time to cover future changes arising from the 2021 valuation list.

While we are aware of these forthcoming changes, little to no information is available on the potential impact for individual Councils' finances.

A summary of the indicative Government timetable for the reviews is shown below:

Date	Issues
May 2018	Risk and gearing; appeals and loss payments; updates on Pool prospectus; update on FFR consultation.
July 2018	Resets and measuring growth; Revaluation; BRR transitional arrangements; Pooling; FFR – structure of needs assessment, treatment of relative resources, principles for transitional arrangements.
Oct 2018	Overall short term package and future reform; update on SR 2019; Potential consultation on BRR Baseline reset.
Early 2019	Technical BRR consultation and links to FFR; SR 2019 emerging issues; Potential consultation on BRR Baseline reset.
Mid 2019	Results of consultations (hopefully); SR 2019 emerging issues.
Later 2019	Indicative impact of systemic changes potentially this late
Late 2019 / Early 2020	Provisional Local Government Finance Settlement detailing impact for Councils

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 was reduced 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.
- 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 retain the option of making adjustments to the baseline in future years to reflect significant and unexpected housing growth – a factor of 0.6% has been assumed for 2019/20 onwards.

There remains significant uncertainty over the future operation of the scheme with recent announcements that it will be considered as part of the review of Fair Funding review and the Business Rates retention scheme.

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

BASE BUDGET NHB	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £
Risk Weighting applied – MTFS 2018	100%	75%	75%	50%	50%
MTFS 2018 Budget	230,750	414,140	561,990	695,660	695,660
Base Budget Forecast	257,200	293,800	401,750	457,920	399,250
Increased / (Reduced) income	26450	(120,340)	(160,240)	(237,740)	(296,410)
Revised Risk Weighting applied	100%	37.5%	37.5%	25%	25%

This results in an overall loss to the MTFS of £0.25m over 3 years (£0.8m 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	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2022/23 £'000
Estimated Net Cost of Services	8,898	8,579	8,700	8,861	9,281
Proposed Policy Changes / Additional Costs Identified	281	298	193	183	183
Net Expenditure	9,179	8,877	8,893	9,044	9,464
Financing:					
RSG	185	-	-	-	-
Collection Fund Surplus - NNDR	33	33	33	33	33
Tariff Payable	(10,232)	(11,937)	(12,174)	(12,405)	(12,653)
Non Domestic Ratepayers	14,014	14,280	14,564	14,843	15,140
Council Tax Income (Model 1)	3,835	4,022	4,206	4,381	4,551
Gross Financing	7,835	6,398	6,629	6,852	7,071
Surplus(-)/Deficit	1,344	2,479	2,264	2,192	2,393
Balances Remaining (-) / Overdrawn	(3,407)	(928)	1,336	3,528	5,921
Per Council, 27 th February 2018	(1,846)	(551)	-	-	-
Band D Equivalents	21,695	22,131	22,521	22,849	23,129

Indicating a potential shortfall in General fund balances of approx. £1.8m over 3 years (£3.9m over 4 years & £6.4m over the 5 year period) - including the minimum approved level of £0.5m.

Balances are forecast to be £4.75m at 31st March 2019.

A detailed summary of the budget for 2019/20 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 £171.75.

The indication is that the 'capping' threshold for District Councils will be the higher of £5 or 3.0% - 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 2019/20 (followed by £5 p.a.)

Year:	2019/20	2020/21	2021/22	2022/23	2023/24
Forecast:	£'000	£'000	£'000	£'000	£'000
Surplus (-) /Deficit	1,344	2,479	2,264	2,192	2,393
Balances Remaining (-) / Overdrawn	(3,407)	(928)	1,336	3,528	5,921
£ Increase	5.00	5.00	5.00	5.00	5.00
% Increase	2.91%	2.83%	2.75%	2.68%	2.61%
Note: Resulting Band D Council Tax	176.75	181.75	186.75	191.75	196.75

which indicates a potential shortfall in balances of £1.8m over 3 years (£6.4m over 5 years) further savings of approx. £0.6m 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 2.99% increase in Council Tax in 2019/20 (followed by increases of 2.99% thereafter)

Year:	2019/20	2020/21	2021/22	2022/23	2023/24
Forecast:	£'000	£'000	£'000	£'000	£'000
(Increase) in Council Tax £	(3)	(9)	(19)	(33)	(51)
Revised Surplus (-) /Deficit	1,341	2,470	2,245	2,159	2,343
Balances Remaining (-) / Overdrawn	(3,410)	(940)	1,305	3,464	5,807
£ Increase	5.14	5.29	5.45	5.61	5.78
% Increase	2.99%	2.99%	2.99%	2.99%	2.99%
Note: Resulting Band D Council Tax	176.89	182.18	187.63	193.24	199.02

which indicates a potential shortfall in balances of £1.8m over 3 years (with a shortfall of £6.3m over 5 years) further savings of approx. £0.6m per annum over 3 years would have to be identified.

Model 3 Impact of 0% increase in Council Tax in 2019/20 (followed by increases of 2.99% thereafter)

Year:	2019/20	2020/21	2021/22	2022/23	2023/24
Forecast:	£'000	£'000	£'000	£'000	£'000
Reduction in Council Tax £	108	105	98	88	74
Revised Surplus (-) /Deficit	1,452	2,584	2,362	2,280	2,468
Balances Remaining (-) / Overdrawn	(3,299)	(715)	1,647	3,927	6,395
£ Increase	0.00	5.14	5.29	5.45	5.61
% Increase	0.00%	2.99%	2.99%	2.99%	2.99%
Note: Resulting Band D Council Tax	171.75	176.89	182.18	187.63	193.24

which indicates a potential shortfall in balances of £2.1m over 3 years (£6.98m over 5 years) further savings of approx. £0.7m per annum over 3 years would have to be identified.

Model 4 Impact of 2.5% increase in Council Tax in 2019/20 (followed by increases of 2.5% thereafter)

Year:	2019/20	2020/21	2021/22	2022/23	2023/24
Forecast:	£'000	£'000	£'000	£'000	£'000
Reduction in Council Tax £	15	28	39	47	53
Revised Surplus (-) /Deficit	1,359	2,507	2,303	2,239	2,447
Balances Remaining (-) / Overdrawn	(3,392)	(885)	1,418	3,657	6,104
£ Increase	4.30	4.40	4.52	4.63	4.74
% Increase	2.5%	2.5%	2.5%	2.5%	2.5%
Note: Resulting Band D Council Tax	176.05	180.45	184.97	189.60	194.34

which indicates a potential shortfall in balances of £1.9m over 3 years (£6.6m over 5 years) further savings of approx. £0.8million per annum would have to be identified.

Model 5 Impact of 0% increase in Council Tax in 2019/20 (followed by increases of 0% thereafter)

Year:	2019/20	2020/21	2021/22	2022/23	2023/24
Forecast:	£'000	£'000	£'000	£'000	£'000
Reduction in Council Tax £	108	219	332	446	562
Revised Surplus (-) /Deficit	1,452	2,698	2,596	2,638	2,956
Balances Remaining (-) / Overdrawn	(3,299)	(601)	1,995	4,633	7,589
£ Increase	0.00	0.00	0.00	0.00	0.00
% Increase	0.00%	0.00%	0.00%	0.00%	0.00%
Note: Resulting Band D Council Tax	171.75	171.75	171.75	171.75	171.75

which indicates a potential shortfall in balances of £2.5m over 3 years (£8.1m over 5 years) further savings of approx. £0.8million per annum would have to be identified.

Model 6 Impact of 1% increase in Council Tax in 2019/20 (followed by increases of 1% thereafter)

	2019/20	2020/21	2021/22	2022/23	2023/24
Year:					
Forecast:	£'000	£'000	£'000	£'000	£'000
Reduction in Council Tax £	71	143	216	290	364
Revised Surplus (-) /Deficit	1,415	2,622	2,480	2,482	2,758
Balances Remaining (-) / Overdrawn	(3,336)	(714)	1,766	4,248	7,006
£ Increase	1.72	1.74	1.76	1.77	1.79
% Increase	1.00%	1.00%	1.00%	1.00%	1.00%
Note: Resulting Band D Council Tax	173.47	175.21	176.97	178.74	180.53

which indicates a potential shortfall in balances of £2.3m over 3 years (£7.5m over 5 years) further savings of approx. £0.75million per annum would have to be identified.

2) *Potential Savings / additional costs*

Potential revenue policy changes are highlighted below:

Policy Changes Identified	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
To make the Training Officer post permanent	26.0	-	-	-	-
To extend the temporary contract for Customer Service Assistants for 12 months	56.5	(56.5)	-	-	-
Further delays in Assembly Rooms Project resulting in delay to opening	30.0	(30.0)	-	-	-
Proposed 75% reduction in the funding from SCC re highway verge mowing	126.0	-	-	-	-
Reduction in staffing and equipment to reflect reduced SCC funding	(95.0)	-	-	-	-
Amington Community Woodlands ongoing revenue and maintenance costs funded by S106 income	TBC	-	-	-	-
To add the post of Benefits Apprentice to the establishment, on a temporary two year basis	14.34	-	(14.34)	-	-
Funding for apprentice - saving in vacant Benefits Advisor hours / Government grant	(14.34)	-	14.34	-	-
To add the post of Revenues Apprentice to the establishment	14.34	-	-	-	-
Funding for apprentice - Contribution from bailiff / Increased court cost income budget	(14.34)	-	-	-	-
Review of Underspent Budgets and Contingencies	TBC	-	-	-	-
Civil Contingencies Unit (CCU) support - additional CCU Officer time	7.0	(7.0)	-	-	-
Removal of planned income from letting accommodation in Marmion House	46.0	46.0	-	-	-
Review of the Tamworth Local Plan 2006-2031 - required to be reviewed at least every five years	40.0	65.0	(105.0)	-	-
Planning fees increased by 20% on 17th January 2018 on the understanding that the increase was reinvested in Planning Services	34.0	-	-	-	-
£10k per annum for 3 financial years to match fund against a European funded project, to enable businesses and individuals to start up	10.0	-	-	(10.0)	-
Total New Items / Amendments	280.5	17.5	(105.0)	(10.0)	-
Cumulative	280.5	298.0	193.0	183.0	183.0

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 30th January 2019) 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 2019.

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 re-justification process – where possible, 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.

We took the opportunity to increase the vacancy allowance from 5% to 7.5% by 2021/22 c. £45k p.a. year on year for the General Fund, c.£14k p.a. for the HRA (It should be noted that staffing in some services e.g. planning, are key to the delivery of the Council's economic growth agenda and have significant demand from the public and local businesses but can also experience severe recruitment difficulties – which may lead to the use of market supplements to attract staff).

- Spend freeze – Managers have previously been required to restrict / limit spending to essential spend only (there was a £1.8m underspend in 2017/18 – although much of this arose from windfall income, c. £1m was lower level underspends).

A review of the underspend position is planned with a view to driving out as many savings as possible.

- 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. 4 to 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 Diversified Property Funds – a savings target to return c.4% p.a. from £12m invested has already been included from 2019/20.

Note: these would represent long term investments of between 5 – 10 years (minimum) in order to make the necessary returns (after set up costs).

- Review of reserves (including ensuring adequate provision for the funding uncertainties) / creation of a fund for transformation (if needed).
- Targeted Savings – to identify potential areas for review in future years.
- Review and rationalisation of IT systems.

Housing Revenue Account – Technical Adjustments Summary

Technical Adjustments	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Base Budget B/Fwd	3,806	52	240	42	(110)
Committee Decisions	(3,146)	29	(37)	(7)	-
Inflation	144	147	152	155	159
Other	(761)	(77)	(399)	(381)	(399)
Pay Adjustments (Including pay award / reduction for vacancy allowance)	81	89	86	81	78
Revised charges for non-general fund activities	(72)	-	-	-	-
Total / Revised Base Budget	52	240	42	(110)	(272)

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	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Estimated Net (Surplus) / Deficit	52	240	42	(110)	(272)
Proposed Policy Changes / Additional Costs Identified	169	169	169	1,395	169
Surplus (-) / Deficit	221	409	211	1,285	(103)
Balances Remaining (-) / Overdrawn	(2,956)	(2,547)	(2,336)	(1,051)	(1,154)

Per Council, 27 th February 2018	(2,223)	(1,566)	(1,049)	(698)	-
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Indicating Housing Revenue Account (HRA) balances of £2.3m over 3 years (with balances of £1.2m 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**.

Potential revenue policy changes for the HRA are highlighted below:

Policy Changes Identified	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Revised spend on Housing Repairs in line with the updated HRA Business Plan approved by Cabinet on 27th September 2018	3435.82	-	-	1,226.30	(1,226.30)
Remove current repairs budgets	(4,266.88)	-	-	-	-
Additional Revenue Contribution to Capital Programme	1,000.00		-	-	-
Total New Items / Amendments	168.94	-	-	1,226.30	(1,226.30)

Rent Setting Policy

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.

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.

On 30th November 2017, Cabinet considered and approved amendments to the Council's Rent Setting Policy to include arrangements to charge affordable rents on new and affordable housing.

The 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.

In setting the rent setting policy the Council had full regard to legislation, regulations and associated rent setting guidance including the Welfare Reform and Work Act 2016 which gave effect to the Government's 1% rent reduction for four years up to 2020/2021.

For 2019/20, rents will be set in line with the approved policy.

Corporate Capital Strategy

The Council has an ongoing capital programme of over £55m for 2018/19 and an asset base valued at £219m (as at 31st March 2018).

This strategy sets out the Council's approach to capital investment and the approach that will be followed in making decisions in respect of the Council's Capital assets.

Capital investment is an important ingredient in ensuring the Council's vision is achieved and given that capital resources are limited it is critical that the Council makes best use of these resources.

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 will:

- Reflect Members' priorities as set out in the Corporate Plan;
- Balance the need to maintain the Council's existing asset base against its future ambition and associated long term asset needs and consolidate assets where appropriate;
- Recognise that growth is the strategic driver for financial self-sufficiency;
- Be affordable in the context of the Council's MTFS;
- Seek to ensure value for money through achieving a return on investment or by supporting service efficiency and effectiveness;
- Be flexible to respond to evolving service delivery needs;
- Seek to maximise investment levels through the leveraging of external investment;
- Recognise the value of assets for delivering long-term growth as opposed to being sold to finance capital expenditure;
- Recognise the financial benefits and risks from growth generated through investment to support investment decisions; and
- Reflect the service delivery costs associated with growth when assessing the level of resources available for prudential borrowing.

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.

All proposed schemes requiring capital investment should have as a minimum the following information:

- A description of the scheme;
- The estimated financial implications, both capital and revenue;
- The expected outputs, outcomes and contribution to corporate objectives;
- The nature and outcome of consultation with stakeholders and customers (as applicable);
- Any impacts on efficiency and value for money;
- Risk assessment implications and potential mitigations; and
- Any urgency considerations (e.g. statutory requirements or health and safety issues).

All capital bids should be prepared in light of the following list of criteria, and the proposed investment should address and be 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.

It is important that capital investment decisions are not made in isolation and instead are considered in the round through the annual budget setting process.

Corporate Management Team and Service Managers identify the potential need for capital investment. This will take account of issues including the condition of council owned assets (including reference to the council's Asset Management Plan), health and safety requirements, statutory obligations of the council, operational considerations and emerging opportunities for investment including possible sources of external financing.

The Asset Strategy Steering Group (ASSG) review capital bids prior to consideration by Members. Once capital bids have been prioritised, Executive Management Team will review the outcome of the deliberations of the ASSG and will make recommendations to Cabinet through an updated Medium Term Financial Strategy (MTFS) report on a proposed budget package which will include capital budget proposals.

The MTFS report (including capital budget proposals) will ultimately be considered by Budget Setting Council each year.

Following a review of the Capital Programme approved by Council on 27th February 2018, 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, **£35k** remains in current year GF contingency funds and **£100k** remains in current year HRA contingency funds (which will be re-profiled into 2019/20 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 increase in net funding has been proposed which means that insufficient resources are available to finance all of the GF schemes submitted therefore, 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.); or
- 3) The spend could be funded from revenue through a direct contribution to the capital programme.

The minimum approved level of GF capital balances is £0.5million which, should the programme progress without amendment, would mean over £1.1m in borrowing would be needed (or use of the capital receipt) over the next 3 years (£2.1m over 5 years).

1) **Technology Replacement – Infrastructure upgrade/Network Security/Refresh of Thin Clients**

Project Score: 72

A revised capital submission had been prepared for £60kp.a. (no change from the provisionally approved programme) for ongoing, large scale upgrade and maintenance to the TBC infrastructure, in line with agreed device lifecycles.

The Council is also on a journey towards digital self service for customers and demand for flexible resilient and available IT services to support this requires continued investment into the authority's hardware and related software.

External factors including legislative requirements from central government in the guise of the Public Sector Network (PSN) Code of Connection, *and the increase in required investment into cyber security to keep the council's network secure and available*. It should be noted that corporate applications are excluded from this schedule of planned work.

No savings / payback from the investment have been identified.

In light of the ongoing priority review of ICT systems, the minimum budget requirement for 2019/20 was requested – including a detailed breakdown of the proposed spend.

Future year's budgets removed – as this will be informed by the conclusions of the priority review and ICT Strategy.

2) Disabled Facilities Grants (DFG)

Project Score: 72

The provisional programme included £360k p.a. fully funded by redistributed Better Care Fund (BCF) grant. A revised capital submission has been received to increase this to £650k p.a. part funded by £400k BCF grant – net additional cost of £250k p.a.

During the 2018/19 budget process, it was noted that a Government review of the approach to DFGs was planned during 2018 and so it was agreed that the 2018/19 financial year budget be increased to £650k to deal with the immediate demand/backlog.

The additional £250k p.a. net funding would need to be funded via capital receipts (with an associated revenue loss of investment interest), borrowing (with revenue interest/debt repayment costs) or a revenue contribution.

3) Replacement of Castle Grounds Play Area

Project Score: 60

A new capital submission had been prepared for potential spend of £375k in 2021/22 (net of £25k S106 funding).

Replacement of the existing play area within the Castle grounds, the existing facility was installed in May 2006 and although well maintained will need to be replaced to ensure facilities are retained for the public.

The additional £375k net funding would need to be funded via capital receipts (with an associated revenue loss of investment interest), borrowing (with revenue interest/debt repayment costs) or a revenue contribution.

4) With regard to the provisional programme:

a) CCTV Camera Renewals

An updated appraisal has not been prepared for the provisional funding of £15k p.a. – budget removed pending the conclusions from the priority review. £15k remains available in 2018/19 and could be carried forward if required.

b) Street Lighting

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.

A significant increase in replacements has been included for 2023/24 at a cost of £584k. The proportion relating to HRA lighting is to be identified.

c) Energy Efficiency Upgrades to Commercial & Industrial Units

An updated appraisal has not been prepared following inclusion of a rolling programme with an annual spend of £75k required from 2017/18 for 5 years.

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.

d) Gateways Project

An updated appraisal has not been prepared following inclusion of £70k p.a. for 3 years from 2018/19 (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).

e) Amington Community Woodland

An updated appraisal has not been prepared following inclusion of £50k p.a. for 5 years from 2018/19 on the creation of a community woodland on 7.5ha of the ex-municipal golf course - funded by the S106 income.

6) General Fund Capital Contingency Budget

The remaining 2018/19 contingency budget of £35k will be rolled forward to 2019/20.

Housing

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

Updated Capital programme schemes have been proposed amounting to £35.34m over 4 years, £44.5m over 5 years (including the provisionally approved £2m p.a. relating to the Development Housing on Garage Sites; £0.5m p.a. for Other Acquisitions; and £0.5m Retention of Garage Sites budget). This compares to the total provisionally approved programme over 4 years of £28.67m – additional costs of £6.67m, partially offset by lower repairs costs in the HRA.

The minimum approved level of HRA capital balances is £0.5million which, any 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 had previously 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.

However, it should be noted following the recent announcement by the Prime Minister, the Housing Revenue Account borrowing cap is being removed to enable councils to build more homes. They intend to remove the borrowing cap by issuing a determination revoking previous determinations that specified a local authority's limits on indebtedness - with further details confirmed in the Budget at the end of October 2018.

The capital programme has been reviewed and updated:

Housing Revenue Account

Cabinet on 27th September 2018 authorised that £298m detailed in the HRA Business Plan Investment plan be considered as part of the budget setting process for 2019/20 to 2024/25 noting updates to the stock condition modelling and other financial HRA impacts can be assessed through the process and the financial position adjusted accordingly. The Capital Programme has been updated to reflect the HRA Business Plan Investment plan.

With regard to the provisional programme:

a) Retention of Garage Sites

£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.

b) Development Housing on Garage Sites / Other Acquisitions

Funding of £2m 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.

No spend is likely in 2018/19 for redevelopment of Garage Sites and so the planned £2m programme will be deferred by 1 year.

Main Assumptions

Inflationary Factors	2019/20	2020/21	2021/22	2022/23	2023/24
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)	2.50%	2.50%	2.50%	2.50%	2.50%
Inflation Rate (CPI)	2.10%	2.08%	2.03%	2.10%	2.10%
Investment Rates	1.00%	1.50%	1.75%	2.0%	2.00%
Base Interest Rates	1.00%	1.25%	1.50%	2.00%	2.00%

1. Pay award – it had previously been assumed that public sector pay will be capped at 1% for 4 years from 2016/17, however, The public sector pay this cap was lifted from 2018/19 with a 2% increase agreed. For 2019/20 a 2% increase was agreed and included the introduction of a new pay spine on 1st April 2019 based on a bottom rate of £17,364 with additions, deletions and changes to other spinal column points. This could have a significant impact in terms of current grading and a review is underway to assess the impact of the assimilation and implementation of the new pay spine from 1st April 2019.
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 following the 4 year Local Government Finance Settlement. The impact for the Council will be confirmed by MHCLG as part of the *Local Government Finance Settlement* with a provisional announcement in December 2018.
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. Higher investment income returns due to forecast interest rate increases;
8. An increase of £5 p.a. in Council Tax - current indications are that increases of 3% or £5 and above risk 'capping' (confirmed as 3% or £5 for District Councils for 2018/19);
9. The major changes to the previously approved policy changes are included within this forecast – Assistant 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 for the 3 years commencing 2017/18 (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 2018), HM Treasury – Forecasts for the UK Economy (August 2018), Office for Budget Responsibility Economic & Fiscal Outlook (March 2018). Any significant variances will be considered later in the budget setting process.

