



# CABINET

16 January 2019

A meeting of the CABINET will be held on Thursday, 24th January, 2019, 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 3 - 8)**

**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**

**6 Draft Budget & Medium Term Financial Strategy 2019/20 (Pages 9 - 98)**  
*(Report of the Leader of the Council)*

**7 Temporary Reserves, Retained Funds and Provisions (Pages 99 - 104)**  
*(Report of the Portfolio Holder for Assets and Finance)*

**8 Business Rates Income Forecast 2019/20 (To Follow)**

*(Report of the Portfolio Holder for Assets and Finance)*

**9 Allocations Policy (Pages 105 - 232)**

*(Report of the Portfolio Holder for Housing Services and Neighbourhoods)*

**10 Exclusion of the Press and Public**

To consider excluding the Press and Public from the meeting by passing the following resolution:-

*“That in accordance with the provisions of the Local Authorities (Executive Arrangements) (Meeting and Access to Information) (England) Regulations 2012, and Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during the consideration of the following business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public”*

At the time this agenda is published no representations have been received that this part of the meeting should be open to the public.

**11 Arrangements for the Community Alarm Service monitoring at Sheltered Housing Schemes (Pages 233 - 342)**

*(Report of the Portfolio Holder for Housing Services and Neighbourhoods)*

**12 Resolution of Contract Dispute - Dry Recycling Materials Contract (Pages 343 - 350)**

*(Report of the Portfolio Holder for Culture and Operational Services)*

Yours faithfully

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

**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](mailto:committees@tamworth.gov.uk) preferably 24 hours prior to the meeting. We can then endeavour to ensure that any particular requirements you may have are catered for.*

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



**MINUTES OF A MEETING OF THE  
CABINET  
HELD ON 20th DECEMBER 2018**

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

The following officers were present: Andrew Barratt (Chief Executive), Anica Goodwin (Executive Director Organisation), Rob Barnes (Executive Director Communities), Matthew Bowers (Assistant Director Growth & Regeneration), Sarah McGrandle (Assistant Director Operations and Leisure), Tina Mustafa (Assistant Director Neighbourhoods), Paul Weston (Assistant Director Assets), Sushil Birdi (Senior Policy and Delivery Officer) and Thomas Hobbs

**82 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor S Claymore

**83 MINUTES OF PREVIOUS MEETING**

The minutes of the meeting held on 29<sup>th</sup> November 2018 were approved and signed as a correct record.

*(Moved by Councillor R Pritchard and seconded by Councillor J Chesworth)*

**84 DECLARATIONS OF INTEREST**

There were no Declarations of Interest.

**85 QUESTION TIME:**

**QUESTIONS FROM MEMBERS OF THE PUBLIC NO. 1**

**Under Schedule 4, 13, Mr H Loxton will ask the Portfolio Holder for Heritage and Growth, Councillor S Claymore, the following question:-**

Could you please explain the reasons why the Assembly Rooms closed in January 2016 but work did not commence till December 2017?

**Response**

Councillor D Cook advised that in the absence of Councillor S Claymore, A full detailed response will be provided from Councillor S Claymore to Mr Loxton.

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

None

**87 TAMWORTH ASSEMBLY ROOMS PROJECT**

The Portfolio Holder for Heritage and Growth updated Cabinet on progress of the Assembly Rooms project and seek relevant approvals to progress the project

**RESOLVED**

That

- 1 Cabinet noted the progress of the Assembly Rooms project
- 2 Cabinet noted the revised costs as detailed
- 3 Cabinet approved the release of £560,000 from the retained Building Repair Fund and delegate spends to Executive Director and Portfolio Holder.
- 4 Cabinet approved the supporting plans
- 5 Cabinet acknowledged the revised project timetable

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

**88 BUILDING CONTROL SERVICES**

Portfolio Holder for Heritage and Growth seeks approval to terminate the existing arrangements for the delivery of the Councils Building Control responsibilities and enter into a new arrangement.

**RESOLVED**

That Cabinet

- a) Approved the proposal to enter into a new Building Control Partnership with Lichfield District Council, South Staffordshire Council, Nuneaton & Bedworth Borough Council, South Derbyshire District Council and North Warwickshire Borough Council with effect from 1 April 2019 to be hosted by Lichfield District Council;
- b) Authorised the Chief Executive following consultation with the Portfolio Holder for Heritage and Growth to:

- i. Approved the terms of the new Building Control Partnership and to enter into any necessary agreements or arrangements;
  - ii. Subject to terms for the new Building Control Partnership being agreed, and similar approvals being obtained by Lichfield District Council and South Staffordshire Council, approve the arrangements and terms for the termination of the 2015 Building Control Collaboration Agreement between the Council, Lichfield District Council and South Staffordshire Council and to enter into any agreements or other documents required to document the termination;
- c) Authorised the Chief Executive, following consultation with the Portfolio Holder for Heritage and Growth, to agree the detailed terms upon which Lichfield District Council will discharge the building control functions set out at Appendix A;
  - d) Approved that a retained fund be established to manage the surplus redistributed from the existing partnership

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

## **89 DESIGN SUPPLEMENTARY PLANNING DOCUMENT**

Portfolio Holder for Heritage and Growth seeks approval to undertake consultation on the Draft Design Supplementary Planning Document included within Appendix 1.

### **RESOLVED**

That Cabinet

1 Resolved that the attached Draft Design Supplementary Planning Document be taken forward into a 4 week consultation period

2 Authorised the Assistant Director Growth and Regeneration to make minor changes to the Draft Design Supplementary Planning Document prior to consultation.

3 receive a further report on the outcome of the consultation and a final version of the Design Supplementary Planning Document for approval

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

**90 COUNCIL HOUSING ANNUAL PERFORMANCE REPORT**

The Portfolio Holder For Housing Services and Neighbourhoods provides details of the Councils Landlord Performance for 2017/18 as required under the Homes & Community Agency Landlord Regulatory Framework

**RESOLVED** That Cabinet

Approved production of the Council's Landlord Annual Report to Tenants' (2017/18) complying with required governance under the Landlord Regulatory Framework as shown at Appendix C

*(Moved by Councillor M Cook and seconded by Councillor J Chesworth)*

**91 EXCLUSION OF THE PRESS AND PUBLIC**

**RESOLVED:** That members of the press and public be now excluded from the meeting during consideration of the following item on the grounds that the business involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended).

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

**92 DELIVERY OF HOUSING REPAIRS AND INVESTMENT WORKS FROM APRIL 2020**

The Report of the Portfolio Holder for Housing Services and Neighbourhoods. This report sets out the two options considered for the delivery of housing repairs and investment works from April 2020 and seeks approval to commence the process of procuring external contractors to deliver all repairs and investment work to the Councils retained housing property portfolio for a period of 10 years

**RESOLVED** That Cabinet Approved

The invitation of tenders for the delivery of the housing repairs and investment works from April 2020 for a period of 10 years with appropriate break clauses as part of the contract terms

Delegation of authority to the Executive Director [Communities] and Portfolio Holder for Housing Services and Neighbourhoods to enter into contracts with the contractors submitting the most economically

advantageous tender(s).

The procurement of specialist external advisors to support the development of specifications and tenders to enable the procurement of delivery Contractors with approval to award contracts delegated to the Executive Director Communities in consultation with the Portfolio Holder for Housing Services & Neighbourhoods

The establishment of an in-house call centre for the receipt and handling of repair requests in order to ensure the Council is able to drive improvements in call handling, repair diagnostics and scheduling thereby providing an increased ability to hold the contractor to account and improve customer satisfaction

Re-purpose and Release of reserves specifically identified for this project to allow for the appointment of external support to assist with the delivery of the procurement process.

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

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Leader

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## CABINET

24<sup>th</sup> January 2019

## JOINT SCRUTINY COMMITTEE (BUDGET)

30<sup>th</sup> January 2019

### Report of the Leader of the Council

#### **DRAFT BUDGET AND MEDIUM TERM FINANCIAL STRATEGY 2019/20 to 2023/24**

#### **Purpose**

To approve the draft package of budget proposals (**attached at Appendix A**) to consult with the Joint Scrutiny Committee (Budget) on 30<sup>th</sup> January 2019 and receive their feedback on the:

- General Fund Revenue (GF) Budget and Council Tax for 2019/20;
- Housing Revenue Account (HRA) Budget for 2019/20;
- Capital Programme – General Fund & HRA;
- Medium Term Financial Strategy (MTFS).

This is a key decision as it affects two or more wards and involves expenditure over £100k.

#### **Recommendations**

**That:**

- 1. Cabinet approve the draft package of budget proposals including the proposed policy changes (as detailed at Appendix B); and**
- 2. As required by the Constitution of the Council, the Joint Scrutiny Committee (Budget) on 30<sup>th</sup> January 2019 be requested to consider the budget proposals contained within this report.**

## Executive Summary

Based on the draft budget assumptions contained within the report, the headline figures for 2019/20 are:

- A General Fund Net Cost of Services of £8,748,570 a reduction of 14.8% compared to 2018/19;
- A transfer of £906,381 from General Fund balances;
- The Band D Council Tax would be set at £176.89, an increase of £5.14 (2.99% - c.£0.10 per week) on the level from 2018/19 of £171.75;
- A transfer of £123,880 from HRA balances;
- Rents will be set in line with the approved Rent Setting Policy including a 1% reduction in average rent, (1% on the 2018/19 average rent of £85.85) in line with the Government's requirement to reduce rents by 1% p.a. for the 4 years from 2016/17 (based on a 48 week rent year);
- A General Fund Capital Programme of £5.3m for 5 years;
- A Housing Capital Programme of £44.5m for 5 years.

Currently projections identify:

1. General Fund balances of £466k over 3 years – a shortfall of £36k (with a shortfall of £4m over 5 years), including the minimum approved level of £0.5m;

**Further savings of around £0.8m p.a. will be required** over the next 5 years (based on annual 2.99% increases in Council Tax). On an annualised basis this would equate to a year on year ongoing saving of £270k over 5 years.

2. HRA balances of £3m over 3 years (with balances of £2m over 5 years) including the minimum recommended balances of £0.5m.

## 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 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.** It was announced as part of the Provisional Local Government Finance Settlement that the Councils in Staffordshire have been successful in their bid to host a Staffordshire wide 75% Business Rates Pilot arrangement for 2019/20;
- 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 received over the period 2016 – 2018 from the sale of the former golf course (to support the MTFS in the long term);

The MHCLG have 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;
- Finalisation of the provisional Local Government Finance Settlement allocations; and
- Work is continuing on a number of actions to address the GF shortfall to inform the final MTFS proposals for consideration by Council in February 2019 - **further savings of around £0.8m p.a. will be required** over the next 5 years (based on annual 2.99% increases in Council Tax). On an annualised basis this would equate to a year on year ongoing saving of £270k over 5 years.

## Background

The budget setting process has faced significant constraints in Government funding in recent years - over 50% in real terms since 2010. The 4 year Local Government Finance Settlement confirmed 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 Council is currently addressing are likely to become greater.

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 – as well as taking any opportunities to provide services in a more effective and efficient manner.

This approach has enabled this Council to navigate its way through the extended period of austerity and the uncertainties and complexities brought about by ‘devolution’, elected Mayors, Combined Authorities etc.

With many of the challenges of previous years still facing the Council and the uncertainties surrounding issues such as BREXIT, NNDR retention, the future of the NHS and Care Services, our local clarity of Vision and purpose has never been so important.

In addition, the adoption of ‘Demand Management’ as the primary operating model and the targeting of resources via locality based commissioning and delivery has enabled greater effectiveness in service delivery as evidenced by customer satisfaction, award winning services and of course, the management of the Council’s finances. Through its implementation, the Council will have far greater control upon the alignment of services or ‘supply’ to the increased needs and expectations of the public or ‘demand’.

Key to this will be the application of existing and new technology to capture, collate and analyse customer insight, intelligence and data so as to understand not just the ‘need’ but the cause, behaviours or decisions creating the need. Then by the application of locality based commissioning for example, it can commission services that either intervene or prevent future need thereby reducing demand. This approach will change the organisation and how it works; will require Members to take difficult decisions and adhere to them; will involve managed risks and will sustain essential services critical in supporting the most vulnerable in our communities at a time when demand is increasing and resources reducing.

Accurate forecasting, strong leadership and an innovative, risk aware approach have resulted in the organisation being able, in the main, to sustain a full suite of essential services albeit not without implications for the public, local politicians and the entire workforce.

By adopting this approach, supporting its implementation and measuring its progress, it will enable the Council to achieve its Vision and Priorities and fulfil its obligations.

- We will target resources upon those in most need and those most vulnerable.
- We will commission services that will both intervene/prevent future demand and reduce levels of vulnerability.
- We will, as a consequence, meet the Council's stated intention to ensure that the vulnerable are a priority (Motion to Council on 26<sup>th</sup> November, 2014 refers).

As part of the budget process Policy Changes are required in order to amend base budget provision. As grant and other income levels are reducing, where increased costs are unavoidable then managers should identify compensatory savings. Where savings are identified they must be accompanied by a robust implementation plan.

Robust business case templates will have to be submitted to Cabinet and CMT for all Policy Change submissions (Revenue and Capital).

The attached forecast is based on a 5 year period, but does contain a number of uncertainties. 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, in compliance with the Prudential Code (by which time the economic impact, if any, should be clearer).

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

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

- a) 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). This has now been confirmed as unchanged for 2019/20 but it is uncertain for future years.
- b) Future Revenue Support Grant levels for future years - the budget setting process has faced significant constraints in Government funding in recent years - over 50% reduction since 2010.

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

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). It was announced as part of the Provisional Local Government Finance Settlement that the Councils in Staffordshire have been successful in their bid to host a Staffordshire wide 75% Business Rates Pilot arrangement for 2019/20;
- 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.

- c) 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.
- d) Future Pension contribution levels - following the triennial review in 2016 carried out by the Actuary employed by the Pension Fund - indicative *ongoing* annual increases in Employer’s contributions of c. £200k p.a. have been included from 2017/18 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.
- e) The impact of Pension Auto-Enrolment and the single tier pension from 2016/17 – no additional cost associated with auto enrolment has been included as salary budgets are prepared on a full cost basis (and then reduced by the vacancy allowance);
- f) While the Government announced a pay cap for 2014/15 & 2015/16, a 2.2% increase (plus other changes) was agreed from 1<sup>st</sup> January 2015. A further 1% pay cap for public sector workers for the 4 years from 2016/17 was set but following 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 1<sup>st</sup> 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 1<sup>st</sup> 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.

- g) Proposed changes set out in the Welfare Reform Act 2012 and the introduction of Universal Credit – impact on housing benefits and associated income receipts (including Housing Rents and Council Tax) of the Council;
- h) The impact of any further uncertainty over future interest rate levels and their impact on investment income / treasury management;
- i) Due to uncertainties around the Better Care Fund, a significant risk on the current grant funding for Disabled Facilities Grants (DFG) is highlighted after 2018/19.

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

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

In light of these uncertainties and issues arising from the sensitivity analysis (attached at **Appendix K**), it is felt prudent to include within the budget a number of specific contingency budgets (aligned to the specific uncertainties, where appropriate) to ensure some stability in the financial planning process (as detailed at **Appendix L**).



## 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	<b>2.99% increase in Council tax in 2019/20 (followed by increases of c.2.99% p.a.)</b>
Model 2	£5.00 increase in Council tax in 2019/20 (followed by increases of £5.00 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	<b>Reduction of 1% (in line with the statutory requirement)</b>

## Resource Implications

A summary table of all the budget proposals is shown at the end of the report. The General Fund summary revenue budget for 2019/20 appears at **Appendix D**. A summary of the resulting budgets over the five year period appears at **Appendix F**.

The draft Budget and Medium Term Financial Strategy is based on a council tax increase of £5.14 (2.99%) for 2019/20 (the maximum permitted under the Government set limits to avoid a referendum) followed by increases at 2.99% p.a. thereafter & in line with statutory requirements. The Forecast projects General Fund balances of £466k over 3 years – a shortfall of £34k (with a shortfall of £4m over 5 years), including the minimum approved level of £0.5m.

It should be noted that in order to ensure General Fund balances remain above the minimum approved level of £0.5m over 5 years **further savings of around £0.8m p.a. will be required** (based on annual 2.99% increases in Council Tax). On an annualised basis this would equate to a year on year ongoing saving of £270k over 5 years.

The summary HRA Revenue Budget for 2019/20 appears at **Appendix C** (including a summary of the resulting budgets over the 5 year period). Closing balances over 3 years are estimated at £3m (£2m over 5 years) – in excess of the minimum approved level of £0.5m.

The proposed 5-year General Fund Capital Programme is included at **Appendix H** – the main changes, since the programme was provisionally approved in February 2018, included at this stage are detailed within the report.

The proposed 5-year Housing Capital Programme is included at **Appendix I** – the main changes, since the programme was provisionally approved in February 2018, included at this stage are detailed within the report.

## **Options**

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 has been undertaken with a view to drive 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.

In addition, the following areas will need to be completed / agreed to inform the Council decision:

- Completion of the Business Rates forecast / NNDR1 statutory return including the impact of the successful Staffordshire wide 75% Business Rates Pilot arrangement for 2019/20; and
- Finalisation of the Policy changes.

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.

### **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 the Leaders Budget Workshop was held on 6<sup>th</sup> 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 30<sup>th</sup> January 2019.

Risks to Capital and Revenue Forecasts:

<b>Risk</b>	<b>Control Measure</b>
Major variances to the level of grant / subsidy from the Government (including specific grants e.g. Benefits administration, Business Rates Section 31 funding); <b>(High)</b>	Sensitivity modelling undertaken to assess the potential impact in the estimation of future grant levels; <b>(Medium / High)</b>
New Homes Bonus grant levels lower than estimated; Continuation of the scheme with revisions has been confirmed – further changes are possible in future years. Achievement of forecast growth in housing numbers / reduced void levels; <b>(High/Medium)</b>	Future levels included on a risk based approach in order to offset further grant reductions / uncertainty over additional property numbers; <b>(Medium)</b>
Potential ‘capping’ of council tax increases by the Government or local Council Tax veto / referendum; <b>(Medium)</b>	Current indications are that increases above 3% <b>and</b> £5 and above risk ‘capping’ (confirmed as 3% <b>and</b> £5 for District Councils for 2018/19); <b>(Low)</b>
The achievement / delivery of substantial savings / efficiencies will be needed to ensure sufficient resources will be available to deliver the Council’s objectives through years 4 to 5. Ongoing; <b>(High)</b>	A robust & critical review of savings proposals will be required / undertaken before inclusion within the forecast; <b>(High/Medium)</b>
Pay awards greater than forecast; <b>(Medium)</b>	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; <b>(Medium / Low)</b>
Pension costs higher than planned / adverse performance of pension fund; <b>(Medium)</b>	Regular update meetings with Actuary; Increases of c.£200k p.a. with a new ‘lump sum’ element have been included following triennial review (during 2016 for 2017/18) for 3 years; <b>(Medium)</b>
Assessment of business rates collection levels to inform the forecast / budget (NDR1) and estimates of appeals, mandatory & discretionary reliefs, cost of collection, bad debts and collection levels;  New burdens (Section 31) grant funding for Central Government policy changes – including impact on levy calculation;	Robust estimates included to arrive at collection target. Ongoing proactive management & monitoring will continue;  Business Rates Collection Reserve - provision of reserve funding to mitigate impact of any changes in business rate income levels;

Risk	Control Measure
<p>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; <b>(High)</b></p>	<p>Monitoring of the situation / regular reporting;  <b>(High / Medium)</b></p>
<p>Local Council Tax Reduction scheme implementation – potential yield changes and maintenance of collection levels;  <b>(High)</b></p>	<p>Robust estimates included. Ongoing proactive management &amp; monitoring (including a quarterly healthcheck on the implications on the organisation – capacity / finance) will continue; <b>(High / Medium)</b></p>
<p>Achievement of income streams in line with targets e.g. treasury management interest, car parking, planning, commercial &amp; industrial rents etc.; <b>(High / Medium)</b></p>	<p>Robust estimates using a zero based budgeting approach have been included;  <b>(Medium)</b></p>
<p>Delivery of the capital programme (GF / HRA – including Regeneration schemes) dependent on funding through capital receipts and grants (including DFG funding through the Better Care Fund); <b>(High / Medium)</b></p>	<p>Robust monitoring and evaluation – should funds not be available then schemes would not progress;  <b>(Medium)</b></p>
<p>Dependency on partner organisation arrangements and contributions e.g. Waste Management (SCC/LDC). <b>(High / Medium)</b></p>	<p>Memorandum of Understanding in place with LDC.  <b>(Medium)</b></p>
<p>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. <b>(High/Medium)</b></p>	<p>The main issue seems to be the increased risks associated with those Councils who are borrowing large sums to invest in commercial property activities.  <b>(Medium)</b></p>
<p>Maintenance and repairs backlog for corporate assets – and planned development of long term strategic plan to address such. <b>(High / Medium)</b></p>	<p>Planned development of long term strategic corporate capital strategy and asset management plan to consider the requirements and associated potential funding streams. <b>(Medium)</b></p>
<p>Significant financial penalties arising from the implementation of the General Data Protection Regulations (GDPR). <b>(High / Medium)</b></p>	<p>Implementation plan in place with corporate commitment and good progress.  <b>(Medium)</b></p>
<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>Any investment in funds which are deemed as capital expenditure will require the necessary capital programme budgets to be approved by full Council.</p>

Risk	Control Measure
<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. <b>(High/Medium)</b></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 <b>(Medium)</b></p>

### Report Author

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

<b>Background Papers:-</b>	<b>Corporate Vision, Priorities Plan, Budget &amp; Medium Term Financial Strategy 2018/19, Council 27<sup>th</sup> February 2018</b>
	<b>Budget and Medium Term Financial Planning Process, Cabinet 2<sup>nd</sup> August 2018</b>
	<b>Budget Consultation Report, Cabinet 8<sup>th</sup> November 2018</b>
	<b>Draft Base Budget Forecasts 2019/20 to 2023/24, Cabinet 29<sup>th</sup> November 2018</b>
	<b>Leaders Budget Workshop, 6<sup>th</sup> December 2018</b>

## Summary of Appendices

<b>Description</b>	<b>Appendix</b>
<b>Detailed Considerations</b>	<b>A</b>
<b>Policy Changes Summary – GF &amp; HRA</b>	<b>B</b>
<b>HRA Budget Summary 2019/20 – 2023/24</b>	<b>C</b>
<b>General Fund Summary Revenue Budget 2019/20</b>	<b>D</b>
<b>General Fund Technical Adjustments 2019/20 (before policy changes)</b>	<b>E1</b>
<b>HRA Technical Adjustments 2019/20 (before policy changes)</b>	<b>E2</b>
<b>General Fund 5 Year Revenue Budget Summary</b>	<b>F</b>
<b>Council Tax Levels at Each Band 2019/20</b>	<b>G</b>
<b>General Fund Capital Programme 2019/20 – 2023/24</b>	<b>H</b>
<b>Housing Capital Programme 2019/20 – 2023/24</b>	<b>I</b>
<b>Main Assumptions</b>	<b>J</b>
<b>Sensitivity Analysis</b>	<b>K</b>
<b>Contingencies</b>	<b>L</b>
<b>Corporate Capital Strategy</b>	<b>M</b>

## Detailed Considerations

The Council's approach to medium term planning aims to integrate the Council's Corporate and financial planning processes. In accordance with that approach this report contains firm proposals for 2019/20 and provisional proposals for the following years.

It is intended that all aspects of the budget should be agreed by Members and so this report details each amendment which is proposed to the 2018/19 budget to arrive at the starting point for 2019/20. The report deals in turn with each of the key elements and towards the end of each section is a summary table. Each of these tables is brought together in the summary and conclusions section at the end of the report.

The Council's medium term financial plan used as the basis for the 2019/20 budget, aimed both to deal with a challenging financial position and to find resources to address the Council's corporate priorities. The approved package was based upon:

- The need to compensate for reduced income levels arising from the continuing economic uncertainty and austerity measures;
- Injecting additional resources into corporate priorities;
- Increasing income from council tax and fees and charges; and
- Making other savings and efficiencies.

## Financial Background

The medium term financial planning process is being challenged by the uncertain economic conditions. The attached forecast is based on a 5 year period, but does contain a number of uncertainties. The forecast grant reductions and uncertainty over Brexit negotiations will put significant pressure on the ability of the Council to publish a balanced 5 year MTFS.

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, in compliance with the Prudential Code (minimum balances of £0.5m) by which time the economic impact, if any, should be clearer.

There are a number of challenges affecting the Medium Term Financial Planning process for the period from 2019/20 to 2023/24 which add a high level of uncertainty to budget projections.

In light of these uncertainties and issues arising from the sensitivity analysis (attached at **Appendix K**), it is felt prudent to include within the budget a number of specific contingency budgets (aligned to the specific uncertainties, where appropriate) to ensure some stability in the financial planning process (as detailed at **Appendix L**).



Following review of the sensitivity of the factors within the forecasts, pay award & inflation, interest rate movements together with changes in Government Grant support could all significantly affect the forecast as follows:

Effect of x% movement:	% + / -	Impact over 1 year +/- £'000	Impact over 3 years +/- £'000	Impact over 5 years + / - £'000	Risk
Pay Award / National Insurance (GF)	0.5%	43	260	663	M/H
Pension Costs	0.5%	0	175	594	L/M
Council Tax	0.5%	19	119	314	L/M
Inflation / CPI	0.5%	52	316	803	M/H
Government Grant	1.0%	40	190	437	M
Investment Interest	0.5%	333	1843	4318	H
Key Income Streams	0.5%	9	54	138	L
New Homes Bonus	10%	26	176	498	M
Business Rates	0.5%	70	425	1078	H

## GENERAL FUND

### Future Revenue Support Grant & Business Rate income

On 13 December 2018, the Secretary of State for the Ministry for Housing, Communities and Local Government, Rt. Hon. James Brokenshire MP, made a statement to Parliament on the provisional local government finance settlement (LGFS) 2019/20.

The updated 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 2.8% for 2019/20 and an overall increase for the period 2016/17 to 2019/20 of 3.8%.

<b>Core Spending Power National Position</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Settlement Funding Assessment	21,250	18,602	16,633	15,574	14,560
Under-indexing business rates multiplier	165	165	175	275	400
Council Tax	22,036	23,247	24,666	26,332	27,927
Improved Better Care Fund	-	-	1,115	1,499	1,837
New Homes Bonus	1,200	1,485	1,252	947	918
Rural Services Delivery Grant	16	81	65	81	81
Transition Grant	-	150	150	-	-
Adult Social Care Support Grant	-	-	241	150	-
Winter pressures Grant	-	-	-	240	240
Social Care Support Grant	-	-	-	-	410
<b>Core Spending Power</b>	<b>44,666</b>	<b>43,730</b>	<b>44,296</b>	<b>45,098</b>	<b>46,373</b>
<b>Change %</b>		<b>(2.1)%</b>	<b>1.3%</b>	<b>1.8%</b>	<b>2.8%</b>
<b>Cumulative change %</b>		<b>(2.1)%</b>	<b>(0.8)%</b>	<b>1.0%</b>	<b>3.8%</b>

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

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

## Business Rates

Given the current economic climate and further anticipated reductions in Central Government Grant support together with the uncertainty around the impact of the 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 1<sup>st</sup> April 2013 e.g. Small Business Rate Relief – of which 50% of any in excess of the baseline will be payable in levy to the GBSLEP. A prudent approach has been taken in respect of any new burdens funding – and, due to uncertainties & risk, the creation of an associated Business Rates Collection reserve to mitigate fluctuation in income. The forecast Section 31 Grants and levy payments included within the base budget forecasts are detailed below.

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:

<b>BASELINE</b>	<b>2019/20</b> £	<b>2020/21</b> £	<b>2021/22</b> £	<b>2022/23</b> £	<b>2023/24</b> £
<b>Base Budget Forecast (November 2018):</b>					
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	2.2%	1.9%	1.9%	1.0%	2.1%
<b>Provisional Settlement Funding (December 2018):</b>					
Retained Business Rates	12,540,029	14,279,743	14,563,883	14,842,850	15,139,707
Less: Tariff payable	(10,054,485)	(11,936,698)	(12,173,977)	(12,405,147)	(12,653,250)
Total	2,485,544	2,343,045	2,389,906	2,437,703	2,486,457
% Increase / (Decrease)	10.5%	(5.7)%	2.0%	2.0%	2.0%
<b>Increase / (Decrease)</b>	<b>186,187</b>	<b>-</b>	<b>2,910</b>	<b>27,587</b>	<b>25,729</b>

As identified above, the Business Rates Baseline for 2019/20 is higher than expected at £2.49m – due to the inclusion of RSG following the successful Staffordshire wide Business Rates Pilot.

However, due to the variable nature of the BRR element of local authority funding, the provisional 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 is subject to confirmation / finalisation over the next few weeks – the latest estimates are detailed below:

<b>BASE BUDGET</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	£	£	£	£	£
<b>Base Budget Forecast (November 2018):</b>					
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)	3.3%	(38.1)%	2.0%	2.0%	2.0%
<b>Provisional Settlement Funding (December 2018):</b>					
Retained Business Rates	14,014,371	14,279,743	14,563,883	14,842,850	15,139,707
Less: Tariff payable	(10,054,485)	(11,936,698)	(12,173,977)	(12,405,147)	(12,653,250)
Total	3,959,886	2,343,045	2,389,906	2,437,703	2,486,457
% Increase / (Decrease)	8.2%	(40.8)%	2.0%	2.0%	2.0%
<b>Increase / (Decrease)</b>	<b>177,149</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>177,149</b>	<b>177,149</b>	<b>177,149</b>	<b>177,149</b>	<b>177,149</b>

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

<b>BASE BUDGET</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	£	£	£	£	£
<b>Base Budget Forecast (November 2018):</b>					
Revenue Support Grant	184,529	-	-	-	-
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	3,967,266	2,343,045	2,389,906	2,437,703	2,486,457
% Increase / (Decrease)	(4.5)%	(40.9)%	2.0%	2.0%	2.0%
<b>Provisional Settlement Funding (December 2018):</b>					
Revenue Support Grant	-	-	-	-	-
Retained Business Rates	£14,014,371	£14,279,743	£14,563,883	£14,842,850	£15,139,707
Less: Tariff payable	(10,054,485)	(11,936,698)	(12,173,977)	(12,405,147)	(12,653,250)
Total	3,959,886	2,343,045	2,389,906	2,437,703	2,486,457
% Increase / (Decrease)	(4.7)%	(40.8)%	2.0%	2.0%	2.0%
<b>Increase / (Decrease)</b>	<b>(7,380)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The table shows that overall funding should be c.£7k less than expected in 2019/20.

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

The retained Business Rates forecast will be updated based on the NNDR1 return which was not received until late December 2018. A separate report on this agenda is due to consider the latest forecast for Business Rates (the statutory NNDR1 return) once finalised – prior to final sign off by the statutory deadline of 31<sup>st</sup> January 2019.

There are still significant uncertainties - specifically the treatment of:

- The level of inflation affecting the future increases to the multiplier;
- 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;
- the treatment of Section 31 grant funding (including Small Business Rate Relief Grant) – which could affect the calculation of any levy payment and thereby reduce retained Business Rate income; 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

The revised estimates for Business Rates arising from NNDR1 will feed into the next stage of the budget process.

### **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% had 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 were subsequently updated (including changes in forecast new home increases) and included within the base budget as detailed in the table below.

The provisional allocations for 2019/20 have been announced and reflected in the revised forecasts in the table below.

<b>BASE BUDGET NHB</b>	<b>2018/19 £</b>	<b>2019/20 £</b>	<b>2020/21 £</b>	<b>2021/22 £</b>	<b>2022/23 £</b>
Risk Weighting applied – MTFS 2018	100%	75%	75%	50%	50%
MTFS 2018 Budget	230,750	414,140	561,990	695,660	695,660
<i>Base Budget Forecast</i>	<i>257,200</i>	<i>293,800</i>	<i>401,750</i>	<i>457,920</i>	<i>399,250</i>
<b>Increased / (Reduced) income</b>	<b>26,450</b>	<b>(120,340)</b>	<b>(160,240)</b>	<b>(237,740)</b>	<b>(296,410)</b>
Revised Risk Weighting applied	100%	37.5%	37.5%	25%	25%
<i>Revised forecast – Draft MTFS</i>	<i>336,300</i>	<i>293,800</i>	<i>401,750</i>	<i>457,920</i>	<i>399,250</i>
<b>(Gain) / Loss</b>	<b>79,100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The national baseline for housing growth below which New Homes Bonus will not be paid was unchanged at 0.4% (reflecting a percentage of housing that would have been built anyway). The Government will retain the option of making adjustments to the baseline in future years to reflect significant and unexpected housing growth.

The impact on the MTFS is a £79k gain. No further changes to the scheme have been considered and therefore the forecast remains unchanged for future years.



## Technical Adjustments

Revisions 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 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; and
- The 'Zero base budgeting' review of income levels.

They are summarised in **Appendix E** and the main assumptions made during this exercise are shown in **Appendix J**.

They have been separated from the policy changes, as they have already been approved or are largely beyond the control of the Council, and are summarised below:

<b>Technical Adjustments</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>
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 for vacancy allowance)	135	277	275	259	245
Revised charges for non-general fund activities	124	-	-	-	-
<b>Total / Revised Base Budget</b>	<b>8,898</b>	<b>8,579</b>	<b>8,700</b>	<b>8,861</b>	<b>9,281</b>

\* ( ) denotes saving in base budget

## Policy Changes

The policy changes provisionally agreed by Council in February 2018 have been included within the technical adjustments for 2019/20 onwards. **A list of the proposed new policy changes for 2019/20 is summarised below:**

<b>Policy Changes Identified</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>
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	-	-	-	-
Increase in Elections budget as there are no planned Parliamentary or County elections during 2019	20.0	(20.0)	-	-	-
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	(358.6)	-	-	-	-
Revised New Homes Bonus grant	(79.1)	79.1	-	-	-
Capital Programme – lost investment income	7.0	8.0	13.0	4.0	19.0

<b>Policy Changes Identified</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>
Capital Programme – repayment of debt (MRP)	12.0	13.0	21.0	7.0	30.0
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)	-
<b>Total New Items / Amendments</b>	<b>(149.2)</b>	<b>128.6</b>	<b>(71.0)</b>	<b>1.0</b>	<b>49.0</b>
<b>Cumulative</b>	<b>(149.2)</b>	<b>(20.6)</b>	<b>(91.6)</b>	<b>(90.6)</b>	<b>(41.6)</b>

### **Capping / Local Referendum**

In the past, the Government had the power under the Local Government Act 1999 to require councils to set a lower budget requirement if it considered the budget requirement and council tax had gone up by too much. The Localism Act 2011 abolished the capping regime but introduced new requirements on a Council to hold a local referendum if it increases its council tax by an amount exceeding principles determined by the Secretary of State and agreed by the House of Commons.

Consideration of the likely level of Council Tax increases over the 5-year period is needed to avoid the potential costs of holding a referendum and to ensure that balances are maintained at the minimum approved level of £500k.

### **Council Tax**

Last year's medium term financial plan identified ongoing increases of £5 (c.3%) per annum from 2019/20.

Each £1 increase in the band D Council Tax would raise approximately £22k per annum. For each 1% increase in Council Tax, the Council will receive c. £37k additional income per annum.

It has been confirmed that the 'referendum' threshold will be the higher of £5 or 3.0% - following a freeze in 2011/12 & 2012/13 and a below 2% increase since then.

A number of scenarios for future years' increases are set out below:

**Model 1 Impact of 2.99% increase in Council Tax in 2019/20 (followed by 2.99% p.a.)**

Year:	2019/20	2020/21	2021/22	2022/23	2023/24
Forecast:	£'000	£'000	£'000	£'000	£'000
Surplus (-) /Deficit	907	2,138	1,947	1,871	2,103
<b>Balances Remaining (-) / Overdrawn</b>	<b>(4,551)</b>	<b>(2,413)</b>	<b>(466)</b>	<b>1,405</b>	<b>3,508</b>
£ 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 £34k over 3 years (with a shortfall of £4m over 5 years), further savings of approx. £0.8m per annum over 5 years would have to be identified.

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

**Model 2 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
<b>Reduction in Council Tax £</b>	<b>3</b>	<b>9</b>	<b>19</b>	<b>33</b>	<b>51</b>
Revised Surplus (-) /Deficit	909	2,147	1,966	1,904	2,154
<b>Balances Remaining (-) / Overdrawn</b>	<b>(4,548)</b>	<b>(2,401)</b>	<b>(435)</b>	<b>1,470</b>	<b>3,624</b>
£ 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 £65k over 3 years (with a shortfall of £4.1m over 5 years), further savings of approx. £0.8m per annum over 5 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
<b>Reduction in Council Tax £</b>	112	115	119	123	127
Revised Surplus (-) /Deficit	1,019	2,253	2,066	1,994	2,230
<b>Balances Remaining (-) / Overdrawn</b>	<b>(4,439)</b>	<b>(2,186)</b>	<b>(120)</b>	<b>1,874</b>	<b>4,104</b>
£ 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 £0.4m over 3 years (£4.6m over 5 years) further savings of approx. £0.9m per annum over 5 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
<b>Reduction in Council Tax £</b>	18	38	59	81	105
Revised Surplus (-) /Deficit	925	2,176	2,006	1,952	2,208
<b>Balances Remaining (-) / Overdrawn</b>	<b>(4,533)</b>	<b>(2,357)</b>	<b>(351)</b>	<b>1,601</b>	<b>3,809</b>
£ 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 £0.15m over 3 years (£4.4m over 5 years) further savings of approx. £0.9million per annum over 5 years 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
<b>Reduction in Council Tax £</b>	112	229	352	481	615
Revised Surplus (-) /Deficit	1,019	2,367	2,299	2,352	2,718
<b>Balances Remaining (-) / Overdrawn</b>	<b>(4,439)</b>	<b>(2,072)</b>	<b>227</b>	<b>2,579</b>	<b>5,297</b>
£ 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 £0.7m over 3 years (£5.8m over 5 years) further savings of approx. £1.2m 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)**

Year:	2019/20	2020/21	2021/22	2022/23	2023/24
Forecast:	£'000	£'000	£'000	£'000	£'000
<b>Reduction in Council Tax £</b>	74	153	236	324	417
Revised Surplus (-) /Deficit	981	2,291	2,183	2,195	2,520
<b>Balances Remaining (-) / Overdrawn</b>	<b>(4,477)</b>	<b>(2,186)</b>	<b>(3)</b>	<b>2,192</b>	<b>4,712</b>
£ 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 £0.5m over 3 years (£5.2m over 5 years) further savings of approx. £1million per annum would have to be identified

Also available to the Council to support expenditure otherwise funded from Council Tax are surpluses arising from the Council's share of surpluses (or deficits) within the Council Tax or Business Rates elements of the Collection Fund.

