

# NON-CONFIDENTIAL



## **Borough of Tamworth**

3 December 2018

Dear Councillor

You are hereby summoned to attend a **meeting of the Council of this Borough** to be held on **TUESDAY, 11TH DECEMBER, 2018** at 6.10 pm in the **TOWN HALL, MARKET STREET, TAMWORTH**, for the transaction of the following business:-

### **AGENDA**

#### **NON CONFIDENTIAL**

- 1 Apologies for Absence**
- 2 To receive the Minutes of the previous meeting** (Pages 3 - 16)
- 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 To receive any announcements from the Mayor, Leader, Members of the Cabinet or the Chief Executive**
- 5 Question Time:**
  - (i) To answer questions from members of the public pursuant to Procedure Rule No. 10.
  - (ii) To answer questions from members of the Council pursuant to Procedure Rule No. 11

- 6 Referral of Breach of the Members Code of Conduct by Councillor R Bilcliff**  
(Pages 17 - 20)  
*(Report of the Audit and Governance Standards Sub-Committee)*
  
- 7 Treasury Management Strategy Statement and Annual Investment Strategy  
Mid-year Review Report 2018/19** (Pages 21 - 38)  
*(Report of the Portfolio Holder for Assets and Finance)*
  
- 8 Local Council Tax Reduction Scheme 2019/20 onwards** (Pages 39 - 76)  
*(Report of the Portfolio Holder for Assets and Finance)*
  
- 9 Revised Gambling Act 2005 Statement of Principles** (Pages 77 - 114)  
*(Report of the Portfolio Holder for Communities and Partnerships)*

Yours faithfully

A handwritten signature in black ink, appearing to be 'R Bilcliff', followed by a long horizontal line extending to 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.*

Marmion House  
Lichfield Street  
Tamworth



## **MINUTES OF A MEETING OF THE COUNCIL HELD ON 11th SEPTEMBER 2018**

**PRESENT:** Councillor P Thurgood (Chair), Councillors R Kingstone, J Chesworth, R Bilcliff, A Bishop, R Claymore, S Claymore, T Clements, D Cook, C Cooke, S Doyle, J Faulkner, R Ford, M Gant, S Goodall, M Greatorex, A James, T Jay, K Norchi, J Oates, M Oates, S People, Dr S People, B Price, R Pritchard, R Rogers, P Standen, M Summers and M Thurgood

The following officers were present: Andrew Barratt (Chief Executive), Anica Goodwin (Executive Director Organisation), Ryan Keyte (Head of Legal & Democratic Services) and Jodie Small (Legal, Democratic and Corporate Support Assistant)

### **37 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor M Bailey

### **38 TO RECEIVE THE MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 6<sup>th</sup> June 2018 and 17<sup>th</sup> July 2018 were approved and signed as a correct record.

*(Moved by Councillor D Cook and seconded by Councillor Dr S People)*

### **39 DECLARATIONS OF INTEREST**

There were no Declarations of Interest.

### **40 TO RECEIVE ANY ANNOUNCEMENTS FROM THE MAYOR, LEADER, MEMBERS OF THE CABINET OR THE CHIEF EXECUTIVE**

**Andrew Barratt Chief Executive made the following announcement;**

“Some members may recall a special meeting on the 12<sup>th</sup> September last year, it was resolved that Mr Chris Cook had the title of Honorary Alderman of the Borough unfortunately due to illness he was unable to attend the meeting and

again he is unable to attend tonight, I've had a message that he would like his son to collect the certificate on his behalf, I would like to ask you Mr Mayor if you would present this to Councillor Christian Cook."

**Councillor Mayor P Thurgood made the following announcement;**

"It would be a pleasure, Christian would you like to come up please, Wish your father all the very best and thanks from the Chamber."

**Councillor C.Cooke made the following announcement;**

"On receiving this award I would like to thank everybody on behalf of my dad he's having a rather happy retirement, thank you."

**Councillor D Cook made the following announcement;-**

Thank you Mr Mayor I would like to take this opportunity to announce I will be appointing a champion to work under cabinet member Councillor Steven Claymore and his portfolio for Heritage and Growth. I will be appointing Councillor Ben Price as Town Centre Champion to support Councillor Claymore in works around to improve our Town centre. The Town Centre continues to deserve our dedication and improvement where possible and another set of eyes can do nothing more but help.

**41 MATTERS REFERRED TO COUNCIL IN ACCORDANCE WITH THE OVERVIEW AND SCRUTINY PROCEDURE RULES**

The Chair of the Corporate Scrutiny Committee presented the Corporate Scrutiny Committee's review of the inclusion of prayers at the start of full Council meetings. To seek the approval of the Committee's recommendations from Council on the inclusion of prayers at full council.

Councillor Cook proposed an amendment to the recommendations in the report as follows;

"On Full Council night the Mayor welcomes Councillors in the chamber at 18.00 thus those that want to pray or take part can, Mr Barratt as Chief Executive sends out the official summons for the Council meeting to actually start at 18.10 when the other members can then be seated to continue the meeting, therefore our tradition stands

At the start of full council those that wish to pray can pray. Those that wish to wait outside or to fetch a different denomination priest, vicar, father we can facilitate."

**RESOLVED** Council agreed;  
That Prayers will be held in the chamber at 18.00 then the Council meeting will commence as 18.10.

*(Moved by Councillor D Cook and seconded by Councillor Dr S Peaple)*

**RESOLVED**

In the light of modern times prayers should be held before the mayor opens the formal part of a full council meeting

That prayers will be held in the Chamber at 18.00 then the Council meeting will commence at 18.10.

When the meeting is in order the Mayor is informed by the Deputy or assistant to make their entry in the traditional way.

The Mayor under opens the meeting with a 'thought of the day' style comment to remind attendees why the council exists.

*(Moved by Councillor J Oates and seconded by Councillor Dr S Peuple)*

**42 AGAINST HATE CAMPAIGN - ENDORSEMENT OF AMNESTY INTERNATIONAL'S DEFINITION**

Council received a recommendation from the Chair of Corporate Scrutiny Committee to endorse Cabinet's decision regarding Amnesty International's Against Hate Campaign

As a result of a named vote it was:-

**RESOLVED** That Cabinet endorsed the Amnesty International UK motion

*(Moved by Councillor S Doil and seconded by Councillor Dr S Peuple)*

**FOR**

Councillor A Bishop  
Councillor J Chesworth  
Councillor R Claymore  
Councillor S Claymore  
Councillor T Clements  
Councillor D Cook  
Councillor C Cooke  
Councillor S Doyle  
Councillor J Faulkner  
Councillor R ford  
Councillor M Gant  
Councillor S Goodall  
Councillor M Greatorex  
Councillor A James  
Councillor T Jay  
Councillor R Kingstone  
Councillor K Norchi

**ABSTAIN**

Councillor R Bilcliff

**ABSENT**

Councillor M Bailey

Councillor J Oates  
Councillor M Oates  
Councillor Dr S Peale  
Councillor S Peale  
Councillor B Price  
Councillor R Pritchard  
Councillor R Rogers  
Councillor P Standen  
Councillor M Summers  
Councillor M Thurgood  
Councillor P Thurgood.

**43 THE DEPUTY MAYOR MOVED A MOTION WITHOUT NOTICE IN TERMS OF RULE 4.13 (C)**

To change the order of business in the agenda, Proposing that item 8 be dealt with before item 7

*(Moved by Councillor R Kingstone and seconded by Councillor R Bilcliff)*

**44 ANNUAL REPORT ON THE TREASURY MANAGEMENT SERVICE AND ACTUAL PRUDENTIAL INDICATORS 2017/18**

The Portfolio Holder for Assets and Finance informed Members that The Annual Treasury report is a requirement of the Council's reporting procedures.

It covers the Treasury activity for 2017/18, and the actual Prudential Indicators for 2017/18.

The report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both Codes in accordance with Regulations issued under the Local Government Act 2003. It also provides an opportunity to review the approved Treasury Management Strategy for the current year and enables Members to consider and approve any issues identified that require amendment.

**RESOLVED**

That Council

1. Approve the actual 2017/18 Prudential and Treasury Indicators within the report and shown at Appendix 1; and
2. Accept the Annual Treasury Management Report for 2017/18.

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

**45 QUESTION TIME:**

**QUESTION FROM MEMBERS OF THE COUNCIL NO.1 ROLLED OVER FROM 17<sup>th</sup> JULY 2018**

**Under Procedure Rule No 11, Councillor Dr S People will ask the Portfolio Holder for Assets and Finance, Councillor R Pritchard, the following question:-**

“How much money received under 106 agreements (or equivalent) has the Council received and not yet spent, and what is the breakdown by ward in which it is due to be spent and how much is being retained for overall town-wide projects?”

**Written response from Councillor R Pritchard**

A list including monies for maintenance of open spaces was provided. Councillor Pritchard highlighted that agreements can relate to specific developments, so the area that they are spent in is determined by the location of the development, and the terms of the agreement. (spreadsheet attached)

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

**Under Procedure Rule No 11, Councillor Dr S People will ask the Leader of the Council, Councillor D Cook, the following question:-**

“Would the Council Leader please update the Council regarding the steps taken to develop a vision for the former Gungate Precinct site, since its acquisition by the Council?”

**Councillor D Cook gave the following reply:-**

“Thank you Mr Mayor,

Cllr People will of course recall the cross party decision for approval to acquire the site granted 11<sup>th</sup> April 2018. After a decade of failed attempts by the site owner to bring forward a proposal that matched the aspirations of this town it was time to step in and address this matter and bring forward a scheme that worked for the Town centre, the town as a whole and this Council.

We must all recall that it was noted in the report that this project would be several years in the future as we have to get it right for the town. We need to masterplan correctly, to future proof the site in both the needs of the town centre, our residents and ensure a pay back to the tax-payer.

The site was physically acquired 7<sup>th</sup> June 2018 once legal diligence had been completed by all parties. At this point an internal team set up to consider actions needed, where we needed to start on the journey.