Technical Adjustments Analysis – General Fund 2019/20

Activity	£	£	£
Chief Executive			
Virements		108,200	
Committee Decisions			
2017/18 Policy Change Vacancy Allowance Increase	(4,950)		
Council 6/6/18 Senior Management Review	(86,900)	(91,850)	
Inflation		(4,980)	
Other			
2015/16 BWP 036 Waste Management	9,730		
2019/20 BWP 008 Gas and Electricity Charges	(10)		
2019/20 BWP 017 NNDR Charges for TBC Properties	30		
2019/20 BWP 030 Car Allowances	(320)		
2019/20 BWP 039 Insurances	1,220	10,650	
Pay Adjustments		21,730	
Changes in Recharges		(75,000)	
			(31,250)
AD Growth & Regeneration			
Virements		-	
Committee Decisions			
2017/18 Policy Change Vacancy Allowance Increase	(8,360)		
2017/18 Policy Change AE 2 Charge Project Officer Post to Capital	(45,000)		
2017/18 Policy Change AE 8 Tamworth Enterprise Centre	1,150		
2017/18 Policy Change AE 9 Additional Income	(7,360)		
Council 6/6/18 Senior Management Review	(25,150)		
2018/19 Policy Change AE 1 Tamworth Castle Condition Survey	(45,000)		
2018/19 Policy Changes AE 4 Tamworth Enterprise Centre	(6,300)		
2018/19 Policy Change AE 11 Vacant Posts Review	(1,270)	(137,290)	
Inflation		(6,510)	
Other			
2017/18 BWP 042 Environmental Health Income - DBS Checks	12,680		
2017/18 Policy Change Vacancy Allowance Increase	(1,990)		
2018/19 BWP 034 National Minimum Wage Increase	470		
2018/19 BWP 038 Depreciation	16,430		
2019/20 BWP 006 Income	(86,000)		
2019/20 BWP 008 Gas and Electricity Charges	(810)		
2019/20 BWP 017 NNDR Charges for TBC Properties	870		
2019/20 BWP 026 Bank Charges	(170)		
2019/20 BWP 039 Insurances	1,020	(57,500)	
Pay Adjustments		25,450	
Changes in Recharges		(105,910)	
			(281,760)

Activity	£	£	£
ED Organisation			
Virements		3,820	
Committee Decisions			
2017/18 Policy Change Vacancy Allowance Increase	(1,260)		
Council 6/6/18 Senior Management Review	(59,850)		
2018/19 Policy Change SOL 1 Democratic Services Restructure	1,100	(60,010)	
Inflation		8,240	
Other			
2019/20 BWP 004 Land Charges	550		
2019/20 BWP 026 Bank Charges	20		
2019/20 BWP 027 Members Allowances	(3,580)		
2019/20 BWP 030 Car Allowances	(1,640)		
2019/20 BWP 031 Mayor & Deputy Allowances	(150)		
2019/20 BWP 039 Insurances	(50)	(4,850)	
Pay Adjustments		(2,940)	
Changes in Recharges		35,350	
			(20,390)
AD People			
Virements		-	
Committee Decisions			
2015/16 Policy Change TCP 1 Revised Staffs Connects Contribution	(2,300)		
2017/18 Policy Change TC 1 Training Staff Costs	(18,000)		
2017/18 Policy Change TCP 2 Revenue Implications of Capital Scheme	(62,000)		
2017/18 Policy Change TC 2 Training Income	18,000		
2017/18 Policy Change TCP 4 Customer Services Staffing	(91,550)		
2017/18 Policy Change Vacancy Allowance Increase	(3,100)		
Council 6/6/18 Senior Management Review	(41,600)		
2018/19 Policy Change TC 2 Healthshield	(7,000)		
2018/19 Policy Change TC 3 GDPR Temp Officer	(7,000)		
2018/19 Policy Change TC 4 Disaster Recovery	8,000	(206,550)	
Inflation		15,970	
Other			
2018/19 BWP 031 Staffs Connects Contribution	2,300		
2018/19 BWP 038 Depreciation	(36,150)		
2019/20 BWP 015 Procurement Savings	(2,000)		
2019/20 BWP 026 Bank Charges	760		
2019/20 BWP 030 Car Allowances	(2,090)		
2019/20 BWP 034 Staff Health Insurance	2,590		
2019/20 BWP 039 Insurances	90		
2019/20 BWP 040 Leases	790	(33,710)	
Pay Adjustments		8,370	
Changes in Recharges		294,010	
			78,090

Activity	£	£	£
AD Operations & Leisure			
Virements		-	
Committee Decisions			
2015/16 Policy Change CPP 5 Revenue Impact of Capital Schemes	(39,900)		
2017/18 Policy Change Vacancy Allowance Increase	(10,540)		
Council 6/6/18 Senior Management Review	(48,480)		
2018/19 Policy Change AE 8 Assembly Rooms Revised Budgets	(74,180)		
2018/19 Policy Change AE 11 Vacant Posts Review	(1,400)	(174,500)	
Inflation		7,370	
Other			
2018/19 BWP 034 National Minimum Wage Increase	610		
2018/19 BWP 038 Depreciation	23,960		
2019/20 BWP 008 Gas and Electricity Charges	1,630		
2019/20 BWP 017 NNDR Charges for TBC Properties	13,130		
2019/20 BWP 026 Bank Charges	870		
2019/20 BWP 039 Insurances	(430)		
2019/20 BWP 040 Leases	(4,800)	34,970	
Pay Adjustments		86,290	
Changes in Recharges		(52,660)	
			(98,530)
ED Finance			
Virements		-	
Committee Decisions			
2017/18 Policy Change Vacancy Allowance Increase	(730)	(730)	
Inflation		130	
Other			
2019/20 BWP 030 Car Allowances	(640)		
2019/20 BWP 039 Insurances	1,060	420	
Pay Adjustments		1,440	
Changes in Recharges		(870)	
			390
AD Finance			
Virements		-	
Committee Decisions			
2015/16 Policy Change CCP 6 Revenue Impact of Capital Scheme	55,000		
2015/16 Policy Change DF 4 Business Rates Section 31 Grant Income	(11,980)		
2015/16 Policy Change DF 5 Business Rates Levy	(72,000)		
2016/17 Policy Change DF 2 Contribution from Transformation Reserve	(600,000)		

Activity	£	£	£
2016/17 Policy Change DF 4 Business Rates Levy	(16,680)		
2016/17 Policy Change DF 5 Business Rates Section 31 Grant Income	11,200		
2017/18 Policy Change DF 5 New Homes Bonus	(100,610)		
2017/18 Policy Change DF 6 Pension Cost Savings	120,000		
2017/18 Policy Change DF 7 Interest on Golf Course Capital Receipt	49,000		
2017/18 Policy Change DF 10 Revenue Implications from Capital Scheme	(200)		
2017/18 Policy Change DF 12 Business Rates Levy	154,000		
2017/18 Policy Change DF 13 Business Rates Section 31 Grant Income	(1,000)		
2017/18 Policy Change Vacancy Allowance Increase	(8,750)		
2018/19 Policy Change DF 3 Property Fund Revenue Implications	(600,000)		
2018/19 Policy Change DF 2 Property Funds Investment	(180,000)		
2018/19 Policy Change DF 4 Loss of Investment Income	9,000		
2018/19 Policy Change DF 7 CIS Feasibility	(50,000)		
2018/19 Policy Change DF 8 New Homes Bonus	12,700		
2018/19 Policy Change DF 9 Business Rates Levy	315,890		
2018/19 Policy Change DF 10 Business Rates Section 31 Grant Income	(8,970)		
Council 6/6/18 Senior Management Review	62,050	(861,350)	
Inflation		5,280	
Other			
2018/19 BWP 038 Depreciation	(1,000)		
2019/20 BWP 005 Welfare Benefits	83,830		
2019/20 BWP 007 Benefits Estimates	(221,250)		
2019/20 BWP 016 Treasury Management	(201,630)		
2019/20 BWP 022 Contingencies	25,000		
2019/20 BWP 023 Pensions	(50,140)		
2019/20 BWP 024 New Homes Bonus	(20,900)		
2019/20 BWP 025 NNDR Estimates	400,230		
2019/20 BWP 026 Bank Charges	890		
2019/20 BWP 028 Audit Fee	(15,040)		
2019/20 BWP 030 Car Allowances	(1,770)		
2019/20 BWP 032 Superannuation Allowances	(3,350)		
2019/20 BWP 033 NNDR Cost of Collection Grant	580		
2019/20 BWP 037 Apprenticeship Levy	(2,000)		
2019/20 BWP 039 Insurances	2,000	(4,550)	
Pay Adjustments		(54,060)	
Changes in Recharges		(87,120)	
			<u>(1,001,800)</u>

Activity	£	£	£
AD			
Assets			
Virements		(112,020)	
Committee Decisions			
2017/18 Policy Change Vacancy Allowance Increase	(1,460)		
2018/19 Policy Change AE 12 Marmion House Income	(46,000)		
11/04/18 Council Meeting Town Centre Land Acquisition	(106,000)		
Council 6/6/18 Senior Management Review	(13,880)	(167,340)	
Inflation		13,160	
Other			
2017/18 BWP 027 Marmion House Rents and Service Charges	(2,080)		
2018/19 BWP 038 Depreciation	2,080		
2019/20 BWP 008 Gas and Electricity Charges	7,660		
2019/20 BWP 017 NNDR Charges for TBC Properties	14,710		
2019/20 BWP 039 Insurances	490	22,860	
Pay Adjustments		13,250	
Changes in Recharges		188,240	
			(41,850)
AD Neighbourhoods			
Virements		37,380	
Committee Decisions			
2017/18 Policy Changes DHH 1 Homelessness Prevention	(70,500)		
2017/18 Policy Change Vacancy Allowance Increase	(5,840)		
2018/19 Policy Change TC 2 Civil Contingencies	(14,000)		
2018/19 Policy Change DHH 1 Homelessness Prevention Grant	(20,000)		
2018/19 Policy Change DHH 2 Homelessness Prevention Services	140,000		
2018/19 Policy Change DHH 4 Funding for Homelessness through S31	2,000		
2018/19 Policy Change DHH 6 Homelessness Reduction Act Staff	70,000		
2018/19 Policy Change DHH 7 Homelessness Reduction Act	20,000	121,660	
Inflation		(440)	
Other			
2019/20 BWP 008 Gas and Electricity Charges	60		
2019/20 BWP 018 Bad Debt Provision	1,200		
2019/20 BWP 039 Insurances	50	1,310	
Pay Adjustments		9,540	
Changes in Recharges		41,880	
			211,330

Activity	£	£	£
AD Partnerships			
Virements		(37,380)	
Committee Decisions			
2017/18 Policy Change Vacancy Allowance Increase	4,270		
2018/19 Policy Change AE 11 Vacant Posts Review	(2,270)		
2018/19 Policy Change DHH 5 Community Development Review	(3,920)		
Council 6/6/18 Senior Management Review	(44,500)	(46,420)	
Inflation		(350)	
Other			
2018/19 BWP 038 Depreciation	(5,320)		
2019/20 BWP 008 Gas and Electricity Charges	(570)		
2019/20 BWP 015 Procurement Savings	(1,130)		
2019/20 BWP 019 Private Sector Leasing Scheme	(700)		
2019/20 BWP 026 Bank Charges	80		
2019/20 BWP 039 Insurances	(970)		
2019/20 BWP 042 Community Development	(5,570)	(14,180)	
Pay Adjustments		25,620	
Changes in Recharges		(113,940)	
			(186,650)
Total			(1,372,420)

() denotes saving

Activity	£	£	£
HRA			
Summary			
Virements		-	
Committee Decisions			
2015/16 Policy Change HRA 4A Revenue Impact of Capital Schemes	(150,000)		
2015/16 Policy Change HRA 5 B Increase in RCCO	500,000		
2015/16 Policy Change HRA 6 Rent Increase	(2,690)		
2016/17 Policy Change HRA 1 Reduction in Social Housing Rents	720,000		
2016/17 Policy Change HRA 3 Reduced Contribution to Regeneration	(2,000,000)		
2017/18 Policy Change HRA 2 Pension Cost Savings	37,000		
2018/19 Policy Change HRA 5 Additional Contribution re MRA	(2,100,000)	(2,995,690)	
Inflation		109,880	
Other			
2018/19 BWP 027 Debt Management	(180)		
2019/20 BWP 012 Housing Rents	(611,760)		
2019/20 BWP 013 Garage Rents	(17,550)		
2019/20 BWP 016 Treasury Management	(104,640)		
2019/20 BWP 018 Bad Debt Provision	3,800		
2019/20 BWP 021 Interest SOCH/HAA	310		
2019/20 BWP 022 Contingencies	30,000		
2019/20 BWP 023 Pensions	(15,860)		
2019/20 BWP 029 Service Charges	(5,350)	(721,230)	
Pay Adjustments		-	
Changes in Recharges		-	
			(3,607,040)
ED Communities			
Virements		106,550	
Committee Decisions		-	
Inflation		50	
Other		-	
Pay Adjustments		-	
Changes in Recharges		(106,530)	
			70
AD Operations & Leisure			
Virements		-	
Committee Decisions			
2017/18 Policy Change HRA 3 Increase Vacancy Allowance	(2,510)	(2,510)	
Inflation		2,230	
Other			
2019/20 BWP 008 Gas and Electricity Charge	(12,750)		
2019/20 BWP 017 NNDR Charges For TBC Properties	80		
2019/20 BWP 039 Insurances	(510)		

Activity	£	£	£
2019/20 BWP 040 Leases	(120)	(13,300)	
Pay Adjustments		26,790	
Changes in Recharges		(10,600)	
			2,610
AD Assets			
Virements		-	
Committee Decisions			
2017/18 Policy Change Vacancy Allowance Increase	(4,240)		
Council 6/6/18 Senior Management Review	(40,420)	(44,660)	
Inflation		640	
Other			
2019/20 BWP 039 Insurances	70	70	
Pay Adjustments		17,360	
Changes in Recharges		29,570	
			2,980
AD Neighbourhoods			
Virements		(106,550)	
Committee Decisions			
2017/18 Policy Change Vacancy Allowance Increase	(14,890)		
2018/19 Policy Change HRA 7 Removal of Vacant Admin Post	(1,000)		
Council 6/6/18 Senior Management Review	(86,900)	(102,790)	
Inflation		30,750	
Other			
2019/20 BWP 008 Gas and Electricity Charges	490		
2019/20 BWP 014 Sheltered Housing Heating Charges	1,530		
2019/20 BWP 017 NNDR Charges For TBC Properties	(3,050)		
2019/20 BWP 020 Alarm Call Contract	10,370		
2019/20 BWP 026 Bank Charges	1,390		
2019/20 BWP 028 Audit Fee	(4,130)		
2019/20 BWP 029 Service Charges	(11,700)		
2019/20 BWP 032 Superannuation Allowances	(10)		
2019/20 BWP 034 Staff Health Insurance	1,220		
2019/20 BWP 036 Enhanced Housing Management Charges	(7,790)		
2019/20 BWP 039 Insurances	(15,310)	(26,990)	
Pay Adjustments		36,540	
Changes in Recharges		16,030	
			(153,010)
Total			(3,754,390)

() denotes saving

General Fund – Technical Adjustments 2019/20

<i>Figures exclude internal recharges which have no bottom line impact</i>	Budget 2018/19	Technical Adjustments						Total Adjusted Base 2019/20	
		Virements £	Committee Decisions £	Inflation £	Other £	Pay Adjustments £	Changes in Recharges £		Total Adjustments £
Chief Executive	1,475,460	108,200	(91,850)	(4,980)	10,650	21,730	17,470	61,220	1,536,680
AD Growth & Regeneration	1,235,470	-	(137,290)	(6,510)	(57,500)	25,450	-	(175,850)	1,059,620
ED Organisation	493,140	3,820	(60,010)	8,240	(4,850)	(2,940)	(26,510)	(82,250)	410,890
AD People	1,852,270	-	(206,550)	15,970	(33,710)	8,370	170,770	(45,150)	1,807,120
AD Operations & Leisure	2,333,080	-	(174,500)	7,370	34,970	86,290	(16,560)	(62,430)	2,270,650
ED Finance	89,080	-	(730)	130	420	1,440	(4,840)	(3,580)	85,500
AD Finance	1,114,670	-	(861,350)	5,280	(4,550)	(54,060)	(47,320)	(962,000)	152,670
AD Assets	(562,340)	(112,020)	(167,340)	13,160	22,860	13,250	11,000	(219,090)	(781,430)
AD Neighbourhoods	1,089,740	37,380	121,660	(440)	1,310	9,540	(38,550)	130,900	1,220,640
AD Partnerships	1,149,640	(37,380)	(46,420)	(350)	(14,180)	25,620	58,520	(14,190)	1,135,450
Grand Total	10,270,210	-	(1,624,380)	37,870	(44,580)	134,690	123,980	(1,372,420)	8,897,790

Housing Revenue Account – Technical Adjustments 2019/20

<i>Figures exclude internal recharges which have no bottom line impact</i>	Technical Adjustments								Total Adjusted Base 2019/20
	Budget 2018/19	Virements £	Committee Decisions £	Inflation £	Other £	Pay Adjustments £	Changes in Recharges £	Total Adjustments £	
HRA Summary	(356,030)	-	(2,995,690)	109,880	(721,230)	-	-	(3,607,040)	(3,963,070)
ED Communities	-	106,550	-	50	-	-	(84,720)	21,880	21,880
AD Operations & Leisure	508,220	-	(2,510)	2,230	(13,300)	26,790	3,170	16,380	524,600
AD Assets	(85,340)	-	(44,660)	640	70	17,360	24,620	(1,970)	(87,310)
AD Neighbourhoods	3,738,970	(106,550)	(102,790)	30,750	(26,990)	36,540	(14,600)	(183,640)	3,555,330
Housing Repairs	-	-	-	-	-	-	-	-	-
Grand Total	3,805,820	-	(3,145,650)	143,550	(761,450)	80,690	(71,530)	(3,754,390)	51,430

General Fund Summary Budgets – 2019/20

<i>Figures exclude internal recharges which have no bottom line impact.</i>	Base Budget 2018/19 £	Technical Adjustments £	Policy Changes £	Budget 2019/20 £
Chief Executive	1,475,460	61,220	-	1,536,680
AD Growth & Regeneration	1,235,470	(175,850)	84,000	1,143,620
ED Organisation	493,140	(82,250)	-	410,890
AD People	1,852,270	(45,150)	82,500	1,889,620
AD Operations & Leisure	2,333,080	(62,430)	61,000	2,331,650
ED Finance	89,080	(3,580)	-	85,500
AD Finance	1,114,670	(962,000)	-	152,670
AD Assets	(562,340)	(219,090)	46,000	(735,430)
AD Neighbourhoods	1,089,740	130,900	7,000	1,227,640
AD Partnerships	1,149,640	(14,190)	-	1,135,450
Total Cost of Services	10,270,210	(1,372,420)	280,500	9,178,290
Transfer to / (from) Balances	(3,077,541)	1,734,108	-	(1,343,433)
Revenue Support Grant	(493,964)	309,435	-	(184,529)
Retained Business Rates	(13,094,597)	(919,774)	-	(14,014,371)
Less: Tariff payable	9,935,598	296,036	-	10,231,634
Collection Fund Surplus (Council Tax)	(80,065)	47,065	-	(33,000)
Collection Fund Surplus (Business Rates)	222,336	(222,336)	-	-
Council Tax Requirement	(3,681,977)	127,886	(280,500)	(3,834,591)

General Fund Summary Budgets – 2018/19 to 2023/24

<i>Figures exclude internal recharges which have no bottom line impact.</i>	Base Budget 2018/19 £	Budget 2019/20 £	Budget 2020/21 £	Budget 2021/22 £	Budget 2022/23 £	Budget 2023/24 £
Chief Executive	1,475,460	1,536,680	1,542,660	1,547,300	1,553,120	1,559,890
AD Growth & Regeneration	1,235,470	1,143,620	1,238,860	1,123,910	1,094,310	1,166,580
ED Organisation	493,140	410,890	426,840	443,340	461,580	478,800
AD People	1,852,270	1,889,620	1,884,330	1,922,910	1,977,660	2,035,680
AD Operations & Leisure	2,333,080	2,331,650	2,313,070	2,369,000	2,433,990	2,501,980
ED Finance	89,080	85,500	87,670	89,870	92,730	95,880
AD Finance	1,114,670	152,670	(238,200)	(170,480)	(203,480)	(79,160)
AD Assets	(562,340)	(735,430)	(719,010)	(701,670)	(681,310)	(659,820)
AD Neighbourhoods	1,089,740	1,227,640	1,202,670	1,112,980	1,142,550	1,173,470
AD Partnerships	1,149,640	1,135,450	1,138,040	1,155,570	1,172,490	1,190,380
Total Cost of Services	10,270,210	9,178,290	8,876,930	8,892,730	9,043,640	9,463,680
Transfer to / (from) Balances	(3,077,541)	(1,343,433)	(2,478,576)	(2,264,027)	(2,191,641)	(2,393,592)
Revenue Support Grant	(493,964)	(184,529)	(0)	(0)	(0)	(0)
Retained Business Rates	(13,094,597)	(14,014,371)	(14,279,743)	(14,563,883)	(14,842,850)	(15,139,707)
Less: Tariff payable	9,935,598	10,231,634	11,936,698	12,173,977	12,405,147	12,653,250
Collection Fund Surplus (Council Tax)	(80,065)	(33,000)	(33,000)	(33,000)	(33,000)	(33,000)
Collection Fund Surplus (Business Rates)	222,336	-	-	-	-	-
Council Tax Requirement	(3,681,977)	(3,834,591)	(4,022,309)	(4,205,797)	(4,381,296)	(4,550,631)

* Figures include proposed Policy Changes

Housing Revenue Account 2018/19 to 2023/24

<i>Figures exclude internal recharges which have no bottom line impact.</i>	Base Budget 2018/19 £	Budget 2019/20 £	Budget 2020/21 £	Budget 2021/22 £	Budget 2022/23 £	Budget 2023/24 £
HRA Summary	(356,030)	(3,794,130)	(3,701,890)	(3,978,650)	(3,008,180)	(4,504,890)
ED Communities	0	21,880	24,730	27,640	30,630	33,700
AD Operations & Leisure	508,220	524,600	533,940	542,760	553,670	565,740
AD Assets	(85,340)	(87,310)	(74,160)	(150,610)	(141,640)	(39,250)
AD Neighbourhoods	3,738,970	3,555,330	3,626,280	3,769,540	3,850,570	3,842,020
Housing Repairs	0	0	0	0	0	0
Grand Total	3,805,820	220,370	408,900	210,680	1,285,050	(102,680)

* Figures include proposed Policy Changes

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

General Fund Capital Programme	2019/20 £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	Total £
Gateways	120,000	190,000	-	-	-	310,000
Technology Replacement	60,000	-	-	-	-	60,000
Street Lighting	28,200	115,300	-	-	583,890	727,390
Amington Community Woodland	50,000	50,000	50,000	50,000	-	200,000
Replacement Castle Grounds Play Area	-	-	375,000	-	-	375,000
Private Sector Grants - Disabled Facilities Grants	650,000	650,000	650,000	650,000	650,000	3,250,000
Energy Efficiency Upgrades to Commercial and Industrial Units	75,000	75,000	75,000	75,000	75,000	375,000
Total General Fund Capital	983,200	1,080,300	1,150,000	775,000	1,308,890	5,297,390
<u>Proposed Financing:</u>						
Grants - Disabled Facilities	400,000	400,000	400,000	400,000	400,000	2,000,000
Section 106 Receipts	100,000	140,000	50,000	50,000	-	340,000
Sale of Council House Receipts	188,200	190,300	175,000	155,000	150,000	858,500
Community Infrastructure Levy	-	30,000	-	-	-	30,000
Unsupported Borrowing	295,000	320,000	525,000	170,000	758,890	2,068,890
Total	983,200	1,080,300	1,150,000	775,000	1,308,890	5,297,390

Draft Housing Revenue Account Capital Programme 2019/20 to 2023/24

Housing Revenue Account Capital Programme	2019/20 £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	TOTAL £
Heating Distribution	179,200	179,200	179,200	179,200	179,200	896,000
Roof finishes	854,400	854,400	854,400	854,400	854,400	4,272,000
Windows	347,500	347,500	347,500	347,500	347,500	1,737,500
Fascias, Soffits & Bargeboards	57,000	57,000	57,000	57,000	57,000	285,000
External Doors	301,400	301,400	301,400	301,400	301,400	1,507,000
Communal Doors	-	-	-	-	83,000	83,000
Bathroom	567,800	567,800	567,800	567,800	567,800	2,839,000
Kitchens	1,037,500	1,037,500	1,037,500	1,037,500	1,037,500	5,187,500
Heating Systems	501,700	501,700	501,700	501,700	501,700	2,508,500
Electric Heating Systems	-	-	-	-	302,900	302,900
Rewire	362,200	362,200	362,200	362,200	362,200	1,811,000
Lift Renewals	-	-	180,000	-	-	180,000
Rainwater Goods	-	-	-	-	284,800	284,800
Warden Call Systems	-	-	-	-	40,000	40,000
CO/Smoke detectors	64,000	64,000	64,000	64,000	64,000	320,000
External Stores etc.	106,800	106,800	106,800	106,800	106,800	534,000
Insulation	17,900	17,900	17,900	17,900	17,900	89,500
Independent Fires	4,600	4,600	4,600	4,600	4,600	23,000
Soil Vent Pipes	-	-	945,000	-	-	945,000
Fire Alarm Systems	-	-	-	-	16,000	16,000
Disabled Adaptations	212,500	212,500	212,500	212,500	212,500	1,062,500
Fencing Renewals	142,400	142,400	142,400	142,400	142,400	712,000
Structural Works	300,000	300,000	300,000	300,000	300,000	1,500,000
Estate Works	216,600	216,600	216,600	216,600	216,600	1,083,000
Environmental Works	283,300	283,300	283,300	283,300	283,300	1,416,500
Improvement to Sheltered Schemes	100,000	100,000	100,000	100,000	100,000	500,000
Energy Efficiency Works	70,000	70,000	70,000	70,000	70,000	350,000
Capital Salaries	200,000	200,000	200,000	200,000	200,000	1,000,000
Retention of Garage Sites	500,000	-	-	-	-	500,000
Removal of Office at Eringden	-	10,000	-	-	-	10,000
Redevelopment of Garage sites	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
Other Acquisitions	500,000	500,000	500,000	500,000	500,000	2,500,000
Total HRA Capital	8,926,800	8,436,800	9,551,800	8,426,800	9,153,500	44,495,700
Proposed Financing:						
Major Repairs Reserve	3,482,060	5,482,060	4,498,500	4,482,060	4,482,400	22,427,080
HRA Capital Receipts	2,150,000	551,440	-	551,440	1,000,000	4,252,880
Regeneration Revenue Reserves	1,744,740	1,603,300	4,203,300	2,593,300	3,021,100	13,165,740
Capital Receipts from Additional Council House Sales (1-4-1)	650,000	450,000	500,000	450,000	300,000	2,350,000
Regeneration Reserve	900,000	350,000	350,000	350,000	350,000	2,300,000
Total	8,926,800	8,436,800	9,551,800	8,426,800	9,153,500	44,495,700

Contingencies 2019/20 - 2023/24

Revenue	2019/20	2020/21	2021/22	2022/23	2023/24
Specific Earmarked &	£'000	£'000	£'000	£'000	£'000
General					
General Fund					
Specific Contingencies					
Waste Management	50	50	50	50	50
Restructure	75	75	75	75	75
<i>General Contingency</i>	100	100	100	100	100
<i>General Contingency re Income Targets</i>	97	190	264	264	264
Total General Contingency	197	290	364	364	364
Total GF Revenue	322	415	489	489	489
Housing Revenue Account					
Restructure	30	30	30	30	30
<i>HRA - General Contingency</i>	100	100	100	100	100
Total HRA Revenue	130	130	130	130	130

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29 November 2018

REPORT OF THE PORTFOLIO HOLDER FOR ASSETS AND FINANCE**COUNCIL TAXBASE 2019/20****EXEMPT INFORMATION**

None

PURPOSE

To report the Council Tax Base for the Borough Council for 2019/20.

RECOMMENDATIONS

That Tamworth Borough Council resolves its calculation of the Council Tax Base for the year 2019/20 to be 21,761 (2018/19 – 21,438).

