



CABINET

7 August 2019

A meeting of the CABINET will be held on Thursday, 15th August, 2019, 6.00 pm in Marmion House

A G E N D A

NON CONFIDENTIAL

1 Apologies for Absence

2 Minutes of Previous Meeting (Pages 5 - 8)

3 Declarations of Interest

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

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

4 Question Time:

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

5 Matters Referred to the Cabinet in Accordance with the Overview and Scrutiny Procedure Rules (Pages 9 - 10)

(Report of the Chair of the Corporate Scrutiny Committee)

6 Budget and Medium Term Financial Planning Process 2020/21 (Pages 11 - 26)

(Report of the Leader of the Council)

7 Procurement Service and Strategy Update (Pages 27 - 46)

(Report of the Portfolio Holder for Assets and Finance)

8 Annual Report on the Treasury Management Service and Actual Prudential Indicators 2018/19 (Pages 47 - 66)

(Report of the Portfolio Holder for Assets and Finance)

9 Write Offs (Pages 67 - 76)

(Report of the Portfolio Holder for Assets and Finance)

10 Exclusion of the Press and Public

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

“That in accordance with the provisions of the Local Authorities (Executive Arrangements) (Meeting and Access to Information) (England) Regulations 2012, and Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during the consideration of the following business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 1,2, 3 and 4 of Part 1 of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public”

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

11 Review Of Cleaning Services (Pages 77 - 82)

(Report of the Portfolio Holder for Assets and Finance)

Yours faithfully



Chief Executive

Access arrangements

If you have any particular access requirements when attending the meeting, please contact Democratic Services on 01827 709267 or e-mail democratic-services@tamworth.gov.uk. We can then endeavour to ensure that any particular requirements you may have are catered for.

Filming of Meetings

The public part of this meeting may be filmed and broadcast. Please refer to the Council's Protocol on Filming, Videoing, Photography and Audio Recording at Council meetings which can be found [here](#) for further information.

The Protocol requires that no members of the public are to be deliberately filmed. Where possible, an area in the meeting room will be set aside for videoing, this is normally from the front of the public gallery. This aims to allow filming to be carried out whilst minimising the risk of the public being accidentally filmed.

If a member of the public is particularly concerned about accidental filming, please consider the location of any cameras when selecting a seat.

FAQs

For further information about the Council's Committee arrangements please see the FAQ page [here](#)

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

This page is intentionally left blank



**MINUTES OF A MEETING OF THE
CABINET
HELD ON 1st AUGUST 2019**

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

The following officers were present: Andrew Barratt (Chief Executive)

Apologies received from: Councillor(s) S Doyle

24 MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 2nd July 2019 were approved and signed as a correct record.

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

25 DECLARATIONS OF INTEREST

There were no Declarations of Interest.

26 QUESTION TIME:

None

27 MATTERS REFERRED TO THE CABINET IN ACCORDANCE WITH THE OVERVIEW AND SCRUTINY PROCEDURE RULES NO1

The Chair of Infrastructure Safety and Growth Committee attended Cabinet to present the report on Electric vehicle charging in Tamworth with the following 5 recommendations for Cabinets consideration

1. Install a fast charge unit on a council car park in the Borough for the short term
2. Develop an infrastructure plan including the following:
 - a. Identify suitable sites for electric 'plug-in' vehicle infrastructure.
 - b. Explore funding opportunities both nationally such as Department for Transport / Office of Low Emission Vehicles and locally such as local partnerships and organisations.

- c. Work with a range of partners to support the installation of infrastructure.
 - d. Build confidence in the technology by providing residents and local businesses with information on electric vehicles and recharging infrastructure. Promote home charging grants to residents.
 - e. Develop an Action Plan for delivery, review this regularly and report on progress internally and externally.
3. That ISAG recommends to Cabinet that relevant officers are tasked with submitting a bid to the Office for Low Emission Vehicles for capital funding for an initial 4 charging points (Max grant £30,000 -75%)
 4. That ISAG recommends to Cabinet that, subject to the receipt of a grant, £10,000 (25%) be made available from the General reserve to fund the balance of the works.
 5. That, subject to the above, those officers tasked with the project meet with ISAG at a future date to discuss the project

RESOLVED That Cabinet endorsed recommendations 1 and 2 only and added an additional recommendation that Officers are to be tasked to create a project that Scrutiny are asking for, whilst keeping Scrutiny involved on the progression and then bring the report back to Cabinet for consideration.

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

28 EXCLUSION OF THE PRESS AND PUBLIC

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

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

29 MATTERS REFERRED TO THE CABINET IN ACCORDANCE WITH THE OVERVIEW AND SCRUTINY PROCEDURE RULES NO2

The Vice Chair of Corporate Scrutiny attended to request that Cabinet endorse the recommendation that if a full report for a final decision on the Review of

Cleaning Services is planned for a Cabinet decision on 15 August 2019, the item and any decision by Cabinet be deferred until Corporate Scrutiny had the opportunity to consider the full report in advance.

RESOLVED Cabinet agreed that Corporate Scrutiny Committee can see the report on the 14th and give a verbal update to Cabinet on the 15th August

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

Leader

DRAFT

This page is intentionally left blank

15 AUGUST 2019

REPORT OF THE CHAIR(S) OF CORPORATE SCRUTINY COMMITTEE**MATTERS REFERRED TO CABINET IN ACCORDANCE WITH THE OVERVIEW AND SCRUTINY PROCEDURE RULES****EXEMPT INFORMATION**

None

PURPOSE

To update Cabinet and to make recommendations to it following consideration of matters by the Scrutiny Committees.

EXECUTIVE SUMMARY

The following Scrutiny Committees have agreed to refer the following matters to Cabinet:

Scrutiny Committee	Matter referred (relevant Minute number) & brief summary	Date of Scrutiny meeting
Corporate	Interim Update on Member Induction – Minute 19	10 July 2019

Interim Update on Member Induction

The Corporate Scrutiny Committee minutes ([accessible here](#)) provide further detail on this discussion and the recommendations that have been made, and which are set out in the following section of this Report.

RECOMMENDATIONS**Interim Update on Member Induction****It is recommended that Cabinet endorse**

- the recommendations on Member Induction that have been implemented through the Member Induction Programme, through amendment to the Constitution in respect of the supply of paper to members, and the creation of the Members Zone;
- the ICT support to members that was implemented during May 2019 for newly elected members;
- the recommendation that feedback will be sought from members on the implementation of the Member Induction Programme and the ongoing training programme and the results of this feedback will be provided to the Corporate Scrutiny Committee within 6 months;
- that an update on the level of member attendance at all training sessions will be made available to the Corporate Scrutiny Committee.

REPORT AUTHORS

Councillor Thomas Jay
Chair of Corporate Scrutiny Committee

BACKGROUND PAPERS

Interim Update on Member Induction to Corporate Scrutiny Committee – 10 July 2019

APPENDICES

CABINET

15th August 2019

REPORT OF THE LEADER OF THE COUNCIL

BUDGET AND MEDIUM TERM FINANCIAL PLANNING PROCESS 2020/21

EXEMPT INFORMATION

None

PURPOSE

To seek agreement to the Proposed Budget and Medium Term Financial Planning Process for General Fund and the Housing Revenue Account for 2020/21.

RECOMMENDATION

That the proposed process for the General Fund and Housing Revenue Account Budget and Medium Term Financial Planning Process for 2020/21 be adopted.

EXECUTIVE SUMMARY

The medium term financial planning process is being challenged by Government austerity measures as well as continued uncertainty. The accomplishment of a balanced 3 Year Medium Term Financial Strategy for the General Fund for 2019/20 was a major achievement as the Council, like others, had planned to deliver its budget process in light of unprecedented adverse economic conditions with a great deal of uncertainty over future investment and income levels such as car parking, land charges and corporate property rents.

The budget setting process has faced significant constraints in Government funding in recent years - over 50% in real terms since 2010. The 4 year Local Government Finance Settlement confirmed that austerity measures are to continue with Revenue Support Grant (RSG) all but eradicated for most Councils by 2020 – and suggests that the key challenges that the Council is currently addressing are likely to become greater.

There is also a high degree of uncertainty arising from the work progressing with regard to business rates retention (and the associated impact on the Council's business rates income and associated baseline and tariff levels), the 'Fair Funding Review' as well as the planned Business Rates Reset which is also planned take effect from 2020/21.

The Council is responding to these challenges by considering the opportunities to grow our income. We are ambitious with our commercial view and will continue to work hard to identify income streams that enable us to continue to meet the needs of our residents.

The Council remains committed to promoting and stimulating economic growth and regeneration; meeting our housing needs; creating a vibrant town centre economy and protecting those most vulnerable in our communities.

More than ever, we recognise that our financial capacity will be less than in previous years which means that we will need to maintain our approach to innovation, collaboration and transformation. So, not only will the Council seek investment from businesses and developers, but the Council itself will explore viable and sustainable investment opportunities using all returns to support public services.

We continue to invest in our teams, transform our processes and ensure our technology infrastructure is fit for purpose. We have identified a number of opportunities to improve customer access to information and services as well as our engagement with our citizens and the way in which we manage our data and information.

The adoption of 'Demand Management' as the primary operating model and the targeting of resources via locality based commissioning and delivery has enabled greater effectiveness in service delivery. As part of a 'Tamworth Community Offer' we will:

- Improve our use of 'insight' in shaping services and directing investment;
- Better align service delivery to ensure we act with purpose and are accountable;
- Support the Demand Management model with prevention approaches which seek to tackle causes and reduce costs;
- Develop approaches which genuinely 'empower' individuals and communities;
- Support a transformed dialogue with residents - recognising that our financial capacity will be less than in previous years which means educating and supporting communities to focus resources on 'needs' and being clear on what we are able to do and equally what we can't.

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

Linked with this, the 'Delivering Quality Services' project continues to review processes and demand, with the aim of re-designing processes to meet changing customer expectations and making the best use of technology to deliver efficient and effective services to the customer, including self-service and digital functionality.

This approach will change the organisation and how it works; will require Members to put evidence and insight at the heart of our decision making to ensure that we are transparent about the rationale for our decisions and plans; will involve managed risks and will sustain essential services critical in supporting the most vulnerable in our communities at a time when demand is increasing and resources reducing.

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

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

- Recruitment freeze – there is a robust challenge / re-justification process in place for all vacant posts with a requirement to investigate alternative options including restructuring to fill vacancies / looking at what we can stop doing;
- Spend freeze – A review of the underspend position has been undertaken with a view to drive out as many savings as possible – and has identified annual savings of c.£450k p.a. from 2019/20.
- Alternative investment options arising from the Commercial Investment Strategy (as well as the Treasury Management Investment Strategy) to generate improved returns of c. 4% to 5% p.a. (plus asset growth);
- Review of reserves (including ensuring adequate provision for the funding uncertainties) / creation of fund for transformation costs (if needed);
- Targeted Savings – to identify potential areas for review in future years; and
- Review and rationalisation of IT systems.
- Review of reserves (including ensuring adequate provision for the funding uncertainties) / creation of a fund for transformation (if needed); and
- Targeted Savings – to identify potential areas for review in future years.

As part of the budget process, Policy Changes are required in order to amend base budget provision. As grant and other income levels are reducing, where increased costs are unavoidable then managers should identify compensatory savings. Where savings are identified they must be accompanied by a robust implementation plan. Robust business case templates will have to be submitted to Cabinet and CMT for all Policy Change submissions (Revenue and Capital).

The attached Project Plan at **Appendix A** lists the stages, deadlines and the responsible officers for the production of the budget and medium term financial plan. **Appendix B** contains an outline of the process whilst **Appendix C** shows the flow of key stages over the process period.

Budget Consultation

In addition to the activity planned for the Tamworth Listens process, consultation has been planned to gauge residents', businesses' and other core stakeholders' views on areas of spending or where savings could potentially be made.

The consultation, detailed at **Appendix D**, will be carried out through 3 online surveys. A survey that is tailored for businesses, a full survey aimed at residents and a survey that is tailored for the voluntary and community sector.

The online residents survey will be promoted using social networking/media sites and through email contact databases. The business survey will be promoted through business social networking sites and business email contact databases. The voluntary and community sector survey will be promoted through email contact databases.

Timetable

Significant milestones in the process, detailed at **Appendix A**, are planned as:

- a) Consultation process - results to Cabinet 7th November;
- b) Base budget and technical adjustments to Cabinet 28th November;
- c) Cabinet to consider Council Taxbase calculation on 28th November and Business Rates Forecast on 23rd January;
- d) Cabinet proposals to a Leaders Budget Workshop 4th December;
- e) Provisional RSG settlement assessment to Corporate Management Team and EMT in December;
- f) Joint Scrutiny Committee (Budget) to be held on 30th January 2020;
- g) Final Budget and Medium Term Plan reports to Cabinet 20th February 2020;
- h) Budgets set at Council 25th February 2020.

It should be noted that the complexity of some of the issues and the reliance on the Government for Business Rates Retention and RSG data to report might mean that some reports have to be treated as urgent items and/or are considered at a later meeting.

Members are asked to endorse the process to be followed.

OPTIONS CONSIDERED

None

RESOURCE IMPLICATIONS

There are no financial or resource implications arising from the implementation of the Budget and Medium Term Planning Process.