I personally met with the CEO and Leader of the County Council in June 2018 to discuss the wider footprint of the site if they put in the Courts and old youth centre. Let's say bigger bang for our buck for want of a better term if the County came in with us. We have a follow up meeting in late September 2018.

I personally spoke with the PCC (Police and Crime Commissioner) Matthew Ellis about options of rolling the Police Station into the development. Officers are progressing this conversation.

We were then successful in July 2018 in obtaining LGA support to provide 40 days of consultancy support to assist specifically with housing options for the site.

We were successful in obtaining a GBSLEP grant to co-fund master-planning and cost planning activity – currently being specified prior to tender – this was in August 2018.

This was followed by preparation of procurement brief (cost/master planning commission using the Homes England Panel to speed up the selection process), this was completed August 2018.

A meeting was pencilled in for officers to meet NCP to discuss aspirations for the site and future partnership opportunities; this took place yesterday I believe. Output from master-planning/cost planning exercises will go to CIS (Commercial Investment Strategy) steering group once completed, then onto Cabinet for endorsement, this is likely to be early 2019, but have no date set in stone at present. As per agreed protocol, other group Leaders will be briefed on progress and views sought before the report reaches Cabinet, then onto Full Council potentially if required.”

**Councillor Dr S People asked the Following supplementary question:-**

“First of all Mr Mayor can I thank the leader for the very full statement giving these detailed answers it does help to maintain confidence across the chamber it was an agreed decision we did feel at the time there should be some joint working group and if we continue to be kept informed I would ask the Council leader when he believes there may be some element of public consultation because once the news broke lots of people said to me will we get to say anything. I clearly understand you cannot have public consolation before an outline of who's in and who's out. If he could give an indication of that longer term that would be useful, Thank you”

**Councillor D Cook Gave the following reply:-**

“Thank you Mr Mayor I think Councillor People raises a good point, the tax payer has brought this land, it's owned by the Council and decisions will be made by the Council but we need to remember we serve the tax payer and they deserve to be



consulted. I think he hit the nail on the head at the end, when we know what we are consulting on is when we will do it.

Can I nail a time line to it at present, possibly not if I had to take a wild guess and please don't hold me to this I would say summer next year we will start to outlay some ideas and options but please don't hold me to that as we need to go through the process of aligning everything and what is possible and what is not, what land is available. We will seek yourself and Chris Cooke's input, Thank you Mr Mayor."

## **QUESTIONS FROM MEMBERS OF THE COUNCIL NO.2**

**Under Procedure Rule No 11, Councillor Dr S Peale will ask the Portfolio Holder for Assets and Finance, Councillor R Pritchard, the following question:-**

"Would the Portfolio Holder agree that whilst the general trends in UK retailing are not his responsibility; the reason Council properties in Market Street stand empty, adorned only with plastic window dressing, is because they have not been maintained properly by this Conservative council during its 14 years in power?"

**Councillor R Pritchard gave the following reply:-**

"The Opposition Leader question paints an unfair picture.

Of the vacant council owned properties on Market Street the council has spent over £169k in recent years on the upkeep and maintenance of these properties. This figure excludes further works funded by insurance, following a fire in one of the properties.

The former Peel Café at 12/13 Market Street is available for letting, although the size, layout and location have put off potential tenants, not its condition. It is a large property and many potential tenants are finding it too big for their needs. Previous tenants have shared the property with other businesses because of its size.

28 Market Street [formerly uniform warehouse] has only become vacant recently and is subject to ongoing negotiations with a potential tenant. I am sure this property will be re-let.

27a Market Street has been vacant and unfit for let since 2004. Under previous administrations the shop had fallen into severe decline.

The condition, size, age, construction and internal layout of the old properties is such that the level of investment required to bring them up to a usable standard would not show a return on investment. If it is at all possible to refurbish them at all in a way that would attract tenants in the modern retail market.

While this is not a detailed figure, simple estimates have put the cost in the millions, clearly providing no return for the taxpayer on this investment needed. The most recent work by the Borough Council was to keep the properties

structurally safe, again a further example of the historic neglect these properties have been subject to.

Furthermore it is unfair to say they members don't care about the properties either, in the past members have discussed with numerous local heritage groups using this property and neighbouring properties for heritage purposes; however those discussions have failed to bear any fruit.

We are in the situation we are in because successive generations have failed to invest in these properties and have left us with the problem we have today. Too expensive to renovate, if it was renovated it will provide limited use and appeal; the works would never return the public money invested in it. All whilst being properties of no significant value as commercial or heritage assets.

So to answer his question Mr Mayor, no.”

**Councillor Dr S People asked the following supplementary question:-**

“Thank you Mr Mayor it's always good when the question gets answered, Thankyou Councillor Pritchard for giving me a detailed and carefully broken down response, we have to remember that despite the fact to put all the blame on those who handed over power 14 years ago the reality is that we listened to extolling virtues of council tax rise on the way in which the Council is maintaining everything brilliant on less and less money from the government the reality is that the shoe pinches at key points and is therefore my view that if this is the state of these properties then I would ask you whether you would come to Corporate Scrutiny discussion in private on the matter so we can fully discuss the issues around investment strategy. Thank you Mr Mayor.”

**Councillor R Pritchard gave the following reply:-**

“Thank you Mr Mayor I did pull the figures the Council hold on the investment in these properties and unfortunately of no investment prior to 2004, my point stands we are left in a situation where there has been historic under investment in these properties and previous Councillors particularly those who are in positions of responsibility should accept they have left us with the problems we need to address now so I'm more than happy to discuss anything with any members.

### **QUESTIONS FROM MEMBERS OF THE COUNCIL NO. 3**

**Under Procedure Rule No 11, Councillor A James will ask the Portfolio Holder for Culture and Operational Services, Councillor J Chesworth, the following question:-**

“Can the Portfolio Holder responsible for waste and recycling please confirm Tamworth Borough Council's policy for community groups and individuals carrying out litter picks in the Borough of Tamworth.”

**Councillor J Chesworth gave the following reply:-**

“The Council doesn't have a specific policy on this point, however community groups can contact Streetscene officers through our contact centre who will always try to provide bags, the loan of litter pickers where practical, and the safe collection of filled bags to support this valued community activity

Further our officers will also provide advice on safety for groups on safe litter picking

The Council actively supports the community in providing this valuable contribution to keeping our town clean.”

**Councillor A James asked the Following supplementary question:-**

Thank you Councillor Chesworth for your reply, as we now live in a world with no win no fee, Where's there's blame there's a claim, are the Borough Council liable for any injuries caused by any uninsured individuals carrying out litter picks on Borough Council land such as Wiggington Park?”

**Councillor J Chesworth gave the following reply:-**

Thank you Councillor James. Councillor James has just said no blame no claim, I've got my own understanding of the position however given that it's a legal question I'm going to get legal confirmation and communicate an answer out later this week,”

## **QUESTIONS FROM MEMBERS OF THE COUNCIL NO. 4**

**Under Procedure Rule No 11, Councillor Sheree Peaple will ask the Portfolio Holder for Housing, Councillor Michelle Thurgood, the following question:-**

“Please can the Portfolio Holder update the Council on the progress made on the implementation of the Homeless Reduction Act 2017?”

**Councillor M Thurgood gave the following reply:-**

“Thank you Mr. Mayor,

I thank Cllr Peaple for the opportunity to reiterate to members the many things that Tamworth Borough Council has done before and since the Homeless Reduction Act came into force.

The HRA 2017 is one of the biggest changes to the rights of homeless people in England for 15 years. It effectively bolts two new duties to the original statutory rehousing duty:

- Duty to prevent homelessness

- Duty to relieve homelessness

At Tamworth, we were well prepared for the legislation prior to its commencement and as members will be aware; this has been the subject of range of stakeholder briefings, including a member seminar earlier this year.

We have successfully restructured and realigned staffing resources to meet the potential challenges. This remains under consideration and is a key focus of the new Assistant Director of Neighbourhoods.

All Housing staff received external training for three days on the Act. There is a continual commitment to ensure our teams are fully versed on the demands of the Act and we continuously benchmark to take learnings from others. Where relevant, further training will be provided for the teams, as well as specific needs for individual officers.

We have updated our IT provision, including tendering for a new software to enable us to manage claims more accurately. We have also updated our website with the latest information to be as open and transparent as possible. This includes providing specific content on vulnerable people categories. Both of these are fully compliant with Ministry of Housing, Communities and Local Government (MHCLG) guidelines.

We have also increased the amount of partnership working – especially as we are aware that many areas of support and early intervention will be done by people other than us. This has included the Housing Solutions team working with all local prisons to conduct briefings, presentations and have achieved collaborative visits with probation, mental health and registered providers. We are now also activity working with a discharge nurse at Good Hope hospital and a GP in Tamworth too. We have also firmed up our Data sharing agreements with prison and 16/17 year olds working with all other Staffordshire Boroughs.

There has been a successful submission of Homelessness Case Level Information Classification data to MHCLG. This replaces the previously used P1E form that had been used to collect household data aggregated at local authority level. The Homelessness Case Level Information Classification, H-CLIC, was introduced in April 2018 to coincide with the commencement of the Homelessness Reduction Act 2017 ('the 2017 Act'). H-CLIC collects case level data, which will provide more detailed information on the causes and effects of homelessness, long term outcomes and what works to prevent it. Tamworth is working closely with part of MHCLGs advisory body to share best practice.

Finally on actions to date, we have continued the Housing Solutions Fund alongside our duty to prevent. Some really positive work is ongoing on preventing homelessness and helping clients to secure 6- 12 months tenancy agreements in the Private Rented Sector at affordable rental rates - achieved through expanding contacts with supported accommodation in Staffordshire

Of course, this work does not stop and will be further advanced with the upcoming other HRA (or the Housing Revenue Account) business plan which is

due at Cabinet in September and the Housing Allocations Policy, which will soon be out to consultation once briefings to members have been completed.

Thank you.”