Subject to finalisation of the estimated surplus, it is proposed that all available surpluses be used (and that the relevant sums be made available to the other precepting authorities – the County Council, Fire & Rescue and Office of the Police & Crime Commissioner (OPCC)).

At this stage, no surplus has been included for the business rates element but it is estimated that there will be a surplus of at least £33k p.a. within the Collection Fund for Council Tax – this will be updated following finalisation of the estimated surplus/deficit calculations in January 2019.

Year:	2019/20	2020/21	2021/22	2022/23	2023/24
<b>Council Tax</b>	£'000	£'000	£'000	£'000	£'000
Council Tax Income	(3,849)	(4,044)	(4,238)	(4,428)	(4,616)
Collection Fund Surplus (Council Tax)	(33)	(33)	(33)	(33)	(33)
Collection Fund Surplus (Business Rates)	-	-	-	-	-

The County Council, OPCC and Fire & Rescue Authority are due to finalise their budgets for 2019/20 during February 2019. The impact of the Borough Council tax proposals is shown for each Council Tax Band in **Appendix G**.

## **Balances**

At the Council meeting on 23<sup>rd</sup> February 2016 Members approved a minimum working level of balances of £0.5m. At 31<sup>st</sup> March 2019 General Fund revenue balances are estimated to be £5.46m. The minimum level of balances for planning purposes will remain at around £0.5m.

## **Summary and Conclusions**

These budget proposals reflect the need to compensate for reduced income levels arising from the uncertain economic conditions and significant reductions in Government funding, a desire to continue to address the Council's priorities / issues identified by Members and at the same time to seek continuous improvement in service delivery.

In addition, there remains a degree of uncertainty in a number of areas including future local authority pay settlements, the potential for interest rate changes and the future local government finance settlements. A summary of all the budget proposals is shown in the table below. The summary revenue budget for 2019/20 appears at **Appendix D**.

A summary of the resulting budgets over the five year period appears at **Appendix F**.



Using the funding forecast and assuming increases in Council Tax of 2.99% per annum for 2019/20 onwards, the five year base budget forecast is as follows:

<b>GF Summary</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>
<b>Estimated Net Cost of Services</b>	<b>8,898</b>	<b>8,579</b>	<b>8,700</b>	<b>8,861</b>	<b>9,281</b>
Proposed Policy Changes / Additional Costs Identified	(149)	(21)	(92)	(91)	(42)
Inflationary impact of policy changes	-	-	-	-	-
<b>Net Expenditure</b>	<b>8,749</b>	<b>8,558</b>	<b>8,608</b>	<b>8,770</b>	<b>9,239</b>
<b>Financing:</b>					
RSG	-	-	-	-	-
Collection Fund Surplus (Council Tax)	(33)	(33)	(33)	(33)	(33)
Collection Fund Surplus (Business Rates)	-	-	-	-	-
Tariff Payable	10,054	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)	(3,849)	(4,044)	(4,238)	(4,428)	(4,616)
<b>Gross Financing</b>	<b>(7,842)</b>	<b>(6,420)</b>	<b>(6,661)</b>	<b>(6,899)</b>	<b>(7,136)</b>
<b>Surplus(-) / Deficit</b>	<b>907</b>	<b>2,138</b>	<b>1,947</b>	<b>1,871</b>	<b>2,103</b>
<b>Balances Remaining (-) / Overdrawn</b>	<b>(4,551)</b>	<b>(2,413)</b>	<b>(466)</b>	<b>1,405</b>	<b>3,508</b>
<b>Per Council, 27<sup>th</sup> February 2018</b>	<b>(1,846)</b>	<b>(551)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Band D equivalents</b>	<b>21,761</b>	<b>22,197</b>	<b>22,587</b>	<b>22,915</b>	<b>23,195</b>

Indicating potential General fund balances of approx. £466k over 3 years – a shortfall of £34k (with a shortfall of £1.9m over 4 years & £4m over the 5 year period) - including the minimum approved level of £0.5m.

## HOUSING REVENUE ACCOUNT

### Technical Adjustments

The 2018/19 approved budget has been used as a base to which amendments have been made reflecting the impact of technical adjustments. The impact of the policy led changes, will be added to this figure to produce the HRA budget for 2019/20.

The following table illustrates the current position before the effect of policy led changes:

<b>Technical Adjustments</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>
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)	-	-	-	-
<b>Total / Revised Base Budget</b>	<b>52</b>	<b>240</b>	<b>42</b>	<b>(110)</b>	<b>(272)</b>

Revisions 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, are largely beyond the control of the Council and have been 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, reduction in grant income and the impact of the HRA determinations which are set annually by Central Government; and
- The 'Zero base budgeting' review of income levels.

and are summarised in **Appendix E**.

## Proposals

The policy changes proposed for inclusion in the base budget for the next five years are detailed at **Appendix B** and are highlighted below:

<b>Policy Changes Identified</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>
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		-	-	-
Review of Underspent Budgets and Contingencies	(96.49)	-	-	-	-
<b>Total New Items / Amendments</b>	<b>72.45</b>	<b>-</b>	<b>-</b>	<b>1,226.30</b>	<b>(1,226.30)</b>
<b>Cumulative</b>	<b>72.45</b>	<b>72.45</b>	<b>72.45</b>	<b>1,298.75</b>	<b>72.45</b>

The proposals will mean that balances will remain above the approved minimum level of £0.5m over the five year period.

<b>HRA Summary</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>
<b>Estimated Net (Surplus) / Deficit</b>	52	240	42	(110)	(272)
Proposed Policy Changes / Additional Costs Identified	72	72	72	1,299	72
Inflationary impact of policy changes	-	-	-	-	-
<b>Surplus (-) / Deficit</b>	124	312	114	1,189	(200)
Balances Remaining (-) / Overdrawn	(3,419)	(3,107)	(2,993)	(1,804)	(2,004)

Per Council, 27 <sup>th</sup> February 2018	(2,223)	(1,566)	(1,049)	(698)	-
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Indicating Housing Revenue Account (HRA) balances of £3m over 3 years (with balances of £2m over 5 years) including the minimum recommended balances of £0.5m.

## 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 30<sup>th</sup> 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.

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

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.

However, there are 53 Mondays in financial year 2019/20, the normal day for rent debits to be raised. This is not unusual in itself, but councils are required to manage the 53 Mondays alongside measures introduced in the Welfare Reform Act for annual 1% rent decreases and changes introduced by Universal Credit. There are specific issues to deal with in the next financial year and potentially longer term implications for rent levels.

### **Welfare Reform Act**

The 4 year 1% rent a year decrease introduced by the Welfare Reform Act 2016 means that the 53 Mondays of rent in 2019/20 can be interpreted as taking Councils over the required 1% decrease on rents in the 52 week year in 2018/19.

A number of Councils and their representative groups have raised this with MHCLG, whose initial response was that the rent reduction had to be applied on an annual basis and that landlords would either have to offer up a rent free week or collect 52 weeks' worth of rent over 53 payments. Either way local authorities would lose a week's rent.

Furthermore this would have a long lasting impact of reducing rental income since Government is consulting on proposals to limit rent increases to CPI+1% per year from 2020/21 so the reduced rental income in 2019/20 would be "baked in".

However a number of LAs and partners have investigated this issue and have reached a consensus that the definition within the legislation could be interpreted so that rent payable 'in respect of that relevant year' should be calculated – as it is for accounting purposes at the year end - on a daily basis, though still charged on a weekly basis. This would allow 53 weeks' worth of rent to be charged as normal, and still be in compliance with the Welfare Reform and Work Act requirements to reduce rents by 1%.

It is also easier to explain as weekly rents will just need to be reduced by 1% as normal. There will need to be communication with any tenants making monthly payments (for instance by direct debit) where payments will increase by about 1% next year but that the following year's increase in payments will be lower in percentage terms than the increase at that time.

This consensus has been communicated to MHCLG. Officials have emphasised that it is for individual Councils to satisfy themselves that they are complying with the legal position.

### **Universal Credit**

A further complicating issue is that Universal Credit legislation does not allow for 53 Monday years and therefore UC claimants would find themselves a week in arrears if charged 53 week's rent.

Councils have suggested that this could be amended through a statutory instrument, which references 53 weeks where applicable. However, DWP are not supportive of this approach, perhaps because it might have implications for their IT systems, or for introducing further complexity.

Another proposal is to ask that the Government temporarily resolve this through topping up rents for 2019/20 somehow, while working to find a sustainable long-term solution. There is not yet a detailed view on what the long-term solution might be.

### Next steps

The LGA will continue to make representations to both DWP and MHCLG for a sustainable long-term solution to this issue, to inform rent setting for 2019/20.

### Balances

The forecast level of balances at 31<sup>st</sup> March 2018 is £3.54m. The impact on balances of the adjustments outlined in this report would be as follows:

<b>Balances</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>
Proposed Withdrawal from / Addition to (-) Balances	124	312	114	1,189	(200)
<b>Balances Remaining (-) / Overdrawn</b>	<b>(3,419)</b>	<b>(3,107)</b>	<b>(2,993)</b>	<b>(1,804)</b>	<b>(2,004)</b>

This would mean that closing balances, over the five year period, would be over the approved minimum level of £0.5m. The analysis at **Appendix C** details the overall Housing Revenue Account budget resulting from the recommendations contained within this report.

## 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 31<sup>st</sup> March 2018).

The strategy attached at **Appendix M** 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.

The 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, Corporate 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 27<sup>th</sup> 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 within the Strategy.

## Policy Changes Summary

SERVICE AREA	Sheet No.	Budget Changes 19/20 £'000	Budget Changes 20/21 £'000	Budget Changes 21/22 £'000	Budget Changes 22/23 £'000	Budget Changes 23/24 £'000
PEOPLE	1	82.5	(56.5)	-	-	-
OPERATIONS AND LEISURE	2	30.0	1.0	-	-	-
LEGAL & DEMOCRATIC SERVICES	3	20.0	(20.0)	-	-	-
FINANCE	4	(418.7)	100.1	34.0	11.0	49.0
NEIGHBOURHOODS	5	7.0	(7.0)	-	-	-
PARTNERSHIPS	6	-	-	-	-	-
ASSETS	7	46.0	46.0	-	-	-
GROWTH & REGENERATION	8	84.0	65.0	(105.0)	(10.0)	-
AUDIT & GOVERNANCE / WASTE MANAGEMENT	9	-	-	-	-	-
<b>TOTAL</b>		<b>(149.2)</b>	<b>128.6</b>	<b>(71.0)</b>	<b>1.0</b>	<b>49.0</b>
<b>Cumulative Cost / (Saving)</b>		<b>(149.2)</b>	<b>(20.6)</b>	<b>(91.6)</b>	<b>(90.6)</b>	<b>(41.6)</b>
HOUSING REVENUE ACCOUNT	Sheet No.	Budget Changes 19/20 £'000	Budget Changes 20/21 £'000	Budget Changes 21/22 £'000	Budget Changes 22/23 £'000	Budget Changes 23/24 £'000
HOUSING REVENUE ACCOUNT	10	72.5	-	-	1,226.3	(1,226.3)
<b>TOTAL</b>		<b>72.5</b>	<b>-</b>	<b>-</b>	<b>1,226.3</b>	<b>(1,226.3)</b>
<b>Cumulative Cost / (Saving)</b>		<b>72.5</b>	<b>72.5</b>	<b>72.5</b>	<b>1,298.8</b>	<b>72.5</b>

## Policy Changes Summary Staffing Implications

SERVICE AREA	Sheet No.	Budget Changes 19/20 £'000	Budget Changes 20/21 £'000	Budget Changes 21/22 £'000	Budget Changes 22/23 £'000	Budget Changes 23/24 £'000
PEOPLE	1	5.5	(4.7)	-	-	-
OPERATIONS AND LEISURE	2	-	-	-	-	-
LEGAL & DEMOCRATIC SERVICES	3	-	-	-	-	-
FINANCE	4	1.7	-	(0.7)	-	-
NEIGHBOURHOODS	5	-	-	-	-	-
PARTNERSHIPS	6	-	-	-	-	-
ASSETS	7	-	-	-	-	-
GROWTH & REGENERATION	8	-	-	-	-	-
AUDIT & GOVERNANCE / WASTE MANAGEMENT	9	-	-	-	-	-
<b>TOTAL</b>		<b>7.2</b>	<b>(4.7)</b>	<b>(0.7)</b>	-	-
HOUSING REVENUE ACCOUNT	Sheet No.	Budget Changes 19/20 £'000	Budget Changes 20/21 £'000	Budget Changes 21/22 £'000	Budget Changes 22/23 £'000	Budget Changes 23/24 £'000
HOUSING REVENUE ACCOUNT	10	-	-	-	-	-
<b>TOTAL</b>		-	-	-	-	-

## PEOPLE

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			19/20	20/21	21/22	22/23	23/24
			£'000	£'000	£'000	£'000	£'000
PE1	To extend the current temporary contract of the Training Officer to make the post permanent.	Budgetary funding for the Training Officer ends March 2019. In light of the effectiveness of this post in delivering corporate training and writing system procedures and manuals, it is requested that this post is made permanent.	26.00	-	-	-	-
PE2	To extend the temporary contract for Customer Service Assistants for 12 months to 31st March 2020	Budgetary funding for these posts ends March 2019. It was expected by this point that the Customer Portal would be implemented and DQS would have concluded, however this is not the case and therefore it is requested that these posts remain for a further 12 months. The one-off cost of £91k will be reduced by retaining the salary savings arising this year from the vacant Head of Customer Services post in reserve at year end.	56.50	(56.50)	-	-	-
<b>Total New Items / Amendments</b>			<b>82.50</b>	<b>(56.50)</b>	<b>-</b>	<b>-</b>	<b>-</b>

## STAFFING IMPLICATIONS

Item No	Proposal/(Existing Budget)	Implications	19/20 FTE	20/21 FTE	21/22 FTE	22/23 FTE	23/24 FTE
PE1	Permanent post - Training Officer		0.80				
PE2	Extension of temporary CSA's	173 Temp Gr 2 hours	4.68	(4.68)			
<b>TOTAL</b>			<b>5.48</b>	<b>(4.68)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**OPERATIONS AND LEISURE**

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			19/20 £'000	20/21 £'000	21/22 £'000	22/23 £'000	23/24 £'000
OPS1	Further delays in Assembly Rooms Project resulting in delay to opening	Income reduced until premises open, date uncertain  Externally Funded through S106's	30.00	(30.00)	-	-	-
OPS2	Proposed 75% reduction in the funding from SCC re highway verge mowing		-	126.00	-	-	-
OPS3	Reduction in staffing and equipment to reflect reduced SCC funding		-	(95.00)	-	-	-
OPS4	Amington Community Woodlands ongoing revenue and maintenance costs		TBC	-	-	-	-
<b>Total New Items / Amendments</b>			<b>30.00</b>	<b>1.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>STAFFING IMPLICATIONS</b>							
			19/20 FTE	20/21 FTE	21/22 FTE	22/23 FTE	23/24 FTE
OPS3	Reduction in staffing and equipment to reflect reduced SCC funding		-	TBC	-	-	-
<b>TOTAL</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**LEGAL & DEMOCRATIC SERVICES**

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			19/20 £'000	20/21 £'000	21/22 £'000	22/23 £'000	23/24 £'000
L&D1	Elections Costs	Increase in budget as there are no planned Parliamentary or County elections during 2019 to mitigate the full cost of election process	20.0	(20.0)	-	-	-
<b>Total New Items / Amendments</b>			<b>20.0</b>	<b>(20.0)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**STAFFING IMPLICATIONS**

No	Proposal/(Existing Budget)	Implications	19/20 FTE	20/21 FTE	21/22 FTE	22/23 FTE	23/24 FTE
<b>TOTAL</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

19/20 Budget Process - Policy Changes			Sheet		4			
FINANCE								
Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			19/20 £'000	20/21 £'000	21/22 £'000	22/23 £'000	23/24 £'000	
FIN1	To add the post of Benefits Apprentice to the establishment, on a temporary two year basis, to be part-funded from vacant hours already on the establishment/government grant income from DWP re benefit changes.	There are currently 12 vacant Gr 5 Benefits Advisor hours on the establishment, plus Government grant income being received which can fund the salaries cost of an apprentice. Training costs will be met from the apprentice levy. The proposal is for an apprentice aged 18 - 20; aged under 18 an apprentice under national minimum wage would cost £10.2k (incl on-costs). Saving in vacant Gr 5 Benefits Advisor hours DWP Government grant income	14.34  (9.50) (4.84)	-  - -	(14.34) 9.50 4.84	- - -	- - -	- - -
FIN2	To add the post of Revenues Apprentice to the establishment, to be part-funded via bailiffs contribution	The current bailiffs contractor has offered to part fund a Revenues apprentice. The remaining salaries costs will be funded from court costs income, with training costs met from the apprentice levy. The proposal is for an apprentice aged 18 - 20; aged under 18 an apprentice under national minimum wage would cost £10.2k (incl on-costs). Contribution from bailiff Increased court cost income budget	14.34  (6.50) (7.84)	-  - -	-  - -	- - -	- - -	- - -
FIN3	Review of Underspent Budgets and Contingencies	Savings identified from review of previously underspent budgets	(358.62)	-	-	-	-	-
FIN6	Revised New Homes Bonus	Updated NHB grant notification following confirmation of 0.4% 'deadweight'	(79.10)	79.10	-	-	-	-
FIN7	Revenue Implications of Capital Programme	Cost of unsupported borrowing / lost investment income (2.5%) - should all proposed schemes progress	7.0	8.0	13.0	4.0	19.0	
FIN8		Repayment of debt (4%) - should all proposed schemes progress	12.0	13.0	21.0	7.0	30.0	
<b>Total New Items / Amendments</b>			<b>(418.7)</b>	<b>100.1</b>	<b>34.0</b>	<b>11.0</b>	<b>49.0</b>	
<b>STAFFING IMPLICATIONS</b>								
Item No	Proposal/(Existing Budget)	Implications	19/20 FTE	20/21 FTE	21/22 FTE	22/23 FTE	23/24 FTE	
FIN1	Benefits Apprentice		0.68	-	(0.68)	-	-	
FIN2	Revenues Apprentice		1.00	-	-	-	-	
<b>TOTAL</b>			<b>1.68</b>	<b>-</b>	<b>(0.68)</b>	<b>-</b>	<b>-</b>	

**NEIGHBOURHOODS**

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			19/20 £'000	20/21 £'000	21/22 £'000	22/23 £'000	23/24 £'000
NE11	Civil Contingencies Unit (CCU) support	Tamworth Borough Council is a Tier 1 Responder under the Civil Contingencies Act and as such, must provide a level of preparedness and ability to respond in the event of an incident - in order to facilitate this additional CCU Officer time will be required during 2019/20.	7.0	(7.0)			
<b>Total New Items / Amendments</b>			<b>7.0</b>	<b>(7.0)</b>	-	-	-
<b>STAFFING IMPLICATIONS</b>							
			19/20 FTE	20/21 FTE	21/22 FTE	22/23 FTE	23/24 FTE
	<b>TOTAL</b>		-	-	-	-	-





**ASSETS**

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			19/20 £'000	20/21 £'000	21/22 £'000	22/23 £'000	23/24 £'000
AST1	Marmion House Rents and Service Charges	Removal of planned income from letting accommodation	46.0	46.0	-	-	-
<b>Total New Items / Amendments</b>			<b>46.0</b>	<b>46.0</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>STAFFING IMPLICATIONS</b>							
			19/20 FTE	20/21 FTE	21/22 FTE	22/23 FTE	23/24 FTE
	<b>TOTAL</b>		-	-	-	-	-

**GROWTH & REGENERATION**

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			19/20 £'000	20/21 £'000	21/22 £'000	22/23 £'000	23/24 £'000
<b>G&amp;R1</b>	<p>Review of the Tamworth Local Plan 2006-2031 - Funding request £40,000 2019/20 and £105,000 2020/2021 (in addition to the £40,000 allocated in each of 2018/19 and 2019/20).</p> <p>The Town and Country Planning (Local Planning) Regulations 2012 now require local plans to be reviewed at least every five years. In TBC's case, a full review should be undertaken as it is anticipated that the housing need will change requiring amendments to strategic policies within the local plan.</p> <p>TBC has worked with all of the 14 authorities within the Greater Birmingham and Black Country Housing Market Area to take forward the recommendations of a Strategic Growth Study that will look to deal with a wider unmet housing need from the HMA which includes Tamworth's need.</p>	<p>The timeframe for dealing with the unmet need extends to 2036 and therefore TBC's local plan will be extended to 2036. An infrastructure and delivery study will be commissioned to assess the development opportunities and constraints at these locations and agree a way forward. The existing evidence base comprises updates to documents that were produced as far back as 2010 and were updated as necessary for the adopted plan. These documents are now dated and should be replaced. The costs for production of the new evidence base will be supplemented through existing budgets where possible and producing some of the evidence in-house.</p> <p>The new requirement to review the local plan every 5 years will require a base budget to be set to support this activity going forward.</p>	40.00	65.00	(105.00)	-	-
<b>G&amp;R2</b>	<p>The Government increased nationally set planning fees by 20% on 17th January 2018 on the understanding that the increase was reinvested in Planning Services.</p> <p>The proposal is to create an expenditure budget to enable transparency on spend of the additional income.</p>	<p>The forecast income for 19/20 is £200,000 which includes the 20% increase. This is lower than in previous years due to the likelihood that less large scale applications will be received given that the majority have been made this year</p>	34.00	-	-	-	-
<b>G&amp;R3</b>	<p>An additional £10k per annum for the period of April 2019 to end of March 2022 (3 financial years), to match fund against a European funded project, to enable businesses and individuals to start up.</p> <p>This project supports individuals in Tamworth to start or grow fledgling businesses creating economic benefits for the Borough, through workshops, individual advice and business planning activities.</p> <p>This support encourages and gives confidence to individuals who may not otherwise start a business.</p>	<p>The £10k is a payment that leverages in additional investment. The project pays for; a dedicated mentor / advisor for Tamworth giving start up advice; monthly 2 days workshops on starting a business, including room hire income at the TEC; marketing and relationship building with individuals and interested organisations, such as the job centre; additional workshops at the TEC</p>	10.00	-	-	(10.00)	-
<b>Total New Items / Amendments</b>			<b>84.00</b>	<b>65.00</b>	<b>(105.00)</b>	<b>(10.00)</b>	<b>-</b>

**STAFFING IMPLICATIONS**

Item No	Proposal/(Existing Budget)	Implications	19/20	20/21	21/22	22/23	23/24
			FTE	FTE	FTE	FTE	FTE
<b>TOTAL</b>			-	-	-	-	-

**AUDIT & GOVERNANCE / WASTE MANAGEMENT**

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			19/20 £'000	20/21 £'000	21/22 £'000	22/23 £'000	23/24 £'000
<b>A&amp;G1</b>	Revised Waste Management Costs		TBA				
<b>Total New Items / Amendments</b>			-	-	-	-	-

**STAFFING IMPLICATIONS**

Item No	Proposal/(Existing Budget)	Implications	19/20	20/21	21/22	22/23	23/24
			FTE	FTE	FTE	FTE	FTE
<b>TOTAL</b>			-	-	-	-	-

## HOUSING REVENUE ACCOUNT

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			19/20	20/21	21/22	22/23	23/24
			£'000	£'000	£'000	£'000	£'000
HRA1	Brickwork (spalling)		-	-	-	284.8	(284.8)
HRA2	Wall Finish & Lintels		-	-	-	941.5	(941.5)
HRA3	Painting Programme - external		170.8	-	-	-	-
HRA4	Painting Programme - internal, sheltered and communal area		7.1	-	-	-	-
HRA5	Gas Servicing - domestic		129.5	-	-	-	-
HRA6	Gas Servicing - non domestic		0.3	-	-	-	-
HRA7	Solid Fuel Appliance servicing		0.1	-	-	-	-
HRA8	Asbestos non domestic reinspections (High Rise blocks)		4.6	-	-	-	-
HRA9	Asbestos non domestic reinspections (Low Rise blocks)		0.2	-	-	-	-
HRA10	Asbestos non domestic reinspections (Communal Areas)		9.3	-	-	-	-
HRA11	Asbestos non domestic reinspections (Sheltered)		1.9	-	-	-	-
HRA12	Asbestos non domestic reinspections (Non Housing)	Revised spend in line with the updated HRA Business Plan approved by Cabinet on 27th September 2018	1.0	-	-	-	-
HRA13	Legionella risk assessments and monitoring (High Rise blocks)		2.3	-	-	-	-
HRA14	Legionella risk assessments and monitoring (Low Rise blocks)		0.2	-	-	-	-
HRA15	Legionella risk assessments and monitoring (Communal Areas)		1.3	-	-	-	-
HRA16	Legionella risk assessments and monitoring (Sheltered)		1.5	-	-	-	-
HRA17	Legionella risk assessments and monitoring (Non Housing)		1.0	-	-	-	-
HRA18	Fire Risk Assessments (High Rise blocks)		2.3	-	-	-	-
HRA19	Fire Risk Assessments (Low Rise blocks)		0.2	-	-	-	-
HRA20	Fire Risk Assessments (Communal Areas)		9.3	-	-	-	-
HRA21	Fire Risk Assessments (Sheltered)		1.5	-	-	-	-

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			19/20 £'000	20/21 £'000	21/22 £'000	22/23 £'000	23/24 £'000
HRA22	Fire Risk Assessments (Non Housing)	Revised spend in line with the updated HRA Business Plan approved by Cabinet on 27th September 2018	1.0	-	-	-	-
HRA23	Automatic fire detection and control (sprinkler) inspection and maintenance - bin stores		0.9	-	-	-	-
HRA24	Automatic fire detection and control (sprinkler) inspection and maintenance - new (Flats)		7.0	-	-	-	-
HRA25	Fire Alarm Testing and Servicing (contract includes Warden Call systems)		21.3	-	-	-	-
HRA26	Emergency Lighting testing and servicing		3.5	-	-	-	-
HRA27	Fire extinguisher servicing and inspection		0.6	-	-	-	-
HRA28	Lightening conductor inspection (High Rise and Sheltered blocks)		3.4	-	-	-	-
HRA29	Pressure Vessel / Water Pumps Inspections (other than non domestic boilers)		0.3	-	-	-	-
HRA30	Periodic Electrical Inspection - domestic		306.3	-	-	-	-
HRA31	Periodic Electrical Inspection - non domestic / communal		1.9	-	-	-	-
HRA32	Passenger Lift Servicing		52.0	-	-	-	-
HRA33	Domestic Stairlift Inspection / Servicing		18.0	-	-	-	-
HRA34	Dry Risers		0.4	-	-	-	-
HRA35	High Rise Fans		1.4	-	-	-	-
HRA36	Security Gates		0.5	-	-	-	-
HRA37	Domestic Properties - Response		1,332.0	-	-	-	-
HRA38	for Revenue Fees (R&M) Fees		568.0	-	-	-	-
HRA39	Void Repairs		773.0	-	-	-	-
HRA40	Additional Revenue Contribution to Capital spend		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	1,000.0	-	-	-
HRA41	Remove current repairs budgets		(4,266.9)	-	-	-	-
HRA42	Review of Underspent Budgets and Contingencies	Savings identified from review of previously underspent budgets	(96.49)	-	-	-	-
<b>Total New Items / Amendments</b>			<b>72.450</b>	<b>-</b>	<b>-</b>	<b>1,226.30</b>	<b>(1,226.30)</b>

**STAFFING IMPLICATIONS**

Item No	Proposal/(Existing Budget)	Implications	19/20 FTE	20/21 FTE	21/22 FTE	22/23 FTE	23/24 FTE
<b>TOTAL</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## HOUSING REVENUE ACCOUNT BUDGET SUMMARY 2019/20 – 2023/24

<i>Figures exclude internal recharges which have no bottom line impact.</i>	<b>Base Budget 2018/19</b> £	<b>Budget 2019/20</b> £	<b>Budget 2020/21</b> £	<b>Budget 2021/22</b> £	<b>Budget 2022/23</b> £	<b>Budget 2023/24</b> £
HRA Summary	(356,030)	(3,890,620)	(3,798,380)	(4,075,140)	(3,104,670)	(4,601,380)
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
<b>Grand Total</b>	<b>3,805,820</b>	<b>123,880</b>	<b>312,410</b>	<b>114,190</b>	<b>1,188,560</b>	<b>(199,170)</b>

Figures include proposed Policy Changes

## General Fund Summary Budgets – 2019/20

<i>Figures exclude internal recharges which have no bottom line impact.</i>	<b>Base Budget 2018/19</b> £	<b>Technical Adjustments *</b> £	<b>Policy Changes</b> £	<b>Budget 2019/20</b> £
Chief Executive	1,475,460	61,220	20,000	1,556,680
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)	30,000	2,300,650
ED Finance	89,080	(3,580)	-	85,500
AD Finance	1,114,670	(962,000)	(418,720)	(266,050)
ED Communities	-	0	-	0
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
<b>Total Cost of Services</b>	<b>10,270,210</b>	<b>(1,372,420)</b>	<b>(149,220)</b>	<b>8,748,570</b>
Transfer to / (from) Balances	(3,077,541)	2,171,160	-	(906,381)
Revenue Support Grant	(493,964)	493,964	-	-
Retained Business Rates	(13,094,597)	(919,774)	-	(14,014,371)
Less: Tariff payable	9,935,598	118,887	-	10,054,485
Collection Fund Surplus (Council Tax)	(80,065)	47,065	-	(33,000)
Collection Fund Surplus (Business Rates)	222,336	(222,336)	-	-
<b>Council Tax Requirement</b>	<b>(3,681,977)</b>	<b>(316,546)</b>	149,220	<b>(3,849,303)</b>

\* As detailed in Appendix E1



## General Fund – Technical Adjustments 2019/20

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

## HRA Technical Adjustments – 2018/19

<i>Figures exclude internal recharges which have no bottom line impact</i>	Budget 2018/19	Technical Adjustments						Total Adjustments £	Total Adjusted Base 2019/20
		Virements £	Committee Decisions £	Inflation £	Other £	Pay Adjustments £	Changes in Recharges £		
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	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>3,805,820</b>	-	<b>(3,145,650)</b>	<b>143,550</b>	<b>(761,450)</b>	<b>80,690</b>	<b>(71,530)</b>	<b>(3,754,390)</b>	<b>51,430</b>

## General Fund Five Year Revenue Budget Summary

<i>Figures exclude internal recharges which have no bottom line impact.</i>	<b>Budget 2019/20 £</b>	<b>Budget 2020/21 £</b>	<b>Budget 2021/22 £</b>	<b>Budget 2022/23 £</b>	<b>Budget 2023/24 £</b>
Chief Executive	1,556,680	1,542,660	1,547,300	1,553,120	1,559,890
AD Growth & Regeneration	1,143,620	1,238,860	1,123,910	1,094,310	1,166,580
ED Organisation	410,890	426,840	443,340	461,580	478,800
AD People	1,889,620	1,884,330	1,922,910	1,977,660	2,035,680
AD Operations & Leisure	2,300,650	2,313,070	2,369,000	2,433,990	2,501,980
ED Finance	85,500	87,670	89,870	92,730	95,880
AD Finance	(266,050)	(556,820)	(455,100)	(477,100)	(303,780)
ED Communities	0	0	0	0	0
AD Assets	(735,430)	(719,010)	(701,670)	(681,310)	(659,820)
AD Neighbourhoods	1,227,640	1,202,670	1,112,980	1,142,550	1,173,470
AD Partnerships	1,135,450	1,138,040	1,155,570	1,172,490	1,190,380
<b>Total Cost of Services</b>	<b>8,748,570</b>	<b>8,558,310</b>	<b>8,608,110</b>	<b>8,770,020</b>	<b>9,239,060</b>
Transfer to / (from) Balances	(906,381)	(2,138,416)	(1,947,205)	(1,871,222)	(2,103,334)
Revenue Support Grant	-	(0)	(0)	(0)	(0)
Retained Business Rates	(14,014,371)	(14,279,743)	(14,563,883)	(14,842,850)	(15,139,707)
Less: Tariff payable	10,054,485	11,936,698	12,173,977	12,405,147	12,653,250
Collection Fund Surplus (Council Tax)	(33,000)	(33,000)	(33,000)	(33,000)	(33,000)
Collection Fund Surplus (Business Rates)	-	-	-	-	-
<b>Council Tax Requirement</b>	<b>(3,849,303)</b>	<b>(4,043,849)</b>	<b>(4,237,999)</b>	<b>(4,428,095)</b>	<b>(4,616,269)</b>

Figures include proposed Policy Changes

## Council Tax levels at each band for 2019/20

Authority:	Tamworth Council Tax 2018/19	Tamworth Borough Council	* Staffordshire County Council	* Office of the Police & Crime Commissioner (OPCC) Staffordshire	* Stoke on Trent and Staffordshire Fire and Rescue Authority	<b>Total 2019/20</b>	Total Council Tax 2018/19
	£	£	£	£	£		
Demand/Precept on Collection Fund		3,849,303	27,119,218	4,451,354	1,647,929	<b>37,067,804</b>	
Council Tax Band							
A	114.50	117.93	830.82	136.37	50.49	<b>1,135.61</b>	1,098.90
B	133.58	137.58	969.29	159.10	58.90	<b>1,324.87</b>	1,282.06
C	152.67	157.24	1,107.76	181.83	67.32	<b>1,514.15</b>	1,465.21
<b>D</b>	<b>171.75</b>	<b>176.89</b>	<b>1,246.23</b>	<b>204.56</b>	<b>75.73</b>	<b>1,703.41</b>	1,648.36
E	209.92	216.20	1,523.17	250.02	92.56	<b>2,081.95</b>	2,014.66
F	248.08	255.51	1,800.11	295.48	109.39	<b>2,460.49</b>	2,380.96
G	286.25	294.82	2,077.05	340.93	126.22	<b>2,839.02</b>	2,747.26
H	343.50	353.78	2,492.46	409.12	151.46	<b>3,406.82</b>	3,296.72
% increase	3.00%	2.99%	2.95%	6.23%	2.99%	3.34%	5.53%

\* Assuming increases in Council Tax levels in line with the referendum limits. At the time of printing precept information for the County Council, OPCC and the Fire & Rescue Authority is still awaited.

## Draft General Fund Capital Programme 2019/20 to 2023/24

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

**Appendix I**

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

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

## 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 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 2.99% 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.



## Sensitivity Analysis

	Risk	Potential Budgetary Effect	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
		2019/20 £'000				
<b>Pay Award / National Insurance (GF)</b>						
Impact +/- 0.5% Variance £'000	L	43	86	131	178	225
Budget Impact over 1 year	L	43				
Budget Impact over 3 years	M	260				
Budget Impact over 5 years	H	663				
<b>Pay Award / National Insurance (HRA)</b>						
Impact +/- 0.5% Variance £'000	L	14	28	42	57	72
Budget Impact over 1 years	L	14				
Budget Impact over 3 years	L	84				
Budget Impact over 5 years	M	213				
Subject to negotiation for Local Government pay (including any protection for low paid employees)						
<b>Pension Costs</b>						
Impact +/- 0.5% Variance £'000	L	0	58	117	178	241
Budget Impact over 1 year	L	0				
Budget Impact over 3 years	L	175				
Budget Impact over 5 years	M	594				
3 year agreement in place from 2017/18 - subject to stock market & membership changes						
<b>Council Tax</b>						
Impact on Council Tax income £'000		19	39	61	85	110
Budget Impact over 1 year	L	19				
Budget Impact over 3 years	L	119				
Budget Impact over 5 years	M	314				
<b>Inflation / CPI</b>						
Impact +/- 0.5% Variance £'000	L	52	105	159	215	272
Budget Impact over 1 year	L	52				
Budget Impact over 3 years	M	316				
Budget Impact over 5 years	H	803				
<b>Government Grant</b>						
Impact +/- 1.0% Variance £'000	L	40	63	87	111	136
Budget Impact over 1 year	L	40				
Budget Impact over 3 years	M	190				
Budget Impact over 5 years	M	437				

		<b>Potential Budgetary Effect</b>				
	<b>Risk</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>
<b>Investment Interest</b>						
Impact +/- 0.5% Variance £'000	M	333	625	885	1120	1355
Budget Impact over 1 year	M	333				
Budget Impact over 3 years	H	1843				
Budget Impact over 5 years	H	4318				
<b>Key Income Streams (GF)</b>						
Impact +/- 0.5% Variance £'000	L	9	18	27	37	47
Budget Impact over 1 year	L	9				
Budget Impact over 3 years	L	54				
Budget Impact over 5 years	L	138				
<b>Key Income Streams (HRA)</b>						
Impact +/- 0.5% Variance £'000	L	87	175	264	356	450
Budget Impact over 1 years	L	87				
Budget Impact over 3 years	M	526				
Budget Impact over 5 years	H	1332				
<b>New Homes Bonus</b>						
Impact +/- 10% Variance £'000	L	26	55	95	141	181
Budget Impact over 1 year	L	26				
Budget Impact over 3 years	L	176				
Budget Impact over 5 years	M	498				
<b>Business Rates</b>						
Impact +/- 10% Variance £'000	L	70	141	214	289	364
Budget Impact over 1 year	L	70				
Budget Impact over 3 years	M	425				
Budget Impact over 5 years	H	1078				

**Contingencies 2019/20 - 2023/24**

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

<b>Capital</b>	2019/20	2020/21	2021/22	2022/23	2023/24
Specific Earmarked &	£'000	£'000	£'000	£'000	£'000
General					
<b>General Fund</b>					
<b><i>Specific Contingencies</i></b>					
<i>General Capital Contingency*</i>	35	-	-	-	-
<b>Total GF Capital</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Housing Revenue Account</b>					
<i>HRA - General Capital Contingency*</i>	100	-	-	-	-
<b>Total HRA Capital</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Forecast to be re-profiled from 2018/19 Capital Programme

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**CORPORATE CAPITAL STRATEGY**

**PURPOSE**

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.