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 2019/20 Council Tax Base is calculated at 21,761. This represents an increase in the current year of 323 or 1.5%.

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 2019/20 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 21,761 ($22,228 \times 97.9\%$).

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 2019/20

Appendix A				
Band		Band D Equivalent	LCTS adjustment	Total
A		5,497.0	-1386.7	4,110.3
B		8,325.7	-858.7	7,467.0
C		4,582.1	-208.1	4,374.0
D		3,488.0	-66.7	3,421.3
E		2,157.2	-19.4	2,137.8
F		609.1	-9.2	599.9
G		114.1	-0.9	113.2
H		4.5	0.0	4.5
Total		24,777.7	-2,549.7	22,228.0
	x 97.90%	24,257.4	-2,496.2	21,761.2
Council Tax Base				21,761

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29 November 2018

REPORT OF THE PORTFOLIO HOLDER FOR ASSETS AND FINANCE**WRITE OFFS 01/04/18 TO 30/09/18****EXEMPT INFORMATION**

None

PURPOSE

To provide Members with details of debt written off for the period 01 April 2018 to 30 September 2018.

RECOMMENDATIONS

That Members endorse the amount of debt written off for the period of 01 April 2018 to 30 September 2018 – **Appendix A-D**.

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.

Type	01/04/18 – 30/09/18
Council Tax	(£3,073.99)
Business Rates	£25,413.23
Sundry Income	£0.00
Housing Benefit Overpayments	£37,010.10

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	01/04/18 – 30/09/18
Bad Debt provision	£733,177.52
Less written off under delegated powers	£25,413.23
Amount remaining	£707,764.29

OPTIONS CONSIDERED

Not applicable

RESOURCE IMPLICATIONS

There are no new financial implications arising from this report. As the write offs detailed

have already been approved in line with the Corporate Credit Policy/Financial regulations and have been reported to members where appropriate.

LEGAL/RISK IMPLICATIONS BACKGROUND

Not applicable

SUSTAINABILITY IMPLICATIONS

Not applicable

BACKGROUND INFORMATION

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

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

Debt Write Off

Authorisations are needed to write off debt:

Authority	Account Value
Executive Director/Assistant Director (or authorised delegated officer)	up to £5,000
Executive Director Finance	£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 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

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LIST OF BACKGROUND PAPERS

APPENDICES

Appendices A to D give details of write offs completed for Revenues and Benefits Services for 01 April 2018 to 30 September 2018.

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Appendix A- Council Tax

Summary of Council Tax Write Offs 01/04/2018-30/09/2018

Date of Write Off	Head of Revenues			Assistant Director of Finance	Executive Director of Finance		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-£2,000.00)									
02/07/2018									(£2,564.13)	(£2,564.13)		payment
13/07/2018									(£17.20)	(£17.20)		dividend
13/07/2018									(£48.08)	(£48.08)		dividend
23/07/2018									(£5.50)	(£5.50)		dividend
25/07/2018									(£3.33)	(£3.33)		dividend
13/08/2018									(£23.02)	(£23.02)		dividend
14/08/2018									(£5.57)	(£5.57)		dividend
15/08/2018									(£1.20)	(£1.20)		dividend
15/08/2018									(£3.53)	(£3.53)		dividend
17/08/2018									(£39.04)	(£39.04)		dividend
20/08/2018									(£1.58)	(£1.58)		dividend
24/09/2018									(£6.32)	(£6.32)		dividend
Q2 Totals	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	(£2,718.50)	(£2,718.50)	0	
Q1 Totals (B/F)	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	(£355.49)	(£355.49)	0	
Overall Total	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	(£3,073.99)	(£3,073.99)	0	

Appendix B- Business Rates

Summary of NNDR Write Offs 01/04/2018-30/09/2018

Date of Write Off	Head of Revenues			Assistant Director of Finance (£2,000.01-£5,000)	Executive Director of Finance (£5,000.01-£10,000.00)		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-£2,000.00)									
Q2 Totals	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0	
Q1 Totals (B/F)	£19.56	£666.65	£7,667.53	£17,059.49	£0.00	£0.00	£0.00	£0.00	£0.00	£25,413.23	14	
Overall Total	£19.56	£666.65	£7,667.53	£17,059.49	£0.00	£0.00	£0.00	£0.00	£0.00	£25,413.23	14	
No NNDR write offs done in Q2 of 2018/19												

Appendix C- Sundry Income

Summary of Sundry Income Write Offs 01/04/2018-30/09/2018

Date of Write Off	Chief Executive (£0.00-£999.99) (£1,000.00-£5,000.00)		Executive Director- Organisation (up to £5,000.00)	Head of Revenues (£0.01-£2,000.00)	Assistant Director of Finance (£2,000.01-£5,000.00)	Executive Director- Communities (up to £5,000.00)	Executive Director of Finance (£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	0
Overall Total	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0	

No Sundry Income write offs done in Q2 of 2018/19

Appendix D- Housing Benefit Overpayments

Summary of Benefit Overpayment Write Offs 01/04/2018-30/09/2018

Date of Write Off	Head of Benefits				Executive Director of Finance (£2,000.01-£10,000.00)	Cabinet (£10,000.01 and Over)	Reversed Write Off	Total	No. of Accounts	Reason(s)
	(£0.00-£75.00)	(£75.01-£500.00)	(£500.01-£1,000.00)	(£1,000.01-£2,000)						
04.07.2018										
31.07.2018	£65.31	£562.80					(£98.08)	(£98.08)		1 written off originally 28/4/16
"	£13.11	£342.70						£628.11		5 less than 2 wks o/s due to death (2018)
"	£87.17							£355.81		2 not financially viable (2017)
"	£38.03							£87.17		4 < £40 o/s (2017)
"	£83.72	£1,392.83	£593.17					£38.03		8 uneconomical to pursue (2018)
"					£12,107.17			£2,069.72		9 HB Reg 100 compliant - not recoverable (18)
"				£1,181.98				£12,107.17		2 bankrupt (insolvency) (2018) (signed off)
01.08.2018							(£30.22)	(£30.22)		1 deceased (2018)
31.08.2018	£130.23	£945.74						£1,181.98		1 written off originally 17/12/2015
"	£60.00							£1,075.97		7 not financially viable (2016)
"	£68.38	£498.09						£60.00		1 court costs (2013)
"	£39.96							£566.47		6 less than 2 wks o/s due to death (2018)
"	£4.66							£39.96		2 < £40 o/s (2017)
"	£39.69		£793.73		£2,184.48			£4.66		2 uneconomical to pursue (2018)
30.09.2018	£70.70	£631.43						£3,017.90		4 HB Reg 100 compliant - not recoverable (18)
"	£2.34							£702.13		6 less than 2 wks o/s due to death (2018)
"	£86.38							£2.34		2 uneconomical to pursue (2018)
"	£199.77	£444.22						£86.38		4 < £40 o/s (2018)
"		£83.92						£643.99		9 HB Reg 100 compliant - not recoverable 18
								£83.92		1 not financially viable (2017)
Q2 Totals	£989.45	£4,901.73	£1,386.90	£1,181.98	£14,291.65	£0.00	(£128.30)	£22,623.41	77	
Q1 Totals (B/F)	£816.67	£8,560.99	£808.00	£1,767.64	£2,439.49	£0.00	(£6.10)	£14,386.69	83	
Overall Total	£1,806.12	£13,462.72	£2,194.90	£2,949.62	£16,731.14	£0.00	(£134.40)	£37,010.10	160	

CABINET

THURSDAY 29TH NOVEMBER 2018

REPORT OF THE PORTFOLIO HOLDER FOR ASSETS AND FINANCE

TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY MID-YEAR REVIEW REPORT 2018/19

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 2018/19.

EXECUTIVE SUMMARY

This mid-year report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (revised 2017), and covers the following:-

- An economic update for the first six months of 2018/19;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's Capital expenditure as set out in the Capital Strategy, and Prudential Indicators;
- A review of the Council's investment portfolio for 2018/19;
- A review of the Council's borrowing strategy for 2018/19;
- A review of any debt rescheduling undertaken during 2018/19;
- A review of compliance with Treasury and Prudential Limits for 2018/19.

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 0.77% (0.52% for the same period in 2017/18) compared to the 3 Month LIBID benchmark rate of 0.61% (0.18% for the same period in 2017/18).

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 February 2018 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

In December 2017, the Chartered Institute of Public Finance and Accountancy (CIPFA) issued revised Prudential and Treasury Management Codes. As from 2019/20, all local authorities will be required to prepare a Capital Strategy which is intended to provide the following:-

- A high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- An overview of how the associated risk is managed
- The implications for future financial sustainability

A report setting out our Capital Strategy will be included with the Budget and Medium Term Financial Strategy report presented to Cabinet and Council in February 2019.

The CIPFA Code of Practice on Treasury Management (revised 2017) 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 2018/19 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 optimising 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.

Accordingly, Treasury Management is defined as:

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

Introduction

The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (revised 2017) was adopted by this Council on 27th February 2018.

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 on Treasury Management, and covers the following:

- An economic update for the first part of the 2018/19 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council’s Capital expenditure as set out in the Capital Strategy, and Prudential Indicators;
- A review of the Council’s investment portfolio for 2018/19;
- A review of the Council’s borrowing strategy for 2018/19;
- A review of any debt rescheduling undertaken during 2018/19;
- A review of compliance with Treasury and Prudential Limits for 2018/19.

1. Economic Update

1.1 UK

The first half of 2018/19 has seen UK **economic growth** post a modest performance, but sufficiently robust for the Monetary Policy Committee, (MPC), to unanimously (9-0) vote to increase **Bank Rate** on 2nd August from 0.5% to 0.75%. Although growth looks as if it will only be modest at around 1.5% in 2018, the Bank of England's August Quarterly Inflation Report forecast that growth will pick up to 1.8% in 2019, albeit there were several caveats – mainly related to whether or not the UK achieves an orderly withdrawal from the European Union in March 2019.

Some MPC members have expressed concerns about a build-up of **inflationary pressures**, particularly with the pound falling in value again against both the US dollar and the Euro. The Consumer Price Index (CPI) measure of inflation rose unexpectedly from 2.4% in June to 2.7% in August due to increases in volatile components, but is expected to fall back to the 2% inflation target over the next two years given a scenario of minimal increases in Bank Rate. The MPC has indicated Bank Rate would need to be in the region of 1.5% by March 2021 for inflation to stay on track.

As for the **labour market**, unemployment has continued at a 43 year low of 4% on the Independent Labour Organisation measure. A combination of job vacancies hitting an all-time high in July, together with negligible growth in total employment numbers, indicates that employers are now having major difficulties filling job vacancies with suitable staff. It was therefore unsurprising that wage inflation picked up to 2.9%, (3 month average regular pay, excluding bonuses) and to a one month figure in July of 3.1%. This meant that in real terms, (i.e. wage rates higher than CPI inflation), earnings grew by about 0.4%, near to the joint high of 0.5% since 2009. (The previous high point was in July 2015.) Given the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months. This tends to confirm that the MPC were right to start on a cautious increase in Bank Rate in August as it views wage inflation in excess of 3% as increasing inflationary pressures within the UK economy. However, the MPC will need to tread cautiously before increasing Bank Rate again, especially given all the uncertainties around Brexit.

In the **political arena**, there is a risk that the current Conservative minority government may be unable to muster a majority in the Commons over Brexit. However, our central position is that Prime Minister May's government will endure, despite various setbacks, along the route to Brexit in March 2019. If, however, the UK faces a general election in the next 12 months, this could result in a potential loosening of monetary policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up.

1.2 USA

President Trump's massive easing of fiscal policy is fuelling a (temporary) boost in consumption which has generated an upturn in the rate of strong growth which rose from 2.2%, (annualised rate), in quarter 1 to 4.2% in quarter 2, but also an upturn in inflationary pressures. With inflation moving towards 3%, the Fed increased rates another 0.25% in September to between 2.00% and 2.25%, this being four increases in 2018, and indicated they expected to increase rates four more times by the end of 2019. The dilemma, however, is what to do when the temporary boost to consumption wanes, particularly as the recent imposition of tariffs on a number of countries' exports to the US, (China in particular), could see a switch to US production of some of those goods, but at higher prices. Such a scenario would invariably make any easing of monetary policy harder for the Fed in the second half of 2019.

1.3 Eurozone

Growth was unchanged at 0.4% in quarter 2, but has undershot early forecasts for a stronger economic performance in 2018. In particular, data from Germany has been mixed and it could be negatively impacted by US tariffs on a significant part of manufacturing exports e.g. cars. For that reason, although growth is still expected to be in the region of 2% for 2018, the horizon is less clear than it seemed just a short while ago.

1.4 China

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.

1.5 Japan

Japan has been struggling to stimulate consistent significant GDP 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.

1.6 Interest Rate Forecasts

The Council's treasury advisor, Link Asset Services, has provided the following forecast:

Link Asset Services Interest Rate View														
	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%	1.75%	2.00%
3 Month LIBID	0.80%	0.90%	1.00%	1.10%	1.20%	1.30%	1.40%	1.50%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%
6 Month LIBID	0.90%	1.00%	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%
12 Month LIBID	1.10%	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%	2.30%	2.40%
5yr PWLB Rate	2.00%	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%	2.80%	2.80%
10yr PWLB Rate	2.50%	2.50%	2.60%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%
25yr PWLB Rate	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB Rate	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%	3.40%

Link Asset Services do not currently think that the MPC would increase Bank Rate in February 2019, ahead of the deadline in March for Brexit. It is likely that getting parliamentary approval on both sides of the Channel will take well into spring next year. However, in view of the hawkish stance of the MPC this time, they have moved forward their first increase in Bank Rate from August to May 2019. The next increases then occur in February and November 2020 before ending up at 2.0% in February 2022.

Financial markets are now expecting a first increase in February 2019 and then further increases only in February 2020 and then May 2021, to end 21/22 at only 1.50%. PWLB rates, particularly 5 and 10 year rates, have increased slightly in response to the faster pace of Bank Rate increases. Forecasts for average investment earnings beyond the three year time horizon will be heavily dependent on economic and political developments.

The balance of risks to the UK

The overall balance of risks to economic growth in the UK is probably neutral.

The balance of risks to increases in Bank Rate and shorter term PWLB rates are probably also even and are broadly dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively.

One risk that is both an upside and downside risk, is that all central banks are now working in very different economic conditions than before the 2008 financial crash as there has been a major increase in consumer and other debt due to the exceptionally low levels of borrowing rates that have prevailed for ten years since 2008. This means that the neutral rate of interest in an economy, (i.e. the rate that is neither expansionary nor deflationary), is difficult to determine definitively in this new environment, although central banks have made statements that they expect it to be much lower than before 2008. Central banks could therefore over or under do increases in central interest rates.

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

- **Brexit** – if it were to cause significant economic disruption and a major downturn in the rate of growth.
- **Bank of England monetary policy** takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than currently anticipated.
- 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, and due to the election in March of a government which has made a lot of anti-austerity noise. At the time of writing, the EU has rejected the proposed Italian budget and has demanded cuts in government spending which the Italian government has refused. The rating agencies have started on downgrading Italian debt to one notch above junk level. If Italian debt were to fall below investment grade, many investors would be unable to hold Italian debt. Unsurprisingly, investors are becoming increasingly concerned by the actions of the Italian government and consequently, Italian bond yields have risen sharply – at a time when the government faces having to refinance large amounts of debt maturing in 2019.
- Weak capitalisation of some **European banks**. Italian banks are particularly vulnerable; one factor is that they hold a high level of Italian government debt - debt which is falling in value. This is therefore undermining their capital ratios and raises the question of whether they will need to raise fresh capital to plug the gap.
- **German minority government**. In the German general election of September 2017, Angela Merkel's CDU party was left in a vulnerable minority position dependent on the fractious support of the SPD party, as a result of the rise in popularity of the anti-immigration AfD party. Then in October 2018, the results of the Bavarian and Hesse state elections radically undermined the SPD party and showed a sharp fall in support for the CDU. As a result, the SPD is reviewing whether it can continue to support a coalition that is so damaging to its electoral popularity. After the result of the Hesse state election, Angela Merkel announced that she would not stand for re-election as CDU party leader at her party's convention in December 2018. However, this makes little practical difference as she is still expected to aim to continue for now as the Chancellor. However, there are five more state elections coming up in 2019 and EU parliamentary elections in May/June; these could result in a further loss of electoral support for both the CDU and SPD which could also undermine her leadership.

- **Other minority eurozone governments.** Spain, Portugal, Netherlands and Belgium all have vulnerable minority governments dependent on coalitions which could prove fragile. Sweden is also struggling to form a government due to the anti-immigration party holding the balance of power, and which no other party is willing to form a coalition with.
- **Austria, the Czech Republic and Hungary** now form a strongly anti-immigration bloc within the EU while **Italy**, this year, has also elected a strongly anti-immigration government. Elections to the EU parliament are due in May/June 2019.
- Further increases in interest rates in the US could spark a **sudden flight of investment funds** from more risky assets e.g. shares, into bonds yielding a much improved yield. In October 2018, we have seen a sharp fall in equity markets but this has been limited, as yet. Emerging countries which have borrowed heavily in dollar denominated debt, could be particularly exposed to this risk of an investor flight to safe havens e.g. UK gilts.
- There are concerns around the level of **US corporate debt** which has swollen massively during the period of low borrowing rates in order to finance mergers and acquisitions. This has resulted in the debt of many large corporations being downgraded to a BBB credit rating, close to junk status. Indeed, 48% of total investment grade corporate debt is now rated at BBB. If such corporations fail to generate profits and cash flow to reduce their debt levels as expected, this could tip their debt into junk ratings which will increase their cost of financing and further negatively impact profits and cash flow.
- **Geopolitical risks**, especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.

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

- **Brexit** – if both sides were to agree a compromise that removed all threats of economic and political disruption.
- **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 QE, 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.
- 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**, whether domestically generated or imported, returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

2. Treasury Management Strategy Statement and Annual Investment Strategy Update

The Treasury Management Strategy Statement (TMSS) for 2018/19 was approved by Council on 27th February 2018.

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	2018/19 Original Programme	Budget B'fwd from 2017/18	Virements to Programme in Year	Total 2018/19 Budget	Actual Spend @ Period 6	Predicted Outturn	2018/19 Revised Estimate*
	£m	£m	£m	£m	£m	£m	£m
General Fund	10.176	9.105	3.987	23.268	8.908	22.215	23.114
HRA	13.274	18.198	0.250	31.722	6.933	30.867	31.441
Total	23.450	27.303	4.237	54.990	15.841	53.082	54.555

* Includes potential expenditure slippage into 2019/20

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.

Capital Expenditure	2018/19 Capital Programme £m	2018/19 Predicted Outturn £m	2018/19 Budget * £m
Unsupported	1.666	8.364	8.529
Supported	21.784	44.719	46.462
Total spend	23.450	53.082	54.990
Financed by:			
Grants - Disabled Facilities	0.360	0.447	0.447
Coalfields Grant	-	0.042	0.222
Section 106's	0.225	0.274	0.484
GF Receipts	6.302	16.621	16.651
GF Reserve	-	0.086	0.470
Sale of Council House Receipts	0.412	0.480	0.564
HRA Receipts	1.665	1.735	1.735
HLF Assembly Rooms Lottery	0.340	0.576	0.576
Grants - Assembly Rooms (SLGF/Arts Council)	0.654	1.934	1.934
Public Contributions (Assembly Rooms)	0.050	0.050	0.050
HLF/Donation - Castle Mercian Trail	-	0.558	0.558
Other Contributions	0.168	-	-
MRR	5.077	7.608	7.942
HRA 1-4-1 Replacements Receipts	0.528	1.225	1.375
HRA Reserve	3.706	9.493	9.863
HRA Regeneration Fund	2.298	3.592	3.592
Total Financing	21.784	44.719	46.462
Borrowing need	1.666	8.364	8.529

* includes potential expenditure slippage into 2019/20

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

The following table shows the Capital Financing Requirement (CFR), which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period, which 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

	2017/18	2018/19	2018/19	2018/19
	Outturn	Capital Programme	Projected Outturn	Budget *
	£m	£m	£m	£m
CFR – Non Housing	0.885	2.547	1.978	2.143
CFR – Housing	68.041	75.255 ¹	75.255	75.255
Total CFR	68.926	77.802	77.233	77.398
Net movement in CFR	(0.058)	8.876	8.307	8.472
Operational Boundary				
Expected Borrowing	63.060	63.060	63.060	63.060
Other long term liabilities	-	-		-
Total debt 31st March	63.060	63.060	63.060	63.060

¹ Includes re-profiling of planned borrowing of £7.214m from 2017/18

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 2018/19 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.

	2017/18	2018/19	2018/19	2018/19
	Outturn	Original Estimate	Projected Outturn	Budget
	£m	£m	£m	£m
Gross borrowing	63.060	63.060	63.060	63.060
Less investments	60.805	54.198	59.751	59.916
Net borrowing	2.255	8.862	3.309	3.144
CFR (year end position)	68.926	77.802	77.233	77.398

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

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

Authorised Limit for External Debt	2018/19 Original Indicator	Current Position	2018/19 Revised Indicator
Borrowing	84.954	84.954	84.954
Total	84.954	84.954	84.954

4. Investment Portfolio 2018/19

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 shown by forecasts 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 0.75% 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 £66.51m of investments as at 30th September 2018 (£60.77m at 31st March 2018 – excluding impaired investments) and the investment portfolio yield for the first six months of the year is 0.77% against a benchmark of the 3 months LIBID of 0.61%. A full list of treasury investments held as at 30th September 2018 is detailed in **APPENDIX 1**.

The Executive Director Finance confirms that the approved limits within the Annual Investment Strategy were not breached during the first six months of 2018/19.

The Council's budgeted investment return for 2018/19 is £176k, and performance for the year is projected to be £300k above budget, due to actual interest rates being achieved above the amount budgeted of 0.50% and additional funds available to invest (due to increased capital slippage). The Council is also projected to receive an additional £109k in respect of property fund interest and dividends, due to investments in property funds being made earlier than budgeted.

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 April 2017 to March 2018 was 0.54% compared to the group average of 0.64% (information from CIPFA Benchmarking Report 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.