LEGAL/RISK IMPLICATIONS

It is considered that a Medium Risk to the achievement of the planned timetable exists due to the potential for a delay in the:

- Provision of information from managers; and
- Publication of the Local Government Finance Settlement information for each individual authority by the Ministry of Housing, Communities & Local Government (MHCLG).

There also remains a high degree of uncertainty arising from the most significant changes in Local Government funding for a generation due for 2020/21 - arising from the Fair Funding Review, review of the Business Rates Retention (BRR) scheme, reset of the Business Rates baseline, Spending Review 2019 and the ongoing uncertainty over the funding for the New Homes Bonus scheme - as well as other changes arising from the Government's Welfare Reform Agenda.

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

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

The Key Risks are:

- Impact of uncertain economic conditions, following the decision to leave the EU – it is suggested that, given the uncertainty, we should focus on a clear plan to balance the next 3 years' budget position for the General Fund (5 years for the HRA);
- Achievement of the anticipated growth in business rates income – in line with the assumed baseline and tariff levels set;
- Delivery of the planned Commercial Investment Strategy actions and associated improved investment returns of 4% p.a. arising from the investment of £24m from the capital receipt received over the period 2016 – 2018 from the sale of the former golf course (to support the MTFS in the long term);
- Achievement of anticipated growth in new homes within the Borough and the associated dependency on the New Homes Bonus income to address / reduce the funding shortfall for the General Fund; and
- Challenge to continue to achieve high collection rates for council tax, business rates and housing rents – in light of further austerity, economic conditions and uncertainty.

There also remains a high degree of uncertainty for 2020/21 arising from:

- The Government's **Fair Funding Review (FFR)** of the distribution methodology including:
 - changes to the needs assessment (which will determine each Council's share of the national funding for Local Government – it is likely that this will reflect the impact of Social Care demands and that funding will be redistributed to Unitary and County Councils to the detriment of District Councils);
 - treatment of relative resources (to determine how much each Council can fund locally through income from fees and charges and council tax);

- any transitional arrangements to protect Councils from significant reductions in funding – and the impact from their unwinding from 2021/22.
- **Spending Review 2019 (SR19)** – where the total spending allocation for Government Departments will be set – including national control totals for Local Government spending. It has already been announced that significant additional funding will be diverted to the NHS which could mean further reductions for other Departments including Local Government;
- The ongoing **review of the Business Rates Retention (BRR) scheme** – the Government announced that Councils will be able to retain 75% of business rates collected from 2020/21 rather than 100% as previously planned with work progressing on the design of the new system including the impact of ‘rolling in’ grants such as Housing Benefit administration and New Homes Bonus;
- The planned **reset of the Business Rates baseline** for each Council from 2020/21 and redistribution of the growth achieved since 2013 (of over £1m p.a.);
- Uncertainty over the ongoing funding for the **New Homes Bonus scheme**, local growth in housing numbers and share of the national pool (including potential increases to the ‘deadweight’ for which Councils no longer receive grant).

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

While we are aware of these forthcoming changes, little to no information is available on the potential impact for individual Councils’ finances. **There is a high risk that this will have a significant effect on the Councils’ funding level from 2020/21.**

We will therefore need to consider the approach to forecasting and planning for these uncertainties balancing the risk to the MTFs against the need for savings and potential service reductions.

REPORT AUTHOR

Stefan Garner, Executive Director Finance, Telephone: 01827 709242

LIST OF BACKGROUND PAPERS

‘Creating Opportunities From An Uncertain Future’ (Proposed Strategic & Operational Model For Tamworth Borough Council) – Cabinet 19th February 2015

‘Investing in the Future of Tamworth’ (Tamworth Commercial Investment Strategy to Promote Growth and Regeneration) - Cabinet 16th June 2016

Corporate Vision, Priorities Plan, Budget & Medium Term Financial Strategy 2019/20, Council 26th February 2019.

APPENDICES

Appendix A

Project Plan for the Budget and Medium Term Financial Planning Process for the year 2020/21

Appendix B

Outline of the Budget and Medium Term Financial Planning Process

Appendix C

Flowchart of the Budget & Medium Term Financial Planning Process

Appendix D

2020/21 Budget Consultation

This page is intentionally left blank

Budget and Medium Term Financial Planning Process for 2020/21			
	Project Plan	Deadline	Responsible Officer/s
1	Review of the 2019/20 process, formulation of 2020/21 process and report, to Cabinet 15 th August, including:	31/07/2019	Executive Director Finance (EDF)
	<ul style="list-style-type: none"> Review of potential budget issues; 	31/07/2019	EDF / Assistant Director Finance (ADF)
	<ul style="list-style-type: none"> The Budget Consultation process. 	31/07/2019	EDF / Knowledge & Performance Manager
2	Policy Changes		
	<ul style="list-style-type: none"> Circulation to Directors of provisionally approved policy changes for 2019/20 onwards - for confirmation or otherwise; 	31/08/2019	Accountants
Page 19	<ul style="list-style-type: none"> Any unavoidable cost increases arising from, for example, legislative or demand led changes (e.g. reduced income), be identified and included together with completion of 2018/19 outturn review; 	30/09/2019	CMT/Accountants
	<ul style="list-style-type: none"> Return of responses with Business Cases completed for new proposals, to Corporate Accountancy for collation; 	30/09/2019	CMT/Accountants
	<ul style="list-style-type: none"> Meeting of CMT to review all Revenue Policy Changes proposals on 16th October; 	16/10/2019	EDF / Accountants
	<ul style="list-style-type: none"> Responses to be presented to Executive Management Team 4th November for initial consideration. 	16/10/2019	EDF / Accountants
3	Corporate Capital Strategy and Capital Programme		
	<ul style="list-style-type: none"> Directors to review & confirm the provisionally approved capital schemes already contained within the 5 year capital programme (including a 'block allocation' for Cabinet approval of new schemes during the year); 	30/09/2019	CMT/Accountants
	<ul style="list-style-type: none"> Impact of any updated Stock Condition data assessed 	30/09/2019	Assistant Director Assets
	<ul style="list-style-type: none"> Formulation of new 5 year programme including appraisal forms to be submitted to the Asset Strategy Steering Group (ASSG) prior to submission to Executive Management Team; 	30/09/2019	CMT/Accountants
	<ul style="list-style-type: none"> Capital Programme report to CMT 16th October, Executive Management Team 4th November. 	16/10/2019	CMT/Accountants

	Project Plan	Deadline	Responsible Officer/s
4	Charges for Services – Updated recharges basis adjusted for any structural issues, proposals to be discussed at CMT 16 th October, base recharges to be completed by 16 th October to allow consultation period (to December 2019).	16/10/2019	CMT/Accountants
5	Consideration of responses – including an analysis of the impact of such on the overall financial position of the Council at CMT 16 th October, Executive Management Team 4 th November and Cabinet 28 th November, to formulate/consider budget proposals in detail prior to Leaders Budget Workshop review 12 th December.	16/10/2019	CMT/Accountants
6	Consideration of the adjusted base budget, at CMT 16 th October / Executive Management Team 4 th November / Cabinet 28 th November.	16/10/2019	EDF/ADF/Accountants
7	Budget Consultation – Cabinet receive 7 th November, the results of the consultation process.	25/10/2019	Knowledge, Performance & Insight Manager
8	Approval of the Council Tax Base Calculation for 2020/21 - to Cabinet 28 th November.	15/11/2019	Head of Revenues
Page 20	A meeting of Cabinet on 28 th November to receive/confirm budget proposals for Budget Workshop consideration.	28/11/2019	EDF/ADF
	Leaders Budget Workshop 4 th December.	04/12/2019	Leader
11	Local Government Finance Settlement (LGFS) implications - to CMT / Executive Management Team 20 th December.	20/12/2019	EDF/Accountants
12	Draft Budget & MTFS Report to Executive Management Team 13 th January / Cabinet 23 rd January and Joint Scrutiny Committee (Budget) 30 th January.	08/01/2020	EDF/ADF
13	Final Business Rates forecast for 2020/21 - to Cabinet 23 rd January.	13/01/2020	EDF/ADF/ Head of Revenues
14	Implications of the final Business Rates forecast & LGFS information to be considered/built into the budget proposals (as soon as available).	January 2020	EDF/ADF/Accountants
15	Final Budget & MTFS Report to CMT on 5 th February / Executive Management Team 10 th February.	31/01/2020	EDCS/DOF
16	Final budget reports considered by Cabinet on 20 th February who would recommend a budget to the Council meeting on 25 th February.	11/02/2020	EDCS/DOF

Outline of the Budget and Medium Term Financial Planning Process

Reasons for Producing Budgets

Budgets are required to plan for forthcoming activities in meeting the objectives of the Council as a whole. Legally, the Council is required by legislation to set its budget (balanced funding/spend) and the associated Council Tax by 11th March each year.

The budget represents the Council's plans in financial terms and acts as a method of measuring performance against the achievement of these objectives. Variances from the budget are highlighted to Senior Management on a monthly basis and Members Quarterly.

Budgets assist in bringing together views, opinions and decisions of all stakeholders such as Members, Local Residents, Focus Groups and the Business Community.

The Budget Process

The budgets for the next financial year are compiled in the 'budget process' that runs mainly from September to March each year (some preparatory work / forecasts are prepared from July).

Day to day responsibility for setting budgets and financial performance monitoring may be delegated to appropriate line managers/senior officers, as appropriate.

A brief summary of the stages involved in the budget process are as follows:

- **Review / Formulation of Budget Process**

Following a review of the previous year's process, the outline process to be followed is formulated / agreed by the Corporate Management Team and Cabinet.

- **Consideration of Policy Changes**

Planned changes to services (provisionally approved during the previous budget process) are issued for confirmation. Budget Managers are also required to consider any unavoidable increased costs (arising from, for example, legislative or demand led changes e.g. reduced income) and targets for budget savings. They will be aware of the objectives of the Council as a whole within the Corporate Plan and should therefore be looking to incorporate changes or additions into their future plans.

As grant and other income levels are reducing, where increased costs are unavoidable then managers should identify compensatory savings. Where savings are identified they must be accompanied by a robust implementation plan. Robust business case templates will have to be submitted to Cabinet and CMT for all Policy Change submissions (Revenue and Capital).

- **Capital Programme**

Managers are asked to review provisionally approved schemes (within the medium term capital programme) and submit new / revised capital appraisal forms for consideration, and prioritisation within available resources, by CMT, the Asset Strategy Steering Group and Cabinet.

- **Budget Consultation**

In addition to the activity planned for the Tamworth Listens process, consultation has been planned to gauge residents', business and other core stakeholders' views on the Council's priorities to achieve the 'Vision' considering areas of spending or where savings could potentially be made.

The consultation will be carried out through three online surveys. A survey that is tailored for businesses, a full survey aimed at residents and a survey that is tailored for the voluntary and community sector. The online residents survey will be promoted using social networking/media sites and through email contact databases. The business survey will be promoted through business social networking sites and business email contact databases. The voluntary and community sector survey will be promoted through email contact databases.

- **Formulation of Budget Forecast & Base Budgets**

Managers should consider their future activities and spending requirements before discussions with their Accountant. Managers should identify any minor changes in expenditure or income or highlight other areas of concern with their Accountant prior to the finalisation of the base budget working papers. Regular review / monitoring during the year assist in this process.

It is important that managers assess budget figures carefully and do not merely increase the original budgets by the given inflation percentage. Managers should consider the previous year's level of expenditure when looking at budgets and decide if this is to be a normal level or an exception. A zero based budgeting approach to deliver service needs is required especially in a period of resource constraints.

In the main, the recalculation of the base budget involves changes that have already been approved or are outside the control of managers (e.g. inflation, pay award etc). Major alterations to budgets or proposals involving significant changes in service delivery need to be raised and submitted for approval through the policy changes process.

It should be borne in mind that financial guidance requires Budget Managers to be consulted (by the relevant Accountant) in the preparation of the budgets for which they will be held responsible and that they are required to accept accountability for their budgets and the service to be delivered.

As part of the Governance process, there is a responsibility for Budget Managers to ensure that they are consulted and confirm that their budgets are accurate, complete and acceptable.