**Councillor S People asked the Following supplementary question;-**

“Thank you for that answer Councillor Thurgood . Very Specifically I know a lot of people this evening have taken their jackets off because they are warm, personally I have been quite cold all day and I’m conscious that the colder weather is coming in and it will soon be time for the winter night shelter and I’m just wondering what in the context of the winter night shelter Councillor has been able to do with regard to prevention of homelessness I understand there is some money allocated for a support worker but I would like to have seen a little more proactive involvement and I wondered if there had been some behind the scenes that I’m not aware of?”

**Councillor M Thurgood gave the following reply:-**

“In terms of the specifics on the homeless shelter I’m happy to pick up on where we are today as I didn’t look at that part of this answer however as members would be aware and as Councillor People would be aware at the last budget setting process we did make a decision to continue to fund the night shelter it was an incredible success we are committed to supporting as long as the volunteers are prepared to do so and this winter and next winter. But in terms of the specifics I will pick up on that and get back to you this week.”

## **QUESTIONS FROM MEMBERS OF THE COUNCIL NO. 5**

**Under Procedure Rule No 11, Councillor Sheree People will ask the Portfolio Holder for Housing, Councillor Michelle Thurgood, the following question:-**

“Would the Portfolio holder update the Council regarding projected collection rates for council house rents over the remainder of the current MTFS period and the overall impact this will have on the HRA 30 year business plan?”

**Councillor M Thurgood gave the following reply:-**

“Thank you Mr Mayor.

Performance on the collection of Council Tenants’ income including rent arrears remains top quartile when benchmarked with best in class providers. The Housing Quality Network (HQN) re-accredited the landlord service in May 2018 endorsing Tamworth’s progress with its action plan and continued performance aimed at minimising rent loss to the Council, especially since the introduction of Universal Credit.

The HRA business plan prudently forecasts for bad debt and this is built into the overall budget setting process. From the summary figures, which I will pass to Cllr People at the end of the meeting, actual bad debt provision is lower than forecast as officers continue with a robust and highly effective approach to minimising rental loss to the Council

Bad Debt Provision Budgets					
	Budget 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23
Provision for Bad Debts	196,200	222,000	251,100	284,000	321,200
% Increase		13.15	13.11	13.10	13.10
Bad Debt Provision Actuals					
	Actual 2013/14	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18
Provision for Bad Debts	144,677	171,905	141,888	139,516	152,294
Rent Collected	18,144,438	18,326,517	18,585,491	18,107,169	17,762,583
Bad Debts Provision as % of Rent Budget	0.80	0.94	0.78	0.79	0.86

From the summary figures, on average, less than 1% of the rent budget is considered to be bad debt. And this does not appear to be increasing in this budget period. This specifically is £196k this year, £222k next, and finally £321,200k.

As I said in my last answer, the HRA business plan is being reported to Cabinet on the 27<sup>th</sup> September 2018 and the business model has assumed levels of bad debt in line with previous years.

In addition the Government's 1% rent reduction until 2020 has also been factored in, which whilst reducing overall financial capacity in the plan does provide a more affordable rent and the investment profile does ensure continued compliance with decent homes standards as well as delivery of key projects at Tinkers Green and Kerria.

Thank you"

**Councillor S People asked the Following supplementary question;-**

"Thank you Mr Mayor I have the benefit of the figures in front of me which other members don't have I noticed that the provisions for bad debt is forecast to rise by 13.15, 13.11, 13.10 and 13.10 over the next 4 years, I think that I understand you to say is that you're not anticipating that increase will actually occur so I just want clarification on that, I think we made it quite plain some months ago the concern across the chamber that the introduction of universal credit might actually result in greater levels of difficulty for tenants paying the rent, just for

reassurance, is it what you're saying the universal credit is not having the impact we thought it might?"

**Councillor M Thurgood gave the following reply:-**

"Thank you Mr Mayor there has been a small increase in number of tenants that are in debt that doesn't mean it's to do with universal credit, it could be other changes or circumstances. When you map it out it does have a wave effect it goes up and down. In terms of the 13% it's a standard figure that we budget for each year. Rents received goes up in terms of value.

If you look specifically for 2013/2018 the bottom box the provision of bad debt by year, It's been as high as 0.94% to as low as 0.78% across a 5 year period so it hasn't gone up and down as much as you would expect it to, its that wave effect again. But we finish on 2.34% that might change but we are not anticipating it at this particular point in time"

---

The Mayor

This page is intentionally left blank



TUESDAY, 11 DECEMBER 2018

### REPORT OF THE AUDIT AND GOVERNANCE STANDARDS SUB-COMMITTEE

#### REFERRAL OF BREACH OF THE MEMBERS CODE OF CONDUCT BY COUNCILLOR R BILCLIFF

##### EXEMPT INFORMATION

N/A.

##### PURPOSE

The Audit and Governance Standards Sub-Committee on 21<sup>st</sup> November 2018 having found a breach of the Members Code of Conduct by Councillor R Bilcliff made the following decisions;

- a) the findings in respect of the member's conduct be published;
- b) the Sub-Committee report its findings to full Council for information;
- c) it be recommended to full Council that Councillor Bilcliff be issued with a formal censure or be reprimanded.

This report therefore comes before you in respect of decisions b and c above of the Standards Sub-Committee.

##### RECOMMENDATIONS

1. Council should note the Sub-Committee's findings in respect of Councillor R Bilcliff presented for information.
2. Council should determine whether to issue a formal censure or reprimand, the options broadly available are as follows;
  - a. NOT to issue a censure or reprimand.
  - b. To issue a formal censure (please note that the option is to censure (defined as express severe disapproval of (someone or something), especially in a formal statement) and is different to censorship, which is not an option here).
  - c. To issue a reprimand (which for completeness is defined as a formal expression of disapproval).

If options b or c are considered the exact wording will need to be considered for anyone putting forward such a motion.

##### EXECUTIVE SUMMARY

This is a complaint that was made as a result of the Referendum in 2016 which in

common parlance is now referred to as the 'Brexit Referendum' and posts that were made on social media by Councillor R Bilcliff on and around that event. The first post was **"Don't let them change your vote take your own pen with you."** The Solicitor to the Council and Monitoring Officer at the time asked for the post to be removed as in short, Tamworth Borough Council was involved in the running of the election locally and took offence at the implications of the post. Councillor R Bilcliff refused to remove the post and then on the following day did a second post **"What a great day for common sense and the black pen"**. As a result a formal complaint was raised through the Council's procedure for making a complaint against a Councillor.

The final hearing in respect of the complaint took place on 21<sup>st</sup> November 2018 and made the following finding:

- Councillor Bilcliff was acting in his official capacity;
- Councillor Bilcliff gave the impression of acting as a Councillor according to the Livingstone test;
- Councillor Bilcliff breached the following principles of the Members Code of Conduct;

**Principle 5** – Councillor Bilcliff had not exercised independent judgement as he had propagated the views of those who would seek to undermine confidence in the democratic system;

**Principle 6** – Councillor Bilcliff did not adequately respond to advice from the Monitoring Officer and acted dismissively;

**Principle 7** – Councillor Bilcliff had not been accountable for his decision to post the meme online;

**Principle 10** – Councillor Bilcliff did not engage with Council officers, particularly the Monitoring Officer and devalued and undermined the work of Council staff and officers;

**Principle 11** – Councillor Bilcliff did not treat Tamworth Borough Council staff that were part of the democratic process with respect;

**Principle 12** – by virtue of the breaches of the above principles, Councillor Bilcliff had failed to provide leadership in the manner prescribed by the Members' Code of Conduct.

- Having found a breach of the Code of Conduct, the Sub-Committee made the following decisions that:

- a) the findings in respect of the member's conduct be published;
- b) the Sub-Committee report its findings to full Council for information;
- c) it be recommended to full Council that Councillor Bilcliff be issued with a formal censure or be reprimanded.

It is for Council to consider the overview above and findings of the sub-committee and determine whether a formal censure or reprimand is appropriate. The final hearing has already taken place and it is not for Council to go over all of the evidence or seek to re-hear the case.

## **OPTIONS CONSIDERED**

The matter was required to be brought before Full Council due to the recommendation of the Audit and Governance Standards Sub-Committee, the options available are outlined above.

## **RESOURCE IMPLICATIONS**

There are no resource implications in the decision to be made today, any resource implications around the process as a whole have been dealt with by reports to the Audit and Governance Standards Sub-Committee.

Technically any decision of the Council can be subject to Judicial Review which could have legal and cost implications if the Council was successfully Judicially Reviewed. If the Judicial Review was unsuccessful then the Council is likely to be able to recover the costs of successfully defending such an action. The risk of today's decision being challenged is considered exceptionally low, any challenge at all would likely be against the original decision and the risk of that is considered low.

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

There are no 'real' Legal/Risk implications in the decision to be made today, any implications around the process as a whole have been dealt with by reports to the Audit and Governance Standards Sub-Committee. See additional comments under Resource Implications above.

#### **SUSTAINABILITY IMPLICATIONS**

n/a.

#### **BACKGROUND INFORMATION**

Any relevant background information has been dealt with as part of the Executive Summary.

#### **REPORT AUTHOR**

Ryan Keyte Head of Legal and Democratic Services (and Deputy Monitoring Officer) Ext 267

#### **LIST OF BACKGROUND PAPERS**

None.

#### **APPENDICES**

None.

This page is intentionally left blank

## COUNCIL

TUESDAY 11<sup>TH</sup> DECEMBER 2018

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

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

##### EXEMPT INFORMATION

None

##### PURPOSE

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

##### RECOMMENDATIONS

**That Council be requested to accept the Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2018/19.**

##### EXECUTIVE SUMMARY

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

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

The main issues for Members to note are:

1. The Council has complied with the professional codes, statutes and guidance.
2. There are no issues to report regarding non-compliance with the approved prudential indicators.
3. The investment portfolio yield for the first six months of the year is 0.77% (0.52% for the same period in 2017/18) compared to the 3 Month LIBID benchmark rate of 0.61% (0.18% for the same period in 2017/18).