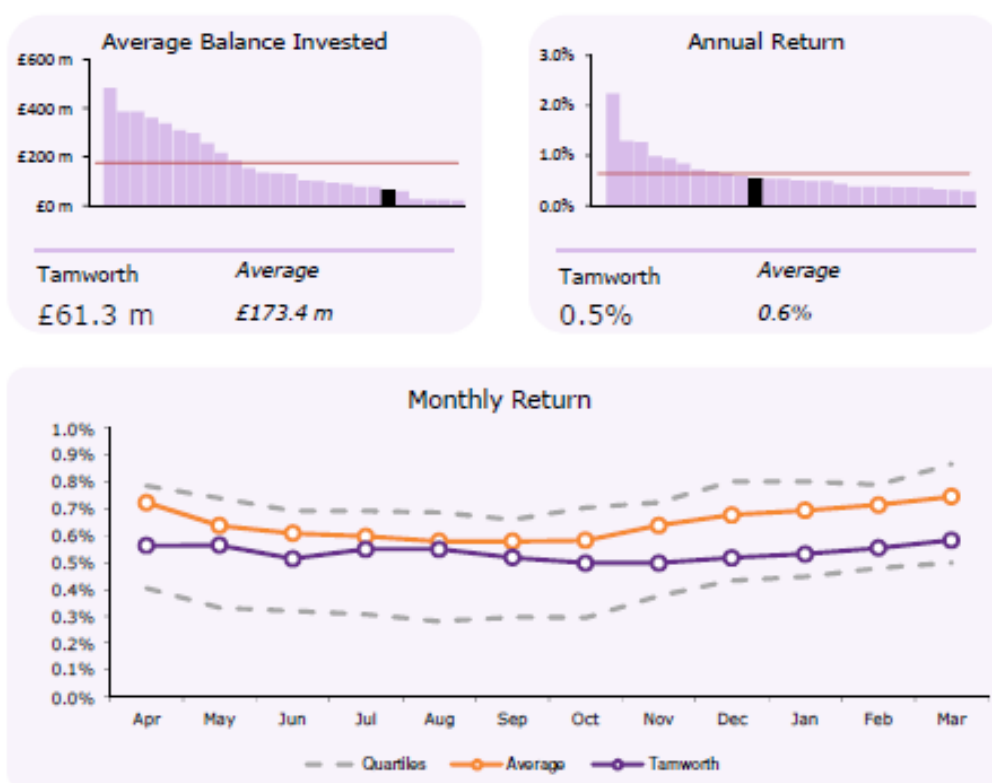
This can be analysed further into the following categories:

Category	Average Balance Invested		Average Annual Return Received	
	Tamworth Borough Council	CIPFA Benchmarking Club	Tamworth Borough Council	CIPFA Benchmarking Club
Fixed Investments (up to 30 days)	-	1.5	-	0.7
Fixed Investments (between 31 and 90 days)	-	5.1	-	0.5
Fixed Investments (between 91 and 364 days)	30.9	69.2	0.5	0.6
Fixed Investments (between 1 year and 3 years)	0.8	37.8	0.9	1.0
Fixed Investments (over 3 years)	-	1.7	-	3.5
Callable and Structured Deposits	-	24.5	-	1.7
Notice Accounts	14.4	31.1	0.7	0.4
Money Market Funds (Constant Net Asset Value)	8.5	33.1	0.3	0.3
Money Market Funds (Variable Net Asset Value)	-	21.6	-	0.7
DMADF	-	1.4	-	0.2
CDs, Gilts and Bonds	6.7	53.0	0.6	1.8
Average of all investments (Managed in House)	61.3	173.4	0.5	0.6

The data above and graphs below display that despite the Council being a small investor in the markets, in the main 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 (April 17 - March 18)													
	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	Year
Balance £'m	53.0	51.4	52.9	56.1	56.0	63.6	67.3	67.9	67.9	69.5	67.2	63.0	61.3
Interest £'k	24.5	24.7	22.3	26.2	26.1	27.1	28.5	27.8	29.8	31.4	28.6	31.2	328.2
Return	0.56%	0.56%	0.51%	0.55%	0.55%	0.52%	0.50%	0.50%	0.52%	0.53%	0.55%	0.58%	0.54%
Upper Quartile	0.79%	0.74%	0.69%	0.69%	0.69%	0.66%	0.70%	0.72%	0.80%	0.80%	0.79%	0.87%	0.74%
Average	0.72%	0.64%	0.61%	0.60%	0.58%	0.58%	0.58%	0.64%	0.68%	0.69%	0.71%	0.75%	0.64%
Lower Quartile	0.41%	0.33%	0.32%	0.31%	0.28%	0.30%	0.29%	0.38%	0.43%	0.45%	0.48%	0.50%	0.37%
% Diff from Avg	-0.2%	-0.1%	-0.1%	0.0%	0.0%	-0.1%	-0.1%	-0.1%	-0.2%	-0.2%	-0.2%	-0.2%	-0.1%

Investment Counterparty Criteria

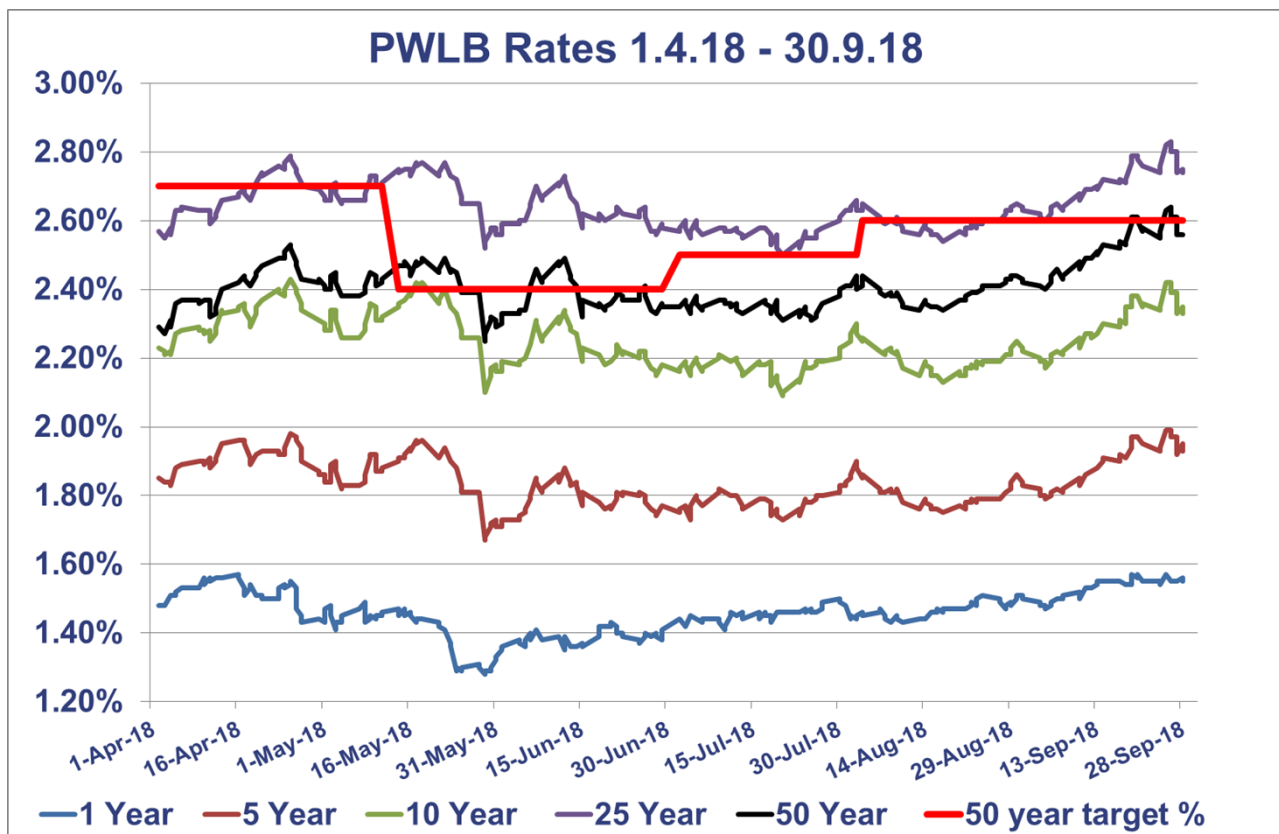
The current investment counterparty criteria selection approved in the TMSS and as approved by Council on 27th February 2018 will meet the requirement of the Treasury Management function.

5. Borrowing

The Council's estimated revised capital financing requirement (CFR) for 2018/19 is £77.233m. 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 has estimated borrowings of £63.060m and has utilised £14.173m 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.

It is not anticipated that any additional borrowing will be undertaken during 2018/19.

The table and graph below show the movement in PWLB (Certainty Rates) for the first six months of the year to date:



	1 Year	5 Year	10 Year	25 Year	50 Year
3.4.18	1.48%	1.84%	2.22%	2.55%	2.27%
30.9.18	1.55%	1.93%	2.33%	2.74%	2.56%
Low	1.28%	1.67%	2.09%	2.50%	2.25%
Date	01/06/2018	29/05/2018	20/07/2018	20/07/2018	29/05/2018
High	1.57%	1.99%	2.43%	2.83%	2.64%
Date	17/04/2018	25/09/2018	25/04/2018	25/09/2018	25/09/2018
Average	1.46%	1.84%	2.25%	2.64%	2.41%

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. UK Banks – Ring Fencing

The largest UK banks, (those with more than £25bn of retail / Small and Medium-sized Enterprise (SME) deposits), are required, by UK law, to separate core retail banking services from their investment and international banking activities by 1st January 2019. This is known as “ring-fencing”. Whilst smaller banks with less than £25bn in deposits are exempt, they can choose to opt up. Several banks are very close to the threshold already and so may come into scope in the future regardless.

Ring-fencing is a regulatory initiative created in response to the global financial crisis. It mandates the separation of retail and SME deposits from investment banking, in order to improve the resilience and resolvability of banks by changing their structure. In general, simpler activities offered from within a ring-fenced bank, (RFB), will be focused on lower risk, day-to-day core transactions, whilst more complex and “riskier” activities are required to be housed in a separate entity, a non-ring-fenced bank, (NRFB). This is intended to ensure that an entity’s core activities are not adversely affected by the acts or omissions of other members of its group.

While the structure of the banks included within this process may have changed, the fundamentals of credit assessment have not. The Council will continue to assess the new-formed entities in the same way that it does others and those with sufficiently high ratings, (and any other metrics considered), will be considered for investment purposes.

8. IFRS9 accounting standard

This accounting standard came into effect from 1st April 2018. It means that the category of investments valued under the available for sale category will be removed and any potential fluctuations in market valuations may impact onto the Surplus or Deficit on the Provision of Services, rather than being held on the balance sheet. This change is unlikely to materially affect the commonly used types of treasury management investments but more specialist types of investments, (e.g. pooled funds, third party loans, commercial investments), are likely to be impacted.

The Ministry of Housing, Communities and Local Government (MHCLG), have recently conducted a consultation on allowing a temporary override to enable English local authorities time to adjust their portfolio of investments. The Government’s response to the consultation was published in November, and this confirms that they will introduce a mandatory statutory override requiring local authorities to reverse out all unrealised fair value movements resulting from pooled investment funds. This will be effective from financial year commencing 1 April 2018, and will apply for five years.

9. Changes in risk appetite

The 2018 CIPFA Codes and guidance notes have placed enhanced importance on risk management. Where an authority changes its risk appetite e.g. for moving surplus cash into or out of certain types of investment funds or other types of investment instruments, this change in risk appetite and policy should be brought to members' attention in treasury management update reports. The Treasury Management Strategy Statement 2018/19 reported to Council in February 2018 set out the Council's approach to investing in property funds, as part of the development of the Commercial Investment Strategy, and utilizing the capital receipt proceeds from the sale of the Golf Course. This approach was endorsed by Members, and since then we have invested £2m in Threadneedle Property Unit Trust and £1.8m in Schroders UK Real Estate Fund. There are no other such changes to report to Members.

REPORT AUTHOR

Please contact Stefan Garner, Executive Director 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 2017</i>
	<i>Annual Report on the Treasury Management Service and Actual Prudential Indicators 2017/18 – Council 11th September 2018</i>
	<i>Treasury Management Strategy & Prudential Indicators Report 2018/19 - Council 27th February 2018</i>
	<i>Budget & Medium Term Financial Strategy 2018/19 - Council 27th February 2018</i>
	<i>Financial Healthcheck Period 6, September 2018</i>
	<i>CIPFA Treasury Management Benchmarking Club Report Quarter 2, September 2018</i>

APPENDICES

APPENDIX 1 Current Investment List

APPENDIX 1

Investments held as at 30th September 2018:

Borrower	Deposit £	Rate %	From	To	Notice
Lloyds Bank	1,000,000	0.90%	30-Nov-17	30-Nov-18	
Lloyds Bank	1,000,000	0.90%	01-Dec-17	30-Nov-18	-
Bank of Scotland	2,000,000	0.85%	03-Jan-18	03-Jan-19	-
Bank of Scotland	2,000,000	0.85%	05-Jan-18	04-Jan-19	-
Lloyds Bank	1,000,000	0.80%	09-Feb-18	08-Feb-19	-
Bank of Scotland	2,000,000	0.85%	12-Feb-18	11-Feb-19	-
Lloyds Bank	2,000,000	0.90%	03-Apr-18	03-Apr-19	-
Lloyds Bank	2,000,000	0.90%	03-Apr-18	03-Apr-19	-
Barclays Bank	2,000,000	0.75%	05-Apr-18	05-Oct-18	-
Royal Bank of Scotland	2,004,563	0.87%	10-Apr-18	27-Nov-18	-
Barclays Bank	2,000,000	0.76%	10-Apr-18	10-Oct-18	-
Coventry BS	2,000,000	0.67%	25-May-18	26-Nov-18	-
National Westminster Bank plc	2,000,593	0.94%	29-Jun-18	28-Jun-19	-
National Westminster Bank plc	4,001,189	0.95%	05-Jul-18	05-Jul-19	-
Barclays Bank	3,000,000	0.81%	12-Sep-18	12-Mar-19	-
Coventry BS	2,000,000	0.79%	12-Sep-18	12-Mar-19	-
Guildford Council	4,000,000	0.85%	13-Sep-18	13-Mar-19	-
Goldman Sachs	10,000,000	0.67%	-	-	180 day
Santander	10,000,000	0.70%	-	-	180 day
MMF - Ignis	508,000	0.62%*	-	-	On call
MMF – PSDF	10,000,000	0.69%*	-	-	On call
Total	66.51	0.77 (avg)			

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

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CABINET

THURSDAY, 29TH NOVEMBER 2018

REPORT OF THE PORTFOLIO HOLDER FOR ASSETS AND FINANCE

LOCAL COUNCIL TAX REDUCTION SCHEME 2019/20 ONWARDS AND CONSULTATION RESULTS

EXEMPT INFORMATION

This proposal is not exempt information for the purposes of Part 1 of Schedule 12 (A) of the Local Government Act 1972

PURPOSE

To advise Members of the results and feedback from the recently undertaken consultation on the proposed Local Council Tax Reduction Scheme from 2019/20 onwards. To review the consultation feedback when considering potential changes to be applied in the 2019/20 onwards Local Council Tax Reduction Scheme;

To advise members that the Local Council Tax Reduction Scheme for working age customers for 2019/20 should include continued alignment to Applicable Amounts with those of Housing Benefit;

That Council endorses the proposed change, moderately supported by the consultation results, that the Local Council Tax Reduction Scheme for 2019/20 be aligned with the Universal Credit Regulations for self-employed working age earners.

RECOMMENDATIONS

- 1 That Council consider the results of the public consultation on the current scheme, carried out from August 2018 to October 2018, and endorse or otherwise the proposed recommended changes detailed below:
- 2 *The base scheme goes forward with the following;*
 - (a) *That the Local Council Tax Reduction Scheme for working age customers for 2019/20 will continue to be aligned to Applicable Amounts with those of Housing Benefit.*
 - (b) *That the Local Council Tax Reduction Scheme for 2019/20 be aligned with the Universal Credit Regulations for self-employed working age earners.*

EXECUTIVE SUMMARY

This report details the key issues arising from the Local Council Tax Reduction Scheme.

The Welfare Reform Act abolished Council Tax Benefit from 1 April 2013. It was replaced by a new Local Council Tax Reduction Scheme for working age customers. A national scheme of regulations was introduced for pensioners, which mirrors the obsolete Council Tax Benefit Scheme.

Grant funding was reduced and is distributed by the Ministry of Housing, Communities and Local

Government rather than the Department for Work and Pensions. Outturn on the 2017/18 scheme was £3.97m of which the Authority's share was £429k (10.8% of the impact on the Collection Fund). At inception, the scheme design was modelled to ensure that the Authority complied with the Central Government requirement to achieve a 10% reduction in benefit cost but without increasing the burden of cost to the Council tax Payer. However, grant funding predictions are expected to reduce further in future years and future years' Revenue Support Grant (RSG) projections indicate an ongoing reduction in grant funding to the Authority from 2019/20 and will mean that RSG will cease to be paid from 2020 and that the Council will have to fund the scheme from its own resources and retained Business Rates income in the future.

The impact of grant funding and expenditure is closely monitored on a regular basis to identify whether the scheme is achieving its objectives but also not increasing cost burdens to the Medium Term Financial Strategy. The current maximum level of award under the existing scheme is 75%. Current financial modelling indicates that although grant levels are reducing the scheme maxima should not be changed for the 2019/20 scheme consultation as it would add further potential hardship to claimants. This position is under regular review. Members should be aware of the impact of the Central Government Grant reductions when formulating the scheme for 2019/20 as any subsequent changes to the scheme governance arrangements, not consulted on would require a further consultation exercise.

The 2 key principles of the Local Council Tax Reduction Scheme are:

1. Every household with working age members should pay something towards their Council Tax bill and;
2. The Local Council Tax Reduction Scheme should encourage people to work.

Continued alignment of the scheme with applicable amounts for the Housing Benefit scheme should be considered. This is not a legislative requirement for those of working age, but a decision for this Council. This will prevent confusion between schemes and reduce administrative burdens. Furthermore, it would reflect any cost of living rises allowed by the Government.

In compliance with the above, a web based consultation exercise was carried out between August 2018 to October 2018. The results are attached at **Appendix 1**. Local Community Groups were notified of the consultation and two press releases also encouraged responses. 101 responses were received. The proposal to introduce a Minimum Income Floor for self-employed income was moderately supported.

OPTIONS CONSIDERED

As in previous years, a number of the policy options considered during the consultation are currently included in the 2018/19 Local Council Tax Reduction Scheme, these are detailed below:

- Pensioners, claimants classed as severely disabled, claimants with disabled children and claimants receiving a War Pension or Armed Forces Compensation Scheme payment are the only claimants that receive support for up to 100% of their Council Tax bill. All other working age claimants pay something towards their Council Tax bill and applicable amounts continue to be aligned with those of Housing Benefit.

- All working age claimants that are not protected have to pay at least 25% of their Council Tax bill. To mitigate future grant reductions, the scheme could ask working age claimants to pay at least 30% of their Council Tax bill. This means that working age claimants who are not protected would get less help than they do now.
- Council Tax Reduction is limited to the level that is given for a smaller house. We limit the maximum support offered based on 75% of the Council Tax bill for a Band D property, even if the claimant lives in a property with a higher banding than D. This means that any claimant who lives in a property with a banding higher than D has their Reduction calculated as if they lived in a Band D property.
- Claimants are able to have savings of up to £16,000 and still receive support towards their Council Tax Bill.
- Any non-dependants living in a Working Age claimant's household are expected to contribute towards the Council Tax bill. If the non-dependant is not working then their contribution would be £5 per week. If the non-dependant is working then their contribution would be a £10 per week.

In addition, the 2019/20 consultation included a new policy as detailed below:

- It is proposed from April 2019 to align the Local Council Tax Reduction policy for self-employed earners in receipt of Universal Credit with the Universal Credit Regulations. Currently, a claimant's self-employed books and/or accounts are used to calculate net profit and our policy endorses this. Universal Credit includes a 'Minimum Income Floor' (MIF) if a person is gainfully self-employed and the business has been running for more than 12 months. The MIF is an assumed level of earnings based on the National Minimum Wage. Where self-employed earnings are below the MIF, this will be used to work out a claimant's LCTR instead of actual earnings.

Universal Credit full service started on 29th November 2017 in Tamworth. This has primarily impacted on the benefits, revenues and housing services. Customers in receipt of Universal Credit are more likely to have multiple changes to their income throughout the year. This means the benefits team has to reassess a claimant's entitlement to LCTR each time, which can sometimes result in little or no change in the amount of financial support given. Numbers on Universal Credit are still relatively low, however, as this will steadily increase as roll out continues, this may impact on the workload for the Council and it can be difficult for low income households to manage their money and spending.

This will contribute to a negative effect on income collection levels, and is part due to the effect of a significant number of "change of circumstances" which have to be processed by the benefits team arising from the revised process. This means that council tax bills are recalculated each time a change is processed leading to a delay in income collection.

There is an option to mitigate the effect of the changes by moving to a banded LCTR scheme – this could mean:

- a) less council tax bill amendments which should lead to improved collection levels;
- b) providing a simpler scheme which is easier to understand;
- c) reduced administration costs and prevent them from rising in the future.

However, it will not reduce the number of amendments which have to be processed by the Benefits team.

Subject to the results of a detailed impact assessment, it is proposed that the consultation process in future years includes considerations for the LCTR scheme to operate on a banded scheme. This should

provide an opportunity to reduce the cost of LCTR administration and should also result in fewer amended council tax bills being issued, in particular as Universal Credit continues to roll out.

RESOURCE IMPLICATIONS

Council Tax Benefit subsidy awarded for 2012/13 was £5.38m. The current scheme was modelled on delivering an estimated benefit reduction in the region of £700k for 2013/14, necessitated by grant cuts of 10% and protection for Pensioners and other vulnerable groups. The final amount awarded for 2013/14 was £4.427m, £4.156m for 2014/15, £4.04m for 2015/16, £3.98m for 2016/17 and £3.97m for 2017/18.

Latest figures confirm that £4.06m has so far been awarded in Local Council Tax Reduction (LCTR) for 2018/19 (**Appendix 2**), to both working age and pensioner customers. The live caseload has reduced by approximately 20% since April 2013, which is attributable to customers finding employment, becoming financially self-sufficient and contributes to the lesser amount now awarded. Furthermore, welfare reforms have also reduced the amount awarded to some claimants who are no longer entitled to the Severe Disability Premium, thus their award is now based on a maximum of 75% rather than 100% of their Council Tax liability. In addition as The Department for Work and Pensions calculate Universal Credit on a monthly basis, customers may be entitled to Council Tax Reduction one month but not the following, also contributing to the decline in caseload.

It is impossible to predict what savings aligning the LCTR Scheme to Universal Credit Regulations for self-employed earners will have. However it is envisaged that the savings will be nominal.

LEGAL/RISK IMPLICATIONS BACKGROUND

The Ministry of Housing, Communities and Local Government have confirmed that consultation on the scheme is not required annually if it is not amended. However, the Council has decided it wise to consult even when changes are not proposed. Notwithstanding this, as an amendment to the scheme is proposed for 2019/20, consultation was mandatory for the 2019/20 scheme.

Appendix 1 confirms the public consultation results, gauging views on each of the current policy elements of the scheme as well as views on proposed changes.

Section 13 A(2) and Schedule 1A of the Local Government Finance Act 1992, as well as Schedule 1A, paragraph 16 of the Local Government Finance Act 2012 legislate that the scheme must be agreed annually by full Council.

Full Equality Impact Assessments were considered and taken into account when the scheme was initially finalised and agreed.

SUSTAINABILITY IMPLICATIONS

Funding for the replacement of the previous Council Tax Benefit scheme was changed from AMEY (unrestricted reimbursement of Council Tax Benefit subsidy) to DEL (restricted, pre-allocated grant figure). The Council must be aware that there must continue to be a contingency if, for instance, a major local employer goes into administration.

BACKGROUND INFORMATION

The Welfare Reform Act 2012

http://www.legislation.gov.uk/ukpga/2012/5/pdfs/ukpga_20120005_en.pdf

The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Regulations) 2012

http://www.legislation.gov.uk/uksi/2012/2885/pdfs/uksi_20122885_en.pdf

REPORT AUTHOR

Karen Taylor x529

HISTORICAL LIST OF BACKGROUND PAPERS

The Local Council Tax Scheme was introduced in April 2013. Previous versions of the schemes are available if required.

Local Council Tax Reduction Scheme 2017/18 report, presented to Council on 13th December 2016

<http://democracy.tamworth.gov.uk/documents/s15217/Local%20Council%20Tax%20Reduction%20Scheme%20201718%20onwards.pdf>

Local Council Tax Reduction Scheme 2018/19 report, presented to Council on December 12th December 2017

<http://democracy.tamworth.gov.uk/documents/s21399/Local%20Council%20Tax%20Reduction%20Scheme%20201819%20onwards.pdf>

APPENDICES

Appendix 1 Local Council Tax Reduction Scheme Consultation Scheme report 2018

Appendix 2 Local Council Tax Reduction Working Age Expenditure Summary

Appendix 3 Local Council Tax Reduction Caseload Summary

Appendix 4 Equality Impact Assessment



Local Council Tax Reduction Scheme Consultation Summary Report 2018

Produced by



On behalf of



DOCUMENT DETAILS

This document has been produced on behalf of Tamworth Borough Council by the Staffordshire County Council Strategy Team.



Title	Local Council Tax Reduction Scheme, Consultation Summary Report, 2018
Date created	October 2018
Description	The purpose of this document is to provide Tamworth Borough Council with key findings from public consultation regarding its local council tax scheme. These include suggested changes to the scheme which has been in operation since April 2013.
Produced by	Alice Walters, Research Officer, Strategy Team, Strategy, Governance and Change, Staffordshire County Council Tel: 01785 278150 Email: alice.walters@staffordshire.gov.uk
Geographical coverage	Tamworth Borough
Usage statement	This product is the property of Tamworth Borough Council. If you wish to reproduce this document either in whole, or in part, please acknowledge the source and the author (s).
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I. EXECUTIVE SUMMARY

In total, 101 individuals shared their views in Tamworth Borough Council's consultation on its Local Council Tax Reduction Scheme. The responses included those submitting their views as a 'resident', 'claimant' or 'friend/relative of a claimant'. Whilst the responses cannot be considered statistically robust, they do provide meaningful insight to inform policies, proposed changes and to understand the possible impact of change.

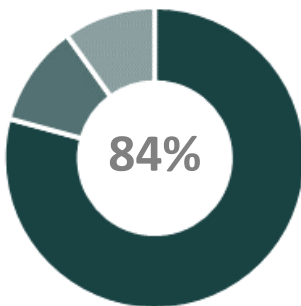
Principles: There was a 'high' level of support for both principles with 83% agreeing with key principle 1: 'Every household with working age members should pay something towards their Council Tax bill' and 85% agreeing with key principle 2: 'The Local Council Tax Reduction Scheme should encourage people to work'.

Policies: The level of endorsement attributed to each of the six policies was moderate or high. Policy 1 which provides total protection for pensioners and working age claimants classed as severely disabled received most support. Least endorsement was received to Policy 4 on claimants and the level of savings

'HIGH' LEVEL OF ENDORSEMENT (% agreeing policy is 'reasonable')

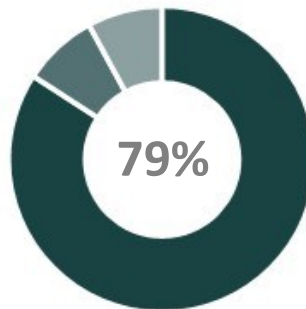
Policy 1: Level of support for pensioners, disabled and working age claimants.

Views on policy 1



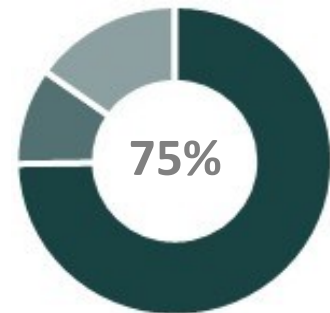
Policy 2: Level of benefit for working age claimants.

Views on policy 2



Policy 5: Non dependent's contributions towards the Council Tax bill.

Views on policy 5

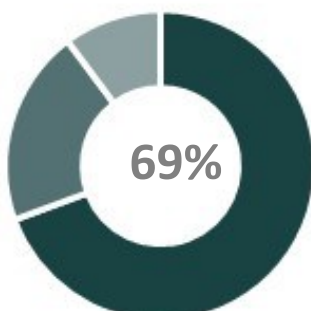


There was a '**moderate**'* level of support for three of the six policies, including the new proposal of aligning the Local Council Tax Reduction policy for self-employed earners in receipt of Universal Credit with the Universal Credit Regulations.