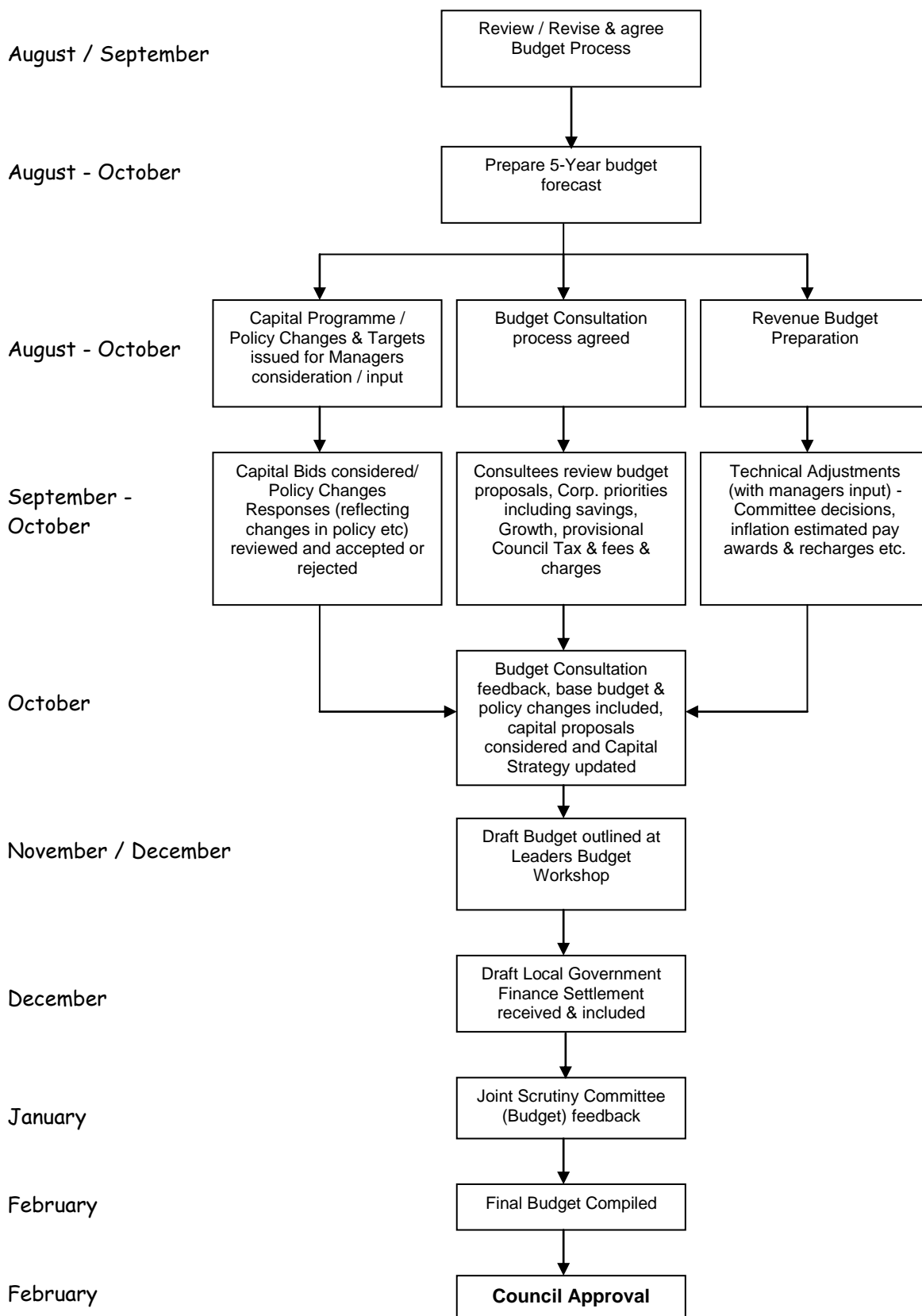
- **Compilation of Overall Budget figures**

Once all the budget working papers have been prepared, an overall net expenditure figure for the Council can be assessed in terms of affordability and whether funding for these levels of expenditure is available. It may be that Managers would be required to identify savings in their budgets, dependent on guidance from Senior Managers and Members.

- **Final Budget Approved by the Council in February**

The final budgets are approved by Members at the Cabinet meeting, usually in February. No further amendments can be made after this point. The full Council approves the budget at its meeting in February.

The Budget & Medium Term Financial Planning Process 2020/25



This page is intentionally left blank

Tamworth Borough Council 2019 Budget Consultation

Background

As part of a regular annual process Tamworth Borough Council reviews its Council Tax and Charges Strategy for the development of the budget. This process ensures that funding is put into areas of highest priority. An important element of this process is to understand the views of residents, tenants, businesses, and local voluntary groups on what these priorities are.

Overview

Consultation on the key issues affecting the 2020/21 budget consultation will be carried out through three surveys;

- A residents survey – on line and postal, promoted using social networking/media sites and through email contact databases,
- A business survey – on line, promoted through business social networking sites and business email contact databases,
- A voluntary and community sector survey – on line, promoted through email contact databases at the CVS.

Timetable

Planning	from 1 st May 2019
Postal survey posted (Residents)	from 1 st August 2019
Online survey (Residents)	launched 1 st August 2019
Online survey (Businesses)	launched 1 st August 2019
Online survey (V&CS)	launched 1 st August 2019
Surveys closes and taken offline	15 th September 2019
Budget Consultation Report at Executive Leadership Team	9 th October 2019
Budget Consultation report at Cabinet	7 th November 2019

Objectives

- Identify important priorities to target for savings,
- Advise on acceptable levels of fees, charges and council tax,
- Obtain views on the revised corporate priorities.

A small budget has been set aside within the Corporate Consultation budget to undertake this work.

Tamworth Listens

In addition, the activity scheduled for 'Tamworth Listens' includes:

Tamworth Listens Question Time Event	TBA
Tamworth Listens Report at State of Borough Debate	TBA

This page is intentionally left blank

CABINET

15 AUGUST 2019

REPORT OF THE PORTFOLIO HOLDER FOR ASSETS AND FINANCE

PROCUREMENT SERVICE & STRATEGY UPDATE

PURPOSE

To inform Cabinet of the activity of the Procurement function during 2018/19, to notify of completion of agreed actions set out in the previous Procurement Strategy, and to seek agreement for the future approach of the Procurement team.

RECOMMENDATIONS

Cabinet are requested to:-

- 1) Note the contents of the report;
- 2) Approve the future approach for the Procurement team.

EXECUTIVE SUMMARY

Procurement Activity Update

During the financial year 2018/19, the Procurement team has:

- worked on a total of 41 new Quick Quotes and 21 new tenders, as well as completing a number of projects carried over from 2017/18;
- reported orders raised with a value of £5k and over, and details of the procurement exercise undertaken for each, to CMT on a quarterly basis, prior to publication on the internet as required by the Local Government Transparency Code;
- continued to publish details of our contract register on a quarterly basis, and to ensure details of our tender opportunities and contract awards are reported on Contracts Finder;
- worked with managers and budget holders to embed the use of Pentana as a contract management and reporting tool, and to assist managers with managing their tenders and Quick Quotes and achieving compliance with processes and procedures by means of triggers and actions to be completed.

There has been a recent increase in suppliers scrutinising the Council's procurement processes and this reflects a trend happening generally across the public sector. The Council has robust and compliant procurement procedures that have enabled it to provide comprehensive responses when required and to defend complaints when they have occurred. Whilst such scrutiny is still the exception rather than the rule this trend is expected to continue to grow as suppliers become increasingly knowledgeable and inquisitive. It is therefore important that compliance with UK regulations, Financial Guidance and Procurement procedures continues.

However, a recent internal audit review highlighted a number of areas where managers have not been complying with Procurement guidance or updating the contract register on a timely basis, and further training/update sessions are planned for later this Summer once the current re-organisation has been implemented and new managers are in post.

This will also include reference to the sanctions / consequences for staff who do not comply with or directly ignore Financial and Procurement Guidance, to ensure the procurement process is correctly followed. Contract Standing Orders contained within Financial Guidance state that:-

1. All employees must comply with these standing orders, the relevant regulations relating to Public Contracts and with financial regulations when procuring goods and services;
2. All Directors have primary responsibility for ensuring compliance within their service areas.

Furthermore, it is worth noting that 'Brexit' will not result in any immediate changes in current regulations. Once the UK has left the EU, amended procedures are a possibility for the future, depending on the terms negotiated for continuing trade arrangements, however, it should be noted that many of the current EU regulations were proposed and supported by the UK government, and are now enshrined in UK legislation.

Contracts and Savings

Appendix A details all tenders and Quick Quotes resulting in a contract award during 2018/19 (completed projects only). This includes ongoing contracts and one-off purchases, and details the savings against identified budgets on each.

Based on the budgets and contract values identified, savings achieved totalled £289k during 2018/19. Of these, £68k related to capital scheme budgets and £136k to one-off revenue spend. Ongoing revenue savings of £85k over the term of the contracts awarded have been identified, of which £2k has been applied as savings as part of the 2019/20 budget process. Further annual savings resulting from procurement will be considered as part of the 2020/21 budget process.

Implementation of Procurement Strategy

The Council's most recent Procurement Strategy approved by Cabinet in 2013 included a number of improvements and an action plan for implementation. These improvements mainly concerned procedures and documentation around tender authorisation and quick-quote templates; recording and monitoring of contracts on Pentana; and staff training/briefing sessions. All actions set out in the strategy have been completed, however it is recognised that there is an ongoing need:

- for staff training and refresher/briefing sessions covering Procurement issues, as detailed above;
- to further embed the use of Pentana as part of the procurement and contract management process and to ensure managers update the information relating to their contracts on the system;
- to further develop the In-Tend system if this can offer improvements over current processes, for example, the implementation of Evaluation and Contract Management modules.

These actions could be picked up as part of the service delivery plan/business planning process and do not necessarily warrant a separate strategy document.

In their National Procurement Strategy issued in 2014, the Local Government Association set out a number of recommendations for district councils, which reflected the requirement of the UK Public Contracts Regulations coming into force at the time, and also initiatives around collaboration, making savings and encouraging SMEs. Again, the Council has made good progress in complying with these recommendations, where opportunity to do so is available and where these have been beneficial to Tamworth. **Appendix B** details the recommendations set out and action taken by the Council in response to them.

National Procurement Strategy for Local Government in England 2018

Last year the LGA issued a new National Procurement Strategy, which builds on the previous strategy from 2014, and covers a number of themes, as follows:-

- Showing leadership
- Engaging councillors
- Engaging senior managers
- Working with partners
- Engaging strategic suppliers
- Behaving commercially
- Creating commercial opportunities
- Managing contracts and relationships

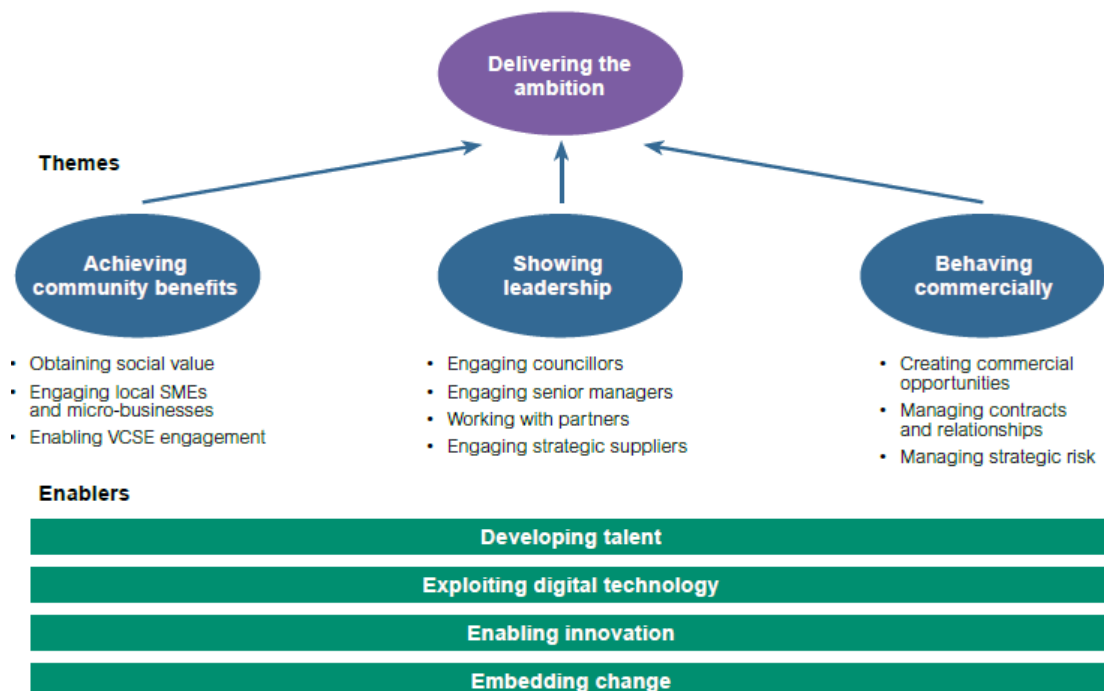
- Managing strategic risk
- Achieving community benefits
- Obtaining social value
- Engaging local SMEs and micro-businesses
- Enabling Voluntary, Community and Social Enterprise (VCSE) engagement

Whilst not including any specific recommendations for district councils, the strategy invites Councils to measure their progress and assess themselves against a criteria/scale of behaviours ranging from minimum; developing; mature; leader; and innovator. The Strategy also sets out a number of cross-cutting issues ('enablers') to be addressed – developing talent; exploiting digital technology; enabling innovation; and embedding change.

The themes are presented as maturity models to make objective setting and measurement easier. A toolkit has been developed to accompany the strategy with the purpose to help councils set local goals and assess their progress. The toolkit is for guidance only as a 'one-size-fits-all' approach is not supported by the sector or advocated in the strategy.

The choices will reflect local priorities and the resources available to the council. It is recognised, of course, that district councils may have different objectives to larger councils. Consequently, there is nothing 'wrong' about a council setting 'developing' or 'mature' (for example) as its target level of maturity in a particular area; it can be entirely appropriate.

An overview of the strategy is shown below.



For each of the key areas within each theme, an assessment of the Council's current position has been undertaken as well as any further action needed.

The Strategy includes many areas of good practice but much of it is practical only for County or Unitary authorities with large Procurement teams routinely letting bigger contracts than we do at Tamworth. To implement much of it would require greater engagement from staff across the Council and investment/additional resources to implement. It is therefore recommended that we give consideration to the Strategy but take action only on those areas appropriate and beneficial to Tamworth, and that such actions are built into the business planning process rather than set out in a formal strategy document. **Appendix C** sets out a summary of the requirements of the 2018 National Procurement Strategy, an assessment of our current position, and indicates actions that would need to be taken for Tamworth to improve under the requirements of the Strategy.