The aim of this report is to inform Members of the treasury and investment management issues to enable all Members to have ownership and understanding when making decisions on Treasury Management matters. In order to facilitate this, training on Treasury Management issues was most recently delivered for Members in February 2018 and will be provided as and when required.

## **RESOURCE IMPLICATIONS**

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

## **LEGAL/RISK IMPLICATIONS BACKGROUND**

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

## **SUSTAINABILITY IMPLICATIONS**

None

## **BACKGROUND INFORMATION**

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

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

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

The CIPFA Code of Practice on Treasury Management (revised 2017) suggests that Members should be informed of Treasury Management activities at least twice a year, but preferably quarterly. This is the second monitoring report for 2018/19 presented to Members this year and therefore ensures the Council is embracing best practice. Cabinet also receives regular monitoring reports as part of the quarterly healthcheck on Treasury Management activities and risks.

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

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

Accordingly, Treasury Management is defined as:

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

## **Introduction**

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

The primary requirements of the Code are as follows:

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

This mid-year report has been prepared in compliance with CIPFA’s Code of Practice on Treasury Management, and covers the following:

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

## 1. Economic Update

### 1.1 UK

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

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

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

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

### 1.2 USA

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



### 1.3 Eurozone

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

### 1.4 China

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

### 1.5 Japan

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

### 1.6 Interest Rate Forecasts

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

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

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

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

#### The balance of risks to the UK

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

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

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

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

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

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

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

- **Brexit** – if both sides were to agree a compromise that removed all threats of economic and political disruption.
- **The Fed causing a sudden shock in financial markets** through misjudging the pace and strength of increases in its Fed. Funds Rate and in the pace and strength of reversal of QE, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.
- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflation pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- **UK inflation**, whether domestically generated or imported, returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

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

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

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

## 3. The Council's Capital Position (Prudential Indicators)

This part of the report is structured to update:

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

### 3.1 Prudential Indicator for Capital Expenditure

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

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

\* Includes potential expenditure slippage into 2019/20

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

The following table draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. Any borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision).

This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

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

\* includes potential expenditure slippage into 2019/20

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

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

#### **Prudential Indicator – Capital Financing Requirement**

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

## Prudential Indicator – the Operational Boundary for External Debt

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

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

### 3.4 Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2018/19 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

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

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

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

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

#### **4. Investment Portfolio 2018/19**

In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As shown by forecasts in Section 1, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the current 0.75% Bank Rate. The continuing potential for a re-emergence of a Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and short-term strategy. Given this risk environment and the fact that increases in Bank Rate are likely to be gradual and unlikely to return to the levels seen in previous decades, investment returns are likely to remain low.

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

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

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

#### **CIPFA Benchmarking Club**

The Council is a member of the CIPFA Treasury Management Benchmarking Club which is a means to assess our performance over the year against other members. Our average return for In House Investments for the period April 2017 to March 2018 was 0.54% compared to the group average of 0.64% (information from CIPFA Benchmarking Report 2017/18). This is considered to be a reasonable result in light of the current financial climate, our lower levels of deposits/funds and shorter investment time-lines due to Banking sector uncertainty, when compared to other Authorities.

This can be analysed further into the following categories:

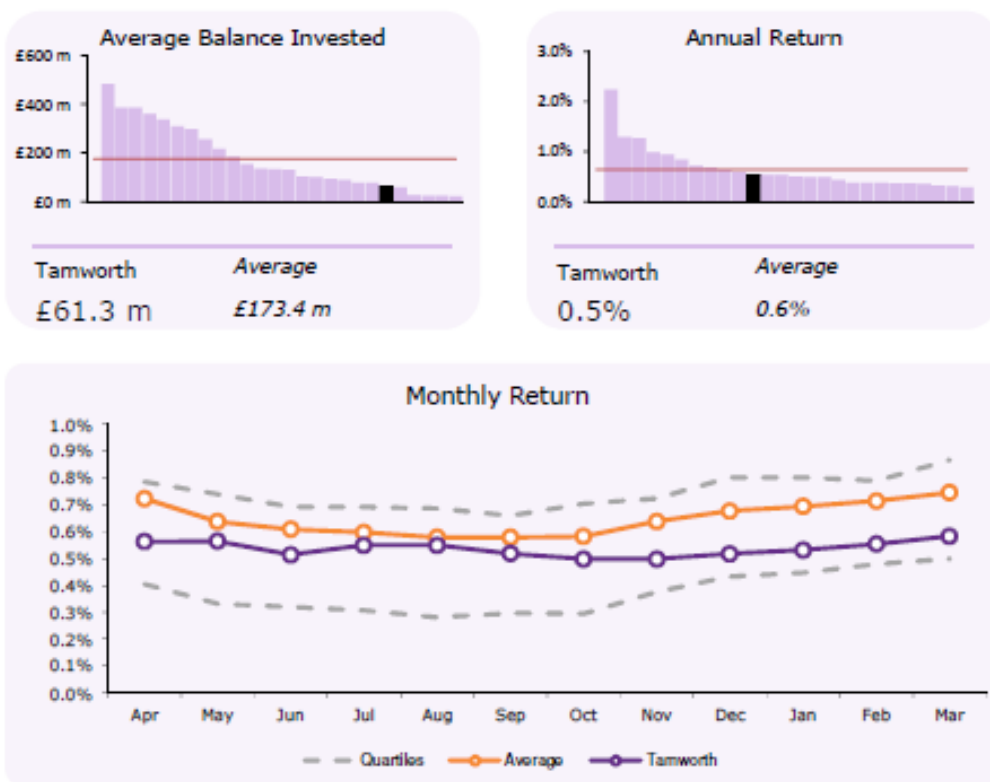
Category	Average Balance Invested £m		Average Annual Return Received %	
	Tamworth Borough Council	CIPFA Benchmarking Club	Tamworth Borough Council	CIPFA Benchmarking Club
Fixed Investments (up to 30 days)	-	1.5	-	0.7
Fixed Investments (between 31 and 90 days)	-	5.1	-	0.5
Fixed Investments (between 91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



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

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

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



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

### Investment Counterparty Criteria

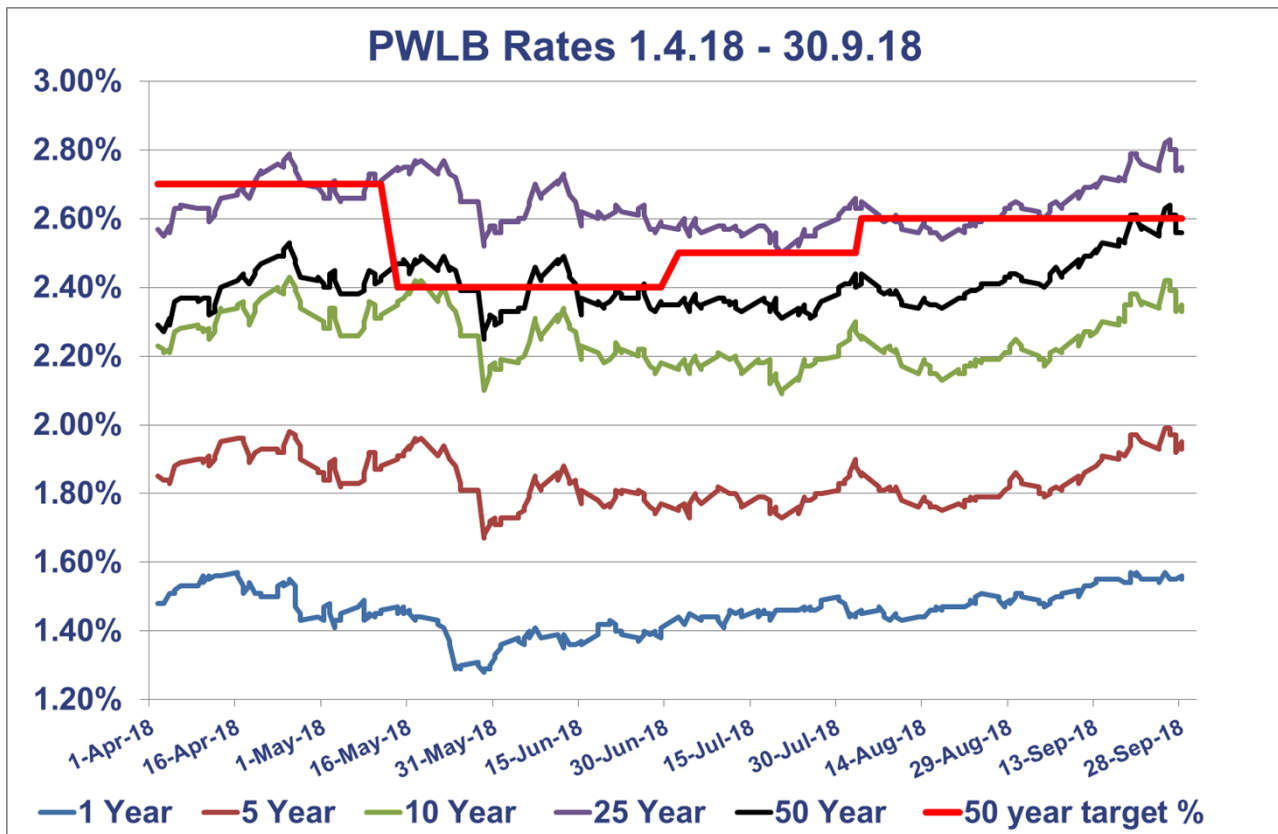
The current investment counterparty criteria selection approved in the TMSS and as approved by Council on 27th February 2018 will meet the requirement of the Treasury Management function.

## 5. Borrowing

The Council's estimated revised capital financing requirement (CFR) for 2018/19 is £77.233m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. Table 3.4 shows the Council has estimated borrowings of £63.060m and has utilised £14.173m of cash flow funds in lieu of borrowing. This is a prudent and cost effective approach in the current economic climate but will require ongoing monitoring in the event that upside risk to gilt yields prevails.