'MODERATE' LEVEL OF ENDORSEMENT (% agreeing policy or proposal is 'reasonable')

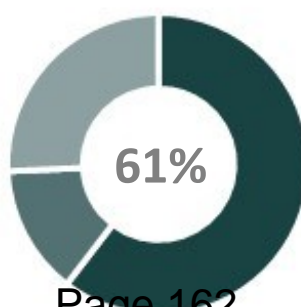
New proposal: Level of benefit for self-employed earners in receipt of Universal Credit

Views on new proposal



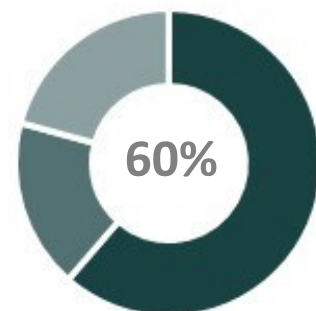
Policy 3: Council Tax Reduction and Property Band.

Views on policy 3



Policy 4: Claimants and the level of savings allowed.

Views on policy 4



Impact of the changes

Changes to Council Tax Benefit can affect individuals and key groups in society and consequently these impacts were a key component of this research. Of the survey respondents, 43% indicated that the changes had a 'low' impact upon them, 33% said the impact had been 'medium' and 24% said it had been 'high'. Those respondents who received a Council Tax reduction were more likely to feel that the impact upon them was 'high' or 'very high' (32%) when compared to non Council Tax Benefit claimants (20%).

Whilst caution should be applied to statistical analysis of these responses, as the level of responses was relatively low (101 responses were received), research by the Joseph Rowntree Foundation¹ does suggest that claimants are more likely to be affected and it outlines the wider impacts which claimants are likely to face.

¹ The Impact of Localising Council Tax Benefit, Joseph Rowntree Foundation, March 2013.

* Where the 'level of support' is quoted within this report, this is defined as:

High: 75% - 100% agree the proposal to be reasonable **Page 163** **Some:** 45% - 49% agree the proposal to be reasonable

Moderate: 50% - 74% agree the proposal to be reasonable **Low:** 0% - 24% agree the proposal to be reasonable

2.1 INTRODUCTION

Since April 2013, local authorities have administered a Local Council Tax Reduction Scheme for those of working age, on behalf of the government. A scheme with national rules continues for pensioners, which is also delivered by local authorities.

The government still provides funding for localised schemes, but since April 2013 this funding has been reduced. In 2012, 2014, 2015, 2016 and 2017 there was public consultation to gauge views about the local scheme.

This year Tamworth is proposing to make one amendment to the scheme. It is recommending that from April 2019 the Local Council Tax Reduction policy is aligned for self-employed earners in receipt of Universal Credit with the Universal Credit Regulations.

This consultation is seeking views on this change and on the scheme itself which has been in operation since April 2013.

This report has been produced by Staffordshire County Council on behalf of Tamworth Borough Council and brings together analysis and key themes of all responses received.

2.2 METHODOLOGY

The Council launched its consultation on Wednesday 15th August and respondents were provided with a twelve week window in which they could respond by electronic survey. The deadline for responses was Monday 15th October 2018.

The consultation was widely promoted using the following methods;

- Press releases in the local newspaper (Tamworth Herald)
- Tamworth Borough Council website (prominent feature on the homepage)
- Twitter
- Facebook
- E-mail and post to Tamworth Citizen's Panel
- Support Staffordshire
- Tamworth Informed
- Touch FM
- Radio Tamworth
- BBC Radio WM
- Free Radio

2.3 RESPONDENT PROFILE

A total of 101 respondents completed the online survey. This equates to 0.2% of the adult population of Tamworth² and compares similarly to last year's response rate of 92 (0.2%) responses.

Whilst the responses cannot be considered statistically robust, they do provide meaningful insight to inform policies, proposed changes and to understand the possible impact of change.

A full respondent profile can be found in Appendix 1. Some key points about respondents include:

The majority of the respondent group 98% (99 respondents) identified themselves as a resident of Tamworth.

Responses also included relatives of Council Tax Reduction claimants (7% or seven respondents), friends of Council Tax Reduction claimants (2% or two respondents), housing associations (2% or two respondents), and voluntary organisations (1% or one respondent).

- 44% (44 respondents) stated that they received a Retirement Pension or Pension Credit.
- The respondent group largely consisted of older people with 75.8% or 75 respondents being aged 55 or above.

² The adult population of Tamworth includes those residents who are aged 18 and above in the Mid Year Population Estimates, 2017 (MYPE, 2017).

3. RESULTS - KEY PRINCIPLES

Respondents were invited to indicate whether they agreed or disagreed with the following key principles:

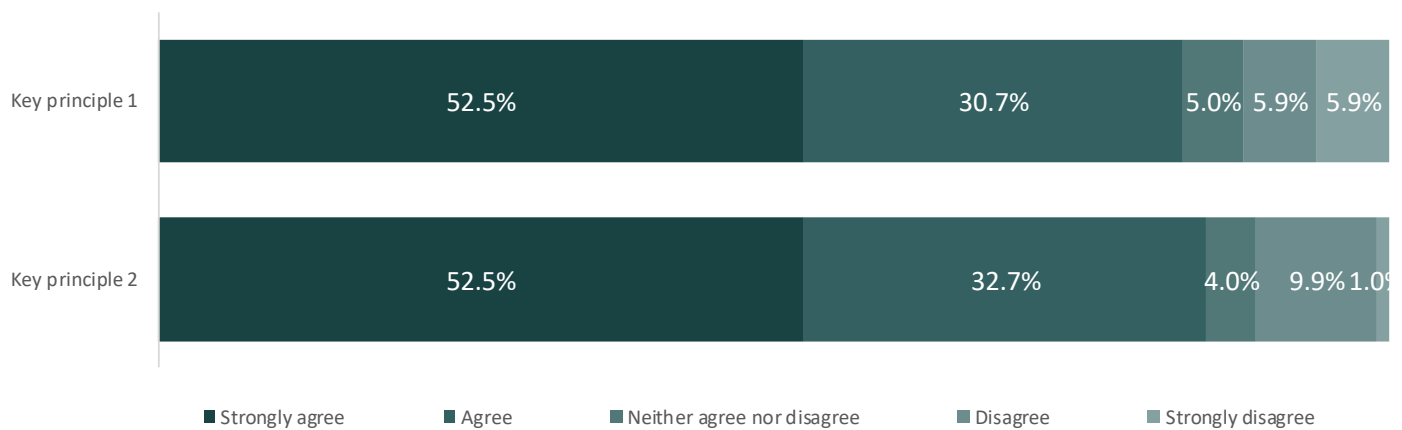
Key Principle 1: Every household with working age members should pay something towards their Council Tax bill.

Key Principle 2: The Local Council Tax Reduction Scheme should encourage people to work.

As the graph below illustrates, there was a ‘high’ level of support for each of the two key principles with 83% of respondent agreeing with Key Principle 1 and 85% agreeing with Key Principle 2. In both cases, over half of all respondents stipulated that they strongly agreed with the principles. A ‘high’ level of agreement has also been achieved in previous years’ consultation results.

Figure 3.1: Views on the key principles (%)

Base: 101 respondents



4. RESULTS - POLICIES

Local Council Tax Reduction Scheme Policy 1:

Pensioners, claimants classed as severely disabled, claimants with disabled children and claimants receiving a War Pension or Armed Forces Compensation Scheme payment are the only claimants that receive support for up to 100% of their Council Tax bill. All other working age claimants pay something towards their Council Tax bill and applicable amounts continue to be aligned with those of Housing Benefit.

There was a ‘high’ level of support for policy 1, with 84.2% of respondents feeling that it was ‘reasonable’. 47.5% felt that it was ‘very reasonable’. Trend data reflects that there has been a consistently ‘high’ level of support for this policy over time.

Figure 4.1: Views on Local Council Tax Reduction Scheme Policy 1 (%)

Base: 101 respondents



where the level of support is quoted within this report, this is defined as:

High: 75% - 100% agree the proposal to be reasonable **Some:** 25% - 49% agree the proposal to be reasonable

Moderate: 50% - 74% agree the proposal to be reasonable **Low:** 0% - 24% agree the proposal to be reasonable

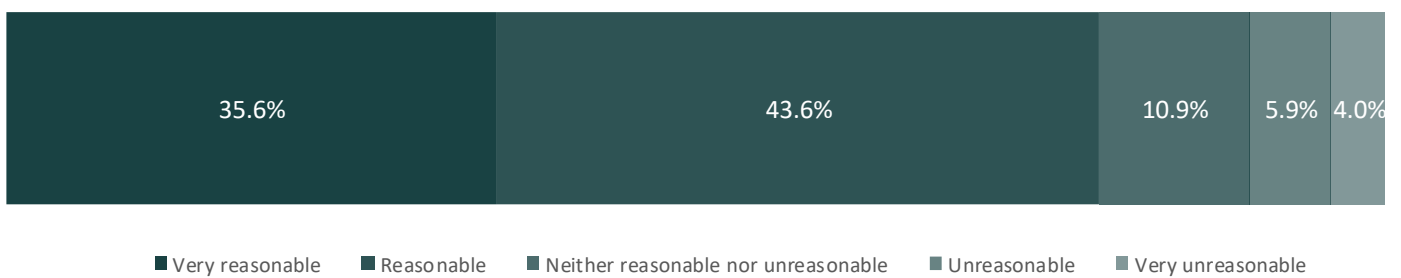
Local Council Tax Reduction Scheme Policy 2:

All working age claimants that are not protected have to pay at least 25% of their Council Tax bill. To mitigate future grant reductions, the scheme could ask working age claimants to pay at least 30% of their Council Tax bill. This means that working age claimants who are not protected would get less help than they do now.

There was a 'high' level of support for this policy with 79.2% feeling that it was 'reasonable' for those working age claimants who are not protected to pay at least 25% of their Council Tax bill. 36.6% felt this policy was 'very reasonable'. This resumes a general trend of 'high' support for this policy following a 'moderate' level of support last year.

Figure 4.2: Views on Local Council Tax Reduction Scheme Policy 2 (%)

Base: 101 respondents



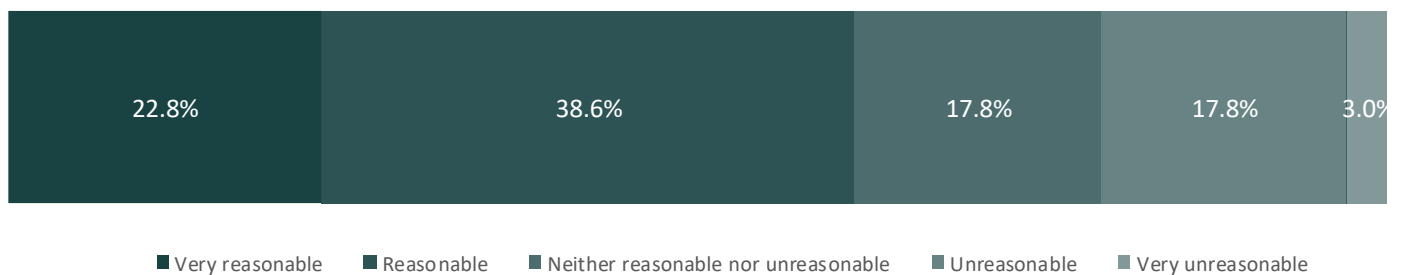
Local Council Tax Reduction Scheme Policy 3:

Council Tax Reduction is limited to the level that is given for a smaller house. We limit the maximum support offered based on 75% of the Council Tax bill for a Band D property, even if the claimant lives in a property with a higher banding than D. This means that any claimant who lives in a property with a banding higher than D has their Reduction calculated as if they lived in a Band D property.

There was a 'moderate' level of support for this policy with 61.4% of respondents feeling that it was 'reasonable'. Whilst the percentage of respondents agreeing with this option has fluctuated somewhat in recent years, previous consultation results have still reflected a 'moderate' level of support.

Figure 4.3: Views on Local Council Tax Reduction Scheme Policy 3 (%)

Base: 101 respondents



* Where the 'level of support' is quoted within this report, this is defined as:

High: 75% - 100% agree the proposal to be reasonable **Some:** 75% - 49% agree the proposal to be reasonable

Moderate: 50% - 74% agree the proposal to be reasonable **Low:** 0% - 24% agree the proposal to be reasonable

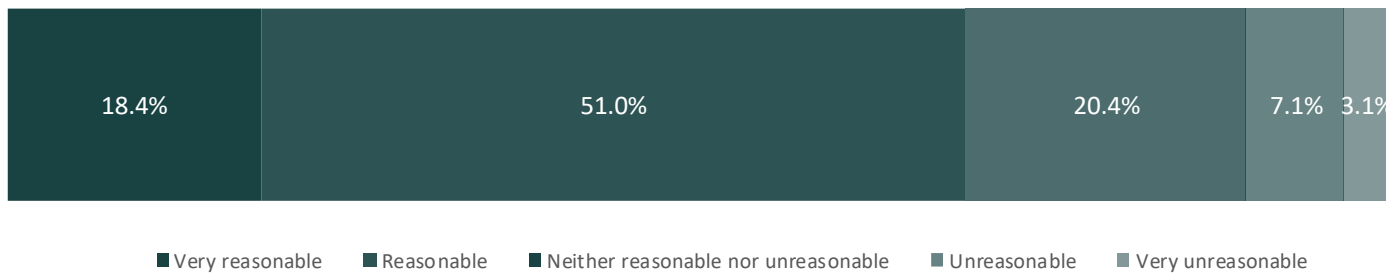
Self-employed earners in receipt of Universal Credit proposal

It is proposed from April 2019 to align the Local Council Tax Reduction policy for self-employed earners in receipt of Universal Credit with the Universal Credit Regulations. Currently, a claimant's self-employed books and/or accounts are used to calculate net profit and our policy endorses this.

There was a 'moderate' level of support for this proposal with 69.4% agreeing that this was 'reasonable'. Around one fifth (20.4%) felt it was 'neither reasonable nor unreasonable' while 1 in 10 respondents (10.2%) thought it was 'unreasonable'.

Figure 4.6: Views on Self-employed earners in receipt of Universal Credit proposal(%)

Base: 98 respondents



Respondents were offered the opportunity to comment on this proposal and any of the other policies in the scheme. Only a small proportion (14 respondents) chose to do so and comments were diverse. One respondent felt that there needed to be more opportunities to add comments to support opinions through the consultation documents, “... each answer is only an opinion without opportunity to add comment and reasons for that opinion.”

Three respondents used the opportunity to reaffirm their agreement with the schemes policies, “all makes sense and are reasonable”, with one respondent adding “as long as all are genuine cases and should be checked yearly”.

A further three respondents expressed their feelings that contributions should be increased, “should increase contributions”, “should be higher for non-dependent working age to encourage them to work” and “they should still have to pay fair amount at least 75% towards it”.

Several respondents expressed some criticism. In the main this was directed at the scheme's policies with some general comments about what has been missed, “this makes no mention of joint income or savings accounts” and “this has not taken in to consideration... vulnerable people [in our charity] [who] are Trans”.

One comment was aimed specifically at policy 4 and the respondent felt that “£16,000 as a total of savings should be lower”

A couple of respondents expressed criticism of the system with one respondent stating, “disabled 75 years old was refused any help! Please explain”.

One respondent used the opportunity to offer voluntary services of their church in order to help save money in areas of the district.

Local Council Tax Reduction Scheme Policy 4:

Claimants are able to have savings of up to £16,000 and still receive support towards their Council Tax Bill.

There was a 'moderate' level of support for this policy, with 60.4% of respondents agreeing that it was 'reasonable' to have savings and still receive support towards their Council Tax Bill. In previous years there has been 'some' or a 'moderate' level of support for this policy.

Figure 4.4: Views on Local Council Tax Reduction Scheme Policy 4(%)

Base: 101respondents



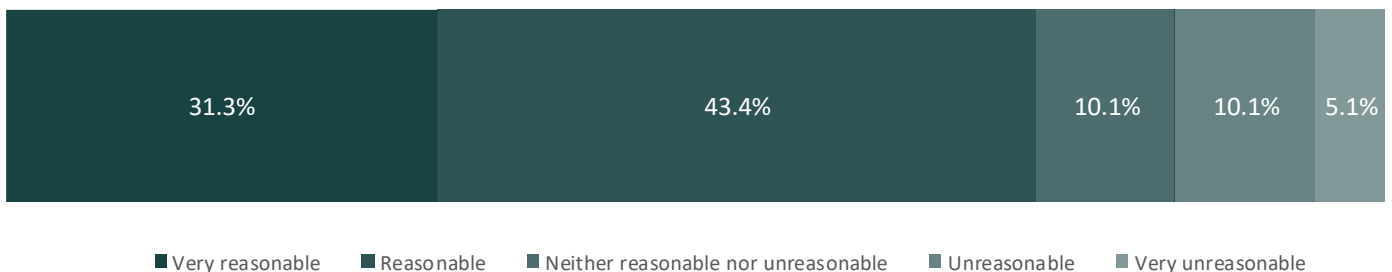
Local Council Tax Reduction Scheme Policy 5:

Any non-dependants living in a Working Age claimant's household are expected to contribute towards the Council Tax bill. If the non-dependant is not working then their contribution would be £5 per week. If the non-dependant is working then their contribution would be a £10 per week.

There was a 'high' level of support for this policy, with 74.7% of respondents agreeing that it was 'reasonable' to expect non-dependents living in a Working Age claimant's household to contribute towards the Council Tax bill. Almost a third (31.3%) felt that this was 'very reasonable'. Trend data shows that this policy has always attracted a 'high' level of support.

Figure 4.5: Views on Local Council Tax Reduction Scheme Policy 7 (%)

Base: 99 respondents



* Where the 'level of support' is quoted within this report, this is defined as:

High: 75% - 100% agree the proposal to be reasonable **Some:** 25% - 49% agree the proposal to be reasonable

Moderate: 50% - 74% agree the proposal to be reasonable **Low:** 0% - 24% agree the proposal to be reasonable

5. IMPACT OF THE CHANGES

Respondents were asked a series of questions to ascertain how they felt the changes implemented from April 2013 have impacted on both their individual circumstances as well as some of the key groups. This section displays the results from these questions.

As figure 5.1 displays, the majority of respondents, 76% (or 76 respondents) did not live in a household which receives Council Tax Reduction.

Does your household receive Council Tax Reduction?

Figure 5.1: % of households in receipt of Council Tax Reduction (%)



Consequently, as the graph below shows, the impacts felt on individuals financial situations have been 'low' for the largest proportion of respondents. However, 23.7% of respondents felt the changes had had a 'very high' or 'high' impact upon them. A third of these respondents were in receipt of support.

Figure 5.2: % impacted by the changes from April 2013:

Base: 93 respondents



Respondents were encouraged to share any comments they had regarding the impacts of the scheme. Only a few respondents (8) chose to comment and their responses included views/personal experiences of the scheme as well as comments on increased Council Tax bills.

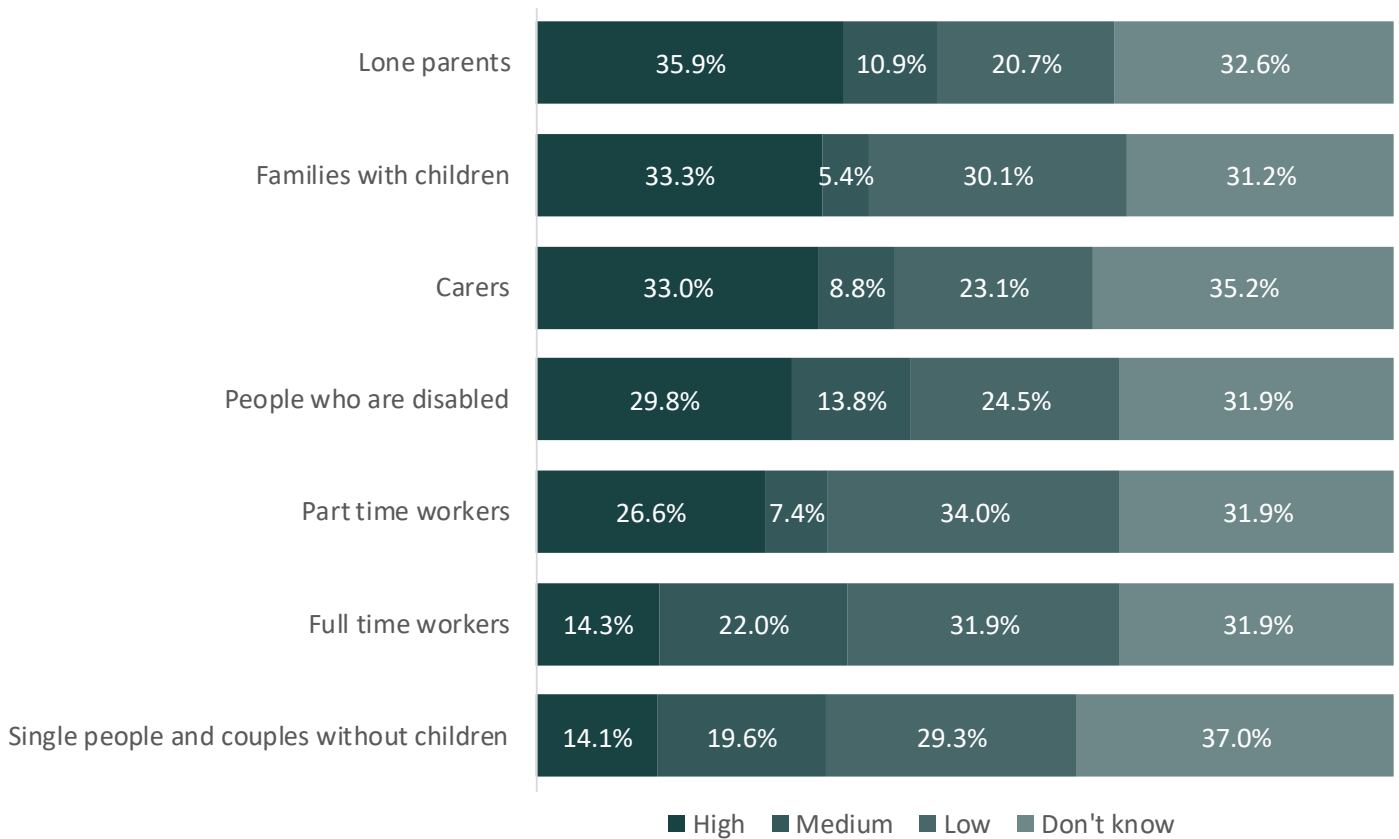
Two respondents who receive a Council Tax Reduction shared comments . One rated the impact as high, *"I get a C/Tax reduction as I'm a pensioner but I still think £124 every month is still a lot of money. I feel sorry for people and low wages who have family."* The other respondent felt the scheme had had a medium impact on their financial situation since it's implementation, stating that *"the CT reduction has varied over time."*

The rising Council Tax bills were referred to by several respondents. Some expressed that while they have noticed a rise in council tax , they are in a position where they can cope financially with this, *"I am fortunate to be employed and in good health, so I expect some rises" , "[I] have noticed an increase but coped financially"*. One respondent described how they have taken action to compensate for this increased expenditure and remain financially stable, *"I reduce my spending to cover all bills. These are the choices which seem not to be made in our society today and people should be encouraged to do so e.g. Rent First schemes etc."* Others, however, highlighted the detrimental effects of such rises on vulnerable groups , *"pensioners have to absorb these changes by lowering their standard of living to pay for them. As pensions do not rise with financial changes care must be taken that pensioners are not pushed into poverty"*, *"my pay has not gone up but everything else has. I also have to help my children they can't afford green bin, are struggling to pay"*.

What level of impact have the changes had on you and your household?

The graph below illustrates that a sizeable proportion of respondents felt the changes would impact on a range of person types including 'lone parents', 'families with children', 'carers', 'people who are disabled' and 'part time workers'. It also reflects that around a third of respondents were unable to assess the impact of change on each of the person types.

Figure 5.3: Impact of the scheme by person type (%)



When asked whether they felt there could be any other groups affected by these changes, the following answers were given:

- ***“People who are elderly” / “pensioners”***
- ***“People who cannot manage their money properly”***
- ***“Couples who earn slightly over Tax Credits claims”***
- ***“People being made redundant”***
- **Transgender: *“If a Trans partner leaves the “family home” this could put a strain on both sides.”***

6. APPENDIX I: ABOUT YOU, RESPONDENT PROFILE

Are you a resident of Tamworth?

Base: 101		Survey responses	
	No's	%	
Yes	99	98%	
No	2	2%	

Does your name appear on the Council Tax bill for your household?

Base: 100		Survey responses				
	No's	%		No's	%	
Yes	90	90%		Don't know	2	2%
No	8	8%				

Are you submitting your views as....