Future Approach of the Procurement Team

Under the organisational review, the Procurement function now reports directly to the Operations Accountant within the Finance team. It is intended that the links between procurement and the creditor payment process and management of the supplier database can be improved, and there will be more staffing resource available to support the Procurement function. As previously, the focus of the Procurement Team will be to support managers in undertaking procurement by developing processes and procedures in line with legislation and best practice, establishing standard documentation and templates, managing the In-Tend system, providing advice and guidance, and providing training in line with need/legislative changes. Where specific action is required to develop and improve the Procurement function within the Council, this will be included within the service business plan, and monitored in the usual way through Pentana. Cabinet are requested to endorse this approach.

RESOURCE IMPLICATIONS

None as a direct result of this report.

RISK/LEGAL IMPLICATIONS

Compliance with the Council's Financial Guidance and Standing Orders is key to ensuring adherence to EU and UK Public Contracts regulations.

SUSTAINABILITY IMPLICATIONS

None

REPORT AUTHOR

If Members would like further information or clarification prior to the meeting please contact Stefan Garner, telephone 01827 709242 or email stefan-garner@tamworth.gov.uk.

APPENDICES

Appendix A – Contracts Awarded 2018/19

Appendix B – LGA National Procurement Strategy for 2014

Appendix C – LGA National Procurement Strategy for 2018

ITT Ref. No.	Description of Goods/Service	Budget (£'s)	Contract Value (£'s)	Saving (£'s)	Cost Centre / Account Code	Name of Project Manager	Comment
17/017	Customer Portal	£255,000	£216,000	£39,000	CH2853 & GH0207	Mike Buckland	£2k ongoing revenue saving applied 2019/20
17/021	Stray Dog Control Services	£75,000	£87,505	-£12,505	GW0101 / 46010	Steve Lewis	
18/001	Bailiffs	£808,000	£808,000	£0	GG0301, GG0303 & GG0302/ 32005	Mike Buckland	
18/002	Housing Stock Condition Survey	£60,000	£48,750	£11,250	NOT PROVIDED (TO BE RELEASED FROM RESERVE, PART OF HRA REPAIRS REVIEW)	Paul Weston	
18/004	CoW Tinkers Green & Kerria	£30,000	£25,500	£4,500	CR7001 & CR7002	Ryan Oldnall	
18/007	Castle Grounds Toilet Refurbishment	£180,000	£162,900	£17,100	CP2854 / C1160	Paul Weston	
18/009	White Goods Framework	£5,000	£5,000	£0	MULTIPLE HOUSING	Lee Birch	
18/010	Call Monitoring	£98,810	£71,312	£27,498	HR2710 / 46010	Lee Birch	Ongoing savings
18/011	Mowers	£320,000	£259,345	£60,655	GW1801 / 35103	Mark Greaves	Savings to be confirmed re ongoing maintenance arrangement
18/013	Local Innovation Fund Grant Prospectus	£30,000	£30,000	£0		Karen Clancy	Grants
18/015	Connecting Communities Grant	£40,000	£40,000	£0		Karen Clancy	Grants
18/017	Advice and Support for Housing Repairs and Investment	£50,000	£29,755	£20,245	HS7099	Paul Weston	
18/018	Gungate Masterplan	-	£120,000	-		David Hunter	Tender process carried out without involvement of the Procurement Team
18/019	Consultancy Services for Ecosystem Research Project	£74,755	£74,755	£0	NOT PROVIDED - Grant to be received	Matt Bowers	

QQ Ref. No.	Description of Goods/Service	Budget (£'s)	Contract Value (£'s)	Saving (£'s)	Cost Centre / Account Code	Name of Project Manager	Comment
QQ17/28	ICT Hardware Maintenance	£42,000	£13,034	£28,966	GH0201 / 33133	Gareth Youlden	Ongoing savings
QQ18/01	IT Audit	£19,000	£19,000	£0	GN0201 / 32054	Angela Struthers	
QQ18/02	Handy person for PSL	£12,000	£9,000	£3,000	GR0502 / 10001	Sue Phipps	
QQ18/04	Bollards at Dosthill Park	£6,500	£6,430	£70	CP2850 C1130	Ian Owen	
QQ18/05	CCTV Cameras at Eringden	£20,000	£15,359	£4,641	HR4501 / H2115	Julia Gibbs	
QQ18/06	Security for Housing	£10,000	£10,000	£0	HR2104 / 35099	Julia Gibbs	
QQ18/08	Wooden Boards	£8,000	£8,480	-£480	CP2850 C1130	Ian Owen	
QQ18/10	Vending machines	£15,000	£5,769	£9,231	GP0301 / 15050	Barry Curtis	Ongoing savings
QQ18/11	Maintenance of Canopies	£4,000	£4,125	-£125	PM0594 / B0101	Barry Curtis	
QQ18/13	Balcony Repairs at Exley	£50,000	£89,713	-£39,713	HS6599 / H2115	John Murden/ Barry Curtis	Authorisation obtained to award the contract
QQ18/16	Community Infrastructure Levy	£25,000	£31,000	-£6,000	GS0404 / 30403 & 30153	Sushil Birdi	Authrisation re overspend approved
QQ18/18	Conservation and Heritage Advice	£21,840	£21,840	£0	GS0404 / 00170	Sushil Birdi	
QQ18/19	Call-Off for Refuse Bags	£25,500	£25,500	£0	GW1801 / 30101	Mark Greaves	
QQ18/20	Road Sweeper Brushes	£16,500	£14,026	£2,474	GW1801 / 22002	Mark Greaves	Ongoing savings
QQ18/21	Business Survey	£13,500	£12,150	£1,350	GS0408 / 35223	Lorraine Farley	
QQ18/22	Gypsy, Travellers..... (GTAA)	£30,000	£11,500	£18,500	GS0404 / 30403	Sushil Birdi	
QQ18/23	Tree Work	£15,000	£15,000	£0	HR2104 / 10024	Esther Bramley	
QQ18/24	Business events	£20,000	£5,225	£14,775	GS0408 / 35224	Lorraine Farley	
QQ18/27	Installation of wooden feature at Wigginton Cemetery	£6,500	£7,595	-£1,095	GW1601 / 30144	Mark Williams	
QQ18/28	Refurbishment of play area at Rosemary Road	£16,000	£16,000	£0	GW1801 / 15012	Ian Owen	
QQ18/30	Fencing and New Gate at Wilnecote Cemetery	£6,000	£4,600	£1,400	GW1601 / 10025	Ian Owen	
QQ18/31	PSN Health Check	£10,000	£6,750	£3,250	CH2830 / C2230	Gareth Youlden	
QQ18/34	Delta Net - Astute	£19,505	£19,505	£0	GL0202 / 30214	Jackie Noble	Waiver to Financial Guidance approved
QQ18/35	Playgrounds Maintenance	£45,000	£30,000	£15,000	GW1801 / 15012	Ian Owen	Ongoing savings
QQ18/36	Ad Hoc Security services for housing	£10,000	£10,000	£0	HR4501 / H2115	Julia Gibbs	
QQ18/39	Kubota G23 HD	£16,400	£16,400	£0	GW1801 / 35103	Mark Greaves	Leasing agreement for the equipment - maintenance cost £4,600
QQ18/41	Landscape Architecture and contract/site management services for the Amington Community Woodland project	£35,000	£28,655	£6,345	CP2853	Corrine O'Hare	

This page is intentionally left blank

**LGA NATIONAL PROCUREMENT STRATEGY
FOR LOCAL GOVERNMENT IN ENGLAND 2014**

Recommendations for District Councils:-

Making Savings

1) Category Management

- Recognise the benefits and tap into category management plans of other public sector organisations and through PBOs (professional buying organisations)
- Review existing framework arrangements at early stages of procurement to reduce duplicated effort
- Recognise the benefit from engaging with a national approach and ensure timely publication of data to ensure a robust analysis can take place

We have undertaken a spend analysis through the Cabinet Office/Bravo Solutions to identify categories of spend and met with CCS (Crown Commercial Services) to explore the potential of utilising their frameworks where possible. Where a framework is appropriate, we always look to see which are already available for us to use before undertaking our own procurement. Our spend, orders and contracts information and tender opportunities are published in line with national requirements.

2) Partnering and Collaboration

- Set out the approach to partnering and collaboration in the corporate procurement strategy
- Explore opportunities to procure through existing routes to market, in particular harnessing existing shared services or PBO resources
- Explore the options relating to sharing services or posts with appropriate partners

As previous, we make use of existing frameworks where these are appropriate and relevant. We have a good record of collaborative procurement with other Staffordshire authorities, and other councils such as Birmingham City. We are open to the potential for shared services or posts with neighbouring authorities where this would be of benefit to Tamworth, with potential arrangements under the Memorandum of Understanding with Lichfield D C, or other potential opportunities within Staffordshire and the West Midlands.

3) Contract and Supplier Management

- Measure contract outputs and key performance indicators to ensure competitiveness over the life of the contract
- Ensure visibility of supply chains

- Expect main contractors to act fairly with supply chains and mandate timely payment to sub-contractors through contract clauses

KPIs and specified outputs are built into contracts but ongoing contract management is the responsibility of the relevant service manager, not Corporate Procurement. Any sub-contractors used must be identified from the outset during the tender process, and payment clauses ensuring timely payment to sub-contractors are now required to be built into contracts and reported on under the transparency agenda.

4) Performance and Transparency

- Baseline contract spending and outcomes internally over time and with other councils and use this information to inform contingency planning and re-competition strategies
- Join together with other councils and partners to share information that makes prices and performance more open and transparent
- Publish data in relation to contracted-out services in accordance with the Transparency Code
- Ensure the rights to data created as a result of a service being contracted out remain with the Council

We undertook a spend analysis through the Cabinet Office/Bravo Solutions to identify categories of spend via an exercise which was also available to Staffordshire authorities and which enabled common requirements/opportunities for joint procurement to be identified. All information required under the transparency agenda is published on a quarterly basis.

5) Risk and Fraud Management

- Where no dedicated procurement resource exists, risks and the implications of poor procurement is identified through corporate risk processes
- Pro-actively audit contracts to check for fraud
- Include whistleblowing policies as part of contract conditions

Procurement risks form part of the corporate risk register maintained on Pentana and reviewed annually. Internal Audit undertake regular review of procurement processes and the Corporate Fraud Investigations Officer within the team has contract/procurement fraud within her remit. There is a whistle blowing policy in place at the Council.

6) Demand Management

- Councils build in a demand management approach before procurement begins
- Councils seek alternative mechanisms to procure customer needs

Demand Management now forms part of the overall strategy and focus for delivering savings and improving customer service across the Council.

Supporting Local Economies

1) Economic, Environmental and Social Value

- Consideration is given as to how to obtain social value in all contracts over the EU threshold
- Sustainability is considered at the 'identify need' stage of the procurement cycle

The Social Value Act is considered in all voluntary sector/commissioning projects, and in all above threshold procurement as required by legislation, although this only impacts on a few of our contracts. Environmental sustainability is not a routine consideration.

2) Improving access for SMEs and VCSEs

- Identify all procurement opportunities over £5k through regional portals
- Ensure websites make it clear which portals are being used to advertise tender opportunities and how suppliers can register
- Measure the amount of local spend as a way of identifying and reducing the barriers for smaller organisations in bidding for council contracts
- Develop or update and publish the 'selling to the council' guide
- Mandate payment by suppliers to their sub-contractors be no greater than those in the primary contract, through contract clauses
- Engage with single, simplified PQQs such as PAS91 for construction
- Learn from and engage with the supply base and other councils on a regional basis through market days
- Ensure that lotting strategies do not create unwanted barriers for smaller businesses
- Link into existing framework contracts which outline how consortia can be encouraged

A number of the above recommendations were superseded by the requirements of the UK Public Contracts Regulations which came into force in 2015 and with which we must comply, eg abolition of PQQ stage in procurement, with a standard questionnaire in place; assumption that large contracts will be broken up into lots, and if not, justification to be provided.

We advertise all tender and quotation opportunities £4k and above through our on-line In-Tend web portal, to which any supplier can have access and register. Information and guidance on accessing In-Tend and using the portal is published on our website. Procurement staff have attended regional Think Local 4 Business and 'Meet the Buyer' days in the past and also attend annual In-Tend user group days, which is a forum for both suppliers and buyers, offering networking opportunities.

Leadership

1) Single Cohesive Voice

- Engage with procurement networks to ensure visibility of and input into policy

- Join with PBOs to showcase and share good practice and to influence Government and the wider public sector

We engage with procurement networks and our colleagues locally and nationally as resources allow and where this is of benefit to Tamworth.

2) Commitment from the Top

- Provide periodic updates to senior managers and elected members on implementation of good practice and its relevance to the organisation
- Encourage an elected member champion for procurement
- A senior level director takes overall strategic responsibility for procurement and ensures full value is extracted from all procurement decisions
- Link the procurement strategy to the corporate strategy

Procurement at Tamworth Borough Council falls under the responsibility of the Executive Director Finance, a member of the Executive Leadership Team, and is within the remit of the Portfolio Holder for Operations and Assets (Cabinet Member). Procurement activity is reported to CMT and Cabinet, and also Corporate Scrutiny as required. Other reports for Cabinet or Committee approval or Scheme of Delegation reports include procurement issues as appropriate.