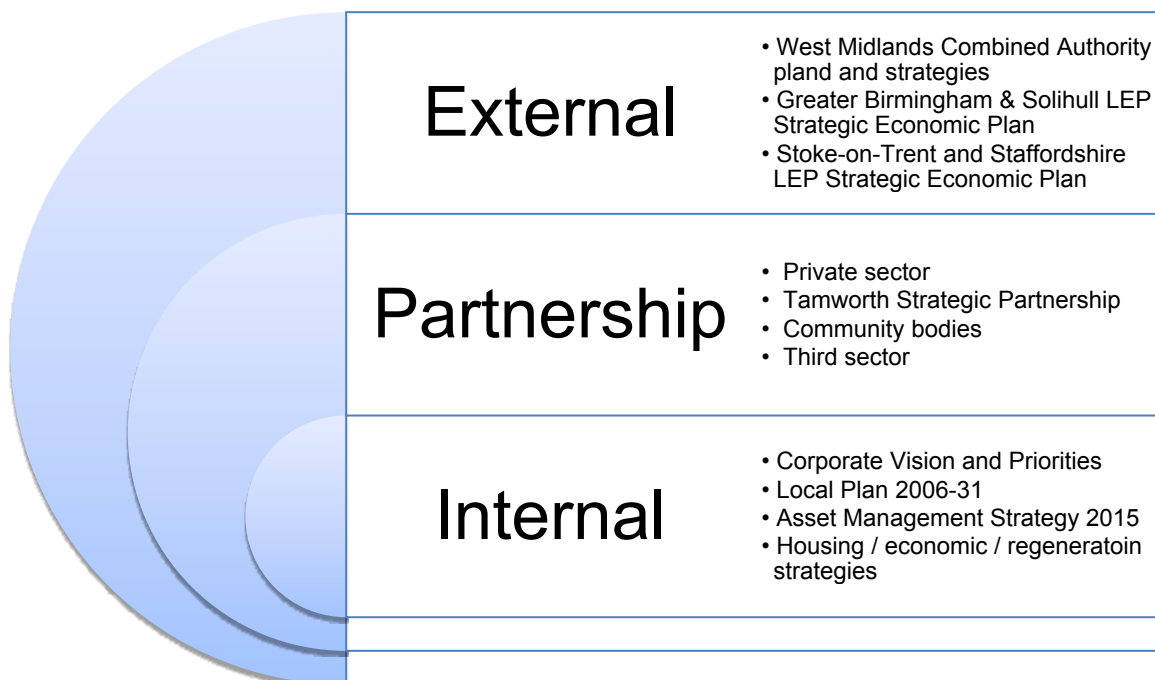
Capital investment is an important ingredient in ensuring the Council’s vision is achieved and given that capital resources are limited it is critical that the Council makes best use of these resources.

The 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 (MTFS).

It sets out the strategic influences on the Council’s capital investment plan and how the Council is going to work with these influences to bring about the best advantage to meet local needs – including working with Partners:

- the Local Enterprise Partnerships (Greater Birmingham and Solihull and Staffordshire and Stoke-on-Trent) of which the council is a Member;
- the West Midlands Combined Authority as a Non-Constituent member;
- Staffordshire Commissioner for Police, Fire and Rescue and Crime;

with the aim to drive economic regeneration, deliver local plan objectives and access inward investment to support the delivery of local capital priorities.



The Council plans to update its approach to Asset Management and long term asset planning to improve the way strategic property objectives can be delivered. This will enable the development of a longer term plan for the management and maintenance of its assets, whilst identifying the funding ambition gap to maximise inward investment opportunities for funding from Partners.

It also links to the Prudential Code for Capital Finance to give a clear and concise view of how much it can afford to borrow and sets its risk appetite. It is intended to give a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.

The Capital Strategy is a 'live' and dynamic document, which will update and evolve as strategic influences and priorities change. The Corporate Capital Strategy will be reviewed annually and an update presented to Council in February each year as part of the MTFS report.

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

The Capital Strategy will:

- Reflect Members' priorities as set out in the Corporate Plan including the approach to the allocation of its capital resources and how this links to its priorities at a corporate and service level;
- 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 through working with regional / County partners;
- 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.

The Strategy is supported by the leadership of the Council and in accordance with the CIPFA Code the Executive Director Finance confirms that the capital strategy as set out for the three year period for the General Fund, and five year period for the Housing Revenue Account, is affordable and sustainable, and presents the associated risk management issues.

It is recognised that the current capital programme needs to have a longer-term focus for the purposes of the capital strategy, ideally looking to a 20-30 year timeframe. As a result, the following action is to be taken:-

**The process for the consideration of capital expenditure within the MTFS process to be reviewed and refined to ensure that there are provisional plans for expenditure out to a 10 year timeframe, with an indication of requirements out to 20-30 years.**

### **The Capital Appraisal Process**

As part of the Council's business planning process, managers and Assistant Directors are required to consider the capital resources needed to deliver their services now and into the future (5 year timeframe). The asset management plan and HRA business plan also inform the capital strategy.

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.

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

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

Corporate Management Team and Service Managers identify the potential need for capital investment, in light of service delivery plans and the Asset Management plan. This will take account of issues including the condition of council owned assets and future maintenance requirements, 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.

It is recognised that further action is required to fully embed the capital appraisal process, including proper consideration of options and risk, into the capital strategy and planning processes at Tamworth, and ensure that this is not just a 'tick-box' exercise. Therefore the following is planned:-

- 1) Consideration of service units' capital requirements to form part of the business planning process and a template drawn up to ensure this is properly considered and captured on Pentana, the performance management system;**
- 2) The capital appraisal process and associated documentation to be reviewed and updated where appropriate to ensure proper consideration given to whole life costs of scheme; alternative options; risk management, etc, and to address the concerns outlined on completion of the CIPFA Property Capital Strategy Self-Assessment Checklist.**



## Approach to Risk Management

The Authority is committed to the culture of Risk Management ensuring that its reputation is not tarnished by an unforeseen event nor is it financially or operationally affected by the occurrence.

### Risk Appetite

The risk appetite is “the amount of risk that an organisation is prepared to accept, tolerate, or be exposed to at any point in time” (CIPFA). The Authority will manage the risks by reducing, preventing, transferring, eliminating or accepting the risk.

Whilst the Authority acknowledges that it will have “severe” (red) risks from time to time, it will endeavour to reduce those to an acceptable level either through controls or ceasing the activity (if applicable). Sometimes risks are identified and even though managed, may still remain “severe” (red risk).

### Risk Management Roles and Responsibilities

The importance of establishing roles and responsibilities within the risk management framework is pivotal to successful delivery. Considering risks must be embedded into corporate policy approval and operational service delivery.

The agreed roles and responsibilities within the risk management framework are outlined in the table below:

Group /Individual	Role
Corporate Management Team	<ul style="list-style-type: none"><li>• Provide leadership for the process to manage risks effectively.</li><li>• Review and revise the Risk Management Policy and Strategy in accordance with the review period.</li><li>• Monitor and review the Corporate Risk Register on a quarterly basis including the identification of trends, upcoming events and potential new corporate risks.</li></ul>
Audit & Governance Committee	<ul style="list-style-type: none"><li>• Monitor the effectiveness of the Authority’s risk management arrangements, including the actions taken to manage risks and to receive regular reports on risk management.</li><li>• To monitor the actions being taken to mitigate the impact of potentially serious risks</li></ul>
Cabinet	<ul style="list-style-type: none"><li>• To provide strategic direction with regard to risk management.</li></ul>
Directors / Assistant Directors	<ul style="list-style-type: none"><li>• To provide leadership for the process of managing risks.</li><li>• To ensure that risk management methodology is applied to all service plans, projects, partnerships and proposals.</li><li>• To identify and manage business /operational risks.</li><li>• To ensure that the management of risk is monitored as part of the performance management process.</li></ul>

Group /Individual	Role
Directors / Assistant Directors	<ul style="list-style-type: none"> <li>• To ensure that all risks are identified, recorded and effectively managed in their area or responsibility.</li> <li>• To review and update their risk register on at least an annual basis but appropriate to the risk.</li> <li>• To determine the method of controlling the risk.</li> <li>• To delegate responsibility if appropriate for the control of the risk.</li> <li>• To notify the Director of new risks identified for consideration for inclusion on the corporate risk register.</li> </ul>
All staff	<ul style="list-style-type: none"> <li>• To ensure that risk is effectively managed in their areas.</li> <li>• To ensure that they notify their managers of new and emerging risks.</li> </ul>
Head of Internal Audit Services	<ul style="list-style-type: none"> <li>• To ensure that the risk management strategy is regularly reviewed and updated.</li> <li>• Promote and support the risk management process throughout the Authority.</li> <li>• Advise and assist managers in the identification of risks.</li> </ul>

The Audit & Governance Committee will regularly review the Risk Management Policy and Strategy to ensure their continued relevance to the Borough. They will also assess performance against the aims and objectives.

Specific capital risks are contained within a register in the Capital Strategy, alongside mitigating actions.

### **Monitoring of Approved Capital Schemes**

The monitoring of progress on individual schemes is reported to Corporate Management Team on a monthly basis and to Cabinet quarterly. Service managers provide project updates as well the current and project spend for the year, together with any need to re-profile spend to future financial years.

An annual Capital Outturn report is prepared for Cabinet in June each year which details the final outturn for the year, the latest project update from the Service Manager and any proposals to re-profile spend to future financial years for Cabinet approval.

A post implementation review is not appropriate or necessary for all capital projects. They should be prepared where learning is identified which could assist future projects or where there is a significant financial or political impact. Directors should encourage the collation of data during the project and identify any lessons learned which will assist in improving the process in the future.

**It is recommended that:**

- a) **Post implementation review is completed for each scheme where learning is identified which could assist future projects or where there is a significant financial or political impact;**

- b) The Asset Strategy Steering Group meet to:**
- i. scrutinise the completed post implementation reports;**
  - ii. review the management and monitoring of the capital programme; on a quarterly basis with appropriate feedback and challenge – identifying improvements to improve the future management of the capital programme.**

The full capital appraisal and monitoring process and guidance for managers can be found on the intranet at this link:-

<http://infozone.tamworth.gov.uk:901/financial-guidance>

## Review of Asset Management Plan

The Council's Asset Management Plan will be reviewed on an ongoing basis. This will identify any assets held by the Council that are no longer either required or fit for purpose and appropriate recommendations made regarding retention for alternative use or disposal.

The Corporate Asset Management Strategy was last updated in 2015 relating to the following assets:

<b>Asset Description</b>	<b>Value (31/03/15)</b>
Investment Properties	£14,588,052
Land and Buildings	£6,537,500
<b>Total</b>	<b>£21,125,552</b>

It details an estimated 10 year maintenance cost for each asset (**totalling c.£8m**) based on the inspections that had been undertaken.

<b>Asset Type</b>	<b>Estimated Backlog Costs (10 years)</b>
Non-Operational - Commercial	£3.288m
Non-Operational - Retail	£1.861m
Operational Properties - Direct	£0.482m
Operational Properties - Indirect	£1.052m
Non-Operational – Community spaces	£0.194m
Non-Operational – Cemetery Land	£0.179m
Operational Properties – Office & Admin.	£1.038m
Other Properties	£0.333m
<b>Total</b>	<b>£8.427m</b>

It has been identified that the Council, through this strategy and through the development of a long term strategic plan, needs to take a longer-term view of the assets required to deliver its Corporate Plan priorities and to support its Medium Term Financial Strategy (MTFS), including spend required (and associated potential funding streams) to address the identified maintenance and repairs backlog for corporate assets. This could include the option to invest in or dispose of current asset holdings or make further acquisitions.

It is recognised that significant further work is required in this area in order to deliver a robust capital strategy, and the following action is to be undertaken:-

**The Asset Management Plan is to be reviewed and updated, with an up to date stock condition survey. This should set out the detailed capital resources/expenditure required to maintain assets, together with the associated timeframe, to inform options appraisal and feed into the capital strategy for ASSG/CMT review of potential schemes.**

## **HRA Business Plan and Stock Condition Survey**

The Local Plan to 2031 has a target of 177 units of new housing, of which only 40 units per year are likely to be delivered by private developers. This represents only 21% of the total required number of new affordable homes – leaving 79% of need unmet.

The HRA Business Plan has the potential to address some of this unmet need. However the extent to which it can make up a shortfall depends on the resources available within the HRA.

### The Council's Housing Stock

As at April 2018, the Council's stock comprised 4,269 homes, 390 leasehold properties and 1,454 garages. Of the 4,269 homes, 2,391 (56%) are houses, 1,278 (30%) flats or maisonettes, 235 (5.5%) are bungalows.

A further 365 properties (8.5%) are sheltered accommodation located in 10 separate schemes and comprising a mixture of flats and bungalows.

1029 properties (24%) are of non-traditional construction. These include:

- 6 high-rise blocks on the Balfour Estate and comprising 358 1 and 2 bedroomed flats.
- 281 Wates; 161 Laing Easiform; 151 Wimpey No Fines; 49 Concrete Block and 29 Airey properties

Tamworth's Council housing stock is spread across the Borough with particular concentrations in the electoral wards of

- Stonydelph
- Glascote
- Amington
- Belgrave

These areas represent regeneration priority areas for the Council.

The construction type, location and mix of properties in Tamworth have implications for the Investment Programme and Business Plan.

### Unfunded Aspirations

We know that resources within the Business Plan are unlikely to allow the Council to achieve all that it wants to do. However, over the course of the next thirty years opportunities may arise and there may be scope to progress these if the Business Plan has capacity at the time.

Three areas in particular will continue to be actively considered as priorities if additional resources become available:

- New affordable housing
- Regeneration of additional estates
- Investment in early help and preventative based strategies

Where savings are achieved when delivering existing Business Plan commitments, these may be used on the priority areas above.

### Investment Programme

A key element of the new Business Plan is the revised investment programme. Although the Council has not had the benefit of a new stock condition survey, it has developed a comprehensive investment programme based on statutory requirements and the expected life of key building components.

The revised investment programme has assessed the types and volumes of work required over thirty years. From this, projections of likely repair and maintenance activity have been used to inform annual maintenance budgets and contracts with maintenance providers.

Our investment programme is subject to annual review so the projected number of properties benefitting from planned work may change. However, over the next five years the Council expects to

- Carry out around 12,800 day to day repairs each year
- Inspect the electrical systems of 572 homes each year
- Renew or provide smoke detectors in 483 properties each year
- Ensure around 283 properties meet the Council's Lettable Standard when they become vacant each year
- Renew the fencing of up to 285 properties each year
- Replace / renew 228 gas central heating systems each year
- Replace / renew 242 kitchens each year
- Replace / renew 142 bathrooms each year
- Fully rewire 140 homes each year
- Renew the fascias, soffits and rainwater guttering and downspouts of 114 properties each year
- Re-roof 85 homes each year

Year one of the Business Plan assumes that stock investment is in line with the capital programme for 2018/19. Thereafter, it reflects 29/30ths of the Investment Programme (v6), pending the results of the authority's updated stock condition survey. The Business Plan assumes that stock investment costs are fixed, and that budgets would not vary with changes in number of dwellings.

### Regeneration Projects

The following regeneration projects have been accommodated within the Business Plan:

- Retention of garage sites (£500k budget in 2018/19)
- Strode House car park and garages (£530k budget in 2018/19)
- Tinkers Green (£5.373m during 2018/19 and 2019/20, after allowing for slippage and known additional costs)

- Kerria (£4.405m during 2018/19 and 2019/20, after allowing for slippage and known additional costs)

### New Build & Acquisitions

The following new build / new supply projects have been accommodated within the Business Plan:

- Redevelopment of garage sites (£7.4m from 2018/19 to 2022/23, after allowing for virement of £2.6m for use at Tinkers Green)
- Other acquisitions (£2.41m from 2018/19 to 2022/23, after allowing for virement of £90k for use at Tinkers Green)
- Additional provision and resources have been allowed in 2018/19 for slippage on schemes at Kettlebrook, Dosthill and Coton Lane. The cost of these schemes in 2018/19 is assumed at £1.894m.

### Financing

Financing of the investment programme has been assumed in line with the 2018/19 budget, plus resources that have subsequently slipped from 2017/18. From 2019/20 onwards the Business Plan assumes that resources identified by the medium term financial strategy continue to be available, and that resources generated from the sale of council houses are used to help pay for the HRA capital programme.

Use of 141 Right to Buy receipts has been assumed in line with the MTFS, and the budgets for schemes that have slipped into 2018/19. The plan currently assumes no use of 141 Right to Buy receipts after 2022/23 and implies that any unused receipts will be returned to the Government. This is in line with the assumptions within the MTFS.

The Business Plan assumes that the authority will borrow any additional sums it needs to finance the HRA investment programme.

### **Capital Programme**

Following a review of the Capital Programme approved by Council on 27<sup>th</sup> 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) Fund the spend 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.*



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**2) Disabled Facilities Grants (DFG)**

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**Project Score: 72**

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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.

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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.

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*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.*

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**3) Replacement of Castle Grounds Play Area**

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**Project Score: 60**

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

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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.

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*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.*

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**4) With regard to the provisional programme:**

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**a) CCTV Camera Renewals**

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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.

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**b) Street Lighting**

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An updated appraisal has not been prepared – following inclusion of a rolling programme with an annual spend required from 2016/17. The Council has its own stock of street lighting across the borough, mainly in housing areas and other communal parts such as play areas and car parks. The street lighting assets are inspected and maintained by Eon on behalf of the Council under the terms of Staffordshire County Council PFI contract with Eon.

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Eon have produced a replacement street lighting programme which spans 40 years and includes the replacement of all the lighting columns based on 'their life expectancy' and a lighting head replacement programme based on providing more efficient low energy lighting heads.

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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.

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

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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.

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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 and EPC rating of 'E' or less.

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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).

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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.

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

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**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).

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**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.

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**6) General Fund Capital Contingency Budget**

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

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## **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 27<sup>th</sup> 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.*

## **DEBT AND BORROWING AND TREASURY MANAGEMENT**

Details of the Council's borrowing need (Capital Financing Requirement – CFR), current and forecast debt, and other prudential indicators as required by the CIPFA Prudential Code for Capital Finance will be set out in the Treasury Management Strategy Statement, Treasury Management Policy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2019/20.

## **COMMERCIAL ACTIVITY**

The Council's Commercial Investment Strategy set out a number of alternative investment options 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).

CIPFA defines commercial investments as those which are taken for mainly financial reasons. These may include investments arising as part of business structures, such as loans in subsidiaries or other outsourcing structures; or investments explicitly taken with the aim of making a financial surplus for the organisation. Commercial investments also include non-financial assets which are held primarily for financial benefit, such as investment properties.

The Code requires that such investments are proportional to the level of resources available, and that the same robust procedures for the consideration of risk and return are applied to investment decisions. All such investments are therefore included within the capital strategy/investment strategy, setting out the risk appetite and including specific policies and arrangements for such investments, and a schedule of existing material investments and risk exposure.

### **Investment in Property Funds**

As part of the Capital Programme, the Council has since 2018/19 begun to invest in Commercial Property Funds to establish a portfolio which is managed to generate a revenue return to the Council to support financial sustainability and to protect the provision of services to residents, along with maintaining and growing the capital value of the investment. A capital scheme of £12m is included within the 2018/19 capital programme to generate a target net additional income of c. £300k per annum, financed from part of the capital receipt from the sale of the former Golf Course.

A Property Fund Manager selection exercise was undertaken following the appointment of Link Asset Services to provide support and advice in the identification and selection of suitable UK-focussed property funds.

At the outset, the Council was looking to engage with funds that had a broad remit of exposures to different property types, rather than being focussed on one particular area, such as shopping centres. Link Asset Services looked to the "Balanced Fund" universe of UK property funds, as outlined in the AREF/IPD UK Quarterly Property Fund Index, for the starting point for selection. This universe is the industry accepted standard for balanced property funds and included 27 funds as at the close of September 2017.

From this initial list, a number of funds were removed in instances where the Council would not be able to invest, for example those that are solely for pension funds and others where investor types are limited, excluding Local Authorities. The Council also looked to exclude funds below a minimum size threshold of £750m. This left 10 funds from which to further shortlist, and each was sent a copy of a questionnaire to complete, which had been drawn up in conjunction with Link Asset Services and focussed on a number of key areas. Following consideration of the completed questionnaires, a shortlist of 6 funds was drawn up, and the Fund Managers were invited to attend the Council's offices and give a presentation on their fund and answer questions from the selection panel, which consisted of Council officers and Link Asset Services. Further details of the selection process were included in Link Asset Services' report presented to Members on 21<sup>st</sup> February 2018.

The result of the process was to look to consider splitting investment across the following six funds:-

BlackRock UK Property Fund  
Hermes Property Unit Trust  
Lothbury Property Trust  
Schroder UK Real Estate Fund  
The Local Authorities Property Fund (CCLA)  
Threadneedle Property Unit Trust

This will provide the Council with a range of approaches to property fund investment, diversification across a number of funds, rather than a concentration in only one or two options, as well as the ability to take advantage of entering a number of funds via the secondary market, whereby the Council would be purchasing units from investors looking to exit the particular fund, and may potentially gain access to a fund at a lower level of cost than via the primary route.

The Council is able to invest in property funds under legislation contained within the Local Government Act 2003.

Members endorsed the above approach and approved investment in the above property funds, making use of both primary and secondary markets as appropriate, at full Council on 27<sup>th</sup> February 2018.

Investments in property funds as at September 2018 are as follows:-

Schroders UK Real Estate Fund - £1.85m, with an estimated return/yield of 3.2%

Threadneedle Property Unit Trust - £2.0m, with an estimated return/yield of 4.7%

Total investments - £3.85m, with an estimated return of 4.0% plus any capital growth.

Fund	Settlement Date	Standard Entry Cost	Actual Entry Cost/Saving	Net consideration	Fees	Total Cost	Estimated Return p.a.
		£	%	£	£	£	%
Schroders UK Real Estate Fund	08-May-18	1,880,516	-1.60%	1,782,933	12,951	1,795,884	
Schroders UK Real Estate Fund	08-May-18	69,612	-1.60%	66,000	479	66,479	
		1,950,128	-1.60%	1,848,933	13,431	1,862,364	3.20%
Threadneedle Property Unit Trust	31-Jul-18	2,052,709	3.50%	2,000,249	7,046	2,007,295	4.68%
<b>Totals</b>				<b>3,849,182</b>	<b>20,477</b>	<b>3,869,659</b>	<b>4.00%</b>

Performance information is received from each fund on a monthly/quarterly basis and a monitoring spreadsheet has been established to track income received and growth in the funds. Income generated is reported to CMT monthly and to Members quarterly as part of regular financial healthcheck reports, as well as in the regular Treasury Management reports presented to Cabinet and Council (three each year). Performance management/monitoring is also undertaken with reference to the financial press and Link Asset Services advice.

Due to recent uncertainty around arrangements for Brexit and the associated potential impact on the economy, it has been decided to delay any further investment in property funds until there is more clarity. The remaining £8m will be re-profiled into 2019/20, as reported to Members in the Quarter 3 Performance and Financial Healthcheck report to Cabinet, and in the 2018/19 Mid-Year Treasury Review Report to Council in December 2018.

The MTFs includes assumed income of £480k p.a. from 2020/21 arising from the investment of £12m in property funds – with a projected revenue return of 4% p.a.

The annual revenue return is dependent on the property fund achieving rental income returns on the commercial property portfolio which has been relatively stable in the past due to the quality of the commercial property owned by the fund. With regard to the growth (or contraction) in the overall asset value – over the longer term, growth has been consistent but can be subject to market correction (and losses) in the short term. However, it has been recognised that the funds will be a long term investment for 10-15 years and would not be redeemed to realise a loss. A budget / reserve of £600k will also be available to mitigate any losses.

While this does go some way towards achieving a balanced budget and MTFs, the Council currently has reserves and balances totalling c.£50m and other plans to achieve savings in the future.

## **Regeneration of Town Centre and Purchase of Gungate site**

Council on 11<sup>th</sup> April 2018 approved the purchase of the Gungate site within Tamworth town centre, incorporating the site of the former Gungate shopping precinct; a private pay and display car park currently leased to NCP for a term of 26 years; and a Council run pay and display car park leased to the Council on a peppercorn lease until 2062. This was funded from a £4million capital budget financed from capital receipts from the sale of the Golf Course. Following the purchase of this site, the Council is now in receipt of an additional income stream in respect of the area leased to NCP.

The Council is entitled to purchase land to hold as an investment and regeneration opportunity under the Local Government Act 1972; and the Local Government Act 2003 gives the Council the power to invest for any purpose relevant to its functions under any enactment, or for the purposes of the prudent management of its financial affairs.

As part of this report, Members also approved the development of a regeneration opportunity including further site acquisition should this be beneficial; including formal negotiations with Staffordshire County Council and Staffordshire Police to look at the inclusion of land bordering the site; and to commence masterplanning works to bring the site to a commercially viable development opportunity.

The report to Council recognised that any return from future redevelopment is not guaranteed, and that it could take several years to get a major regeneration project up and running. Initial plans are for a mixed housing/leisure development. The Council is currently working with Aspinall Verdi and Altair to develop options for the site, and resources have been secured from the Local Government Association (LGA) to pay for 40 days' consultancy; and an £80k grant has been received from the Greater Birmingham and Solihull Local Enterprise Partnership. It is expected that this will take approximately 8 - 10 months to complete.

## **Solway (Tamworth) Ltd**

In line with plans set out in the Commercial Investment Strategy, Council on 17<sup>th</sup> July 2018 approved the establishment of Solway (Tamworth) Ltd, a trading company to be wholly owned by the Council, with the Chief Executive, Leader of the Council and Executive Director Finance as Directors of the Company. The disposal of land owned by the Council at Solway Close to be purchased by the Company for the development of private housing for rent was also approved, with a budget of £4million being established from capital receipts from the sale of the Golf Course to provide a loan for the company to purchase the land.

Extensive legal advice was received from Trowers and Hamlins on potential options and governance models, and tax advice and a financial viability model was obtained from KPMG to inform decision making. A full risk assessment as part of the business case was developed and reported to Members.

It has been projected that the Council will earn a return to the General Fund from the Company from the following sources:-

- Debt interest charged to the Company on the planned loan from the Council - market interest rate will be applied to comply with state aid legislation;
- A return on equity invested (through dividends) which reflects profits back to the Council from the Company offering the properties for rent at market value; and
- The repayment of the loan over approx. 30 years.

Including projected land acquisition costs (generating a capital receipt for the Council) the projected start-up and construction cost for 20 dwellings is £3.6m which will be financed via a loan from the Council to the company of £1.7m (48%) and an equity investment as sole shareholder of £1.9m (52%).

The table below details the target returns to the Council's General Fund over the next three years. Beyond this, the Council will receive a steady inflation-linked income, plus debt repayment and asset growth. The financial viability model prepared by KPMG shows over a 30 year timeframe annual returns to the General Fund ranging from £160k to £231k.

<b>General Fund Returns</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
	£	£	£
Interest on loan (c 4.5%)	66,887	77,342	75,457
Dividends (c 4.5%)	0	41,358	34,078
Sub-Total (Revenue)	66,887	118,700	109,535
Debt repayment (capital receipt)	0	41,104	42,046
<b>TOTAL</b>	<b>66,887</b>	<b>159,804</b>	<b>151,581</b>
Return	3.90%	4.50%	4.30%



## Commercial and Industrial Property

The following table details the Council's current holding of commercial and industrial property.

INVESTMENT	VALUATION @ 31/03/18 £	INCOME 2017/18 £	RETURN %
Amington Industrial Estate	6,495,150	265,540	4.09%
Lichfield Industrial Estate	2,949,000	153,513	5.21%
Local Centre Shops	1,921,500	218,876	11.39%
Misc Corporate Property	6,169,100	1,187,965	19.26%
Sandy Way Industrial Units	2,426,800	253,370	10.44%
Tamworth Business Centre	855,750	97,000	11.34%
Town Centre Shops	1,568,202	135,364	8.63%
Total	22,385,502	2,311,628	10.33%

The corporate asset management strategy report prepared by Ridge in October 2015 indicated estimated costs of maintenance over 10 years of £3.288m for non-operational commercial property and £1.861m for non-operational retail property.

The above assets currently deliver a return for the Council and assist in balancing the MTFs. The capital programme includes £75k p.a. to ensure Industrial properties are compliant with the Energy Act and have Energy Performance Certificates 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. Many of our units fall into this category and will require a degree of improvement once they become vacant in order to relet-

The Council also has a Building Repairs Fund of c.£400k p.a. which should be included in the planned approach to asset management.

A disposals policy is in place at the Council, however there is currently no plan or strategy to manage those assets which may be surplus to requirements/do not generate a return.

It is recognised that the following action needs to be taken:-

- 1) Corporate asset viability model to be developed, identifying whole life costs and value for money of each group of assets, with reference to demand, costs and income generated**

- 2) The Asset Strategy Steering Group to consider the results of this modelling and identify poorly performing and well performing assets, and as a result develop a plan for future maintenance and investment, and options appraisal/disposals plans as appropriate**
- 3) Risk register around corporate asset management to be developed**
- 4) Process for monitoring performance of commercial property to be established, and reporting on a routine and exception basis to be implemented**
- 5) A planned approach to be established for the use of the Building Repairs Fund for both planned maintenance & responsive repairs & Building Condition Standards.**

## **KNOWLEDGE AND SKILLS**

Treasury Management staff are either AAT or CCAB qualified and the three CCAB qualified staff must complete the annual CPD requirements of their professional accountancy bodies. Link Asset Services are currently contracted to provide treasury management advice and guidance, and have also been engaged to provide other one-off pieces of work, eg. property funds review in early 2018 and guidance/review of the draft Capital Strategy in December 2018.

Training for Members with regard to treasury management is undertaken on a regular basis, most recently in February 2018, where there was also a presentation to Members from Link Asset Services with regard to our investments in property funds.

## CABINET

24 JANUARY 2019

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

#### TEMPORARY RESERVES, RETAINED FUNDS AND PROVISIONS

#### EXEMPT INFORMATION

None

#### PURPOSE

To advise Members on the levels of reserves and to seek approval to re-purpose unspent reserves, following the recent review by the Executive Director Finance.

#### RECOMMENDATIONS

##### Cabinet is asked to

- 1) Approve the transfer of the reserves, as detailed in Appendix A, of £231,977 to create a General Fund Transformation Reserve and £62,104 to create a Housing Revenue Account (HRA) Transformation Reserve;**
- 2) Note the reserves to be spent in 2018/19 and 2019/20 which will otherwise be returned to balances; and**
- 3) Note the current levels of reserves remaining.**

#### EXECUTIVE SUMMARY

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

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

The review has now identified unspent reserves in the sum of £231,977 for General Fund and £62,104 for Housing Revenue Account.

It is recommended that these unspent reserves be re-purposed to create a Transformation Reserve to support organisational change, where required.

#### **OPTIONS CONSIDERED**

None

#### **RESOURCE IMPLICATIONS**

A summary of the current levels of reserves is provided at **Appendix A** which identifies that **£294,081** can be re-purposed. Of this **£231,977** relates to General Fund and **£62,104** to Housing Revenue Account.

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

None

#### **EQUALITIES IMPLICATIONS**

None

#### **SUSTAINABILITY IMPLICATIONS**

None

#### **BACKGROUND INFORMATION**

None

#### **REPORT AUTHOR**

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

#### **APPENDICES**

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

Description	OPENING BALANCE	MOVEMENT IN YEAR	CURRENT BALANCE	ADDITIONAL CONTRIBUTION AT 31 MARCH 2019	AMOUNT TO BE REPURPOSED	PROVISIONAL BALANCE AT 31 MARCH 2019	DATE FUND TO BE SPENT	BUDGET MANAGER	RELEASED AUTHORISED BY	REASON FOR RETENTION	REVIEWED BY THE EXECUTIVE DIRECTOR FINANCE
<b>Future Capital Expenditure</b>											
Housing Capital Reserve	(10,860,725)	-	(10,860,725)	-	-	(10,860,725)			-	To finance capital works on council housing, the balance being included in future capital resource projections.	OK
Capital Fund	(794,492)	-	(794,492)	-	-	(794,492)			-	To finance general capital works, the balance being included in future capital resource projections	OK
Private Sector Renewal/Dfg'S	(229,845)	-	(229,845)	-	-	(229,845)			-	Balance of Grant funding received to finance DFG commitments	OK
	<b>(11,885,062)</b>	-	<b>(11,885,062)</b>	-	-	<b>(11,885,062)</b>					
<b>Temporary Reserves</b>											
Hra Business Plan Advice	(8,750)	-	(8,750)	-	-	(8,750)	31/03/19	T Mustafa	Rob Barnes	To be spent by March 2019 as final completion of HRA Business Plan by Ennerdale Consulting	OK but any unspent will be returned to balances at 31/3/19
Hsg Repairs Contract Add Costs	(250,000)	(250,000)	-	-	-	-				-	
Hsg Repairs Options Review	(150,000)	(25,000)	(125,000)	-	-	(125,000)	31/03/20	P Weston	-	As per the Cabinet report 22/2/18 a temp reserve created at 31/03/18 of £150k to meet the anticipated project costs for the future modelling of repairs delivery options	OK
Hsg Highrise Repairs Ptp	(177,270)	(177,270)	-	-	-	-		P Weston	-	This budget has been allocated to the delivery of a larger Revenue/Capital funded scheme within the 6 high rise blocks that will be carried out over two years. The PTP budget for 18/19 will also be used to fund this project. The project has suffered a number of delays but is now on site. Delays have been caused by leasehold consultation, planning consultation, parallel procurement of the sprinkler install projects and weather. Additional facilitation works have also been identified which will result in the full budget being required. Some of the original budget allocation was used to fund emergency lift renewal works in Peel House.	OK but any unspent will be returned to balances at 31/3/19
Gov'T Grant Nndr Reliefs	(6,000)	(6,000)	-	-	-	-	31/03/19	M Buckland	S Garner	Government grant was provided during 2017/18 to cover the admin costs associated with awarding various NNDR reliefs - balance to fund further activity in 2018/19.	OK but any unspent will be returned to balances at 31/3/19
Flexi Homeless Support Grant	(28,620)	-	(28,620)	-	-	(28,620)	31/03/20	T Mustafa	Rob Barnes	Projects and spending plan under review not likely to be realised before March 2019 so reserve to be carried forward for a further year	OK
Homeless Reduction Act	(17,230)	-	(17,230)	-	-	(17,230)	31/03/20	T Mustafa	Rob Barnes	Projects and spending plan under review not likely to be realised before March 2019 so reserve to be carried forward for a further year	OK
Community Dev Service Review	(37,780)	(37,780)	-	-	-	-					
Bridge Survey&Associated Works	(27,200)	-	(27,200)	-	-	(27,200)	31/03/19	S McGrandle	-	Works identified as part of the Bridge Survey, done in 2017/18, that need to be completed in 2018/19.	OK but any unspent will be returned to balances at 31/3/19
3G Tec Feasibility	(6,160)	(6,160)	-	-	-	-					
Lakes Tree Works	(11,000)	(11,000)	-	-	-	-					
Street Sport Proceeds Of Crime	(9,630)	(9,630)	-	-	-	-				-	
Replacement Lighting Works	(6,000)	-	(6,000)	-	-	(6,000)		S McGrandle	-	Replacement of lighting columns across the borough that were unable to be delivered by contractor during 2017/18	OK but any unspent will be returned to balances at 31/3/19
	<b>(735,640)</b>	<b>(522,840)</b>	<b>(212,800)</b>	-	-	<b>(212,800)</b>					
<b>Retained Funds</b>											
Hsg Property Insurance Excess	(212,104)	-	(212,104)	-	62,104	(150,000)	N/A	R Bennett	S Garner	The level of excess held on the property policy has been increased to £10k and has provided significant savings in premium costs but the cover for future payments will need to be financed from internal funds.	Balance to be capped at £150k
Housing Condition Survey	(95,100)	(28,500)	(66,600)	-	-	(66,600)		P Weston	-	Stock condition survey work underway but funded from in year budgets	OK but any unspent will be returned to balances at 31/3/19

Description	OPENING BALANCE	MOVEMENT IN YEAR	CURRENT BALANCE	ADDITIONAL CONTRIBUTION AT 31 MARCH 2019	AMOUNT TO BE REPURPOSED	PROVISIONAL BALANCE AT 31 MARCH 2019	DATE FUND TO BE SPENT	BUDGET MANAGER	RELEASED AUTHORISED BY	REASON FOR RETENTION	REVIEWED BY THE EXECUTIVE DIRECTOR FINANCE
Imps Orchard-Funding Home & Tt	(59,040)	-	(59,040)	-	-	(59,040)		T Mustafa	Rob Barnes	Project review underway given orchard development ambitions Leanne Lea to review with Jane Wells	OK but any unspent will be returned to balances at 31/3/19
Maintenance & Security Upgrade	(60,285)	-	(60,285)	-	-	(60,285)		T Mustafa	Rob Barnes	To be carried forward as this compliments investment required for the community alarm procurement underway	OK
Castle Accession Fund	-	10,000	(10,000)	-	-	(10,000)		L Troman	-	To enable acquisition of specimens for the museum. Reserve was capped at £10k with excess returned to Balances at review November 2017. This has been earmarked for HLF match funding.	Capped at £10,000 - Contingency
Insurance-Third Party Excess	(340,209)	(7,857)	(332,352)	-	182,352	(150,000)		R Bennett	S Garner	Maintained through insurance budgets in order to finance claims below the excess level on current policies. Enquiries are ongoing into using this reserve to 'self fund' some insurance risks which could result in savings on insurance premiums.	Balance to be capped at £150k
4 Future Memorial Insp/Maint	(75,000)	-	(75,000)	-	25,000	(50,000)		S McGrandle	-	Funding for ongoing inspection, testing & maintenance of memorials, now to be capped at £50,000	Capped at £50,000 - Contingency
5 Castle Structure Repairs	(56,631)	(8,500)	(48,131)	-	-	(48,131)		L Troman	-	This budget is required for ongoing maintenance required at the Castle. Given pressures on BRF suggest this is prudent to retain in current format - noted the 15 year condition survey is due which may highlight further backlog issues which need to be dealt with. Also will be used as match funding for HLF bid.	To review spend 18/19 & plans for 19/20
Car Parks Maintenance	(25,000)	-	(25,000)	-	-	(25,000)		S McGrandle	-	Funds retained to ensure ongoing maintenance programme for outside car parks can be funded appropriately year on year.	OK - Contingency
Tree Maintenance Borough Wide	(12,755)	-	(12,755)	-	-	(12,755)		S McGrandle	-	To provide funding for further felling, removal and replanting of trees across the borough as necess	OK - Contingency
Town Centre Strategy	-	113,386	(113,386)	-	-	(113,386)		M Fletcher	-	Consolidated reserve to support The Town Centre Strategy as reported to Cabinet on 8th November 2018.	OK
External Support	(11,615)	-	(11,615)	-	-	(11,615)		A Struthers	-	To ensure that funds are available to cover staff sickness/maternity leave or for additional external support eg for a special investigation or specialist audits, particularly during shared service arrangements with Lichfield DC.	OK - Contingency
Lpsa Locality Working Reserve	(124,710)	(2,000)	(122,710)	-	-	(122,710)		K Clancy	-	A Connecting Communities Grants fund is being developed with 4 priorities:- Homelessness, Emotional Health & Wellbeing, Social Isolation & Loneliness and Supporting Vulnerable People. A maximum amount of £40k will be awarded each year for 2019/20, 2020/21 and 2021/22 £1k is required to make a final payment to St Martins church in 2019/20 in respect of rent.	R Barnes - to be spent by 31/3/22
Staffordshire Hoard	(6,370)	(6,370)	-	-	-	-					
Homelessness Prevention	(161,685)	(100,000)	(61,685)	-	-	(61,685)		T Mustafa	Rob Barnes	To be spent by 2020 as part of the wider spending plan	OK
Lpsa2 Grant Asb	(44,487)	(980)	(43,507)	-	-	(43,507)		J Sands	-	To be reviewed as part of partnership plan. Grant funding	OK
Dwp Uc/New Burdens Grant	(49,932)	(26,796)	(23,136)	-	-	(23,136)		K Taylor	-	Retained fund established from DWP New Burdens & Welfare Reforms grants, to fund additional hours/temp staff cover and additional costs associated with welfare reform/UC, for example IEG 4 software maintenance	OK
Inward Investment	(30,769)	(30,760)	(9)	-	-	(9)		M Fletcher	-	Required, along with other retained funds, to support The Town Centre Strategy as reported to Cabinet on 8th November.	OK
Gf Property Insurance Excess	(30,578)	-	(30,578)	-	-	(30,578)		R Bennett	-	Funding has continued to be held back as a contribution to Inward Investment activity across the LEP area. It is now a project under the Commercial Strategy and funding will be required to produce the strategy and undertake associated activity.	Balance to be reviewed at 31/3/19
Gf Motor Insurance Excess	(21,191)	-	(21,191)	-	-	(21,191)		R Bennett	-	To cover the ongoing commitment to settle the excess level of General fund Motor insurance claims.	Balance to be reviewed at 31/3/19
Town Hall Improvements	(11,000)	(11,000)	-	-	-	-					
Town Centre Markets	(57,626)	(57,626)	-	-	-	-		S McGrandle	-	Required, along with other retained funds, to support The Town Centre Strategy as reported to Cabinet.	OK