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

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



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

## **6. Debt Rescheduling**

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

## **7. UK Banks – Ring Fencing**

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

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

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

## **8. IFRS9 accounting standard**

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

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

## 9. Changes in risk appetite

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

### REPORT AUTHOR

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

### LIST OF BACKGROUND PAPERS

<i>Background Papers -</i>	<i>Local Government Act 2003</i>
	<i>CIPFA Code of Practice on Treasury Management in Public Services 2017</i>
	<i>Annual Report on the Treasury Management Service and Actual Prudential Indicators 2017/18 – Council 11<sup>th</sup> September 2018</i>
	<i>Treasury Management Strategy &amp; Prudential Indicators Report 2018/19 - Council 27<sup>th</sup> February 2018</i>
	<i>Budget &amp; Medium Term Financial Strategy 2018/19 - Council 27<sup>th</sup> February 2018</i>
	<i>Financial Healthcheck Period 6, September 2018</i>
	<i>CIPFA Treasury Management Benchmarking Club Report Quarter 2, September 2018</i>

### APPENDICES

#### APPENDIX 1 Current Investment List

## APPENDIX 1

### Investments held as at 30<sup>th</sup> September 2018:

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

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

This page is intentionally left blank

## COUNCIL

TUESDAY, 11 DECEMBER 2018

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

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

##### EXEMPT INFORMATION

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

##### PURPOSE

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

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

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

## RECOMMENDATIONS

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

## EXECUTIVE SUMMARY

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

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

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



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

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

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

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

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

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

## **OPTIONS CONSIDERED**

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

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

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

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

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

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

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

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

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

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

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

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

## **RESOURCE IMPLICATIONS**

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

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

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

## **LEGAL/RISK IMPLICATIONS BACKGROUND**

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

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

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

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

## **SUSTAINABILITY IMPLICATIONS**

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

## **BACKGROUND INFORMATION**

The Welfare Reform Act 2012

[http://www.legislation.gov.uk/ukpga/2012/5/pdfs/ukpga\\_20120005\\_en.pdf](http://www.legislation.gov.uk/ukpga/2012/5/pdfs/ukpga_20120005_en.pdf)

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

[http://www.legislation.gov.uk/uksi/2012/2885/pdfs/uksi\\_20122885\\_en.pdf](http://www.legislation.gov.uk/uksi/2012/2885/pdfs/uksi_20122885_en.pdf)

## **REPORT AUTHOR**

Karen Taylor x529

## **HISTORICAL LIST OF BACKGROUND PAPERS**

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

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

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

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

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

## **APPENDICES**

**Appendix 1** Local Council Tax Reduction Scheme Consultation Scheme report 2018

**Appendix 2** Local Council Tax Reduction Working Age Expenditure Summary

**Appendix 3** Local Council Tax Reduction Caseload Summary

**Appendix 4** Equality Impact Assessment



# Local Council Tax Reduction Scheme Consultation Summary Report 2018

Produced by



Staffordshire  
County Council

On behalf of



## DOCUMENT DETAILS

---

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



Title	Local Council Tax Reduction Scheme, Consultation Summary Report, 2018
Date created	October 2018
Description	The purpose of this document is to provide Tamworth Borough Council with key findings from public consultation regarding its local council tax scheme. These include suggested changes to the scheme which has been in operation since April 2013.
Produced by	Alice Walters, Research Officer, Strategy Team, Strategy, Governance and Change, Staffordshire County Council Tel: 01785 278150 Email: <a href="mailto:alice.walters@staffordshire.gov.uk">alice.walters@staffordshire.gov.uk</a>
Geographical coverage	Tamworth Borough
Usage statement	This product is the property of Tamworth Borough Council. If you wish to reproduce this document either in whole, or in part, please acknowledge the source and the author (s).
Disclaimer	Staffordshire County Council, while believing the information in this publication to be correct, does not guarantee its accuracy nor does the County Council accept any liability for any direct or indirect loss or damage or other consequences, however arising from the use of such information supplied.

# CONTENTS

---

Title	Page
<i>Document Details</i>	2
<i>Contents</i>	3
<b>1. Executive Summary</b>	<b>4</b>
<b>2. Introduction, Methodology and Respondent Profile</b>	<b>6</b>
<b>3. Results: Key Principles</b>	<b>8</b>
<b>4. Results: Policies</b>	<b>8</b>
• Policy 1: Level of support for pensioners, disabled and working age claimants	8
• Policy 2: Level of benefit for working age claimants	9
• Policy 3: Council Tax Reduction and property band	9
• Policy 4: Claimants and the level of savings allowed	10
• Policy 5: Non dependent's contributions towards the Council Tax bill	10
• Proposal for aligning the Local Council Tax Reduction policy with the Universal Credit Regulations for self-employed earners in receipt of Universal Credit	11
<b>5. Impact of the changes</b>	<b>12</b>
<b>6. Appendix 1: About You, Respondent profile</b>	<b>14</b>
<b>7. Appendix 2: Demographic monitoring questions</b>	<b>15</b>
<b>8. Appendix 3: Trend data</b>	

## I. EXECUTIVE SUMMARY

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

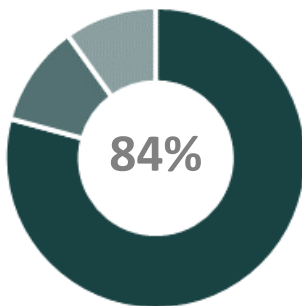
**Principles:** There was a 'high' level of support for both principles with 83% agreeing with key principle 1: 'Every household with working age members should pay something towards their Council Tax bill' and 85% agreeing with key principle 2: 'The Local Council Tax Reduction Scheme should encourage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

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

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

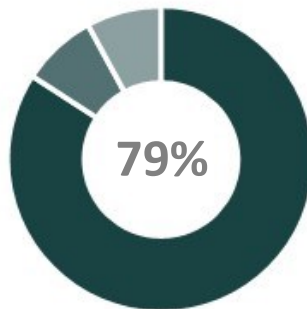
**Policy 1:** Level of support for pensioners, disabled and working age claimants.

Views on policy 1



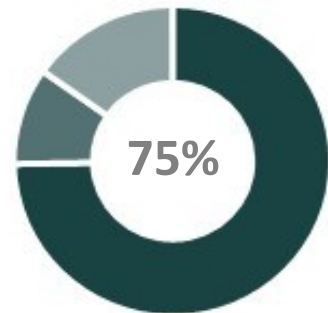
**Policy 2:** Level of benefit for working age claimants.

Views on policy 2



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

Views on policy 5

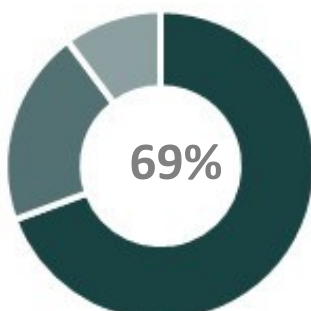


There was a '**moderate**'\* level of support for three of the six policies, including the new proposal of aligning the Local Council Tax Reduction policy for self-employed earners in receipt of Universal Credit with the Universal Credit Regulations.

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

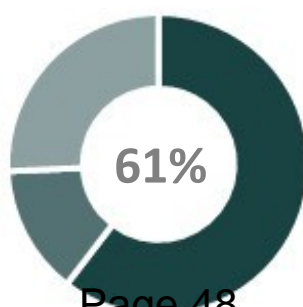
**New proposal:** Level of benefit for self-employed earners in receipt of Universal Credit

Views on new proposal



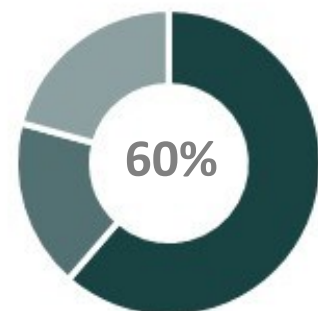
**Policy 3:** Council Tax Reduction and Property Band.

Views on policy 3



**Policy 4:** Claimants and the level of savings allowed.

Views on policy 4





## Impact of the changes

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

Whilst caution should be applied to statistical analysis of these responses, as the level of responses was relatively low (101 responses were received), research by the Joseph Rowntree Foundation<sup>1</sup> does suggest that claimants are more likely to be affected and it outlines the wider impacts which claimants are likely to face.

<sup>1</sup> The Impact of Localising Council Tax Benefit, Joseph Rowntree Foundation, March 2013.

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

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

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

## 2.1 INTRODUCTION

---

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

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

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

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

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

## 2.2 METHODOLOGY

---

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

The consultation was widely promoted using the following methods;

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

## 2.3 RESPONDENT PROFILE

---

A total of 101 respondents completed the online survey. This equates to 0.2% of the adult population of Tamworth<sup>2</sup> and compares similarly to last year's response rate of 92 (0.2%) responses.