3) Commissioning

No recommendations for district councils

4) Procurement Training

- Engage with other councils to 'piggy back' onto training and development programmes
- Ensure senior officers are involved directly in high value contracts
- Recruit consultants with commercial skills to help with developing a more commercial approach. Knowledge transfer should be part of the consultancy contract
- Engage with training on new EU Procurement Directives either through other councils or directly

Training and development is ongoing for Procurement staff and opportunities to attend training courses, etc, are taken as and when these are felt to be useful and relevant. We are members of the CIPFA Procurement and Commissioning Network which is a useful source of advice and guidance as well as offering training throughout the year. We also regularly attend procurement update briefings given by local legal firms, eg Bevan Brittain.

Modernisation

1) Commercialisation and Income generation

- Invest in training and developing commercial acumen for new and existing staff
- Develop forward savings and income generation plans

The Council has a Commercial Investment Strategy, and income generation forms part of the Council's sustainability strategy and demand management programme, and specific workstreams have been developed around these areas.

2) Supplier Innovation

- Join with other councils and PBOs to engage in supplier market and innovation days
- Ensure terms and conditions are flexible enough to allow for changes in technology during the life of the procurement
- Use outcome-based specifications that include the minimum technical and performance requirements and focus on a statement of the problem that needs to be solved

Supplier market and innovation days are made use of as they arise or are appropriate. Terms and conditions appropriate to the contract in question are utilised. Outcome based specifications are utilised where appropriate.

3) Using Technology

- Use electronic means for tendering processes in line with EU Directives
- Work with suppliers to encourage a move to more e-business
- Consider making e-invoicing a contractual requirement

All of our quotation and tendering with a value of £4k or over is conducted electronically. Electronic invoicing is also in place with our main contractors/utilities and an increasing number of suppliers.

4) EU Directives

- Take full advantage of the free face to face and e-learning available through CCS
- Cascade training to council officers and elected members outside of the 'procurement team'
- Maximise the flexibilities afforded in the new EU Directives

The EU Directives as implemented under the UK Public Contracts regulations have been in force for a number of years now. Training provided via Cabinet Office/CCS was attended at the time the new regulations were implemented. Financial Guidance, procurement procedures, documentation and guidance was updated as a result of the new Regulations, and training sessions were organised for all budget holders, service managers and other staff involved in procurement on the new requirements. Financial Guidance and procurement procedures and documentation are under regular review and are updated throughout the year as and when appropriate.

This page is intentionally left blank

THEME SHOWING LEADERSHIP			
KEY AREA	CURRENT ASSESSMENT	TO MOVE TO NEXT LEVEL WOULD MEAN...	AND WOULD REQUIRE.....
ENGAGING COUNCILLORS	Minimum/Developing Councillors regard procurement and commercial issues as purely operational matters. The council is exploring the best approach to councillor engagement in procurement and commercial matters.	Mature - Councillor engagement is delivering better results across all procurement and commercial activity	Councillors to receive regular briefings and reports highlighting the contribution of procurement and commercial activity; Councillor training and development programme to include procurement and commercial modules
ENGAGING SENIOR MANAGERS	Mature Senior managers engaged with procurement and commercial issues, routinely taking advice at key decision points.	Leader - Council demonstrating better results from early procurement and commercial advice on projects	Senior Manager development programme to include procurement and commercial modules; Senior Managers routinely take advice re procurement issues at key decision points and at start of process
WORKING WITH PARTNERS	Developing/Mature Council acknowledges the business case for a cross council approach to design and implementation of solutions and is seeking to encourage this. Designing and implementing solutions as a single team in high value/high risk projects.	Leader - Designing and implementing solutions is the Council's normal way of working	Training programmes cover 'soft skills' of partnership working and shared processes
ENGAGING STRATEGIC SUPPLIERS	Minimum Firefighting. Ad hoc engagement with important suppliers usually when there is a problem to be resolved.	Developing - Acknowledges business case for improved strategic supplier management and is piloting engagement	Gather data and intelligence on suppliers and identify strategic suppliers; pilot engagement with a major supplier

Page 14

THEME <i>BEHAVING COMMERCIALLY</i>			
KEY AREA	CURRENT ASSESSMENT	TO MOVE TO NEXT LEVEL WOULD MEAN...	AND WOULD REQUIRE.....
CREATING COMMERCIAL OPPORTUNITIES	<p>Minimum/Developing Focused on business as usual and compliance. Some high value/high profile acquisitions examined for creating commercial opportunities.</p>	<p>Mature - Clear understanding of the ways in which new revenue generation opportunities can be created across the commercial cycle; end to end policies and processes promoting this approach in place across the organisation</p>	<p>Forward planning across the Council for all strategic contracts; opportunities to create new revenue streams considered by all departments; policy for options appraisal (make or buy) including commercial considerations in place and widely used; policy in place for market and supplier research and analysis; innovation included within tenders and scored at the evaluation stage; performance reporting includes commercial and social benefits as well as savings achieved across the organisation</p>
MANAGING CONTRACTS AND RELATIONSHIPS	<p>Minimum/Developing Compliance driven. Reactive approach to contract and relationship management. Identified the need to change and improve. Basic policies, procedures and systems in place.</p>	<p>Mature - All basic policies, procedures and systems in place to support contract and relationship management across the organisation and used in all departments</p>	<p>Dynamic contracts register through a purpose-built solution; change control policy for all contract changes and variations; standard documentation used across all departments; job roles are designated as contract/relationship manager and/or contain contract and relationship management activity; contract and relationship management is acknowledged as a core competency across the organisation, and included in induction and management programmes; contract management performance is reviewed in annual appraisals</p>

<p>MANAGING STRATEGIC RISK</p>	<p>Developing/Mature Good awareness of issues involved and potential threats with basic systems in place to manage should they occur. Taking a proactive approach to strategic risk management with all vulnerable areas identified and mitigating policies and plans in place.</p>	<p>Leader - all vulnerable areas identified and polices and plans in place and shared ownership, transparency and reporting with appropriate contractors</p>	<p>Effective policies re supply chain and contractor failure implemented in collaboration with relevant contractors; all contracts where modern slavery might occur are known and reporting measures and compliance checks are agreed and implemented by contractors; re GDPR, process in place to ensure that relevant contracts with data issues are identified and standard terms and conditions are in place; thorough understanding of impact of external events on high value/high risk contracts and contingency plans in place.</p>
---------------------------------------	--	---	---

THEME ACHIEVING COMMUNITY BENEFITS			
KEY AREA	CURRENT ASSESSMENT	TO MOVE TO NEXT LEVEL WOULD MEAN...	AND WOULD REQUIRE.....
OBTAINING SOCIAL VALUE	<p>Minimum/Developing Compliant. Doing just enough to meet the conditions of The Act. Compliant but only proactively seeking social value in a few key contracts only.</p>	<p>Mature - Taking a pro-active approach to integrating social value into procurement and commissioning</p>	<p>Social value recognised as a core principle supported by a published social value policy and strategy; a process/policy to identify which contracts should include social value; Councillor/Cabinet/CMT member given responsibility for reporting and leading on social value and process for annual reporting in place; themes, outcomes and measures established as part of social value policy and available on website; commissioning projects to include social value at the core; social value requirements included in all relevant renders and weighted 5-10% in scoring; initiatives to build capacity and shape market with businesses, community and voluntary sector; market engagement and cross sector collaboration; working pro-actively with suppliers to support their understanding of social value; social value actions agreed at commissioning and procurement stage, bound into contracts and performance monitored.</p>

<p>LOCAL SMEs AND MICRO-BUSINESS ENGAGEMENT</p>	<p>Minimum/Developing Council does not see any benefits to be gained from SME engagement. SME organisations are engaged in a few key contracts only.</p>	<p>Mature - Taking a pro-active approach to integrating SME organisations into procurement and commissioning</p>	<p>Commissioners to facilitate relationships between SMEs and other providers and SMEs are encouraged to collaborate with larger organisations to respond to local need; SMEs are invited to contribute to the commissioning process and there are engagement events and communication channels; there is awareness of the needs of SMEs and a lead contact to upskill SMEs to participate in procurement; the capacities and capabilities of SMEs are understood and procurement processes are adapted to reflect this; contract management processes assess how prime contractors have engaged with SMEs in their supply chains and payment terms are monitored to ensure compliance; spend with SMEs is captured and analysed and a principal officer is given responsibility for improving engagement.</p>
--	---	---	--

<p>ENABLING VOLUNTARY, COMMUNITY AND SOCIAL ENTERPRISE (VCSE) ENGAGEMENT</p> <p>Page 46</p>	<p>Mature Taking a proactive approach to integrating VCSE organisations into procurement and commissioning.</p>	<p>Leader - VCSE engagement is embedded into corporate strategy</p>	<p>Commissioners/procurers to work with VCSEs to inform them what the local need is and to establish long-term priorities of the community; small VCSEs form partnerships with larger providers; there is a lead commissioning contact and VCSEs are pro-actively invited to co-design the commissioning process, with engagement events and specified communication channels; VCSEs are asked for feedback, recognising their expertise; there is understanding of the capacity and capability of the VCSEs and engagement with them prior to tender; prime contractor relationships with VCSE organisations in their supply chain are monitored and whistle blowing procedures are in place for VCSEs in supply chains to highlight poor treatment; targets are set for expenditure on VCSEs and these are monitored and reported, including spend on VCSE organisations by prime contractors.</p>
--	--	--	--

Key:

- Minimum
- Developing
- Mature
- Leader
- Innovator

CABINET

15 AUGUST 2019

COUNCIL

10 SEPTEMBER 2019

REPORT OF THE PORTFOLIO HOLDER FOR ASSETS AND FINANCE

ANNUAL REPORT ON THE TREASURY MANAGEMENT SERVICE AND ACTUAL PRUDENTIAL INDICATORS 2018/19

PURPOSE

The Annual Treasury report is a requirement of the Council's reporting procedures. It covers the Treasury activity for 2018/19, and the actual Prudential Indicators for 2018/19.

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.

RECOMMENDATIONS

That Cabinet ask Council to;

- 1. Approve the actual 2018/19 Prudential and Treasury Indicators within the report and shown at Appendix 1; and**
- 2. Accept the Annual Treasury Management Report for 2018/19.**

EXECUTIVE SUMMARY

This report covers Treasury operations for the year ended 31st March 2019 and summarises:

- the Council's Treasury position as at 31st March 2019; and
- Performance Measurement

The key points raised for 2018/19 are

1. The Council's Capital Expenditure and Financing 2018/19
2. The Council's Overall Borrowing Need
3. Treasury Position as at 31st March 2019
4. The Strategy for 2018/19
5. Borrowing Outturn for 2018/19

6. Investment Outturn for 2018/19
7. Performance Measurement
8. The Economy and Interest Rates
9. Other Issues

The Treasury Function has achieved the following favourable results:

- The Council has complied with the professional codes, statutes and guidance;
- There are no issues to report regarding non-compliance with the approved prudential indicators;
- The Council maintained an average investment balance externally invested of £66.3m and achieved an average return of 0.82% (budgeted at £54.2m and an average return of 0.50%).
- This result compares favourably with the Council's own Benchmarks of the average 7 day and the 3 month LIBID rates for 2018/19 of 0.50% and 0.68%;
- The closing weighted average internal rate on borrowing is 4.05% (4.05% for 2017/18);
- The Treasury Management Function has achieved an outturn investment income of £547k compared to a budget of £176k as a result of both investment balances and average interest rates being higher than budgeted.
- We also received an additional £108k in dividends from our property fund investments, due to investment being made earlier than budgeted. The net value of the investments had fallen by £49k as at 31st March 2019 after entry fees of £77k.

During 2018/19 the Council complied with its legislative and regulatory requirements.

The Executive Director Finance confirms that there was no overall increase in borrowing within the year and the Authorised Limit was not breached.

At 31st March 2019, the Council's external debt was £63.060m (£63.060m at 31st March 2018) and its external investments totalled £64.92m (£60.77m at 31st March 2018) – including interest credited but excluding impaired investments.

RESOURCE IMPLICATIONS

There are no financial implications or staffing implications arising directly from the report.

LEGAL/RISK IMPLICATIONS

The Council is aware of the risks of passive management of the Treasury Portfolio and with the support of Link Asset Services, the Council's current Treasury advisers, has proactively managed its debt and investments during the year.

SUSTAINABILITY IMPLICATIONS

None

REPORT AUTHOR

If Members would like further information or clarification prior to the meeting please contact Stefan Garner, telephone 01827 709242 or email stefan-garner@tamworth.gov.uk

LIST OF BACKGROUND PAPERS

- Local Government Act 2003;
- Statutory Instruments: 2003 No 3146 & 2007 No 573;
- CIPFA Code of Practice on Treasury Management in Public Services;
- Treasury Management Strategy 2018/19 (Council 27th February 2018);
- Treasury Management Mid-Year Review 2018/19 (Council 11th December 2018);
- Treasury Outturn Report 2017/18 (Council 11th September 2018);
- CIPFA Treasury Benchmarking Club Report 2018;
- Treasury Management Strategy 2017/18 (Council 21st February 2017).