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Legal Fees	(12,400)	-	(12,400)	-	-	(12,400)		J Sands	-	Retention of the fund will allow for a central partnership budget for the prosecution of existing and emerging prosecutions and/or legal actions under the ASB, Crime and Policing Act 2014. This will allow greater flexibility and capacity when determining how and ASB perpetrator should be dealt with. The current revenue budget available is £2500 per year. If not retained then it would be necessary to seek increase to the revenue line in year.	OK - Contingency
Individual Voter Registration	(50,000)	(30,000)	(20,000)	-	-	(20,000)		A Struthers	-	Retained fund established from New Burdens grant to meet the requirements of IVR and additional staffing, printing, postage and equipment/systems costs. It is also required to bolster funds available for additional unbudgeted elections.	OK - review at 31/3/19
Maint. Of A5 Balancing Ponds	(405,262)	-	(405,262)	-	-	(405,262)		S McGrandle	-	When the A5 bypass was constructed, a network of 8 balancing ponds and reedbeds were also constructed alongside it to take excess water from the surface of the road and prevent this water being discharged as either groundwater or surface water, and also to reduce the effects of certain pollutants from the carriageway. Over time these balancing ponds which flow from Kettlebrook through to Tamworth centre become 'silted' up and have to be cleansed. A recent survey of the ponds has highlighted the fact that the original commuted sum set aside to maintain these ponds is insufficient and further funding is required in order to support the proposed 10 year maintenance plan. Therefore it is proposed that the surplus revenue from the Highway Maintenance budget be retained to assist in the delivery of this cleansing and maintenance programme.	OK
Business Rates Collection	(560,380)	-	(560,380)	-	-	(560,380)		M Buckland	-	This retained fund was established from revenue contributions for new burdens (Small Business Rate Relief) grant received by the Council. It is required to mitigate the impact on the budget from fluctuations in business rates receivable (due to the increased risk/reliance on business rates received and the direct impact on the Council's budgets).	Contingency Balance to be reviewed at 31/3/19
Regeneration Budget	(9,720)	-	(9,720)	-	-	(9,720)		M Bowers	-	May possibly need to use for Town Centre/Gungate	OK - Contingency
Vr Savings - Temp Staff	(15,473)	(7,900)	(7,573)	-	-	(7,573)		M Bowers	-	To be used as a contingency to support vacancies as they arise. Temporary staff can be considerably more expensive and recruitment can sometimes be difficult and take considerable time.	OK - Contingency
Sports Grant	(2,400)	-	(2,400)	-	-	(2,400)		S McGrandle	-	Required for Tamworth BMX club to draw against for track maintenance.	OK
Economic Development Shared Se	(24,893)	-	(24,893)	-	-	(24,893)		M Fletcher	-	A tender exercise is currently underway in respect of commercial property. Should there be any underspend potentially 50% would need to be returned to LDC.	OK but any unspent will be returned to balances at 31/3/19
Housing Strategy Statement	(24,625)	-	(24,625)	-	24,625	-		J Sands	-	Further work still planned around Housing Needs in conjunction with planning colleagues and linked to the Local Plan.	Can be returned to balances
Police&Crime Commissioners Grt	(36,720)	(22,122)	(14,598)	-	-	(14,598)		J Sands	-	£10K contribution to PBA Earned Autonomy plan	OK
Conservation Grants	(37,707)	(25,000)	(12,707)	-	-	(12,707)		M Bowers	-	£25k of this fund is required to support the Town Centre Strategy over a period of 5 years, as reported to Cabinet on 8th November. It is requested the remainder be retained to provide Conservation Grants as £6k of the annual revenue budget for Conservation Grants has been earmarked for virement to an annual revenue budget for Town Centre Strategy.	OK
Local Plan	(31,210)	(19,286)	(11,924)	-	-	(11,924)		S Birdi	-	"The delivery and monitoring of the Local Plan is an ongoing commitment. The budget has supported activity relating to the examination of the Community Infrastructure Levy. CIL will be adopted and delivered in 2018/19. The service will look to start a required review of the Local Plan in preparation for 2020/2021 and some of the evidence base will be updated and the creation of this retained fund will support this activity.	OK
Expand Blding Cont Partnship	(10,000)	(3,000)	(7,000)	-	-	(7,000)		M Bowers	-	This is the return of the Building Control Surplus. It will be needed to support service delivery changes and the expansion of the Building Control Partnership.	OK

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Planning Invest From Fee Inc	(13,000)	(13,000)	-	-	-	-	31/03/2021	M Bowers	-	A business case to appoint a Planning Trainee was approved with budget being provided by government grant. The service has since reviewed the position and has prioritised a new temporary employee for 2 years to provide professional support to two teams. This will cost in the region of an additional £6k per annum and therefore this retained fund will be needed to cover this.	OK
	<b>(2,719,877)</b>	<b>(277,311)</b>	<b>(2,442,566)</b>	-	<b>294,081</b>	<b>(2,148,485)</b>					
<b>Section 106 Capital Fund</b>											
Capital Fund	(107,739)	90,027	(197,766)	-	-	(197,766)			-	To finance general capital works, the balance being included in future capital resource projections	OK
	<b>(107,739)</b>	<b>90,027</b>	<b>(197,766)</b>	-	-	<b>(197,766)</b>					
<b>Commuted Sums Reserve</b>											
Castle Accession Fund	(10,000)	(10,000)	-	-	-	-					
Open Space Maintenance	(475,453)	(475,453)	-	(454,320)	-	(454,320)				Section 106 - Open Space Maintenance	
Open Space Enhancement	(1,521)	(1,521)	-	(279,925)	-	(279,925)				Section 106 - Open Space Enhancement including Amington Community Woodland contribution of £250k	
Town Centre Car Parks Com. Sum	(2,761)	(2,761)	-	-	-	-					
Leisure Centre Contribution				(32,905)	-	(32,905)				Persimon Land off Cotton Lane	
Storm Water Drainage Maint.	(420,600)	(420,600)	-	(420,600)	-	(420,600)				Section 106 - Drainage maintenance including A5 balancing ponds of c.£400k	
Open Space Purchase	(221,710)	(221,710)	-	(116,816)	-	(116,816)				Section 106 - Open Space Purchase	
Recreation/ Leisure Facilities				(809,448)	-	(809,448)				Includes £549k Redrow, £104k Bellway (Anker) £145k Browns Lane	
Agreement Monitoring	(85,717)	(85,717)	-	(30,320)	-	(30,320)				Section 106 - Agreement monitoring	
	<b>(1,217,762)</b>	<b>(1,217,762)</b>	-	<b>(2,144,333)</b>	-	<b>(2,144,333)</b>					
<b>Other Reserves</b>											
Housing Transformation Reserve	(222,000)	-	(222,000)	-	-	(222,000)			-	To be released to HRA to fund SMR costs	To be released to HRA to fund SMR costs
Control Account	(511,530)	-	(511,530)	-	-	(511,530)			-	Building Repairs Fund - required to support Assembly Rooms project	OK
Transformation Reserve	(583,428)	-	(583,428)	-	-	(583,428)			-	To be released to HRA to fund SMR costs	To be released to HRA to fund SMR costs
	<b>(1,316,958)</b>	-	<b>(1,316,958)</b>	-	-	<b>(1,316,958)</b>					
Total Reserves	<b>(17,983,037)</b>	<b>(1,927,886)</b>	<b>(16,055,151)</b>	<b>(2,144,333)</b>	<b>294,081</b>	<b>(17,905,403)</b>					



THURSDAY, 24 JANUARY 2019

**REPORT OF THE PORTFOLIO HOLDER FOR HOUSING SERVICES AND  
NEIGHBOURHOODS****DRAFT ALLOCATIONS POLICY 2018 - 2020****EXEMPT INFORMATION****PURPOSE**

The purpose of the report is to

- Detail the proposed changes to the Councils Allocations Policy subject to the statutory consultation process
- Set out the arrangements for statutory consultation on the proposed changes set to take place between 7<sup>th</sup> May and 30<sup>th</sup> August 2019
- Confirm the timescales and arrangements for transitioning to the new Policy
- Set out the community based impact assessment which will remain under review and presented as part of the final policy document, highlighted within the report

**RECOMMENDATIONS**

Cabinet are recommended to:-

1. **Approve, in principle, the draft allocations policy, shown at Annex 1-3, subject to the requisite consultation arrangements**
2. **Approve the consultation plan detailed within the report commencing 7<sup>th</sup> May 2019 and running until Friday 30<sup>th</sup> August 2019.**
3. **Delegate authority to the Portfolio Holder for Housing Services & Neighbourhoods & Executive Director of Communities to approve the final policy for Full Council approval October 2019, save any material changes which would be referred back to Cabinet and the timescales amended accordingly**
4. **Support comments arising from discussions with the Councils Health & Wellbeing Scrutiny on the proposed matters relating to the management of the Councils Housing Register – presentation attached at Annex 4. Noting further detailed Scrutiny forms part of the consultation plan detailed in the report.**
5. **Note the independent Report, shown at Annex 6, provided by the Housing Quality Network (HQN) highlighting the exemplary approach to the Councils review of its Allocations Policy.**
6. **Approve the draft community & equality based impact assessment noting the effect of the key changes on existing and potential service users**

## EXECUTIVE SUMMARY

The Localism Act, 2011, provides considerable freedoms for Councils in designing and implementing allocations and lettings policies. In refreshing its approach to the management of the Housing Register, the Council has a dual responsibility to not only comply with its strategic housing aims as well as ensure compliance with tenancy standard regulations, monitored by the Social Housing Regulator, given its landlord obligations around the management of its own stock.

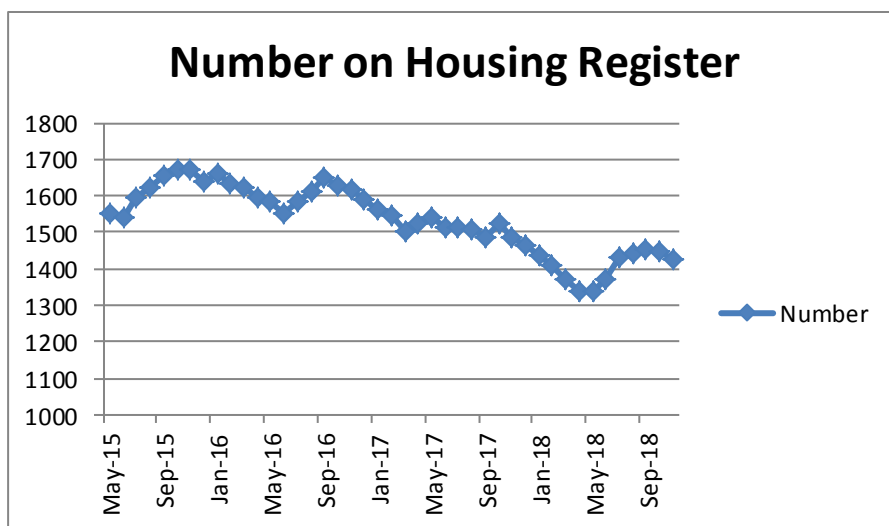
The MHCLG is currently analysing feedback from consultation conducted over the Summer (August – November 2018) on its new Social Housing Green Paper, 'A new deal for social housing', and further announcements are expected in the new calendar year. Whilst there was little mention of allocations and lettings it is expected that there will be a significant evidence collection exercise, led by the government, on developing the national understanding of how the allocations system operates across the County. The focus of this will be to understand how Councils use their flexibilities; the relationships between Councils and registered providers of housing around nominations; as well as the effectiveness of choice based letting schemes. It is therefore likely that the recommendations to Cabinet will require further review and this has been built into the communications timetable detailed in the report, likely into 2020.

Nationally, according to the Housing Quality Network (HQN), as of April 2018, there were 1.16million households on Councils registers. This compares with 1.85million in April 2012. This is primarily the result of the Localism Act 2011 enabling local residency qualifications to be adopted and Councils being better prepared to manage demand.

Tamworth, through its continued and robust approach to the management of its housing register has also seen a reduction in numbers on the register, as evidenced from the numbers below.

<b>Year ending 31<sup>st</sup> March</b>	<b>Households on the Housing Register</b>
<b>2012</b>	2104
<b>2013</b>	1783
<b>2014</b>	1727
<b>2015</b>	1625
<b>2016</b>	1598
<b>2017</b>	1500
<b>2018</b>	1337

This is not surprising as the Council continues to prioritise its work around allocations and homeless prevention – the management of the housing register forming part of the intelligence around mapping demand, in line with the Tamworth communities offer.



Clearly the Councils ambition, through its local plan and strategic priorities, is to invest in more new and affordable housing. The management of the housing register and understanding of housing need directly contributes to this, although it is just one of the tools in managing the housing based challenges around supply and demand.

Effective management of the housing register is fundamental to understanding housing need. The legal framework detailed in the report is complex and is often a highly litigious area and can lead to judicial review with regard to its decisions. Therefore the proposals before Cabinet have been independently tested by HQN and have also been subject to a detailed community based equality impact assessment. Health & Wellbeing Scrutiny have also considered the proposals and welcome the opportunity to host a workshop to go through the detail during the consultation phases.

Cabinet are therefore being asked to approve the draft documents for statutory consultation only. Subject to this detailed process and save any material changes (as a result of the consultation or as a result of legal and/or government regulation changing) then it is recommended authority is delegated to the Portfolio Holder in conjunction with the Executive Director of Communities to approve the final policy document.

The details of the consultation methodology and timeline are shown below

Consultee	Details and Methodology
Existing applicants on the housing register	Letter with FAQ, summary of changes and indicative banding
Tenant Consultative Group	Workshop with HQN
Registered Providers with nomination potential (and those with formal agreements)	Copies of Correspondence with on-line survey for feedback as well as telephone update
Third sector Partners on the electronic directory	Electronic email with FAQs and feedback sheet
SCC Adult Social Care and Childrens Services	Electronic email with FAQs and feedback sheet
Health Sector and CCGs regarding medical priorities (including retained GP	Electronic email with FAQs and feedback sheet

advice)	
Tamworth's Health & Wellbeing Scrutiny Committee	February Workshop (2019) as requested October 2018
Focus Group involving potential applicants from the current housing application pool	Officer led workshops with combination of tenants' on the active database and residents from 'Tamworth Listens'
Portfolio Holder & Cabinet	Detailed discussions based on community impact and localised modelling as feedback is used to inform further development of the policy

The legal and best practice position is detailed later in the report, based on delivering that timescales are proposed below; noting this is of course subject to change should there be a legitimate request to extend this from a key stakeholder:-

<b>Consultation &amp; Implementation Plan</b>	<b>Timescales</b>
Cabinet approval for Statutory Consultation	24 <sup>th</sup> January 2019
Testing and modelling within orchard to enable statutory consultation to begin	25 <sup>th</sup> January – 29 <sup>th</sup> March 2019
Preparation of FAQs, literature and website material	April 2019
<b>Statutory Consultation begins</b>	<b>7<sup>th</sup> May 2019 – 30<sup>th</sup> August 2019 (additional time allowed for given summer holidays)</b>
Correspondence sent out to all consultees including indicative banding to those on the housing register	By end of June 2019
Workshops and focus groups completed	By end of August 2019
Evaluation of all feedback	By end of September 2019
Report for Portfolio Holder to approve and refer for Full Council final approval	By end of October 2019
Revised Banding letter to all service users	By November 2019
Production of new policy, summary booklet and updated web site	By end of December 2019
Training and staff guidance for 'go live' of new policy	Ongoing until launch December 2019
Annual Review of allocations impact	2020
Full review of the policy in the context of the Homelessness Reduction Act 2017 and future allocations requirements	2020/2021

The main body of the report details the impact of each of the proposed changes and members are referred to that section to inform a full understanding. In summary the head line changes are simply listed below:-

	<b>Proposal</b>	<b>Summary Information</b>
1	Disqualification of those with <b>no</b> housing	Likely to affect 802 of 841 in band 4. Band 4 not removed

	need	
2	Cancel housing applications where no bids received in preceding 12 months	706 have not bid in 12 months, this is aimed at changing the culture to one of management of the register rather than allowing households to sit on a “waiting list – just in case”
3	Cancel applications where 3 offers have been refused	This would have only affected 12 in the last 12 months, but if implemented would ensure a more targeted and effective use of housing resources
4	More focused support of those in band1 and band 1+	73 households are currently in these bands and this is an increasing figure. Tailored housing based support plans is a principle already used for homelessness and use across the register, will ensure expectations are managed and the widest possible housing solutions explored including the private sector
5	Amendments to cumulative preference	Review with partners (particularly GPs) around how combined needs impact on priority to ensure housing need is not escalated for non related issues, such as incentive to move schemes
6	Introduction of a financial threshold allowing access to the register only if they are unable to fund an alternative solution	This is open for consultation as currently this can be based on savings &/or income levels and is a useful consultative question.
7	Strengthening of local connection	This is already robust in Tamworth but will be extended to ensure living or caring within Tamworth for 2 consecutive years and employment is having a contract for at least 12 months.

## RESOURCE IMPLICATIONS

There are no direct financial implications arising from implementing changes to the allocations policy. There are associated costs arising from the consultation, but on the basis costs are likely to be minimised by using digital forms of communications, it is expected these are likely to be ‘de minimus’. Costs are likely to be less than £5k and can be met from within existing budgets within the housing solutions based funding streams.

## LEGAL/RISK IMPLICATIONS BACKGROUND

Legal and risk implications have been assessed throughout the project and it is recommended that legal advice is obtained prior to final implementation in 2019. Headlines risks are summarised below:-

Risks	Mitigation
Service user dissatisfaction as those with no housing need are not able to access the housing register	Whilst this may potentially remove a lot of those in Band 4 from the register, these are generally applicants who are highly likely not to be allocated and have no identified housing need and therefore helps to manage expectations.

	<p>Most local authorities have now implemented similar policies with some more stricter, by not doing so potentially we are not protecting those applicants with high housing needs in the same way.</p> <p>This is generally In line with powers from the Localism Act and also in line with code of guidance for allocation as well as other regulation and guidance from MHCLG.</p> <p>Most applicants who were allocated in Band 4 were ones that were offered sheltered accommodation and this will be un affected as advertising of properties will still continue through the Councils Finding a home service.</p>
Rationalisation of the housing register may well lead to demand issues elsewhere within the councils stock	The Councils 'finding a home' service is essentially an advertising tool and allocation is based on need and then on waiting time so properties will continue to be let on this basis
Approach to review of housing applications may be considered aggressive as people are removed from the register	The Housing register is not designed to be a 'waiting list just in case'. Effective use of the register will allow 'true' housing need to be assessed and appropriate strategies within the wider allocation and homelessness strategy enabled to target earliest help and expand the widest possible housing based solutions
Insufficient properties (supply) to meet demand	This is true and represents, largely a national picture. Housing need in the local plan is assessed as requiring 183 affordable units of which 40 are viable. Management of the housing register is part of regulating this demand, alongside other measures within the Housing Strategy to secure innovative approaches to increasing supply
Confusion to service users during transitional phases	A summary of changes including a set of FAQs will be developed for the web site. Implementation will not take place until full consideration as been given to the proposals and final authority given for implementation – effectively meaning business as usual up until formal implementation
Impact of Homelessness Reduction Act 2017 may require the allocations policy to be restructured again leading to more confusion	There are likely to be opportunities for review and HQN are being engaged to work on the gathering of homeless insight and intelligence to inform the

	development of the homelessness strategy as well as support integration and links with the allocations policy
Resources may well be stretched as this represents a complex project	That is true and a project team with clear resourcing plan with detailed work-streams will be agreed through the councils programme management arrangements

## SUSTAINABILITY IMPLICATIONS

Sustainability of balanced and vibrant communities is part of the Councils strategic DNA around achieving its vision of “One Tamworth perfectly placed, open for business since the 7<sup>th</sup> Century AD”. Allocation of accommodation is fundamental to this to ensure aspiration and housing need are managed recognising the overall shortage of affordable housing.

## MATTERS FOR CONSIDERATION

### Documents attached

Allocation of housing by the Council is covered by Part 6 of the Housing Act 1996. It has however been substantially amended by the Homelessness Act 2003 and the Localism Act 2011, there is also a series of statutory guidance notes which Councils have to consider when designing and implementing new schemes. Further the Homelessness Reduction Act 2017 has led to Councils reviewing allocations policies specifically around linked areas such as qualification, homeless prevention, homeless relief and how reasonable preference categories support aims around settled and sustainable tenancies.

For these reasons Tamworth has fully reviewed its allocations policy as part of its continued focus on homelessness prevention as well as recognising its own landlord obligations as it makes best use of its own stock. The Housing Quality Network reviewed all of its documents and confirmed the “current state of play on allocations policy making is exemplary” and their feedback has been incorporated ahead of more formal consultation.

<b>Document Annex</b>	<b>Purpose</b>
1. Draft Housing Allocations Policy 2018-2020	Full draft policy setting out the Councils approach to the management of its housing register
2. Finding a home	Details of the management of the Councils scheme to advertise and allocate properties
3. Escalation Protocol	Arrangements for ensuring transparency where allocations involve the letting of properties to relatives and/or friends of councillors, staff and where there is a presenting perception of a conflict of interest
4. Health & Wellbeing Scrutiny Presentation 16/10/18	Summary presentation to the Councils scrutiny committee detailing the matters for consideration when reviewing its Allocations policy
5. Summary of Proposed	All key changes listed and explained

Changes	
6. HQN review September 2018	Independent report based on the proposals and endorsing the councils approach
7. Community & Equality Impact Assessment	Each of the changes explained and the impact assessed for client groups and demographics effected

### Consultation Plan & Timeline

The only formal requirement is that Councils consult with housing associations that are covered by nominations agreements. However, good practice and feedback from Scrutiny, suggests this is extended and will therefore cover the following:-

<b>Consultee</b>	<b>Details and Methodology</b>
Existing applicants on the housing register	Letter with FAQ, summary of changes and indicative banding
Tenant Consultative Group	Workshop with HQN
Registered Providers with nomination potential (and those with formal agreements)	Copies of Correspondence with on-line survey for feedback as well as telephone update
Third sector Partners on the electronic directory	Electronic email with FAQs and feedback sheet
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Tamworth's Health & Wellbeing Scrutiny Committee	February Workshop (2019) as requested October 2018
Focus Group involving potential applicants from the current housing application pool	Officer led workshops with combination of tenants' on the active database and residents from 'tamworth listens'
Portfolio Holder & Cabinet	Detailed discussions based on community impact and localised modelling as feedback is used to inform further development of the policy

In the relevant housing legislation and guidance, there is no time limit period specified. However general government guidance states that normally a 12-week period should be adopted by public bodies on consultation. Therefore in discussion with the Portfolio Holder a minimum of 12-weeks will be allowed to ensure:-

- Overall clarity of purpose is captured within the consultation process
- Areas are highlighted and the focus remains on the updated areas and as feedback is incorporated the impact assessment can be properly assessed
- Ensuring material is readily available, easy to understand and time is given to digest the FAQ and wider detail

On this basis the timetable for consultation is summarised above in the executive summary



## Summary of Changes & Community Based Impact Assessment

Each of the proposed changes have been assessed with regard to the Councils duties around the Equality Act 2010. Full details are shown at Annex 7 but Cabinets attention is drawn to the summary details below.

### **Change 1- Disqualification of those with no housing need**

One of the largest changes being consulted on is the potential for those with no housing need and no local connection to be disqualified from the housing register. Whilst this would not remove Band 4 in its entirety a substantial amount of those in Band 4 would be affected.

- How many may be affected by this change?

As of the end of March 2018 - there were 841 people in Band 4. 18 of these were in Band 4 as they had a local connection but they also had a reduced preference from Band 3, these would not be affected and would be expected to be able to remain.

There are 21 applications which have no local connection but have a housing need, depending on whether they met the new local connection criteria they may or may not be able to remain on the housing register.

There are 802 applications in Band 4 due to having no housing need in accordance with the policy, of which 536 also have no local connection, with the remaining 266 having a local connection but no housing need.

Based on this information approximately 802 applicants would be at risk of removal from the housing register for having no housing need.

Whilst this information was taken at the end of March and end of financial year there has only been a marginal change in the numbers in Band 4 with only a reduction of 4 overall.

- Why this change may be positive?

The council wants to make this change for several reasons, as an authority the council is trying to effectively manage demand and reduce costs and drive efficiency's. Of those in Band 4 many will rarely if ever get allocated. Properties tend to be allocated to those in much higher bands; it's exceptionally rare for customer to be housed who is Band 4. As a council it is also important to manage customers' expectations and based on the data available, many of those have an unrealistic expectation of being housed.

### **Change 2- Cancel applications where no bids have been placed for 12 months**

The council are consulting whether to include provision within the allocation policy for cancelling applications where they have not bid for 12 months. The council want the housing register to remain an active reflection of those in housing need that need to move. The council believe that within a 12 month period there would be sufficient available and suitable properties for households to bid on. Should a property not become available within this time this may be because of unrealistic expectations customers have on being housed in particular type properties and in restricted areas.

A report indicates that as of the end of March 2018, 706 applications had not bid within a 12 month period, this represents that around 50% of those on the housing register either do not want to move or need to move.

It would be expected there would be cost efficiency made in reducing the numbers of the housing register, and therefore in redistributing resources or staff time to be used for other more meaningful work, i.e. assist in triage or preventing homelessness. There are ongoing costs to the council to keep the housing register up to date and associated ongoing administration. Additionally each year on an annual anniversary of their application input, all applicants are written too to confirm whether their application is to be renewed; therefore costs may also be saved here through reducing the register.

Additionally, it may encourage more applicants to bid on properties and so hard to let properties may also mean they have bids placed on by applicants. Whilst there were 705 applications that had not bid the vast majority of these were in Band 4 and most would be at risk of removal due to having no need- However, 195 applications which had not had a bid placed in the previous 12 months were in Bands 1+3 and therefor these would potentially be at risk of removal in addition to the 802 at risk of disqualification for having no housing need.

### **Change 3- Cancel applications where applicants refuse 3 suitable properties**

The council are consulting where applicants who refuse 3 or more suitable properties have their application cancelled.

The council are exploring this as another way to manage demand, customer expectation and make efficiencies. The council want to encourage that when applicants are bidding they are bidding on properties they have a reasonable expectation they would accept.

Following a report there are only 12 applications currently active that have refused more than 3 properties so this change would not affect a large volume of applications but would still help contribute to a more active housing register and one that is more reflective of need, however this would need to balance up whether given this change is affecting few whether the time taken to administrate this issue would be effective and serve a useful purpose.

### **Change 4- More focussed management of Band 1 and Band 1+ and changes to 'priority card'**

Applicants should only be in these highest bands where they represent having the highest housing need and most urgent need to move.

Through analysis of those in these bands as of the end of March there were 73 applications which fell in these bands of which 7 were in Band 1+ and 66 in Band 1. Of these applications currently there are 14 applications in Band 1 which have never placed a bid. Furthermore there are an additional 32 applications which have not placed a bid within the last 3 months.

It is stated in the current allocations policy with regards to applicants given a priority card the following;

*“Applicants placed into Band 1+ and Band 1 will be subject to a 2 month ‘priority card’. This will ensure that housing staff are monitoring and supporting applicants in bidding or identifying housing options. At the end of the 2 months, subject to a satisfactory review, the priority can be extended by a further 2 months, by which time there is an expectation that the applicant’s housing needs would have been met or the duty to re-house discharged.”*

This clearly indicates there is a reasonable expectation from the council that such applicants with this housing need and urgency to move will have been housed within 2 months or at the outset 4 months. The data indicates therefor that Band 1s are not being adequately monitored controlled or that the policy is not being enforced. In order to ensure the register remains active of those who want and need to move, Band 1 needs to be properly monitored and applicants given this priority are supported to do so, where applicants are resistant to this they may find their application is cancelled or their banding demoted to reflect that their need to move was not as high or urgent as initially deemed. There may be further clarity needed within the allocations policy to address this and powers given to officers to ensure this can be done.

Through implementing this change the council could ensure that those in Band 1 do have an urgent need to move and are willing to do so, helping to contribute that the housing register is one that remains active, reflective of need and that officers time and resource is not spent administering applications where there is little intention to move.

#### **Change 5- Amendment of cumulative preference categories**

The council wants to ensure that where applicants are encountering multiple housing issues that they are adequately banded to reflect this. However this has to be properly managed to ensure that those most housing need still retain the highest band. Sometimes applicants may be awarded several bandings resulting from the same set of circumstances. For example some council tenants are awarded incentive to move due to under occupying a property but are also awarded under occupancy banding. The resulting effect would mean someone who is under occupying 2 bedrooms and accepted for incentive to move, are placed into Band 1 + and also rewarded financially for in effect the same set of circumstances. Whilst the council recognises that it is important to adequately encourage applicants to move and free up larger accommodation it is also important to balance this with other groups on the housing register that is also important to house- for example applicants occupying unsuitable accommodation or placing a financial burdens on the Council through placement in expensive temporary accommodation.

Looking at the available data there are currently 7 applications in Band 1+. Of these 3 are in band 1 due to the cumulative effect of incentive to move and under occupancy, 1 high medical and overcrowding, 1 under occupancy and best use of stock, 1 for high medical and social needs and 1 for member of armed forces with serious injury. Only one of these applications have placed a bid within the past 3 months, with one applicant having not bid since 2014.

#### **Change 6- Inclusion of Financial Threshold**

As little information is currently captured regarding finances of applicants it is difficult to predict the impact this may have in terms of numbers that may be disqualified. However there are several ways financial threshold may be implemented within the

allocations policy and this is an area we hope to focus on through the consultation and conclude how it best be may be applied. The key issue to focus on is what threshold may entitle an applicant is able to access other tenures such as private rental accommodation.

The current proposal is to have 2-fold financial threshold-

- a) Savings threshold
- and
- b) Income cap

With the current proposal using a savings threshold standing at £16,000 and income threshold

- Single person households with a household net income of £30,000 or more per year
- Family households (this includes couples) with a household net income of £60,000 or more per year.

Whilst the income threshold includes all income, disability benefits would be exempt as would money attributed to injury whilst serving in armed forces.

When exploring the current market rent summary for Tamworth it shows the average cost of property rents within Tamworth are as follows:

<b><u>Average property rents in Tamworth:</u></b>	£707 pcm
<b>Property Rents in Tamworth by Number of Bedrooms</b>	
	<b>Average rent</b>
<u>One bedroom</u>	£500 pcm
<u>Two bedrooms</u>	£656 pcm
<u>Three bedrooms</u>	£758 pcm
<u>Four bedrooms</u>	£1,048 pcm
<b>Property Rents in Tamworth by Type</b>	
	<b>Average rent</b>
<u>Room</u>	£364 pcm
<u>Flat</u>	£581 pcm
<u>House</u>	£786 pcm

\*\*Data taken from [Home.co.uk](https://www.home.co.uk)  
[https://www.home.co.uk/for\\_rent/tamworth/current\\_rents?location=tamworth](https://www.home.co.uk/for_rent/tamworth/current_rents?location=tamworth)  
 Therefor when using these figures when using the average market rent of £707 pcm this would equate to approximately 14% of the total yearly income, and the top -end of the property scale using a 4 bed average private rental property would equate to approximately 21% of yearly income.

As a general rule, for accommodation to be affordable, housing costs should not be higher than approximately a 1/3 of annual income. Therefore on this basis, for applicants earning above this amount it would generally be able to afford alternative accommodation when their income is above £60,000 for family households.

When considering a savings threshold of £16,000 using these same figure it would generally be acceptable to consider when an applicant has this amount of savings they could also access accommodation in the private sector. Generally to secure accommodation applicants would be required to provide approximately one month's rent as a deposit and one month's rent in advance. Therefore in equating this to the average rental price this would be in the region £1414 and therefore this would still leave more than sufficient savings for applicants to use personally and for other needs. Given this is also in-line with the threshold universally used by DWP it would also represent this be a fair assumption.

**Change 7- Changes to qualification and local connection criteria**

As little information is currently captured regarding the new criteria it's difficult to predict how many might be affected by this change. However in analysing the register most applicants with a current local connection will be un-affected by the change as most appear to have been resident for more than 2 years. Furthermore many of applicants who haven't may still be able to qualify due to employment or other family/welfare reasons. Additionally there are several more special criterion and discretions which may be utilised for them to be still be considered and for exceptional circumstances and due regard has been given groups included in the public sector equality duty.

**Housing Supply**

Demand for social Housing in Tamworth continues to far outstrip the supply the information below helps illustrate this further.

**Number of Lettings**

The number of lettings made over the previous three years is as follows (excluding mutual exchanges and use in occupation):

2015	258
2016	261
2017	259

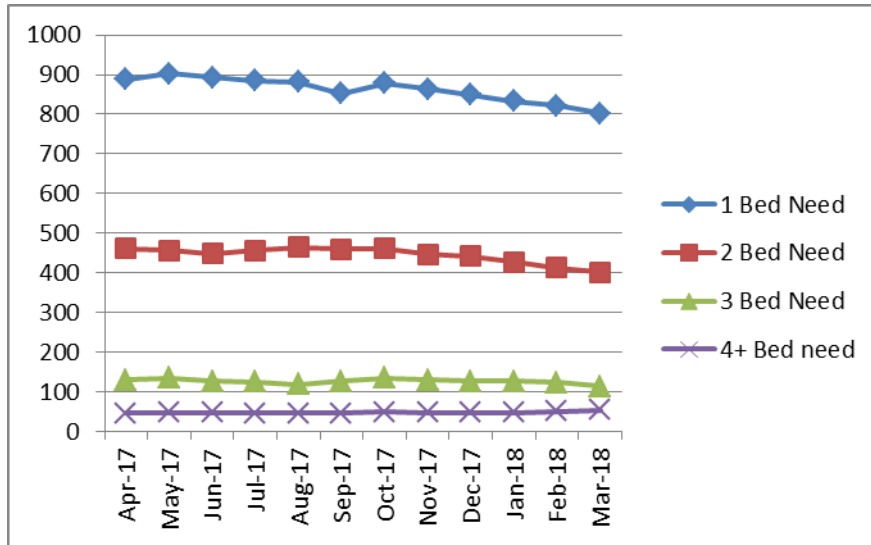
Comparatively speaking the average number of applications on the housing register for the previous 3 years has been the following;

2015/16	1624
2016/17	1585
2017/18	1491

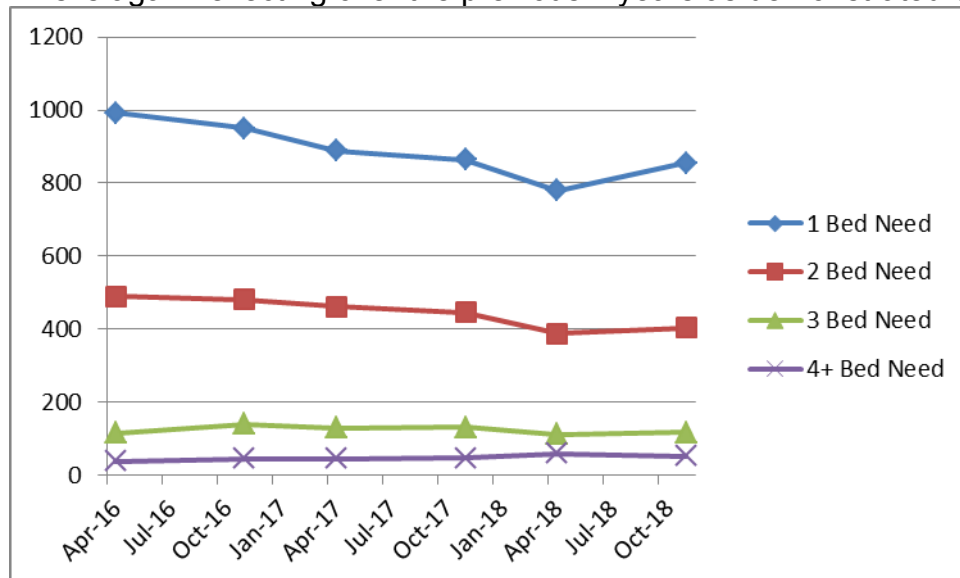
**Housing demand**

The demand for 1 bedroom accommodation far outstrips the needs of any other bedroom accommodation.

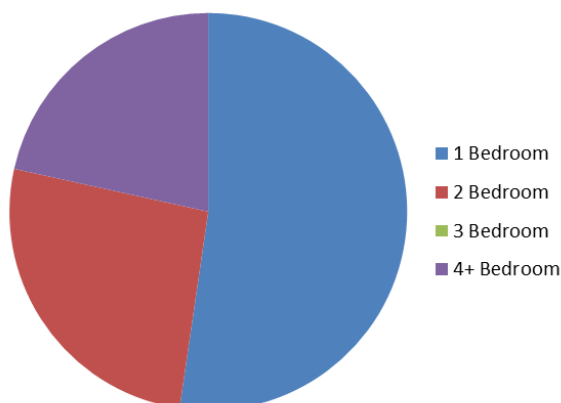
Over the course of the previous financial year, 1 bedroom accommodation has continued to be most in demand, with over 50% of those on the register requiring it. 2 bedroom accommodation is next in demand with much less applications requiring 3 bedroom accommodation or being 4+ bedroom need.



This is again reflecting over the previous 2 years as demonstrated below.



Of those in Band 1 and Band 1+ most of those also require 1 bedroom accommodation- from the latest list of those in Band 1 taken from the end of March 2018- over 50% of those in the highest bands required a 1 bedroom property, the chart below illustrates this further.



Affects of the proposed changes on bedroom need demand  
When considering the changes its

important to consider the changes in the dynamics of the housing register, given a large number of applicants would be risk of removal from the housing register if these changes went ahead it's important to consider if these changes would affect the dynamics of the housing register.

As of the end of November 2018 there were 837 applicants on the housing register which fell into band 4- their bedroom need is made up of follows-

<b>Bedroom Need</b>	<b>Number of applicants</b>
1	522
2	241
3	64
4+	10

If we only consider those in Band 4 that would be likely to remain, as they otherwise would have reasonable preference but have been temporarily reduced this would be the approximate dynamics of band 4:-

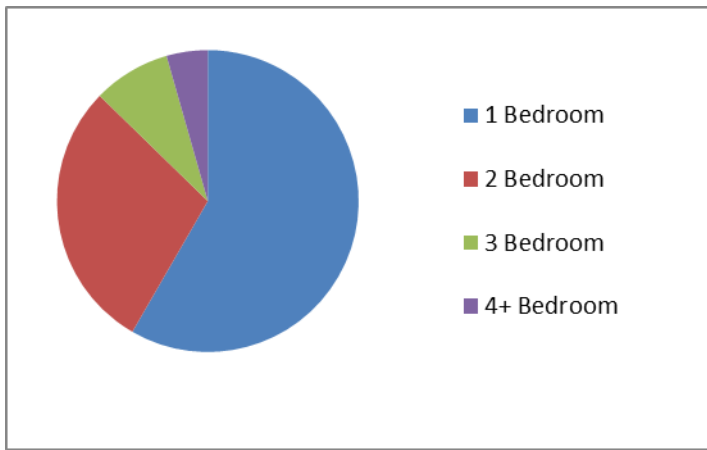
<b>Bedroom Need</b>	<b>Number of applicants</b>
1	17
2	13
3	7
4+	2

When looking at the dynamics of the register as a whole when we remove those applicants who have no housing need the dynamics of the housing register may approximately resemble more as follows:-

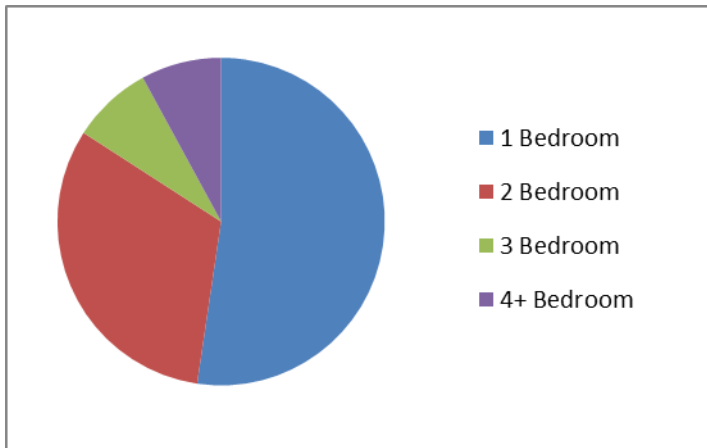
<b>Bedroom need</b>	<b>Number of applicants</b>
1	290
2	176
3	44
4+	44

This can be further shown in the charts below that illustrate the affects of the removal of those with no housing need will have on the bedroom need before and after the changes.

Before-



After –



Whilst this does resemble a change in the number requiring a 1 bedroom property, 1 bedroom properties would still be most in demand and account for over 50% of the housing register, with 2 bedroom properties also increasing in share of the demand.

### **Consideration of closing list to ‘transfer applicants’**

When exploring the impact of the Allocations Policy, due regard was given as to whether the council should adopt to close the list to transfer applicants. The current proposal is not to adopt this and still allow transfer applicants but only where there is a housing need. This has been proposed due to the increase of demand forcing applicants to resort to a mutual exchange only which may have an impact on resources and also when planning for the future based on properties that are being built and future numbers of nominations that will need to be filled.

### **Consideration of amending preference given to 60+ for bungalows**

Due consideration was given as to whether the priority group for general needs accommodation should be amended, however it was decided not to propose this at this stage in order to protect the councils adapted stock from right to buy and also based on over 60+ continues to present as a prevailing demographic within the area and the need for accommodation suitable for the elderly will increase as the population ages. Additionally there are currently no issues with these being difficult to let properties.



## Current Housing Demand and historical trends

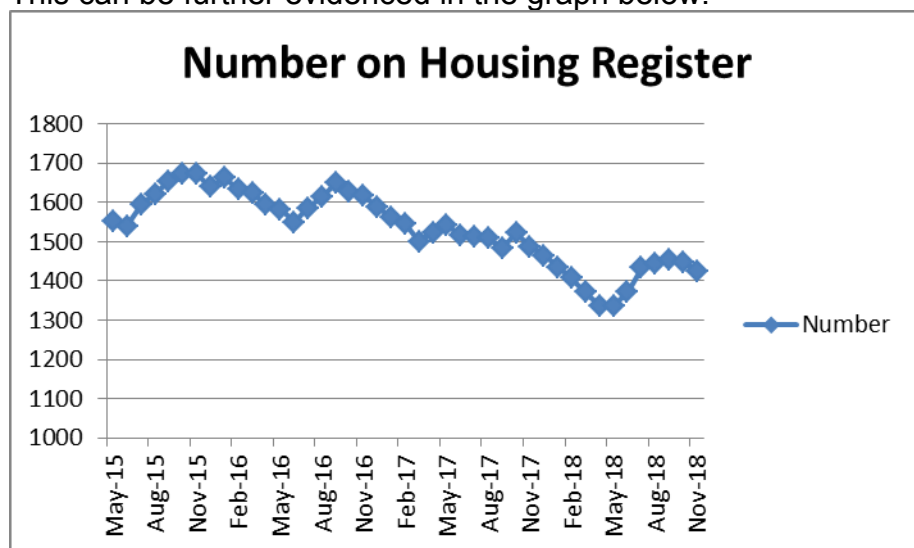
As of the 14<sup>th</sup> November 2018 there are currently 1426 on the housing register, this has gradually declined over the previous years due to greater management on the housing register and also changes to the Allocation Policy introduced in 2014 which disqualified more people.

How this has declined since 2012 is demonstrated as follows:

Year ending 31 <sup>st</sup> March	Households on the Housing Register
2012	2104
2013	1783
2014	1727
2015	1625
2016	1598
2017	1500
2018	1337

However the number on the housing register has increased slightly to 1426 as of the 14<sup>th</sup> November 2018.

This can be further evidenced in the graph below.



In terms of the current breakdown of the housing register and how the 1426 falls into banding categories and bedroom needs this is as follows:

### **Number of Applications by Band**

	No of Apps
Band1	71
Band1+	3
Band2	301
Band3	214
Band4	837

Total:	1426
--------	------

### Number of Applications by Bedroom Needs

No of Beds	No of Apps
1	855
2	404
3	116
4	38
5	11
6	1
7	1
Total:	1426

### Number of Apps by Band and Bedroom Need

Banding	Bedroom Need	No of Apps
Band1	1	41
Band1	2	18
Band1	4	2
Band1	5	8
Band1	6	1
Band1	7	1
Band1+	1	3
Band2	1	160
Band2	2	81
Band2	3	33
Band2	4	24
Band2	5	3
Band3	1	129
Band3	2	64
Band3	3	19
Band3	4	2
Band4	1	522
Band4	2	241
Band4	3	64
Band4	4	10
	<b>Total:</b>	<b>1426</b>

### REPORT AUTHOR

Tina Mustafa Assistant Director of Neighbourhoods ext 467



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# **Housing Allocations Policy**

**Revised: November 2018**

**Restricted: Draft**

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## Version Control

### Revision History

<b>Version</b>	<b>Date</b>	<b>Author</b>	<b>Changes</b>
1.0	4 <sup>th</sup> January 2017	Gemma Sidaway Rae Mann Claire Keeling	Major changes to existing scheme
2.0	5 <sup>th</sup> February 2018	Gemma Sidaway Rae Mann Sarah Finnegan	Changes to accommodate the Homelessness Reduction Act 2017
3.0	5 <sup>th</sup> November 2018	Gemma Sidaway Joanne Mallaband	Changes to reflect feedback from HQN Tim Brown

### Approvals

<b>Name</b>	<b>Title</b>	<b>Approved</b>

### Document Review Plans

This document is subject to a scheduled annual review. Updates shall be made in accordance with business requirements and changes and will be with agreement with the document owner.

### Distribution

The document will be available on the Intranet and the website.

**It is a criminal offence to obtain accommodation from the Council or any other social housing provider by knowingly and recklessly giving a false statement or deliberately withholding information. By doing so you may be prosecuted and fined.**

**The Council or other Registered Provider will seek possession of any tenancy granted as a result of information later found to be false or misleading. Any offer of accommodation maybe withdrawn or result in an application being cancelled and an applicant being disqualified from the housing register.**

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## 1. Introduction

- 1.1. Every local Housing Authority is required to have a Housing Allocation Scheme, which is also known as the Authority's Allocations Policy. This document is Tamworth Borough Council's (the Councils) Allocations Scheme in accordance with the requirements of The Housing Act 1996 (Part VI) as amended. The allocation scheme determines priorities and defines the procedures to be followed in allocating social housing<sup>1</sup>.
- 1.2. This Allocation Scheme sets out in detail who is and who is not eligible and qualifies to join the scheme and how this assessment is made. It also sets out how applicants can apply for and access housing and what service standards an applicant can expect.
- 1.3. The policy also provides advice on other housing options that applicants are advised to consider.
- 1.4. Tamworth Borough Council operates a Choice Based Lettings (CBL) scheme called; Finding a Home, and is based online at [www.findingahometamworth.co.uk](http://www.findingahometamworth.co.uk) . Finding a home Tamworth is independent from the Council's website and is focussed on housing options.
- 1.5. This document explains how the Council will allocate its properties and make nominations to registered provider landlords within the Borough where the Council has nomination rights. However, individual registered providers will have their own policies, and these will apply where appropriate.
- 1.6. Registered providers which may advertise properties through finding a home include:
  - Waterloo Housing Group [www.waterloo.org.uk](http://www.waterloo.org.uk)
  - Derwent Living [www.derwentliving.com](http://www.derwentliving.com)
  - Midland Heart [www.midlandheart.org.uk](http://www.midlandheart.org.uk)
  - Hanover [www.hanover.org.uk](http://www.hanover.org.uk)
  - Orbit [www.orbithomes.org.uk](http://www.orbithomes.org.uk)
  - Metropolitan [www.metropolitan.org.uk/](http://www.metropolitan.org.uk/)
  - Walsall Housing group [www.whg.uk.com](http://www.whg.uk.com)
  - Clarion housing [www.myclarionhousing.com/](http://www.myclarionhousing.com/)
  - Bromford Living [www.bromford.co.uk/](http://www.bromford.co.uk/)
- 1.7. A copy of the Allocations Scheme is available free of charge. A summary is available routinely to everyone making an application for social housing.

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<sup>1</sup> Social housing includes council owned housing and housing association (referred to as Registered Providers) homes that are let under a nominations agreement with the council.

- 1.8.** Advice and assistance relating to access to housing is also available free of charge from the Housing Solutions team based at Marmion House, Lichfield Street, Tamworth, Staffordshire (telephone 01827 709709 or email [housingsolutions@tamworth.gov.uk](mailto:housingsolutions@tamworth.gov.uk)).
- 1.9.** Anyone can approach the Housing Solutions service for advice and assistance. However, social housing in Tamworth is very limited, and the Council no longer holds an 'open' register'. Instead, the Council operates a 'managed register', which requires applicants to meet qualification criteria. Where an applicant does not qualify to join the housing register, the council will still provide advice and assistance, which can include signposting and referring the applicant to alternative routes into housing where possible and where appropriate.
- 1.10.** This allocations scheme is focussed on the assessment of applications for the housing register, and it is not a statement of how the Council deals with homelessness. Whilst there are references made to the provision of homelessness within this scheme, there are separate processes and procedures for dealing with homeless applications. The Council has a Homelessness Prevention Strategy which sets out how the Council aims to prevent Homelessness within the borough and this document and supporting evidence can be found on the councils website; [www.tamworth.gov.uk/housing-policies](http://www.tamworth.gov.uk/housing-policies).

## **2 Definition of an 'allocation' of accommodation**

### **2.1 *What is an Allocation?***

The Housing Act 1996 as amended provides that the Council allocates housing accommodation when they<sup>2</sup>:

- Select a person to be an introductory or secure tenant of housing accommodation held by the Council
- Select a person to be a fixed term tenant of housing accommodation held by the Council
- Nominate a person to be an introductory or secure tenant of housing accommodation held by another housing authority
- Nominate a person to be a starter tenant (also known as probationary) or assured tenant of housing accommodation held by a Registered Provider

### **2.2 *What is not an Allocation?***

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<sup>2</sup> S159 Housing Act 1996 as amended by the Homelessness Act 2002

Secure, introductory or demoted tenancies arising in the following circumstances are not covered by the allocations provision of the Act<sup>3</sup>, and therefore fall outside of the scope of this document. These are contained within the revised Tenancy Management Policy (2009):-

- Succession to a tenancy on the death of a previous tenant
- Assignment of a tenancy by way of a mutual exchange
- Assignment of a tenancy to a person who would be qualified to succeed to the tenancy on the death of a current tenant
- Transfer of the tenancy pursuant to a court order under family law or the Civil Partnership Act 2004
- Where a person becomes a secure tenant on ceasing to be an introductory tenant.

### **2.3 Transfers**

Transfer tenants (Tamworth Borough Council tenants) who do not have an identified housing need in accordance with the allocations policy must pursue mutual exchanges and will not be ordinarily entitled to join the housing register.

Tenants with identified housing needs and who would usually be considered to be owed a 'reasonable preference' such as medical priority or would be considered to have a housing need under the terms of the policy for example overcrowding, under-occupancy are eligible to join the housing register and also pursue mutual exchanges.

For transfer applicants the Council will expect a clear current rent account in order to move and will also be required to have an approved property inspection.

## **3 Legal Framework**

3.1 Legislation relating to allocation schemes is set out in the following:

- Housing Act 1996 (as amended 2002)
- Homelessness Act 2002
- Localism Act 2011

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<sup>3</sup> S160 Housing Act 1996 as amended by the Homelessness Act 2002

- Allocation of accommodation: Guidance for local housing authorities in England (Department for Communities and Local Government [DCLG])
- Right to Move- Statutory guidance on social housing allocations for local housing authorities in England 2015 DCLG

3.2 When framing the allocations policy further guidance has been sought from:

- Homelessness Reduction Act 2017
- Homelessness Code of Guidance for Local Authorities
- The Council's Housing and Health Strategy
- The Council's Homelessness Prevention Strategy
- The Council's Tenancy Strategy

3.3 The Housing Act 1996 (as amended) requires all Local Authorities to give '**Reasonable preference**' to certain groups of people who are in most housing need<sup>4</sup>. These groups are set out as follows;

- All homeless people as defined in Part VII of the Housing Act 1996, including people who are intentionally homeless and those who are in priority need.
- People who are owed a duty by any local housing authority under section 190(2), 193(2), 195(2) (or under section 65(2) or 68(2) of the Housing Act 1985) or who are occupying accommodation secured by any such authority under section 192(3)
- People occupying unsanitary, statutory overcrowded or otherwise unsatisfactory housing
- People who need to move on medical or welfare grounds (including grounds relating to a disability)
- People who need to move to a particular locality within the district to avoid hardship to themselves or others

3.4 In framing this Housing Allocation Policy the Council is also required to have regard to the following considerations:

- The scheme must be framed so as to give Reasonable Preference to applicants who fall within the categories set out in s.167 of the Housing Act 1996 over those who do not;
- Whilst there is no requirement to give equal weight to each of the Reasonable Preference categories, housing authorities should demonstrate why applicants are given a particular priority;
- There is no requirement for housing authorities to frame their scheme to afford greater priority to applicants who fall within more than one Reasonable

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<sup>4</sup> S167(2)

Preference category (cumulative preference) over those who have Reasonable Preference on a single non-urgent basis.

## **4 Housing Options**

There is a shortage of housing in Tamworth and demand far exceeds supply. Unfortunately it is not possible for the Council to re-house everyone who applies. This means that there is likely to be a lot of people bidding when properties are advertised. Those people with the most urgent need and those that fall into the priority groups listed above receive the highest priority or those that don't.

Due to this shortage there are other housing options available which might help applicants move to a more suitable property for them. Here are some other housing options you may wish to consider:

### **4.1 Mutual exchanges for social tenants**

If you are the tenant of a local authority or a housing association, mutual exchange or swapping properties with other tenants gives you the best chance of moving.

You can exchange your property with any other Local Authority or Housing Association tenant, anywhere in the country. The Council has developed a mutual exchange service for its tenants which runs through the Swap and Move website <https://www.swapandmove.co.uk/> . This service is free for Tamworth borough Council tenants to register on.

If you are looking to move for work or to be near to family and friends, Swap and Move is a national service which means that you will be able to see homes across of the whole of the UK, not just in Tamworth.

You can exchange with tenants of housing associations and other local authorities if everybody agrees. Normally an exchange will be agreed by the council providing:

- Both properties are the right size for the incoming family's needs
- Neither party is having legal action taken against them for breaking their tenancy

If you are not a Tamworth Council tenant please contact your landlord as they will have their own mutual exchange service.

## 4.2 Low Cost Home Ownership/ Help to Buy options

If you are interested in owning your own home then there are schemes which are backed by the government which may be able to assist. More information on help to buy options can be found on [www.helptobuymidlands.co.uk/help-to-buy-options](http://www.helptobuymidlands.co.uk/help-to-buy-options)

### ➤ Shared Ownership

If you are interesting in registering for shared ownership properties you can apply to help to buy midlands. More information on what this entails and how to apply is found on <https://www.helptobuymidlands.co.uk/help-to-buy---shared-ownership>

Shared Ownership is great opportunity for those who want to get a foot on the property ladder but can't afford to buy a home outright on the open market. The scheme gives you the chance to buy a share in a brand new leasehold property (either a house or an apartment) on a part buy/part rent basis.

You buy a share of between 25% and 75% of a home from a registered provider, usually a housing association. You then pay a subsidised monthly rent to the housing association for the remaining share.

### ➤ Help to buy Equity Loan

The scheme helps you to buy a newly-built home with an equity loan of up to 20% of the full price of the property. Interest charges on the loan are not paid for the first 5 years and you own 100% of your own home from the start.

The Help to Buy Equity Loan scheme is open to both first time buyers and existing homeowners.

More information on how this scheme works, who is eligible and how to apply can be found on [www.helptobuymidlands.co.uk/help-to-buy---equity-loan](http://www.helptobuymidlands.co.uk/help-to-buy---equity-loan)



### 4.3 Private renting

The Council is not able to help everyone who registers for re-housing as demand far exceeds the supply– considering moving to private rented accommodation allows you to decide where you move to, what type of property and when.

There are many Internet sites that are very good with up to date properties to rent, including:

Right Move	<a href="http://www.rightmove.co.uk">www.rightmove.co.uk</a>
Zoopla	<a href="http://www.zoopla.co.uk">www.zoopla.co.uk</a>
Gumtree	<a href="http://www.gumtree.com">www.gumtree.com</a>
Spare Room	<a href="http://www.spareroom.co.uk">www.spareroom.co.uk</a>
Yell	<a href="http://www.yell.com">www.yell.com</a>
Loot	<a href="http://www.loot.com">www.loot.com</a>
Flat Mate Rooms	<a href="http://www.flatmaterooms.co.uk">www.flatmaterooms.co.uk</a>
Property Wide	<a href="http://www.propertywide.co.uk">www.propertywide.co.uk</a>

Additionally you may be able to find a private rented accommodation through a letting agent which may save a lot of time. Things to consider with letting agents is that they may require to have the available finances for rent in advance, bond, deposit, a rent guarantor and are able to provide references. You will find letting agents listed in the local papers, Yellow Pages, or Thompson Local or on [www.zoopla.co.uk/find-agents/letting-agents/tamworth/](http://www.zoopla.co.uk/find-agents/letting-agents/tamworth/)

If you have difficulties being able to obtain private rented accommodation, the Housing Solutions team may be able to assist you, please email [housingsolutons@tamworth.gov.uk](mailto:housingsolutons@tamworth.gov.uk) or call 01827 709709 for more information on the assistance that we may be able to provide.

### 4.4 Adaptations

If you would prefer not to move home, but are looking to do so because you or a member of your household are disabled or have a chronic illness that affects

your housing requirements, you may like to consider having your current home adapted to meet your needs.

There may be financial assistance that can be provided to help you do this dependant on your circumstances in the form of a disabled facilities grant. Further information on disabled facilities grant can be found on the website: <https://www.tamworth.gov.uk/grants-housing>

Self –referrals can be made to Staffordshire Cares for an occupation therapy assessment on their property and their needs, this assessment may then help indicate what additional support or adaptations may be required. Applicants may wish to contact Staffordshire Cares to arrange this by telephone 0300 111 8010 or their email address: [staffordshirecares@staffordshire.gov.uk](mailto:staffordshirecares@staffordshire.gov.uk)

Alternatively if you are council tenant speak to your tenancy sustainment officer or if you are a tenant of a housing association speak with your estate manager or housing officer.

If you are a homeowner or private tenant, please contact the Housing solutions team on [housing-solutions@tamworth.gov.uk](mailto:housing-solutions@tamworth.gov.uk) 01827 709709.

#### **4.5 Help and Advice**

The Housing solutions team can offer specialist housing advice to help you keep your current home, source alternative accommodation or provide advice on alternative housing options.

- Assistance may be provided by but not limited too:
- Mediation services
- Referrals to supported accommodation
- Advice on joining the housing register and applying for social rented accommodation
- Advice to those threatened with homelessness
- Assistance to obtain private rented accommodation
- Specialised housing options for victims of domestic abuse

A wealth of advice on housing options can be found on [www.findingahometamworth.co.uk/content/HousingOptions/](http://www.findingahometamworth.co.uk/content/HousingOptions/)

## 4.6 Housing Associations

The Council has nomination rights to most of the housing associations with properties across the Borough. The Council will generally have 50% nomination rights to offers of accommodation made by Housing Associations within Tamworth.

This means that we advertise properties from time to time that belong to another landlord. You can place a bid on these and the landlord lets to the successful applicant.

The Registered providers which nominations may be made to include:

- Waterloo Housing Group [www.waterloo.org.uk](http://www.waterloo.org.uk)
- Derwent Living [www.derwentliving.com](http://www.derwentliving.com)
- Midland Heart [www.midlandheart.org.uk](http://www.midlandheart.org.uk)
- Hanover [www.hanover.org.uk](http://www.hanover.org.uk)
- Orbit [www.orbithomes.org.uk](http://www.orbithomes.org.uk)
- Metropolitan [www.metropolitan.org.uk/](http://www.metropolitan.org.uk/)
- Walsall Housing group [www.whg.uk.com](http://www.whg.uk.com)
- Clarion housing [www.myclarionhousing.com/](http://www.myclarionhousing.com/)
- Bromford Living [www.bromford.co.uk/](http://www.bromford.co.uk/)

The lettings criteria for other landlords may be different from that of Tamworth Borough Council's; please make sure you read and understand who is able to bid on each nomination property before you make your bid. The property advert would list information on the landlord of the property and also the lettings criteria specific to that landlord. Whilst Housing associations will retain their own lettings criteria they must give due regard to the allocations policy may making decisions.

Applicants may wish to contact registered providers directly to establish what their lettings policies are and if they allocate properties through any other means they may be able to access.

Housing Associations may also make direct allocations in accordance with 'Regulator of Social Housing tenancy standard (2012).

## 5 Aims of the Scheme

5.1 The aims of this scheme are to:

- Enable applicant choice and informed decision-making, which encourages applicants to pursue all housing options which are open to them including supported housing, affordable housing, and affordable home ownership.
- Ensure social housing is allocated and prioritised to those who are in most housing need and helps to prevent homelessness

- Comply with statutory obligations, government policy and guidance from government and allocations are equitable, fair and transparent.
- Contribute to the council's strategic priorities; living a quality life in Tamworth, growing strong together in Tamworth and delivering quality services in Tamworth.

### **How do we know whether this scheme is achieving our objectives?**

- 5.2 We will carry out annual impact assessments of the scheme to check whether it is still achieving its aims.
- 5.3 The Council recognises that people need to understand how social housing is allocated to inform their decisions about housing. We will therefore communicate information about this scheme and how it is delivering through:
- Dedicated web and online information, including performance information
  - Regular articles in the Council's Landlord publication Open House
  - Regular dialogue with tenants' through tenants forums and involvement groups
  - Monitoring customer satisfaction
- 5.4 This allocations scheme has been framed in accordance with equality legislation. The Equality Impact Assessment will be reviewed and published annually and attached as an appendix to this document

## **6 Applying to join the housing register**

### **Who Can Apply?**

- 6.1 In order to be considered for an allocation and take part in the choice based lettings scheme, a person/household has to be registered on the Council's housing register.

Anyone can apply to join the Housing Register however not all applications will be accepted onto the housing register. The Council will consider each application on the basis of whether they:

- Are eligible to apply for housing
  - Qualify under the scheme rules
  - Have housing need within the reasonable preference categories
- 6.2 The eligibility and qualification criteria are set out in section 7 and 8 of this policy – people who intend to apply should check whether any of these apply to them and their household.

- 6.3 Multiple or duplicate applications for the same household are not allowed.

#### **Who can and cannot be included on the application form**

- 6.4 The Council will accept single and joint applications. Joint tenancies will only be granted between husbands/wives/civil partners/un-married couples or between siblings. Additional persons who can be included on a housing application must be members of the applicant's immediate family who normally live with the applicant. Any other person will only be included on an application if the Council is satisfied that it is reasonable for that person to live with the applicant. This will exclude lodgers or anyone subletting from the applicant. Anyone over 16 years included on an application as part of a household will also be included in the full assessment of the application including income, capital and assets.
- 6.5 Children of applicants are only allowed on the application of the parent who has residency of the child(ren) and to whom child benefit is paid. For the purposes of this scheme a child is defined as someone who is either under the age of 18 or who is still dependant on the applicant e.g. due to continuing education. Where a child benefit award letter can no longer be provided the Council will accept a bank statement addressed to the applicant clearly showing the correct amount being paid directly by child benefit as long as there is also proof of relationship for example, a child's long birth certificate to show the Parentage.

#### **Applications from Councillors, board members, employees and their close relatives**

- 6.6 Councillors or members of the board of a Registered Provider working with the Council as well as employees of Tamworth Borough Council and their close relatives (parents; children, spouse or former spouse) can apply to the housing register.
- 6.7 In order to ensure that the Council is seen to be treating all applicants fairly, any application for housing or re-housing from Members of the Council, employees of the Council, or associated persons must disclose their relationship at the point of application or if circumstances change after the initial application has been submitted.
- 6.8 All applications will be assessed in line with this policy, and shall be treated equitably and fairly. The Council will neither give an advantage too nor disadvantage an applicant falling into this category. Applications processed will be notified to management to sign off by a senior officer in the housing solutions team, Prior to any offer of accommodation to any application of this nature, it would require approval from the Executive Director of Communities, (and if required councils Monitoring officer), in line with the Disclosure Policy of the Council, attached at Appendix.

## **Applicants under 18 years Old**

- 6.9 Applicants aged 16 or 17 will not normally be able to join the housing register, the only exceptions to this are as follows;
- Where a statutory homelessness duty is owed
  - For care leavers 6 months before their 18<sup>th</sup> Birthday to allow the council to work with them effectively to help source suitable alternative accommodation to try and prevent them from becoming Homeless.
  - Where they have been accepted into supported accommodation provided by Tamworth Borough council and there is a requirement for the application to be processed to enable the occupant to pay rent and other charges.
- 6.10 All efforts, including family mediation, referrals to supported accommodation will be made to prevent homelessness and assist young people to achieve an appropriate housing solution to meet their need.
- 6.11 Where an applicant under 18 is unable to join the housing register but is threatened with homelessness full advice and assistance will be offered to the young person for them to return home where is safely to do so or source alternate accommodation.
- 6.12 The council has signed a joint protocol with partners across Staffordshire local authorities and the county council for homeless 16/17 year olds and with families first and as part of this protocol there is an agreement in place for joint assessments to be completed with colleagues from Staffordshire County Council. Therefore the council will make relevant referrals to enable this.
- 6.13 As a 16/17 year old cannot hold a tenancy in law, there will also be a requirement for a 16/17 year old to have an approved person to act as their trustee in relation to the tenancy agreement. This would normally be a family member or third party and is at the discretion of the Housing Solutions Service and the discretion of any provider.

## **7 Eligibility**

- 7.1 The statutory eligibility criteria for social housing are set out in section 160ZA (1-5) of the Housing Act 1996, as amended by the Localism Act 2011.
- 7.2 An applicant may be ineligible for an allocation of accommodation under section 160ZA (2) or (4). Authorities are advised to consider applicants' eligibility at the time of the initial application and again when considering making an allocation to them, particularly where a substantial amount of time has elapsed since the original application.

### ***Persons from abroad who are not eligible to join the register***

- 7.3 The following persons are not eligible to join the register:
- People who are “subject to immigration control” (unless they fall within a class prescribed by regulations made by the Secretary of State (section 160ZA(2))
  - People who are not subject to immigration control, but are nevertheless prescribed by regulation as being “persons from abroad” (this may include British citizens who are not habitually resident in the UK)
  - Any other person as prescribed by the Secretary of State.
- 7.4 If a person who has been admitted to the register ceases to be eligible under the above criteria, he or she will be removed from the register with immediate effect.

## **8 Qualification**

- 8.1 The Council will only allocate to a person who is a qualifying person; The Council will only allocate housing accommodation to a person that does not come within any part of section 7 of this policy.

### **Qualified Persons**

- 8.2 Only an applicant with a local connection is considered a qualifying person. Local connection is defined below. There are some exemptions to this which follow the local connection criteria.

### **Local Connection**

- 8.3 Applicants will satisfy and provide evidence; they have a local connection if the applicants or a permanent member of the household, meet at least one of the following criteria to be defined as having a local connection to Tamworth.

#### **A) Residence**

Have been resident within the borough of Tamworth consecutively for the last 2 years

For the purposes of residency we will only usually consider settled forms of accommodation.

#### **B) Employment**

Have permanent employment or self-employment within Tamworth that has been on-going for more than 12 months (although not necessarily with same employer).

This employment must be more than 16 hours per week. Where working hours fluctuate i.e. casual or zero hour's contract, an average will be taken over 12 months.

**C) Close family with an additional health/welfare need**

Local connection can be established through family where they have a close relative\* in the borough of Tamworth and where that close relative has been living in the borough consecutively for the last 5 years and where the relative has health or care needs which require the support of the household who is applying to move to be in the area.

Equally a family member can get local connection where they need to move to Tamworth to be closer to family who live in Tamworth which they require care/support from.

The applicants would need to provide medical evidence to support this along with evidence to show frequent contact or dependency.

\*Close relative for this purpose is defined as parents, children, siblings, grandparents or grandchildren including step relatives.

**8.4 Local connection exemptions;**

The only exemptions to this are as follows:

- They are homeless and the council has accepted a full duty to them under the Housing Act 1996 (as amended) S193(2)
- Applicants owed a S189B Relief duty for as long as that duty is owed to the applicant
- Applicants owed a S195 Prevention duty for as long as that duty is owed to the applicant
- They satisfy the right to move criteria stipulated in section 8.5.
- They satisfy the Allocation of Housing (Qualification Criteria for Armed Forces) (England) Regulations 2012
- There are significant and special circumstances with overriding reasons requiring the move into Tamworth for reasons of safety; i.e. when an applicant is fleeing domestic abuse from another area, is on a witness protection programme or where by not moving to Tamworth would be detrimental to their wellbeing or cause significant hardship. This would be assessed on a case by case basis and would require approval from a Senior Officer within the Housing Solutions Service.

An applicant will retain their local connection where they have left the area due to:



- Being in Hospital
- Having to move out the area for care
- Being accommodated in supported accommodation outside the district
- If placed in temporary accommodation outside of the area by Tamworth Borough council

## **Right to Move**

- 8.5 The Right to Move qualification regulations 2015<sup>5</sup> states that Local Connection criteria must not be applied to existing social tenants who seek to move from another local authority district in England and who have a need to move for work related reasons to avoid hardship.
- 8.6 To qualify the applicant must be social housing tenant living in England
- 8.7 Applicants wishing to join the Housing Register in Tamworth due to work related reasons to avoid hardship are able to do so provided that they can evidence the requirements.
- 8.8 Applications accepted under 'Right to Move' will be awarded Band 1 priority.
- 8.9 The council must be satisfied that the tenant needs, rather than wishes to move for work related reasons and if they were unable to do so would result in hardship.
- 8.10 In determining whether the tenant needs to move the council will consider the following factors;
- The distance and/or time taken to travel between work and home
  - The availability and affordability of transport, taking into account level of earnings
  - The nature of the work and whether similar opportunities are available closer to home
  - Other personal factors, such as medical conditions and child care, which would be affected if the tenant could not move
  - The length of the work contract
  - Whether failure to move would result in the loss of an opportunity to improve their employment circumstances or prospects.

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<sup>5</sup> Right to Move- Statutory guidance on social housing allocations for local housing authorities in England 2015  
DCLG

- 8.11 The qualification regulations only apply if work is not short-term or marginal in nature, nor ancillary to work in another district. Voluntary work is also excluded.
- 8.12 Any application awarded right to move will be notified to the allocations panel

### **Armed Forces**

- 8.13 The Allocation of Housing (Qualification Criteria for Armed Forces) (England) Regulations 2012 stipulate that a person would satisfy local connection if a person;
- A) Is serving in the regular forces or who has served in the regular forces within five years of the date of their application for an allocation of housing under Part 6 of the 1996 Act;
  - B) Has recently ceased, or will cease to be entitled, to reside in accommodation provided by the Ministry of Defence following the death of that person's spouse or civil partner where—
    - i. the spouse or civil partner has served in the regular forces; and
    - ii. their death was attributable (wholly or partly) to that service; or
  - C) Is serving or has served in the reserve forces and who is suffering from a serious injury, illness or disability which is attributable (wholly or partly) to that service.

### **Disqualified persons**

- 8.14 There are some circumstances where people are disqualified from joining the housing register as the Council will only allocate social housing to those people that it has defined as "qualifying persons" under Section 160ZA(6)(a) of the Act. These criteria are set out in the rest of this section.
- 8.15 Disqualified applicants can ask for a review of the decision – see section 11 of this policy.
- 8.16 Where applicants are disqualified from the housing register they will still be able to access advice and assistance on other housing options, such as privately renting, mutually exchanging and/or access to shared ownership from the Housing Solutions team of the Council.

- 8.17 Where an applicant has been accepted onto the housing register but subsequently becomes disqualified for an allocation (for example, for reasons of behaviour) or is discovered to have been disqualified when the application was made, the applicant will be notified in writing that the Council intends to cancel their application and of the reasons. The applicant has a right to ask for review of this decision (see section 11). If the Council has not received a request for a review within 28 days of the date of the notification letter, the application will be cancelled.

### **Disqualification criteria**

#### **A. *Unacceptable behaviour or former tenant debt***

Where an applicant or a member of their household who would be rehoused with them has been guilty of 'unacceptable behaviour' in the conduct of their current or a previous tenancy, they will not be qualified to join the register. An exception will be made where someone is homeless and the council has accepted a full section 193 housing duty. However, the Council would normally seek to discharge its duty towards them by assisting them into a qualifying private tenancy.

Unacceptable behaviour is defined as behaviour that would, if an applicant or member of their household was a secure tenant, entitle a landlord to possession under any of the Grounds 1 to 7 under Schedule 2 of the Housing Act 1985.

Unacceptable behaviour can include, but is not limited to:

- i. Owing rent or other housing-related debt from a current or former tenancy with a registered housing provider or a private landlord
- ii. Conviction for using premises for illegal or immoral purpose
- iii. Causing nuisance and annoyance to neighbours or visitors
- iv. Convicted of criminal offences in or near the home and still posing a threat to neighbours or the community
- v. Convicted of a criminal or civil offence relating to abusive behaviour towards a Tamworth Borough Council employee, partner or contractor
- vi. Convicted of housing or welfare benefits-related fraud
- vii. Being violent towards a partner or members of the family or anyone in the neighbourhood and been convicted of an offence in relation to this.
- viii. Obtaining a tenancy by deception, for example by giving untrue information

In determining whether an applicant is disqualified due to unacceptable behaviour, the Council will consider:

- Has the applicant or a member of the applicant's household been guilty of unacceptable behaviour?
- Was the unacceptable behaviour serious enough to have entitled a landlord to obtain an order for possession, whether or not such an order was sought?
- At the time of the application, is the applicant still unsuitable to be a tenant by reason of that behaviour, or the behaviour of a member of his/her household?

Unacceptable behaviour will initially result in disqualification for 12 months, which may be extended. To be admitted to the register the disqualification must have been rectified, for example if an applicant pays off or significantly reduces their current or former rent arrears. If an applicant's behaviour has been such that they have received a criminal conviction, then a fixed term disqualification may apply until any conviction has been spent.

An applicant can re-apply to the Housing Register at any time for their situation to be reviewed if they feel they are entitled to now qualify.

The council will not disqualify someone from the housing register once the conviction has been spent.

Where the disqualification is as a result of rent arrears and the applicant has demonstrated that they have a payment plan in place, are making regular payments for a period of 3 months, and of a reasonable amount then the council may allow them to join the register with a reduced preference.

All disqualifications will be decided on by the council's Allocations Panel and subject to regular review. All applicants would be notified of the decision in writing.

To be disqualified due to rent arrears this would include all housing related debt and can be considered where applicants owe 8 weeks rebated rent or equivalent.

### **B. Property Ownership**

Under s160ZA Housing Act 1996 the council is only allowed to allocate to an eligible and qualifying person. The Code of Guidance recommends that local authorities should avoid allocating social housing to people who already own their own homes. If the council were to allocate social housing this should only be in exceptional circumstances.

Applicants who own their own homes will be provided advice and guidance on other housing options.

Applicants will not qualify to join (or remain on the register) if they own a property either in the UK or abroad (either freehold, leasehold, under mortgage or shared ownership), unless they can demonstrate that:-

- They are in housing need and/or it is unreasonable for them to continue to occupy the accommodation

**And**

- They cannot liquidate or sell the property which would enable the owner occupier to purchase or rent an alternative property suitable to meet their needs.

Examples may include:

- They are homeless or likely to become homeless within 3 months of their request due to the repossession on their current home and if they receive any equity this will not be enough to secure accommodation
- A joint owner who has left the property, or is leaving the property in order to escape domestic violence and the violent partner is the other joint owner and the property cannot be sold.
- There has been a breakdown in a relationship between joint owners and one has requested housing, the property has been sold, and they have insufficient resources secure alternative accommodation.
- A homeowner who has been accepted as statutory homeless.
- Where the home has been served with a closure order or prohibition notice due to serious disrepair served by Tamworth Borough Council.

All alternative housing options must also have been exhausted before homeowners can join the housing register. In case of needing to move due to medical reasons this would also include disabled facility grant or adaptations.

Applicants who own property and who rent that property out will be expected to reclaim the property under lawful process so they can reoccupy. This will apply to properties that are owned outright, gifted to an applicant or still under a mortgage loan process and to properties where an applicant's family may currently be residing.

Those who are disqualified from the register because they are homeowners can still access appropriate advice regarding their housing options (as per Section 3 above) and assistance in resolving their housing needs.

Where applicants are able to register any offer of accommodation would require proof that the property has been sold or proof of agreed sale. Only in exceptional circumstances and where there are significant material overriding reasons would a property be allocated where they still retain ownership of a property and this would require approval from a Director.

### **C. Financial resources**

The council is permitted to take into account the financial resources available to an applicant to meet their own housing need. If a household income exceeds the following they will not qualify to join the register.

- i. Single person households with a household net income of £30,000 or more per year
- ii. Family households (this includes couples) with a household net income of £60,000 or more per year.

A family household is defined as a household that that is not a single person and includes couples. A household income will take into account the income of all household members, including non-dependents. Income will also include all sources of income for the household, including (but not limited to) benefits, grants and income from employment.

Disability Living Allowance or personal independence payments or any other replacement benefit for the above will not be included in the purposes of this calculation. Payments awarded as a result of injury sustained whilst serving in the armed forces shall also not be included in any income calculation.

These income ranges will be reviewed annually in line with Central Government Directive and legislation.

### **D. Savings/Assets/Capital**

Applicants with capital/savings/assets/investments in excess of £16,000 will not qualify to join the housing register as they will be regarded as having sufficient resource to source alternative suitable accommodation. This amount is in line with the DWP criteria for eligibility for Housing Benefit.

Where these savings are derived from a payment due to injury or disability for members of the armed forces who have recently discharged, unless there is an award towards resolving their housing costs they will not be included in this calculation.

### ***E. People with no housing need***

Applicants will not qualify for and be (or remain) registered on the council's housing register if the Council is satisfied, that following an assessment, they are suitably and adequately housed, that is, they have no recognised housing need under the Council's Housing Allocation Scheme or fall into reasonable preference category.

The demand for social housing in the area exceeds supply and therefore social housing has to be awarded to those who are in the most housing need. The council wants to manage demand and manage applicant's expectations accordingly.

Where such applicants are disqualified from joining the housing register they can still discuss other housing options available to them with the Housing Solutions Service. This can include the private rented sector and/or home ownership.

For current social housing tenants who are adequately housed but still wish to move they may still be eligible for a mutual exchange.

### ***F. Refused 3 tenancy offers within 12 months***

Where applicants have refused 3 suitable tenancy offers within a 12month period they will be disqualified for a period 12 months.

The 12months will commence on the date the application was cancelled.

The only exception to this will be where applicants have had a significant change in their circumstances following this and this will be at the discretion of the housing solutions manager.

## **Assessing Reasonable Preference without fulfilling the Qualification Criteria**

- 8.18 The Council's allocations Scheme must give Reasonable Preference to applicants who fall into the categories as set out under the Legal Context section at the beginning of this document. The Council cannot automatically reject an applicant who does not qualify under Local Connection criteria but who may still fall into a Reasonable Preference group for housing need.
- 8.19 Applications will be considered using the Reasonable Preference criteria set out in this Scheme. Successful applications where there is a Reasonable Preference, but where there is no Local Connection to Tamworth will be assessed at a reduced priority and be demoted to the band lower what they would usually be awarded should they have a local connection.

8.20 If applicants fall into a reasonable preference category they would only usually be disqualified in exceptional circumstances and where the applicant has committed serious anti-social behaviour or has high rent arrears<sup>6</sup>.

### **How to apply**

8.21 An application to join the housing register must be made using a Council housing application form. These can be downloaded online at [www.tamworth.gov.uk](http://www.tamworth.gov.uk) or alternatively are available from Marmion House, Lichfield Street, Tamworth, Staffordshire B79 7BZ. If a form cannot be downloaded or collected from the council offices then one can be requested to be posted out.

8.22 Applications are subject to verification checks and will be assessed:

- At the point of initial application
- Following any change of circumstance notified to the Council by the applicant
- Following routine validation audits
- Following an annual review of the application
- At the point of an offer of accommodation
- At the point of letting.

8.23 Applications must be accompanied by any supporting information and evidence as well as relevant proof of identification. The council will return all forms where the documentation has not been provided; applicants will usually be contacted and given the opportunity to bring the information in first, before it is returned.

8.24 The Council will contact any current and/or former landlords to make the following checks. This will apply to private or social landlords:

- Are eligible to apply for housing
- Qualify under the scheme rules
- Have housing need within the reasonable preference categories

8.25 Where applicants are privately renting and any reference request to current landlord may result in them being served a notice to leave, applicants will be required to provide proof of their rent account or proof of rent payments for the previous 6 months, or since the start of the tenancy commenced within the 6 months. A tenancy reference will be mandatory at the time an applicant is offered a property. Where applicants will be unable to do so any offer may be withdrawn.

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<sup>6</sup> Allocation of accommodation: guidance for local housing authorities in England- 2012 DCLG



- 8.26** Advice and assistance regarding any aspect of the housing application process is available free of charge from the Housing Solutions team, Tamworth Borough Council, Marmion House, Lichfield Street, Tamworth, Staffordshire, B79 7BZ, or by phoning 01827 709709 or by emailing [housingsolutions@tamworth.gov.uk](mailto:housingsolutions@tamworth.gov.uk).

## **9 Reduced Preference**

### **9.1 Reasonable preference without fulfilling local connection**

Where applicants fall under a reasonable preference category but would not ordinarily meet the local connection requirements their band would be reduced to 1 band lower than they would be awarded if they had local connection.

### **9.2 Rent arrears**

Where applicants owe housing debts to their current or a former landlord of: £250.00 or over, or 4 weeks rebated rent<sup>7</sup> their band would be reduced by one band below that indicated by their housing need.

So, for example, applicants whose housing need would place them into Band 2 would be placed into Band 3.

Where the applicant owes arrears of rent that are lower than either of these two amounts, then their application will not be demoted but they will be expected to clear the arrears before being signed up for any new tenancy.

The Council reserves the right not to apply reduced preference for rent arrears where these are directly attributable to bedroom subsidy sanctions, and there is a sound business case to do so. The Councils Allocations Panel must approve this type of over-ride.

The Council will not apply reduce preference when an applicant has rent arrears but has been accepted as homeless and determined not to have made themselves intentionally homeless.

For transfer applicants the Council will expect a clear rent account in order to move and will be required to have an approved property inspection.

### **9.3 Deliberate Worsening of Circumstances**

Where applicants have been deemed to have deliberately worsened their circumstances their banding will be reduced to one band lower than they

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<sup>7</sup> 'Rebated rent' means the net amount that the tenant is expected to pay over and above any housing benefit or housing allowance.

would usually have been awarded. Examples of this could include but are not limited to:

- i. Applicants, who give up a home that they owned, rented, shared, or had rights to but chose to leave or dispose of within the last 5 years of an application being made. This includes 'gifting' a home to friends and/or relatives, both within and outside the UK, where they could have reasonably been expected to reside, or to sell, using the proceeds to resolve housing difficulties.
  - ii. Applicants who have given up a social housing tenancy within the past five years, not due to violence / threats of violence / harassment / anti-social behaviour / domestic abuse / hate crime, or any other similar danger to life and welfare. If any of the previous criteria is claimed, this will need to be clearly evidenced by professionals engaged with the applicant. Evidence from the previous social landlord will be taken into account.
  - iii. Applicants who deliberately overcrowd their home other than where it is to prevent another's homelessness.
  - iv. Applicants who deliberately move to a home which was clearly unaffordable at the point they moved into it.
  - v. Applicants who deliberately move into accommodation which will be overcrowded other than to prevent their homelessness.
  - vi. Applicants who left suitable accommodation without making suitable provision
  - vii. Applicants who deliberately deprive themselves of capital, equity, income as a result of sale of property in order to qualify or gain priority for housing. Deliberate deprivation includes gifted money to relatives and friends and payments to third parties that do not form part of authorised loans that are regulated by the financial services authority.
- 9.4 Where an applicant is applying as both on the housing register and as a homeless applicant; has banding for other reasons other than in relation to the homelessness but is subsequently deemed to be intentional or has worsened their circumstance a reduce preference to band lower would apply. For example an applicant may have been awarded medical banding but the applicant is deemed to be intentionally homeless whilst they would still be awarded the medical banding a reduced preference would then apply and would be placed in one band lower.

## **10 Bedroom Requirements, Property eligibility and entitlement**

### **10.1 Summary of which households can bid for certain properties**

<b>Property Type</b>	<b>Household Criteria</b>
Bedsit / studio flat	Single person
One bed flat	Single person / couple
One bed Bungalow	<p>Single person or couple with mobility disabilities and a need for this type of accommodation (as assessed by an Occupational Therapist).</p> <p>Priority is given where one person is 60 years or above. In the absence of 60+ year olds, those under the age will be considered.</p>
High rise – one bed flats	Single persons or couples - at least one person must be 50 years or above.
High rise – two bed flats	<p>Couples where at least one person is 50 years or above who have either:</p> <ul style="list-style-type: none"> <li>• An assessed need for separate bedrooms or</li> <li>• Require an overnight carer.</li> </ul>
Two bed bungalow	<p>Single persons or couples -who have either:</p> <ul style="list-style-type: none"> <li>• An assessed need for separate bedrooms or</li> <li>• Require an overnight carer.</li> </ul> <p>Priority is given where one person is 60 years or above. In the absence of 60+ year olds, those under the age will be considered.</p>
Sheltered Housing	Single persons or couples - at least one person must be 55 years or above and they must have an assessed need for sheltered housing.
Two bed flats (not high rise), maisonettes and houses	Households, whose bedroom requirements are as indicated in section 8.
Three bed flats, maisonettes and houses	
Four bed houses	
Five bed houses	
Seven bed houses	

### **Bedroom Requirements**

10.2 The Council will make best use of its stock. Accommodation will normally be offered according to applicants' needs and the criteria below:

One bedroom is allowed for:

- Every adult couple
- Any other person aged 16 or over
- Two children of the same sex under the age of 16
- Two children under the age of 10 regardless of their sex
- Any other child
- A carer (who is not part of your household) if you or your partner need overnight care
- Any other person who can't share a bedroom because of a severe disability or medical condition or where there is a need for medical equipment for example dialysis equipment (see section 8.5)

10.3 A household containing a pregnant woman will be eligible for a bedroom for the unborn child at 20 weeks gestation if there is no other bedroom that the child would be expected to share. Since this would be deemed a 'spare room' prior to the child's birth, the financial implications of accepting the offer of a property with a room for the unborn child will be explained to the applicant prior to their acceptance of the offer. They will be entitled to refuse such an offer.

10.4 These household criteria largely reflect the changes made by Government to Welfare Benefits. This approach seeks to ensure that applicants are not allocated accommodation that has a 'spare' bedroom for benefit purposes and would be unaffordable and unsustainable as a result.

#### Carers

10.5 Applicants claiming bedrooms for carers will need to provide evidence sufficient to satisfy the Council of the caring relationship, which must include supporting evidence from Adult Social Care evidencing the need for overnight care. Even where the Council recognises a need for an overnight carer for the purposes of a housing need, the applicant may still need to satisfy other authorities of this, such as for Housing Benefit / Universal Credit payments.

#### People with disabilities who cannot share

10.6 Applicants will need to provide evidence sufficient to satisfy the Council of the need for separate bedrooms, which must include supporting evidence from senior medical professionals. Awarding an additional bedroom will be assessed on a case by case basis and will involve considering not only the nature and severity of the disability but also the nature and frequency of care required during the night, and the extent and regularity of the disturbance to the sleep of the other person who would normally be required to share the bedroom. Even where the Council recognises a need for an additional

bedroom for the purposes of a housing need, the applicant may still need to satisfy other authorities of this, such as for Housing Benefit / Universal Credit payments.

#### Fostering

- 10.7 Approved foster carers and adopters who need to move to a larger home in order to accommodate a looked after child or a child who was previously looked after by a local authority can apply to the Council to bid for homes that provide an additional bed space. This provision also includes special guardians, holders of a residence order and family and friends carers who are not foster carers but who plan to take on the care of a child. Approval for a 'size over-ride' will be considered by the Allocations Panel given and subject to supporting information.

#### Under-occupying homes

- 10.8 The Council reserves the right to under-occupy homes if this is the best use of housing stock determined by demand, adaptation or through individual personal need and this type of over-ride will be approved by the Head of Strategic Housing and subject to an affordability check.
- 10.9 Where under-occupation of a home would result in a reduction in Housing Benefit because there is a spare room, the implications will be discussed with the applicant prior to acceptance of an offer, to ensure that the applicant can afford to pay the rent and the tenancy will be sustainable.

#### Over-occupying homes

- 10.10 Where a household requires a larger property, and these house types do not become available frequently, they may apply to the Council to be allowed to bid for properties that have one bedroom less than required under these eligibility criteria, provided:
- They would not be statutorily overcrowded, and
  - There is assurance that the sleeping arrangements will be satisfactory Approval for a 'size over-ride' will be approved by the Allocations Panel.
- 10.11 Where the bedroom needs are linked to medical need then this would not apply unless the applicant agrees to withdraw the medical information and the medical information and banding on this basis is discounted. Where banding due to overcrowding has also been applied but applicants are now moving like for like the banding due to overcrowding would also be discounted.

### **Property Eligibility**

## Sheltered Housing

- 10.12 The Council has a number of sheltered schemes across the town and allocations are in accordance with this Scheme. The applicant (or at least one of a couple) must be 55 years or above.
- 10.13 Prospective tenants will be required to have a needs and risk assessment before an offer is made to ensure that the property and support will meet their needs.
- 10.14 This assessment will usually take place at the scheme you prefer. As part of the interview, the independent living manager will explain the costs of living in the scheme in terms of rent and service charges related to the provision of the scheme manager, the community alarm and scheme communal areas. This promotes financial inclusion and enables applicants to make an informed choice about whether to accept an offer of housing.
- 10.15 Property advertisements include information on who can bid, and the charges payable.

## Properties where bidding is limited to certain households or bands

- 10.16 Some other properties are designed and intended for households with specific characteristics. These include properties that are usually allocated to older people, or to disabled people.
- 10.17 Where properties are so designated, the property advertisement will state which types or bands of applicants are eligible to bid and how their relative priority will be determined.
- 10.18 The property advertisement will also state where a Local Lettings Plan applies, and who is entitled to bid for the property.
- 10.19 Some properties, e.g., some that are in high demand, will only be open to bids from applicants in higher bandings, as determined by the Annual Lettings Plan. This will also be stated in the property advertisement.

## 11 Banding

### Summary of Banding

#### 11.1 Band 1+

Applicants in the following circumstances will be placed in this highest band:

- Applicants assessed as having exceptional additional

housing need determined by being considered a full homeless duty and one further characteristic in Band 1

- Applicants that have an urgent housing need (as defined in Band 1) and
  - i. Are serving or formerly served in the regular forces and suffer from a serious injury, illness or disability which is attributable (wholly or partly) to the person's service
  - ii. Has recently ceased, or will cease to be entitled, to reside in accommodation provided by the Ministry of Defence following the death of their spouse or civil partner who served in the regular forces and whose death was attributable (wholly or partly) to that service, or  
Is serving or has served in the reserve forces and is suffering from a serious injury, illness or disability that is attributable (wholly or partly) to the person's service.

## **11.2 Band 1**

Applicants in the following circumstance will be awarded Band 1, these circumstance encompass reasonable preference groups:

- Applicants whose current home is within Tamworth and is due to be demolished, or is subject to a Demolition Order.
- Applicants assessed as statutory homeless and owed a full housing duty in Tamworth.
- The applicant's current home is subject to a Prohibition Order served by Tamworth Borough Council covering a main part of the dwelling, or is otherwise unsatisfactory or unsanitary and the defects to the property cannot be readily remedied following an assessment by the private sector housing team.
- Applicants who are unable to continue to occupy their current accommodation due to high medical need or disability
- Applicants with a high need for alternative accommodation on the grounds of significant social welfare this includes applicants with a need to move to a particular locality where significant hardship would be caused if they did not move, and this banding is also awarded to those with a 'right to move' as stipulated
- Applicants who are deemed by the Private sector housing team to be statutorily overcrowded, or who are overcrowded by two or more bedrooms according to this Policy

- Applicants who have a social housing tenancy and are under-occupying social rented accommodation by two or more bedrooms
- Applicants awarded Incentive to Move that are presently tenants of Tamworth Borough Council, and are prepared to move to a flat or bungalow, thereby making their current home available to applicant that need a house
- Applicants that are presently living in supported housing and are required to move on. In accordance with the move on protocol, where specific Service Level Agreements exists or other specific arrangements, the supported accommodation provider will be required to confirm that the applicant(s) has completed a support programme and is ready to move on
- Applicants who are a looked after child and leaving care.
- Where a former Tamworth Borough Council tenant has negotiated and agreed tenancy surrender
- Applicants who are Tamworth Borough council tenants and have an urgent need to move and to make best use of stock for reasons where banding has not been otherwise provided for in the policy.
- Have a reduced preference from Band 1+
- Applicants who were assessed as threatened with homelessness but through successful mediation have remained within the home for a minimum period of 6months

### **11.3 Band 2**

Applicants in the following circumstances will be placed in Band 2:

- Applicants with a medium medical need who have been assessed as requiring suitable alternative accommodation.
- Applicants owed a S189B Relief duty for as long as that duty is owed to the applicant (not subject to cumulative preference)
- Applicants with a medium need for alternative accommodation on the grounds of serious social/welfare.
- Applicants who are overcrowded by one bedroom according to



The bedroom requirement in this policy.

- Applicants who have social housing tenancy and are under occupying social rented housing by one bedroom.
- Applicants who are leaving Armed Forces accommodation and who have not been dishonourably discharged. A Discharge Notice will be required
- Applicants who have been verified as Rough sleeping who have not been deemed to made themselves intentionally homeless but not been accepted a duty.
- Have a reduced preference from Band 1.

#### **11.4 Band 3**

Applicants in the following circumstances will be placed in Band 3:

- Applicants who have been assessed through the homeless legislation but where a full duty is not owed due to non-priority, intentionality or refusing a suitable offer of accommodation.
- Applicants owed a S195 Prevention duty for as long as that duty is owed to the applicant (not subject to cumulative preference)
- Applicants with a low medical need or disability requiring them to move.
- Applicants who have a low housing need on welfare grounds.
- Applicants who are single and aged 35 or over who are living in shared accommodation that includes sharing facilities such as the bathroom or kitchen with other people in unrelated households
- Joint applicants who are a couple and living in shared accommodation that includes sharing facilities such as the bathroom or kitchen with other people in unrelated households
- Have a reduced preference from Band 2.

#### **11.5 Band 4**

Applicants in the following circumstances will be placed in Band 4:

- Applicants that are owed an accommodation duty under section 193C (4) – applicants who have had their homeless duty discharged for failing to co-operate.
- Applicants that have a reduced preference from Band 3.
- Applicants that have temporality referred to supported housing by the Council but not yet ready for move-on

**11.6** There are 5 bands, with Band 1+ being the highest priority. Each of the bands is categorised according to need

**11.7** Applicant(s) meeting two or more of the categories described in Bands 1 or 2 will be promoted to the band above. This is to recognise their exceptional and urgent housing need.

**11.8** Relative priority amongst bidders for any particular home is determined:

- Firstly by the Band, and
- Secondly by the date that the application joined the Band, so that those that have been in any Band for longer periods of time are given preference over those that joined the Band at a later date

**11.9** Where an applicant's circumstances change and an alternative banding is awarded, the date the applicant is accepted into the Band is used to prioritise their application compared to bidders in the same Band.

### **Banding Priorities Explained**

#### **Medical grounds for rehousing**

**11.10** The Council has three levels of medical priority that determine which band an application will be placed in:

Band 1 = High Medical Award

Band 2 = Medium Medical Award

Band 3 = Low Medical Award

**11.11** The assessment process requires the applicant to provide evidence from relevant care or medical professionals that clearly links the health concern to the current accommodation

### **11.11.1** High medical need

Where current housing conditions are having a major adverse effect on the medical condition of either the applicant or a member of their household, the application will be placed into Band 1. This will require evidence from a senior health practitioner or a consultant and be a tailored assessment clearly linking the medical condition with the current accommodation and making a recommendation as to which type of property would alleviate the condition.

Examples might include:

- A wheelchair user occupies a home where facilities are upstairs and therefore inaccessible and flatted accommodation or a bungalow is recommended
- An applicant is due to be discharged from hospital and cannot be discharged into their current accommodation because its design is totally unsuitable.
- A referral has been received from a consultant or other similar health care professional stating that their current housing is having a severe effect on an applicant's (or member of their household's) mental well being
- An applicant or a member of their household who needs to move to suitable adapted accommodation because of their serious injury, medical condition or disability. This would be assessed by an Occupational Therapist. Consideration will be given to applicants' eligibility for Disabled Facility Adaptations or a Disabled Facilities Grant.

An award will be subject to approval by a senior officer in the housing solutions team.

### **11.11.2** Medium medical need

Applicants who have been assessed as requiring suitable alternative accommodation because their medical condition and/ or disability is having a detrimental effect on their ability to live independently at home would be placed into Band 2. This would require evidence from medical practitioners who must also recommend suitable property types or characteristics based on their knowledge of the applicant's medical needs.

Examples might include:

- An applicant who requires a different type of accommodation or a different layout of accommodation including but not limited to someone who needs level access accommodation.

### **11.11.3** Low medical need

Applicants whose move to suitable alternative accommodation would improve their health will be placed in Band 3. This is typically evidenced by a letter from

the GP or community health services and must also recommend suitable property types or characteristics based on their knowledge of the applicant's medical needs.

Examples might include:

Someone with a degenerative condition whose needs are likely to occur in the future, typically within 12 months' time.

### **Social, welfare and hardship grounds**

**11.12** The Council has three levels of social, welfare and hardship priority that determine which band an application will be placed in:

- Band 1 – High Social, Welfare and Hardship Grounds
- Band 2 – Medium Social, Welfare and Hardship Grounds
- Band 3 – Low Social, Welfare and Hardship Grounds

**11.13** The Council seeks to sustain tenancies and will engage in multi-agency discussions to determine the best way to resolve issues. Social, hardship and welfare is an umbrella term that will include any discretionary issues other than medical.

#### **11.13.1**      High Social, Welfare and Hardship need

Those applicants needing to move urgently on social welfare grounds will be placed in Band 1. Priority of this level will only be awarded if the current situation is so significant that it will have a serious impact on the wellbeing of the applicant/s or a member of their household.

This will require third party corroboration from a statutory agency (e.g. safeguarding, police, MARAC) and/or senior professional who are involved in the case.

Examples might include:

- Child/ren separated from parents (where they previously lived together) because the child cannot currently occupy the home of the parent, which prevents them living as a family unit.
- Applicants with a high degree of vulnerability whose housing situation is having a detrimental effect on their life
- Applicants who need to move to recover from the effects of violence, emotional or sexual abuse
- People who need to move because of racial or homophobic abuse
- An applicant needing to move to be closer to a relative where either is very vulnerable, there is no alternative solution and where not to do so would cause significant hardship or either or both
- An applicant who is under witness protection, through the national witness mobility service and requires a move to another area.

- Applicants who have been accepted as having a Right to Move (in accordance with section 6.
- An applicant needing to move to take up employment where by not doing so would cause financial hardship.
- Cases in relation to a child in Need where they meet criteria stipulated in section below.

The Borough Council will carry out a home visit if this is deemed necessary in order to verify the details provided by the applicant.

Any award will be subject to approval by a senior officer within the housing solutions team.

### ***Child / Children in Need in an existing household***

A child in need is defined under the Children Act 1989 as:

*‘A child who is unlikely to maintain or to have the opportunity of achieving or maintaining a reasonable standard of health or development without the provision of services by the Local Authority; the child’s health or development is likely to be significantly impaired for further impaired without the provision of services...’*

A high social need banding will be applied to the application for rehousing, placing the application into band 1, where:

- The child has been assessed by children’s social services via a statutory assessment procedure, and
- Social services have clearly indicated the aspect(s) of the child’s development hindered by the current housing circumstances, and
- The Council’s safeguarding and designated officers within housing are satisfied that the evidence supports an urgent need to move

For the purposes of this assessment the household to be considered is that which has care and control of the child for the majority of the time.

### **11.13.2      Medium Social, Welfare and Hardship need**

Applicants who have a medium housing need on welfare grounds will be placed in Band 2; this would require third party supporting evidence from (local support team, social workers etc.).

Examples might include:

- Applicants who need to move as part of an agreed support plan to re-integrate them into the community.
- Lower level and regular police involvement

### 11.13.3 Low Social, Welfare and Hardship Grounds

Applicants who have a low housing need on welfare grounds will be placed in Band 3. This would require third party evidence from support workers or equivalent.

Examples might include:

- Applicants with limited access arrangement to their children for example living in a property where children cannot visit.
- Applicants who are privately renting and who are struggling financially. This will be assessed on case by case basis and subject and evidence is provided for example- income/expenditure check through the CAB. This will only be awarded where is not due to lifestyle choice. The council reserves right to refer to their debt advice provider for confirmation of this.

### **Overcrowding**

- 11.14 For households that are living in overcrowded circumstance, banding is awarded on a tiered approach, banding is awarded as follows;
- Band 1 is awarded to applicants who are deemed by the Private sector housing team to be statutorily overcrowded, or who are overcrowded by two or more bedrooms according to this Policy
  - Band 2 is awarded to applicants who are overcrowded by one bedroom.
- 11.15 Provided the applicant is not considered to be statutory overcrowded, overcrowding banding awarded by the policy would only be awarded where applicants are considered to be in settled accommodation.
- 11.16 Consideration will be given to the reasons the applicant became overcrowded, whether an applicant is able to afford a larger home, either in the private rented sector, or through a shared ownership scheme, and whether the space within the dwelling is being used effectively.
- 11.17 Evidence will be required to support the overcrowding.
- 11.18 Overcrowding assessments will only take into account people who live permanently within the home.
- 11.19 Home visits may be undertaken by the council to verify the information provided.
- 11.20 The council retains the right to remove banding on this basis should the overcrowding not be evidenced, or circumstances alter and lead to the overcrowding situation being resolved.

### **Move on from Supported Housing**

- 11.21 The Council works in partnership with a number of agencies that support move-on arrangements from hostels, supporting people funded and/or other specialist accommodation.
- 11.22 Applicants moving on from short term accommodation (up to 2 years duration) who are capable of independent living (with or without care and support plans) will be placed into Band 1, provided there is evidence from the support provider to confirm that:
- Their rehousing requirements constitute a high social and/or medical need and an appropriate move on package is in place
- Or
- Rehousing will free up a place for a vulnerable person(s) in supported housing
- 11.23 If applicants fail to bid, then the Council will make bids on their behalf. If applicants are not satisfied with any resulting offer of accommodation then they can request a review of the suitability of the offer.
- 11.24 Applicants in this category will receive one offer of suitable housing only. If applicants refuse a move on offer accommodation there would be reduced preference applied.
- 11.25 These terms are in accordance with service level agreements or other specific move-on arrangements agreed with providers.
- 11.26 In accordance with the Move on protocol adopted by the Council a ready to move on would need to be completed by the accommodation provider before banding will be awarded.
- 11.27 Where there are any residual support needs to the supported accommodation provider must continue to supply low-level support for a period of 6 weeks following them being housed.

### **Under- Occupation banding**

- 11.28 For households that are under occupying social housing, banding is awarded on a tiered approach, banding is awarded as follows;
- Band 1 is awarded to applicants who are deemed to be under occupying by two or more bedrooms according to the bedroom standard in this Policy
  - Band 2 is awarded to applicants who are deemed to be under occupying by one bedroom according to the bedroom standard in this policy
- 11.29 Banding for under- occupation will only apply to those who are occupying and have a social housing tenancy.

- 11.30 Evidence may be required to support this in terms of providing evidence they have a social housing tenancy and evidence they are under occupying, this could be provided by their social landlord.
- 11.31 Where the council is unable to verify these circumstance the council retain the right to remove banding on this basis.

#### **Incentive to Move scheme**

- 11.32 In making best use of stock the Council uses it's Incentive to Move scheme to encourage people to move out of under-occupied properties. The policy enables a payment to be made towards moves from:
- Houses to flats or bungalows
  - Adapted properties to non-adapted properties (where a suitable match has been made for the adapted property)
  - Chain lets – effectively giving up 2 or 3 properties to move into 1 larger property that is assessed as solving multiple needs
- 11.33 Where someone has moved and received an incentive payment, they should expect to stay in that property for 3 years before making an application to transfer home again.
- 11.34 The payment will be recovered from tenants that move within 3 years unless there is an exceptional circumstance such as:
- Moving into residential care or long-term hospice
  - Death
  - Moving in with relatives
- 11.35 The terms of the Incentive to Move scheme are subject to review and set out in the Guide.
- 11.36 Where there are arrears that applicants would otherwise be subject to reduced preference in order to not negate a move, the council reserves the right to not apply reduced preference in this circumstance as long as any payment awarded for incentive to move would clear the arrears, where arrears are in excess of the incentive to move payment reduced preference would still apply.
- 11.37 Where there is banding for under occupancy and incentive to move applicants will not be awarded cumulative preference for Band 1+ to avoid duplicating banding for the same circumstance, cumulative may still apply for other banding such as medical grounds.

#### **Negotiated tenancy surrender**



11.38 An applicant who is in this category would be placed into Band 1 if they offer to end their tenancy upon the following conditions being met;

- They were a tenant of Tamworth Borough Council when taken into custody
- Any offence committed did not mean they had breached their tenancy agreement, or the tenant has to go into a mental health or other special facility for an extended period; and
- They have or are likely to be sent to prison for more than 13 weeks or institution; and
- They have conducted their tenancy in a reasonable way; and
- Their rent is up to date; and
- They have not been served with a 'Notice Requiring Possession'.

11.39 If the above criterion is met then written confirmation of the surrender will be provided.

11.40 An applicant, who has been granted negotiated surrender priority, may be able to bid for properties within 28 days of their confirmed release date. However, an applicant must be in a position to sign tenancy agreements and move into the property once it is ready or the offer of accommodation may be withdrawn.

11.41 An applicant would only be awarded this priority where they would not be disqualified from the housing register.

11.42 Banding under this priority would only be awarded where the agreement was made and confirmation had been provided.

### **Unsanitary or otherwise unsatisfactory housing**

11.43 The law states that a council is required to give reasonable preference to those living in unsanitary or otherwise unsatisfactory housing.

11.44 We will award Band 1 to applicants living in unsanitary or unsatisfactory housing where there is at least one verified category 1 hazard that cannot be resolved by the landlord within six months and where the condition of the accommodation has at least an on-going moderate effect on the applicant's health or a member of their household.

11.45 We will award Band 1 to those issued a prohibition order covering a main part of the dwelling, or has been included within a clearance area or has a lack of facilities. This would include situations where the condition of the property occupied is seriously detrimental to the health of any of the household and the defects to the property cannot be easily remedied following an assessment by the private sector housing team within 6months

11.46 The council in this regard will also consider circumstances where applicants are without access at all to any of the following facilities;

- Bathroom or kitchen

- An inside WC
- Hot or cold water supplies
- Adequate heating

11.47 In all cases of disrepair this would need to be reported to if a social housing tenant their landlord/ repairs service and the case of private dwellings the private sector housing team.

11.48 Where conditions have been deemed to have been caused as a result of an applicant's behaviour or lifestyle banding would not be awarded. This would include where an applicants has refused to allow for the issues to be remedied.

***Decanting social housing tenants for major repairs***

11.49 Where the applicant lives in a Tamworth Borough Council property, the Council will seek to deal with any repairs before it considers moving them. However, where major works are required, the tenant may need to move out in order for these to take place. Any letting made will be on the basis that it is a temporary move (a decant) and the tenant will be able to return to their original home once the works have been completed.

11.50 These tenants will therefore be offered a licence agreement to occupy the temporary home, as their substantive and principle dwelling will remain their tenancy.

11.51 Decants to allow major repairs to private sector housing will be managed in accordance with the Housing Act 2004 and/or other relevant legislation or statutory instruments. Where issues of disrepair are so significant that an Emergency Prohibition Order is necessitated, the occupier(s) of the dwelling will qualify for Band 1 status from the date of the Order.

**Best use of stock or tenants with an urgent need to move**

11.52 In order to make best use of stock and if by moving a council tenant would avoid hardship the council can award priority banding Band 1.

11.53 This will only be awarded in exceptional circumstances and where banding has not otherwise been awarded through the policy for the same circumstance.

11.54 Applicants are not automatically entitled to this banding and cases will be assessed on a case by case basis and awards of this nature would have to have supporting information and agreed by the allocations panel.

11.55 Cases which could be considered but dependant on circumstances could include but are not limited too;

- Tenants who are enduring significant financial hardship where they are engaged and working with the tenancy sustainment team and all other options

have been considered, is moving to a smaller property and not eligible for incentive to move

- Applicants who are applying for 'joint to sole' due to domestic abuse and where they cannot remain in current home or living in a property too big for their need. A property would only be awarded to one party and supporting information would be required for example an injunction.
- Applicants who have resided in a council property for a significant period of time, not able to succeed a tenancy where they may have otherwise been able to (i.e. metal capacity of the tenant) and where there are other significant circumstances other than just the issue of non-succession (i.e. vulnerability, health issues).

11.56 Where banding of this nature is awarded an officer will be assigned and will make proxy bids on all suitable properties.

11.57 If applicants are offered a suitable property and refuse the banding for this priority will be removed

11.58 Applicants will only be awarded this priority where there is an urgent need to move and there is no other viable alternative, or other alternatives have been exhausted.

11.59 Banding should also only be awarded where they do not have the resource to secure alternative accommodation.

11.60 As banding for this circumstance is only open to council tenants any resulting offer would also be council accommodation.

#### **Move-On from Care (Staffordshire County Council)**

11.61 A care leaver or 'looked after child' (LAC) will be awarded high priority to move within this policy if they are ready to move into independent settled housing provided they satisfy certain criteria and in order to try and prevent homelessness will be awarded Band 1.

11.62 The care leaver must have been accommodated for the relevant period of time to be given its full status. This is usually for at least 13 weeks after the age of 14 and accommodated at least one day over 16.

11.63 A supporting letter would need to be issued by the relevant care authority (Staffordshire County Council) confirming their status and they are ready to move on.

11.64 They are ready and prepared to move to independent settled housing, which may be in the social or private sector, and both of the following criteria apply:  
i. The care leaver possesses the life skills to sustain a tenancy and

- ii. The care leaver has been assessed for a support package, and one is in place.

### **Homeless Households and applying to join the housing register**

- 11.65 Where applicants are homeless and have also applied to join the housing register they will not be disadvantaged.
- 11.66 Where applicants have made a homeless application but would still be considered to be entitled to banding under another reasonable preference category they will still be entitled to their normal banding until there has been a change of circumstance which mean the banding is otherwise no longer applicable, for example overcrowding or medical banding associated to a property which they have moved away from.
- 11.67 Due to the Homeless Reduction Act 2017 the Council has framed this policy in order to aid the Council and preventing homeless and discharging it duty.
- 11.68 Homeless Households will be awarding banding on a tiered approach depending what homeless duty may be owed and this is covered in further detail below.

### **Accepted statutory homeless households**

- 11.69 *Households to whom the Council has accepted a full duty under Part 7 of the Housing Act (as amended) are entitled to one offer of suitable accommodation.*
- 11.70 Applicants are able to bid for advertised properties.
- 11.71 Within the provisions set out in the Localism Act 2011, they may also be considered for an offer of suitable private rented accommodation in line with the councils Discharge of Duty into the Private Rented Sector Policy which can be found at the following link. [Insert link](#)
- 11.72 All bids will be monitored by the Council and if an applicant does not bid on suitable properties an officer of the Council will make suitable proxy bids on their behalf. If applicants are not satisfied with any resulting offer of accommodation then they can request a statutory review under s202 of the Housing Act 1996, or appeal under S204 of the Housing Act 1996.
- 11.73 If the offer is deemed to be suitable but the applicant refuses the offer, the Council may discharge its duty to the applicant and their priority for housing will be reassessed in line with this Allocations Scheme. Applicants will also have a right to review on the decision to discharge duty under s202 and s204 of the Housing Act 1996.

### **Households who are homeless but where the full housing duty is not owed**

- 11.74 Applicants that are owed a S189B Relief duty will be placed into Band 2 for as long as that duty is owed to the applicant. This banding is not subject to cumulative preference.
- 11.75 Applicants that are owed a S195 Prevention duty will be placed into Band 3 for as long as that duty is owed to the applicant. This banding is not subject to cumulative preference.
- 11.76 Applicants who have been assessed through the homeless legislation but where a full duty is not owed due to non-priority, intentionality or refusing a suitable offer of accommodation will be placed into band 3 until there has been a change in the circumstances or where in the case of intentionality there been an occurrence which would have made a break in the chain of causation.
- 11.77 Applicants that are owed an accommodation duty under section 193C (4) – applicants who have had their homeless duty discharged for failing to cooperate.

### ***Review of 'suitability' of an offer of accommodation for households accepted as statutory homeless***

- 11.78 Applicants that have been accepted as statutorily homeless are entitled to request a statutory review where they consider that an offer of accommodation was not suitable.
- 11.79 Where an applicant has refused a suitable offer of accommodation and the council discharges its relevant duties they would then be placed in Band 3.
- 11.80 Requests for a review of suitability must be made within 21 days of notification of the Council's decision
- 11.81 When refusing an offer of accommodation, the reasons for refusal must be provided to the Housing Solutions Manager who will review the case and make a decision on the applicant's review request within 8 weeks (56 working days).
- 11.82 The applicant/s will be advised to accept the offer, as the property will not be held whilst the review decision is being made. Any other bids made on other properties during this period will be discounted.
- 11.83 If the decision is that the offer was not suitable the applicant's priority will be reinstated to that prior to the refusal and they will be able to continue to bid.

11.84 If the review decision is that the offer was suitable and the applicant did not accept the property prior to requesting a review, the Council will:

- Notify them that it has discharged its duty under homelessness legislation and no further offer will be made
- Application will then remain in Band 3.

11.85 If an applicant remains dissatisfied they can request a further review on a point of law through the courts.

## **12 Procedure after an application has been registered**

### **How the application is processed**

**12.1** Once an applicant, with their household, has been checked against the eligibility and qualification criteria, their application will be assessed in accordance with this scheme to ensure that those in greatest need are given preference for an allocation, and the application will be awarded a banding (see **section xxx for** determination of bands).

**12.2** The application will be registered by entering details onto the Council's Housing IT system. Once an application has been registered, the applicant will be sent written confirmation of key details including their registration number and date, the band they have been assessed for, and which types of properties they can bid for. The letter will also confirm how to register and bid for properties.

### **Change of circumstances**

**12.3** Once registered it is the applicant's responsibility to inform the council of any change in circumstance that affect eligibility, qualification and/or priority or banding for housing. Examples could include but not limited to:-

- A change of address, for themselves or any other person on the application.
- Any changes in household of where the applicants or others included on the application live.
- If a member of the family or any other person on the application has left the household.
- Any change in income and/or savings or become property owners.
- Any medical/welfare or mobility needs which will affect the type of accommodation required
- Any changes to immigration status
- Change in contact details.

- 12.4 If the change in circumstances results in a change to the application's banding or position within a band then a letter will be issued informing the applicant of the change.
- 12.5 If a change of circumstances is not notified to the council prior to any offer of accommodation, the offer of accommodation maybe withdrawn/bypassed and position within the register reassessed.
- 12.6 The Council carries out an automated review of the Housing Register, and failure to respond to any contact in this matter will also result in the application being cancelled. Further details of the annual review are set out here.

### **Annual Review of applications**

- 12.7 In order to maintain a Housing Register which accurately reflects current housing need, applicants will be required to respond to a review of their application at least once per year. This review process involves confirming whether any changes in circumstances need to be reported and if they want to remain on the register.
- 12.8 If an applicant fails to respond to the review letter within the allocated time of 28days from the review letter and they have not been actively bidding their application will be cancelled and removed. The applicant will then need to register a new application and be reassessed with a new band and priority date, should they still have a housing need.
- 12.9 Cancelled applications will only be reinstated in exceptional circumstances at the discretion of the Housing Solutions Manager provided the request is received within 6 weeks and provided there were strong grounds for not responding, e.g. the applicant was in hospital and appropriate evidence is provided.
- 12.10 Where the Council identifies that an applicant has special requirements around correspondence, or is vulnerable, the Housing Solutions team will make all reasonable efforts to contact them through known third parties or other methods.

### **Cancelling Applications**

- 12.11 Applications will be cancelled from the housing register in the following circumstances:
- A written request has been received to do so from the applicant (or, where a joint application, both applicants).
  - There is no reply to the annual review,

- The applicant has been rehoused through the housing register, nomination to registered provider or by a mutual exchange.
- The applicant has become disqualified
- The applicant has not placed any bids on properties within a year
- Refuses 3 suitable offers of accommodation within a 12month period.

12.12 The council reserves the right to cancel an application where 3 offers of suitable accommodation have been refused by the applicant within a 12month period. This is will be determined by the allocations panel and there is a subsequent right to review in which an officer not involved in initial decision would complete. This does not include bids made and refused retrospectively before this policy is implemented and therefor an application will not be cancelled until applicants have refused 3 suitable properties that have been offered from the inception of this policy.

12.13 Applicants will only have their application cancelled where they have failed to make bids on properties within a 12 month period since the inception of this policy.

12.14 Where any application has been cancelled, there will be a right to review and this should follow the process confirmed in section 13.

12.15 All applicants will be given a period of 21days following any notice of our intention to cancel their application for applicants to disagree with the decision, submit a review request and provide evidence.

12.16 Where an application has been cancelled through non-bidding, applicants will not be able to re-join for a 3month period unless they have incurred an exception change in circumstances.

#### **Band 1 and Band 1+ review**

12.17 It is expected that all applications awarded Band 1 or Band 1+ have the most need to move and need to move quickly, there for all applicants placed into Band 1+ and Band 1 will be subject to a regular review, this will usually be quarterly.

12.18 All applications in these top bands will be assigned an officer to ensure bids are being placed and where bids are not being made a proxy bid will be made.

12.19 The review will ensure that housing staff are monitoring and supporting applicants in bidding or identifying other housing options.

12.20 At the end of the initial 2 months, subject to a satisfactory review, the band 1/band 1+ status can be extended by a further 2 months, by which time there is an expectation that the applicant's housing needs would have been met, if



the applicant has still not be rehoused by this point the application will be regularly reviewed in line with the procedure.

- 12.21 This review does not apply to households accepted as statutorily homeless as they are processed differently and subject to different rules.
- 12.22 Senior managers and the allocations panel will oversee all Band 1+ and Band 1 cases every month to ensure that local case management and housing options are being fully explored.
- 12.23 If an applicant in Band 1 or Band 1 + is not bidding or refuses a suitable offer of accommodation the application may forfeit their band 1 status, this will be decided upon through the allocations panel. If an applicant forfeits their additional status they have a reduced preference applied to Band 2, unless it is a homeless offer in which different rules apply.
- 12.24 All applicants who are placed in these priority bands will require a suitability of accommodation assessment completed when they are placed in these bands. This will help identify what properties and areas may or may not be suitable and assist the officer assigned to case when making proxy bids. Any proxy bids made should be in line with the suitability assessment.
- 12.25 Applicants will have 21 days in order to submit a review following a decision to demote the banding or following a refusal of accommodation.

### **13 Reviews/ Appeals**

- 13.1 Applicants have the right to request a review of these or any other decisions made by the Council. Examples of circumstances where a review of the Council's decision can be requested are where:
- The applicant is found to be ineligible
  - The applicant is found to be disqualified
  - The applicant's application has been cancelled due to non-bidding. Applicants will not be able to re-join for a period of 3 months.
  - The applicant accepted the disqualification but is unhappy with the duration of the exclusion from the housing register
  - Due to a change in circumstances, the applicant's banding is altered
  - The applicant is unhappy with the banding awarded
  - Applicant does not believe that an offer of accommodation was reasonable or suitable.
- 13.2 This review/appeal process only applies to decisions in relation to the housing register, reviews and appeals in relation to homelessness decisions are subject to separate processes not covered within this policy other than where there is an overlap for example, review of suitability of accommodation which was documented in section.

13.3 Dependant on what the applicant wants reviewing or is appealing may be dealt with differently and the processes are covered below.

13.4 The request for a review should be addressed to:

Housing Solutions Service

Tamworth Borough Council

Marmion House,

Lichfield Street

Tamworth

Staffordshire

B79 7BZ

13.5 Where the applicant cannot write their own letter, they can visit the Council's reception at Marmion House, or telephone the Housing Solutions Service and a Council officer will help them.

13.6 Applicants will have a period of 21 days in order to request a review of decision. Officers will then have 28 days in order to complete a banding review or period of 56 days in order to complete a suitability of accommodation review.

13.7 Whilst applicants are under review any bids applicants make will be discounted.

### **Review of Banding**

13.8 All new applications, change of circumstances or where new supporting information has been provided will initially be assessed by a Housing Solutions Advisor. The applicant would be advised of the decision by a notification letter in writing (including by email)

13.9 If the applicant is dissatisfied with the decision that has been reached, the applicant can request a banding review within 21 days of the date of the notification letter.

13.10 A band review will be dealt with by a more senior Officer within the Housing Solutions Service team, who will assess all known facts and information available to them and will review the decision.

- 13.11 The Officer has a further 28 days from when the banding review has been received to make a decision and the applicant will be notified in writing.
- 13.12 If the senior determines that the information provided results in an amendment to the band the date of the banding will apply from the date the latest piece of supporting information was received so as not to penalise the applicant. If no new information has been supplied the band date would remain the original band date. The applicant would be advised in writing as the outcome of this review
- 13.13 If the applicant remains dissatisfied the applicant has a final right to a review by the Housing Solutions Manager. The Manager will review the existing information and if the Policy has been applied correctly and will advise the applicant of the outcome within 28 days in writing.

### **Review of Disqualification and other Reviews**

- 13.14 Most decisions may initially be made by the housing solutions advisors in which any review would then lie with Senior in the housing solutions team. For any decisions that are made by a senior or the allocations panel the reviews would be dealt with by the Housing solutions manager or housing manager who has remained impartial from the allocations panel in the respect of decision regarding the given case.
- 13.15 Decisions to disqualify from the Housing register are made by the Council's Allocations Panel and the applicant will be called into interview to discuss this and will then be notified via a letter. When a decision has been made to disqualify an applicant from the register they have the right to a review. The review will be carried out by the Housing Solutions Manager.
- 13.16 All requests must be made within 21 days of the relevant notification letter
- 13.17 The review must be considered on the basis of policy, law and known fact at the date of review. It will consider any representations, written or otherwise, made by the applicant or on the applicant's behalf.
- 13.18 The reviewers have a further 56 days to conduct the review.
- 13.19 A written notification of the decision, including the grounds of the decision, will be sent to the applicant. All correspondence will be sent to the applicant's home address or a mailing address of their choice. If the applicant is of no fixed abode, the decision letter can be collected from the Council offices in Tamworth where it will be held for 28 days after the decision is made.

### **Further reviews**

- 13.20 Where an applicant is unhappy with the Council's review decision, they are entitled to write to the Housing Ombudsman, 81 Aldwych, London, WC2B 4HN.
- 13.21 If an applicant's remains dissatisfied and feels the council have not acted correctly an applicant may also apply for a judicial review.

## **14 Affordability**

- 14.1 All applications where they have a successful bid will be screened for affordability.
- 14.2 Where an applicant applies and they have nil income, the housing solutions service will refer to applicant to the Councils debt advice service for further advice on income maximisation.
- 14.3 All applicants must be able to show that they are working and have sufficient income or have suitable benefits in place to afford the rent and other costs i.e. service charges.
- 14.4 Tamworth Borough council has a duty to protect the public fund it administers and so where an application is unable to satisfy that it will be able to afford any offer of accommodation; Tamworth Borough council retains the right to withdraw an offer of accommodation where applicants cannot demonstrate they can afford a property.

## **15 Lettings plans**

### **Annual lettings plan**

- 15.1 The Council wants to be fair to all applicants, so that they are clear about the realistic opportunities for successful bidding for home. Therefore, each year the Council will publish a Lettings Plan based on an estimate of the number and type of properties that are anticipated to be available for letting. This plan will include specific opportunities for bidding, which may include limiting bidding for homes in higher demand to those in higher bands.
- 15.2 This is included as an Appendix and any annual lettings plan would be published on the council's website [www.tamworth.gov.uk](http://www.tamworth.gov.uk) .

### **Local lettings plan**

- 15.3 *The Housing Act*<sup>8</sup> allows the Council to allocate particular accommodation to people of a particular description, whether or not they fall within the reasonable preference categories, provided that overall the Council demonstrates compliance with the Housing Act 1996.
- 15.4 A local lettings plan should not be confused with local connection criteria as this is a separate issue with separate criteria on who can join the housing register.
- 15.5 The Council may at times use local lettings plans to allocate a property and facilitate sustainable communities. Factors that may prompt these include:
- Particular management problems identified in an area.
  - Allocation of a new or refurbished development to ensure the creation of a balanced and sustainable community, for example consideration of child density levels.
  - Planning requirements (also known as section 106 conditions)
  - Assistance with the wider strategic objectives of the Council, for example to remedy under-occupation of existing social rented homes.
- 15.6 Any local lettings plan, subject to member approval, will be published and appended to this Policy.
- 15.7 Annual impact assessments will be undertaken of local lettings plans, allowing for detailed consultation, review and monitoring of each as appropriate and enabling the Council to respond to a changing social and economic climate.

## 16 **Exceptional circumstances where the Allocations Scheme may be over-ridden**

- 16.1 There may be exceptional circumstances which are minor in number and nature such as direct lets, non-application of reduced preference, best use of stock where an override to the policy may be approved by a Director subject to a sound business case.

### **Overriding the Policy**

- 16.2 There are some exceptional circumstances where this Scheme may be over-ridden in order for a specific property to be allocated. Examples could include:
- There is no application on the housing register eligible for an offer of the home which may result in open allocation

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<sup>8</sup> S167(2E) 1996 Housing Act

- The home is adapted but applicants needing this adaptation would not ordinarily be eligible for that property type or with the correct bedroom requirements

16.3 Similarly, an over-ride may be approved in respect of certain applicants, for example:

- A direct match of a property is required for reasons of vulnerability or witness protection – in this case the home will not be advertised
- A need to decant tenants where their homes require major repairs, refurbishment or rebuilding
- Where applicant households are eligible for a 4 or 5 bedroom property but they are willing to consider a smaller home. This will be subject to consideration of the sustainability of that home, and the legislation on overcrowding. Where the bedroom needs are linked to medical need then this would not apply unless the applicant agrees to withdraw the medical information and the medical information and banding on this basis is discounted. Where banding due to overcrowding has also been applied but applicants are now moving like for like the banding due to overcrowding would also be discounted.

16.4 For more senior overrides these would need to be approved by a Director (and where appropriate the Council's solicitor/monitoring officer). These will also be logged and routinely reported to the Portfolio Holder for Housing.

### **Direct Lets**

16.5 By way of exception to the choice based lettings there will be some direct lets, often referred to as management moves, direct offers or direct lets. These will occur where:

- The letting is sensitive and it should not be advertised either due to the property or the person, e.g., MARAC<sup>9</sup> referrals.
- An offer of accommodation to an applicant on a witness protection programme.
- An adapted property is identified by an Occupational Therapist as a suitable match for someone on the adaptations waiting list with requiring the need for significant or multiple adaptations. The requirement alone for a level access shower would not suffice due to them usually being more readily available and a lot of people requiring them on the housing register.
- The property is to be used as a decant or temporary accommodation
- Other occasions at the discretion of the Head of Strategic Housing or Head of Landlord services

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<sup>9</sup> Multi-Agency Risk Assessment Conference

- 16.6 A direct let is simply an offer made direct to an applicant without the property being advertised, and therefore properties will still be let in accordance with this Policy. Allocations of this nature will be kept to a minimum to maintain a fair and transparent allocation scheme, with the majority of applications being made to applicants that fall within the reasonable preference categories as set out in the Housing Act 1996.<sup>10</sup>
- 16.7 Applicants who are being awarded a direct match would not otherwise be entitled to banding. Where they then refuse a suitable offer they may be disqualified for a period of 12 months or otherwise allowed to remain on the register will have a reduced preference applied.
- 16.8 An applicant who is subject to a direct let will only be entitled to one offer of accommodation. Any offer will need to be suitable and be subject to the review of suitability procedures

### **Serious Offenders**

- 16.9 Applications made by applicants with a serious offence history will be subject to a robust and appropriate assessment of their eligibility and will be considered where an applicant needs accommodation that can be suitably monitored and managed due to risk the applicant may pose or any risk to the applicant themselves.
- 16.10 An allocation will only be made following a multi-agency risk assessment and once suitable accommodation has been identified and approved by a vulnerability panel.
- 16.11 This will consider MAPPA (Multi-agency Public protection arrangements) guidance for high risk offenders.
- 16.12 Serious offenders will only be entitled to one offer of accommodation
- 16.13 They will be restricted with bidding and property's will be identified and recommended by the vulnerability partnership. They will not be issued a band and will be subject to a direct match. Refusing a direct match would mean an applicant is disqualified or where they are allowed to remain on the register would then have a reduced preference applied.
- 16.14 The final decision in relation to a property lies with the Housing Solutions Manager.

### **National Witness Mobility Scheme (NWMS)**

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<sup>10</sup> S167(2) Housing Act 1996 as amended by Homelessness Act 2002

- 16.15 The Council and its partner registered providers support the national witness mobility scheme and may consider at its discretion referrals made to house witnesses. In order to assist the national police force to tackle serious crime and to support witnesses in the legal process, the Council works in partnership with colleagues in the NWMS.
- 16.16 The scheme enables witnesses to relocate outside their area to a place of safety.
- 16.17 On receipt of a referral, the Council will take into account the level of risk the applicant is facing, and the demand and supply issues at the time in Tamworth and may be determined by the allocations panel
- 16.18 In order to protect the identity of the witness, the applicants will only be required to complete a housing application form, on acceptance of the referral, it will be necessary for the applicants to meet the eligibility criteria for entry onto the register in accordance with Section 7 and 8 of this policy, and the proof of identity requirements must be provided. The local connection criteria will not be applicable but all other qualification criteria will be taken into account.
- 16.19 The council will identify a suitable property and an offer of accommodation will be made directly and outside of the finding a home scheme.
- 16.20 Only one offer of suitable accommodation will be made and no restriction on type of property to be offered will be accepted. The application will be cancelled if the offer is refused.

## **17 Data Protection and Confidentiality**

- 17.1 The Council abides by the Data Protection Act 1998 and other relevant legislation to protect applicants' personal information and will process it for the purposes stated, and in accordance with the applicants' rights.
- 17.2 Data collected from applications for housing is processed in line with the Data Protection Act 1998. For the purpose of the Act, Tamworth Borough Council is the "Data Controller" and so is responsible for the information held.
- 17.3 Disclosure of this information to other parties shall be either:
- With the agreement of the applicant, or
  - Where an exemption exists, or
  - Other legislation places an obligation on the Council to disclose.
- 17.4 Applicants, when making an application for housing, agree for the Council to share information with and to request information from relevant agencies and departments, both within and outside of the Council, in order to process,



assess, and verify their application, and subsequent offer for housing. This may include information held by credit reference agencies, current or former landlords, government departments, or health and/or social care providers.

- 17.5 Sensitive personal data such as racial or ethnic origin, disabilities is collected. Any data provided may be disclosed in accordance with the Freedom of Information Act, although all data will be anonymised when released for this purpose.

## **18 Fraud and Misrepresentation or information withheld by the applicant**

- 18.1 Tamworth Borough Council has a duty to protect the fund it administers. This authority is under a duty to protect the public funds it administers, and to this end may use the information provided for the prevention and detection of fraud. It may also share this information with other bodies responsible for auditing or administering public funds for these purposes.
- 18.2 It is a criminal offence for anyone to try and obtain accommodation from the Council or any other social housing provider by knowingly and recklessly giving a false statement or deliberately withholding information. Offences are prosecuted in the magistrates' court and are punishable by a fine of up to £5,000.
- 18.3 As part of the process to prevent fraud; Applications may be subject to a full credit checking process. By making an application for social housing an applicant is agreeing to this process. There is also a declaration on the application form which an applicant is required to sign regarding sharing of information with other agencies and agreeing to the council to make all relevant enquiries.
- 18.4 The Council will refer applications to the Corporate Fraud Officer if there is any reason to suspect fraud and/or deception and this may lead to prosecution.
- 18.5 Applicants found guilty of such an offence will be considered to not qualify for access to the Housing Register and treated in accordance with the procedure detailed in section 6.
- 18.6 The Council or other Registered Provider will also seek possession of any tenancy granted as a result of information later found to be false or misleading.
- 18.7 Where applicants are found to have committed fraud or supplied fraudulent information they will be disqualified from the housing register for a period of 12months.

## **19 Equality and Diversity**

- 19.1 The council's Choice Based Lettings Scheme and allocations policy has been designed to ensure that our services are fair and equitable for our customers.
- 19.2 The allocations policy is accessible to all of those eligible and does not discriminate based on age, disability, gender, race, colour, national origin, sexual orientation or any other factor that may cause disadvantage.
- 19.3 Due to legal circumstances there may be occasions when applicants are unable to join the housing register, this criteria has been listed within the Eligibility and Qualification sections of this policy.
- 19.4 This policy has been drafted with reference to the Equality Act 2010 and also with regard to the council's Public Sector Equalities Duty.
- 19.5 The Council remains committed to help those customers with difficulties, who are vulnerable to access this scheme
- 19.6 The allocations policy and application forms can be provided in other formats if required, this may include, large print, braille etc.
- 19.7 This policy has been developed following a consultation and an Equalities Impact Assessment.

## **20 Tell Us about complaints, compliments and comments**

- 20.1 The right to review is included in section 11.
- 20.2 If there are any complaints, compliments or comments about this process, applicants are encouraged to use the Council's 'Tell Us' scheme. Details of the scheme which includes the councils formal complaints procedure and the 'Tell Us' Policy can be found on the councils website [www.tamworth.gov.uk](http://www.tamworth.gov.uk)

## **21 Review of this Scheme**

- 21.1 Where there are changes are required urgently for legal reasons, minor in nature or changes in government policy and / or legislation, these changes will be approved by the Corporate Director of Communities, Partnerships and Housing.

- 21.2 Any major change required to the scheme will be subject to full public consultation and member approval.
- 21.3 All changes to this Scheme will be noted within the Version Control of this Scheme and an updated policy document will be uploaded to the councils website [www.tamworth.gov.uk](http://www.tamworth.gov.uk)

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## Annexe A- Allocation procedures

### Finding a home – How properties are Allocated?

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#### 1.1 Finding a Home through choice based letting

Tamworth Borough Council uses Choice Based Lettings known as *finding a home* to advertise the majority of its properties. The Council believes that by providing applicants with more say and greater choice over the accommodation they are allocated is a key contributor to achieving balanced and sustainable communities.

The Council know that tenants who are offered a choice in their accommodation are more likely to be satisfied and live in their home for much longer.<sup>1</sup>

The Council will work with all registered social landlords to maximise housing choices and manage expectations locally in terms of general housing provision.

The Council has a dedicated web-site – finding a home –for people to access available properties. Access is also promoted through:-

Dedicated portals at the reception in Marmion House for access to the website  
Online access through the web  
Posters at key sites such as sheltered schemes

#### 1.2 Summary of steps

There are 5 key steps to finding a home, in summary

<b>Step One</b>	<b>Advertising</b> Each week all available properties will be advertised
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<sup>1</sup> Monitoring the longer term impact of CBL, Herriott Watt University and BMRB, October 2006 referenced by CLG code of Guidance 041209

	with a closing date. Properties will be clearly labelled in terms of eligibility and bids invited.
<b>Step Two</b>	<p><b>Expressing an Interest/Bidding</b></p> <p>Customers will be able to bid through the web, on their own device, portals available in Marmion House reception or via a proxy bid during the weekly cycle.</p> <p>To place a bid applicants will first need to register on the Finding a Home website using their unique reference number. When the registration is complete applicants can then log in and place bids.</p> <p>The web address is <a href="http://www.findingahometamworth.co.uk">www.findingahometamworth.co.uk</a>.</p> <p>Applicants can view and amend their bids within the current bidding cycle.</p>
<b>Step Three</b>	<p><b>Sorting Bids and Verification</b></p> <p>At the end of the cycle a list will be generated with all eligible applications and the allocations team will offer to the applicant in most need at the of that list</p>
<b>Step Four</b>	<p><b>Allocation</b></p> <p>The allocation will be verified by the allocations team and the customer given an expected move in date</p>
<b>Step Five</b>	<p><b>Publish Results</b></p> <p>Unsuccessful applicants will not be contacted but results will be published on the web including band details and length of wait in Band.</p>

### 1.3 Step One- Advertising cycle

All available properties will be added to the web site each week as well as advertised as outlined in 1.4

The adverts will be clearly labelled with eligibility and household criteria as well as displaying pictures and other useful property information, an example is shown below.

## 1.4 Step Two- Bidding

Applicants can place a bid anytime during the 7-day cycle in a number of ways:-

- Online
- In Person at Marmion House
- Via a third party
- Via a proxy bid

Applicants will not be restricted in the number of bids they make. Applicants will need to ensure bids they place are suitable for them as refusing 3 properties may mean they are disqualified for a period of 12months.

Applicants will need their housing application reference number to bid and this is a simple action.

Applicants will only be able to place bids on properties they are eligible for unless the property has been advertised as an open allocation in which case this would not be restricted. The criteria allowed for a property is clearly displayed on any property advert for applicants to be aware before placing a bid.

Bids can be made by third parties or through proxy bids. Proxy bids are those made on behalf of an applicant. Proxy bids will only be made by officers where applicants are in Band 1 or Band1+ or where there are other exceptional reasons. To balance priority need with choice applicants will be invited to bid for themselves, but if a suitable property is identified the case officer will make a bid on the applicants behalf. The applicant is still able to refuse this offer, but it will be assessed as to whether this is a reasonable refusal and whether their priority should be reduced or the homeless duty is discharged.

## 1.5 Step Three- Sorting bids

Once the closing date is known, all eligible bids will be uploaded into Orchard and the top 3 applicants selected for verification by the allocations team. The Bids will be sorted by order of bands, Band 1+ being at top and continuing until band 4

The applicant in most need- the one in the highest band once verified, will be offered the property. If they refuse then the next applicant will be considered and so on.

Verification will include satisfactory identification, post inspection where appropriate and personal circumstances match the original form.

In the case of two applicants having the same needs and same waiting time - effectively joint first, then the Assistant Director- Neighbourhoods will determine the most suitable allocation based on best use of the stock.

Properties which are expected to be selected first will generally be sorted based on the time frame a property will become available. Properties that are ready sooner will generally be allocated first over ones that may have a longer notice period to help create a more efficient process and help minimise void waiting times.

#### **1.6 Step Four- Allocation**

Once the allocations team have contacted the prospective tenant and confirmed they are successful an accompanied viewing will be arranged. If the offer is accepted this will be recorded on orchard until the void works are complete and the sign up can be arranged.

The customer will be informed of the lettable standard and the likely date of completion of the works.

#### **1.7 Step Five- Publishing results**

Once the allocation has successfully been made then the results will be published on the lettings page confirming the property, successful band number, date of application, number of bids, times advertised.

Properties allocated as direct lets will also be published, so that the scheme remains open and transparent.

Nominations results of the band and band date of the successful are also advertised.



**February 2010**

## **1.0. Purpose**

The council has a duty to ensure that the provision of services is carried out in accordance with financial regulations, high standards of governance and a strict code of conduct. This is to protect the council's reputation and safeguard against allegations of fraud or nepotism.

Any non-routine enquiries or provision of service involving a councillor or their family members or a member of staff and their family members should be dealt with under this protocol to protect the council's economic and social interests. Typical non-routine enquiries or service provision could include:-

- a) Applications and allocation of Council housing and garages
- b) Rent arrears recovery action
- c) Provision of advice relating to homelessness or other housing issues
- d) Any issue of service delivery where discretion is exercised (eg outright priority moves)
- e) Provision of a grant or incentive payment (eg: DFG, incentive to move)

The protocol is not intended to cover routine service delivery for example- routine repairs, improvements undertaken based on stock condition data etc. It is important however that a common sense approach is taken and if in doubt advice should be sought from a line manager.

Family members shall include children (including step children), parents (including step parents), grand-parents' and siblings. It is intended that this should concern the nuclear family, but where there is a potential conflict of interest this procedure should be followed and can be used for the extended family members and/or personal friends.

Team members should also not deal directly with service provision to members of their own family and if at any time a potential conflict of interest could occur advice should be sought from a line manager.

## **2.0. Notification**

The following procedure will be followed if the above circumstances are identified:-

- a) The Officer should complete the proforma attached and pass to their line manager within 24 hours

- b) The line manager will check the proforma and verify any actions taken
- c) The copy of this should then be shared with either the Head of service and the Deputy Director of Housing to determine if further action is required.
- d) If the enquiry concerns a senior elected member or a senior member of staff (manager or above) or a close relative of them or if it is deemed appropriate for any other reason the Deputy Director will notify the Chief Executive, Assistant Chief Executive and Monitoring Officer.

### **3.0. Managing the enquiry**

The relevant manager will ensure that the enquiry is flagged appropriately on the relevant IT system (usually Orchard).

The relevant line manager will supervise the management of each case to its conclusion. In the case of an allocation this will be until the applicant has been signed up, in the case of arrears until a satisfactory conclusion has been reached.

The relevant manager will assess the likely impact of the decision and will record on the proforma whether any additional action is necessary, this could include

- No correspondence will be sent without prior approval by the Deputy Director and/or the council's monitoring / legal officer
- No allocation of property (including garages) to be made without prior approval by the Chief Executive or Deputy Chief Executive
- No allocation of property (including garages) to be made without prior notification to the monitoring officer

### **4.0. Dealing with Enquiries**

In dealing with enquiries the following approach should be taken:

- Ensure that they are dealt with in the same manner as other applicants. For example if it is usual for applicants to be seen in an interview room then this is where discussions with the applicant should take place.
- If pressure is applied by the applicant to seek to use their position or any familiarity with the officer this should be notified immediately to the relevant manager.
- Officers dealing with such cases must ensure that discretion is applied and not discuss the applicants' personal circumstances with other interested parties unless this is in connection with appropriate processing of the application.

- All data protection and confidentiality regulations should be observed and discussions should not take place without the appropriate authority in place. Issues concerning governance should be addressed with the monitoring officer.

## **5.0. General Comments**

In all cases a common sense approach should be applied to dealing with enquiries and the rights of the individual to access services are balanced against the need to ensure that proper overview is taken to avoid criticism of any individual or the organisation.

Although this protocol refers to housing management decisions relating to current elected members and staff it may be that other areas of work would be considered 'sensitive' and fall within the terms of the protocol. For example applications from former elected members, other politicians or public figures may require additional overview.

Staff members dealing with such applications are advised to err on the side of caution and if unsure about how to deal with an enquiry then advice should be sought from an appropriate manager.

If any doubt exists about whether a case falls within the scope of this protocol the Deputy Director should be notified.

## Appendix A

### Pro-forma

Officer completing form \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

Relationship to Staff Member / Councillor \_\_\_\_\_

Date of first enquiry \_\_\_\_\_

Nature of Enquiry

\_\_\_\_\_  
\_\_\_\_\_

#### Action taken

- 1.
- 2.
- 3.
- 4.
- 5.

#### Complete by Housing Manager

Date Action Checked \_\_\_\_\_

Comments

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

#### Actions Agreed

Referred to Head of Operations	Yes/No	Date
Referred to Deputy Director	Yes/No	Date
CEO/DCE/MO informed	Yes/No	Date

# \* Health & Wellbeing Scrutiny Committee

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Rob Barnes - Executive Director Communities  
Tina Mustafa - Assistant Director Neighbourhoods

Tuesday 16<sup>th</sup> October 2018

\* Legal framework structuring eligibility to the Councils Housing Register ensuring open, transparent and equitable allocations

\* Aims include:-

1. Supporting Councils vision and strategic ambitions - fits with growing strong; living a quality life and delivering quality services
2. Enabling choice & informed decision making
3. Prioritises those in most housing need
4. Seeks to prevent homelessness
5. Supports a range of housing options & solutions
6. Outcome focused - digital and customer centric approach

# Allocations Policy - aims

- \* Market diversification and sector business planning - MHCLG re-invigoration of RTB
- \* Homelessness Reduction Act 2017 - tailored housing solutions & options
- \* Government committed to halving rough sleeping by 2022 & ending by 2027
- \* Strategic housing & landlord obligations under national consumer standards
- \* Regional picture - conversations with Birmingham & Nuneaton and Bedworth
- \* Locally recognising supply and demand

## \* Snapshot - Further works Commissioned Insight & Intelligence (HQN)

Indicator	Now	Same period last year	So What?
Housing Register	1448	1552	Robust Management Reduction in numbers 1 bed highest demand - 59% Finding a home lettings results
Band 1 & Band 1+	76	94	Reduced by 18 (c5% of waiting list in band1 compared with 63% in band 4) Tailored housing plans - priority move on Manageable (450 allocations per year)
Numbers in B&B	2	53	Development work around TA Effective use of PSL & Council pilot Prevention very effective Use of discretion and direct matching Highly effective TVP
Homeless Applications	394 approaches Full duty on 8	398 approaches Full duty on 35	Footfall masks work involved Duty to refer needs to be managed (20 from statutory bodies from 1/10/18) Prevention working - realistic housing solutions



- \* Managing expectations - realistic assessment of housing need
- \* Robust review process with tailored housing options
- \* Consideration of financial resources balanced with access to subsidised housing
- \* Strengthening local connection
- \* Focused management of those in band1 & band 1+ seeks to remove 'just in case'
- \* Improved delivery; housing first principles; tailored plans

## \* Areas under consideration

Event	Timescale
Independent & sector led review of our draft allocations policy (HQN)	August - October 2018
Cabinet approve for statutory consultation	29 <sup>th</sup> November 2018
Minimum 12- week consultation	November - end of January 2019
Evaluation & further scrutiny discussion	February 2019
Full Council approval	March 2019
Implementation	April 2019
Review	April 2020

**Summary of Changes**

Key Issue	Proposed Change and reasons	Risks/Benefits
Right to Move	Text has been added in relation to statutory guidance issued in 2015; those that meet the qualification criteria will be awarded Band 1 in recognition of the high need to move under the legislation.	This is a statutory requirement; we are currently fulfilling through social welfare grounds however best practice would mean there are specific grounds within the allocations policy for this.
Band 1+	We are proposing to limit Band 1 + to those injured through serving in the forces, or where statutory homeless households have an additional Band 1 need.	<p>This will ensure those who are homeless have ultimate priority to ensure their occupancy of temporary accommodation is reduced to a minimum and thus reduce the costs to the local authority.</p> <p>It will also mean that those injured through serving for the armed forces are also recognised and awarded priority to expedite a move into suitable accommodation to aid recovery and rehabilitation</p>
Financial resources	<p>We are proposing to add in qualification criteria around financial resources;</p> <ul style="list-style-type: none"> <li>• Introducing a savings threshold of £16,000 in line with DWP criteria</li> <li>• Introducing household income of 30,000 for singles/couples or 50,000 for couples</li> </ul>	Most other local authorities include this in their policy, by not adopting we are potentially disadvantaging those in greatest need by rehoming those who do not have the same need and have resources to resolve their own housing issue.
16 and 17 year olds	<p>We are proposing to allow 16/17 year olds onto the register where they satisfy certain criteria:</p> <ul style="list-style-type: none"> <li>• Care leavers- 6months before 18tyh birthday to allow the council the opportunity to work with the young person to try and prevent homelessness</li> <li>• Those accepted into supported housing by Tamworth Borough Council to enable the licence to be set up on the housing system</li> </ul>	<p>This will allow for early intervention to assist in preventing homelessness.</p> <p>It will also mean that applications can be put on the system more effectively for setting licenses up when they are accommodated in Tamworth Borough Council operated supported scheme.</p>

Armed forces	Text has been added and amended so that the local connection definition for those from the Armed forces or their family is in line with legislative changes in 2012 and reflective of the armed forces covenant. The preference they are awarded has not been changed.	The benefits of this change will mean the allocations policy is in line with the wording of legislation and regulations.
Introduction of new banding grounds.	<p>We are proposing to introduce some new bandings-</p> <ul style="list-style-type: none"> <li>Negotiated Tenancy Surrender</li> <li>Best use of stock</li> <li>Right to Move</li> <li>Care Leavers</li> </ul> <p>This will allow as an authority to make better use of its stock and resources, whilst allow opportunity for more early intervention</p>	<p>By including tenancy surrender and best use of stock banding it will enable the authority to make better use of its stock and resources, limit empty properties and assist those tenants who are in difficult circumstances but currently falling through gaps in provision for moving.</p> <p>Right to move banding should be included so that we are awarding sufficient priority in accordance with the regulations.</p> <p>By including banding for care leavers this will enable earlier intervention to reduce homelessness of this vulnerable client group which will be further useful if the homeless reduction bill is enforced.</p> <p>The risk of not implementing this change would be we are not making best use of tools available.</p> <p>Another risk may be numbers in Band 1 increase however there are proposed other measures in the policy to better manage this more effectively.</p>
Reduce preference	Text has been added to provide greater clarity and circumstance where we may apply reduced preference for the deliberate worsening of circumstances	<p>The benefits will be it will help combat those who may want to worsen circumstances or commit application fraud.</p> <p>It will also mean that those who genuinely</p>

		accrued rent arrears through no fault are not penalised and the process has been designed to encourage people to pay back arrears and work with the council in doing this.
Overcrowding	Text is to be amended to provide greater clarity for circumstances where we will award overcrowding too, this is to provide greater transparency and to provide further safeguards around fraudulent claims in this regard.  Text has also been included to give the council power to conduct checks in this regards to ensure overcrowding claims are not made fraudulently.	The benefits of this will be a more transparent allocations policy that is more robust and assist in trying to prevent those applying fraudulently and to prevent overuse of this being applied.
Under occupancy	Text has been added to provide greater clarity on circumstances where this will be awarded for greater equity and transparency.	Text has been added to provide further clarity of circumstances this banding was intended to assist
Affordability	Text has been added to enable to council to make further checks and enquiries with regards to affordability and also provide the council	With the welfare reform and recent regulations safeguards to be added to the policy to ensure we are not allocating accommodation to those whom will not be able to afford the accommodation they are offered.
Management discretion	Some additional text added to improve the clarity of the sort of circumstances that could give rise to management discretion being exercised.	This has been included to allow the council to exercise discretion in exceptional circumstances whilst still retaining within the rules of the allocations policy and legalities under Part VI of the housing Act.
Reasonable Preference categories	Text has been added to provide further clarity and in accordance with the code of guidance for allocation of accommodation. Specific text has been included regarding the reasonable preference of unsanitary/unsuitable accommodation.	To ensure the allocations policy is more robust and in accordance with the housing act and other relative statutory guidance and directives.
Reviews and Appeals	Text has been added and the review appeal process has been amended for inclusion of an allocations panel and to be better reflecting the structure.	This will ensure the allocations policy is more robust.

Disqualification	<p>We are proposing that those with no housing need will not qualify; this is exercising a power we can now have under the localism act and is more in line with the policies of other authorities.</p> <p>We are also proposing that those with sufficient resources will be disqualified from join this includes home owners and those with financial resources.</p>	<p>Whilst this may be potentially remove a lot of those in Band 4 from the register, these are generally applicants who highly likely to not be allocated and have no housing need.</p> <p>Most local authorities have now implemented similar policies with some more stricter, by not doing so potentially we are not protecting our own residents with high housing needs in the same way.</p> <p>This is generally In line with powers from the localism act and also in line with code of guidance for allocation as well as other regulation and guidance from DCLG.</p> <p>Most applicants who were in allocated in Band 4 were ones that were offered sheltered accommodation and so may be unaffected by this policy.</p>
Local Connection	<p>We are proposing to amend the definition of local connection so that it's more in line with directives from DCLG and powers that came from localism act.</p>	<p>The new definition proposed is in line with relevant legislation and or guidance and utilising powers that authorities now have.</p> <p>Most local authorities have now implemented similar policies with some more stricter, by not doing so potentially we are not disadvantaging our own residents there would be a risk those rejected by neighbouring authorities would then seek assistance from us.</p> <p>It's in line with guidance around right to move, armed forces and other directive and guidance</p>

		from DCLG.
Non Bidders	Text has been added which will allow the Council to cancel an application where an applicant has not placed a bid within a period of 12 months.	<p>Generally there is large proportion of the housing register that currently do not want to move or have unrealistic expectation as to the properties we may be able to allocate them too.</p> <p>With the councils current objectives concerning demand management, it is not cost effective in terms of managing the register.</p> <p>In terms of risk it may increase the risk of complaints why applications have been cancelled but generally this could be mitigated by communication plans and encouragement of these who have an active need to move to bid. There are also safeguards in place so that those who are vulnerable and/or unable to bid can be supported. There is also discretion allowed within the policy where an application can be reinstated if there are justifiable reasons.</p>
Medical	Text has been added to provide further clarity as to circumstances where medical banding can be awarded.	It will ensure the councils policy and decision making is more measureable and transparent and equitable. It will enable the authority to more robustly make informed and justified decisions.
Introduction and Aims	Text has been added more accurately define the current aims and objectives in line with more recent policy especially in regard to housing on need.	Beneficial to bring the allocations policy more up to date.
Allocations Panel	The new policy as developed the introduction of an allocations panel to	This will enable more communication and

	make some key decisions.	<p>effective working across relative teams within Housing.</p> <p>It will mean some key and important decisions concerning disqualification can be robustly discussed and justified.</p> <p>Decisions can be made which are beneficial strategically and also to protect the interest of the authority as a landlord.</p>
Legislation	Text has been added and amended regarding the legal framework of the scheme.	As there has been some key legislative changes within the time the policy has been amended to incorporate and reflect this.
Property Eligibility/ Bedroom requirements	<p>The policy has been amended to allow certain properties to be allocated to certain groups of people. It has incorporated the age change allowed into sheltered.</p> <p>It has been amended to better reflect what has become practice.</p> <p>There has been some key case law in not allocating additionally bedrooms to those with certain disabilities.</p>	<p>The proposed changes have been amended to reflect current practice and decision previously agreed regarding sheltered.</p> <p>It has also allowed for more scope for dealing with couple who have medical conditions and allowing the opportunity for them to be allocated 2bed high rise to reduce the risk and costs associated with voids.</p>
Fraud and Misrepresentations	Text has been added to enable authority to make more detailed checks and enquiries and to protect against fraud.	To enable the authority to more effectively protect the public funds it administers and ensure all properties are allocated equitably.
Homelessness Reduction Act 2017	Text has been added to Band 1, 2 and 3 to provide a more 'balanced' banding priority scheme. Band 1 – applicants who are homeless and are	New 'Prevention and Relief' duties included as these will be owed reasonable preference under



	<p>owed the main S193 (2) duty when the 189B Relief Duty comes to an end because they have been assessed as being in priority need and unintentionally homeless. Band 2 – Applicants owed a S189B Relief duty for as long as that duty is owed. Band 3 – Applicants owed a S195 Prevention duty for as long as that duty is owed to the applicant.</p>	<p>Part VI of the Housing Act 1996 as amended with Homeless Reduction Act 2017. Giving the 2 new 'Reasonable Preference' duties (Prevention 195, Relief 189B) are awarded 'RP Band 2 and 3 will likely mean that these 2 'Homelessness' RP categories do not dominate the allocation scheme and there is a balance re percentage of offers made to all the priority RP groups.</p>

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## **Draft Report**

### **Tamworth Borough Council - Review of Draft Housing Allocations Policy**

#### 1. Introduction

This report reviews the draft housing allocations policy (January 2018) in relation to (i) government legislation and guidance and (ii) good practice (as identified by Housing Quality Network - HQN). It also addresses specific issues raised by officers at a meeting on 20 August 2018 and a subsequent email.

It should be noted that the Government's green paper on social housing was published in August 2018. There is a brief section that covers allocations. But there are no actions that are required at this stage.

Overall, the council has:

- Adopted an appropriate approach in developing an up-dated policy / scheme.
- Developed sound policies and practices taking account of national guidance since 2013/14.
- Produced a readable and understandable document.

It could, therefore, if it so wished, go through the HQN accreditation process at an appropriate stage. This would provide further reassurance on the quality of its approach.

The next section set out the national policy context emphasising that councils have relatively greater flexibilities since the Localism Act, 2011. This is followed by sections commenting on (i) process, (ii) policies and operational procedures and (iii) documentation. Finally, there is a brief commentary on the green paper.

#### 2. Context

Allocation of housing by councils is covered in Part 6 of the Housing Act, 1996. It has, however, been substantially amended by the Homelessness Act, 2003, and the Localism Act, 2011. There are also a series of statutory guidance notes which local authorities have to consider when designing and implementing their schemes. Nominations by councils to housing associations are covered by this framework.

The policy making principles for councils in drawing up or modifying an allocations scheme are:

- A scheme must (i) determine priorities between applicants and (ii) set out operational procedures for letting property.
- It needs to have regard to homelessness strategies and tenancy strategies.
- Councils should consult with housing associations with whom they have nomination agreements over new schemes or major changes in policy.
- A summary of the allocation scheme must be published.

In relation to specific policies, national requirements focus on, for example, eligibility criteria, qualifying persons and reasonable preference groups.

The Localism Act, 2011, gives councils greater relative flexibility in designing and implementing allocation schemes. There is now much less top-down prescription. Statutory guidance frequently uses phrases such as ‘may’, ‘should consider’ and ‘has powers’. For example, ‘authorities *may* frame their allocation scheme to take into account factors in determining relative priorities between applicants in the reasonable (or additional) preference categories’<sup>1</sup> (*author’s italics*). Similarly, housing authorities have the power to give additional preference to particular categories of households, but they are not required to use it.

Nevertheless, flexibility poses challenges as well as providing opportunities to develop schemes that meet local requirements. These, principally, are that councils must be able to demonstrate that they have considered government guidance as well as meeting the basic policy-making and policy requirements (see also section three).

Thus, this report primarily comments on the draft allocations policy rather than assessing it against detailed prescriptive guidance as would have been the case in, say, 2000s.

### 3. Policy-making

The current state of play on allocations policy-making is exemplary. There is a draft allocations policy that will be the subject of a consultation process. There is an extremely useful ‘summary of changes’ report that includes the major changes, the reasons for the changes and the risks / benefits. This helps to demonstrate that the council is considering government guidance and requirements – see, for instance, in the ‘summary of changes report’ the coverage of ‘armed forces’, ‘introduction of new banding grounds’ / right to move and the Homelessness Reduction Act, 2017. Finally, there is an impressive impact assessment report that includes modelling the impact of some of the major changes so as to demonstrate their effect.

Therefore, the following points, primarily on consultation, should be seen as observations and a checklist on the process from the current state of play to formal adoption and implementation.

#### *Consultation*

The only formal requirement is that councils consult with housing associations that are covered by nomination agreements.

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<sup>1</sup> DCLG (2012) *Allocation of Accommodation; guidance for local housing authorities in England*, London, DCLG, para 4.15.

However, good practice suggests that it should be extended to cover:

- County council social care and children's services.
- Health sector re medical priority.
- Third sector organisations that provide advice and support to tenants and potential tenants.
- Tenants' organisations.

In the relevant housing legislation and guidance, there is no time period specified. However general government guidance state that normally a 12-week period should be adopted by public sector bodies on consultations.

Lastly, for a successful consultation phase, it is important to:

- Clarify the overall purpose of the consultation.
- Highlight what aspects of the updated policy are the focus of attention.
- Ensure that material is readily available and easy to understand.

Because of the quality of the existing / current documentation, it should be relatively straightforward for the council to take the necessary steps on these three points.

### *Impact*

At some stage, the allocations policy ought to be independently signed off as meeting requirements such as data protection, equality, safeguarding, value for money etc. Some of these issues are covered in the draft policy document (e.g. section 17 on data protection and section 19 on equality and diversity along with 5.4. and a forthcoming appendix).

Normally, councils formally meet these requirements when a policy is considered by the relevant committee(s). Relevant officers, independent of the topic, review the documentation and provide comments for the covering report.

It is assumed that this approach will be adopted by the council.

### *Final Documentation*

See section five of this report.

## 4. Policies and Operational Procedures

### *Overview*

The draft allocations document appropriately sets out the broad framework, context and aims in sections one to five. Section six onwards cover the policies and operational procedures.

Overall, the documentation is clear though there may be a need for cross-referencing in the final approved version (and see section five of this report).

Comments and observations about the two parts of the document can be found in the tables in the next two sub-sections of this report. It is followed by a brief sub-section dealing with homelessness as additional queries have been raised by officers.

*Sections one to five*

This provides a clear and comprehensive overview of the draft allocations policy including links to housing options etc. The importance of these are stressed in statutory guidance.

Section / Sub-section	Topic	Commentary / Observation
2	Definition of an 'allocation of accommodation'	It would be useful to cover transfers in more detail. This is not now covered by allocations legislation but the government has highlighted that it expects to see that transfers are encouraged in cases where they do not fall under other headings e.g. medical priority etc. This expectation is usually covered through mutual exchange only – is this the case in Tamworth?
3	Legal Framework – <i>minor points</i>	3.1. Not sure that it is relevant to mention Housing Act, 2004. But Homelessness Act, 2003, should be mentioned in the list of legislation.  3.2. Homelessness Reduction Act, 2017, and not 2018.
4.6.	Housing associations	Perhaps the wording could be clearer to distinguish between nominations that are covered by the draft allocations policy and direct allocations by housing associations that is covered by the Regulator of Social Housing tenancy standard (2012).  Linked issue may be affordable rents – there are examples elsewhere where housing associations reject nominations on the basis of pre-tenancy checks. Is this the case in Tamworth? Does this link to section 14 on affordability?
5	Aims of the scheme (5.1. and 5.2.)	There are ten aims. It might be argued that this is rather a long list. It would also be useful to present this as a table with an example / illustration of how each is being achieved.

*Sections six onwards*

This part of the draft allocations policy covers operational policies and procedures.

Section / Sub-section	Topic	Commentary / Observation
6 and 7	Applying to join register / eligibility	Very clear statements
8.3.	Local connection (see also 15 below)	<p>Presentational issue: should 'D) Armed Forces' be in 'Local connection exemptions'?</p> <p><i>Minor</i> presentational issue: There are two sections numbered 8.4!</p> <p>Residency period: there are a number of legal cases where a two-year consecutive residency has been successfully challenged over homelessness cases where behaviour and other issues have prevented this criterion being met. Is this covered by the wording of 8.4.?</p>
8.12 – 8.15, pp 23-27	Disqualified persons	<p>Important that this is set out clearly and precisely in detail as the Localism Act, 2011, continued to allow councils to utilise disqualification but it is now up to councils to set this out and justify it.</p> <p>C and D – housing need, financial resources and savings / assets / capital: principle is sound but difficult to operationalise as DWP criteria are not necessarily in line with local income requirements to be able to afford / access private rents and bottom rung of owner occupation. Key test is whether a household, financially, can access other tenures.</p>
8.19 – 8.23	How to apply?	Checks and 8.20 and 8.22: In our meeting we discussed 'references'. My view is that the wording here is appropriately explicit on the precise information that is required.
10	Bedroom requirements, property eligibility and entitlement	Presentational issue: Might it be better to put the summary table in 10.18 at the start of the section?
11	Banding	<p>Presentational issue: A summary table on the same lines as 10.18 would be useful at the start of this section.</p> <p><i>Minor</i> presentational issue: Paragraph numbering on p 42</p>

		<p>Band 1*: The approach of having two or more band 1 characteristics seems appropriate and avoids complex systems that have many additionality rules. It might be useful at some stage to undertake some modelling of band1* households to check how this is operating.</p> <p>Medical grounds (11.10): Should there be more coverage of delayed transfers of care (DTC)? I assume this might be raised by health and social care during the consultation phase.</p> <p>Move on from supported housing (11.21): This may be covered in other policies such as protocols, but should there be a support / care package associated with such moves? This is especially the case where there is a one-offer move on policy.</p> <p>Under-occupation (11.27) and Incentive to Move (11.31): Clarification needed on the differences between these two categories and the criteria for entitlement to incentive to move.</p> <p>Statutory homeless households (11.64): should this section be expanded to cover homelessness in general in the light of the duties under the Homelessness Reduction Act. 2017?</p>
15	Local lettings	There is sometimes confusion between local connections and local lettings among some organisations and customers. Might be useful to clarify this.
16.1	Exceptional circumstances	<p><i>Minor</i> presentational issue: line 1 of para 16.1. – should it read minor in ‘number’?</p> <p>16.3., bullet point two: Is this not covered by a category in band one?</p> <p>High risk offenders: officers raised the issue of direct lets in specific circumstances. Normally, this would require the support of a vulnerability panel, but some councils use exceptional circumstances if there is not support (and of course the numbers are usually low).</p>

### Homelessness

The relationship between allocations policy and the homelessness reduction legislation and guidance is an important and emerging issue countrywide. As it is



less than six months since the implementation date of the latter, councils and their partners are in the early stages of bringing together these two policy areas.

There are a number of different approaches that have been adopted. Generally councils have either incorporated minor changes in allocations policies prior to April 2018 with the intention of making more substantial alterations at the next major review, or have decided to undertake a significant update as part of a major review that is timetabled for late 2018.

More specifically, HQN has found that:

- Councils have been ensuring that statutory homeless households are in a high / highest band.
- Help / advice is provided for homeless households on accessing / using the allocations / lettings scheme as part of prevention.
- There is an expectation that statutory homeless households will engage with the lettings scheme (and where necessary with help) so that they are active homeseekers.
- Where necessary, there is a care and support package in place for vulnerable homeless people on the housing register.
- Some local authorities in high demand areas have reviewed banding schemes and reduced the relative priority of some groups in anticipation of an increase in the number of homeless households on the housing register because of the so-called '56-day rule'.

Overall, a reoccurring theme is that councils did not have time / resources prior to April 2018 to update and coordinate allocations policies with homelessness strategies.

In relation to Tamworth, the council appears to be making the necessary changes to meet the principles of the homelessness reduction requirements. It will be important that the forthcoming update of the homelessness strategy includes cross-reference to the allocations policy. In addition, it is likely that the annual lettings plan (section 15) will need to take account of homelessness patterns and minor changes may need to be made to the policy (as set out in section 21).

## 5. Documentation

The statutory requirements are:

- Allocations scheme: this is normally interpreted as a detailed statement covering policies and procedures.
- Summary of the allocations scheme that is freely available: this is usually taken to mean a customer-friendly version.

The draft allocations policy meets the principles of the former. The latter could adopt a FAQ approach.

However, the council should, in addition, give consideration to producing a separate brief strategic statement on allocations. Sections one to five of the draft policy could form the basis for this statement. An added advantage of this approach is that it usefully separates overall policy from detailed operational procedures.

Finally, there is a case for more cross-referencing in the final version of the policy so as to more easily see the links between policies

## 6. Social Housing Green Paper

The major announcement is that an evidence collection exercise on understanding how the allocations system operates across England will be undertaken (paragraph 179).<sup>2</sup> It identifies three issues that will be the centre of attention:

- Use by councils of flexibilities
- Relationship between councils and housing association on nominations.
- Lettings systems including CBLs.

It is, however, unclear what the direction of travel may be. Nevertheless, there are three underlying principles in the green paper:

- Efficient use of existing social housing for those who need it most (which is the title of the sub-section that includes allocations and lettings).
- Household choice.
- Housing stability for renters – one of the other measures in the green paper is the announcement not to require councils at this stage to use fixed term tenancies.

The council may wish to reflect on whether these are adequately covered in the draft allocations policy.

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<sup>2</sup> <https://www.gov.uk/government/news/social-housing-green-paper-a-new-deal-for-social-housing>.

**Allocations Policy Review**  
**Community Impact Assessment**  
**Updated November 2018**

The allocations policy which is currently being consulted on is widely expected to have significant effect on the dynamic of the housing register and therefor may have effects on those currently registered, those wishing to join and all the council who manages the register. Resulting changes may also later affect registered providers due to nominations it receives. The following paper explores some of the changes which are being consulted on, how many may be effected and the benefits that they may also have.

**What may be changed and how will this affect the register?**

**Change 1- Disqualification of those with no housing need**

One of the largest changes being consulted on is the potential for those with no housing need and no local connection to be disqualified from the housing register. Whilst this would not remove Band 4 in its entirety a substantial amount of those in Band 4 would be affected.

- How many may be affected by this change?

As of the end of March 2018 - there were 841 people in Band 4.

18 of these were in Band 4 as they had a local connection but they also had a reduced preference from Band 3, these would not be affected and would be expected to be able to remain.

There are 21 applications which have no local connection but have a housing need, depending on whether they met the new local connection criteria they may or may not be able to remain on the housing register.

There are 802 applications in Band 4 due to having no housing need in accordance with the policy, of which 536 also have no local connection, with the remaining 266 having a local connection but no housing need.

Based on this information approximately 802 applicants would be at risk of removal from the housing register for having no housing need.

Whilst this information was taken at the end of March and end of financial year there has only been a marginal change in the numbers in Band 4 with only a reduction of 4 overall.

➤ Why this change may be positive?

The council wants to make this change for several reasons, as an authority the council is trying to effectively manage demand and reduce costs and drive efficiency's. Of those in Band 4 many will rarely if ever get allocated. Properties tend to be allocated to those in much higher bands; it's exceptionally rare for customer to be housed who is Band 4. As a council it is also important to manage customers' expectations and based on the data available, many of those have an unrealistic expectation of being housed.

**Change 2- Cancel applications where no bids have been placed for 12 months**

The council are consulting whether to include provision within the allocation policy for cancelling applications where they have not bid for 12 months. The council want the housing register to remain an active reflection of those in housing need that need to move. The council believe that within a 12month period there would be sufficient available and suitable properties for households to bid on. Should a property not become available within this time this may be because of unrealistic expectations customers have on being housed in particular type properties and in restricted areas.

A report indicates that as of the end of March 2018- 706 applications had not bid within a 12month period, this represents that around 50% of those on the housing register either do not want to move or need to move.

It would be expected there would be cost efficiency made in reducing the numbers of the housing register, and therefore in redistributing resources or staff time to be used for other more meaningful work, i.e. assist in triage or preventing homelessness. There are ongoing costs to the council to keep the housing register up to date and associated ongoing administration. Additionally each year on an annual anniversary of their application input, all applications are written too to confirm whether the application is to be renewed; therefore costs may also be saved here through reducing the register.

Additionally, it may encourage more applicants to bid on properties and so hard to let properties may also mean they have bids placed on by applicants.

Whilst there were 705 applications that had not bid the vast majority of these were in Band 4 and most would be at risk of removal due to having no need- However, 195 applications which had not had a bid placed in the previous 12 months were in Bands 1+-3 and therefore these would potentially be at risk of removal in addition to the 802 at risk of disqualification for having no housing need.

**Change 3- Cancel applications where applicants refuse 3 suitable properties**

The council are consulting where applicants who refuse 3 or more suitable properties have their application cancelled.

The council are exploring this as another way to manage demand, customer expectation and save efficiencies. The council want to encourage that when applicants are bidding they are bidding on properties they have a reasonable expectation they would accept.

Following a report there are only 12 applications currently active that have refused more than 3 properties so this change would not affect a large volume of applications but would still help contribute to a more active housing register and one that is more reflective of need, however this would need to be balanced up whether given this change is affecting few whether the time taken to administrate this issue would be effective and serve a useful purpose.

#### **Change 4- More focussed management of Band 1 and Band 1+ and changes to 'priority card'**

Applicants should only be in these highest bands where they represent having the highest housing need and most urgent need to move.

Through analysis of those in these bands as of the end of March there were 73 applications which fell in these bands of which 7 were in Band 1+ and 66 in Band 1. Of these applications currently there are 14 applications in Band 1 which have never placed a bid. Furthermore there are an additional 32 applications which have not placed a bid within the last 3 months.

It is stated in the current allocations policy with regards to applicants given a priority card the following;

*"Applicants placed into Band 1+ and Band 1 will be subject to a 2-month 'priority card'. This will ensure that housing staff are monitoring and supporting applicants in bidding or identifying housing options. At the end of the 2 months, subject to a satisfactory review, the priority can be extended by a further 2 months, by which time there is an expectation that the applicant's housing needs would have been met or the duty to re-house discharged."*

This clearly indicates there is a reasonable expectation from the council that such applicants with this housing need and urgency to move will have been housed within 2 months or at the outset 4 months. The data indicates therefore that Band 1s are not being adequately monitored controlled or that the policy is not being enforced.

In order to ensure the register remains active of those who want and need to move, Band 1 needs to be properly monitored and applicants given this priority are supported to do so, where applicants are resistant to this they may find their application is cancelled or their banding demoted to reflect that their need to move was not as high or urgent as initially deemed. There may be further clarity needed within the allocations policy to address this and powers given to officers to ensure this can be done.

Through implementing this change the council could ensure that those in Band 1 do have an urgent need to move and are willing to do so, helping to contribute that the housing register is one that remains active, reflective of need and that officers time and resource is not spent administering applications where there is little intention to move.

#### **Change 5- Amendment of cumulative preference categories**

The council wants to ensure that where applicants are encountering multiple housing issues that they are adequately banded to reflect this. However this has to be properly managed to ensure that those most housing need still retain the highest band. Sometimes applicants may be awarded several bandings resulting from the same set of circumstances. For example some council tenants are awarded incentive to move due to under occupying a property but are also awarded under occupancy banding. The resulting effect would mean someone who is under occupying 2bedrooms and accepted for incentive to move, are placed into Band 1 + and also rewarded financially for in effect the same set of circumstances. Whilst the council recognises that it is important to adequately encourage applicants to move and free up larger accommodation it is also important to balance this with other groups on the housing register that is also important to house- for example applicants occupying unsuitable accommodation or placing a financial burdens on the councils through placement in expensive temporary accommodation.

Looking at the available data there are currently 7 applications in Band 1+. Of these 3 are in band 1 due to the cumulative effect of incentive to move and under occupancy, 1 high medical and overcrowding, 1 under occupancy and best use of stock, 1 for high medical and social needs and 1 for member of armed forces with serious injury. Only one these applications have placed a bid within the past 3 months, with one applicant having not bid since 2014.

#### **Change 6- Inclusion of Financial Threshold**

As little information is currently captured regarding finances of applicants it is difficult to predict the impact this may have in terms of numbers that may be disqualified. However there are several ways financial threshold may be implemented within the allocations policy and this is an area we hope to focus on through the consultation and conclude how it best be may be applied. The key issue to focus on us what threshold may entitle an applicant is able to access other tenures such as private rental accommodation.

The current proposal is to have 2-fold financial threshold-

- a) Savings threshold
- and
- b) Income cap

With the current proposal using a savings threshold standing at £16,000 and income threshold

- Single person households with a household net income of £30,000 or more per year
- Family households (this includes couples) with a household net income of £60,000 or more per year.

Whilst the income threshold includes all income, disability benefits would be exempt as would money attributed to injury whilst serving in armed forces.

When exploring the current market rent summary for Tamworth it shows the average cost of property rents within Tamworth are as follows:

<b>Average property rents in Tamworth:</b>	£707 pcm
<b>Property Rents in Tamworth by Number of Bedrooms</b>	
	<b>Average rent</b>
One bedroom	£500 pcm
Two bedrooms	£656 pcm
Three bedrooms	£758 pcm
Four bedrooms	£1,048 pcm
<b>Property Rents in Tamworth by Type</b>	
	<b>Average rent</b>
Room	£364 pcm
Flat	£581 pcm
House	£786 pcm

\*\*Data taken from [Home.co.uk](https://www.home.co.uk)

[https://www.home.co.uk/for\\_rent/tamworth/current\\_rents?location=tamworth](https://www.home.co.uk/for_rent/tamworth/current_rents?location=tamworth)

Therefor when using these figures when using the average market rent of £707 pcm this would equate to approximately 14% of the total yearly income, and the top -end of the property scale using a 4bed average private would equate approximately 21% of yearly income.

As a general rule, for accommodation to be affordable, housing costs should not be higher than approximately a 1/3 of annual income. Therefor on this basis, for applicants earning above this amount it would generally be able to afford alternate accommodation when there income is above £60,000 for family households.

When considering a savings threshold of £16,000 using these same figure it would generally be acceptable to consider when an applicant has this amount of savings they could also access accommodation in the private sector. Generally to secure accommodation applicants would be required to provide approximately one month's rent as a deposit and one month's rent in advance. Therefor in equating this to the average rental price this would be in the region £1414 and therefor this would still leave more than sufficient savings for applicants to use personally and for other needs. Given this is also in-line with the threshold universally used by DWP it would also represent this be a fair assumption.

### **Change 7- Changes to qualification and local connection criteria**

As little information is currently captured regarding the new criteria it's difficult to predict how many might be effected by this change. However in analysing the register most applicants with a current local connection will be un-affected by the change as most appear to have been resident for more than 2 years. Furthermore many of applicants who haven't may still be able to qualify due to employment or other family/welfare reasons. Additionally there are serval more special criterion and discretions which may be utilised for them to be still be considered and for exceptional circumstances and due regard has been given groups included in the public sector equality duty.

### **Housing Supply**

Demand for social Housing in Tamworth continues to far outstrip the supply the information below helps illustrate this further.

### **Number of Lettings**

The number of lettings made over the previous three years is as follows (excluding mutual exchanges and use in occupation):

2015	258
2016	261
2017	259

Comparatively speaking the average number of applications on the housing register for the previous 3 years has been the following;

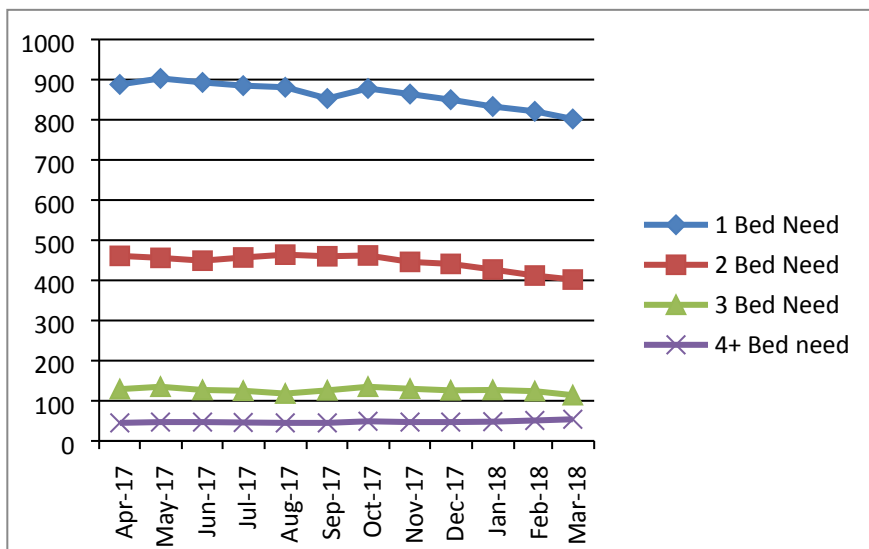


2015/16	1624
2016/17	1585
2017/18	1491

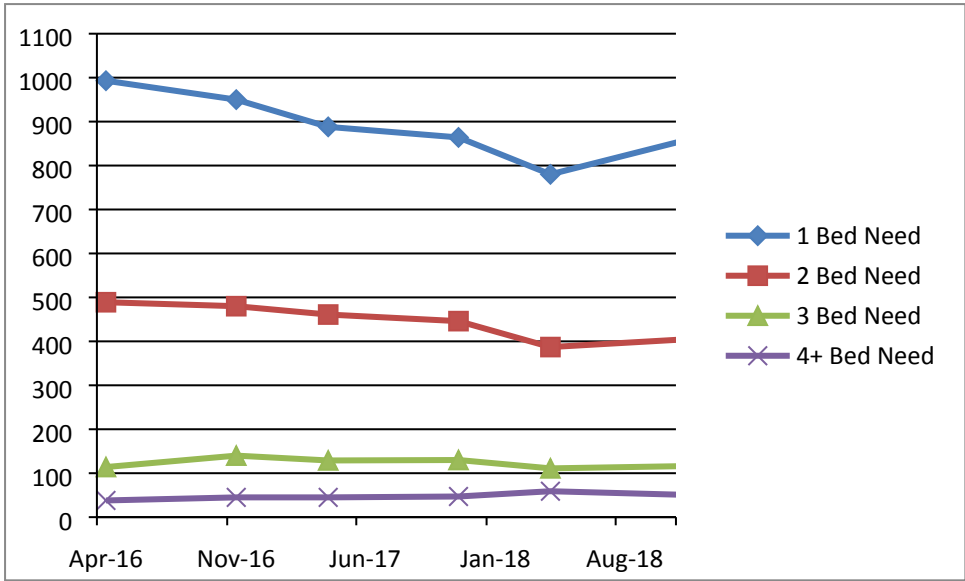
**Housing demand**

The demand for 1 bedroom accommodation far outstrips the needs of any other bedroom accommodation.

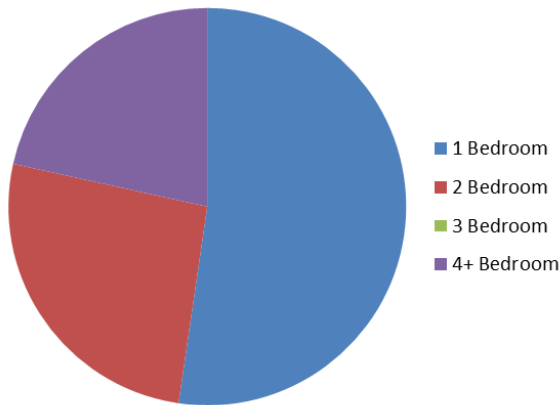
Over the course of the previous financial year, 1bedroom accommodation has continued to be most in demand, with over 50% of those on the register requiring it. 2bedroom accommodation is next in demand with much less applications requiring 3 bedroom accommodation or being 4+ bedroom need.



This is again reflecting over the previous 2 years as demonstrated below.



Of those in Band 1 and Band 1+ most of those also require 1 bedroom accommodation- from the latest list of those in Band 1 taken from the end of March 2018- over 50% of those in the highest bands required a 1bedroom property, the chart below illustrates this further.



Effects of the proposed changes on bedroom need demand

When considering the changes its important to consider the changes in the dynamics of the housing register, given a large number of applicants would be risk of removal from the housing register if these changes went ahead it's important to consider if these changes would effects the dynamics of the housing register.

As of the end of November 2018 there were 837 applicants on the housing register which fell into band 4- their bedroom need is made up of follows-

Bedroom Need	Number of
--------------	-----------

	<b>applicants</b>
1	522
2	241
3	64
4+	10

If we only consider those in Band 4 that would be likely to remain, as they otherwise would have reasonable preference but have been temporarily reduced this would be the approximate dynamics of band 4:-

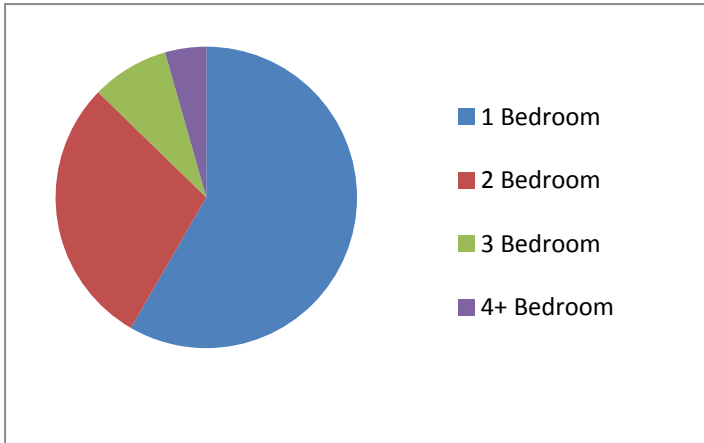
<b>Bedroom Need</b>	<b>Number of applicants</b>
1	17
2	13
3	7
4+	2

When looking at the dynamics of the register as whole when we remove those applicants who have no housing need the dynamics of the housing register may approximately resemble more as follows:-

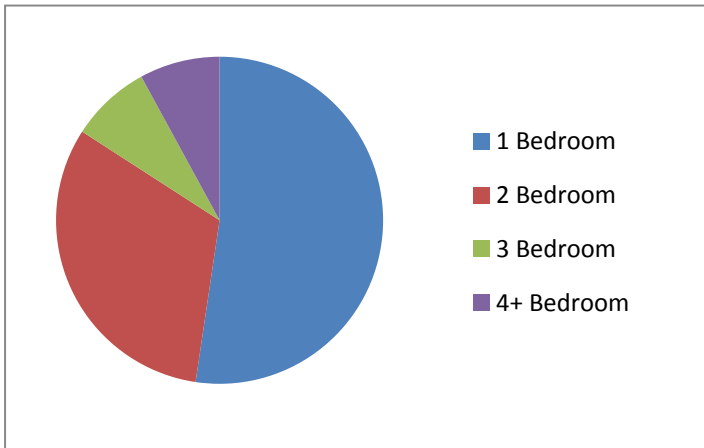
<b>Bedroom need</b>	<b>Number of applicants</b>
1	290
2	176
3	44
4+	44

This can be further shown in the charts below that illustrate the effects the removal of those with no housing need will have on the bedroom need before and after the changes.

Before-



After –



Whilst this does resemble a change in the number requiring a 1 bedroom property, 1 bedroom properties would still be most in demand and account for over 50% of the housing register, with 2 bedroom properties also increasing in share of the demand.

#### **Consideration of closing list to ‘transfer applicants’**

When exploring the impact of the allocations policy due regard was given as to whether the council should adopt to close the list to transfer applicants. The current proposal has chosen not to adopt this and still allow transfer applicants but only where there is a housing need. This has been proposed due to the increase of demand forcing applicants to resort to a mutual exchange only may have on resources and also when planning for the future based on properties that are being built and future numbers of nominations that will need to be filled.

#### **Consideration of amending preference given to 60+ for bungalows**

Due consideration was given as to whether the priority group for general needs accommodation should be amended however it was chosen not to propose this at this stage in order to protect the council's adapted stock from right to buy and also based on over 60+ continue to present as a

prevailing demographic within the area and the need for accommodation suitable for the elderly will increase as population ages. Additionally there are currently no issues with these being difficult to let properties.

### **Current Housing Demand and historical trends**

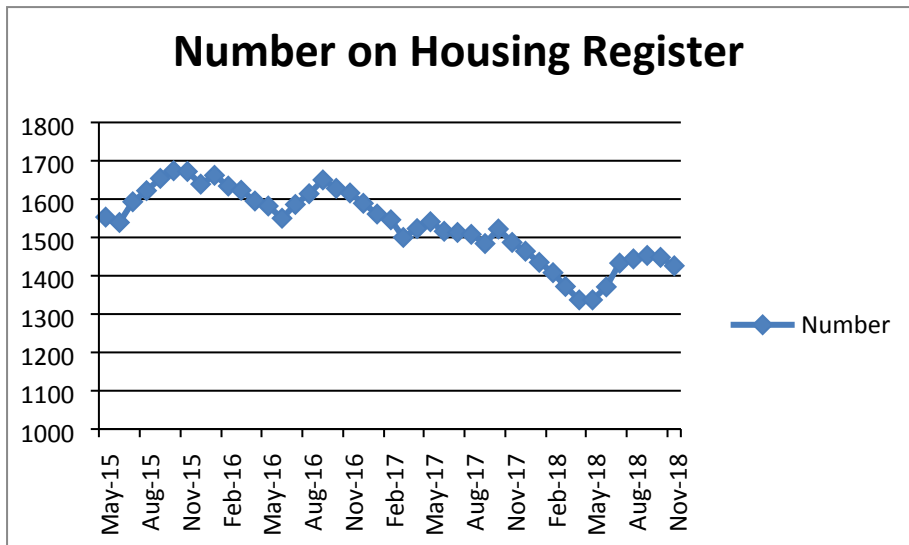
As of the 14<sup>th</sup> November 2018 there are currently 1426 on the housing register, this has gradually declined over the previous years due to greater management on the housing register and also changes to the allocation policy introduced 2014 which disqualified more people.

How this has declined since 2012 is demonstrated as follows:

<b>Year ending 31<sup>st</sup> March</b>	<b>Households on the Housing Register</b>
<b>2012</b>	2104
<b>2013</b>	1783
<b>2014</b>	1727
<b>2015</b>	1625
<b>2016</b>	1598
<b>2017</b>	1500
<b>2018</b>	1337

However the number on the housing register has increased slightly to 1426 as of the 14<sup>th</sup> November 2018.

This can be further evidenced in the graph below.



In terms of the current breakdown of the housing register and how the 1426 falls into banding categories and bedroom needs this is as follows:

#### Number of Applications by Band

	No of Apps
Band1	71
Band1+	3
Band2	301
Band3	214
Band4	837
Total:	1426

#### Number of Applications by Bedroom Needs

No of Beds	No of Apps
1	855
2	404
3	116
4	38
5	11
6	1
7	1
Total:	1426

#### Number of Apps by Band and Bedroom Need

Banding	Bedroom Need	No of Apps
Band1	1	41

Band1	2	18
Band1	4	2
Band1	5	8
Band1	6	1
Band1	7	1
Band1+	1	3
Band2	1	160
Band2	2	81
Band2	3	33
Band2	4	24
Band2	5	3
Band3	1	129
Band3	2	64
Band3	3	19
Band3	4	2
Band4	1	522
Band4	2	241
Band4	3	64
Band4	4	10
	<b>Total:</b>	<b>1426</b>

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