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

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

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

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

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

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

### 3. RESULTS - KEY PRINCIPLES

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

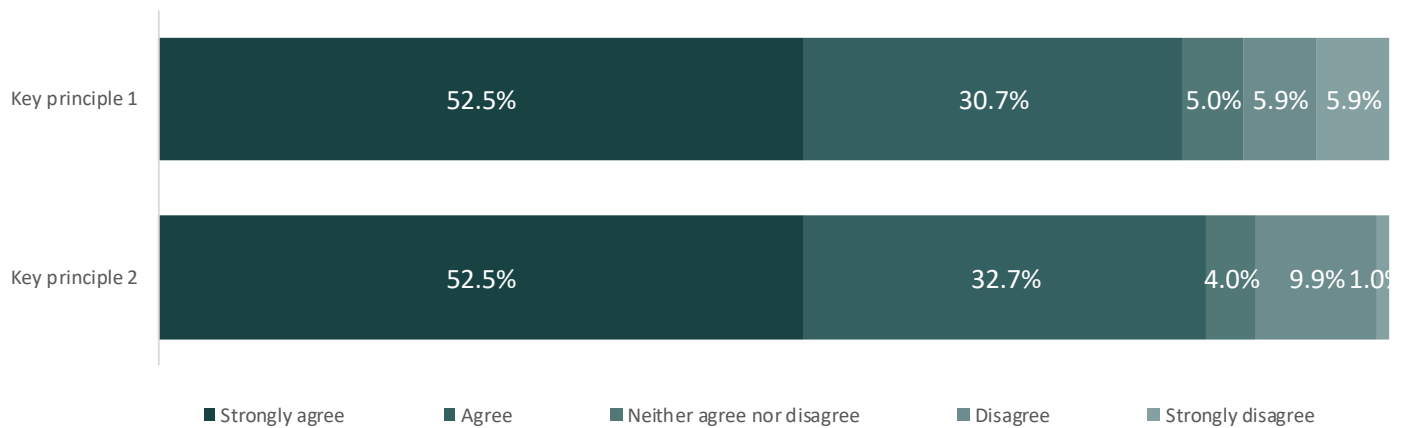
**Key Principle 1:** Every household with working age members should pay something towards their Council Tax bill.

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

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

Figure 3.1: Views on the key principles (%)

Base: 101 respondents



### 4. RESULTS - POLICIES

#### Local Council Tax Reduction Scheme Policy 1:

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

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

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

Base: 101 respondents



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

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

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

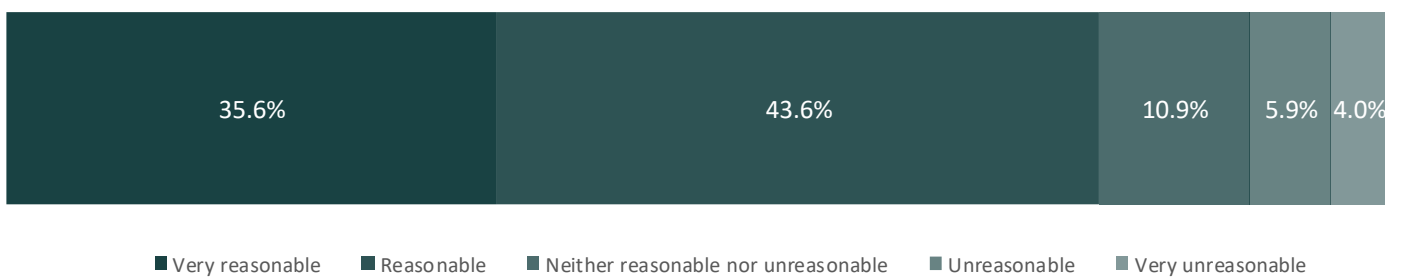
### Local Council Tax Reduction Scheme Policy 2:

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

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

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

Base: 101 respondents



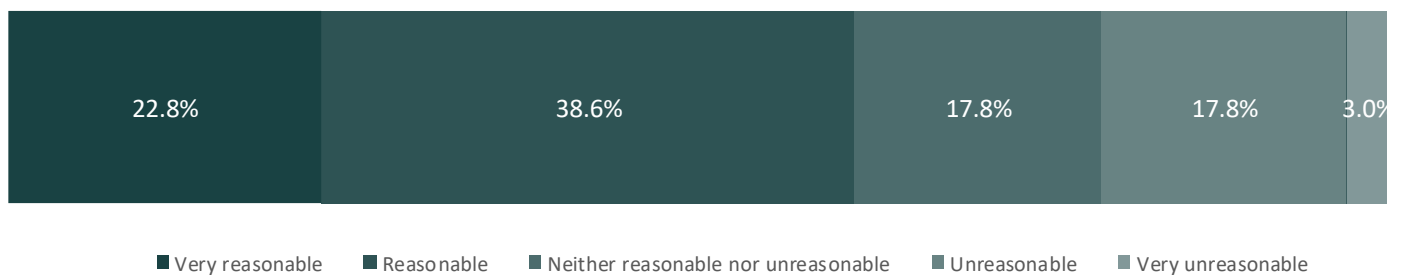
### Local Council Tax Reduction Scheme Policy 3:

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

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

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

Base: 101 respondents



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

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

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

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

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

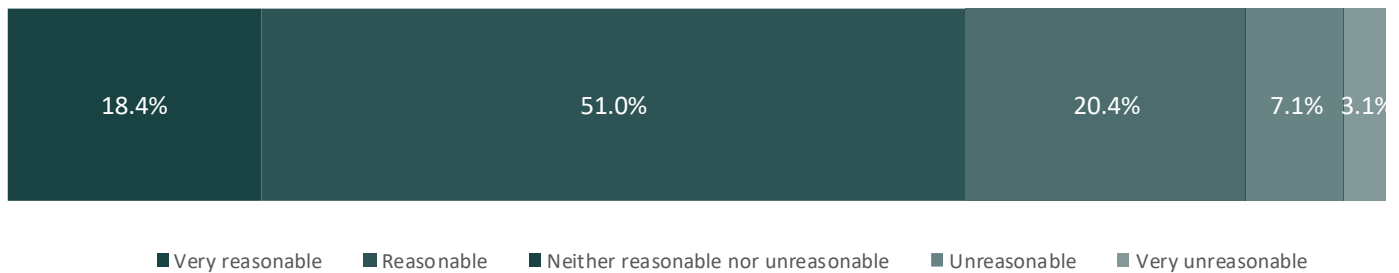
### Self-employed earners in receipt of Universal Credit proposal

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

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

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

Base: 98 respondents



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

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

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

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

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

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

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

### Local Council Tax Reduction Scheme Policy 4:

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

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

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

Base: 101 respondents



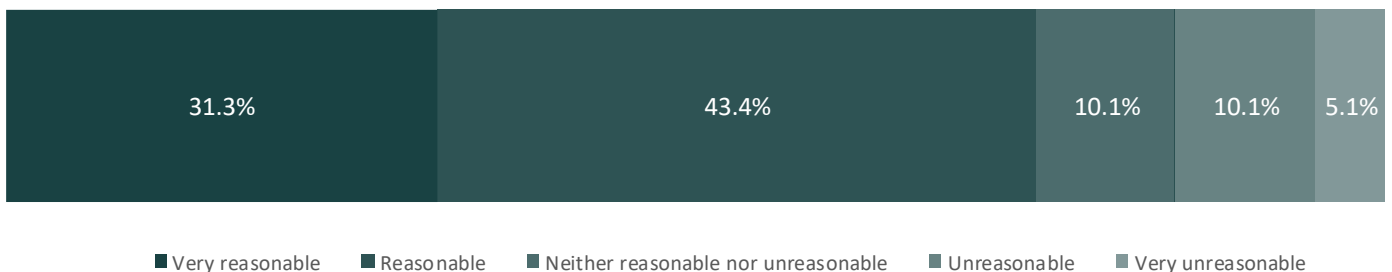
### Local Council Tax Reduction Scheme Policy 5:

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

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

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

Base: 99 respondents



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

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

Page 55

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

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

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

## 5. IMPACT OF THE CHANGES

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

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

### Does your household receive Council Tax Reduction?

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



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

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

Base: 93 respondents



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

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

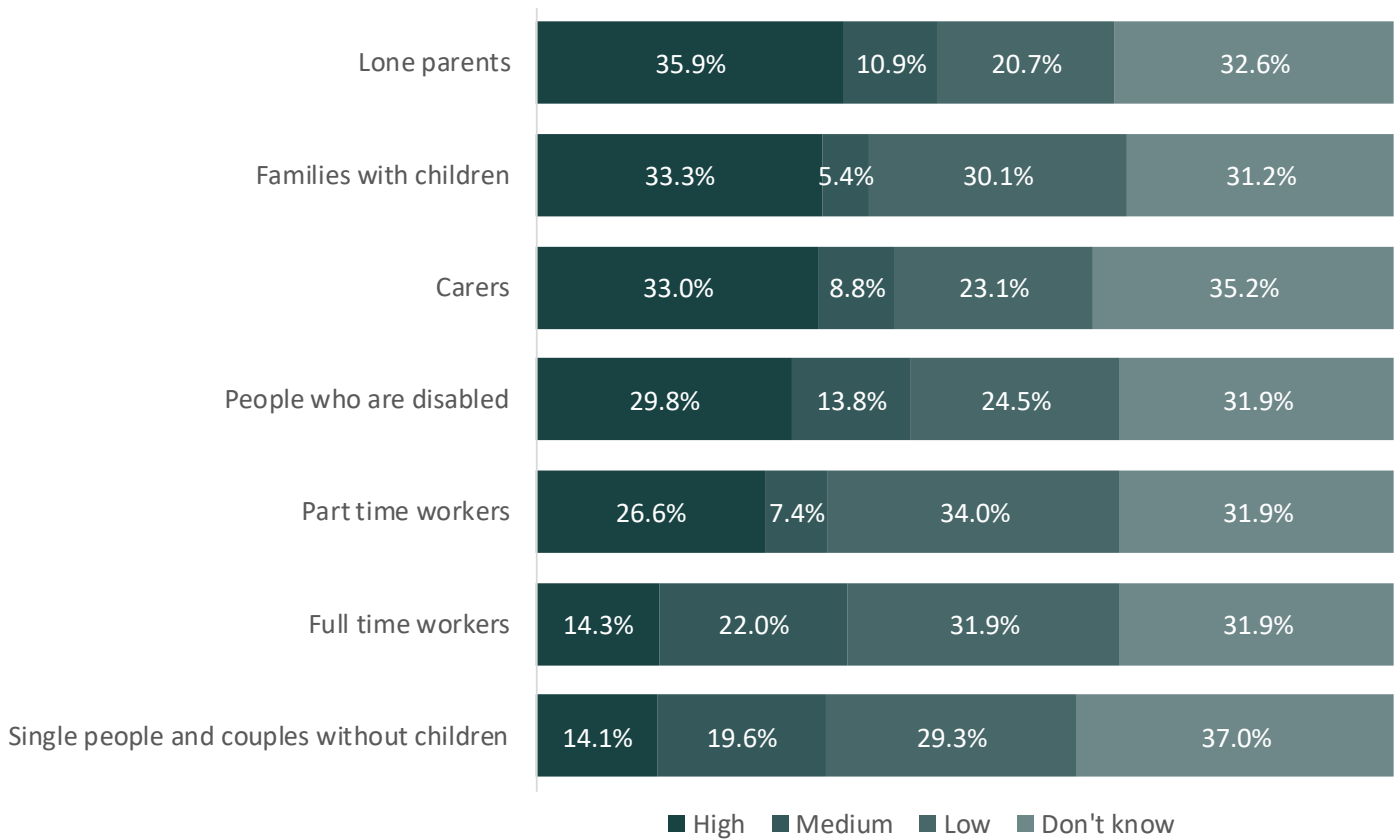
The rising Council Tax bills were referred to by several respondents. Some expressed that while they have noticed a rise in council tax , they are in a position where they can cope financially with this, *"I am fortunate to be employed and in good health, so I expect some rises" , "[I] have noticed an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



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

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

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



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

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

## 6. APPENDIX I: ABOUT YOU, RESPONDENT PROFILE

Are you a resident of Tamworth?

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

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

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

Are you submitting your views as....

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

## 7. APPENDIX 2: DEMOGRAPHIC MONITORING QUESTIONS

### Are you male or female? (18+ population)

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

### Do you consider yourself to have a disability?

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

### What type of disability do you have?

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

### Are you receiving a Retirement Pension or Pension Credit?

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

### What is your age?

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

### What is your ethnicity?

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

### What is your relationship status?

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

## 8. APPENDIX 3: TREND DATA

---

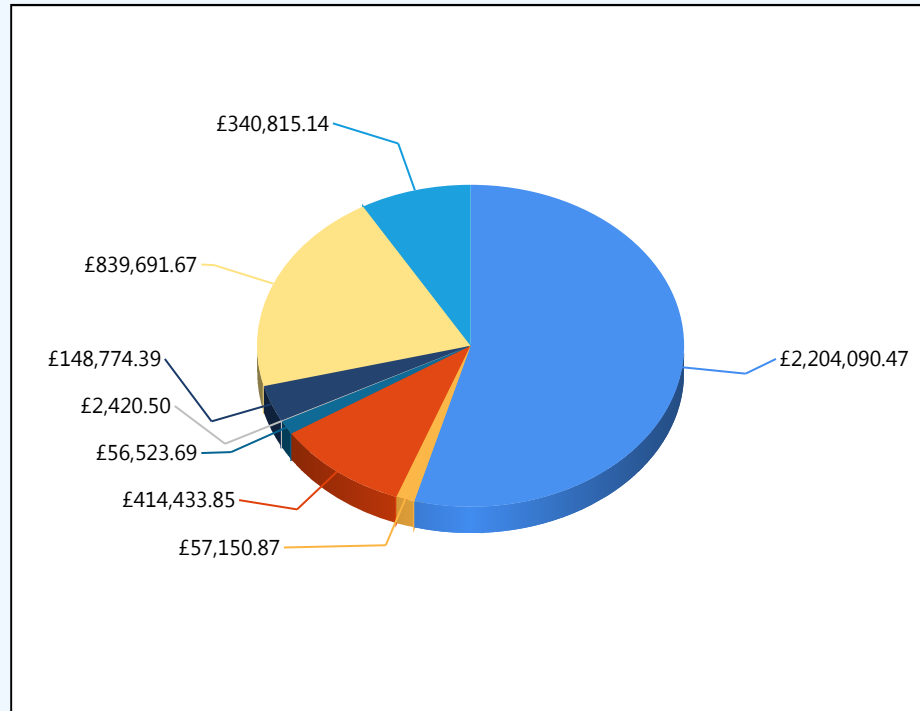
### Agreement with key principles over time

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

### Agreement with policies over time

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

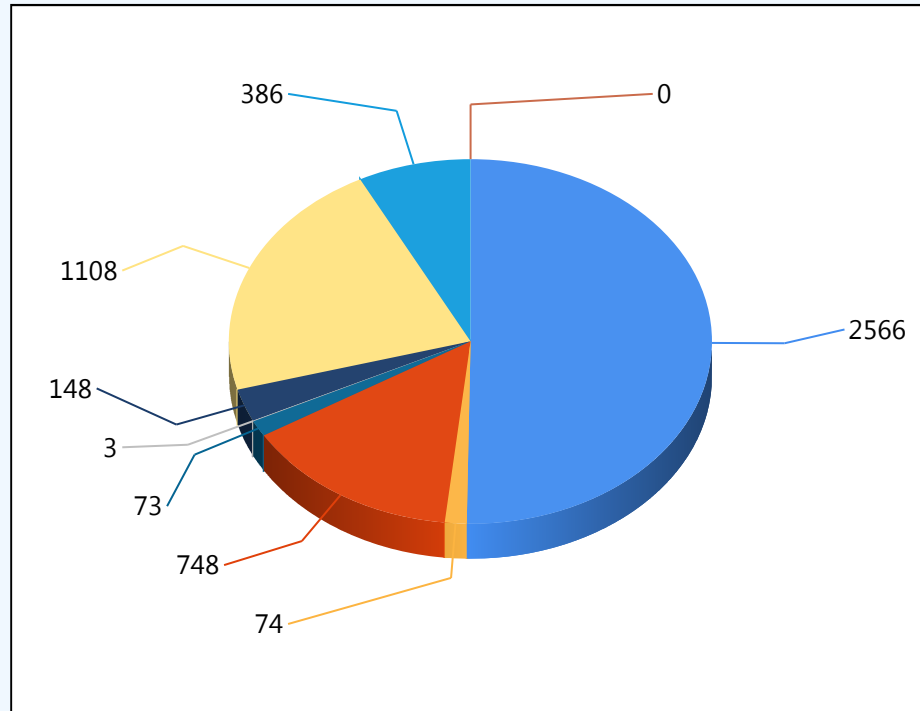
CTS Expenditure as of 2018-2019



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

This page is intentionally left blank

CTS Caseload as of 15.11.2018



**Group Legend**

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

This page is intentionally left blank



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

Name of policy/ procedure/ practice to be assessed	Introduction of Localised Council Tax Support (Council Tax Reduction)		Date of Review	Oct 2018	
Is this a new or existing policy/ procedure/ practice?	New	Officer responsible for the Assessment	Karen Taylor Head of Benefits	Department	Benefit Services
<p><b>1. Briefly describe the aims, objectives and purpose of the policy/ procedure/ practice?</b></p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 65</p>	<p>The national Council Tax Benefit (CTB) scheme came to an end on 1<sup>st</sup> April 2013 and was replaced by a locally determined system of Council Tax Reduction (CTR). The funding available for the new scheme is limited. The aim of the local scheme is to provide financial assistance to council taxpayers who have low incomes.</p> <p>Persons who are of state pension age (a minimum 60 years or greater) are protected under the scheme in that the calculation of the support they are to receive has been set by Central Government.</p> <p>For working age applicants however the support they receive is to be determined by the local authority.</p> <p>This equality impact assessment looks at the potential for <b>not only</b> protecting pensioners (as required under the legislation) <b>but also</b> providing full support to all working age claimants who are considered <b>severely disabled</b> within the current Council Tax Benefit scheme. The definition of severely disabled is where the claimant or partner is in receipt of a <b>severe disability premium</b>, within either their Council Tax Benefit, Housing Benefit or other means tested benefit;</p> <p>The objective in adopting this policy would be to protect a specific section of the existing claimant group deemed to be highly vulnerable and independently verified as being he most seriously sick and not likely to be able to obtain work.</p>				

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

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

	<p>The factors / forces that could detract from these outcomes are as follows;</p> <ul style="list-style-type: none"> <li>• The failure of Central Government to approve the necessary legislation on time;</li> <li>• The failure of the Council’s software suppliers to deliver the necessary changes to existing software systems to enable the correct processing of the new support; and</li> <li>• The failure to deliver these significant changes to the welfare benefit system on time.</li> </ul>
--	---

<p><b>6. Who are the main stakeholders in relation to the policy/ procedure/ practice?</b></p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 68</p>	<p>In respect of the pension age and working age severely disabled claimants for Council Tax Support, the main stakeholders are as follows;</p> <p><b>External Stakeholders;</b></p> <ul style="list-style-type: none"> <li>• Major Precepting authorities – County Council, Police Authority and Fire and Rescue Authority;</li> <li>• Parish Councils (local precepting authorities);</li> <li>• Pension Age claimants;</li> <li>• Working age severely disabled claimants</li> <li>• Potential pension age claimants;</li> <li>• Potential working age severely disabled claimants</li> <li>• Interested Groups such as Citizens Advice Bureau, Age Concern and Help the Aged, Disabled Persons Groups, RNIB, Action on hearing loss etc.</li> <li>• Council Taxpayers generally</li> </ul> <p><b>Internal Stakeholders;</b></p> <ul style="list-style-type: none"> <li>• Staff;</li> </ul>
---	--

<p><b>7. Which individuals/ groups have been/ will be consulted with on this policy/ procedure/ practice?</b></p>	<p>All major precepting authorities have been consulted on the implementation of the new Council Tax Support scheme.</p> <p>A full consultation with the public is shortly to be undertaken as required by the legislation (Local Government Finance Act 2012). Whilst pension age claimants are protected, the authority will still, as part of the consultation process, look to pension age claimants and pensioners generally to respond to the consultation itself.</p>
---	--

In respect of working age severely disabled claimants, it will be essential to consult with the group as, being of working age, they will be directly affected by any changes decided by the Council.

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

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

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

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

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

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

			<p>To provide financial assistance for the scheme, Central Government is to provide funding to each billing authority in England, however the level of funding provided is to be less than the amount currently provided to support the existing Council Tax Benefit scheme.</p> <p>If working age severely disabled claimants are to be protected in full, along with pension age claimants (as required by Central Government) there would be an increase in the level of support available to all other working age claimants although this would be a large group over which the reduction could be spread.</p> <p>In the case of the Borough Council, the shortfall to be borne by working age claimants not deemed to be severely disabled would amount to 25% per annum of Council Tax liability.</p>	
Page 11	4. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to religious belief?	Y	N ✓	This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants and there would be <b>no</b> differential impact due to religious belief
	15. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact on Gypsies/ Travellers?	Y	N ✓	This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants and there would be <b>no</b> differential impact to gypsies or travellers
	16. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to dependant/caring responsibilities?	Y ✓	N	<p>This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants – however where any claimant has dependants or have caring responsibilities, this could potentially increase the level of support given due to the following;</p> <ul style="list-style-type: none"> <li>• The award of additional allowances for dependants within the</li> </ul>

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



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

Page 73

# Equality Impact Assessment Action Plan

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

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

Expand as appropriate

Signed

**(Completing Officer).....**

**Date .....**

**Signed  
(Head of Department) .....**

**Date .....**

**Signed  
Corporate Diversity/ Equality .....**

**Date .....**

This page is intentionally left blank

11 DECEMBER 2018

**REPORT OF THE PORTFOLIO HOLDER FOR  
COMMUNITIES AND PARTNERSHIPS****REVISED GAMBLING ACT 2005  
STATEMENT OF PRINCIPLES 2019 - 2022****EXEMPT INFORMATION**

NIL.

**PURPOSE**

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

**RECOMMENDATION**

That Council adopt the Revised Statement of Principles 2019 - 2022 as required by the Gambling Act 2005.

**EXECUTIVE SUMMARY**

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

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

b) Nationally, gambling policy and the regulatory environment overall has an increasing focus on risk.

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

**RESOURCE IMPLICATIONS**

The majority of fees chargeable are fixed at national level with the remainder set by individual authorities, it is intended that maintenance of the service will be self-financing. Additionally, a cost of around £700 will be incurred to place a legal notice in a newspaper to advertise the fact that the policy has been published. This cost will be met from budgets within the service

## **LEGAL/RISK IMPLICATIONS**

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

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

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

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

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

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

## **SUSTAINABILITY IMPLICATIONS**

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

## **BACKGROUND INFORMATION**

### **REPORT AUTHOR**

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

### **LIST OF BACKGROUND PAPERS**

#### **Background Papers**

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

[2016.pdf](#)

2. Gambling Commission Guidance to Public Health

<http://www.gamblingcommission.gov.uk/PDF/public-health-and-gambling-joint-letter-jan-2018.pdf>

**Appendices**

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

This page is intentionally left blank



**GAMBLING ACT 2005**

**DRAFT  
STATEMENT OF PRINCIPLES  
2019 - 2022**

Revised with effect 3 January 2019

## Contents

1. Introduction.....	3
2. Gambling Act 2005.....	5
3. Responsible Authorities.....	5
4. General Statement of Principles.....	6
5. Preventing gambling from being a source of crime and disorder; being associated with crime and disorder or being used to support crime.....	7
6. Ensure Gambling is conducted in a fair and open way .....	8
7. Protecting children and other vulnerable persons from being harmed or exploited by gambling.....	9
8. Premises Licences .....	11
9. Location.....	11
10. Primary Activity.....	12
11. Responsible Authorities.....	12
12. Interested Parties .....	13
13. Representations .....	14
14. Conditions of Licence .....	15
15. Casinos.....	15
16. Betting Machines in Betting Premises.....	16
17. Bingo .....	16
18. Tracks.....	17
19. Temporary Use Notices.....	17
20. Occasional Use Notices .....	18
21. Gaming Machines.....	18
22. Unlicensed Family Entertainment Centre Gaming Machine Permits .....	18
23. (Alcohol) Licensed Premises Gaming Machine Permits .....	19
24. Prize Gaming Permits.....	20
25. Club Gaming and Club Machine Permits .....	21
26. Lotteries.....	22
27. Exchange of Information .....	22
Enforcement .....	22
29. The Licensing Process .....	23

**FOREWORD (to be amended/updated)**

Tamworth Borough Council	
--------------------------	--

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

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

**GAMBLING ACT 2005**  
**GAMBLING POLICY**  
**STATEMENT OF PRINCIPLES**

**1. Introduction**

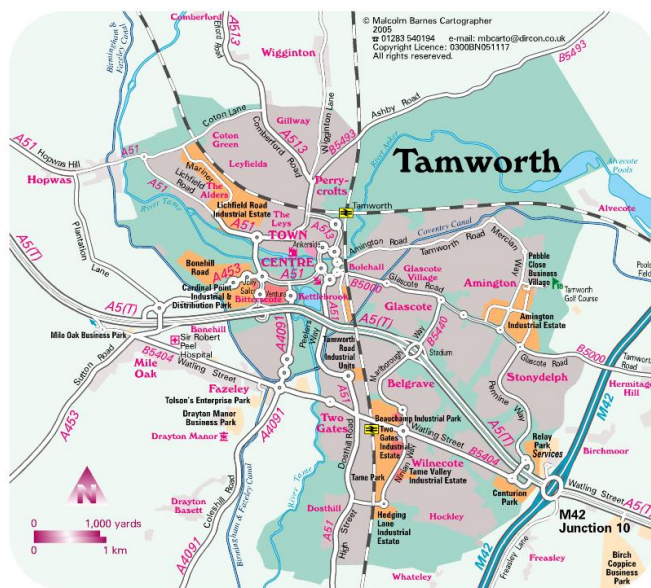
Tamworth Borough Council as the Licensing Authority (referred to in this Statement as the Authority), makes this Statement of Principles in pursuance of its powers and duties under Section 349 of the Gambling Act 2005 (referred to in this Statement as “the Act”) and sets out the Authority’s approach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

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

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

1.1. The Council area is illustrated on the map below

**Map of Tamworth Borough**



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

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

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

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

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

List of persons this authority consulted:

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

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

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

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

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

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

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

## **2. Gambling Act 2005**

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

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

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

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

2.3 The Act provides for 3 categories of licence:

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

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

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

## **3. Responsible Authorities**

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

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

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

3.2 The main functions of the Licensing Authority are to:

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

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

#### **4. General Statement of Principles**

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

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

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

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

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

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

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

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

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

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

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

### **Criteria:**

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

### **Considerations:**



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

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

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

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

**Criteria:**

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

**Considerations:**

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

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

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

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

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

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

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

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

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

**Criteria:**

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

**Considerations:**

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

## **8. Premises Licences**

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

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

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

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

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

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

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

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

## **9. Location**

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

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

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

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

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

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

## **10. Primary Activity**

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

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

## **11. Responsible Authorities**

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

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

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

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

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

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

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

## **12. Interested Parties**

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

An interested party is someone who:

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

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

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

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

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

### **13. Representations**

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

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

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

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

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

#### **14. Conditions of Licence**

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

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

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

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

14.4 The Authority will not consider imposing conditions:

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



## **15. Casinos**

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

## **16. Betting Machines in Betting Premises**

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

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

## **17. Bingo**

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

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

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

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

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

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

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

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

## **18. Tracks**

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

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

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

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

## **19. Temporary Use Notices**

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

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

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

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

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

## **20. Occasional Use Notices**

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

## **21. Gaming Machines**

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

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

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

## **22. Unlicensed Family Entertainment Centre Gaming Machine Permits**

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

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

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

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

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

### **23. (Alcohol) Licensed Premises Gaming Machine Permits**

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

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

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

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

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

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

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

## **24. Prize Gaming Permits**

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

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

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

## **25. Club Gaming and Club Machine Permits**

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

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

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

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

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

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

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

## **26. Lotteries**

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

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

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

## **27. Exchange of Information**

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

## **Enforcement**

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

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

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

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

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

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

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

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

## 29. The Licensing Process

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

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



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

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

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

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

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

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

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

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

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

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

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

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

This page is intentionally left blank

## TAMWORTH BOROUGH COUNCIL

### GAMBLING ACT 2005

#### DRAFT STATEMENT OF PRINCIPLES 2019 – 2022

#### REVISIONS

All revisions reflect the Gambling Commission's Guidance to Licensing Authorities, 5th Edition, published September 2015<sup>1</sup> and Changes in appointments/Directorate titles within the Organisation and those of Consultees.

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

#### Notes

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

This page is intentionally left blank

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

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

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

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

Cllrs,

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

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

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

Regards,

Steve

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

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

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

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

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

Kind regards  
[REDACTED]

**From:** Lewis, Stephen  
**Sent:** 20 June 2018 09:22  
**To:** [REDACTED]  
**Subject:** Statement of gambling licensing policy – A Councillor's Guide

Councillors

Good morning,

Can I draw your attention to the above guidance,  
<http://www.gamblingcommission.gov.uk/PDF/quick-guides/Councillors-guide.pdf>

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

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

Regards,

Steve

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

**From:** Info@britishhorseracing.com [mailto:Info@britishhorseracing.com]  
**Sent:** 12 July 2018 07:11  
**To:** Lewis, Stephen  
**Subject:** RE: Consultation - Revised statement of Principles (Gambling Policy 2019-2022)  
Thank you for your email to the British Horseracing Authority. It is our aim to respond to all enquiries within seven days but please do bear with us during busy periods. We look forward to responding to your query shortly.

**From:**[REDACTED]  
**Sent:** 12 July 2018 12:16  
**To:** Lewis, Stephen  
**Subject:** RE: Consultation - Revised statement of Principles (Gambling Policy 2019-2022)

Hello,

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

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



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

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

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

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

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

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

Kind regards,  
[REDACTED]

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

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

Dear Steve

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

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

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

Many thanks  
[REDACTED]

---Original message---

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

Subject : 180703\_GAMBLING POLICY 2019-2022 draft

[REDACTED],

Good morning,

Many thanks for your time today,

Best regards,

Steve  
01827709437