APPENDICES

Appendix 1 – Prudential and Treasury Indicators

Appendix 2 – Borrowing and Investment Rates

Annual Treasury Management Review 2018/19

This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2018/19. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

During 2018/19 the minimum reporting requirements were complied with:

- an annual treasury strategy in advance of the year (Council 27th February 2018)
- a mid-year (minimum) treasury update report (Council 11th December 2018)
- an annual review following the end of the year describing the activity compared to the strategy (this report)

In addition, Cabinet has received quarterly Treasury management updates as part of the Financial Healthcheck Reports.

The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

This Council confirms that it has complied with the requirement under the Code to provide scrutiny of all of the above Treasury Management Reports to the Audit and Governance Committee. Member training on Treasury Management issues was provided in February 2018, and will be provided as and when required in order to support members' scrutiny role.

During 2018/19, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows.

Prudential & Treasury Indicators	2017/18 Actual £m	2018/19 Estimate £m	2018/19 Actual £m
Capital Expenditure			
Non HRA	1.545	12.932	10.515
HRA	7.655	30.396	9.266
Total	9.200	43.328	19.781
Capital Financing Requirement			
Non HRA	0.885	2.547	0.828
HRA	68.041	75.255	68.041
Total	68.926	77.802	68.869
Gross Borrowing			
External Debt	63.060	63.060	63.060
Investments			
Longer than 1 year	-	-	3.820
Less than 1 year	60.805	54.198	64.941
Total	60.805	54.198	68.761
Net Borrowing	2.255	8.862	(5.701)

It should be noted that **£40.283m** of Capital scheme spend has been re-profiled into 2019/20 (also including re-profiling from previous years) which has increased investment balances.

The Executive Director Finance confirms that there was no overall increase in borrowing in year and the statutory borrowing limit (the authorised limit) was not breached.

The financial year 2018/19 continued the challenging investment environment of previous years, namely low investment returns.

1. The Council's Capital Expenditure and Financing 2018/19

The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply internal funds, the capital expenditure would give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

General Fund	2017/18 Actual £m	2018/19 Estimate £m	2018/19 Actual £m
Capital Expenditure	1.545	12.932	10.515
Financed in year	1.545	11.166	10.515
Unfinanced capital expenditure	-	1.766	-
HRA	2017/18 Actual £m	2018/19 Estimate £m	2018/19 Actual £m
Capital Expenditure	7.655	30.396	9.266
Financed in year	7.655	23.182	9.266
Unfinanced capital expenditure	-	7.214	-

2. The Council's Overall Borrowing Need

The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2018/19 unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board [PWL] or the money markets), or utilising temporary cash resources within the Council.

Reducing the CFR – the Council's (non HRA) underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision (MRP), to reduce the CFR. This is effectively a repayment of the non-Housing Revenue Account (HRA) borrowing need (there is no statutory requirement to reduce the HRA CFR). This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

The total CFR can also be reduced by:

the application of additional capital financing resources (such as unapplied capital receipts); or

charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

The Council's 2018/19 MRP Policy (as required by MHCLG Guidance) was approved as part of the Treasury Management Strategy Report for 2018/19 on 27th February 2018.

The Council's CFR for General Fund and the HRA for the year are shown below, and represent a key prudential indicator.

CFR: General Fund	31st March 2018 Actual £m	31st March 2019 Budget £m	31st March 2019 Actual £m
Opening balance	0.943	0.885	0.885
Add unfinanced capital expenditure (as above)	-	1.766	-
Less MRP/VRP	(0.058)	(0.104)	(0.057)
Less PFI & finance lease repayments	-	-	-
Closing balance	0.885	2.547	0.828

CFR: HRA	31st March 2018 Actual £m	31st March 2019 Budget £m	31st March 2019 Actual £m
Opening balance	68.041	68.041	68.041
Add unfinanced capital expenditure (as above)	-	7.214	-
Less MRP/VRP	-	-	-
Less PFI & finance lease repayments	-	-	-
Closing balance	68.041	75.255	68.041

Borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the authorised limit.

Gross borrowing and the CFR - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2017/18) plus the estimates of any additional capital financing requirement for the current (2018/19) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allowed the Council some flexibility to borrow in advance of its immediate capital needs in 2018/19. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

Gross borrowing and the CFR	31st March 2018 Actual £m	31st March 2019 Budget £m	31st March 2019 Actual £m
Gross borrowing position	63.060	63.060	63.060
CFR	68.926	77.802	68.869

The Authorised Limit - the authorised limit is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2018/19 the Council has maintained gross borrowing within its authorised limit.

The Operational Boundary – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.

Actual Financing Costs as a Proportion of Net Revenue Stream - this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

Borrowing Limits	GF £m	HRA £m	Total £m
Authorised limit	5.547	79.407	84.954
Maximum gross borrowing position	-	63.060	63.060
Operational boundary	-	63.060	63.060
Average gross borrowing position	-	63.060	63.060
Budgeted financing costs as a proportion of net revenue stream %	(2.55)	39.71	37.16
Actual financing costs as a proportion of net revenue stream %	(6.16)	29.17	23.02

3. Treasury Position as at 31st March 2019

The Council’s debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through member reporting detailed in the summary, and through officer activity detailed in the Council’s Treasury Management Practices. At the beginning and the end of 2018/19 the Council’s treasury (excluding borrowing by finance leases) position was as follows:

General Fund	31st March 2018 Principal £m	Rate/ Return %	Average Life yrs	31st March 2019 Principal £m	Rate/ Return %	Average Life yrs
Total debt	-	-	-	-	-	-
CFR	0.885	-	-	0.828	-	-
Over / (under) borrowing	(0.885)	-	-	(0.828)	-	-
Investments:						
- in house	32.334	0.54	-	36.209	0.82	-
Total investments	32.334	0.54	-	36.209	0.82	-

HRA	31st March 2018 Principal £m	Rate/ Return %	Average Life yrs	31st March 2019 Principal £m	Rate/ Return %	Average Life yrs
Fixed rate funding:						
-PWLB	63.060	4.05	36.74	63.060	4.05	35.74
Total debt	63.060	4.05	36.74	63.060	4.05	35.74
CFR	68.041	-	-	68.041	-	-
Over / (under) borrowing	(4.981)	-	-	(4.981)	-	-
Investments:						
- in house	28.471	0.54	-	28.732	0.82	-
Total investments	28.471	0.540	-	28.732	0.82	-

Maturity Structures

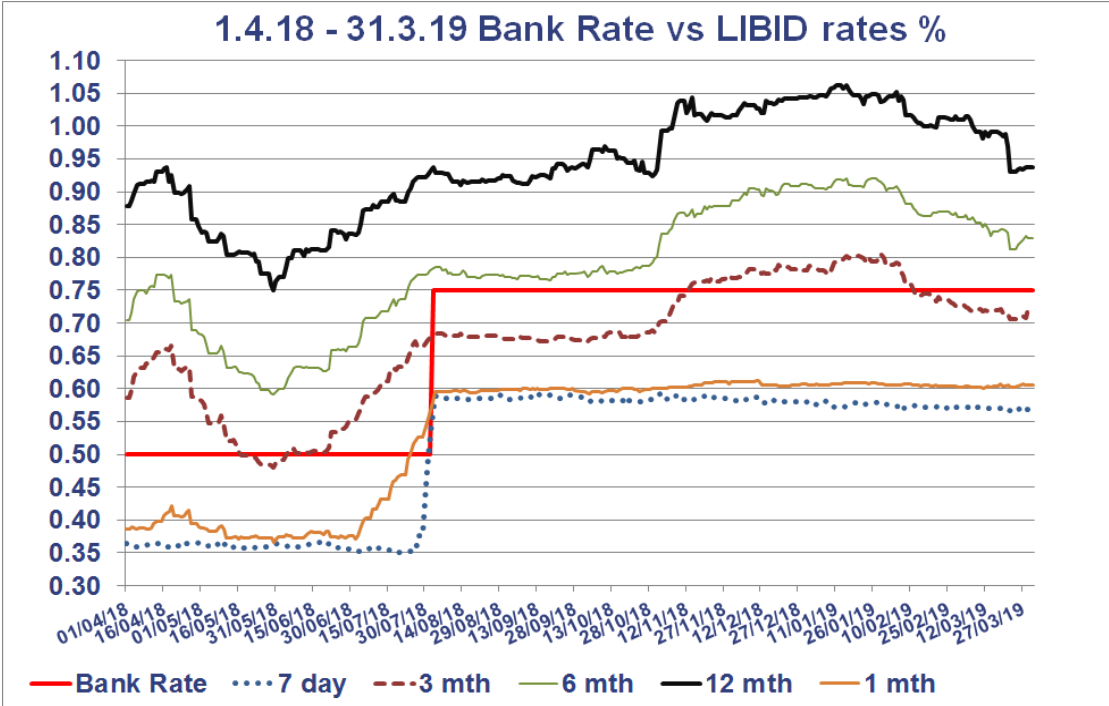
The maturity structure of the debt portfolio was as follows:

Duration	31st March 2018 Actual £m	2018/19 original limits %	31st March 2019 Actual £m
Under 12 months	-	20	-
12 months and within 24 months	-	20	-
24 months and within 5 years	-	25	-
5 years and within 10 years	-	75	-
10 years and within 20 years	5	100	5
20 years and within 30 years	-		-
30 years and within 40 years	30		39
40 years and within 50 years	28		19

All investments held by the Council were invested for up to one year, with the exception of £3.8m invested in property funds, which are held for the longer-term, 5 – 10 years.

4. The Strategy for 2018/19

4.1 Investment strategy and control of interest rate risk



Investment returns remained low during 2018/19. The expectation for interest rates within the treasury management strategy for 2018/19 was that Bank Rate would rise from 0.50% to 0.75%. At the start of 2018/19, and after UK GDP growth had proved disappointingly weak in the first few months of 2018, the expectation for the timing of this increase was pushed back from May to August 2018. Investment interest rates were therefore on a gently rising trend in the first half of the year after April, in anticipation that the MPC would raise Bank Rate in August. This duly happened at the MPC meeting on 2nd August 2018. During this period, investment decisions were influenced by anticipation that rates would be higher later in the year.

It was not expected that the MPC would raise Bank Rate again during 2018/19 after August in view of the fact that the UK was entering into a time of major uncertainty with Brexit due in March 2019. Value was therefore sought by placing longer term investments where cash balances were sufficient to allow this.

Investment rates were little changed during August to October but rose sharply after the MPC meeting of 1st November was unexpectedly hawkish about their perception of building inflationary pressures, particularly from rising wages. However, weak GDP growth data after December, plus increasing concerns generated by Brexit, resulted in investment rates falling back again.

Continued uncertainty in the aftermath of the 2008 financial crisis has promoted a cautious approach whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.

4.2 Borrowing strategy and control of interest rate risk

During 2018/19, the Council maintained an under-borrowed position. This meant that the capital borrowing need (the Capital Financing Requirement), was not fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were low and minimising counterparty risk on placing investments also needed to be considered.

A cost of carry remained during the year on any new long-term borrowing that was not immediately used to finance capital expenditure, as it would have caused a temporary increase in cash balances and incurred a revenue cost – the difference between (higher) borrowing costs and (lower) investment returns.

The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this was kept under review to avoid incurring higher borrowing costs in the future when the Council may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.

Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Executive Director Finance therefore monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks

- if it had been felt that there was a significant risk of a sharp FALL in long and short term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings would have been postponed, and potential rescheduling from fixed rate funding into short term borrowing would have been considered.
- if it had been felt that there was a significant risk of a much sharper RISE in long and short term rates than initially expected, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.

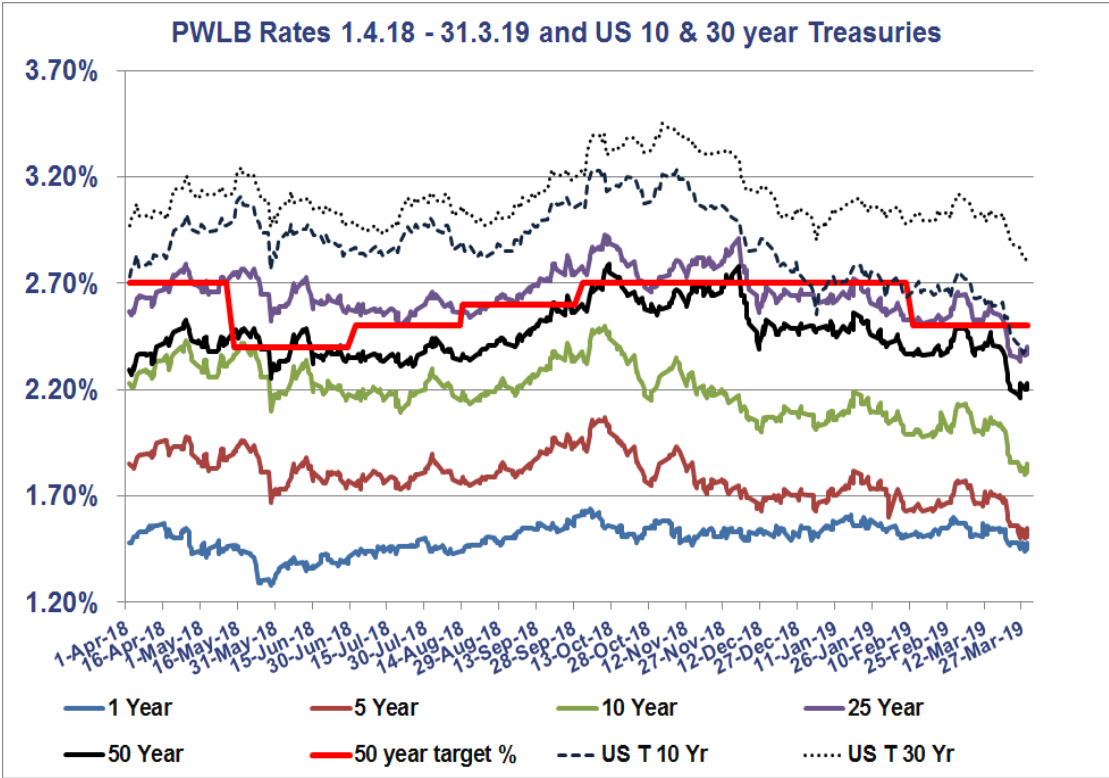
Interest rate forecasts expected only gradual rises in medium and longer term fixed borrowing rates during 2018/19 and the two subsequent financial years. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period.