Base: 98		Survey responses				
	No's	%		No's	%	
Voluntary organisation	1	1.0%		Nationally/locally elected member/MP	-	-
Community group	-	-		Partner organisation	-	-
Housing Association	2	2.0%		Resident of Staffordshire	76	77.6%
Private landlord	-	-		Resident outside of Tamworth	1	1.0%
A relative of a Council Tax Reduction claimant	7	7.1%		None of these	5	4.1%
A friend of a Council Tax Reduction claimant	2	2.0%		Other	5	5.1%

7. APPENDIX 2: DEMOGRAPHIC MONITORING QUESTIONS

Are you male or female? (18+ population)

Base: 99	Survey responses		Tamworth MYE 2016
	No's	%	%
Female	48	48.5%	52%
Male	44	44.4%	48%
Prefer not to say	7	7.1%	N/A

Do you consider yourself to have a disability?

Base: 98	Survey responses		Tamworth 2011 Census comparison
	No's	%	%
Yes	32	32.7%	18%
No	57	58.2%	82%
Prefer not to say	9	9.2%	N/A

What type of disability do you have?

Base: 32	Survey responses	
	No's	%
Communications	1	3.1%
Hearing	4	12.5%
Learning	1	3.1%
Mental Health	7	21.9%
Mobility	18	56.3%
Physical	16	50.0%
Visual	4	12.5%
Other	3	9.4%

Are you receiving a Retirement Pension or Pension Credit?

Base: 100	Survey responses	
	No's	%
Yes	44	44%
No	51	51%
Prefer not to say	5	5%

What is your age?

Base: 99	Survey		Tamworth MYE 2016
	No's	%	%
18-24	0	0	10%
25-34	3	3.0%	17%
35-44	4	4.0%	16%
45-54	10	10.1%	19%
55-64	26	26.3%	16%
65-74	36	36.4%	14%
75+	13	13.1%	9%
Prefer not to say	7	7.1%	N/A

What is your ethnicity?

Base: 95	Survey responses		Tamworth 2011 Census comparison
	No's	%	%
Asian/Asian British	1	1.1%	1%
Black/Black British	1	1.1%	1%
Mixed Heritage	0	0	1%
White - British	86	90.5%	95%
White - Other	1	1.1%	2%
Prefer not to say	6	6.3%	N/A
Other	0	0	0.1%

What is your relationship status?

Base: 101	Survey responses		Tamworth 2011 Census comparison*
	No's	%	%
Single	18	17.8%	32%
Married	63	62.4%	49%
Living as a couple	13	12.9%	N/A
Civil Partnership	0	0	0.1%
None of these	4	4.0%	N/A
Prefer not to say	3	3.0%	N/A

8. APPENDIX 3: TREND DATA

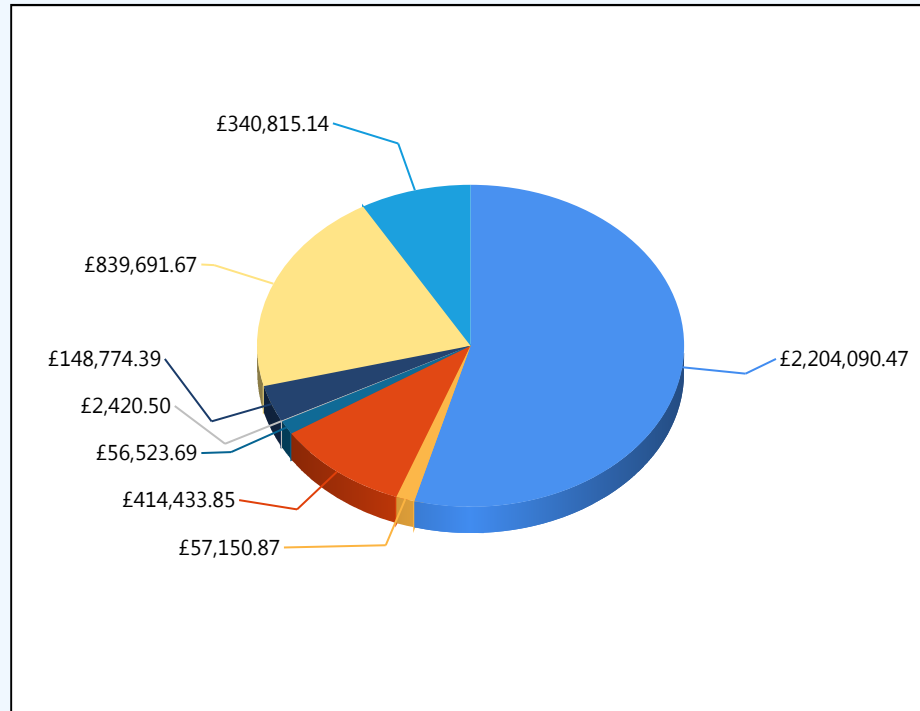
Agreement with key principles over time

	2018	2017	2016	2015	2014
Key principle 1	83%	86%	89%	-	87%
Key principle 2	85%	84%	91%	-	82%

Agreement with policies over time

	2018	2017	2016	2015	2014
Policy 1 Pensioners, disabled and working age claimants	84%	84%	94%	-	88%
Policy 2 Working age claimants	79%	61%	75%	-	76%
Policy 3 Property band	61%	60%	70%	-	60%
Policy 4 Savings allowed	60%	58%	61%	-	48%
Policy 5 Non dependents contributions towards the Council Tax bill	75%	81%	89%	-	71%

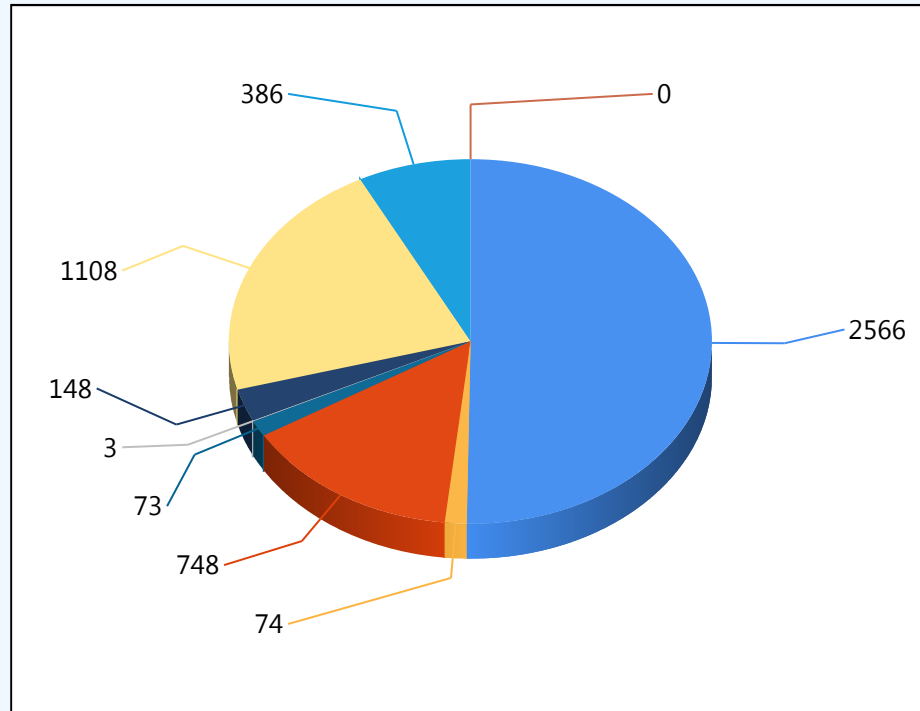
CTS Expenditure as of 2018-2019



- Group Description**
- Elderly
 - Working Age-Non-Passported-Disabled Child Premium
 - Working Age-Non-Passported-Other
 - Working Age-Non-Passported-Severe Disability
 - Working Age-Non-Passported-War Pensioners
 - Working Age-Passported-Disabled Child Premium
 - Working Age-Passported-Other
 - Working Age-Passported-Severe Disability

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CTS Caseload as of 15.11.2018



Group Legend

- Elderly
- Working Age-Non-Passported-Disabled Child Premium
- Working Age-Non-Passported-Other
- Working Age-Non-Passported-Severe Disability
- Working Age-Non-Passported-War Pensioners
- Working Age-Passported-Disabled Child Premium
- Working Age-Passported-Other
- Working Age-Passported-Severe Disability
- Working Age-Passported-War Pensioners

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Equality Impact Assessment Template – Protecting Pensioner Cases and Severely Disabled Working Age Claimants

Name of policy/ procedure/ practice to be assessed	Introduction of Localised Council Tax Support (Council Tax Reduction)		Date of Review	Oct 2018	
Is this a new or existing policy/ procedure/ practice?	New	Officer responsible for the Assessment	Karen Taylor Head of Benefits	Department	Benefit Services
<p>1. Briefly describe the aims, objectives and purpose of the policy/ procedure/ practice?</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 179</p>	<p>The national Council Tax Benefit (CTB) scheme came to an end on 1st April 2013 and was replaced by a locally determined system of Council Tax Reduction (CTR). The funding available for the new scheme is limited. The aim of the local scheme is to provide financial assistance to council taxpayers who have low incomes.</p> <p>Persons who are of state pension age (a minimum 60 years or greater) are protected under the scheme in that the calculation of the support they are to receive has been set by Central Government.</p> <p>For working age applicants however the support they receive is to be determined by the local authority.</p> <p>This equality impact assessment looks at the potential for not only protecting pensioners (as required under the legislation) but also providing full support to all working age claimants who are considered severely disabled within the current Council Tax Benefit scheme. The definition of severely disabled is where the claimant or partner is in receipt of a severe disability premium, within either their Council Tax Benefit, Housing Benefit or other means tested benefit;</p> <p>The objective in adopting this policy would be to protect a specific section of the existing claimant group deemed to be highly vulnerable and independently verified as being he most seriously sick and not likely to be able to obtain work.</p>				

	<p>The main issue for the Council is that the funding for support has been reduced significantly (estimated shortfall in funding of £600-£700k). However exempting this one additional group (bearing in mind that pensioners are already protected under the scheme by Central Government) would increase the shortfall in funding to be borne by working age claimants who are not deemed severely disabled.</p> <p>Central Government has not been prescriptive in how an authority should protect vulnerable groups but points to the Council's existing responsibilities including the Child Poverty Act 2010, the Disabled Person Act 1986 and the Housing Act 1996 as well as the public sector equality duty in section 149 of the Equality Act 2010. No definition has been given as to the level of disability which would lead to protection being given, although it is acknowledged that where a person is in the longer term able to undertake work, that they should be incentivised to do so. This would not apply to those who are deemed severely disabled.</p> <p>The current level of assistance provided to pension age claimants and to working age severely disabled claimants is given at the end of this assessment.</p>
<p>Are there any associated policy/ procedure/ practice which should be considered whilst carrying out this equality impact assessment?</p>	<p>The authority is required to continue maintaining a full Housing Benefit scheme and also to continue to process claims for benefit alongside the introduction of the new scheme for Council Tax Support.</p>
<p>3. Who is intended to benefit from this policy/ procedure/ practice and in what way?</p>	<p>All persons within the Borough who have a low income may apply for support and assistance with their Council Tax.</p> <p>By making an application, providing evidence of their income and household circumstances, their potential entitlement for support will be calculated in line with Central Government prescribed requirements for the Council Tax Support scheme.</p> <p>In the case of all claimants, it will be essential for the authority to correctly process claims for support base on the new regulatory requirements and to ensure that all existing benefit claimants continue to receive support through the transition and onwards.</p>

<p>4. What are the desired outcomes from this policy/ procedure/ practice?</p>	<p>The desired outcomes are as follows;</p> <p>Pension Age Claimants</p> <ul style="list-style-type: none"> • That existing pensioner claimants for Council Tax Benefit (up until 31st March 2013) are successfully transferred to the new Council Tax Support scheme; • That all pensioners receive the level of support required by regulations set by Central Government (Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012); • That all new pensioner claimants or existing working age claimants who rise to pension age are able to receive Council Tax support in line with the regulations; and • That all pensioner claimants continue to receive the correct level of support at all times. <p>Severely Disabled Working Age Claimants</p> <ul style="list-style-type: none"> • That existing severely disabled working age claimants (as defined earlier in this assessment) for Council Tax Benefit (up until 31st March 2013) are successfully transferred to the new Council Tax Support scheme; • That all working age severely disabled claimants receive the level of support currently provided under the existing Council Tax Benefit scheme • That all new working age severely disabled claimants or existing working age claimants who become severely disabled are able to receive Council Tax support in line with current Council Tax Benefit scheme; and • That all working age severely disabled claimants continue to receive the correct level of support at all times.
<p>5. What factors/ forces could contribute/ detract from the outcomes?</p>	<p>There are a number of factors which contribute to the outcomes of the new process namely;</p> <ul style="list-style-type: none"> • That the new Council Tax Support scheme broadly replicates the existing Council Tax Benefit scheme for pension age and working age disabled claimants; • That management and staff are experienced in delivering means tested support / benefit schemes; and • That there is a comprehensive project plan, which ensures that delivery of the new scheme, will be on time and in line with legislative requirements.

	<p>The factors / forces that could detract from these outcomes are as follows;</p> <ul style="list-style-type: none"> • The failure of Central Government to approve the necessary legislation on time; • The failure of the Council’s software suppliers to deliver the necessary changes to existing software systems to enable the correct processing of the new support; and • The failure to deliver these significant changes to the welfare benefit system on time.
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<p>6. Who are the main stakeholders in relation to the policy/ procedure/ practice?</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 182</p>	<p>In respect of the pension age and working age severely disabled claimants for Council Tax Support, the main stakeholders are as follows;</p> <p>External Stakeholders;</p> <ul style="list-style-type: none"> • Major Precepting authorities – County Council, Police Authority and Fire and Rescue Authority; • Parish Councils (local precepting authorities); • Pension Age claimants; • Working age severely disabled claimants • Potential pension age claimants; • Potential working age severely disabled claimants • Interested Groups such as Citizens Advice Bureau, Age Concern and Help the Aged, Disabled Persons Groups, RNIB, Action on hearing loss etc. • Council Taxpayers generally <p>Internal Stakeholders;</p> <ul style="list-style-type: none"> • Staff;
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<p>7. Which individuals/ groups have been/ will be consulted with on this policy/ procedure/ practice?</p>	<p>All major precepting authorities have been consulted on the implementation of the new Council Tax Support scheme.</p> <p>A full consultation with the public is shortly to be undertaken as required by the legislation (Local Government Finance Act 2012). Whilst pension age claimants are protected, the authority will still, as part of the consultation process, look to pension age claimants and pensioners generally to respond to the consultation itself.</p>
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In respect of working age severely disabled claimants, it will be essential to consult with the group as, being of working age, they will be directly affected by any changes decided by the Council.

For working age claimants who are not classified as severely disabled within this policy, it will be essential that extensive consultation is undertaken to obtain their views given that the level of support they receive will be reduced significantly where additional groups are protected.

The consultation process will be comprehensive and encourage a full response to the new support scheme itself (notwithstanding the fact that the authority is obliged to implement the scheme determined by Central Government for pension age claimants).

Groups representing the disabled or chronically sick will be directly consulted as part of the process.

Public consultation is to take place during the period August 2018 until October 2018.

<p>8. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact on racial groups?</p>	<p>Y</p>	<p>N ✓</p>	<p>This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants and there would be no differential impact due to race</p>
<p>9. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to gender?</p>	<p>Y</p>	<p>N ✓</p>	<p>This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants and there would be no differential impact due to gender</p>

<p>10. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to them being transgender or transsexual?</p>	<p>Y</p>	<p>N ✓</p>	<p>This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants and there would be no differential impact due to a person being transgender or transsexual</p>
<p>11. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to disability?</p>	<p>Y ✓</p>	<p>N</p>	<p>This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants – and - where there is a severe disability, this would maintain the level of support given to working age claimants due to the following;</p> <ul style="list-style-type: none"> • The award of additional premiums for severe disablement; • Disregarding higher levels of income where a claimant is in remunerative work and is severely disabled; and • There is no requirement to have non dependant deductions where a claimant is severely disabled <p>Likewise any working age claimants who are not considered to be severely disabled would not benefit from the policy and would receive a reduction in support.</p>
<p>12. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to sexual orientation?</p>	<p>Y</p>	<p>N ✓</p>	<p>This proposed change to Council Tax Support should not affect the overall level of support to pension age or working age severely disabled claimants and there would be no differential impact due to sexual orientation</p>
<p>13. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to age?</p>	<p>Y ✓</p>	<p>N</p>	<p>This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants – however there is a differential impact due to age;</p> <p>For working age applicants the support they receive is to be determined by the local authority.</p>

			<p>To provide financial assistance for the scheme, Central Government is to provide funding to each billing authority in England, however the level of funding provided is to be less than the amount currently provided to support the existing Council Tax Benefit scheme.</p> <p>If working age severely disabled claimants are to be protected in full, along with pension age claimants (as required by Central Government) there would be an increase in the level of support available to all other working age claimants although this would be a large group over which the reduction could be spread.</p> <p>In the case of the Borough Council, the shortfall to be borne by working age claimants not deemed to be severely disabled would amount to 25% per annum of Council Tax liability.</p>	
Page 85	4. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to religious belief?	Y	N ✓	This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants and there would be no differential impact due to religious belief
	15. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact on Gypsies/ Travellers?	Y	N ✓	This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants and there would be no differential impact to gypsies or travellers
	16. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to dependant/caring responsibilities?	Y ✓	N	<p>This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants – however where any claimant has dependants or have caring responsibilities, this could potentially increase the level of support given due to the following;</p> <ul style="list-style-type: none"> • The award of additional allowances for dependants within the

			<p>household;</p> <ul style="list-style-type: none"> • Disregarding higher levels of income where a claimant is in remunerative work and also has to pay for child care; and • Where there is a caring responsibility that results in the claimant of partner receiving carers' allowance, additional premiums can be given – it should be noted however that where a carers' allowance is in payment to another person (not the claimant) this might remove the claimants right to receive a sever disability premium.
<p>17. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to them having an offending past?</p>	Y	N ✓	<p>This change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants and there would be no differential impact due having an offending past</p>
<p>18. Are there concerns that the policy/ procedure/ practice could have an impact on children or vulnerable adults?</p>	Y	N ✓	<p>This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants and where there are children or vulnerable adults, the overall level of support will not change and all protections built into the Council Tax Benefit scheme that has been in place since 1993 remain under the new scheme. It is likely that by including the severely disabled, the most vulnerable groups of claimants will be protected</p>
<p>19. Does any of the differential impact identified cut across the equality strands (e.g. elder BME groups)?</p>	Y	N ✓	<p>This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants and there would be no differential impact identified that cut across equality strands</p>

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<p>20. Could the differential impact identified in 8 - 19 amount to there being the potential for adverse impact in this policy/ procedure/ practice?</p>	<p>Y</p>	<p>N ✓</p>	<p>The adoption of this policy would, for pension age groups and working age severely disabled claimants, have no adverse impacts whatsoever. However the Council will continue to encourage pensioners and working age disabled persons to make claims for assistance.</p>
<p>21. Can this adverse impact be justified:</p> <ul style="list-style-type: none"> • on the grounds of promoting equality of opportunity for one group? • For any other reason? 	<p>Y ✓</p>	<p>N</p>	<p>The inclusion of just working age severely disabled claimants, as a protected group would provide significant additional protection without overburdening the remaining working age claimant base</p>
<p>22. As a result of carrying out the equality impact assessment is there a requirement for further consultation?</p>	<p>Y</p>	<p>N ✓</p>	<p>There will be no requirement to undertake further consultation</p>
<p>23. As a result of this EIA should this policy/ procedure/ practice be recommended for implementation in it's current state?</p>	<p>Y ✓</p>	<p>N</p>	<p>It is the Council's opinion that this policy to protect both pension age and all working age severely disabled claimants would be equitable and would ensure protection to the most vulnerable within the Borough</p>

Equality Impact Assessment Action Plan

Complete the action plan demonstrating the changes required in order to meet TBC's commitment to equality and diversity. The action plan must contain monitoring arrangements, the publishing of results and the review period required for this policy.

ACTION/ ACTIVITY	RESPONSIBILITY	TARGET	PROGRESS
Introduction of the Council Tax Support scheme for pensioners as prescribed by the Local Government Finance Act 2012 and defined within the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012	Karen Taylor	1 st April 2019	Ongoing
Monitoring arrangements:		Data collected quarterly	
Full monitoring of scheme implementation on a monthly basis in line with the accepted project plan	Karen Taylor	Monthly and quarterly collection of data to be undertaken by the Benefits Service	Ongoing
Publication:			
The revised Council Tax Reduction scheme is to be published by the Council by April 2019, after consideration at Cabinet and then full Council in December 2018.	Karen Taylor		Ongoing
Review Period:		Reviewed 12 monthly unless otherwise stated	
The scheme will be reviewed annually by both Central Government and the Borough Council	Karen Taylor		Ongoing

Expand as appropriate

Signed

(Completing Officer).....

Date

**Signed
(Head of Department)**

Date

**Signed
Corporate Diversity/ Equality**

Date

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29 NOVEMBER 2018

- **REPORT OF THE PORTFOLIO HOLDER FOR COMMUNITIES AND PUBLIC HEALTH**

**REVISED GAMBLING ACT 2005 STATEMENT
OF PRINCIPLES 2019 - 2022****EXEMPT INFORMATION**

NIL.

PURPOSE

It is a requirement of the Gambling Act 2005 that the Council publishes a revised Statement of Principles in respect of the requirements of the Act by 3 January 2019. Following appearances before Licensing Committee on 21 June, 11 October 2018 & Infrastructure and Growth Committee on 23 October 2018 and a consultation between 11 July - 30 September 2018, a revised Statement of Principles has been prepared and is included at **Appendix 1** of this report.

RECOMMENDATIONS

That Cabinet endorses the Statement of Principles and recommends them to Council for adoption.

EXECUTIVE SUMMARY

Section 349 of the Gambling Act 2005 requires Tamworth Borough Council, as a licensing authority, prepare and publish a Statement of Principles every three years. The Council's Statement of Principles is due for revision by January 2019. The Statement will last for a 3 year period but may be reviewed at any time prior to this by the authority. Officers worked with Shropshire and Staffordshire authorities, councillors and consultees to produce revisions to the policy statement to reflect the latest guidance issued to licensing authorities by the Gambling Commission, these are briefly summarised at **Appendix 2** and a link to the document is provided later in this report. In particular:

- a) It is recognised nationally that there is a greater need to focus on understanding and mitigating gambling related harm more broadly, rather than focussing on problem gambling alone. In this respect, the revised policy statement emphasises the Council's focus on protecting children and young people, particularly in relation to child exploitation, and also young people and adults with care and support needs.
- b) Nationally, gambling policy and the regulatory environment overall has an increasing focus on risk.

Details of the consultation undertaken are contained within **Appendix 3**. As mentioned above, comments from the Consultation and Committees have been incorporated into the Statement where appropriate. It is a further requirement of the Act that the revised Principles must be approved at a full meeting of full Council.

RESOURCE IMPLICATIONS

The majority of fees chargeable are fixed at national level with the remainder set by

individual authorities, it is intended that maintenance of the service will be self-financing. Additionally, a cost of around £700 will be incurred to place a legal notice in a newspaper to advertise the fact that the policy has been published. This cost will be met from budgets within the service

LEGAL/RISK IMPLICATIONS

The publishing of a Statement of Principles is a legal obligation of the Council.

Community Safety - (Crime and Disorder Act 1998). The objectives of the Gambling Act seek to ensure that communities are protected from unfair trading, crime and disorder and that vulnerable people and children are not exploited in any way by gambling.

Equality & Diversity – The impact of these proposals is assessed as ‘low’ against the Council statutory responsibilities.

Safeguarding - One of the key objectives of the Gambling Act 2005 is ‘Protection children and other vulnerable persons from being harmed or exploited by gambling. Tamworth Borough Council’s Child Protection Team, are a Responsible Authority under the Gambling Act 2005. In this capacity they are required to ensure that decisions about licensing are taken with due regard to the need to safeguard and promote the welfare of children.

Public Health – The Licensing and Public Health teams work together within the council to ensure that the health impacts of Gambling are considered. With the Commissions proposed changes which offer Licensing Authorities the opportunity to carryout local area profiles, which will draw data about risk from a number of bodies including public health or to require operators to carry out their own premises risk assessments, Public Health will have a greater role in ensuring the vulnerable are better protected.

Reputation – The implementation and enforcement of the Gambling legislation will enhance the Council’s reputation. Licensing is a statutory undertaking. Should the proposals in this report not be adopted it would leave Tamworth Borough Council in a position of being unable to undertake its statutory responsibilities and functions under the Act.

SUSTAINABILITY IMPLICATIONS

The services for the regulation of Gambling contribute to the strategic priority of being healthier and safer in Tamworth.

BACKGROUND INFORMATION

REPORT AUTHOR

“If Members would like further information or clarification prior to the meeting please contact Steve Lewis, Head Of Environmental Health. Ext 437

LIST OF BACKGROUND PAPERS

Background Papers

1. Guidance to Licensing Authorities 5th edition
<http://www.gamblingcommission.gov.uk/PDF/GLA5-updated-September-2016.pdf>

2. Gambling Commission Guidance to Public Health
<http://www.gamblingcommission.gov.uk/PDF/public-health-and-gambling-joint-letter-jan-2018.pdf>

Appendices

1. Draft Revised Gambling Policy 2019-2022.
2. Revisions.
3. Consultation comments.

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GAMBLING ACT 2005

**DRAFT
STATEMENT OF PRINCIPLES
2019 - 2022**

Revised with effect 3 January 2019

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FOREWORD (to be amended/updated)

Tamworth Borough Council	
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This Statement of Licensing Principles will aim to be approved by Tamworth Borough Council on 11 December 2018

In producing this statement, the Licensing Authority is aware that the Government may amend the gambling Act 2005, subordinate legislation and statutory guidance. Any such amendments made in the future will only be incorporated into subsequent policy statements and not this document. Readers are advised to check on the Gambling Commission website to ensure they have the latest information.

GAMBLING ACT 2005
GAMBLING POLICY
STATEMENT OF PRINCIPLES

1. Introduction

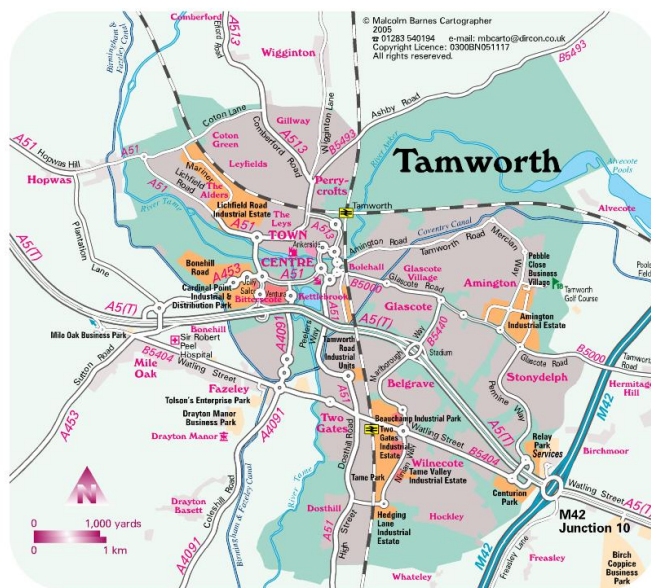
Tamworth Borough Council as the Licensing Authority (referred to in this Statement as the Authority), makes this Statement of Principles in pursuance of its powers and duties under Section 349 of the Gambling Act 2005 (referred to in this Statement as “the Act”) and sets out the Authority’s approach in dealing with its responsibilities under the Act.

The Borough of Tamworth is located in the south-eastern corner of Staffordshire, 15 miles north-east of Birmingham and covers an area of 3,095 hectares. It is situated at the confluence of two rivers, the river Tame and Anker. Tamworth is essentially urban in character, which includes a vibrant town centre and smaller centres within local districts.

Tamworth’s resident population of around **76,800** makes it one of the main urban centres in Southern Staffordshire. The urban area density from the 2011 census for Tamworth is 39.6 persons per hectare, which is very similar to Cannock (39.3), and Burntwood (39.5), only slightly higher than Lichfield (37.9) and is less than nearby Polesworth (47). **Source ONS Census 2011.**

1.1. The Council area is illustrated on the map below

Map of Tamworth Borough



Tamworth Borough Council	Urban Area in Tamworth	Industrial Estates in Tamworth	Retail Parks in Tamworth	Shopping Centres in Tamworth
Castle	Hospital	Railway Station	Snow Dome	Theme Park & Zoo
Golf Course				

Licensing authorities are required by the Gambling Act 2005 to publish a

statement of principles which they propose to apply when exercising their functions in accordance with the legislation. This policy must be published at least every three years. The policy must also be reviewed from “time to time” and any amended parts re-consulted upon. The policy must be then re-published.

1.2. The Gambling Act requires that the following parties are consulted by Licensing Authorities:

- The Chief Officer of Police;
- One or more persons who appear to the authority to represent the interests of persons carrying on gambling businesses in the authority’s area;
- One or more persons who appear to the authority to represent the interests of persons who are likely to be affected by the exercise of the authority’s functions under the Gambling Act 2005.

List of persons this authority consulted:

- Staffordshire Police
- Staffordshire County Council Children’s Services
- Existing operators of premises requiring licences under the Gambling Act 2005
- National Associations representing the Gambling industry
- Companies in the area who provide gaming machines
- Organisations dealing with gambling addiction and gambling problems
- The general public via the Council’s website

Our consultation took place between 1 July 2018 to 30 September 2018 and referred to the Code of Practice on consultations by government. A full version of the code of practice is available on the Better Regulation Executive web-site at: <http://www.bis.gov.uk/files/file47158.pdf>

The full list of comments made and the consideration by the Council of those comments will be available on the Council’s website under the “Consultations” section.

Should you have any comments as regards this policy please send them via e-mail or letter to the following contact:

Head of Environmental Health
Environment Health and Regulatory Services
Tamworth Borough Council,
Marmion House
Lichfield Street,
Tamworth,
B79 7BZ
or via email: publicprotection@tamworth.gov.uk
tel: 01827 709437; or 01827 709445

It should be noted that this policy statement will not override the right of any person to make an application, make representations about an application, or

apply for a review of a licence, as each will be considered on its own merits and according to the statutory requirements of the Gambling Act 2005.

2. Gambling Act 2005

2.1 The Act specifies licensing objectives which are central to the regulatory regime, these are:-

- **preventing gambling from being a source of crime and disorder, being associated with crime or disorder, or being used to support crime;**
- **ensuring that gambling is conducted in a fair and open way; and**
- **protecting children and other vulnerable persons from being harmed or exploited by gambling.**

2.2. In carrying out the licensing function under the Act, Tamworth Borough Council, will aim to permit the use of premises for gambling as long as it is considered to be :-

- **in accordance with any relevant Codes of Practice issued by the Gambling Commission;**
- **in accordance with any relevant Guidance issued by the Gambling Commission;**
- **in accordance with this Statement of Principles; and**
- **reasonably consistent with the licensing objectives.**

2.3 The Act provides for 3 categories of licence:

- operating licences;
- personal licences; and
- premises licences

2.4 The Authority will be responsible for issuing premises licences. The Gambling Commission will be responsible for issuing operating and personal licences.

2.5 This statement will come into force on 31st January 2019 and will have effect until 30th January 2022 being kept under review and revised or amended as required following consultation.

3. Responsible Authorities

3.1 'Gambling' is defined in the Act as either gaming, betting, or taking part in a lottery.

- gaming means playing a game of chance for a prize;
- betting means making or accepting a bet on the outcome of a race, competition, or any other event, the likelihood of anything occurring or not occurring; or whether anything is true or not;

- a lottery is where persons are required to pay in order to take part in an arrangement, during the course of which one or more prizes are allocated by a process which relies wholly on chance.

3.2 The main functions of the Licensing Authority are to:

- licence premises for gambling activities;
- grant permits for gambling and gaming machines in clubs;
- regulate gaming and gaming machines in alcohol licensed premises;
- grant permits to family entertainment centres for the use of certain lower stake gaming machines;
- grant permits for prize gaming;
- consider notices given for the temporary use of premises for gaming;
- receive occasional use notices for betting at tracks; and
- register small societies lotteries;

3.3 Spread betting is regulated by the Financial Services Authority. Remote Gambling is dealt with by the Gambling Commission. The National Lottery is regulated by Gambling Commission.

4. General Statement of Principles

4.1 The Authority recognises the wide variety of premises which will require a licence or a permit. These include casinos, betting shops, bingo halls, pubs, clubs, amusement arcades and racing tracks.

4.2 In carrying out its licensing functions the Authority will have regard to guidance issued by the Gambling Commission.

4.3 The Authority will not seek to use the Act to resolve matters more readily dealt with under other legislation. This statement of principles will avoid duplication with other regulatory regimes wherever possible. In considering applications, and taking enforcement action, under the Gambling Act the Licensing Authority will have regard to the provisions of the Human Rights Act.

4.4 To ensure the licensing objectives are met the Authority will establish a close working relationship with the police, the Gambling Commission and other responsible authorities.

4.5 Premises licences granted must be reasonably consistent with the licensing objectives. With regard to these objectives, this Licensing Authority has considered the Gambling Commission's Guidance to local authorities. The overriding principle is that each application and the circumstances prevailing at each premises will be considered on their own individual merits. Applicants may have regard to measures to demonstrate best practice issued by [Gambling Industry Trade Associations](#). The Authority cannot take into account any moral objections to gambling.

4.6 In its Guidance to Local Authorities the Gambling Commission suggest that Licensing Authorities should adopt a “Local Area Profile”. A Local Area Profile is created by gathering information about a locality and any particular areas of concern within that locality. Where evidence is submitted to the Licensing Authority which identifies any areas of concern it is intended to produce a Local Area Profile separate to this Statement. Once adopted, the Local Area Profile would assist the Authority and Operators in identifying specific local risks within the Borough.

5. Preventing gambling from being a source of crime and disorder; being associated with crime and disorder or being used to support crime

5.1 The Gambling Commission will play a leading role in preventing gambling from being a source of crime and will maintain rigorous licensing procedures that aim to prevent criminals from providing facilities for gambling, or being associated with providing such facilities.

5.2 When applying to the Authority for a premises licence the applicant will have to hold an operating licence from the Commission before a licence can be issued so the Authority will not be concerned with the suitability of the applicant. Where concerns about a person’s suitability arise the Authority will bring those concerns to the attention of the Commission. The Authority will have to be satisfied that the premises will not adversely affect the licensing objective and is compliant with the Commissions Guidance, codes of practice and this gambling policy.

5.3 The Authority will expect the applicant to have a good understanding of the local area in which they either operate, or intend to operate. The applicant will have to provide evidence that they meet the criteria set out in the policy and demonstrate that in operating the premises they will promote this objective. Operators need to be aware of how the operation of their premises may impact on this objective. The Authority will expect the applicants to provide details as to their crime prevention measures and any risk assessments that they have carried out.

5.4 To prevent gambling from being a source of crime or disorder, being associated with crime or disorder, or being used to support crime, the Authority will apply the following criteria and take into account the following considerations, where relevant, in determining applications and reviews.

Criteria:

Whether the premises make or will make a contribution to the levels of crime and disorder and whether the applicant has demonstrated that he has, or intends to, implement sufficient controls to prevent the premises being a source of, and/or associated with crime or disorder, or being used to support crime, if the application is granted.

Considerations:

- Where an area is known for high levels of crime the Authority will consider carefully whether gambling premises are suitable to be located there, and whether additional conditions may be necessary, such as the provision of CCTV, minimum levels of staffing and licensed door supervisors.
- Whether there is a history of crime or disorder associated with the premises or its use by those involved in crime to associate or dispose of the proceeds of crime.
- Whether the layout, lighting and fitting out of the premises have been designed so as to minimise conflict and opportunities for crime and disorder.
- Whether sufficient management measures, e.g. staff training; are proposed or are in place to prevent the premises being a source of, or associated with crime or disorder, or used to support crime either as a place of association or to avoid being apprehended.
- The Licensing Authority will also consider the location of the premises in the context of this licensing objective. If an application is received in relation to premises that are in an area noted for particular problems with organised crime or a premises that have previously been a focus for antisocial behaviour, the Licensing Authority will expect applicants to demonstrate that they have sufficient measures in place to prevent or deter people involved from using their premises and will also consider conditions being put on the licence to promote this licensing objective.
- Whilst issues of nuisance are not included specifically in the gambling objectives and cannot be addressed via the Gambling Act, the Authority may consider, when making decisions on the applications for premises licences, that extreme instances of public nuisance and/or persistent public nuisance may constitute disorder and/or crime for the purposes of this objective.

6. Ensure Gambling is conducted in a fair and open way

6.1 Generally the Commission would not expect Licensing Authorities to become concerned with ensuring that gambling is conducted in a fair and open way as this will be a matter for either the management of the gambling business, and therefore subject to the operating licence, or will be in relation to the suitability and actions of an individual and therefore subject to the personal licence.

6.2 In relation to the licensing of tracks the Licensing Authority's role will be different from other premises in that track operators will not necessarily have an operating licence. In those circumstances the premises licence may need to contain conditions to ensure that the environment in which betting takes place is suitable.

Criteria:

Whether the premises will operate measures that will ensure that the gambling activity is conducted in a fair and open way.

Considerations:

- Whether the layout, lighting and fitting out of the premises have been designed so as to ensure gambling is conducted in a fair and open way.
- Whether sufficient management measures are proposed or are in place to ensure that gambling is conducted in a fair and open way.
- Whether the management and operation of the premises is open and transparent.
- Whether the operators of the premises have been or will be fully cooperative with enforcement agencies.
- Whether the Commission's Codes of Practice have been complied with.

7. Protecting children and other vulnerable persons from being harmed or exploited by gambling

7.1 The Gambling Commission's Guidance states that one of the aims of this objective means preventing children from taking part in gambling (as well as restricting advertising so that gambling products are not aimed at or are, particularly attractive to children).

7.2 The Act and Gambling Commission Guidance does not define the term "vulnerable". For regulatory purposes and the Commission states that it assumes "vulnerable" persons" includes:

- people who gamble more than they want to;
- people who are gambling beyond their means; and
- people who may not be able to make informed or balanced decisions about gambling due to a mental impairment, alcohol or drugs.

This is the definition the Licensing Authority will use in its consideration of applications.

7.3 This Licensing Authority will pay particular attention to any codes of practice, which the Gambling Commission issues in relation to specific premises.

It will consider this licensing objective on a case-by-case basis, and where necessary add conditions to promote this objective.

7.4 To protect children and other vulnerable persons from being harmed or exploited by gambling, the Licensing Authority will apply the following criteria and take into account the following considerations, where relevant, in determining applications and reviews.

Criteria:

Whether there are appropriate measures in place to protect children and other vulnerable persons from being harmed or exploited by gambling.

Considerations:

- Whether the operator has a specific training programme for staff to ensure that they are able to identify children, vulnerable persons and individuals who wish to self-exclude. Additionally they must take appropriate action to promote this objective to exclude them from the premises or parts of the premises.
- If the premises is an adult only environment, whether the operator has taken effective measures to implement an appropriate proof of age scheme to ensure that no one under the age of 18 is admitted to the premises or restricted areas.
- Whether there is provision for self-barring schemes and provision of information leaflets/helpline numbers for organisations such as GamCare
- Whether the layout, lighting and fitting out of the premises have been designed so as to not attract children and other vulnerable persons who might be harmed or exploited by gambling.
- Whether sufficient management measures are proposed or are in place to protect children and other vulnerable persons from being harmed or exploited by gambling.
- Whether any promotional material associated with the premises could encourage the use of the premises by children or young people.
- The Licensing Authority will also consider the location of the premises in the context of this licensing objective. If an application for a gambling premises is received for a location within a sensitive area or in close proximity to what are considered to be sensitive areas the Licensing Authority will expect applicants to demonstrate that they have sufficient and suitable control measures in place to promote this licensing objective.

8. Premises Licences

8.1 Section 150 of the Act permits the issue of premises licences authorising the provision of facilities at the following:-

- casino premises;
- bingo premises;
- betting premises, including tracks and premises used by betting intermediaries;
- adult gaming centres;
- family entertainment centres;

8.2 Premises can be 'any place' but the Act prevents more than one premises licence applying to any one place. A single building could be subject to more than one premises licence provided they are for different parts of the building and those parts can be genuinely regarded as being different 'premises'.

8.3 A particular requirement might be for entrances and exits from parts of a building covered by one or more licences to be separate and identifiable so that the separation of the premises is not compromised and that people are not allowed to 'drift' accidentally into a gambling area.

8.4 Where the Authority has concerns about the use of premises for gambling it will seek to address this through licence conditions wherever possible.

8.5 Other than an application for a betting premises licence in respect of a track, the Authority is not able to issue a premises licence unless the applicant holds the relevant operating licence from the Gambling Commission.

8.6 When considering applications for premises licences the Authority will not take into consideration either the expected 'demand' for facilities or the likelihood of planning permission being granted.

8.7 The Authority will maintain a register of premises licences issued and will ensure that the register is open for public inspection at all reasonable times.

9. Location

9.1 This Licensing Authority is aware that demand issues cannot be considered with regard to the location of premises. However, it considers that the location of gambling premises can be a major factor on the promotion of the licensing objectives. The authority will pay particular attention to the suitability of a location for gambling activity in terms of the protection of children and vulnerable persons from being harmed or exploited by gambling, as well as issues of crime and disorder.

9.2 Applicants will have to clearly show that they have considered the potential impact of their proposed business on the licensing objectives and provide information on how they plan to reduce or remove any likely adverse impact on them. The supporting information may contain the following information:

- how the premises will restrict access to children, young people or other vulnerable persons,
- whether a proof of age scheme is being used,
- will the appropriate number of security staff be employed at appropriate times ,
- will opening times be set so that the premises are not open during school start and finish times,
- what procedures and staff training are in place to identify vulnerable persons such as problem gamblers, those who are inebriated through drink or drugs, etc.,

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

9.3 The Licensing Authority will consider proposals for new gambling premises that are in close proximity to hostels or other accommodation or centres catering for vulnerable people, including those with mental disabilities, illness or learning difficulties, and those with problem gambling or with alcohol or drug abuse problems, as very likely to adversely affect the gambling objectives.

9.4 It should be noted that each application will be decided on its own merits, but the onus will be upon the applicant to show how the potential concerns can be overcome.

10. Primary Activity

10.1 The primary activity of each premises licence type is specified on the premises licence when it is issued. The Licensing Authority will take decisions in accordance with the Commission's guidance and codes of practice on primary gambling activity, and will have regard to the advice which it issues from time to time. Applicants are expected to operate premises in line with the Commission's Guidance and conditions on their operators licence. The Authority will monitor the operation of premises and report any potential breach of operating licence conditions to the Commission. Applications for new premises licences, or to vary an existing licence, will be expected to be clear that the premises are intended to be used for the primary gambling activity proposed.

10.2 It should be noted that the Act does not permit a premises to be licensed for more than one gambling activity.

11. Responsible Authorities

11.1 These are generally public bodies that must be notified of all applications and who are entitled to make representations to the Authority if they are relevant to the licensing objectives.

11.2 Section 157 of the Act identifies the bodies that are to be treated as responsible authorities. In relation to the Authority's area, these are:

- The Licensing Authority itself
- The Gambling Commission;
- The chief officer of police/chief constable for the area in which the premises is wholly or partially situated
- The fire and rescue authority for the same area
- The local planning authority;
- An authority with functions in relation to pollution of the environment or harm to human health
- A body designated in writing by the Licensing Authority as competent to advise about the protection of children from harm (see paragraphs 11.3 and 11.4 set out below)
- HM Revenue & Customs; and
- Any other person prescribed in regulations by the Secretary of State.

Section 211(4) provides that in relation to a vessel, but no other premises, responsible authorities also include navigation authorities within the meaning of section 221(1) of the Water Resources Act 1991 that have statutory functions in relation to the waters where the vessel is usually moored or berthed or any waters where it is proposed to be navigated at a time when it is to be used for licensable activities.

11.3 Tamworth Borough Council is required to set out the principles to be applied in exercising its powers to designate, in writing, a body which is competent to advise about the protection of children from harm. The principles applied in designating such a body are:

- the body must be responsible for covering the whole of the Authority's area: and
- the body should be answerable to democratically elected persons rather than any particular vested interest groups etc.

11.4 Details of the body designated for Tamworth Borough Council, is Staffordshire Safeguarding Children Board <https://www.staffsscb.org.uk/Home.aspx> . Details of this and all other responsible authorities are available on www.tamworth.gov.uk or in printed form available from the Authority.

12. Interested Parties

12.1 Interested parties can make representations about licence applications, or apply for a review of an existing licence based on the principles detailed in section 2 of this policy statement.

An interested party is someone who:

- a) lives sufficiently close to the premises to be likely to be affected by the authorised activities,
- b) has business interests that might be affected by the authorised activities, or
- c) represents persons in either of the two groups above.

12.2 The principles the Licensing Authority will apply to determine whether a person is an interested party are:

- Interested parties could include trade associations and trade unions, and residents' and tenants' associations. This authority will not however generally view these bodies as interested parties unless they have a member who can be classed as an interested person under the terms of the Gambling Act 2005 e.g. lives sufficiently close to the premises or has business interests likely to be affected by the activities being applied for.
- Interested parties can be persons who are democratically elected such as Councillors and MP's. No specific evidence of being asked to represent an interested person will be required as long as the Councillor/MP represents the ward likely to be affected. Other than these persons, this authority will require written evidence that a person 'represents' someone who either lives sufficiently close to the premises to be likely to be affected by the authorised activities and/or business interests that might be affected by the authorised activities. A letter from one of these persons, requesting the representation is sufficient.
- Each case will be decided upon its merits. This Authority will not apply a rigid rule to its decision making. It will consider the examples of considerations provided in the Gambling Commission's Guidance for local authorities.

12.3 If individuals wish to approach Councillors to ask them to represent their views then care should be taken that the Councillors are not part of the Licensing Committee dealing with the licence application or in any other way have a personal interest that would preclude them from participating in a hearing. If there are any doubts then please contact the licensing team.

12.4 It should be noted that, unlike the Licensing Act, the Gambling Act does not include as a specific licensing objective the prevention of public nuisance. There is however other relevant legislation which deals with public nuisance.

13. Representations

13.1 The Authority is obliged to consider representations from 'responsible authorities' and 'interested parties' and must determine whether or not representations are admissible. A representation is inadmissible if not made by a responsible authority or an interested party.

13.2 The only representations likely to be relevant are those that relate to the licensing objectives, or that raise issues under this statement or the Commission's guidance or codes of practice. The Authority must determine the relevance of the representation.

13.3 Any concerns that responsible authorities have in relation to their own functions cannot be taken into account if they are not relevant to the application for a premises licence and the licensing objectives.

13.4 The Authority may, in certain circumstances, consider a representation to be either frivolous or vexatious. This will generally be a matter of fact given the circumstances of each individual case but before coming to a decision the Authority may consider the following:

- who is making the representation and whether there is a history of making representations that are not relevant;
- whether it raises a 'relevant' issue or not; or
- whether it raises issues specifically to do with the premises which are the subject of the application.

14. Conditions of Licence

14.1 Conditions imposed by the Authority may be general in nature by applying to all licences, or those of a particular type, or they may be specific to a particular licence.

14.2 The Authority will not generally impose conditions that limit the use of premises for gambling unless it is deemed to be necessary as a result of the requirement to act in accordance with the Gambling Commission's guidance, any codes of practice issued by the Commission, this Statement of Principles or in a way that is reasonably consistent with the licensing objectives.

14.3 Any conditions imposed by the Authority will be proportionate to the circumstances they are intended to address. In particular, the Authority will ensure that any conditions are:

- relevant to the need to make the premises suitable as a gambling facility;
- directly related to the premises and the type of licence applied for;
- fairly and reasonably related to the scale and type of premises; and
- reasonable in all other respects
- decided on a case by case basis

14.4 The Authority will not consider imposing conditions:

- which make it impossible to comply with an operating licence condition imposed by the Gambling Commission;
- relating to gaming machine categories, numbers or method of operation;
- which specify that membership of a club or other body is required; and
- in relation to stakes, fees, winnings or prizes.

15. Casinos

15.1 The Authority has already considered its position under Section 166 of the Gambling Act 2005 regarding the application for a casino and has passed a 'no casino' resolution.

16. Betting Machines in Betting Premises

16.1 The Authority is aware of its power to restrict the number of betting machines, their nature and the circumstances in which they are made available by attaching a licence condition to a betting premises licence.

16.2 In the event that the Authority considers whether to impose such a condition on any particular licence it may, among other things, take into account the size of the premises, the number of counter positions available for person to person transactions, and the ability of staff to monitor the use of the machines.

17. Bingo

17.1 Licensing Authorities will need to satisfy themselves that bingo can be played in any bingo premises for which they issue a premises licence. This will be a relevant consideration where the operator of an existing premises applies to vary their licence to exclude an area of the existing premises from its ambit and then applies for a new premises licence, or multiple licence, for that or those excluded areas.

17.2 Section 172(7) of the Act provides that the holder of bingo premises licences may make available for use a number of category B gaming machines for use on the premises.

17.3 This Authority also notes the Commissions Guidance in the unusual circumstances in which the splitting of pre-existing premises into two adjacent premises might be permitted. It is not permissible for all of the gaming machines to which each of the licenses brings an entitlement to be grouped together within one of the licensed premises.

17.4 The playing of bingo specifically in alcohol-licensed premises, clubs and miners welfare institutes is permissible under the exempt gaming allowances. Where the level of bingo played in these premises, under the exempt gaming allowances, reaches a certain threshold, it will no longer be authorised by these allowances, and a bingo operating licence will be required by the commission.

17.5 The holder of a bingo operating licence will be able to provide any type of bingo game including cash and prize bingo.

17.6 Commercial bingo halls will require a bingo premises licence from the Council

17.7 Children and young people are allowed into bingo premises, however they are not permitted to participate in the bingo and if category B or C machines are made available for use these must be separated from areas where children and young people are allowed, Tamworth Borough Council will ensure that:

- all such machines are located in an area of the premises separate from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance;
- only adults are admitted to the area where the machines are located;
- access to the area where the machines are located is supervised;
- the area where the machines are located is arranged so that it can be observed by staff of the operator or the licence holder; and
- at the entrance to, and inside any such area there are prominently displayed notices indicating that access to the area is prohibited to persons under 18.

18. Tracks

18.1 Only one premises licence can be issued for any particular premises at any time unless the premises is a 'track'. A track is a site where races or other sporting events take place.

18.2 Track operators are not required to hold an 'operators licence' granted by the Gambling Commission. Therefore, premises licences for tracks, issued by the Council are likely to contain requirements for premises licence holders about their responsibilities in relation to the proper conduct of betting. Indeed, track operators will have an important role to play, for example in ensuring that betting areas are properly administered and supervised.

18.3 Although there will, primarily be a betting premises licence for the track there may be a number of subsidiary licences authorising other gambling activities to take place. Unlike betting offices, a betting premises licence in respect of a track does not give an automatic entitlement to use gaming machines.

18.4 When considering whether to exercise its power to restrict the number of betting machines at a track the Authority will consider the circumstances of each individual application and, among other things will consider the potential space for the number of machines requested, the ability of track staff to supervise the machines, especially if they are scattered around the site, and the ability of the track operator to prevent children and young persons and vulnerable people betting on the machines.

19. Temporary Use Notices

19.1 Temporary Use Notices allow the use of premises for gambling where there is no premises licence but where a gambling operator wishes to use the premises temporarily for providing facilities for gambling. Premises that might be suitable for a Temporary Use Notice, according to the Gambling Commission, would include hotels, conference centres and sporting venues.

19.2 The Licensing Authority can only accept a Temporary Use Notice from a person or company holding a relevant operating licence.

19.3 Regulations prescribed by the Secretary of State provide that Temporary Use Notices can only be used to permit the provision of facilities for equal chance gaming where the gaming is intended to produce a single winner, for example games such as backgammon, cribbage, bingo and poker.

19.4 There are a number of statutory limits as regards temporary use notices. Gambling Commission Guidance is noted that "The meaning of "premises" in part 8 of the Act is discussed in Part 7 of the Gambling Commission Guidance. As with "premises", the definition of "a set of premises" will be a question of fact in the particular circumstances of each notice that is given. In the Act "premises" is defined as including "any place". In considering whether a place falls within the definition of "a set of premises", licensing authorities will need to look at, amongst other things, the ownership/occupation and control of the premises.

19.5 The Licensing Authority expects to object to notices where it appears that their effect would be to permit regular gambling in a place that could be described as one set of premises, as recommended in the Gambling Commission Guidance.

20. Occasional Use Notices

20.1 The Licensing Authority has very little discretion as regards these notices aside from ensuring that the statutory limit of 8 days in a calendar year is not exceeded. The Licensing Authority will though need to consider the definition of a 'track' and whether the applicant is permitted to avail him/herself of the notice.

21. Gaming Machines

21.1 A machine is not a gaming machine if the winning of a prize is determined purely by the player's skill. However, any element of 'chance' imparted by the action of the machine would cause it to be a gaming machine.

21.2 The Authority is aware of its power to restrict the number of gaming machines in certain circumstances. In the event that the Authority considers whether to impose such a restriction on any particular permit it may, among other things, take into account the size of the premises and the ability of staff to monitor the use of the machines by children and young persons or by vulnerable persons.

21.3 The Authority will be unable to issue premises licences to authorise gaming machines in certain types of premises. These generally will be premises to which children and vulnerable people will have unrestricted access and would include take-away premises, taxi offices, supermarkets etc.

22. Unlicensed Family Entertainment Centre Gaming Machine Permits

22.1 Where a premises does not hold a Premises Licence but wishes to provide gaming machines, it may apply to the Licensing Authority for this permit. It should be noted that the applicant must show that the premises will be wholly or mainly used for making gaming machines available for use.

22.2 Guidance also states that an application for a permit may be granted only if the Licensing Authority is satisfied that the premises will be used as an unlicensed FEC, and if the chief officer of police has been consulted on the application, Licensing Authorities may wish to consider asking applications to demonstrate:

- A full understanding of the maximum stakes and prizes of the gambling that is permissible in unlicensed FECs;
- That the applicant has no relevant convictions (those that are set out in the Act); and
- That staff are trained to have a full understanding of the maximum stakes and prizes.

22.4 It should be noted that a Licensing Authority cannot attach conditions to this type of permit.

22.5 With regard to renewals of these permits, a Licensing Authority may refuse an application for renewal of a permit only on the grounds that an authorised local authority officer has been refused access to the premises without reasonable excuse, or that renewal would not be reasonably consistent with pursuit of the licensing objectives.

23. (Alcohol) Licensed Premises Gaming Machine Permits

23.1 There is provision in the Act for premises licensed to sell alcohol for consumption on the premises, to automatically have 2 gaming machines, of categories C and/or D. The premises merely need to notify the Licensing Authority. The Licensing Authority can remove the automatic authorisation in respect of any particular premises if:

- provision of the machines is not reasonably consistent with the pursuit of the licensing objectives;
- gaming has taken place on the premises that breaches a condition of section 282 of the Gambling Act (i.e. that written notice has been provided to the Licensing Authority, that a fee has been provided and that any relevant code of practice issued by the Gambling Commission about the location and operation of the machine has been complied with);
- the premises are mainly used for gaming; or
- an offence under the Gambling Act has been committed on the premises

23.2 If a premises wishes to have more than 2 machines, then it needs to apply for a permit and the Licensing Authority must consider that application based upon the licensing objectives, any guidance issued by the Gambling Commission issued under Section 25 of the Gambling Act 2005, and “*such matters as they*

think relevant.” This Licensing Authority considers that “such matters” will be decided on a case by case basis but generally there will be regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the authority that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only gaming machines. Measures which will satisfy the Authority that there will be no access may include the adult machines being in sight of the bar, or in the sight of staff who will monitor that the machines are not being used by those under 18. Notices and signage may also be help. As regards the protection of vulnerable persons applicants may wish to consider the provision of information leaflets / helpline numbers for organisations such as GamCare.

23.3 It is recognised that some alcohol-licensed premises may apply for a premises licence for the use of gaming machines in their non- alcohol licensed areas. Any such application would need to be applied for, and dealt with as an Adult Gaming Centre premises licence.

23.4 It should be noted that the Licensing Authority can decide to grant the permit application with a smaller number of machines and/or a different category of machines than that applied for. Conditions (other than these) cannot be attached.

23.5 It should also be noted that the holder of a permit must comply with Gaming Machines in Alcohol Licensed Premises Code of Practice issued by the Gambling Commission about the location and operation of the machine(s).

24. Prize Gaming Permits

24.1 In making its decision on an application for this permit the Licensing Authority does not need to but may have regard to the licensing objectives but must have regard to any Gambling Commission guidance.

24.2 It should be noted that there are conditions in the Gambling Act 2005 with which the permit holder must comply, but the Licensing Authority cannot attach conditions. The conditions in the Act are:

- the limits on participation fees, as set out in regulations, must be complied with;
- all chances to participate in the gaming must be allocated on the premises on which the gaming is taking place and on one day; the game must be played and completed on the day the chances are allocated; and the result of the game must be made public in the premises on the day that it is played;
- the prize for which the game is played must not exceed the amount set out in regulations (if a money prize), or the prescribed value (if non-monetary prize); and
- participation in the gaming must not entitle the player to take part in any other gambling.

25. Club Gaming and Club Machine Permits

25.1 Members' Clubs and Miners' Welfare Institutes (but not Commercial Clubs) may apply for a Club Gaming Permit or a Club Gaming Machines Permit. The Club Gaming Permit will enable the premises to provide gaming machines (3 machines of categories B, C or D), equal chance gaming and games of chance as set-out in regulations. A Club Gaming Machine Permit will enable the premises to provide gaming machines (3 machines of categories B, C or D).

25.2 Members' clubs must have at least 25 members and be established and conducted "wholly or mainly" for purposes other than gaming, unless the gaming is permitted by separate regulations. It is anticipated that this will cover bridge and whist clubs, which will replicate the position under the Gaming Act 1968. A members' club must be permanent in nature, not established to make commercial profit, and controlled by its members equally. Examples include working men's clubs, branches of Royal British Legion and clubs with political affiliations.

25.3 Licensing authorities may only refuse an application on the grounds that:

- the applicant does not fulfil the requirements for a members' or Commercial Club or Miners' Welfare Institute and therefore is not entitled to receive the type of permit for which it has applied;
- the applicant's premises are used wholly or mainly by children and/or young persons;
- an offence under the Act or a breach of a permit has been committed by the applicant while providing gaming facilities;
- a permit held by the applicant has been cancelled in the previous ten years; or
- an objection has been lodged by the Commission or the police

25.4 It should be noted that there is a 'fast-track' procedure available for premises which hold a Club Premises Certificate under the Licensing Act 2003. The Gambling Commission's Guidance for local authorities states: "Under the fast-track procedure there is no opportunity for objections to be made by the Commission or the police, and the grounds upon which an authority can refuse a permit are reduced" and "The grounds on which an application under the process may be refused are:

- that the club is established primarily for gaming, other than gaming prescribed under schedule 12;
- that in addition to the prescribed gaming, the applicant provides facilities for other gaming; or
- that a Club Gaming Permit or Club Machine Permit issued to the applicant in the last ten years has been cancelled."

25.5 There are statutory conditions on Club Gaming Permits that no child uses a category B or C machine on the premises and that the holder complies with any relevant provision of a code of practice about the location and operation of gaming machines.

26. Lotteries

26.1 In carrying out its functions in relation to Lotteries, the Authority will have regard to the Act, any guidance issued by the Commission from time to time and any Regulations issued by the Secretary of State.

26.2 The Act makes it illegal to promote lotteries unless they are licensed or within an exempt category. One such exemption relates to registered small society lotteries and the Council is responsible for registering small society lotteries, which are promoted by non-commercial organisations that are established for:

- Charitable purposes
- For the purpose of enabling participation in, or of supporting, sport, athletics or a cultural activity
- For any other non-commercial purpose other than that of private gain.

27. Exchange of Information

27.1 The principle that the Licensing Authority will apply in respect of the exchange of information between it and the Gambling Commission and those bodies listed in Schedule 6 of the Act is that it will act in accordance with the provisions of the Gambling Act 2005 which includes the provision that the General Data Protection Regulations will not be contravened. The Licensing Authority will also have regard to any guidance issued by the Gambling Commission to Local Authorities on this matter when it is published, as well as any relevant regulations issued by the Secretary of State under the powers provided in the Gambling Act 2005.

Enforcement

28.1 The Council will liaise with the Gambling Commission and other enforcing authorities on enforcement issues and will look to carry out joint inspections. The targeting of resources towards high- risk premises and activities that require greater attention will provide a more efficient deployment of the Council's officers and other officers that are commonly engaged in enforcing gambling law and inspection of licensed premises. A lighter touch will apply in respect of low risk premises, which are well run.

28.2 The Council's approach to enforcement will be based on identified risk and will take into account:

- Relevant codes of practice
- Guidance issued by the Gambling Commission
- The licensing objectives
- The principles set out in this statement of gambling policy

28.3 In general, action will only be taken in accordance with the principles of the Regulatory Compliance Code, Licensing Authority Enforcement Policy and the relevant provisions of the Regulatory Enforcement and Sanctions Act 2008. To this end the key principles of consistency, transparency and proportionality will be maintained.

28.4 The Council will also be guided by the Gambling Commission’s Guidance for local authorities and will endeavour to be:

- Proportionate: regulators should only intervene when necessary: remedies should be appropriate to the risk posed, and costs identified and minimised;
- Accountable: regulators must be able to justify decisions, and be subject to public scrutiny;
- Consistent: rules and standards must be joined up and implemented fairly;
- Transparent: regulators should be open, and keep regulations simple and user friendly; and
- Targeted: regulation should be focused on the problem, and minimise side effects

28.5 In accordance with the Gambling Commission Guidance to Licensing Authorities the Council will endeavour to avoid duplication with other regulatory regimes as far as possible.

28.6 The main enforcement and compliance role for this Licensing Authority in terms of the Gambling Act 2005 will be to ensure compliance with the Premises Licences and other permissions, which it authorises. The Gambling Commission will be the enforcement body for the Operator and Personal Licences. It is also worth noting that concerns about manufacture, supply or repair of gaming machines will not be dealt with by the Licensing Authority but will be notified to the Gambling Commission.

29. The Licensing Process

29.1 The powers of the Council as a Licensing Authority under the Act may be carried out by the Licensing Committee, by a Sub -Committee or, instead, by one or more Council officers acting under delegated authority. The Council has adopted the following scheme of delegation:-

Matter to be Dealt With	Full Council	Cabinet	Licensing Committee/ Sub Committee	Officers
3 year licensing policy	X			
Policy not to permit casinos	X			
Fee Setting when		X		

Matter to be Dealt With	Full Council	Cabinet	Licensing Committee/ Sub Committee	Officers
appropriate				
Application for premises licences			Where representations have been received and not withdrawn	Where no representations received / representations have been withdrawn
Application for a variation to a licence			Where representations have been received and not withdrawn	Where no representations received / representations have been withdrawn
Application for a transfer of a licence			Where representations have been received from the Commission	Where no representations received from the Commission
Application for a provisional statement			Where representations have been received and not withdrawn	Where no representations received / representations have been withdrawn
Review of a premises licence			X	
Application for club gaming / club machine permits			Where representations have been received and not withdrawn	Where no representations received / representations have been withdrawn
Cancellation of club gaming / club machine permits			X	
Applications for other permits				Refer to * below
Cancellation of licensed premises gaming machine permits				X
Consideration of temporary				X

Matter to be Dealt With	Full Council	Cabinet	Licensing Committee/ Sub Committee	Officers
use notice				
Decision to give a counter notice to a temporary use notice			X	
Determination as to whether a person is an Interested Party				X
Determination as to whether representations are relevant				X
Determination as whether a representation is frivolous, vexatious or repetitive				X

X Indicates at the lowest level to which decisions can be delegated.

* In respect of applications for amusement with prizes machines in alcohol licensed premises, the following procedure will be adopted:

- i) Officers will determine under delegated authority, applications for amusement with prize machines where the application is for not more than 5 machines.
- ii) Applications for more than 5 amusement with prize machines will be referred to Chair of Licensing Committee for determination in consultation with Assistant Director, Growth and Regeneration, Head of Environmental Health/Environmental Health Staff.

29.2 Application forms will be in the format prescribed by regulations. The form will need to contain information that describes the gambling activities to be provided, the operational procedures, hours, nature of the location, needs of the local community, etc. Most importantly, the applicant will have to detail the steps that will be taken to promote the three licensing objectives. From 6th April 2016 applicants must carry out a risk assessment before they apply for a premises licence or to vary a premises licence.

29.3 The Authority will expect the local risk assessment to consider as a minimum:

- The location of services for children such as schools, playgrounds. Leisure/community centres and other areas where children will gather;
- The demographics of the area in relation to vulnerable groups;
- Whether the premises is in an area subject to high levels of crime and/or disorder.

Local risk assessments should show how vulnerable people, including people with gambling dependencies, are protected

29.4 Applicants are encouraged to fully consult the Police and other responsible authorities well in advance of submitting their applications. Application forms and guidance leaflets will be available from the Licensing Authority, including contact names for each of the responsible authorities that will be receiving applications. Most applications will require additional documentation and a fee to be included with the form. Incomplete applications will not be considered and will be returned to the applicant.

29.5 The Act requires licensing authorities to maintain a register of premises licences issued. The register must be available at any reasonable time to the public, who can request copies of the entries. The register will be located at:

Tamworth Borough Council,
Marmion House
Lichfield Street,
TAMWORTH
B79 7BZ

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TAMWORTH BOROUGH COUNCIL

GAMBLING ACT 2005

DRAFT STATEMENT OF PRINCIPLES 2019 – 2022

REVISIONS

All revisions reflect the Gambling Commission's Guidance to Licensing Authorities, 5th Edition, published September 2015¹ and Changes in appointments/Directorate titles within the Organisation and those of Consultees.

PAGE, PARA	SUBJECT	REMARKS
p.5, 3.3	Responsible Authorities	Clarifies roles and responsibilities.
p.6, 4.6	Statement of principles	Scope of local area profile defined
p.7,5-7	Gambling Objectives	Replaces section on enforcement and includes detail on criteria and considerations for meeting objectives
	Appendix A - G	p.34 – 59 Deleted from previous edition and will be a living document to enable amendments to be made as the local profile changes.

Notes

1. <http://www.gamblingcommission.gov.uk/PDF/GLA5-updated-September-2016.pdf>

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**STATEMENT OF GAMBLING PRINCIPLES
CONSULTATION COMMENTS
JUNE 2018 - SEPTEMBER 2018**

From: [REDACTED]
Sent: 27 June 2018 15:18
To: Lewis, Stephen; [REDACTED]
Subject: RE: Statement of gambling licensing policy – A Councillor's Guide

Hi Steve,
I would be very happy to write to the relevant government team or the Leader of the House who schedules business.
Whom are the GC lobbying?
Regards
[REDACTED]

From: Lewis, Stephen
Sent: 20 June 2018 12:56
To: [REDACTED]
Subject: RE: Statement of gambling licensing policy – A Councillor's Guide

Cllrs,

The report will be at Licensing Committee this Thursday with a three month consultation period so we can capture views.

You should also be aware that although the proposal to reduce FOBTs was accepted, my understanding from meeting with the Gambling commission last Tuesday is that it will need to be in approved in parliament via secondary legislation. Timelines on this are unknown.

We can organise when it is best to get together tomorrow, I'm flexible and happy to do evenings.

Regards,

Steve

Steve Lewis
Head of Environmental Health
Tamworth Borough Council
Tel:01827 709437

From: [REDACTED]
Sent: 20 June 2018 12:04
To: Lewis, Stephen
Cc: [REDACTED]
Subject: RE: Statement of gambling licensing policy – A Councillor's Guide

Thanks Steve,
I was delighted by the decision in favour of the lowering of fixed odds gambling limits. One of the groups we are accommodating under Heart of Tamworth's social outreach work is "Gambler's Anonymous".

Representing one of the most deprived areas in the country I feel very strongly that we need as many controls as possible.

[REDACTED] is a trained lawyer and is continuing on the Licensing committee and I would be grateful if you would arrange to meet her to cover this and other areas of legislative development – she is also the Chair of Heart of Tamworth.

Kind regards
[REDACTED]

From: Lewis, Stephen

Sent: 20 June 2018 09:22

To: [REDACTED]

Subject: Statement of gambling licensing policy – A Councillor's Guide

Councillors

Good morning,

Can I draw your attention to the above guidance,

<http://www.gamblingcommission.gov.uk/PDF/quick-guides/Councillors-guide.pdf>

A copy is also on the shared drive in your folder S:Councillors/Licensing/2018.

You may wish consult this with the review of Gambling Policy consultation.

Regards,

Steve

Steve Lewis

Head of Environmental Health

Tamworth Borough Council

Tel:01827 709437

From: Info@britishhorseracing.com [mailto:Info@britishhorseracing.com]

Sent: 12 July 2018 07:11

To: Lewis, Stephen

Subject: RE: Consultation - Revised statement of Principles (Gambling Policy 2019-2022)

Thank you for your email to the British Horseracing Authority. It is our aim to respond to all enquiries within seven days but please do bear with us during busy periods. We look forward to responding to your query shortly.

From:[REDACTED]

Sent: 12 July 2018 12:16

To: Lewis, Stephen

Subject: RE: Consultation - Revised statement of Principles (Gambling Policy 2019-2022)

Hello,

Thank you for your email, we appreciate your interest in our work.

While we do not have the resources available to allow us to personally respond to each Local Authority which contacts us regarding their refreshed Statement of Principles, we have compiled a list of the issues or factors which we think it would be

helpful to consider below, more information is available via the [Gambling Commission](#).

The function of the Statement is to reflect locally specific gambling concerns and to reflect the Council's wider strategic objectives. The active use of the Statement is one means by which you can make clear your expectations of gambling operators who have premises in your area. This allows operators to respond to locally specific requirements and adjust their own policies and procedures as required.

- A helpful first step is to develop a risk map of your local area so that you are aware of both potential and actual risks around gambling venues. A useful explanation of area-based risk-mapping has been developed with Westminster and Manchester City Councils, which gives some guidance on those who may be most vulnerable or at-risk of gambling-related harm. For more information please see www.geofutures.com/research-2/gambling-related-harm-how-local-space-shapes-our-understanding-of-risk/
- Consider that proposals for new gambling premises which are near hostels or other accommodation or centres catering for vulnerable people, including those with learning difficulties, and those with gambling / alcohol / drug abuse problems, as likely to adversely affect the licensing objectives set out by the Gambling Commission. This is also relevant regarding the proximity to schools, colleges and universities.
- A detailed local risk assessment at each gambling venue – pertinent to the environment immediately surrounding the premises as well as the wider local area – is a good way to gauge whether the operator and staff teams are fully aware of the challenges present in the local area and can help reassure the Local Licensing Authority that appropriate mitigations are in place.
- Does the operator have a specific training programme for staff to ensure that they are able to identify children and other vulnerable people, and take appropriate action to ensure they are not able to access the premises or are supported appropriately?
- Does the operator ensure that there is an adequate number of staff and managers are on the premises at key points throughout the day? This may be particularly relevant for premises situated nearby schools / colleges / universities, and/or pubs, bars and clubs.
- Consider whether the layout, lighting and fitting out of the premises have been designed so as not to attract children and other vulnerable persons who might be harmed or exploited by gambling.
- Consider whether any promotional material associated with the premises could encourage the use of the premises by children or young people if they are not legally allowed to do so.

We would suggest that the Local Licensing Authority primarily consider applications from [GamCare Certified operators](#). GamCare Certification is a voluntary process comprising an independent audit assessment of an operator's player protection measures and social responsibility standards, policy and practice. Standards are measured in accordance with the GamCare Player Protection Code of Practice. If you would like more information on how our audit can support Local Licensing Authorities, please contact [REDACTED]

For more information on GamCare training and other services available to local authorities, as well as recommended training for gambling operators, please see the attached brochures.

If there is anything else we can assist with please do let us know.

Kind regards,
[REDACTED]

[REDACTED]
Head of Marketing and Communications
T: 020 7801 7028
E: [REDACTED]

From: [REDACTED]
Sent: 29 August 2018 12:41
To: Lewis, Stephen
Subject: Re: 180703_GAMBLING POLICY 2019-2022 draft

Dear Steve

It was good to meet you properly last week and I found the gambling discussion very interesting.

I have had a read through the document which I thought was very well put together, clear and thorough.

I have made a couple of points via 'comments' and a few amendments via 'Track changes' - mostly typos and formatting - which you can keep or bin as you wish. As we discussed, I wonder if we could also make sure all available guidance is on the website (it may already be there), in the interests of openness and transparency. I think this would have two effects - it will make all requirements clear to providers and encourage them towards best practice, and it means that should they transgress, they will not be able to claim ignorance.

Many thanks
[REDACTED]

---Original message---

From : Stephen-Lewis@tamworth.gov.uk
Date : 21/08/2018 - 11:26 (GMTST)
To : [REDACTED]

Subject : 180703_GAMBLING POLICY 2019-2022 draft

[REDACTED],

Good morning,

Many thanks for your time today,

Best regards,

Steve
01827709437

CABINET

THURSDAY, 29 NOVEMBER 2018

REPORT OF THE PORTFOLIO HOLDER FOR ASSETS AND FINANCE

RELEASE OF GDPR CAPITAL CONTINGENCY FUNDING

PURPOSE

To request that members approve the release of £14,210 from the GDPR capital contingency budget, established to cover the costs of General Data Protection Regulation (GDPR) compliance responsibilities.

RECOMMENDATIONS

Members are requested to approve the release of £14,210 from the GDPR capital contingency budget established to cover costs associated with GDPR compliance for the Council's line of business software applications, approved as part of the 2018/19 budget process.

The funds will cover costs for GDPR compliance of e-Financials, the Council's financial management system and Civica Workflow360, our electronic document management system, enabling anonymisation and purge of data in order to meet GDPR responsibilities.

EXECUTIVE SUMMARY

The GDPR builds on the Data Protection Act, changing how businesses and the public sector can process customer data. The new regulations came into effect in May 2018, enforced by the Information Commissioners Office (ICO). GDPR legislation gives greater protection and rights to individuals including new rights for people to access the information companies hold about them, obligations for better data management by businesses and a new regime of fines for non-compliance.

All of our systems have the potential to be impacted by the new GDPR regulations and may require additional modules or fixes provided by our application suppliers, in particular to address compliance for data retention and data anonymisation. The funds requested for release are to address GDPR compliance for e-Financials, specifically the management of customer and supplier data held within the system, and Workflow360 enabling case and document disposal.

OPTIONS CONSIDERED

There are no other options to be considered, GDPR legislation is enforced by the ICO and non-compliance resulting from mismanagement of data can incur substantial fines. The GDPR modules provided by our applications' suppliers enable the Council to meet data compliance regulations.

RESOURCE IMPLICATIONS

Under the 2018/19 budget process, a GDPR Compliance capital contingency budget of £50k was approved, of which £45k is currently remaining. This report requests the release of £14,210, which will leave £30,790 remaining.

The release of £14,210 from capital contingency covers the following;

- £8,210 for a GDPR module for the e-Financials system including supplier consultancy to assist with installation and testing and 1 year support and maintenance. On-going support and maintenance costs will be met from existing budgets.
- £6,000 for a GDPR module for the Workflow360 system including installation and training. There are no on-going costs associated with this module.

Internal staff resources from ICT, Finance and other service areas using Workflow360 will be required to assist with implementation and for on-going maintenance.

SUSTAINABILITY IMPLICATIONS

On-going support and maintenance of the E-Financials module for GDPR compliance will be carried out by ICT and Finance with support from the application supplier. Senior system users will be assisted by ICT for on-going maintenance of the Workflow360 GDPR module.

REPORT AUTHOR

Gareth Youlden, ICT Technical Services Manager