PWLB Borrowing Rates

Since PWLB rates peaked during October 2018, most PWLB rates have been on a general downward trend, though longer term rates did spike upwards again during December, and, (apart from the 1 year rate), reached lows for the year at the end of March. There was a significant level of correlation between movements in US Treasury yields and UK gilt yields -which determine PWLB rates. The Fed in America increased the Fed Rate four times in 2018, making nine increases in all in this cycle, to reach 2.25% – 2.50% in December. However, it had been giving forward guidance that rates could go up to nearly 3.50%. These rate increases and guidance caused Treasury yields to also move up. However financial markets considered by December 2018, that the Fed had gone too far, and discounted its

expectations of further increases. Since then, the Fed has also come round to the view that there are probably going to be no more increases in this cycle. The issue now is how many cuts in the Fed Rate there will be and how soon, in order to support economic growth in the US. But weak growth now also looks to be the outlook for China and the EU so this will mean that world growth as a whole will be weak. Treasury yields have therefore fallen sharply during 2019 and gilt yields / PWLB rates have also fallen.

The graph and tables for PWLB rates below and in Appendix 2 show, for a selection of maturity periods, the average borrowing rates, the high and low points in rates, spreads and individual rates at the start and the end of the financial year.



5. Borrowing Outturn for 2018/19

Treasury Borrowing

Due to investment concerns, both counterparty risk and low investment returns, no borrowing was undertaken during the year.

Borrowing in Advance of Need

The Council has not borrowed more than, or in advance of, its needs, purely in order to profit from the investment of the extra sums borrowed.

Rescheduling

No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

6. Investment Outturn for 2018/19

Investment Policy – the Council’s investment policy is governed by MHCLG guidance, which has been implemented in the annual investment strategy approved by the Council on 27th February 2018. This policy sets out the approach for choosing investment

counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc).

The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

Resources – the Council’s cash balances comprise revenue and capital resources and cash flow monies. The Council’s core cash resources comprised the following:

Balance Sheet Resources General Fund	31 st March 2018 £m	31 st March 2019 £m
Balances	6.918	6.113
Earmarked Reserves	5.888	7.951
Provisions	1.545	1.815
Usable Capital Receipts	17.001	17.656
Capital Grants Unapplied	0.048	0.048
Total GF	31.400	33.583

Balance Sheet Resources HRA	31 st March 2018 £m	31 st March 2019 £m
Balances	6.824	4.485
Earmarked Reserves	15.572	16.460
Provisions	-	-
Usable Capital Receipts	5.252	5.704
Total HRA	27.648	26.649

Total Authority Resources	59.048	60.232
----------------------------------	---------------	---------------

Investments held by the Council – the Council maintained an average balance of £66.3m of internally managed funds. The internally managed funds earned an average rate of return of 0.82%. The comparable performance indicator is the average 7-day LIBID rate which was 0.50%. This compared with a budget assumption of £54.2m investment balances earning an average rate of 0.50%.

7. Performance Measurement

One of the key requirements in the Code is the formal introduction of performance measurement relating to investments, debt and capital financing activities. Whilst investment performance criteria have been well developed and universally accepted, debt performance indicators continue to be a more problematic area with the traditional average portfolio rate of interest acting as the main guide (as incorporated in the table in section 3). The Council’s performance indicators were set out in the Annual Treasury Management Strategy Statement.

This service has set the following local performance indicator:

➤ *Average external interest receivable in excess of 3 month LIBID rate;*

Whilst the assumed benchmark for local authorities is the 7 day LIBID rate, a higher target is set for internal performance.

The actual return of 0.82% compared to the average 3 month LIBID of 0.68% (0.14% above target).

CIPFA Benchmarking Club

The Council is a member of the CIPFA Treasury Management Benchmarking Club which is a means to assess our performance for the year against other members.

8. The Economy and Interest Rates

UK. After weak **economic growth** of only 0.2% in quarter one of 2018, growth picked up to 0.4% in quarter 2 and to a particularly strong 0.7% in quarter 3, before cooling off to 0.2% in the final quarter. Given all the uncertainties over Brexit, this weak growth in the final quarter was to be expected. However, some recovery in the rate of growth is expected going forward. The annual growth in Q4 came in at 1.4% y/y confirming that the UK was the third fastest growing country in the G7 in quarter 4.

After the Monetary Policy Committee raised **Bank Rate** from 0.5% to 0.75% in August 2018, it is little surprise that they have abstained from any further increases since then. We are unlikely to see any further action from the MPC until the uncertainties over Brexit clear. If there were a disorderly exit, it is likely that Bank Rate would be cut to support growth. Nevertheless, the MPC has been having increasing concerns over the trend in **wage inflation** which peaked at a new post financial crisis high of 3.5%, (excluding bonuses), in the three months to December before falling only marginally to 3.4% in the three months to January. British employers ramped up their hiring at the fastest pace in more than three years in the three months to January as the country's labour market defied the broader weakness in the overall economy as Brexit approached. The number of people in work surged by 222,000, helping to push down the unemployment rate to 3.9 percent, its lowest rate since 1975. Correspondingly, the total level of vacancies has risen to new highs.

As for **CPI inflation** itself, this has been on a falling trend since peaking at 3.1% in November 2017, reaching a new low of 1.8% in January 2019 before rising marginally to 1.9% in February. However, in the February 2019 Bank of England Inflation Report, the latest forecast for inflation over both the two and three year time horizons remained marginally above the MPC's target of 2%.

The rise in wage inflation and fall in CPI inflation is good news for consumers as their spending power is improving in this scenario as the difference between the two figures is now around 1.5%, i.e. a real terms increase. 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.

Brexit. The Conservative minority government has so far been unable to muster a majority in the Commons over its Brexit deal. Currently there is a deadline of 31st October 2019 for the UK to leave the EU, however uncertainty remains around whether it is feasible for a new deal to be agreed with the EU, and approved by Parliament by the deadline, or whether the UK leaves without a deal, a course of action to which Parliament is unlikely to agree. If there is no majority for any form of Brexit in Parliament, this would increase the chances of a general election, which 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.

USA. President Trump's massive easing of fiscal policy in 2018 fuelled a (temporary) boost in consumption in 2018 which generated an upturn in the strong rate of growth; this rose from 2.2%, (annualised rate) in quarter 1 of 2018 to 4.2% in quarter 2, 3.5% in quarter 3 and then back to 2.2% in quarter 4. The annual rate came in at 2.9% for 2018, just below President Trump's aim for 3% growth. The strong growth in employment numbers has fed through to an upturn in wage inflation which hit 3.4% in February, a decade high point. However, CPI inflation overall fell to 1.5% in February, a two and a half year low, and looks to be likely to stay around that number in 2019 i.e. below the Fed's target of 2%. The Fed increased rates another 0.25% in December to between 2.25% and 2.50%, this being the fourth increase in 2018 and the ninth in the upward swing cycle. However, the Fed now appears to be edging towards a change of direction and admitting there may be a need to switch to taking action to cut rates over the next two years. Financial markets are now predicting two cuts of 25 bps by the end of 2020.

EUROZONE. The European Central Bank (ECB) provided massive monetary stimulus in 2016 and 2017 to encourage growth in the EZ and that produced strong annual growth in 2017 of 2.3%. However, since then the ECB has been reducing its monetary stimulus measures and growth has been weakening - to 0.4% in quarters 1 and 2 of 2018, and then slowed further to 0.2% in quarters 3 and 4; it is likely to be only 0.1 - 0.2% in quarter 1 of 2019. The annual rate of growth for 2018 was 1.8% but is expected to fall to possibly around half that rate in 2019. The ECB completely ended its programme of quantitative easing purchases of debt in December 2018, which means that the central banks in the US, UK and EU have all ended the phase of post financial crisis expansion of liquidity supporting world financial markets by purchases of debt. However, the downturn in growth, together with inflation falling well under the upper limit of its target range of 0 to 2%, (but it aims to keep it near to 2%), prompted the ECB to take new measures to stimulate growth. With its refinancing rate already at 0.0% and the deposit rate at -0.4%, it has probably reached the limit of cutting rates. At its March 2019 meeting it said that it expects to leave interest rates at their present levels "at least through the end of 2019", but that is of little help to boosting growth in the near term. Consequently, it also announced a third round of TLTROs; this provides banks with cheap borrowing every three months from September 2019 until March 2021 which means that, although they will have only a two-year maturity, the Bank is making funds available until 2023, two years later than under its previous policy. As with the last round, the new TLTROs will

include an incentive to encourage bank lending, and they will be capped at 30% of a bank's eligible loans.

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.

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.

WORLD GROWTH. Equity markets are currently concerned about the synchronised general weakening of growth in the major economies of the world: they fear there could even be a recession looming up in the US, though this fear is probably overdone.

9. Other Issues

International Financial Reporting Standard (IFRS) 9 – Financial Instruments.

The 2018/19 Accounting Code of Practice introduced changes in way investments are valued and disclosed in the Council's Statement of Accounts. Key considerations are:-

- Expected credit loss model. Whilst not material for vanilla treasury investments such as bank deposits, this does impact our investment in property funds
- The valuation of investments previously valued under the available for sale category e.g. equity related to the "commercialism" agenda, property funds, equity funds and similar, will be changed to **Fair Value through the Profit and Loss (FVPL)**.

Following the consultation undertaken by the Ministry of Housing, Communities and Local Government, [MHCLG], on IFRS9 the Government has introduced a mandatory statutory override for local authorities to reverse out all unrealised fair value movements resulting from pooled investment funds. This is effective from 1st April 2018, and applies for five years from this date. Local authorities are required to disclose the net impact of the unrealised fair value movements in a separate unusable reserve throughout the duration of the override in order for the Government to keep the override under review and to maintain a form of transparency.

Investment in Property Funds

Investment in property funds was included within the Commercial Investment and Regeneration Strategy, with the aim of generating improved returns of c.4-5% p.a. (plus asset growth) being long term investments of between 5 – 10 years (minimum) in order to make the necessary returns (after set up costs).

Utilising the capital receipt proceeds of the sale of the Golf Course, a budget of £12m was allocated to long-term investment in a number of property funds. During 2017/18, the Council undertook a Property Fund Manager selection exercise, appointing Link Asset Services to provide support and advice in the identification and selection of suitable UK-focussed property funds. Full details of the selection process

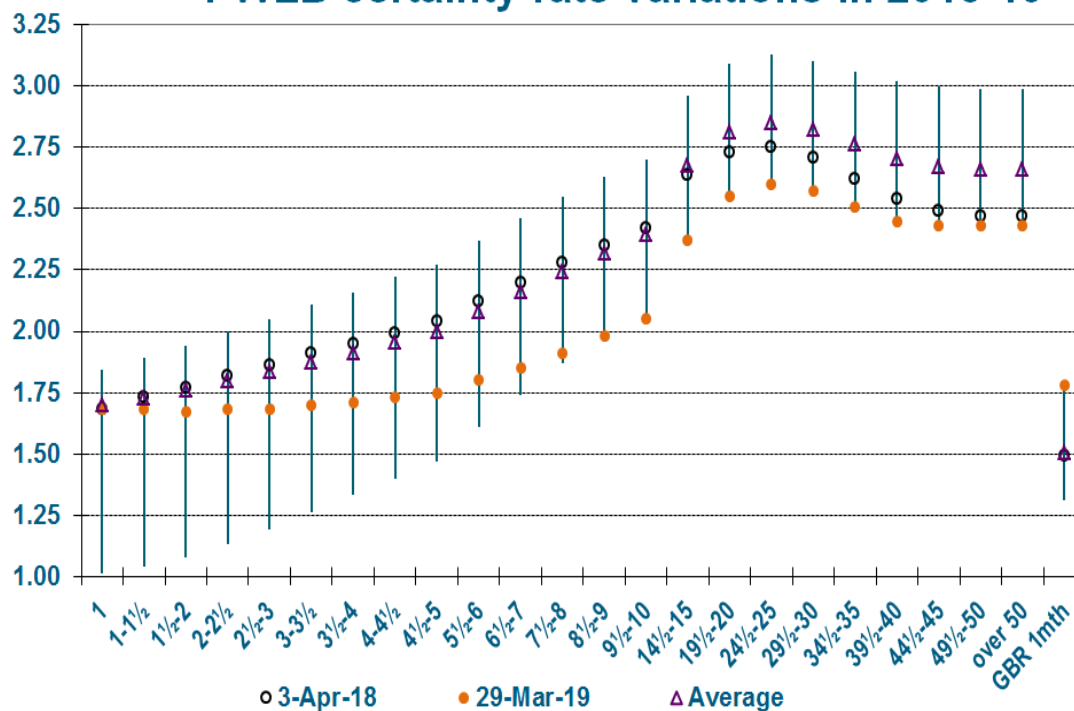
were included in Link Asset Services' report presented to Members 21st February 2018.

To date, the Council has invested £1.85m with Schroders UK Real Estate Fund and £2m with Threadneedle Property Unit Trust, total investment £3.85m with an estimated return of 4% plus any longer-term capital growth. The MTFs includes budgeted income of £480k pa from 2020/21 arising from investment of the full £12m budgeted, however, due to recent uncertainty around arrangements for Brexit and the associated impact on the economy, it was decided during the year to delay any further investment in property funds until there is more clarity.

1. PRUDENTIAL INDICATORS	2017/18	2018/19	2018/19
Extract from budget and rent setting report	Actual	Original	Actual
Capital Expenditure	£m	£m	£m
Non - HRA	1.545	12.932	10.515
HRA	7.655	30.396	9.266
TOTAL	9.200	43.328	19.781
Ratio of financing costs to net revenue stream	%	%	%
Non - HRA	(2.84)	(2.55)	(6.16)
HRA	38.19	39.71	29.17
Gross borrowing requirement General Fund	£m	£m	£m
brought forward 1 April	-	-	-
carried forward 31 March	-	-	-
in year borrowing requirement	-	1.766	-
Gross borrowing requirement HRA	£m	£m	£m
brought forward 1 April	63.060	55.846	63.060
carried forward 31 March	63.060	63.060	63.060
in year borrowing requirement	-	7.214	-
	£m	£m	£m
Gross debt	63.060	63.060	63.060
Capital Financing Requirement	£m	£m	£m
Non – HRA	0.885	2.547	0.828
HRA	68.041	75.255	68.041
TOTAL	68.926	77.802	68.869
Annual change in Capital Financing Requirement	£m	£m	£m
Non – HRA	(0.058)	(0.104)	(0.057)
HRA	-	7.214	-
TOTAL	(0.058)	7.110	(0.057)

2. TREASURY MANAGEMENT INDICATORS	2017/18	2018/19	2018/19
	Actual	Original	Actual
	£m	£m	£m
Authorised Limit for external debt - General Fund			
borrowing	4.885	5.547	5.547
other long term liabilities	-	-	-
TOTAL	4.885	5.547	5.547
Authorised Limit for external debt - HRA			
borrowing	79.407	79.407	79.407
other long term liabilities	-	-	-
TOTAL	79.407	79.407	79.407
Operational Boundary for external debt - General Fund	£m	£m	£m
borrowing	0.000	0.000	0.000
other long term liabilities	-	-	-
TOTAL	0.000	0.000	0.000
Operational Boundary for external debt - HRA	£m	£m	£m
borrowing	65.060	63.060	63.060
other long term liabilities	-	-	-
TOTAL	65.060	63.060	63.060
Actual external debt	£m	£m	£m
	63.060	63.060	63.060
Maximum HRA debt limit	£m	£m	£m
	79.407	79.407	79.407

PWLB certainty rate variations in 2018-19



	1 Year	5 Year	10 Year	25 Year	50 Year
02/04/2018	1.48%	1.85%	2.23%	2.57%	2.29%
29/03/2019	1.48%	1.55%	1.85%	2.40%	2.23%
Low	1.28%	1.50%	1.80%	2.33%	2.16%
Date	29/05/2018	26/03/2019	28/03/2019	26/03/2019	26/03/2019
High	1.64%	2.07%	2.50%	2.93%	2.79%
Date	04/10/2018	10/10/2018	10/10/2018	10/10/2018	12/10/2018
Average	1.50%	1.80%	2.20%	2.66%	2.47%

Money market investment rates 2018/19

	Bank Rate	7 day	1 mth	3 mth	6 mth	12 mth
01/04/2018	0.50	0.36	0.39	0.59	0.70	0.88
31/03/2019	0.75	0.57	0.61	0.72	0.83	0.94
High	0.75	0.59	0.61	0.81	0.92	1.06
High Date	02/08/2018	01/11/2018	10/12/2018	29/01/2019	15/01/2019	11/01/2019
Low	0.50	0.35	0.37	0.48	0.59	0.75
Low Date	01/04/2018	19/07/2018	30/05/2018	30/05/2018	30/05/2018	30/05/2018
Average	0.67	0.51	0.54	0.68	0.79	0.94
Spread	0.25	0.24	0.25	0.33	0.33	0.31

CABINET

15 August 2019

REPORT OF THE PORTFOLIO HOLDER FOR ASSETS AND FINANCE

WRITE OFFS - 1ST APRIL 2019 - 30TH JUNE 2019

EXEMPT INFORMATION

None

PURPOSE

That Members endorse the amount of debt written off for the period 1st April 2019 to 30th June 2019 and to seek approval to write off irrecoverable debt in line with policy regarding Business Rates in excess of £10k.

RECOMMENDATIONS

It is recommended that Members:

- 1) Endorse the amount of debt written off for the period of 1st April 2019 to 30th June 2019 – summarised in **Appendix A-D**; and
- 2) approve the write off of irrecoverable debt for Business Rates of £146,711.50 – detailed at **Appendix E**.

EXECUTIVE SUMMARY

The Heads of Service are responsible for the regular review of debts and consider the need for write off and authorise where necessary appropriate write offs in line with the Corporate Credit Policy. The first part of this report shows the position for quarter ending 30th June. Further updates will continue to be produced on a quarterly basis.

Type	01/04/19 – 30/06/19 £ p
Council Tax	£92,059.50
Business Rates	£28,836.70
Sundry Income	£0.00
Housing Benefit Overpayments	£11,605.96

OPTIONS CONSIDERED

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

Business Rates	01/04/19 – 30/06/19 £ p
Bad Debt provision	£542,214.20
Less, amount written off to date under	(£28,836.70)

delegated powers	
Amount remaining	£513,377.50

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

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

RESOURCE IMPLICATIONS

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

LEGAL/RISK IMPLICATIONS BACKGROUND

Not applicable

EQUALITIES IMPLICATIONS

Not applicable

SUSTAINABILITY IMPLICATIONS

Not applicable

BACKGROUND INFORMATION

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

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

Debt Write Off

Authorisations are needed to write off debt:

Authority	Account Value
Executive Director/Assistant Director (or authorised delegated officer)	up to £5,000
Executive Director Finance	£5,001 - £10,000
Cabinet	over £10,000

These limits apply to each transaction.

Bad Debt Provision

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

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

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

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

REPORT AUTHOR

Michael Buckland, Head of Revenues, Tel 709523
e-mail michael-buckland@tamworth.gov.uk

LIST OF BACKGROUND PAPERS

Corporate Credit Policy - effective management of debt

APPENDICES

Appendices A to D give details of write offs completed for Revenues and Benefits Services for 01 April 2019 to 30 June 2019.

Appendix E gives details of Business Rates write offs for approval.

This page is intentionally left blank

Appendix A

Summary of Council Tax Write Offs 01/04/2019-30/06/2019

Date of Write Off	Head of Revenues			Assistant Director of Finance (£2,000.01-£5,000)	Executive Director of Finance (£5,000.01-£10,000.00)	Cabinet (£10,000.01 and Over)	Remitted	Credit Write Off	Reversed Write Off	Total	No. of Accounts (Write Off Only)	Reason(s)
	(£0.00-£75.00)	(£75.01-£500.00)	(£500.01-£2,000.00)									
04/04/2019									(£733.54)	(£733.54)		IVA termination
20/05/2019									(£25.03)	(£25.03)		Dividends
24/05/2019									(£3.33)	(£3.33)		Dividend
03/06/2019									(£51.98)	(£51.98)		Dividend
06/06/2019	£689.56									£689.56	244	Uneconomic to pursue
07/06/2019	£5,027.42									£5,027.42	233	Uneconomic to pursue
19/06/2019			£277.85							£277.85	2	Insolvency
"			£7,001.05							£7,001.05	39	No trace
"		£62.55	£77.14							£139.69	2	Statute barred
"		£37.74	£410.98							£448.72	4	Uneconomic to pursue
20/06/2019		£396.17	£864.62							£1,260.79	2	Company dissolved
"		£413.92								£413.92	1	Debtor in prison
"		£481.61								£481.61	1	Deceased
"		£11,937.71	£20,085.44							£32,023.15	61	No trace
"		£829.91	£1,673.36							£2,503.27	4	Uneconomic to pursue
"		£3,840.00	£5,692.50							£9,532.50	23	IVA
"		£611.10	£720.63							£1,331.73	3	Absconded
"		£1,359.23	£2,115.43							£3,474.66	6	Insolvency
"		£262.08	£1,656.92							£1,919.00	4	Deceased
01/06/2019				£3,512.39						£3,512.39	1	IVA
"				£9,211.67						£9,211.67	3	No trace
25/06/2019		£162.81	£525.36							£688.17	2	Company dissolved
"		£483.97	£515.07							£999.04	3	Deceased
"		£2,027.65								£2,027.65	9	Uneconomic to pursue (overseas)
"		£3,940.30	£3,001.11							£6,941.41	21	No trace
27/06/2019		£404.30								£404.30	1	Uneconomic to pursue
"		£853.11	£1,710.72							£2,563.83	6	No trace
Q1 Totals	£5,716.98	£28,104.16	£46,328.18	£12,724.06	£0.00	£0.00	£0.00	£0.00	(£813.88)	£92,059.50	675	

Appendix B

Summary of NNDR Write Offs 01/04/2019-30/06/2019

Date of Write Off	Head of Revenues			Assistant Director of Finance	Executive Director of Finance	Cabinet	Remitted	Credit Write Off	Reversed Write Off	Total	No. of Accounts (Write Off Only)	Reason(s)
	(£0.00-£75.00)	(£75.01-£500.00)	(£500.01-£2,000.00)	(£2,000.01-£5,000)	(£5,000.01-£10,000.00)	(£10,000.01 and Over)						
19/06/2019			£3,498.32							£3,498.32	2	Insolvency
20/06/2019				£15,330.61	£5,556.82					£20,887.43	5	Insolvency
27/06/2019			£4,723.99						(£273.04)	£4,723.99 (£273.04)	3	No trace reversed dividend paid
Q1 Totals	£0.00	£0.00	£8,222.31	£15,330.61	£5,556.82	£0.00	£0.00	£0.00	(£273.04)	£28,836.70	10	

Appendix D

Summary of Benefit Overpayment Write Offs 01/04/2019-30/06/2019

Date of Write Off	Head of Benefits				Executive Director of Finance	Cabinet	Reversed Write Off	Total	No. of Accounts	Reason(s)
	(£0.00-£75.00)	(£75.01-£500.00)	(£500.01-£1,000.00)	(£1,000.01-£2,000)						
30.04.2019	£58.14				£5,192.02		£5,250.16	3	bankruptcy/insolvency (2009)	
"	£28.29	£261.33					£289.62	5	<2 weeks outstanding due to death (2019)	
"	£38.25						£38.25	1	not financially viable (2017)	
"	£13.35						£13.35	4	uneconomical to pursue (2018)	
"					£3,804.32		£3,804.32	1	HB Reg100 compliant not recoverable (19)	
31.05.2019	£4.88						£4.88	4	uneconomical to pursue (2018)	
"	£57.27		£600.94				£658.21	2	bankruptcy/insolvency (2016)	
"	£70.44	£317.13					£387.57	4	<2 weeks outstanding due to death (2019)	
"		£533.90					£533.90	2	deceased (2017)	
"		£96.80					£96.80	1	HB Reg100 compliant not recoverable (19)	
13.06.2019						(£91.87)	(£91.87)		originally W/O 28/3/19	
30.06.2019	£54.04	£545.52					£599.56	4	<2 weeks outstanding due to death (2019)	
"	£5.72						£5.72	3	uneconomical to pursue (2019)	
"	£15.49						£15.49	1	Not financially viable (2018)	
Q1 Totals	£345.87	£1,754.68	£600.94	£0.00	£8,996.34	£0.00	(£91.87)	£11,605.96	35	

Appendix E

Ref	Name	Year	From	To	Balance	Total	Comments
200138320	Hatton Telecoms Ltd	2015/16	01/04/2015	01/04/2016	£709.09		
		2016/17	01/04/2016	01/04/2017	£6,050.00		
		2017/18	01/04/2017	01/04/2018	£6,479.55		
		2018/19	01/04/2018	31/10/2018	£3,546.74		
						£16,785.38	Dissolved
200153023	UK Furniture Direct (Tamworth1) ltd	2017/18	01/02/2018	01/04/2018	£8,405.44		
		2018/19	01/04/2018	26/07/2018	£14,335.04		
						£22,740.48	Dissolved
200143269	Genus (UK) Ltd	2018/19	01/04/2018	01/04/2019	£54,892.23		
						£54,892.23	Voluntary Arrangement
200143572	Play Time Toys	2015/16	17/06/2015	01/04/2016	£15,860.90		
		2016/17	01/04/2016	01/03/2017	£18,418.96		
						£34,279.86	Absconded no trace
200135182	Formal Affairs Weddings Ltd	2016/17	01/04/2016	09/01/2017	£18,013.55		
						£18,013.55	Dissolved
						£146,711.50	

This page is intentionally left blank

By virtue of paragraph(s) 3,4 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank