



CABINET

20 November 2019

A meeting of the CABINET will be held on Thursday, 28th November, 2019, 6.00 pm in Committee Room 1, Marmion House, Lichfield Street, Tamworth, B79 7BZ

A G E N D A

NON CONFIDENTIAL

1 Apologies for Absence

2 Minutes of Previous Meeting (Pages 5 - 6)

3 Declarations of Interest

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

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

4 Question Time:

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

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

6 Quarter Two 2019/20 Performance Report (Pages 7 - 50)

(Report of the Leader of the Council)

7 Draft Base Budget Forecasts 2020/21 to 2024/25 (Pages 51 - 108)

(Report of the Leader of the Council)

8 Local Council Tax Reduction Scheme 2020/21 onwards (Pages 109 - 116)

(Report of the Portfolio Holder for Assets and Finance)

9 Review of Temporary Reserves, Retained Funds and Provisions (Pages 117 - 126)

(Report of the Portfolio Holder for Assets and Finance)

10 Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2019/20 (Pages 127 - 146)

(Report of the Portfolio Holder for Assets and Finance)

11 Council Taxbase 2020/21 (Pages 147 - 150)

(Report of the Portfolio Holder for Assets and Finance)

12 Write Offs (Pages 151 - 160)

(Report of the Portfolio Holder for Assets and Finance)

13 Adoption of the Proposed Licensing Policy 2020-2023 (Pages 161 - 246)

(Report of the Portfolio Holder for Regulatory and Community Safety)

14 Exclusion of the Press and Public

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

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

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

15 Growth Hub Advisor Project - 2019 to 2022 (Pages 247 - 252)

(Report of the Portfolio Holder for Heritage and Growth)

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.

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**MINUTES OF A MEETING OF THE
CABINET
HELD ON 7th NOVEMBER 2019**

PRESENT: Councillor , Councillors R Pritchard (Vice-Chair, in the Chair),
J Chesworth and S Doyle

The following officers were present: Andrew Barratt (Chief Executive) and Anica Goodwin (Executive Director Organisation)

Apologies received from: Councillor(s) D Cook, M Cook and J Oates

23 MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 17th October 2019 were approved and signed as a correct record.

(Moved by Councillor J Chesworth and seconded by Councillor S Doyle)

24 DECLARATIONS OF INTEREST

There were no Declarations of Interest.

25 QUESTION TIME:

No Questions

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

None

27 BUDGET CONSULTATION 2020/21

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

RESOLVED That Cabinet

Endorsed the report and,

Took in to account the findings, along with other sources of information, when setting the 2020/21 Budget

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

Leader

DRAFT

THURSDAY, 28TH NOVEMBER 2019**REPORT OF THE LEADER OF THE COUNCIL****QUARTER TWO 2019/20 PERFORMANCE REPORT****EXEMPT INFORMATION**

None

PURPOSE

The report aims to provide Cabinet with a performance update and financial healthcheck.

RECOMMENDATIONS

It is recommended that:

- Cabinet endorse the contents of this report.
- That the General Fund budgets be revised to reflect the projected outturn underspend as at period 6 releasing funding of £1.756m to be returned to balances.

EXECUTIVE SUMMARY

This report is divided into the following sections:

1. Overview of corporate plan actions and corporate risks,
2. Impact of welfare benefit reform,
3. Medium term financial strategy,
4. Financial Healthcheck.

OPTIONS CONSIDERED

Not applicable.

RESOURCE IMPLICATIONS

In order to support the budget setting process, it is recommended that the General Fund budgets be revised to reflect the projected outturn underspend as at period 6 – releasing funding of £1.756m to be returned to balances. No material variance is projected for the Housing Revenue Account budgets which will remain unchanged.

LEGAL/RISK IMPLICATIONS BACKGROUND

There are none.

EQUALITIES IMPLICATIONS

There are none.

SUSTAINABILITY IMPLICATIONS

There are none.

REPORT AUTHOR

John Day

APPENDICES

Quarter two 2019/20 Performance Report

Quarter Two 2019/20 Performance Report

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1. Overview of corporate plan actions and corporate risks,
2. Impact of welfare benefit reform,
3. Medium term financial strategy,
4. Financial healthcheck

List of appendices

Appendix 1 2019 to 2022 Corporate Plan actions update,

Appendix 2 Corporate Risks,

Appendix A General Fund & Housing Revenue Account main variances,

Appendix B Capital programme monitoring,

Appendix C Treasury management update.

1. Overview of corporate plan actions and corporate risks

The Executive Leadership Team identified projects from the Corporate Plan, the monitoring of which would form the basis for this section of the quarterly performance report.

Project highlight reports for each of these are included at **Appendix 1**.

Details on the Corporate Risk Register are included at **Appendix 2**

2. Impact of Welfare Benefit Reform on Council services

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

Benefits

A reduction in the number of DHP claims is reported - DHP claims approved total £75k (£1k lower than at September 2019 - £76k) with 122 successful claims from 175 applications (compared to 177 successful claims from 264 applications at September 2018). There is a 1 week backlog (4 weeks as at September 2018) of claims still to be processed which may increase this figure.

Live caseload figures are 206 lower than 2018/19 – currently 5,393 (5,599 at September 2018). The average time taken to process new Housing Benefit/Council Tax Benefit claims and change events was 6.8 days to September 2019 (11.4 days to September 2018).

NNDR

Reminders (465 at September 2019) are higher than 2018/19 levels (396 at September 2018) with summons and liability orders at higher levels than 2018/19. Enforcement agent referrals are higher than 2018/19 levels (36 referrals to September 2019 compared to 20 at September 2018).

Strong collection performance is reported - current year collection levels are at 57.4%, ahead of target by 0.8% at 30 September. Court costs of £4k are higher than anticipated at £3k. Arrears collected for 2018/19 are ahead of target at 36.8% compared to target of 17.4%.

Council Tax

Reminders are 556 higher than 2018/19 levels (9,330 at September 2019 compared to 8,774 at September 2018) with summonses, liability orders and attachment of earnings also at higher levels. Enforcement agent referrals are 26% higher than 2018/19 levels (1,106 referrals to September 2019 compared to 881 at September 2018).

Current year collection levels at 58.5% are ahead of the target of 58.2% at September 2019 (with a target of 98% for the 2019/20 financial year). Court cost income is lower than anticipated by £2k at £136k.

Arrears collection for 2019/20 at 32.9% is ahead of the target of 32.6% - work on further approaches to realise more Council Tax revenue is in place.

Collection Fund – the estimated surplus is £17k for the year with a LCTS projected underspend of £21k (total £38k).

Housing

Summary information provided below explains numbers in receipt of Universal Credit:

Indicator	Qtr 4 2018/19	Qtr 1 2019/20	Qtr 2 2019/20
Number of Council Tenants on Universal Credit	645	736	858
Number of Council Tenants on Universal Credit in Rent Arrears	443	591	609
Percentage of Council Tenants on Universal Credit in Rent Arrears	68.7%	80.3%	71.0%
Number of Council Tenants on Universal Credit not in Rent Arrears	202	145	249
Percentage of Council Tenants on Universal Credit not in Rent Arrears	31.3%	19.7%	29.0%

Bad debt is forecast to increase in the future as more cases of Universal Credit come on board.

Total Rent arrears (excluding former tenants) at 30 September 2019 were £576k compared to £494k at 31 March 2019 – an increase of £82k (compared to a £299k increase as at 30 September 2018).

Total arrears (including former tenant arrears, recharges, court costs and garages etc.) are £1.95m at 30 September 2019, compared to £1.84m at 31 March 2019, an increase of £113k (compared to a £320k increase between 31 March 2018 and 30 September 2018).

Total arrears (including garages etc.) were £1.84m at 31 March 2019 compared to 31 March 2018 - £1.68m (£155k higher).

There were 4 evictions during the period to August 2019 compared to 6 to August 2018.

There were no court cases where bedroom subsidy, cap or other is the primary reason for possession proceedings (3 to September 2018).

Universal Credit

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

Indicator	Qtr 1 2018/19	Qtr 2 2018/19	Qtr 3 2018/19	Qtr 4 2018/19	Qtr 1 2019/20	Qtr 2 2019/20
live caseload figure	5,652	5,599	5,551	5,514	5,431	5,393
Number of Universal Credit claimants in Tamworth	1,494	1,905	2,235	2,682	2,979	3,924
Number of Council Tenants on Universal Credit	445	523	589	645	736	858
Number of Council Tenants on Universal Credit and in Rent Arrears	0	441	473	443	591	609
Percentage of Council Tenants on Universal Credit and in Rent Arrears	-	84.3%	80.3%	68.7%	80.3%	71.0%
Number of Council Tenants on Universal Credit and not in Rent Arrears	0	82	116	202	145	249
Percentage of Council Tenants on Universal Credit and not in Rent Arrears	-	15.7%	19.7%	31.3%	19.7%	29.0%
Number of Council Tax Payers on Universal Credit	368	529	632	745	867	1030
Number of Council Tax Payers on Universal Credit and in arrears with Council Tax payments	83	161	218	261	200	293
Percentage of Council Tax Payers on Universal Credit and in arrears with Council Tax payments	22.6%	30.4%	34.5%	35.0%	23.1%	28.5%
Number of Council Tax Payers on Universal Credit and not in arrears with Council Tax payments	285	368	414	484	667	737
Percentage of Council Tax Payers on Universal Credit and not in arrears with Council Tax payments	77.5%	69.6%	65.5%	65.0%	76.9%	71.6%
Number of Universal Credit claimants nationally	920,000	1,100,000	1,426,540	1,736,431	2,046,443	2,476,697
Discretionary Housing Payments made - Year to date	46,720	76,487	102,769	140,303	33,116	67,972
Amount of Discretionary Housing Payments made to Universal Credit claimants - Year to date	19,324	34,343	50,115	82,001	17,894	48,765

3. Medium Term Financial Strategy 2018 to 2025 monitoring

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 in February 2016 that austerity measures are to continue with Revenue Support Grant (RSG) all but eradicated for most Councils by 2020 – and suggests that the key challenges that the Authority is currently addressing are likely to become greater.

The 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, it can commission services that either intervene or prevent future need thereby reducing demand.

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

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:

- Delivering Quality Services project – the demand management approach to shift demand to more efficient methods of service delivery – online and automation (Interactive Voice Response).
- 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.£160k p.a. from 2020/21. There was a £2.3m underspend in 2018/19 – although much of this arose from windfall income, c. £0.7m was lower level underspends.
- 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);
A savings target to return c.4% p.a. from the planned investment of £12m in Diversified Property Funds has already been included from 2020/21.
- 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.

However, there remains a high degree of uncertainty arising from the most significant changes in Local Government funding for a generation. The following reforms were planned to be in place by 2020/21 but given announcements following the 2019 Spending Round these have been deferred until 2021/22.

The government previously stated its intention to hold a new Spending Review in 2019, covering the period 2020/21 to 2022/23. However, a one-year Spending Round has been carried out, covering the financial year 2020/21; and this will be followed in 2020 by a full Spending Review, reviewing public spending as a whole and setting multi-year budgets.

In addition, the Government have said that, given the need to provide certainty and stability for next year, the longer-term reforms for the local government finance system, including business rates retention and fairer funding (Review of Relative Needs and Resources), have been delayed until 2021/22.

- Fair Funding Review (FFR) of the distribution methodology (now from 2021/22) including:
 - changes to the needs assessment (which will determine each Council's share of the national funding for Local Government – it is likely that this will reflect the impact of Social Care demands and that funding will be redistributed to Unitary and County Councils to the detriment of District Councils);
 - treatment of relative resources (to determine how much each Council can fund locally through income from fees and charges and council tax); and
 - any transitional arrangements to protect Councils from significant reductions in funding – and the impact from their unwinding.
- Spending Review 2020 (SR20) – 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 (now from 2021/22) – the Government announced that Councils will be able to retain 75% of business rates collected 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 and redistribution of the growth achieved since 2013 of over £1m p.a. (now from 2021/22);
- 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). The 4-year legacy payments for New Homes Bonus (NHB) will be paid, but there still remains uncertainty regarding new payments.

It is the Government's intention to look again at the New Homes Bonus for 2021/22 and explore the most effective way to incentivise housing growth. They plan to consult widely on proposals prior to implementation. As the roll forward is for one year, with any funding beyond 2020/21 subject to the 2020 Spending Review and potential new proposals, the Government have said that the new allocations in 2020/21 will not result in legacy payments being made in subsequent years on those allocations.

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

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

In 2016-17, at the start of the four-year offer made to local government, the Government introduced a separate council tax referendum principle for shire districts, to address particular pressures on these authorities. This principle meant that districts could increase council tax by the core principle (2% in 2020-21) or £5, whichever is greater. The Government continued to grant this flexibility in 2017-18, 2018-19 and 2019-20 and is likely to continue for 2020/21.

General Fund

The updated forecast as at September 2019 is detailed below:

	General Fund						
MTFS Projections 2018/19 - 2024/25	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Projected Balances per MTFS Council February 2019	(5,796)	(4,388)	(2,363)	(519)	1,264	3,296	5,329
Revised Stress Tested Forecasts:							
Forecast Balances - June 2019	(6,112)	(6,070)	(3,465)	(1,715)	45	2,170	4,492
Revised Forecast Balances - Sept 2019	(6,112)	(6,462)	(5,874)	(3,451)	(1,023)	1,986	5,141

On 15th August 2019, Cabinet approved the budget setting process (& project plan) for 2020/21.

On 5th September, Cabinet considered an update to the MTFS for the General Fund (GF) and Housing Revenue Account (HRA) - as part of the agreed process to provide an update the MTFS on a quarterly basis within the Quarterly Performance Report.

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

However, given the announcements regarding the deferral of the planned reviews until 2021/22, the Council now stands to benefit in 2020/21 from retained business rate growth of over £1m and redistributed levy of c.£0.6m, subject to approval to join the Staffordshire Business Rates Pool.

As a result the updated forecast, the forecast projections identify General Fund balances of £1m over 3 years (compared with a forecast shortfall in the February 2018 MTFS projections of £0.9m) – with a shortfall of £2.5m to 2023/24 increasing to £5.6m over 5 years (the shortfall was previously forecast at £3.8m in 2023/24), including the minimum approved level of £0.5m.

Further savings of around £1.1m p.a. will be required over the next 5 years (based on annual £5 increases in Council Tax). On an annualised basis this would equate to a year on year ongoing saving of £0.4m over 5 years.

The forecast has been updated to include:

- The final outturn for 2018/19 – additional balances of £0.3m from a higher than forecast underspend position of £2.3m. A projected underspend of £1.8m for 2019/20 has been included - including;
 - Due to the Staffordshire pilot arrangement, there are no requirements to pay c.£1m levy in 2019/20;
 - Returned business rates levy for 2018/19 from GBSLEP of £0.3m following finalisation of the audit process plus £0.4m from the Staffordshire business rates pilot for 2019/20;
- Lower treasury management investment interest of £0.2m over 3 years from 2020/21 – forecast increases in the Bank of England base rate have been delayed due to the ongoing uncertainty regarding the Brexit process; This has also delayed some of the planned property fund investments with an associated reduction in planned income of £0.2m in 2021/22;
- £1.4m in additional retained Business rates in 2020/21 (net of levy payment / s.31 grant income) due to retention of the growth since 2013, following the deferral of the planned Local Government funding reviews to 2021/22;
- Returned levy in 2020/21 of c.£0.6m from pooling in the Staffordshire pool;
- Revised lump sum contribution to the pension fund following the 2019 triennial review – an increase of 1% p.a. for 3 years (followed by 2% p.a. thereafter);
- A 2.5% p.a. pay award increase has been included within the MTFs – no change has been assumed;
- Costs / savings from the CCTV service review.

The Bank of England has already indicated that should the UK leave the EU with no deal then this could adversely affect the economy and measures would need to be taken – this could have a significant impact on the finances of the Council but cannot be accurately quantified at this stage (impact on base rate / investment interest, local economy / business rates income, council tax income etc.).

Housing Revenue Account

The updated forecast as at September 2019 is detailed below:

	Housing Revenue Account						
MTFS Projections 2018/19 - 2024/25	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Projected Balances per MTFS Council February 2019	(3,622)	(3,507)	(3,227)	(3,168)	(2,057)	(2,327)	(2,597)
Revised Stress Tested Forecasts:							
Forecast Balances - June 2019	(4,485)	(4,435)	(4,155)	(4,109)	(2,996)	(3,238)	(3,421)
Revised Forecast Balances - Sept 2019	(4,485)	(4,499)	(4,325)	(5,064)	(4,817)	(5,919)	(7,215)

As part of the approved MTFS in February 2108, a balanced 5 year forecast was presented for the Housing Revenue Account (HRA).

As a result the updated forecast, over the 3 year period to 2022/23, balances will remain above the approved minimum of £0.5m at £4.8m (compared with a forecast in February of £2.1m) with balances of £5.9m over the 4 years to 2023/24 increasing to £7.2m in 2024/25 (balances were previously forecast at £2.3m in 2023/24).

The forecast has been updated to include:

- The final outturn for 2018/19 – additional balances of £0.9m from a higher than forecast underspend position of £1.5m. No material variance from budget for 2019/20 has been included;
- Revised lump sum contribution to the pension fund following the 2019 triennial review – an increase of 1% p.a. for 3 years (followed by 2% p.a. thereafter) has been assumed under the central case forecast, £60k over 3 years;
- Increased Housing rental income due to lower levels of right to buy sales, the completion of Tinkers Green and Kerria Housing developments – as well as increases in rents of CPI plus 1% from 2020/21;
- A 2.5% p.a. pay award increase has been included within the MTFS – no change has been assumed.

No changes have been assumed regarding from the planned stock condition survey and ongoing repairs contract arrangements (additional cost pressures in these areas of c.£1m p.a. had previously been assumed under the worst case forecast).

4. Financial Healthcheck

Executive Summary

This section to the report summarises the main issues identified at the end of September 2019.

General Fund

Revenue

GENERAL FUND	YTD Budget £000	YTD Position £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000
Chief Executive	902	882	(20)	1,357	1,373	16
AD Growth & Regeneration	623	484	(139)	1,664	1,597	(67)
ED Organisation	295	253	(42)	465	475	10
AD People	1,370	1,330	(40)	412	441	29
AD Operations & Leisure	1,533	1,507	(26)	2,448	2,557	109
ED Finance	57	62	5	-	7	7
AD Finance	1,704	1,677	(27)	1,570	(355)	(1,925)
AD Assets	(744)	(842)	(98)	(993)	(1,030)	(37)
AD Neighbourhoods	524	306	(218)	1,578	1,663	85
AD Partnerships	288	291	3	902	919	17
Total	6,552	5,950	(602)	9,403	7,647	(1,756)

- The General Fund has a favourable variance against budget at period 6 of £602k (£435k favourable at period 5).
- The projected full year position identifies a favourable variance against budget of £1.756m or 18.67% (£384k or 4.08% unfavourable at period 5).
- This projection has highlighted several budget areas for concern (detailed at **Appendix A**).
- A balance of £210k was held in the General Contingency Budget at the end of September 2019.

Capital

GENERAL FUND	Budget Reprofiled from 2018/19 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2020/21 (memo only) £000	Outturn £000
Chief Executive	730	730	-	(730)	730	-	(730)	730	730
AD Growth & Regeneration	721	781	469	(312)	841	582	(259)	259	841
AD People	174	204	102	(102)	234	234	-	-	234
AD Operations & Leisure	3,032	1,583	2,054	471	3,110	2,578	(533)	533	3,110
AD Finance	12,131	12,131	3	(12,127)	12,131	4,131	(8,000)	8,000	12,131
AD Assets	376	738	515	(223)	1,101	902	(199)	124	1,026
AD Neighbourhoods	79	79	12	(67)	79	49	(30)	20	69
AD Partnerships	92	92	-	(92)	92	-	(92)	-	-
GF Contingency	595	595	-	(595)	595	20	(575)	155	175
TOTAL GENERAL FUND	17,929	16,932	3,155	(13,777)	18,912	8,494	(10,417)	9,821	18,315

- Capital expenditure incurred was £3.155m compared to a profiled budget of £16.932m (£2.320m compared to a profiled budget of £16.349m as at period 5).
- It is predicted that £8.494m will be spent by the year-end compared to a full year budget of £18.912m (this includes re-profiled schemes from 2018/19 of £17.929m).
- A summary of Capital expenditure is shown at **Appendix B**.

Treasury Management

- At the end of September 2019 the Authority had £63.634m invested in the money markets. The average rate of return on these investments is 1.02% though this may change if market conditions ease.
- Borrowing by the Authority stood at £63.060m at the end of August 2019, all being long term loans from the Treasury Public Works Loans Board. The average rate payable on these borrowings equates to 4.05%.
- A more detailed summary of the Treasury Management situation, detailing our current Lending and Borrowings can be found at **Appendix C**.

Balances

Balances on General Fund are projected to be in the region of £6.461m at the year-end from normal revenue operations compared to £4.388m projected within the 2019/20 budget report.

Housing Revenue Account (HRA)

Revenue

HOUSING REVENUE ACCOUNT	YTD Budget £000	YTD Position £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000
HRA Summary	(9,064)	(9,333)	(269)	(3,704)	(3,834)	(130)
ED Communities	53	58	5	-	7	7
AD Operations & Leisure	78	65	(13)	167	146	(21)
AD Assets	386	394	8	402	437	35
AD Neighbourhoods	980	864	(116)	3,250	3,373	123
Housing Repairs	2,019	1,866	(153)	-	-	-
Total	(5,548)	(6,086)	(538)	115	129	14

- The HRA has a favourable variance against budget at period 6 of £538k (£372k at period 5).
- The projected full year position identifies an unfavourable variance against budget of £14k (£89k unfavourable at period 5).
- Individual significant budget areas reflecting the variance are detailed at **Appendix A**.

Capital

HOUSING REVENUE ACCOUNT	Budget Reprofiled from 2018/19 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2020/21 (memo only) £000	Outturn £000
AD Assets	22,254	12,871	9,000	(3,870)	31,181	27,313	(3,867)	2,470	29,783
HRA Contingency	100	100	-	(100)	100	100	-	-	100
TOTAL HOUSING REVENUE ACCOU	22,354	12,971	9,000	(3,870)	31,281	27,413	(3,867)	2,470	29,883

- Housing Capital expenditure of £9.000m has been incurred as at the end of period 5 compared to a profiled budget of £12.971m (£7.654m compared to a profiled budget of £11.359m at period 5).
- It is predicted that £27.413m will be spent by the year-end compared to the full year budget of £31.281m (including £22.354m re-profiled from 2018/19); Due to receipt of Homes England grant of c.£5m, it is likely that the planned borrowing for the Regeneration of Tinkers Green and Kerria will be reduced to c.£2m.
- A summary of Capital expenditure is shown at **Appendix B**.

Balances

- Balances on the Housing Revenue Account are projected to be in the region of £4.356m at the year-end compared to £3.507m projected within the 2019/20 budget report – additional balances of £0.8m.

Corporate Plan Project Updates

Opening of the refurbished Assembly Rooms		
Workstreams	Lead	RAG status
Business plan- currently being updated	AR	Yellow
Communications Plan	LR	Green
Marketing Plan	AT	Green
Operational Procedures	JR	Green
Food and Beverage offer	SMcG	Green
Licensing	JR	Green
Technology infrastructure	GY	Green
Project design and Build	TH	Red
Public Realm	SMcG	Yellow
Opening events	AR	Green

Key milestones achieved
<ul style="list-style-type: none"> • Ceiling complete, glazing complete, new achievable programme project completion date 18/11/19 • Still on target for 18/11/19, however very tight programme. • A& S Committee approval for restructure • Library works resolved- no impact on project

Priority review - Cleaners		
Workstreams	Lead	RAG status
Project Scoping	PW	Green
PID	PW	Green
Demands analysis	TW	Green
Review of staffing needs and costing/Service standards	TW	Green
Implementation	PW	Yellow

Key milestones achieved
<ul style="list-style-type: none"> • Project scoped, PID completed and agreed • Demands analysis complete • Service standards and staffing inputs mapped • Costed model produced • Report presented to CMT • Outline report presented to Scrutiny • Cabinet report date agreed • Proposals approved by Cabinet • Policy Reviews submitted as part of budget setting process.

Review of Corporate Capital Strategy		
Workstreams	Lead	RAG status
MTFS to include consideration of Capital Expenditure (Due October 2019)	LP	
Monthly Capital Monitoring Reports (On going from June 2019)	LP	
Review Capital Appraisal Process (Due October 2019)	LP	
Review Asset Management Strategy – incorporating revised Stock Condition Survey (Due 2020/21)	PW	
Review of Building Repairs Fund (BRF) (Due October 2019)	PW / LP	
Review of Commercial Property – monitoring of performance to be established (Due October 2019)	PW / LP	

Key milestones achieved
<ul style="list-style-type: none"> Capital Strategy included with Budget and MTFS to be presented to Cabinet 24th January and Joint Scrutiny Committee 30th January Feedback received from Link Asset Services and subsequent amendments/updates made to strategy ASSG meetings scheduled 1/4ly in diaries starting 28/03/19. ASSG on 26/09/19 reviewed progress for Agreed Capital Programme; considered and agreed report on 'Whole Life Costing' and reviewed progress on Capital Strategy Action Plan. Draft Capital Budgets for 2020/21 onwards to be considered by CMT 16/10/19

Implement Customer Portal		
Workstreams	Lead	RAG status
CRM – Workflow360 <ul style="list-style-type: none"> Workflow upgraded to v27 Complaints Process delivered 	JM	
Portal – Portal 360 <ul style="list-style-type: none"> Processes with Civica for building 	JM	

Key milestones achieved
<ul style="list-style-type: none"> 24/09/2019 – Workflow360 Live environment upgraded 27/09/2019 – Complaints Process accepted 27/09/2019 – Connect360 go live with Complaints Process

Priority review – Leisure Services		
Workstreams	Lead	RAG status
Evidence gathering	SMcG/KM	
Review Information- to meet with ED Communities and ED DCE, AD Partnerships to discuss options leisure requirements	AG/SMcG	

Key milestones achieved

Leisure Strategy		
Workstreams	Lead	RAG status
Review evidence from leisure services priority review	AG/SMcG	
Prepare brief for Leisure Strategy and Indoor & Outdoor sports strategy	AG/SMcG	
Appoint external consultants for the both	AG/SMcG	
Produce both Leisure Strategy and Indoor & Outdoor sports strategy	AG/SMcG	
Endorse both Leisure Strategy and Indoor & Outdoor sports strategy	AG/SMcG	

Key milestones achieved
<ul style="list-style-type: none"> Evidence gathering underway

Repairs and Investment Contract		
Workstreams	Lead	RAG status
Appoint external support [Complete]	PW	
Agree & Purchase SOR	PW	
Finalise 5-year work programmes & Budgets	PW/LP	
Update Repairs & Void Policies	PW/TM	
Scope Call Centre Requirements	PW/ZW	
TUPE matters	PW/ZW	
Tenant & Leasehold Consultation	PW/TM	
Procurement of main contract (June 2019 to start)	PW	
Mobilisation (December 2019 to start)	PW	
IT Requirements & Implementation	GY	
Communications with Members	PW/RB	

Key milestones achieved
<ul style="list-style-type: none"> Cabinet approval received to proceed with Procurement of new contracts (Dec 2018). TCG informed of decision. External Support now appointed [Anthony Collins & Rand Associates] Stage 1 Leaseholder consultation letters drafted ready for release on Friday 5th April. Initial TUPE data supplied by Wates Stage 1 of tender process commenced. Stage 2 of tender process underway Tenders received Bidder interviews completed ITQ for project management support issued

Risk Management Strategy		
Workstreams	Lead	RAG status
Review of current reporting process / format	LP	
Rationalize and Co-ordinate mitigating actions	LP	
Identification of Corporate Risks- ensure all captured, aligned and reported	LP	

Key milestones achieved
<ul style="list-style-type: none"> • Appointment of consultants to assist with undertaking the review and project scoped • Review of current risk undertaken and new grouping proposed(reduction to 14 categories) • Appointment of "Service Risk Champions" • Collation of potential different reports from the system be considered

Completion of new council housing at Tinkers Green and Kerria		
Workstreams	Lead	RAG status
Developer procurement	PW	
Decant and empty property management	TM	
Land and property acquisition and retail	PW	
Demolition	PW	
Communication	LR	
Local Lettings Policy	TM	

Key milestones achieved
<ul style="list-style-type: none"> • Contract in place • Clerk of Works appointed • Homes England funding confirmed and spent • Demolition of both sites complete • Construction work underway on both sites. • Handover schedule in place with first units due for completion in July 2019 • Revised handover schedule on target for Autumn 2020 completion • Regular scheduled handovers are taking place across both sites. • Tenants have moved into properties across both sites and to date feedback appears to be positive. • Heads of Terms out with legal for the full retail space with a single tenant (amended planning applications withdrawn)

Housing Strategy		
Workstreams	Lead	RAG status
Procurement	JS/SP	
Consultants research and stakeholder engagement	JS/SP	
Evaluate report and recommendations	JS/SP	
Portfolio Holder engagement	JS/SP	
CMT agreement and support for implementation	JS	
Cabinet report	JS/SP	
Communications	LR/JS	
Corporate implementation plan – links to other workstreams	JS/SP	

Key milestones achieved
<ul style="list-style-type: none"> • Tender evaluation completed – 3 bids received • Successful supplier HQN appointed • HQN commencing stakeholder interviews • Order raised

Allocations Policy		
Workstreams	Lead	RAG status
Governance and member decisions	TM/DK	
ICT Testing and Banding modelling	JW	
Policy Revisions and associated legal advice	DK	
Consultation & Communications planning	LR	
Implementation – post consultation	DK	
Risk Assessment to be reviewed and monitored	All	
Local Lettings Plan v Annual Lettings Plan		

Key milestones achieved
<ul style="list-style-type: none"> • Cabinet approval in place (24/1/19) for statutory consultation • HQN engaged for advice and initial policy review • Legal advice secured and reviewed • Consultation documents and letters sent to housing register approx. 1500 applicants • Training briefings held with neighbourhoods and customer services on revised changes- feedback received on the proposed changes was positive • Consultation closed with 11% response rate- average agreement across proposals was 75% • Briefing held with partners and RP's 28/5 with positive feedback having been received • Positive feedback on policy received from Andy Gale- highly respected housing consultant who defined policy as "exceptionally well written"

Priority Review - CCTV		
Workstreams	Lead	RAG status
Project Resourcing	TMM	
Shared Service – ICT Ankerside & Business continuity	GY	
Shared Service – Mobilisation to WMCA (investment and SOPs)	MB	
Shared Service – OOH procedures, bollard management and key control	LB	
Communications Planning	LR	
TUPE & Staffing Matters	JN	
Shared Service – Surveillance Commissioner Standards	LB/JS	
Commercial development – Tamworth; Castle; Assembly Rooms	Relevant AD	

Key milestones achieved
<ul style="list-style-type: none"> • Cabinet decision – 020719 approved shared service – Scrutiny recommendations and amendment to support as closely as possible • Appointments & Staffing report diarised for 17-7-19 • Monthly Project Group meetings in diary until 2020 • Meeting on 050719 to map above work-stream and formalise key leads and tasks

Welfare Reform		
Workstreams	Lead	RAG status
Project group TORs	TMM	
Transition FTAs to Finance	LB/LP	
Impact Universal Credit Welfare Reform	LB/MB	
Third Sector Commissioning	LB/JS	
Self-assessment & Accreditation	TMM	
Digitisation and links to Portal	LB/HoCS	

Key milestones achieved

Town Centre Programme		
Workstreams	Lead	RAG status
Town Centre Strategy	MF	Yellow
Gungate Masterplan	DH	Green
TIC	ZW	Green
Place Investment Strategy	MF	Yellow
Car Parking Strategy	MF	Yellow
Market re-tender	MF	Green
Communications and Engagement	ZW	Green
Town Centre Funding Applications	MF	Green
Future High Streets Fund	AM	Green

Key milestones achieved
<p>Town Centre Strategy</p> <ul style="list-style-type: none"> Due to work on FHSF, Cabinet has now agreed for this to be postponed until the later part of financial year 2020/21 EDR service has successfully restarted the BID group with new momentum behind it. <p>Gungate Masterplan</p> <ul style="list-style-type: none"> In final stages of completing master planning exercise. Proposal with recommendations for delivery approaches due by December 2019. Leader filmed for GBSLEP AGM short video on funding received for masterplan. <p>Place Investment Strategy</p> <ul style="list-style-type: none"> Due to work on FHSF Cabinet has now agreed for this to be postponed until the later part of financial year 2020/21. <p>Market re-tender</p> <ul style="list-style-type: none"> Market Tender on track to be launched in November 2019. <p>Town Centre Funding Applications</p> <ul style="list-style-type: none"> Heritage Action Zone bid was not successful. Town Funds launched – DC attending a briefing on and to feedback. Some potential for additional funding. MF to speak to GBSLEP about funding wider funding opportunities around Town Centre and Gungate. <p>Car Parking Strategy</p> <ul style="list-style-type: none"> Benchmarking and baseline exercise currently underway looking at all aspects of off road car parks before full hand over to EDR service.

ICT Strategy		
Workstreams	Lead	RAG status
Financial waiver approved for Daisy Phone system upgrade initial estimated savings £1k per month Work to commence to move to new platform	GY/ NH	Green
Implementation of Astute as policy management tool / decommissioning of Net Consent – work ongoing	GY	Yellow
Deliver short term priorities – work ongoing	GY	Green
PSN compliance achieved	GY	Green
Draft Strategy & action plan documents	GY/ ZW	Yellow
Consult with stakeholders	GY/ LR	Yellow
Deliver Strategy action plan	GY	Yellow

Key milestones achieved
PSN compliance achieved

Organisational Development Strategy		
Workstreams	Lead	RAG status
Development of Draft Strategy	AG/ZW	Green
Consultation	AG/ ZW	Yellow
Implementation	ZW/ JN	Yellow
Tender for Management Development work	ZW/JN	Green

Key milestones achieved
<ul style="list-style-type: none"> Management Development work quick quote documentation complete - to go out by end October 2019







Corporate Risk Register








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

Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Funding gaps	11-Oct-2019	3	3	9	
Business Rates Retention	11-Oct-2019	3	3	9	
New Homes Bonus	11-Oct-2019	3	2	6	
Welfare and Benefit Reform	11-Oct-2019	3	3	9	
Failure to manage budgets	11-Oct-2019	3	2	6	




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

Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Contract Management & Procurement	11-Oct-2019	2	2	4	
Management of Assets	15-Oct-2019	2	2	4	
New Revenue Streams	11-Oct-2019	3	3	9	
Workforce Planning Challenges	01-Oct-2019	3	2	6	
Continuous Improvement	01-Oct-2019	2	2	4	
Partnerships fail	15-Oct-2019	3	2	6	




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

Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Democratic Process	01-Oct-2019	3	3	9	
Assurance Process	01-Oct-2019	2	3	6	
Legislation	15-Oct-2019	3	2	6	
Policies & Procedures	15-Oct-2019	3	2	6	
Ethics	01-Oct-2019	2	2	4	




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

Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Community Cohesion & Engagement	15-Oct-2019	3	3	9	
Safeguarding Children & Adults (including Modern Slavery)	15-Oct-2019	2	3	6	
Emergency Planning	15-Oct-2019	3	2	6	



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




Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Regeneration	01-Oct-2019	3	3	9	
Housing Needs	15-Oct-2019	3	3	9	
Economic Changes	15-Oct-2019	3	3	9	

Title	Description
Information Safeguarding	To ensure that our data is protected

Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Data Protection	01-Oct-2019	4	3	12	
Cyber Security	15-Oct-2019	4	2	8	
Business Continuity	01-Oct-2019	3	3	9	

Title	Description
Brexit	The Impact of Brexit upon the Council

Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Financial	11-Oct-2019	4	4	16	
The Impact of Brexit upon the Council	01-Oct-2019	4	4	16	

Risk Status	
	High Risk
	Medium Risk
	Low Risk

General Fund – Main Variances

Service Area	Cost Centre	Account Code	Year To Date Position Sub Total	Year To Date Position Budget	Year To Date Position Variance	Full Year Position Budget	Full Year Position Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment
AD Operations & Leisure	Assembly Rooms	Wages	283	25,740	(25,457)	51,530	(35,000)	16,530	Based on current programme although likely to change as more shows are booked
		Private Hire Ticket Sales Exp	14,173	19,500	(5,327)	38,950	40,000	78,950	
		Split Profit Event Ticket Sale	-	-	-	75,850	(35,000)	40,850	
		Ticket Sales	(10,973)	(1,540)	(9,433)	(103,840)	47,500	(56,340)	
		Fees - Lettings	(600)	0	(600)	(38,760)	38,760	-	
		Private Hire Ticket Sales	(26,991)	(20,520)	(6,471)	(41,000)	(62,500)	(103,500)	
		Split Profit Event Income	(18,201)	(600)	(17,601)	(75,850)	20,000	(55,850)	
	Public Spaces	Salaries	585,218	603,020	(17,802)	1,206,070	(49,690)	1,156,380	Based on current vacant posts used to offset Vacancy Allowance
		Vacancy Allowance	-	(40,260)	40,260	(80,540)	80,540	-	Vacancy Allowance
AD People	ICT	Vacancy Allowance	-	(17,400)	17,400	(34,850)	34,850	-	Vacancy allowance
AD People	Customer Services	Salaries	233,595	266,280	(32,685)	530,890	(34,000)	496,890	Vacancies including HoCS
AD Assets	Industrial Properties	Rents	(554,781)	(516,000)	(38,781)	(770,000)	(50,000)	(820,000)	Anticipate higher rental income based on current occupancy.

Service Area	Cost Centre	Account Code	Year To Date Position Sub Total	Year To Date Position Budget	Year To Date Position Variance	Full Year Position Budget	Full Year Position Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment	
AD Neighbourhoods	Civil Contingencies	Government Grants	(34,968)	-	(34,968)	(17,500)	-	(17,500)		
	Homelessness	Provision For Bad Debts	552	58,900	(58,348)	58,900	-	58,900	Report to go to Cabinet re write off of historical B&B debt	
Page 36 AD Neighbourhoods	Homelessness	Bed And Breakfast Cost	38,090	104,040	(65,950)	208,080	(60,000)	148,080	Report will be going to Cabinet outlining changes to charging policy for B&B	
		Bed & Breakfast Income	(11,006)	(105,990)	94,984	(208,070)	80,000	(128,070)		
	Homelessness Strategy	Government Grants	(145,855)	(15,000)	(130,855)	(30,000)	-	(30,000)	HQN working on updating the evidence base for the homelessness strategy which will result in a detailed spending plan for homeless based prevention activity - report due to cabinet Dec 2019 as part of the MHCLG requirement	
	Community Wardens	Salaries		79,372	111,350	(31,978)	222,740	(60,000)	162,740	Savings from 2 vacant posts used to cover costs of Stoke on Trent provision of CPE
		Payments For Temporary Staff		33,445	-	33,445	-	82,500	82,500	Cost of Stoke on Trent providing CPE
AD Growth & Regeneration	Development Control	Fees & Charges Planning App	(190,970)	(100,020)	(90,950)	(200,010)	(100,000)	(300,010)	Additional income projected this year	
AD Finance	Benefits	Provision For	-	-	-	80,000	(40,000)	40,000	Estimate at this stage	

Service Area	Cost Centre	Account Code	Year To Date Position Sub Total	Year To Date Position Budget	Year To Date Position Variance	Full Year Position Budget	Full Year Position Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment
		Bad Debts							
		Rent Allowances	2,994,006	3,359,400	(365,394)	7,200,960	(764,190)	6,436,770	Based on DWP Est Claim P6
		Council Tenant Rent Rebates	4,216,397	4,379,440	(163,043)	8,253,350	(380,560)	7,872,790	
		Council Tenant Grant	(4,142,000)	(4,299,360)	157,360	(8,102,660)	296,580	(7,806,080)	
		Private Tenant Grant	(2,891,576)	(3,250,000)	358,424	(6,968,280)	693,560	(6,274,720)	
AD Finance	Benefits	Overpayment Private Tenant	(122,864)	(170,700)	47,836	(341,340)	95,610	(245,730)	Based on e-Fins @ p6
		Overpayment Council Tenant	(80,383)	(98,100)	17,718	(196,230)	35,470	(160,760)	
		Pt Overpayment Recovery	27,321	-	27,321	-	54,640	54,640	
		Ct Overpayment Recovery	35,472	-	35,472	-	70,940	70,940	
AD Finance	Benefits Administration	Salaries	212,099	229,890	(17,791)	459,820	(40,000)	419,820	Long-term sickness, Vacancy & Maternity leave
		Vacancy Allowance	-	(15,420)	15,420	(30,850)	30,850	-	Vacancy allowance
		Government Grants	(61,162)	(5,890)	(55,272)	(10,730)	(50,000)	(60,730)	UC/New Burdens Government grant received to date which may not be fully spent by year end
	Corporate Finance	General Contingency	-	-	-	210,090	(160,000)	50,090	Projected underspent Contingency budget
		Contribution To Reserves	-	-	-	1,350,000	215,450	1,565,450	Provision for levy contingency should it be required

Service Area	Cost Centre	Account Code	Year To Date Position Sub Total	Year To Date Position Budget	Year To Date Position Variance	Full Year Position Budget	Full Year Position Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment
		NNDR Levy Payments	-	-	-	965,810	(965,810)	-	Unlikely to pay over levy to GBSLEP under pooling pilot arrangements
		Miscellaneous Contributions	(24,750)	-	(24,750)	-	(845,380)	(845,380)	£81k GBSLEP Local Growth Fund grant balance, £444k Staffs Pilot distribution 19/20, £320k GBSLEP returned Levy 19/20
AD Finance	Treasury Management	Misc Interest & Dividends	(339,220)	(209,220)	(130,000)	(418,410)	(250,000)	(668,410)	Higher than budgeted investment balances
		Property Fund Dividends	(45,204)	(120,000)	74,796	(240,000)	91,250	(148,750)	Lower income due to lower investment of £3.85m to date

Housing Revenue Account – Main Variances

Service Area	Cost Centre	Account Code	Year To Date Position Sub Total	Year To Date Position Budget	Year To Date Position Variance	Full Year Position Budget	Full Year Position Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment
Housing Repairs	Repairs Contract	Responsive Repairs	617,704	666,000	(48,296)	1,332,000	-	1,332,000	Works are reactive in nature and are dealt with ad-hoc on request
		Voids	680,633	386,500	294,133	773,000	-	773,000	There have been a number of high-cost voids, these will need to be monitored through the year as some expenditure will be capital in nature and will result in recoding to the capital budgets.
		Periodic Electrical Testing	-	154,115	(154,115)	308,230	-	308,230	Spend currently sits in the response code and will need to be recoded out.
		Planned Maintenance	510	88,950	(88,440)	177,900	-	177,900	Works being programmed in for completion.
HRA Summary	H R A Summary	Provision For Bad Debts	71,545	200,000	(128,455)	200,000	-	200,000	Bad debt is likely to increase whilst the rollout of UC continues. Income recovery remains a priority to limit any increase in arrears.

Service Area	Cost Centre	Account Code	Year To Date Position Sub Total	Year To Date Position Budget	Year To Date Position Variance	Full Year Position Budget	Full Year Position Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment
		Rents	(9,327,311)	(9,213,843)	(113,468)	(17,364,550)	(130,000)	(17,494,550)	Rent income is currently exceeding budget due to void levels being lower than budgeted. The acquisition programme also continues to provide additional properties let at Affordable Rent and offset those sold under the Right to Buy.

Capital Programme Monitoring

General Fund

Service Area	Budget Reprofiled from 2018/19 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2020/21 (memo only) £000	Outturn £000	Comments
Chief Executive										
Gungate Development	730	730	-	(730)	730	-	(730)	730	730	No spend likely this financial year
Service Area Total	730	730	-	(730)	730	-	(730)	730	730	
AD Growth										
Castle Mercian Trail	576	576	471	(105)	576	576	-	-	576	Tender being prepared for replacement contractor
Gateways	139	199	(1)	(200)	259	-	(259)	259	259	Funds for Phase 3 (Corporation St) not likely to be spent this year and required to be re-profiled
Cultural Quarter - Carnegie Centre	6	6	5	(1)	6	6	-	-	6	-
Cultural Quarter - Public Realm	-	-	(7)	(7)	-	-	-	-	-	Prior year adjustment for miscoded works
Service Area Total	721	781	469	(312)	841	582	(259)	259	841	
AD People								-		
Replacement It Technology	69	99	62	(36)	129	129	-	-	129	Replacement servers now purchased & plans being finalised for remainder of funds
EDRMS (Electronic Document Records Management System)	50	50	-	(50)	50	50	-	-	50	Budget to be spent in line with any requirements of the Customer Portal/CRM/integration project
Income Management & Receipting System	10	10	10	(0)	10	10	-	-	10	System testing in progress, expected to go live Oct
New Time Recording System 17/18	15	15	-	(15)	15	15	-	-	15	Currently looking at i-Trent module
Self Service Customer Portal	30	30	30	(1)	30	30	-	-	30	CRM live as planned September, further development of the portal to be progressed.
Service Area Total	174	204	102	(102)	234	234	-	-	234	

Service Area	Budget Reprofiled from 2018/19 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2020/21 (memo only) £000	Outturn £000	Comments
AD Operations & Leisure								-		
Wigginton Park Section Section 106	10	3	-	(3)	10	-	(10)	10	10	Plans to deliver scheme in line with Wigginton Park Management Plan. Will need to reprofile spend into 2020/21 as work required is seasonal / weather dependant.
Broadmeadow Nature Reserve	17	17	-	(17)	17	9	(8)	8	17	Ongoing works to complete management plan and HLS agreement. Will need to reprofile spend into 2020/21 as work required is seasonal / weather dependant.
Public Open Space Section 106	10	10	-	(10)	10	-	(10)	10	10	Spend in line with work plan. Will need to reprofile spend into 2020/21 as work required is seasonal / weather dependant.
Street Lighting	7	-	4	4	35	35	-	-	35	Works to be delivered in line with 30 year project plan
Local Nature Reserves	23	23	1	(22)	23	8	(15)	15	23	Works ongoing to deliver items from management plan for various LNRs. Will need to reprofile spend into 2020/21 as work required is seasonal / weather dependant.
Community Woodland Cycleway	200	-	10	10	200	10	(190)	190	200	Variation to design spec to be included with Amington Community Woodland.
Amington Community Woodland	302	30	34	4	352	52	(300)	300	352	Consultation and design complete however, anticipate 12 month delay in delivery phase due to new work timeline from developer.

Service Area	Budget Reprofiled from 2018/19 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2020/21 (memo only) £000	Outturn £000	Comments
3G Sports Facility	310	-	1	1	310	310	-	-	310	Agreement with Sport England signed work due to start on site with completion expected by end of November
Assembly Rooms Development	2,053	1,500	2,004	504	2,053	2,053	-	-	2,053	Building works to be completed Autumn 2019
Indoor and Outdoor Sports Feasibility	100	-	-	-	100	100	-	-	100	Consultation due to be completed October - looking to link in with review of Gungate site and strategy for the whole borough
Service Area Total	3,032	1,583	2,054	471	3,110	2,578	(533)	533	3,110	
AD Finance										
Property Funds	8,131	8,131	-	(8,131)	8,131	4,131	(4,000)	4,000	8,131	£4m planned to be invested this year, with remainder to be re-profiled
Solway Tamworth LTD LATC	4,000	4,000	3	(3,997)	4,000	-	(4,000)	4,000	4,000	Budget to be re-profiled
Service Area Total	12,131	12,131	3	(12,127)	12,131	4,131	(8,000)	8,000	12,131	
AD Assets										
Disabled Facilities Grant	72	397	352	(45)	722	722	-	-	722	Budget expected to be spent in full
Agile Working Phase 2	124	124	-	(124)	124	-	(124)	124	124	Scheme not yet identified.
Energy EFF Upgrade Commercial and Industrial Properties	-	38	-	(38)	75	-	(75)	-	-	Budget not expected to be spent.
Castle Grounds Toilet Refurbishment	180	180	163	(17)	180	180	-	-	180	Works on site completed August
Service Area Total	376	738	515	(223)	1,101	902	(199)	124	1,026	

Service Area	Budget Reprofiled from 2018/19 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2020/21 (memo only) £000	Outturn £000	Comments
AD Neighbourhoods										
Homelessness Reduction Act	30	30	-	(30)	30	-	(30)	20	20	Budget not expected to be spent this year
Cctv Camera Renewals	49	49	12	(37)	49	49	-	-	49	Spend in 2019/20 in support of CCTV service review
Service Area Total	79	79	12	(67)	79	49	(30)	20	69	
AD Partnerships										
Private Sector Coalfields Fund	92	92	-	(92)	92	-	(92)	-	-	Not expected to be spent and to be returned to balances
Service Area Total	92	92	-	(92)	92	-	(92)	-	-	
GF Contingency										
GF Contingency	35	35	-	(35)	35	-	(35)	35	35	Not likely to be required
Cont-Return On Investment	160	160	-	(160)	160	-	(160)	20	20	To be released for CCTV investment costs
GF Contingency Plant and Equipment	100	100	-	(100)	100	-	(100)	100	100	Contingency for plant and equipment purchases supported by a business case approach - not likely to
Civil Contingencies Technology 17/18 (Contingency)	19	19	-	(19)	19	-	(19)	-	-	No longer required
Refurbishment of Marmion House Reception (Contingency)	100	100	-	(100)	100	-	(100)	-	-	Unlikely to be required / wider review underway
GDPR Compliance (Contingency)	31	31	-	(31)	31	-	(31)	-	-	Review underway, but unlikely to be required
Mobile Phone Contract (Contingency)	20	20	-	(20)	20	20	-	-	20	Review underway, but will require approval from Cabinet to release funds

Service Area	Budget Reprofiled from 2018/19 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2020/21 (memo only) £000	Outturn £000	Comments
Private Sector Improvement Grants (Coalfields Funding)	130	130	-	(130)	130	-	(130)	-	-	Not likely to be required
Service Area Total	595	595	-	(595)	595	20	(575)	155	175	
GENERAL FUND TOTAL	17,929	16,932	3,155	(13,777)	18,912	8,494	(10,417)	9,821	18,315	

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HOUSING REVENUE ACCOUNT										
Service Area	Budget Reprofiled from 2018/19 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2020/21 (memo only) £000	Outturn £000	Comments
AD Assets										
Structural Works	-	150	90	(60)	300	300	-	-	300	Works done on an ad-hoc basis
Bathroom Renewals	30	314	10	(305)	598	598	-	-	598	To be spent in full and could be completed by Xmas
Gas Central Heating Upgrades and Renewals	203	546	156	(390)	889	739	(150)	-	739	Anticipate underspend once all identified works are complete. Will need to monitor for additional expenditure
Kitchen Renewals	36	555	310	(244)	1,073	1,073	-	-	1,073	To be spent in full and could be completed by Xmas
Major Roofing Overhaul and Renewals	-	456	-	(456)	911	911	-	-	911	Expected to be spent in full by year end

Service Area	Budget Reprofiled from 2018/19 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2020/21 (memo only) £000	Outturn £000	Comments
Window and Door Renewals	-	324	262	(62)	649	649	-	-	649	Expected to be spent in full by year end
Neighbourhood Regeneration	-	375	-	(375)	749	499	(250)	-	499	A number of schemes are being pulled together to form a plan for this budget, but an underspend is expected
Disabled Facilities Adaptations	24	130	24	(106)	236	236	-	-	236	It's expected that this scheme will be completed by Xmas
Rewire	-	181	-	(181)	362	362	-	-	362	To be reviewed following completion of electrical checks
CO2 / Smoke Detectors	-	32	32	(0)	64	64	-	-	64	Expected to be spent in full by year end
Insulation	-	9	-	(9)	18	18	-	-	18	Ad hoc spend according to identified need but expect to fully spend by year end
Street House Car Parks and Garages	171	171	173	2	171	173	2	-	173	Budget fully committed and should be spent by year end
Renew High Rise Lifts	280	280	-	(280)	280	-	(280)	280	280	Old project still on site, new lifts won't commence until next year.
High Rise Lift Renewals 2012	158	158	55	(103)	158	158	-	-	158	Final lift due to commence soon and complete before Dec.
Fire Upgrades To Flats 2012	1,985	1,452	1,464	12	1,985	1,985	-	-	1,985	Sprinkler due for completion Dec 2019
Sheltered Schemes	-	50	58	8	100	100	-	-	100	Expect to spend in full by year end
Energy Efficiency Improvements	-	35	-	(35)	70	70	-	-	70	Projects have been identified
High Rise Balconies	43	43	(45)	(88)	43	43	-	-	43	Scheme almost completed
Works to High Rise Flats	863	863	593	(270)	863	863	-	-	863	May underspend as certified fire doors unlikely to be completed as part of this scheme - in which case the funds will be offered up and a new capital bid submitted

Service Area	Budget Reprofiled from 2018/19 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2020/21 (memo only) £000	Outturn £000	Comments
Retention of Garage Sites	-	250	(50)	(300)	500	500	-	-	500	Members' proposals for scheme have been received but budget could be re-profiled as part of a longer-term plan
Capital Salaries	-	-	-	-	200	200	-	-	200	-
Tinkers Green	10,753	2,701	2,799	98	10,753	9,413	(1,340)	1,340	10,753	Project progressing and due to complete Autumn 2020.
Kerria Estate Project	6,762	1,599	1,757	157	6,762	5,912	(850)	850	6,762	Project progressing and due to complete Autumn 2020.
Regeneration General	-	500	(29)	(529)	1,000	-	(1,000)	-	-	£1m vired to CR7004 following Cabinet approval. No additional scheme likely in current financial year.
Other Acquisitions	946	1,696	1,342	(354)	2,446	2,446	-	-	2,446	£1m vired from CR7003 following Cabinet approval. Should be fully spent by year end
Service Area Total	22,254	12,871	9,000	(3,870)	31,181	27,313	(3,867)	2,470	29,783	
HRA Contingency										
HRA Contingency	100	100	-	(100)	100	100	-	-	100	Will require approval from Cabinet to release funds
Service Area Total	100	100	-	(100)	100	100	-	-	100	
HRA Total	22,354	12,971	9,000	(3,970)	31,281	27,413	(3,867)	2,470	29,883	

Treasury Management Update – Period 6 - 2019/20**Investments held as at 30th September 2019:**

Borrower	Deposit £	Rate %	From	To	Notice
National Westminster Bank plc	4,001,183	1.1300%	27-Nov-18	26-Nov-19	-
Lloyds Bank	1,000,000	1.1000%	30-Nov-18	29-Nov-19	-
Lloyds Bank	1,000,000	1.1000%	30-Nov-18	29-Nov-19	-
Bank of Scotland	2,000,000	1.1000%	03-Jan-19	03-Jan-20	-
Bank of Scotland	2,000,000	1.1000%	04-Jan-19	03-Jan-20	-
Lloyds Bank	1,000,000	1.1000%	08-Feb-19	07-Feb-20	-
Bank of Scotland	2,000,000	1.1000%	11-Feb-19	10-Feb-20	-
Thurrock Council	7,000,000	1.1200%	13-Mar-19	13-Feb-20	-
Lloyds Bank	2,000,000	1.2500%	03-Apr-19	03-Apr-20	-
Lloyds Bank	2,000,000	1.2500%	03-Apr-19	03-Apr-20	-
Barclays Bank	2,000,000	0.8400%	05-Apr-19	07-Oct-19	-
Thurrock Council	3,000,000	0.9000%	10-Apr-19	10-Oct-19	-
National Westminster Bank plc	2,000,791	0.9200%	28-Jun-19	26-Jun-20	-
National Westminster Bank plc	4,001,583	0.8300%	05-Jul-19	26-Jun-20	-
Goldman Sachs	10,000,000	1.17%	-	-	180 day
Santander	10,000,000	1.00%	-	-	180 day
MMF – PSDF	2,187,000	0.73%*	-	-	On call
MMF – Federated	3,000,000	0.96%*	-	-	On call
MMF – Federated	3,446,504	0.73%*	-	-	On call
Total	63.634	1.02 (avg)			

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

External Borrowing as at 30th September 2019:

<u>Borrowing from PWLB</u>				
<u>Loan Number</u>	<u>Rate</u>	<u>Principal</u>	<u>Start</u>	<u>Maturity</u>
475875	8.875%	1,200,000	29/04/1995	25/04/2055
478326	8.000%	1,000,000	17/10/1996	17/10/2056
479541	7.375%	1,000,000	28/05/1997	28/05/2057
479950	6.750%	2,000,000	02/10/1997	03/09/2057
481087	5.625%	3,000,000	22/06/1998	22/06/2058
481641	4.500%	1,400,000	09/10/1998	09/10/2058
483694	4.875%	92,194	21/12/1999	18/10/2059
488835	5.000%	2,000,000	01/07/2004	01/07/2034
490815	4.250%	1,000,000	24/11/2005	24/05/2031
494265	4.430%	2,000,000	21/01/2008	01/01/2037
494742	4.390%	700,000	15/08/2008	15/08/2058
500759	3.520%	5,000,000	28/03/2012	28/03/2053
500758	3.510%	5,000,000	28/03/2012	28/03/2054
500757	3.510%	5,000,000	28/03/2012	28/03/2055
500761	3.510%	5,000,000	28/03/2012	28/03/2056
500755	3.500%	5,000,000	28/03/2012	28/03/2057
500756	3.500%	3,000,000	28/03/2012	28/03/2058
500753	3.500%	1,000,000	28/03/2012	28/03/2059
500760	3.490%	5,000,000	28/03/2012	28/03/2060
500762	3.490%	5,000,000	28/03/2012	28/03/2061
500754	3.480%	5,668,000	28/03/2012	28/03/2062
504499	3.230%	3,000,000	30/11/2015	30/11/2065
Total		63,060,194		

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28th November 2019

REPORT OF THE LEADER OF THE COUNCIL

DRAFT BASE BUDGET FORECASTS 2020/21 to 2024/25

Purpose

To inform Members of the re-priced base budget for 2020/21, base budget forecasts for the period 2020/21 to 2024/25 (the 5 Year Medium Term Planning Period) and the underlying assumptions and to consider the future strategy to address the financial trends.

Recommendations

That:

- 1. the technical adjustments and re-priced base budget figures for 2020/21 & indicative budgets to 2024/25 be approved (as attached at Appendix B, C, D, E, F, G & H);**
- 2. consideration be given to the proposed Policy Changes and Capital Programmes, as detailed within the report;**
- 3. consideration be given to the planned changes to Council Tax and Housing Rent for 2020/21, as detailed within the report; and**
- 4. in compliance with the Constitution of the Council, the Leader's Budget Workshop be asked to consider the budget proposals contained within this report.**

Executive Summary

The following detailed budget information is contained within the report:

- Re-priced base budget information (& the associated technical adjustments) for 2020/21 in respect of the General Fund (GF) and Housing Revenue Account (HRA);
- A five year, medium term financial forecast for the General Fund and HRA;
- The associated strategy to address the financial trends & projection;
- The Provisional Capital Programmes for the General Fund and Housing Revenue Account for the period 2020/21 to 2024/25.

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

Currently projections identify:

1. General Fund balances of £1m over 3 years (compared with a forecast shortfall in the February 2018 MTFS projections of £0.9m) – with a shortfall of £2.5m to 2023/24 increasing to £5.6m over 5 years (the shortfall was previously forecast at £3.8m in 2023/24), including the minimum approved level of £0.5m;
2. HRA balances of £4.8m over 3 years (compared with a forecast in February of £2.1m) with balances of £5.9m over the 4 years to 2023/24 increasing to £7.2m in 2024/25 (balances were previously forecast at £2.3m in 2023/24) including the minimum recommended balances of £0.5m.

Further savings of around £1.1m p.a. will be required over the next 5 years (based on annual £5 increases in Council Tax). On an annualised basis this would equate to a year on year ongoing saving of £0.4m over 5 years.

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

- Future Revenue Support Grant levels for future years - the budget setting process has faced significant constraints in Government funding in recent years - over 50% reduction since 2010.

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

However, there remains a high degree of uncertainty arising from the most significant changes in Local Government funding for a generation. The following reforms were planned to be in place by 2020/21 but given announcements following the 2019 Spending Round these have been deferred until 2021/22.

The Government previously stated its intention to hold a new Spending Review in 2019, covering the period 2020/21 to 2022/23. However, a one-year Spending Round has been carried out, covering the financial year 2020/21; and this will be followed in 2020 by a full Spending Review, reviewing public spending as a whole and setting multi-year budgets.

In addition, the Government have said that, given the need to provide certainty and stability for next year, the longer-term reforms for the local government finance system, including business rates retention and fairer funding (Review of Relative Needs and Resources), have been delayed until 2021/22.

➤ **Fair Funding Review (FFR)** of the distribution methodology (now from 2021/22) including:

- changes to the needs assessment (which will determine each Council's share of the national funding for Local Government – it is likely that this will reflect the impact of Social Care demands and that funding will be redistributed to Unitary and County Councils to the detriment of District Councils);

- treatment of relative resources (to determine how much each Council can fund locally through income from fees and charges and council tax); and
 - any transitional arrangements to protect Councils from significant reductions in funding – and the impact from their unwinding.
- **Spending Review 2020 (SR20)** – 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** (now from 2021/22) – the Government announced that Councils will be able to retain 75% of business rates collected 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 and redistribution of the growth achieved since 2013 of over £1m p.a. (now from 2021/22);
 - 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). The Government have confirmed that the 4-year legacy payments for New Homes Bonus (NHB) will continue to be paid after 2020/21, but there still remains uncertainty regarding new payments.

It is the Government’s intention to look again at the New Homes Bonus scheme for 2021/22 and explore the most effective way to incentivise housing growth. They plan to consult widely on proposals prior to implementation. As the roll forward is for one year, with any funding beyond 2020/21 subject to the 2020 Spending Review and potential new proposals, the Government have said that the new allocations in 2020/21 will not result in legacy payments being made in subsequent years on those allocations.

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

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

- In 2016-17, at the start of the four-year offer made to local government, the Government introduced a separate council tax referendum principle for shire districts, to address particular pressures on these authorities. This principle meant that districts could increase council tax by the core principle (now announced as 2% for 2020/21 – this was previously 3%) or £5, whichever is greater.

The Government continued to grant this flexibility in 2017/18, 2018/19 and 2019/20 and is likely to continue for 2020/21.

- Uncertain economic conditions within the UK economy, following the decision to leave the EU, may also lead to a suppression of business growth and investment – together with the associated impact on Business Rate growth and employment.
- Future Pension contribution levels – the results from the 2019 triennial review, carried out by the Actuary employed by the Pension Fund, are due to be confirmed in December - indicative *ongoing* annual increases in Employer's contributions of c. £150k p.a. (1% p.a. increase) have been included from 2020/21 for 3 years (followed by increases of 2% p.a.). This includes an ongoing lump sum (with an annual increase) relating to past liabilities and a set rate for future employer contributions of 16.5% p.a. Given the uncertain economic situation and arising from the Councils position in its participation in the Fund's contribution stability mechanism, the indicative option to freeze contribution levels for 3 years has been communicated to the Pension Fund Actuary. This would lower costs in the short term - should the actuary confirm it would not have an unsustainable impact on the pension fund. There will also be a saving of c.£183k in lump sum costs by making an advance payment of the 3 year costs in April 2020.
- While the Government announced a pay cap for 2014/15 & 2015/16, a 2.2% increase (plus other changes) was agreed from 1st January 2015. In addition, from April 2016, a new compulsory National Living Wage (NLW) for the over 25s was introduced to replace the National Minimum Wage. A further 1% pay cap for public sector workers for the 4 years from 2016/17 was set but following Government announcements regarding public sector pay this cap was lifted from 2018/19 with a 2% increase agreed.

For 2019/20 a 2% increase was agreed and included the introduction of a new pay spine on 1st April 2019 based on a bottom rate of £17,364 with additions, deletions and changes to other spinal column points. A 2.5% p.a. increase from 2020/21 has been assumed.

- Proposed changes set out in the Welfare Reform Act 2012 and the introduction of Universal Credit – impact on housing benefits and associated income receipts (including Housing Rents and Council Tax) of the Council;
- The impact of any further uncertainty over future interest rate levels and their impact on investment income / treasury management;
- Due to uncertainties around the Better Care Fund, a risk on the current grant funding for Disabled Facilities Grants (DFG) is highlighted. A grant of £400k p.a. has been assumed;
- Review and finalisation of the revised budgets/policy changes and feedback from the scrutiny process – including the Council Tax increase for 2020/21.

Options Considered

As part of the budget setting process a number of options for the council tax increase levels for 2020/21 and future years have been modelled / considered.

Council Tax	Option Modelled / Considered
Model 1	£5.00 increase in Council tax in 2020/21 (followed by increases of £5.00 p.a.)
Model 2	2.99% increase in Council tax in 2020/21 (followed by increases of c.2.99% p.a.)
Model 3	£1 increase in Council tax in 2020/21 (followed by increases of £1 p.a.)
Model 4	2.5% increase in Council tax in 2020/21 (followed by increases of 2.5% thereafter)
Model 5	0% increase in Council tax in 2020/21 (followed by increases of 0% thereafter)
Model 6	1.99% increase in Council tax in 2020/21 (followed by increases of 1.99% thereafter)

Rent	Option Modelled / Considered
CPI plus 1%	The Government has now confirmed that social housing rents can increase to include 'up to' a factor of the consumer price index (CPI) measure of inflation plus 1% for five years from 2020, following the conclusion of a consultation on the new rent standard
CPI	General increase in line with CPI
No increase	No general increase in annual rent

Resource Implications

The detailed financial & budgetary implications are outlined within the report.

The Forecast projects General Fund balances of £1m over 3 years – with a shortfall of £2.5m to 2023/24 increasing to £5.6m over 5 years, including the minimum approved level of £0.5m – assuming annual Council Tax increases of £5 p.a. - in line with the cap set by the Ministry for Housing, Communities & Local Government (MHCLG).

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

- The final outturn for 2018/19 – additional balances of £0.3m from a higher than forecast underspend position of £2.3m. A projected underspend of £1.8m for 2019/20 has been included - including;
 - Due to the Staffordshire pilot arrangement, there are no requirements to pay c.£1m levy in 2019/20;
 - Returned business rates levy for 2018/19 from GBSLEP of £0.3m following finalisation of the audit process plus £0.4m from the Staffordshire business rates pilot for 2019/20;

- Lower treasury management investment interest of £0.2m over 3 years from 2020/21 – forecast increases in the Bank of England base rate have been delayed due to the ongoing uncertainty regarding the Brexit process. This has also delayed some of the planned property fund investments with an associated reduction in planned income of £0.2m in 2021/22;
- £1.4m in additional retained Business rates in 2020/21 (net of levy payment / s.31 grant income) due to retention of the growth since 2013, following the deferral of the planned Local Government funding reviews to 2021/22;
- Returned levy in 2020/21 of c.£0.6m from pooling in the Staffordshire pool;
- The potential impact from the funding reforms in 2021/22 including the Business Rates Baseline reset and c. £1.4m p.a. reduced income / increased tariff from 2021/22 from a reset to the Council's baseline need level. No further changes to the level of Government support / grants arising from the Fair Funding Review / SR 2020 have been included given the uncertainty;
- Revised new homes bonus levels - future levels included based on legacy payments only;
- Revised lump sum contribution to the pension fund following the 2019 triennial review – an increase of 1% p.a. for 3 years (followed by 2% p.a. thereafter);
- A 2.5% p.a. pay award increase has been included within the MTFS – no change has been assumed;
- Costs / savings from the CCTV service review.
- The Bank of England has already indicated that should the UK leave the EU with no deal then this could adversely affect the economy and measures would need to be taken – this could have a significant impact on the finances of the Council but cannot be accurately quantified at this stage (impact on base rate / investment interest, local economy / business rates income, council tax income etc.).

The current forecast projects Housing Revenue Account (HRA) balances of £4.8m over 3 years with balances of £5.9m over the 4 years to 2023/24 increasing to £7.2m in 2024/25 including the minimum recommended balances of £0.5m.

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

- The final outturn for 2018/19 – additional balances of £0.9m from a higher than forecast underspend position of £1.5m. No material variance from budget for 2019/20 has been included;
- Revised lump sum contribution to the pension fund following the 2019 triennial review – an increase of 1% p.a. for 3 years (followed by 2% p.a. thereafter) has been assumed under the central case forecast, £60k over 3 years;

- Increased Housing rental income due to lower levels of right to buy sales, the completion of Tinkers Green and Kerria Housing developments – as well as increases in rents of CPI plus 1% from 2020/21;
- A 2.5% p.a. pay award increase has been included within the MTFS – no change has been assumed;
- No changes have been assumed regarding from the planned stock condition survey and ongoing repairs contract arrangements (additional cost pressures in these areas of c.£1m p.a. had previously been assumed under the worse case forecast).

Legal / Risk Implications

The Council's constitution requires Cabinet publish initial proposals for the budget, having first canvassed the views of local stakeholders as appropriate - budget proposals will be referred to the Joint Scrutiny Committee (Budget) for further advice and consideration.

In line with the constitution a Joint Scrutiny Budget Workshop has been arranged for 4th December 2019.

In order to allow Scrutiny Committees to respond to the Cabinet on the outcome of their deliberations, a meeting of the Scrutiny Committee (Budget) has been arranged for 30th January 2020.

Proposed amendments to the 2019/20 base budget, approved by Council on 26th February 2019, are detailed within the report.

Key Risks

- Uncertain economic conditions within the UK economy, following the decision to leave the EU – potential impact on interest rates, business rates growth and employment.
- Achievement of the anticipated growth in business rates income – in line with the assumed baseline and tariff levels set.
- The Government have said that, given the need to provide certainty and stability for next year, the longer-term reforms for the local government finance system, including business rates retention and fairer funding (Review of Relative Needs and Resources), have been delayed until 2021/22. **There is a high risk that these reforms, including the planned Business Rates Reset (when a proportion of the growth in business rates achieved since 2013/14 will be redistributed), will have a significant effect on the Council's funding level from 2021/22;**
- 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);

- Uncertainty over the ongoing funding for the **New Homes Bonus scheme**, 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. The Government have confirmed that the 4-year legacy payments for New Homes Bonus (NHB) will continue to be paid after 2020/21, but there still remains uncertainty regarding new payments.

It is the Government's intention to look again at the New Homes Bonus scheme for 2021/22 and explore the most effective way to incentivise housing growth. They plan to consult widely on proposals prior to implementation. As the roll forward is for one year, with any funding beyond 2020/21 subject to the 2020 Spending Review and potential new proposals, the Government have said that the new allocations in 2020/21 will not result in legacy payments being made in subsequent years on those allocations.

- Challenge to continue to achieve high collection rates for council tax, business rates and housing rents – in light of welfare benefit reforms, economic conditions and uncertainty.

Risks to Capital and Revenue Forecasts:

Risk	Control Measure
Major variances to the level of grant / subsidy from the Government (including specific grants e.g. Benefits administration, Business Rates Section 31 funding); (High)	Sensitivity modelling undertaken to assess the potential impact in the estimation of future grant levels; (High / Medium)
New Homes Bonus grant levels lower than estimated; Continuation of the scheme for 2020/21 has been confirmed – doubt over its continuation in future years; (High/Medium)	Future levels included based on legacy payments only; (Medium/Low)
Potential 'capping' of council tax increases by the Government or local Council Tax veto / referendum; (Medium)	Current indications are that increases of 2% or £5 and above risk 'capping' (3% or £5 for District Councils in 2019/20); (Low)
The achievement / delivery of substantial savings / efficiencies will be needed to ensure sufficient resources will be available to deliver the Council's objectives through years 4 to 5. Ongoing; (High)	A robust & critical review of savings proposals will be required / undertaken before inclusion within the forecast; (High/Medium)
Pay awards greater than forecast; (Medium)	Public sector pay cap was lifted from 2018/19 with pay awards of 2% p.a. for 2 years. Increases of 2.5% p.a. assumed from 2020/21; (Medium / Low)
Pension costs higher than planned / adverse performance of pension fund; (Medium)	Regular update meetings with Actuary; Indicative increases of c.£150k p.a. in the 'lump sum' element have been included with triennial review due during 2019 to inform 3 years from 2020/21; (Medium/Low)

Risk	Control Measure
<p>Assessment of business rates collection levels to inform the forecast / budget (NNDR1) and estimates of appeals, mandatory & discretionary reliefs, cost of collection, bad debts and collection levels;</p> <p>New burdens (Section 31) grant funding for Central Government policy changes – including impact on levy calculation;</p> <p>Potential changes to the Business Rates Retention system following the announcement for Councils to keep 75% (previously up to 100%) of the business rates collected from 2021/22; (High)</p>	<p>Robust estimates included to arrive at collection target. Ongoing proactive management & monitoring will continue;</p> <p>Business Rates Collection Reserve - provision of reserve funding to mitigate impact of any changes in business rate income levels;</p> <p>Monitoring of the situation / regular reporting;</p> <p>(High / Medium)</p>
<p>Local Council Tax Reduction scheme implementation – potential yield changes and maintenance of collection levels;</p> <p>(High)</p>	<p>Robust estimates included. Ongoing proactive management & monitoring (including a quarterly healthcheck on the implications on the organisation – capacity / finance) will continue; (High / Medium)</p>
<p>Achievement of income streams in line with targets e.g. treasury management interest, car parking, planning, commercial & industrial rents etc.; (High / Medium)</p>	<p>Robust estimates using a zero based budgeting approach have been included;</p> <p>(Medium)</p>
<p>Delivery of the capital programme (GF / HRA – including Regeneration schemes) dependent on funding through capital receipts and grants (including DFG funding through the Better Care Fund); (High / Medium)</p>	<p>Robust monitoring and evaluation – should funds not be available then schemes would not progress;</p> <p>(Medium)</p>
<p>Dependency on partner organisation arrangements and contributions e.g. Waste Management (SCC/LDC). (High / Medium)</p>	<p>Memorandum of Understanding in place with LDC.</p> <p>(Medium)</p>
<p>Delivery of the planned Commercial Investment Strategy actions - recent review of the Treasury Management Investment Guidance / Minimum Revenue Provision Guidance carried out by MHCLG - with a potential restriction of investments by Councils given increased risk exposure. (High/Medium)</p>	<p>The main issue seems to be the increased risks associated with those Councils who are borrowing large sums to invest in commercial property activities.</p> <p>(Medium)</p>
<p>Maintenance and repairs backlog for corporate assets – and planned development of long term strategic plan to address such. (High / Medium)</p>	<p>Planned development of long term strategic corporate capital strategy and asset management plan to consider the requirements and associated potential funding streams. (Medium)</p>
<p>Significant financial penalties arising from the implementation of the General Data Protection Regulations (GDPR). (High / Medium)</p>	<p>Implementation plan in place with corporate commitment and good progress.</p> <p>(Medium)</p>

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

Report Author

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

Background Papers:-	Corporate Vision, Priorities Plan, Budget & Medium Term Financial Strategy 2019/20, Council 26 th February 2019
	Budget and Medium Term Financial Planning Process, Cabinet 15 th August 2019
	Budget Consultation Report, Cabinet 7 th November 2019

Base Budget Forecast 2020/21 to 2024/25

Revisions / updates have been made to the 2019/20 base budget in order to produce an adjusted base for 2020/21 and forecast base for 2021/22 onwards.

General Fund Revenue

Forecast – When the budget for 2019/20, and indicative budgets for 2020/21 to 2021/22, were approved by Council in February 2019 it was anticipated that balances would remain above the minimum approved level of £0.5m for the 3 year period.

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

- The final outturn for 2018/19 – additional balances of £0.3m from a higher than forecast underspend position of £2.3m. A projected underspend of £1.8m for 2019/20 has been included - including;
 - Due to the Staffordshire pilot arrangement, there are no requirements to pay c.£1m levy in 2019/20;
 - Returned business rates levy for 2018/19 from GBSLEP of £0.3m following finalisation of the audit process plus £0.4m from the Staffordshire business rates pilot for 2019/20;
- Lower treasury management investment interest of £0.2m over 3 years from 2020/21 – forecast increases in the Bank of England base rate have been delayed due to the ongoing uncertainty regarding the Brexit process. This has also delayed some of the planned property fund investments with an associated reduction in planned income of £0.2m in 2021/22;
- £1.4m in additional retained Business rates in 2020/21 (net of levy payment / s.31 grant income) due to retention of the growth since 2013, following the deferral of the planned Local Government funding reviews to 2021/22;
- Returned levy in 2020/21 of c.£0.6m from pooling in the Staffordshire pool;
- The potential impact from the funding reforms in 2021/22 including the Business Rates Baseline reset and c. £1.4m p.a. reduced income / increased tariff from 2021/22 from a reset to the Council's baseline need level. No further changes to the level of Government support / grants arising from the Fair Funding Review / SR 2020 have been included given the uncertainty;
- Revised new homes bonus levels - future levels included based on legacy payments only;
- Revised lump sum contribution to the pension fund following the 2019 triennial review – an increase of 1% p.a. for 3 years (followed by 2% p.a. thereafter);
- A 2.5% p.a. pay award increase has been included within the MTFS – no change has been assumed;

- Costs / savings from the CCTV service review.
- The Bank of England has already indicated that should the UK leave the EU with no deal then this could adversely affect the economy and measures would need to be taken – this could have a significant impact on the finances of the Council but cannot be accurately quantified at this stage (impact on base rate / investment interest, local economy / business rates income, council tax income etc.).

Issues for the Medium Term

The Forecast projects General Fund balances of £1m over 3 years – with a shortfall of £2.5m to 2023/24 increasing to £5.6m over 5 years, including the minimum approved level of £0.5m – assuming annual Council Tax increases of £5 p.a. - in line with the cap set by the Ministry for Housing, Communities & Local Government (MHCLG).

Implications & Options

It is currently estimated that further savings of around £1.1m p.a. will be required over the next 5 years (based on annual £5 increases in Council Tax). On an annualised basis this would equate to a year on year ongoing saving of £0.4m over 5 years.

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

- Delivering Quality Services project – the demand management approach to shift demand to more efficient methods of service delivery – online and automation (Interactive Voice Response).
- 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;

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

- Spend freeze – 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.£160k p.a. from 2020/21. There was a £2.3m underspend in 2018/19 – although much of this arose from windfall income, c. £0.7m was lower level underspends.
- 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);

A savings target to return c.4% p.a. from the planned investment of £12m in Diversified Property Funds has already been included from 2020/21.

- 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.

Consideration of the level of Council tax increases over the 5-year period is also needed to account for potential ‘capping’ by the Government or a local referendum / veto and to ensure that balances are maintained at the minimum approved level of £0.5m.

Decisions on future funding will need to be made with reference to the Council’s Corporate Priorities together with the feedback & issues raised by the budget consultation exercise. There is a need to consider how the limited resources can be ‘prioritised’ (& whether service improvements in a priority area should be met from service reductions elsewhere).

Responses / indications from Scrutiny Committees on priority areas for the future allocation of resources will be sought, as part of the consultation required by the constitution.

Housing Revenue Account

Forecast – When the budget for 2019/20, and indicative budgets for 2020/21 to 2023/24, were approved by Council in February 2019 it was anticipated that balances would remain above the minimum approved level of £0.5m for the 5-year period, with significant planned contributions to a regeneration reserve.

Base Budget

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

- The final outturn for 2018/19 – additional balances of £0.9m from a higher than forecast underspend position of £1.5m. No material variance from budget for 2019/20 has been included;
- Revised lump sum contribution to the pension fund following the 2019 triennial review – an increase of 1% p.a. for 3 years (followed by 2% p.a. thereafter) has been assumed under the central case forecast, £60k over 3 years;
- Increased Housing rental income due to lower levels of right to buy sales, the completion of Tinkers Green and Kerria Housing developments – as well as increases in rents of CPI plus 1% from 2020/21;
- A 2.5% p.a. pay award increase has been included within the MTFs – no change has been assumed;

- No changes have been assumed regarding from the planned stock condition survey and ongoing repairs contract arrangements (additional cost pressures in these areas of c.£1m p.a. had previously been assumed under the worse case forecast).

The current forecast projects Housing Revenue Account (HRA) balances of £4.8m over 3 years with balances of £5.9m over the 4 years to 2023/24 increasing to £7.2m in 2024/25 including the minimum recommended balances of £0.5m.

Detailed Considerations

Base Budget Forecasts 2020/21 to 2024/25

Revisions / updates have been made to the 2019/20 base budget in order to produce an adjusted base for 2020/21 and forecast base for 2021/22 onwards. These changes, known as technical adjustments, have been informed by feedback from budget managers and calculated to take account of:

- virements approved since the base budget was set;
- the removal of non-recurring budgets from the base;
- the effect of inflation;
- changes in payroll costs and annual payroll increments;
- changes in expenditure and income following decisions made by the Council;
- other changes outside the control of the Council such as changes in insurance costs and reduction in grant income;
- The 'Zero base budgeting' review of income levels.

General Fund – Technical Adjustments Summary

Technical Adjustments	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Base Budget B/Fwd	9,403	8,267	8,645	8,850	9,551
Committee Decisions	(517)	(356)	25	67	0
Inflation	24	38	37	39	40
Other	(1,177)	394	(150)	317	126
Pay Adjustments (Including pay award / reduction for vacancy allowance)	534	302	293	278	267
Revised charges for non-general fund activities	-	-	-	-	-
Total / Revised Base Budget	8,267	8,645	8,850	9,551	9,984

The technical adjustments are shown in detail at **Appendix B** with a summary by Directorate at **Appendix D**. The key assumptions made during the exercise are summarised at **Appendix A**.

Future Revenue Support Grant & Business Rate Income

The Local Government Finance Settlement figures for 2019/20 were confirmed on 29th January 2019 – with only minor changes from those confirmed in February 2018 as part of the Government’s confirmed offer of a four-year funding settlement.

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

The updated National Core Spending Power figures are detailed below and include the Settlement Funding Assessment (SFA); Council Tax; the Improved Better Care Fund; New Homes Bonus (NHB); Transitional Grant; Rural Services Delivery Grant; and the Adult Social Care Support Grant. The table shows the national changes to Core Spending Power between 2016/17 and 2019/20. It shows an increase of 2.8% for 2019/20 and an overall increase for the period 2016/17 to 2019/20 of 3.8%.

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

However, there remains a high degree of uncertainty arising from the most significant changes in Local Government funding for a generation. The planned reforms were due to be in place by 2020/21 but given announcements following the *2019 Spending Round* these have been deferred until 2021/22.

The government previously stated its intention to hold a new Spending Review in 2019, covering the period 2020/21 to 2022/23. However, a one-year Spending Round has been carried out, covering the financial year 2020/21; and this will be followed in 2020 by a full Spending Review, reviewing public spending as a whole and setting multi-year budgets.

In addition, the Government have said that, given the need to provide certainty and stability for next year, the longer-term reforms for the local government finance system, including business rates retention and fairer funding (Review of Relative Needs and Resources), have been delayed until 2021/22.

The Government recently issued the Local Government Finance Settlement 2020/21 Technical Consultation paper which proposes that the 2019/20 Settlement Funding Assessment amounts will increase in line with the small business non-domestic rating multiplier for 2020/21. This will mean that they will increase by the September CPI amount (since confirmed as 1.7%) unless it is capped.

Authorities will therefore see CPI increases in both their Baseline Need and Revenue Support Grant amounts. This is the first time both elements will increase by CPI, as in previous years RSG was reduced (in order to offset the funding gain from Baseline Need increases).

For Baseline Need to increase by CPI, NNDR Baseline and Top up / Tariff amounts will also increase by CPI (as in previous years).

For future years (post 2020/21), it has been assumed that there will be a reduction in Revenue Support Grant to nil following the planned reforms, as detailed below.

BASE BUDGET	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£	£	£	£	£	£
Revenue Support Grant	- *	188,220	-	-	-	-
% Reduction	(63)%	2%	(100)%	-	-	-

* Due to successful Staffordshire 75% Business Rates Pilot arrangement for 2019/20, RSG of £184,529 was 'rolled in' and deducted from the tariff payment.

Business Rates

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

The 2020/21 finance settlement represents the eighth year in which the Business Rates Retention (BRR) scheme is the principal form of local government funding. As in the previous years, the provisional settlement provides authorities with a combination of provisional grant allocations and their baseline figures within the BRR scheme.

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

The Council received additional business rates during 2013/14 (above forecast / baseline) and had to pay a levy of £356k to the Greater Birmingham & Solihull Local Enterprise Partnership (GBSLEP). No levy was payable for 2014/15 due to the significant increase in appeals during March 2015 – which meant an increase in the provision from £1m to almost £4m. The Council received additional business rates during 2015/16, 2016/17, 2017/18 and 2018/19 (above forecast / baseline) and had to pay a levy of £534k, £612k, £1.17m and £992k respectively.

The latest estimates for 2019/20 indicate additional business rates receivable above the baseline – of which the Council will receive 40% less the Government set tariff payment of c.£10m (plus an agreed share of the surplus from the Staffordshire Pilot arrangement - after deduction of the 25% Central Share, 34% County & 1% Fire & Rescue Authority shares).

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

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

Levy / Section 31 Grant	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£	£	£	£	£	£
NNDR Levy payment	965,810	1,374,950	-	-	-	-
Section 31 Grant income	(1,086,640)	(1,108,390)	-	-	-	-

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

BASELINE	2020/21	2021/22	2022/23	2023/24	2024/25
	£	£	£	£	£
February 2019 MTFS:					
Retained Business Rates	14,279,743	14,563,883	14,842,850	15,139,707	15,442,501
Less: Tariff payable	(11,936,698)	(12,173,977)	(12,405,147)	(12,653,250)	(12,906,315)
Total SFA	2,343,045	2,389,906	2,437,703	2,486,457	2,536,186
% Reduction	(5.7)%	2.0%	2.0%	2.0%	2.0%
Base Budget Forecast (November 2019):					
Retained Business Rates	12,778,290	15,403,818	15,704,865	16,011,414	16,331,642
Less: Tariff payable	(10,433,555)	(13,041,378)	(13,294,366)	(13,582,302)	(13,853,948)
Total SFA	2,344,735	2,362,440	2,410,499	2,429,112	2,477,694
% Reduction	(5.7)%	0.8%	2.0%	0.8%	2.0%
Increase / (Decrease)	1,690	(27,466)	(27,204)	(57,345)	(58,492)

Due to the variable nature of the BRR element of local authority funding, the baseline settlement no longer provides the absolute funding level for authorities.

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

BASE BUDGET	2020/21	2021/22	2022/23	2023/24	2024/25
	£	£	£	£	£
February 2019 MTFS:					
Retained Business Rates	14,279,743	14,563,883	14,842,850	15,139,707	15,442,501
Less: Tariff payable	(11,936,698)	(12,173,977)	(12,405,147)	(12,653,250)	(12,906,315)
Total	2,343,045	2,389,906	2,437,703	2,486,457	2,536,186
% Reduction	(29.6)%	2.0%	2.0%	2.0%	2.0%
Base Budget Forecast (November 2019):					
Retained Business Rates	14,432,332	15,403,818	15,704,865	16,011,414	16,331,642
Less: Tariff payable	(10,443,794)	(13,041,378)	(13,294,366)	(13,582,302)	(13,853,948)
Total	3,988,538	2,362,440	2,410,499	2,429,112	2,477,694
% Reduction	19.8%	(40.8)%	2.0%	0.8%	2.0%
Increase / (Decrease)	1,645,493	(27,466)	(27,204)	(57,345)	(58,492)

Based on this Government financial support is shown below:

DRAFT MTFS	2020/21	2021/22	2022/23	2023/24	2024/25
	£	£	£	£	£
February 2019 MTFS:					
Revenue Support Grant	-	-	-	-	-
Business Rates Levy	-	-	-	-	-
Business Rates S31 Grants	-	-	-	-	-
Retained Business Rates	14,279,743	14,563,883	14,842,850	15,139,707	15,442,501
Less: Tariff payable	(11,936,698)	(12,173,977)	(12,405,147)	(12,653,250)	(12,906,315)
Total	2,343,045	2,389,906	2,437,703	2,486,457	2,536,186
% Reduction	(29.6)%	2.0%	2.0%	2.0%	2.0%
Base Budget Forecast (November 2019):					
Revenue Support Grant	188,220	-	-	-	-
Business Rates Levy	(1,374,950)	-	-	-	-
Business Rates S31 Grants	1,108,390	-	-	-	-
Retained Business Rates	£14,432,332	£15,403,818	£15,704,865	£16,011,414	£16,331,642
Less: Tariff payable	(10,443,794)	(13,041,378)	(13,294,366)	(13,582,302)	(13,853,948)
Total	3,910,198	2,362,440	2,410,499	2,429,112	2,477,694
% Reduction	17.4%	(39.6)%	2.0%	0.8%	2.0%
Increase / (Decrease)	1,567,153	(27,466)	(27,204)	(57,345)	(58,492)

The table shows that overall funding should be c.£1.6m p.a. higher than expected in 2020/21 (net £1.4m Business Rates / £0.2m RSG) arising from the deferral of the anticipated business rates baseline reset and fair funding review.

A levy redistribution of c.£0.55m from the Staffordshire Pool has also been included.

New Homes Bonus (NHB)

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

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

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

There remains significant uncertainty over the future operation of the scheme with recent announcements that it will be considered as part of the review of Fair Funding review and the Business Rates retention scheme – deferred until 2021/22.

The Government have now confirmed that the 4-year legacy payments for New Homes Bonus (NHB) will continue to be paid after 2020/21, but there still remains uncertainty regarding new payments.

It is the Government’s intention to look again at the New Homes Bonus scheme for 2021/22 and explore the most effective way to incentivise housing growth. They plan to consult widely on proposals prior to implementation. As the roll forward is for one year, with any funding beyond 2020/21 subject to the 2020 Spending Review and potential new proposals, the Government have said that the new allocations in 2020/21 will not result in legacy payments being made in subsequent years on those allocations.

New Homes Bonus income forecasts have subsequently been updated and included within the base budget as follows – with future levels included based on legacy payments only.

BASE BUDGET	2020/21	2021/22	2022/23	2023/24	2024/25
NHB	£	£	£	£	£
Risk Weighting applied – MTFS 2019	37.5%	37.5%	25%	25%	25%
MTFS 2019 Budget	293,800	401,750	457,920	399,250	399,250
Base Budget Forecast	614,820	230,910	211,750	-	-
Increased / (Reduced) income	321,020	(170,840)	(246,170)	(399,250)	(399,250)
Revised Risk Weighting applied (legacy payments only)	100%	100%	100%	0%	0%

This results in an overall loss to the MTFS of £0.1m over 3 years (£0.9m over 5 years).

Forecast

Using the funding forecast and assuming increases in Council Tax of £5 per annum for 2019/20 onwards, the five year base budget forecast is as follows:

Summary	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Estimated Net Cost of Services	8,267	8,645	8,850	9,551	9,984
Proposed Policy Changes / Additional Costs Identified	568	395	418	487	420
Net Expenditure	8,835	9,040	9,268	10,038	10,404
Financing:					
RSG	188	-	-	-	-
Collection Fund Surplus - NNDR	33	33	33	33	33
Tariff Payable	(10,444)	(13,041)	(13,294)	(13,582)	(13,854)
Non Domestic Ratepayers	14,432	15,404	15,705	16,011	16,332
Council Tax Income (Model 1)	4,037	4,221	4,397	4,567	4,739
Gross Financing	8,246	6,617	6,841	7,029	7,250
Surplus(-)/Deficit	589	2,423	2,427	3,009	3,154
Balances Remaining (-) / Overdrawn	(5,874)	(3,451)	(1,024)	1,985	5,139
Per Council, 26 th February 2019	(2,362)	(518)	-	-	-
Band D Equivalents	22,197	22,587	22,915	23,195	23,475

Indicating potential General fund balances of approx. £1m over 3 years (with a shortfall of £2.5m over 4 years & £5.6m over the 5 year period) - including the minimum approved level of £0.5m.

Balances are forecast to be £6.5m at 31st March 2020.

A detailed summary of the budget for 2020/21 is attached at **Appendix F** with 5 years attached at **Appendix G**.

Future Strategy

Due to the adverse financial forecast in the longer term, there is a need to reconsider the inclusion of items contained within the forecast / budget:

1) Variations to Council Tax Policy/Strategy

For future years potential 'capping' of the increase by the Government or a proposed local council tax referendum/veto needs to be considered when setting future Council Tax increases. The Council's Council Tax is currently £176.89.

The indication is that the 'capping' threshold for District Councils will be the higher of £5 or 2.0% (previous indications were that this would continue at 3%) - following a freeze in 2011/12 & 2012/13 and a below 2% increase from 2013/14 to 2016/17. The impact of a £5 p.a. increase (Band D) is outlined below:

Model 1 Impact of £5 increase in Council Tax in 2020/21 (followed by £5 p.a.)

Year:	2020/21	2021/22	2022/23	2023/24	2024/25
Forecast:	£'000	£'000	£'000	£'000	£'000
Surplus (-) /Deficit	589	2,423	2,427	3,009	3,154
Balances Remaining (-) / Overdrawn	(5,874)	(3,451)	(1,024)	1,985	5,139
£ Increase	5.00	5.00	5.00	5.00	5.00
% Increase	2.83%	2.75%	2.68%	2.61%	2.54%
Note: Resulting Band D Council Tax	181.89	186.89	191.89	196.89	201.89

Indicating potential General fund balances of approx. £1m over 3 years (with a shortfall of £2.5m over 4 years & £5.6m over the 5 year period) - including the minimum approved level of £0.5m. Further savings of approx. £1.1m per annum over 5 years would have to be identified.

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

Model 2 Impact of 2.99% increase in Council Tax in 2020/21 (followed by increases of 2.99% p.a. thereafter)

Year:	2020/21	2021/22	2022/23	2023/24	2024/25
Forecast:	£'000	£'000	£'000	£'000	£'000
(Increase) in Council Tax £	(6)	(16)	(30)	(48)	(71)
Revised Surplus (-) /Deficit	583	2,407	2,397	2,961	3,083
Balances Remaining (-) / Overdrawn	(5,880)	(3,473)	(1,076)	1,885	4,968
£ Increase	5.29	5.45	5.61	5.78	5.96
% Increase	2.99%	2.99%	2.99%	2.99%	2.99%
Note: Resulting Band D Council Tax	182.18	187.63	193.24	199.02	204.98

Indicating potential General fund balances of approx. £1.1m over 3 years (with a shortfall of £2.4m over 4 years & £5.5m over the 5 year period) - including the minimum approved level of £0.5m. Further savings of approx. £1.1m per annum over 5 years would have to be identified.

Model 3 Impact of £1 increase in Council Tax in 2020/21 (followed by increases of £1 p.a. thereafter)

Year:	2020/21	2021/22	2022/23	2023/24	2024/25
Forecast:	£'000	£'000	£'000	£'000	£'000
Reduction in Council Tax £	89	179	271	364	458
Revised Surplus (-) /Deficit	678	2,602	2,698	3,373	3,612
Balances Remaining (-) / Overdrawn	(5,785)	(3,183)	(485)	2,888	6,500
£ Increase	1.00	1.00	1.00	1.00	1.00
% Increase	0.57%	0.56%	0.56%	0.56%	0.55%
Note: Resulting Band D Council Tax	177.89	178.89	179.89	180.89	181.89

Indicating potential General fund balances of approx. £0.5m over 3 years (with a shortfall of £3.4m over 4 years & £7m over the 5 year period) - including the minimum approved level of £0.5m. Further savings of approx. £1.4m per annum over 5 years would have to be identified.

Model 4 Impact of 2.5% increase in Council Tax in 2020/21 (followed by increases of 2.5% p.a. thereafter)

Year:	2020/21	2021/22	2022/23	2023/24	2024/25
Forecast:	£'000	£'000	£'000	£'000	£'000
Reduction in Council Tax £	13	23	31	36	39
Revised Surplus (-) /Deficit	602	2,446	2,458	3,045	3,193
Balances Remaining (-) / Overdrawn	(5,861)	(3,415)	(957)	2,088	5,281
£ Increase	4.43	4.54	4.65	4.77	4.89
% Increase	2.5%	2.5%	2.5%	2.5%	2.5%
Note: Resulting Band D Council Tax	181.32	185.86	190.51	195.28	200.17

Indicating potential General fund balances of approx. £1m over 3 years (with a shortfall of £2.6m over 4 years & £5.8m over the 5 year period) - including the minimum approved level of £0.5m. Further savings of approx. £1.2m per annum over 5 years would have to be identified.

Model 5 Impact of 0% increase in Council Tax in 2020/21 (followed by increases of 0% thereafter)

Year:	2020/21	2021/22	2022/23	2023/24	2024/25
Forecast:	£'000	£'000	£'000	£'000	£'000
Reduction in Council Tax £	111	224	339	455	572
Revised Surplus (-) /Deficit	700	2,647	2,766	3,464	3,726
Balances Remaining (-) / Overdrawn	(5,763)	(3,116)	(350)	3,114	6,840
£ Increase	0.00	0.00	0.00	0.00	0.00
% Increase	0.00%	0.00%	0.00%	0.00%	0.00%
Note: Resulting Band D Council Tax	176.89	176.89	176.89	176.89	176.89

Indicating potential General fund balances of approx. £0.3m over 3 years (with a shortfall of £3.6m over 4 years & £7.3m over the 5 year period) - including the minimum approved level of £0.5m. Further savings of approx. £1.5m per annum over 5 years would have to be identified.

Model 6 Impact of 1.99% increase in Council Tax in 2020/21 (followed by increases of 1.99% p.a. thereafter)

Year:	2020/21	2021/22	2022/23	2023/24	2024/25
Forecast:	£'000	£'000	£'000	£'000	£'000
Reduction in Council Tax £	33	65	95	124	152
Revised Surplus (-) /Deficit	622	2,488	2,522	3,133	3,306
Balances Remaining (-) / Overdrawn	(5,841)	(3,353)	(831)	2,302	5,608
£ Increase	3.52	3.59	3.67	3.74	3.81
% Increase	1.99%	1.99%	1.99%	1.99%	1.99%
Note: Resulting Band D Council Tax	180.41	184.00	187.67	191.41	195.22

Indicating potential General fund balances of approx. £0.8m over 3 years (with a shortfall of £2.8m over 4 years & £6.1m over the 5 year period) - including the minimum approved level of £0.5m. Further savings of approx. £1.2m per annum over 5 years would have to be identified.

2) *Potential Savings / additional costs*

Potential revenue policy changes are highlighted below:

Item No	Policy Changes Identified	20/21 £'000	21/22 £'000	22/23 £'000	23/24 £'000	24/25 £'000
PE1	Review of Call out and Standby arrangements	TBA	-	-	-	-
PE2	To increase the number of Apprentice posts from 6 to 8 across the Council	42.00	-	-	-	-
PE3	Make permanent the existing temporary 4.68 FTE Customer Services Assistant (CSA) posts	106.43	-	-	-	-
PE4	Permanently establish 1 FTE Senior Customer Service Officer – TIC and increase the current 3.04 FTE Customer Service Officers allocated to the TIC to 4.5 FTE on a temporary basis	45.97	-	(40.97)	-	-
OPS1	Weed Control on all SCC assets - 3 treatments p.a.	125.00	(10.70)	-	-	-
OPS2	Reinstated funding from SCC re highway verge mowing	(128.32)	-	-	-	-
OPS3	Increase in staffing and equipment to reflect reinstated SCC funding	96.24	-	-	-	-
OPS4	Additional post within Street scene to support the Operations Manager in delivering the service	41.40	-	-	-	-
OPS5	Assembly Rooms - Additional costs from latest projections of Assembly Rooms costs and income	124.50	-	-	-	-
FIN1	Reduced contingency budget	(95.00)	-	-	-	-
NEI1	To permanently appoint the Housing Solutions Review Officer	35.50	-	-	-	-
NEI2	Use of flexible homelessness support grant to part fund the post on an ongoing	(15.00)	-	-	-	-
AST1	Condition Surveys and Asset Management database to support the refresh of the Councils Asset Management Strategy.	3.50	-	-	-	-
AST2	Condition survey of Corporate/Commercial & Industrial properties - £100k every 10 years	100.00	(100.00)	-	-	-
AST3	Financial modelling toolkit	2.50	-	-	-	-
AST4	Cleaning Services Review	41.00	-	-	-	-
AST5	Cleaning Costs have changed since the Cabinet Report due to a requirement to provide additional cleaning services with the Assembly Rooms. Additional Cleaning duties are also required for the Town Centre Public Conveniences.	29.20	-	-	-	-
AST6	Marmion House Accommodation	55.30	0.80	0.90	1.00	1.00
A&G1	Review of Elections budgets from a zero-base, factoring in the known schedule of elections	4.80	(63.00)	63.00	68.00	(68.00)
WM1	Potential Waste Management cost increases	TBA	-	TBA	-	-
G&R1	Reduction in the Planning Application Fees income budget to reflect the fact that income received in recent years has included a number of large schemes	50.00	-	-	-	-
ALL	Review of Underspent Budgets and Contingencies	(96.77)				
	Total New Items / Amendments	568.25	(172.90)	22.93	69.00	(67.00)
	Cumulative	568.25	395.35	418.28	487.28	420.28

As part of the planned review & scrutiny process leading up to formal presentation of the budget, Executive Management Team will consider feedback received from the Budget Consultation process, the Joint Scrutiny Budget workshop and the Joint Budget Scrutiny Committee (planned for 29th January 2020) in order to inform the next stages of the budget process:

- a review of the proposals including:
 - Reference to the Council's corporate priorities together with the feedback & issues raised by the budget consultation exercise, and
 - Consideration of how the limited resources can be 'rationed' (& whether service improvements in a priority area should be met from service reductions elsewhere).
- Inclusion of any further potential savings in order to mitigate the forecast budget shortfall. This process is ongoing and will be reported as policy changes in the next phase of the budget process in order to formulate a balanced medium term financial strategy for approval by Cabinet & Council in February 2020.

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

- Delivering Quality Services project – the demand management approach to shift demand to more efficient methods of service delivery – online and automation (Interactive Voice Response).
- 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;

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

- Spend freeze – 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.£160k p.a. from 2020/21. There was a £2.3m underspend in 2018/19 – although much of this arose from windfall income, c. £0.7m was lower level underspends.
- 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);
A savings target to return c.4% p.a. from the planned investment of £12m in Diversified Property Funds has already been included from 2020/21.
- 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.

Housing Revenue Account – Technical Adjustments Summary

Technical Adjustments	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Base Budget B/Fwd	115	(429)	(892)	121	(1,294)
Committee Decisions	58	(53)	1,226	(1,226)	0
Inflation	125	127	162	135	139
Other	(744)	(639)	(458)	(412)	(414)
Pay Adjustments (Including pay award / reduction for vacancy allowance)	17	102	83	88	82
Revised charges for non-general fund activities	-	-	-	-	-
Total / Revised Base Budget	(429)	(892)	121	(1,294)	(1,487)

The detail of the technical adjustments are shown in Appendix C with a more detailed summary of the HRA Technical Adjustments at Appendix E. Assuming increases in Rent in line with the maximum allowed by the Government's Rent Standard (CPI plus 1% p.a.) in order to support investment in the housing stock, the five year base budget forecast is as follows:

Summary	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Estimated Net (Surplus) / Deficit	(429)	(892)	121	(1,294)	(1,487)
Proposed Policy Changes / Additional Costs Identified	602	154	126	191	191
Surplus (-) / Deficit	173	(738)	247	(1,103)	(1,296)
Balances Remaining (-) / Overdrawn	(4,325)	(5,063)	(4,816)	(5,919)	(7,215)
Per Council, 26 th February 2019	(3,227)	(3,168)	(2,057)	(2,326)	-

Indicating Housing Revenue Account (HRA) balances of £4.8m over 3 years (with balances of £7.2m over the next 5 years) including the minimum recommended balances of £0.5m.

However, no changes have been assumed regarding from the planned stock condition survey and ongoing repairs contract arrangements (additional cost pressures in these areas of c.£1m p.a. had previously been assumed under the worse case forecast).

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

Potential revenue policy changes for the HRA are highlighted below:

Item No	Policy Changes Identified	20/21 £'000	21/22 £'000	22/23 £'000	23/24 £'000	24/25 £'000
HRA1	Condition Surveys and Asset Management database to support the refresh of the Councils Asset Management Strategy	3.50	-	-	-	-
HRA2	Condition Survey of structural parts of high-rise blocks - £75k every 5 years(HRA Revenue)	75.00	(75.00)	-	-	-
HRA3	Condition Survey of Non-Traditional Properties - £50k every 5 years (HRA Revenue)	50.00	(50.00)	-	-	-
HRA4	Condition Survey of Housing Stock - £60k every 5 years (HRA Revenue)	60.00	(60.00)	-	-	-
HRA5	Financial modelling toolkit - £5k per annum (GF & HRA Revenue)	2.50	-	-	-	-
HRA6	Cleaning Services Review	(4.00)	-	-	-	-
HRA7	Fire Safety in High Rise Residential Buildings in response to the Governments proposals around 'Building a Safer Future'. • Software to manage fire safety surveys £90k year one (Capital) + £5k every year for license	5.00	-	-	-	-
HRA8	• Detailed Measured Surveys & 3D building Scans	140.00	(140.00)	-	-	-
HRA9	• Type 4 Fire Risk Assessments £65k every 3 years	65.00	-	-	65.00	-
HRA10	• Production of Building Fire Safety Manuals	70.00	(70.00)	-	-	-
HRA11	• Building Fire Safety Manager £40k per annum	40.00	-	-	-	-
HRA12	Housing Repairs - Call Handling Service	49.57	(9.49)	(27.31)	-	-
HRA13	Permanent full-time post `Income Officer` within HRA Neighbourhoods Rents Income Team	32.00	-	-	-	-
HRA14	Funding from Universal Credit Support Budget towards cost of Income Officer	(25.00)	-	-	-	-
HRA15	Retention of temporary post `Resident Support Worker` at Eringden Block for a further year until March 2021	32.00	(32.00)	-	-	-
HRA16	Former Tenancy Arrears Officer within Revenues to address the recovery of HRA's wide range of former arrears - initially until March 2021 subject to review/impact assessment	26.00	(26.00)	-	-	-
HRA17	Repairs and Investment Budgets	TBA	-	-	-	-
HRA18	Improvements to Retained Garage Sites (Revenue impact of Capital Programme)	13.60	13.60	-	-	-
HRA19	Improvements to Retained Garage Sites (Revenue impact of Capital Programme)	30.00	-	-	-	-
HRA20	Review of Underspent Budgets and Contingencies	(62.69)	-	-	-	-
Total New Items / Amendments		602.48	(448.89)	(27.31)	65.00	-
Cumulative		602.48	153.59	126.28	191.28	191.28

Rent Setting Policy

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

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

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

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

Under Benefit regulations and circulars issued by the DWP, the Rent Rebate Subsidy Limitation scheme penalises the Council should the average rent be above the notified limit rent.

The effect of the reduction in Social Housing Rents announced in the Summer Budget 2015 means that rents have been reduced by 1% a year for the four years from 2016/17.

The Government has now confirmed that social housing rents can increase to include 'up to' a factor of the consumer price index (CPI) measure of inflation plus 1% for five years from 2020, following the conclusion of a consultation on the new rent standard.

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

The policy provides a framework within which Tamworth Borough Council will set rents and service charges and draws on the Department for Communities and Local Government Guidance on Rent Setting for Social Housing.

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

For 2020/21 (and in the medium term), rents will be set in line with the approved policy including a general increase of the consumer price index (CPI) measure of inflation of plus 1% - equating to a 2.7% increase.

The following options have been modelled:

	2019/20 £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Option 1: CPI + 1%						
Rent (52 Weeks)	79.03	81.17	83.60	86.11	88.69	91.36
Rent (48 Weeks)	85.62	87.93	90.57	93.29	96.09	98.97
% Increase		2.70%	3.00%	3.00%	3.00%	3.00%
Option 2: CPI						
Rent (52 Weeks)	79.03	80.38	81.98	83.62	85.30	87.00
Rent (48 Weeks)	85.62	87.08	88.82	90.59	92.41	94.25
% Increase		1.70%	2.00%	2.00%	2.00%	2.00%
Reduced Rent compared to Option 1		177,200	364,140	556,670	756,580	964,100
				5 year impact		2,818,690
Option 3: No increase						
Rent (52 Weeks)	79.03	79.03	79.03	79.03	79.03	79.03
Rent (48 Weeks)	85.62	85.62	85.62	85.62	85.62	85.62
% Increase		0%	0%	0%	0%	0%
Reduced Rent compared to Option 1		478,440	1,028,390	1,584,550	2,151,530	2,729,540
				5 year impact		7,972,450
Inflation at CPI + 1%	-1.00%	2.70%	3.00%	3.00%	3.00%	3.00%

Corporate Capital Strategy

The Council has an ongoing capital programme of over £50m for 2019/20 and an asset base valued at £236m (as at 31st March 2019).

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

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

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

The Capital Strategy will:

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

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

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

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

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

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

All capital bids should be prepared in light of the following list of criteria, and the proposed investment should address and be assessed with regard to:

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

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

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

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

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

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

Following a review of the Capital Programme approved by Council on 26th February 2019, a revised programme has been formulated including additional schemes which have been put forward for inclusion.

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

With regard to the contingency schemes/allocation, **£35k** remains in current year GF contingency funds and **£100k** remains in current year HRA contingency funds (which will be re-profiled into 2020/21 to provide contingency funding).

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

General Fund

A significant increase in net funding has been proposed which means that insufficient resources are available to finance all of the GF schemes submitted therefore, should the schemes progress either:

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

The minimum approved level of GF capital balances is £0.5million which, should the programme progress without amendment, would mean over **£2.7m in borrowing would be needed (or use of the capital receipt) over the next 5 years (£1.8m over 3 years, £2.3m over 4 years)**. The provisionally approved programme assumed borrowing of £1m over 3 years (£1.8m over the 4 years to 2023/24).

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

Project Score: 72

A capital submission had been prepared for £60k.p.a. for ongoing, large scale upgrade and maintenance to the TBC infrastructure, in line with agreed device lifecycles. The Council is also on a journey towards digital self service for customers and demand for flexible resilient and available ICT services to support this requires continued investment into the Authority's hardware and associated software. External factors including legislative requirements from central government in the guise of the Public Sector Network (PSN) Code of Connection, *and the increase in required investment into cyber security to keep the councils network secure and available means continued investment is essential.* It should be noted that corporate applications are excluded from this schedule of planned work.

A one off £60k budget was approved for 2019/20 as there was an expectation that budgets from 2020/21 onwards would be informed by the conclusions of the priority review and ICT Strategy (including a detailed breakdown of the proposed spend).

No savings / payback from the investment have been identified. The section for Equalities Impact Assessment, Consultation and project plan has not been completed.

2) Member Device Refresh

Project Score: 84

A new capital submission had been prepared for potential spend of £20k in 2020/21.

The majority of members devices are now approaching 5 years old. In line with our hardware replacement policy many are due for refresh to ensure continued reliability, compliance and fit for purpose technology to support member duties.

The section for Equalities Impact Assessment, Consultation and project plan has not been completed.

3) Endpoint Protection and Web-Email Filter

Project Score: 60

A new capital submission had been prepared for potential spend of £40k in 2020/21 (& £40k in 2023/24).

Our 3 year contracts for Endpoint Protection covering Anti Virus, Anti Malware and Encryption and the contract for Web and Email filtering expire in Oct 2020. Currently these are all provided under one agreement with Sophos but a procurement exercise will be required to either replace or renew these contracts.

Which budget was the cost of this met from in the past? Is it capital? No savings / payback from the investment have been identified. The section for Equalities Impact Assessment, Consultation and project plan has not been completed.

4) Major repair to Castle Elevations

Project Score: 8

A new capital submission had been prepared for potential spend of £250k in 2020/21 and £150k in 2021/22 for major repairs to castle elevation walls, roof areas and walkways.

The brief description on the form needs updating – it relates to garage sites. The section for Consultation has not been completed

5) Asset management Database

A policy change has been received for Condition Surveys (Revenue) and an Asset Management database (Capital - £150k) to support the refresh of the Council's Asset Management Strategy.

At present the Council holds very limited condition data on its non-housing assets and the information that is held has not been refreshed in a number of years. Repairs and investment budgets are currently set based on available funds as opposed to the investment requirements. Collecting accurate data and holding it a database which is updated regularly combined with financial modelling of performance data will allow the Council to make informed decisions on the future of its assets.

Will the database hold HRA asset management information & therefore share the cost?

6) With regard to the provisional programme:

a) Disabled Facilities Grants (DFG)

The provisional programme included £650k p.a. part funded by redistributed Better Care Fund (BCF) grant of £400k.

No savings / payback from the investment have been identified – there is currently a vacant post associated with the administration of DFGs currently carried out through an outsourced contract. An update regarding the Government review is requested (including options for managing / mitigating costs (e.g. use of the Regulatory Reform Order – RRO - approach).

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

b) CCTV Upgrades

Following approval of the Shared Service, Capital budgets of £45,714 p.a. have been included from 2021/22 – part funded by OPCC grant of £24k p.a. For 2020/21, capital investment of £197,534 is required to be part funded by a reduction in the Invest to save capital contingency budget of £140k and OPCC grant of £24k.

c) Street Lighting

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

d) Energy Efficiency Upgrades to Commercial & Industrial Units

An updated appraisal has not been prepared following inclusion of a rolling programme with an annual spend of £75k required from 2017/18 for 5 years. To fund a degree of improvement to industrial units when they become vacant in order to be able to re-let them – as, with effect from April 2018, it will not be possible to enter into long term lease agreements for commercial and industrial units with and EPC rating of 'E' or less.

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

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

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

e) Gateways Project

An updated appraisal has not been prepared following inclusion of £70k p.a. for 3 years from 2018/19 (net cost after use of TBC S106/CIL funds of £75k, £50k and £120k respectively) with plans for significant capital works in future years for Phase 3 Corporation Street and Phase 4 Railway Station forecourt - which will draw in funding and professional support from SCC (funded by SCC through the Regional Growth Fund / S106 receipts).

f) Amington Community Woodland

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

g) Replacement Castle Grounds Play Area

An updated appraisal has not been prepared following inclusion of £375k for 2021/22.

7) General Fund Capital Contingency Budget

The remaining 2019/20 contingency budget of £35k will be rolled forward to 2020/21.

Housing

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

The majority of the Housing capital programme has not changed from that provisionally approved – however a number of new schemes have been proposed. It has also been updated to include the new year 5 costs for 2024/25 (at the same level as 2023/24).

Without amendment, the current proposals would require an additional revenue contribution or additional HRA borrowing of £0.3m which would, if incurred, impact on the revenue budget through interest costs on the debt at c.2 to 3% p.a. - but it should be noted that there are no debt repayment costs for the HRA and the Government has now lifted the previous debt cap (of £79.407m). The current HRA Capital Financing Requirement (CFR) stands at £68.041m with planned borrowing of £7.214m relating to the Tinkers Green and Kerria Regeneration projects. Due to receipt of Homes England grant of c.£5m, it is likely that this planned borrowing will be reduced to c.£2m.

However, the uncommitted capital resources of £1.1m (excluding the £0.5m minimum approved balances) remains unspent from 1 for 1 capital receipts – this would either need to be repaid or the capital programme increased by c.£2.7m (representing the Council’s 70% contribution) to fund the development or acquisition of new dwellings.

The capital programme has been reviewed and updated:

Housing Revenue Account

1) Improvements to Retained Garage Sites

Project Score: 12

A new capital submission had been prepared for potential spend of £700k p.a. for the refurbishment of garage sites identified for retention by Members. (£500k p.a. for the 2 years 2018/19 & 2019/20 had previously been included to invest in retained garages to meet demand and to provide alternative uses including parking areas).

A revenue impact of £27.2k p.a. is identified (£13.6k in 2020/21) for additional staff to provide marketing and management of completed garage sites.

Can this be done by existing staff? How are garages managed at present?

An additional £30k p.a. will also be required for ongoing routine maintenance costs.

Whole Life Costing – the notional life for a modular garage and the surrounding parking areas is 25 years as such there will be two full renewals over a 30 year period. Taking into account inflationary impacts it is anticipated that in order for the project to break even through rental income there would need to be a sustained level of occupancy in excess of 90% (93%). Once occupation rates fall below this the scheme no longer breaks even over the 30 year period. At 80% occupancy there is a deficit of £1.3m, at 50% occupant the deficit would in the region of £4.5m over the 30 year period.

The figures on the form need converting to £'000. The section for Consultation has not been completed.

2) Installation of Fire Doors To High Rise Blocks

Project Score: 36

A new capital submission had been prepared for potential spend of £1.545m in 2020/21 for the Installation of new fire doors to flats and common areas of the 6 high-rise blocks and Eringden.

Income of £85k from service charge recharge to Leaseholders will reduce the cost to £1.46m.

The section for Consultation has not been completed.

3) Software to manage fire safety surveys

A policy change has been received for Fire Safety in High Rise Residential Buildings in response to the Governments proposals around 'Building a Safer Future' including Software to manage fire safety surveys (Capital - £90k).

This is a direct response to the 'Building a safer future' legislation being introduced by the Government. This goes much further than current legislation relating to fire safety in buildings and is much more prescriptive than the current legislation.

With regard to the changes to the provisional programme:

a) Re-development of Garage Sites

Funding of £2m p.a. from 2020/21 had been provisionally approved for redevelopment of Garage Sites for housing.

This has been reduced to £250k for 2020/21 with a further £1m p.a. thereafter.

b) Other Acquisitions

Funding of £0.5m p.a. for housing acquisitions had been provisionally approved.

This has been increased to £750k p.a.

Main Assumptions

Inflationary Factors	2020/21	2021/22	2022/23	2023/24	2024/25
Inflation Rate - Pay Awards	2.50%	2.50%	2.50%	2.50%	2.50%
National Insurance	9.50%	9.50%	9.50%	9.50%	9.50%
Superannuation	16.50%	16.50%	16.50%	16.50%	16.50%
Inflation Rate (RPI)	2.50%	2.50%	2.50%	2.50%	2.50%
Inflation Rate (CPI)	2.00%	2.00%	2.00%	2.00%	2.00%
Investment Rates	1.00%	1.00%	1.50%	1.50%	1.75%
Base Interest Rates	0.75%	1.00%	1.00%	1.50%	1.75%

1. While the Government announced a pay cap for 2014/15 & 2015/16, a 2.2% increase (plus other changes) was agreed from 1st January 2015. In addition, from April 2016, a new compulsory National Living Wage (NLW) for the over 25s was introduced to replace the National Minimum Wage. A further 1% pay cap for public sector workers for the 4 years from 2016/17 was set but following Government announcements regarding public sector pay this cap was lifted from 2018/19 with a 2% increase agreed. For 2019/20 a 2% increase was agreed and included the introduction of a new pay spine on 1st April 2019 based on a bottom rate of £17,364 with additions, deletions and changes to other spinal column points. A 2.5% p.a. increase from 2020/21 has been assumed.
2. Overall Fees and Charges will rise generally by 2.5% annually except where a proposal has otherwise been made (car parking charges, corporate & industrial property rental income, statutory set planning fees, leisure fees);
3. Revised estimates for rent allowance / rent rebate subsidy levels have been included;
4. At this stage no changes to the level of recharges between funds has been included;
5. A reduction in Revenue Support Grant levels to zero from 2021/22 following the 4 year Local Government Finance Settlement & the one year deferral of the funding reforms. The impact for the Council will be confirmed by MHCLG as part of the *Local Government Finance Settlement* with a provisional announcement in December 2019.
6. Only continuation of the New Homes Bonus scheme legacy payments relating to 2017/18 and 2018/19 pending consultation on the future of the scheme;
7. Lower investment income returns due to delayed forecast interest rate increases;
8. An increase of £5 p.a. in Council Tax - current indications are that increases of 2% or £5 and above risk 'capping' (confirmed as 3% or £5 for District Councils for 2019/20);

9. The major changes to the previously approved policy changes are included within this forecast – Assistant Directors were issued with the provisional information in August to review, confirm & resubmit by the end of September;
10. Future Pension contribution levels – the results from the 2019 triennial review, carried out by the Actuary employed by the Pension Fund, are due to be confirmed in December - indicative *ongoing* annual increases in Employer's contributions of c. £150k p.a. (1% p.a. increase) have been included from 2020/21 for 3 years (followed by increases of 2% p.a.). This includes an ongoing lump sum (with an annual increase) relating to past liabilities and a set rate for future employer contributions of 16.5% p.a.
11. Increase in rent levels by CPI plus 1% - the Government has confirmed that social housing annual rent increases can rise by up to the consumer price index (CPI) measure of inflation plus 1% for five years from 2020, following the conclusion of a consultation on the new rent standard. Current indications that sales of council houses will be approximately 30 per annum.
12. Forecasts have been informed by the Bank of England Inflation report (August 2019), HM Treasury – Forecasts for the UK Economy (August 2019), Office for Budget Responsibility Economic & Fiscal Outlook (March 2019). Any significant variances will be considered later in the budget setting process.

Technical Adjustments Analysis – General Fund 2020/21

	£	£	£
Chief Executive			
Virements		19,630	
Committee Decisions			
2017/18 Policy Change CE 1 Vacancy Allowance Increase	(4,850)		
2019/20 Policy Change ACE 1 Elections Costs	(20,000)		
2019/20 Policy Change CEXEC 1 Revised Waste Management Costs	20,690	(4,160)	
Inflation		(5,170)	
Other			
2020/21 BWP 037 Gas And Electricity Charges	30		
2020/21 BWP 032 NNDR Council Properties	30	60	
Pay Adjustments		19,730	
Changes in Recharges		0	
			30,090
Assistant Director Growth and Regeneration			
Virements		18,190	
Committee Decisions			
2017/18 Policy Change AE Vacancy Allowance Increase	(8,320)		
2018/19 Policy Change AE 11 Vacant Posts Review	(1,310)		
2018/19 Policy Change AE 3 Tamworth Local Plan	(40,000)		
2018/19 Policy Change AE 6 Planning Trainee	(18,000)		
2018/19 Policy Change AE 7 New Burdens Funding for Trainee	18,000		
2018/19 Policy Changes AE 4 Tamworth Enterprise Centre	17,230		
2019/20 Policy Change GROW 1 Review of the Tamworth Local Plan 2006-2031	65,000	32,600	
Inflation		(8,100)	
Other			
2017/18 BWP 042 Environmental Health Income	(12,680)		
2020/21 BWP 010 Bank Charges and Cash Collection	(100)		
2020/21 BWP 025 Depreciation	14,560		
2020/21 BWP 032 NNDR Council Properties	120		
2020/21 BWP 037 Gas And Electricity Charges	3,920	5,820	
Pay Adjustments		22,070	
Changes in Recharges		0	
			70,580

	£	£	£
Executive Director Organisation			
Virements		(9,510)	
Committee Decisions			
2017/18 Policy Change TCP Vacancy Allowance Increase	(2,470)	(2,470)	
Inflation		8,350	
Other			
2019/20 BWP 031 Mayor & Deputy Allowances	(10)		
2020/21 BWP 010 Bank Charges and Cash Collection	(60)		
2020/21 BWP 012 Members Allowances	(1,360)		
2020/21 BWP 014 Mayor & Deputy Mayor's Allowance	(40)	(1,470)	
Pay Adjustments		23,210	
Changes in Recharges		0	
			18,110
Assistant Director People			
Virements		132,790	
Committee Decisions			
2017/18 Policy Change TCP Vacancy Allowance Increase	(15,710)		
2019/20 Policy Change PEO 2 To extend the temporary contract for Customer Service Assistants for 12 months to 31st March 2020	(56,500)	(72,210)	
Inflation		16,210	
Other			
2020/21 BWP 010 Bank Charges and Cash Collection	220		
2020/21 BWP 025 Depreciation	9,300		
2020/21 BWP 043 Staff Health Insurance	770	10,290	
Pay Adjustments		25,500	
Changes in Recharges		0	
			112,580
Assistant Director Operations and Leisure			
Virements		(111,880)	
Committee Decisions		0	
2017/18 Policy Change AE Vacancy Allowance Increase	(18,970)		
2018/19 Policy Change AE 11 Vacant Posts Review	(1,460)		
2018/19 Policy Change AE 8 Revised Assembly Rooms Budgets	(44,270)		
2019/20 Policy Change OPS 1 Further delays in Assembly Rooms Project resulting in delay to opening	(30,000)		
2019/20 Policy Change OPS 2 Proposed 75% reduction in the funding from SCC re highway verge mowing	126,000		

	£	£	£
Inflation			
Other			
2019/20 Policy Change OPS 3 Reduction in staffing and equipment to reflect reduced SCC funding	(95,000)	(63,700)	
		8,320	
2020/21 BWP 010 Bank Charges and Cash Collection	3,840		
2020/21 BWP 025 Depreciation	7,200		
2020/21 BWP 032 NNDR Council Properties	18,370		
2020/21 BWP 037 Gas And Electricity Charges	3,340		
2020/21 BWP 040 Car Parking Income	(25,000)		
2020/21 BWP 041 Assembly Rooms	(114,550)		
2020/21 BWP 042 Outdoor Events	<u>8,950</u>	<u>(97,850)</u>	
Pay Adjustments		287,270	
Changes in Recharges		0	
			<u><u>22,160</u></u>
Executive Director Finance			
Virements		0	
Committee Decisions			
2017/18 Policy Change ED Vacancy Allowance Increase	(670)	(670)	
Inflation		120	
Other		0	
Pay Adjustments		2,800	
Changes in Recharges		0	
			<u><u>2,250</u></u>
Assistant Director Finance			
Virements		(42,130)	
Committee Decisions			
2015/16 Policy Change DF 4 Business Rates Section 31 Grant Income	9,880		
2016/17 Policy Change DF 2 Contribution from Transformation Reserve	300,000		
2016/17 Policy Change DF 4 Business Rates Levy Payment			
£89,000 2019/20 Policy Change FIN 7 Business Rates Levy payment	13,210		
2017/18 Policy Change DF 10 Revenue Implications from Capital Scheme	(200)		
2017/18 Policy Change DF 12 Business Rates Levy	61,000		
2017/18 Policy Change DF 13 Business Rates Section 31 Grant Income	7,000		
2017/18 Policy Change DF 2 Apprenticeship Levy	1,000		
2017/18 Policy Change DF Vacancy Allowance Increase	(5,290)		
2017/18 Policy Change DF5 New Homes Bonus	19,160		
2018/19 Polic Change DF 7 CIS Feasibility	(75,000)		

	£	£	£
2018/19 Policy Change DF 10 Business Rates Section 31 Grant Income	(8,660)		
2018/19 Policy Change DF 2 Property Funds Investment	(180,000)		
2018/19 Policy Change DF 4 Loss on Investment Income	6,000		
2018/19 Policy Change DF 9 Business Rates Levy	59,830		
2018/19 Policy Change DF8 New Homes Bonus	1,200		
2019/20 Policy Change FIN 10 Contingency for Pay award impact 2019/20	(8,000)		
2019/20 Policy Change FIN 11 Projected savings from Organisational Review - Focus on the Future	(700)		
2019/20 Policy Change FIN 4 Revised New Homes Bonus	79,100		
2019/20 Policy Change FIN 5 Revenue Implications of Capital Programme	8,000		
2019/20 Policy Change FIN 6 Revenue Implications of Capital Programme	13,000		
2019/20 Policy Change FIN 7 Business Rates Levy payment	89,000		
2019/20 Policy Change FIN 8 Business Rates Section 31 Grant Income	333,880		
2019/20 Policy Change FIN 9 Contribution to Contingency Reserve	<u>(1,200,000)</u>	(476,590)	
Inflation		(8,580)	
Other			
2019/20 BWP 005 Welfare Benefits	550		
2019/20 BWP 025 NNDR Estimates	(300,000)		
2020/21 BWP 004 Contingencies	93,000		
2020/21 BWP 005 Pensions Lump Sum	146,000		
2020/21 BWP 006 New Homes Bonus	(377,990)		
2020/21 BWP 007 NNDR Forecast - Levy payment	(714,320)		
2020/21 BWP 010 Bank Charges and Cash Collection	3,200		
2020/21 BWP 016 Superannuation Allowances	560		
2020/21 BWP 017 Treasury Mgt Debt Mgt Expenses	170,100		
2020/21 BWP 025 Depreciation	(41,270)		
2020/21 BWP 026 Audit Fee	3,270		
2020/21 BWP 030 Benefits Estimates	(17,500)		
2020/21 BWP 033 NNDR Cost Of Collection Grant	1,800		
2020/21 BWP 034 Revenues Court Costs Income	(2,000)		
2020/21 BWP 035 Benefits Estimates	(8,210)		
2020/21 BWP 044 Apprenticeship Levy	<u>(200)</u>	(1,043,010)	
Pay Adjustments		37,190	
Changes in Recharges		0	
			<u>(1,533,120)</u>

	£	£	£
Assistant Director Assets			
Virements		4,460	
Committee Decisions			
2017/18 Policy Change AE Vacancy Allowance Increase	(2,180)	(2,180)	
Inflation		13,290	
Other			
2020/21 BWP 025 Depreciation	10,210		
2020/21 BWP 027 Commercial & Industrial Rents	(38,780)		
2020/21 BWP 032 NNDR Council Properties	13,730		
2020/21 BWP 037 Gas And Electricity Charges	(4,830)		
2020/21 BWP 039 Marmion House Rents and Service Charges	22,710		
2020/21 BWP 045 Car Allowances (ADASS & ADNEI)	1,480	4,520	
Pay Adjustments		6,040	
Changes in Recharges		0	
			26,130
Assistant Director Neighbourhoods			
Virements		151,060	
Committee Decisions			
2017/18 Policy Change AE Vacancy Allowance Increase	5,460		
2018/19 Policy Change DHH 3 Homelessness Reduction Act Staff	(35,500)		
2018/19 Policy Change DHH 4 Funding for Homelessness through S31	(8,000)		
2019/20 Policy Change NEI 1 Civil Contingencies Unit (CCU) support	(7,000)		
Cabinet 02/07/19 CCTV - Service Review Setting Out Future Delivery Options	144,400	99,360	
Inflation		1,500	
Other			
2020/21 BWP 022 Bad Debt Provision	(18,700)		
2020/21 BWP 037 Gas And Electricity Charges	(1,360)		
2020/21 BWP 045 Car Allowances (ADASS & ADNEI)	10,200	(9,860)	
Pay Adjustments		56,620	
Changes in Recharges		0	
			298,680
Assistant Director Partnerships			
Virements		(162,610)	
Committee Decisions			
2017/18 Policy Change DHH Vacancy Allowance Increase	8,740		
2018/19 Policy Change DHH 3 Homelessness Reduction Act Staff	(35,500)	(26,760)	

	£	£	£
Inflation		(2,590)	
Other			
2020/21 BWP 010 Bank Charges and Cash			
Collection	(430)		
2020/21 BWP 023 Private Sector Leasing Scheme	(800)		
	7,110		
	<u>(51,250)</u>	(45,370)	
Pay Adjustments		53,630	
Changes in Recharges		0	
			<u>(183,700)</u>
Total			(1,136,240)

() denotes saving

	£	£	£
HRA Summary			
Virements		143,720	
Committee Decisions			
2017/18 Policy Change HRA 1 Apprenticeship Levy	1,000		
2016/17 Policy Change HRA 1 Reduction in Social housing rents by 1% a year for four years from 2016/17	49,000	50,000	
Inflation		91,660	
Other			
2018/19 BWP 027 Debt Management	270		
2019/20 BWP 016 Treasury Mgt	290		
2020/21 BWP 005 Pensions Lump Sum	44,610		
2020/21 BWP 018 Housing Rents	(803,570)		
2020/21 BWP 019 HRA Garage Rents	7,320		
2020/21 BWP 022 Bad Debt Provision	(12,300)		
2020/21 BWP 024 HRA Service Charges	(20,500)		
2020/21 BWP 025 Depreciation	56,200		
2020/21 BWP 044 Apprenticeship Levy	(1,100)	(728,780)	
Pay Adjustments			-
Changes in Recharges			0
			(443,400)
ED Communities			
Virements		0	
Committee Decisions			
2017/18 Policy Change HRA 3 Increase Vacancy Allowance	(750)	(750)	
Inflation		50	
Other		-	
Pay Adjustments		2,800	
Changes in Recharges		0	
			2,100
AD Operations & Leisure			
Virements		140	
Committee Decisions			
2017/18 Policy Change HRA 3 Increase Vacancy Allowance	(1,310)	(1,310)	
Inflation		260	
Other			
2020/21 BWP 020 Alarm Call Contract	(110)	(110)	
Pay Adjustments		2,230	
Changes in Recharges		0	
			1,210
AD Assets			
Virements		36,400	
Committee Decisions			
2017/18 Policy Change HRA 3 Increase Vacancy	(3,380)		

	£	£	£
Allowance			
Inflation		(3,380)	
Other		2,720	
2020/21 BWP 020 Alarm Call Contract	(440)		
2020/21 BWP 032 NNDR Council Properties	100		
2020/21 BWP 037 Gas And Electricity Charges	4,450		
2020/21 BWP 045 Car Allowances (ADASS & ADNEI)	2,750	6,860	
Pay Adjustments		15,100	
Changes in Recharges		0	
			57,700
AD Neighbourhoods			
Virements		(180,260)	
Committee Decisions			
2017/18 Policy Change HRA 3 Increase Vacancy Allowance	13,080		
		13,080	
Inflation		30,360	
Other			
2019/20 BWP 014 Sheltered Housing Heating Charges	1,530		
2020/21 BWP 010 Bank Charges and Cash Collection	2,670		
2020/21 BWP 016 Superannuation Allowances	(250)		
2020/21 BWP 020 Alarm Call Contract	(4,400)		
2020/21 BWP 024 HRA Service Charges	(10,100)		
2020/21 BWP 026 Audit Fee	460		
2020/21 BWP 031 Enhanced Housing Management Charges	(13,410)		
2020/21 BWP 032 NNDR Council Properties	(170)		
2020/21 BWP 037 Gas And Electricity Charges	10,610		
2020/21 BWP 043 Staff Health Insurance	(580)		
2020/21 BWP 045 Car Allowances (ADASS & ADNEI)	(8,600)	(22,240)	
Pay Adjustments		(3,030)	
Changes in Recharges		0	
			(162,090)
Total			(544,480)

() denotes saving

General Fund – Technical Adjustments 2020/21

	Technical Adjustments								
	Budget 2019/20	Virements £	Committee Decisions £	Inflation £	Other £	Pay Adjustments £	Changes in Recharges £	Total Adjustments £	Total Adjusted Base 2020/21
Chief Executive	1,488,840	19,630	(4,160)	(5,170)	60	19,730	-	30,090	1,518,930
AD Growth & Regeneration	1,072,430	18,190	32,600	(8,100)	5,820	22,070	-	70,580	1,143,010
ED Organisation	400,310	(9,510)	(2,470)	8,350	(1,470)	23,210	-	18,110	418,420
AD People	1,732,680	132,790	(72,210)	16,210	10,290	25,500	-	112,580	1,845,260
AD Operations & Leisure	2,216,180	(111,880)	(63,700)	8,320	(97,850)	287,270	-	22,160	2,238,340
ED Finance	84,050	-	(670)	120	-	2,800	-	2,250	86,300
AD Finance	831,000	(42,130)	(476,590)	(8,580)	(1,043,010)	37,190	-	(1,533,120)	(702,120)
ED Communities	-	-	-	-	-	-	-	-	-
AD Assets	(725,280)	4,460	(2,180)	13,290	4,520	6,040	-	26,130	(699,150)
AD Neighbourhoods	1,222,430	151,060	99,360	1,500	(9,860)	56,620	-	298,680	1,521,110
AD Partnerships	1,080,770	(162,610)	(26,760)	(2,590)	(45,370)	53,630	-	(183,700)	897,070
Grand Total	9,403,410	-	(516,780)	23,350	(1,176,870)	534,060	-	(1,136,240)	8,267,170

Housing Revenue Account – Technical Adjustments 2020/21

	Technical Adjustments								Total Adjusted Base 2020/21
	Budget 2019/20	Virements £	Committee Decisions £	Inflation £	Other £	Pay Adjustments £	Changes in Recharges £	Total Adjustments £	
HRA Summary	(3,927,650)	143,720	50,000	91,660	(728,780)	-	-	(443,400)	(4,371,050)
ED Communities	21,900	-	(750)	50	-	2,800	-	2,100	24,000
AD Operations & Leisure	143,080	140	(1,310)	260	(110)	2,230	-	1,210	144,290
AD Assets	289,640	36,400	(3,380)	2,720	6,860	15,100	-	57,700	347,340
AD Neighbourhoods	3,588,080	(180,260)	13,080	30,330	(22,240)	(3,030)	-	(162,120)	3,425,960
Housing Repairs	-	-	-	-	-	-	-	-	-
Grand Total	115,050	-	57,640	125,020	(744,270)	17,100	-	(544,510)	(429,460)

General Fund Summary Budgets – 2020/21

<i>Figures exclude internal recharges which have no bottom line impact.</i>	Base Budget 2019/20 £	Technical Adjustments £	Policy Changes £	Budget 2020/21 £
Chief Executive	1,488,840	30,090	1,710	1,520,640
AD Growth & Regeneration	1,072,430	70,580	30,760	1,173,770
ED Organisation	400,310	18,110	(4,370)	414,050
AD People	1,732,680	112,580	154,450	1,999,710
AD Operations & Leisure	2,216,180	22,160	257,170	2,495,510
ED Finance	84,050	2,250	-	86,300
AD Finance	831,000	(1,533,120)	(95,000)	(797,120)
ED Communities	-	-	-	-
AD Assets	(725,280)	26,130	217,200	(481,950)
AD Neighbourhoods	1,222,430	298,680	10,500	1,531,610
AD Partnerships	1,080,770	(183,700)	(4,170)	892,900
Total Cost of Services	9,403,410	(1,136,240)	568,250	8,835,420
Transfer to / (from) Balances	(1,408,174)	819,924	-	(588,250)
Revenue Support Grant	-	(188,220)	-	(188,220)
Retained Business Rates	(13,385,014)	(1,047,318)	-	(14,432,332)
Less: Tariff payable	10,054,485	389,309	-	10,443,794
Collection Fund Surplus (Council Tax)	(62,517)	29,517	-	(33,000)
Collection Fund Surplus (Business Rates)	(752,887)	752,887	-	-
Council Tax Requirement	(3,849,303)	380,141	(568,250)	(4,037,412)

General Fund Summary Budgets – 2019/20 to 2024/25

<i>Figures exclude internal recharges which have no bottom line impact.</i>	Base Budget 2019/20 £	Budget 2020/21 £	Budget 2021/22 £	Budget 2022/23 £	Budget 2023/24 £	Budget 2024/25 £
Chief Executive	1,488,840	1,520,640	1,484,850	1,572,910	1,666,210	1,604,910
AD Growth & Regeneration	1,072,430	1,173,770	1,070,930	1,050,800	1,128,660	1,155,760
ED Organisation	400,310	414,050	430,750	449,400	468,570	487,110
AD People	1,732,680	1,999,710	2,046,910	2,068,720	2,130,780	2,190,750
AD Operations & Leisure	2,216,180	2,495,510	2,547,460	2,624,430	2,698,410	2,772,970
ED Finance	84,050	86,300	88,500	91,350	94,260	97,250
AD Finance	831,000	(797,120)	(56,480)	(75,300)	309,560	497,370
ED Communities	-	-	-	-	-	-
AD Assets	(725,280)	(481,950)	(564,860)	(544,100)	(522,980)	(502,750)
AD Neighbourhoods	1,222,430	1,531,610	1,084,530	1,109,390	1,132,390	1,155,870
AD Partnerships	1,080,770	892,900	907,470	920,430	932,780	945,490
Total Cost of Services	9,403,410	8,835,420	9,040,060	9,268,030	10,038,640	10,404,730
Transfer to / (from) Balances	(1,408,174)	(588,250)	(2,423,336)	(2,427,372)	(3,009,664)	(3,154,668)
Revenue Support Grant	-	(188,220)	-	-	-	-
Retained Business Rates	(13,385,014)	(14,432,332)	(15,403,818)	(15,704,865)	(16,011,414)	(16,331,642)
Less: Tariff payable	10,054,485	10,443,794	13,041,378	13,294,366	13,582,302	13,853,948
Collection Fund Surplus (Council Tax)	(62,517)	(33,000)	(33,000)	(33,000)	(33,000)	(33,000)
Collection Fund Surplus (Business Rates)	(752,887)	-	-	-	-	-
Council Tax Requirement	(3,849,303)	(4,037,412)	(4,221,284)	(4,397,159)	(4,566,864)	(4,739,368)

* Figures include proposed Policy Changes

Housing Revenue Account 2019/20 to 2024/25

<i>Figures exclude internal recharges which have no bottom line impact.</i>	Base Budget 2019/20 £	Budget 2020/21 £	Budget 2021/22 £	Budget 2022/23 £	Budget 2023/24 £	Budget 2024/25 £
HRA Summary	(3,927,650)	(4,371,050)	(4,903,450)	(3,982,120)	(5,495,300)	(5,785,900)
ED Communities	21,900	24,000	26,120	28,670	31,500	34,420
AD Operations & Leisure	143,080	144,290	146,380	148,810	151,540	154,300
AD Assets	289,640	903,910	521,180	515,490	603,590	625,430
AD Neighbourhoods	3,588,080	3,471,870	3,471,220	3,536,660	3,606,240	3,676,270
Grand Total	115,050	173,020	(738,550)	247,510	(1,102,430)	(1,295,480)

* Figures include proposed Policy Changes

Draft General Fund Capital Programme 2020/21 to 2024/25

General Fund Capital Programme	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £	Total £
Gateways	190,000	-	-	-	-	190,000
Technology Replacement	60,000	60,000	60,000	60,000	60,000	300,000
Member Device Refresh	20,000	-	-	-	-	20,000
Endpoint Protection and Web- Email Filter	40,000	-	-	40,000	-	80,000
Street Lighting	46,120	-	-	233,560	119,940	399,620
Replacement Castle Grounds Play Area	-	375,000	-	-	-	375,000
Private Sector Grants - Disabled Facilities Grants	650,000	650,000	650,000	650,000	650,000	3,250,000
Energy Efficiency Upgrades to Commercial and Industrial Units	75,000	75,000	75,000	75,000	75,000	375,000
Major Repair to Castle Elevations	250,000	150,000	-	-	-	400,000
Asset Management Database	150,000	-	-	-	-	150,000
CCTV Upgrades	197,530	45,710	45,710	45,710	45,710	380,370
Total General Fund Capital	1,678,650	1,355,710	830,710	1,104,270	950,650	5,919,990
Proposed Financing:						
Grants - Disabled Facilities	400,000	400,000	400,000	400,000	400,000	2,000,000
Sale of Council House Receipts	191,120	175,000	155,000	150,000	160,000	831,120
Section 106 Receipts	90,000	-	-	-	-	90,000
Community Infrastructure Levy	30,000	-	-	-	-	30,000
General Fund Capital Reserve	140,000	-	-	-	-	140,000
Other Contributions	24,000	24,000	24,000	24,000	24,000	120,000
Unsupported Borrowing	803,530	756,710	251,710	530,270	366,650	2,708,870
Total	1,678,650	1,355,710	830,710	1,104,270	950,650	5,919,990

Draft Housing Revenue Account Capital Programme 2020/21 to 2024/25

<u>Housing Revenue Account Capital Programme</u>	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £	TOTAL £
Structural Works	300,000	300,000	300,000	300,000	300,000	1,500,000
Bathroom Renewals	567,800	567,800	567,800	567,800	567,800	2,839,000
Gas Central Heating Upgrades and Renewals	685,500	685,500	685,500	988,400	988,400	4,033,300
Kitchen Renewals	1,037,500	1,037,500	1,037,500	1,037,500	1,037,500	5,187,500
Major Roofing Overhaul and Renewals	911,400	911,400	911,400	1,196,200	1,196,200	5,126,600
Window and Door Renewals	648,900	648,900	648,900	731,900	731,900	3,410,500
Neighbourhood Regeneration	749,100	749,100	749,100	749,100	749,100	3,745,500
Disabled Facilities Adaptations	212,500	212,500	212,500	212,500	212,500	1,062,500
Rewire	362,200	362,200	362,200	362,200	362,200	1,811,000
CO / Smoke Detectors	64,000	64,000	64,000	80,000	80,000	352,000
Insulation	17,900	17,900	17,900	17,900	17,900	89,500
Replacement of High Rise Soil Stacks	-	945,000	-	-	-	945,000
High Rise Lift Renewal	-	180,000	-	-	-	180,000
Sheltered Schemes	100,000	100,000	100,000	140,000	140,000	580,000
Energy Efficiency Improvements	70,000	70,000	70,000	70,000	70,000	350,000
Capital Salaries	200,000	200,000	200,000	200,000	200,000	1,000,000
Installation of Fire Doors To High Rise Blocks	1,460,000	-	-	-	-	1,460,000
Software to manage fire safety surveys	90,000	-	-	-	-	90,000
Street Lighting	69,180	-	-	350,330	179,910	599,420
Retention of Garage Sites	700,000	700,000	700,000	700,000	700,000	3,500,000
Redevelopment of Garage sites	250,000	1,000,000	1,000,000	1,000,000	1,000,000	4,250,000
Other Acquisitions	750,000	750,000	750,000	750,000	750,000	3,750,000
Total HRA Capital	9,245,980	9,501,800	8,376,800	9,453,830	9,283,410	45,861,820
<u>Proposed Financing:</u>						
Major Repairs Reserve	2,894,730	3,004,730	2,816,170	2,804,730	2,805,000	14,325,360
HRA Capital Receipts	551,440	500,000	-	693,670	1,400,000	3,145,110
Regeneration Revenue Reserves	5,155,630	4,947,070	4,060,630	3,349,100	3,848,500	21,360,930
Capital Receipts from Additional Council House Sales (1-4-1)	300,000	525,000	525,000	1,225,000	525,000	3,100,000
Regeneration Reserve	344,180	525,000	975,000	1,268,000	525,000	3,637,180
Unsupported Borrowing	-	-	-	113,330	179,910	293,240
Total	9,245,980	9,501,800	8,376,800	9,453,830	9,283,410	45,861,820

Contingencies 2020/21 - 2024/25

Revenue	2020/21	2021/22	2022/23	2023/24	2024/25
Specific Earmarked &	£'000	£'000	£'000	£'000	£'000
General					
General Fund					
Specific Contingencies					
Restructure	75	75	75	75	75
<i>General Contingency</i>	100	100	100	100	100
<i>General Contingency re Income Targets</i>	95	169	169	169	169
Total General Contingency	195	269	269	269	269
Total GF Revenue	270	344	344	344	344
Housing Revenue Account					
Restructure	30	30	30	30	30
<i>HRA - General Contingency</i>	100	100	100	100	100
Total HRA Revenue	130	130	130	130	130

Capital	2020/21	2021/22	2022/23	2023/24	2024/25
Specific Earmarked &	£'000	£'000	£'000	£'000	£'000
General					
General Fund					
General Contingency	35	-	-	-	-
	-	-	-	-	-
Total GF Capital	35	-	-	-	-
Housing Revenue Account					

General Contingency	100	-	-	-	-
Total HRA Capital	100	-	-	-	-

CABINET

THURSDAY, 28 NOVEMBER 2019

REPORT OF THE PORTFOLIO HOLDER FOR ASSETS AND FINANCE

LOCAL COUNCIL TAX REDUCTION SCHEME 2020/21 ONWARDS

EXEMPT INFORMATION

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

PURPOSE

To advise members that the Local Council Tax Reduction Scheme for working age customers for 2020/21 should include continued alignment to Applicable Amounts with those of Housing Benefit.

RECOMMENDATIONS

- 1 That Council consider and endorse or otherwise the proposed recommended changes detailed below:**
- 2 *The base scheme goes forward with the following;***

That the Local Council Tax Reduction Scheme for working age customers for 2020/21 will continue to be aligned to Applicable Amounts with those of Housing Benefit.

EXECUTIVE SUMMARY

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

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

Grant funding was reduced and is distributed by the Ministry of Housing, Communities and Local Government rather than the Department for Work and Pensions. Outturn for the 2018/19 scheme was £4.06m of which the Authority's share was £423k (10.4% of the impact on the Collection Fund). At inception, the scheme design was modelled to ensure that the Authority complied with the Central Government requirement to achieve a 10% reduction in benefit cost but without increasing the burden of cost to the Council Tax Payer. However, it has been assumed that Revenue Support Grant (RSG) will cease to be paid from 2021 and the Council will have to fund the scheme from its own resources and retained Business Rates income in the future.

The impact of grant funding and expenditure is closely monitored on a regular basis to identify whether the scheme is achieving its objectives but also not increasing cost burdens to the Medium Term Financial Strategy. The current maximum level of award under the existing scheme is 75%. Current financial modelling indicates that although grant levels are reducing the scheme maxima should not be changed for the 2020/21 scheme as it would add further potential hardship to claimants. This position is under regular review. Members should be aware of the impact of the Central Government Grant reductions when formulating the scheme for 2020/21 as any subsequent changes to the scheme governance arrangements, not consulted on would require a further consultation exercise.

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

As there are no other proposed changes for the scheme it was not necessary to carry out a formal consultation this year.

OPTIONS CONSIDERED

The current scheme for most working age customers bases an award on a maximum of 75% of their Council Tax liability. Those who receive a Severe Disability Premium, or who have a disabled child and those who receive a War Widows/War Disability Pension or Armed Forces Compensation Scheme payment have their awards based on 100% of their liability.

Pensioners also continue, under the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, to have their awards based on 100% of their Council Tax liability.

Members at both Cabinet and Corporate Scrutiny Committee meetings have recently commenced a review of proposals to introduce a Banded Scheme, for implementation in 2021/22, starting on 1 April 2021, which would remove much of the complexity associated with the current scheme, whilst at the same time maintaining fairness and equality in the way in which awards are distributed amongst Council Tax payers. Further reports will be submitted to both Cabinet and Corporate Scrutiny, to include detailed cost forecasting and scheme principles with the aim to finalise a new scheme for Public consultation in 2020.

RESOURCE IMPLICATIONS

Council Tax Benefit subsidy awarded for 2012/13 was £5.38m. The current scheme was modelled on delivering an estimated benefit reduction in the region of £700k for 2013/14, necessitated by grant cuts of 10% and protection for Pensioners and other vulnerable groups. The final amount awarded for 2013/14 was £4.427m, £4.156m for 2014/15, £4.04m for 2015/16, £3.98m for 2016/17, £3.97m for 2017/18 and £4.06m for 2018/19 (**Appendix 1**).

Latest figures confirm that £4.11m has so far been awarded in Local Council Tax Reduction (LCTR) for 2019/20, to both working age and pensioner customers. The live caseload has reduced by approximately 20% since April 2013, which is attributable to customers finding employment, becoming financially self-sufficient and contributes to the lesser amount now awarded. Furthermore, welfare reforms have also reduced the amount awarded to some claimants who are no longer entitled to the Severe Disability Premium, thus their award is now based on a maximum of 75% rather than 100% of their Council Tax liability.

LEGAL/RISK IMPLICATIONS BACKGROUND

The Ministry of Housing, Communities and Local Government have confirmed that consultation on the scheme is not required annually if it is not amended. The Council have therefore taken the decision not to consult this year as other than the yearly alignment of applicable amounts to those of Housing Benefit, there are no significant proposed changes that required a consultation.

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

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

SUSTAINABILITY IMPLICATIONS

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

BACKGROUND INFORMATION

The Welfare Reform Act 2012

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

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

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

REPORT AUTHOR

Jane Smith x355

HISTORICAL LIST OF BACKGROUND PAPERS

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

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

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

Local Council Tax Reduction Scheme 2019/20 report, presented to Council on 11th December 2018

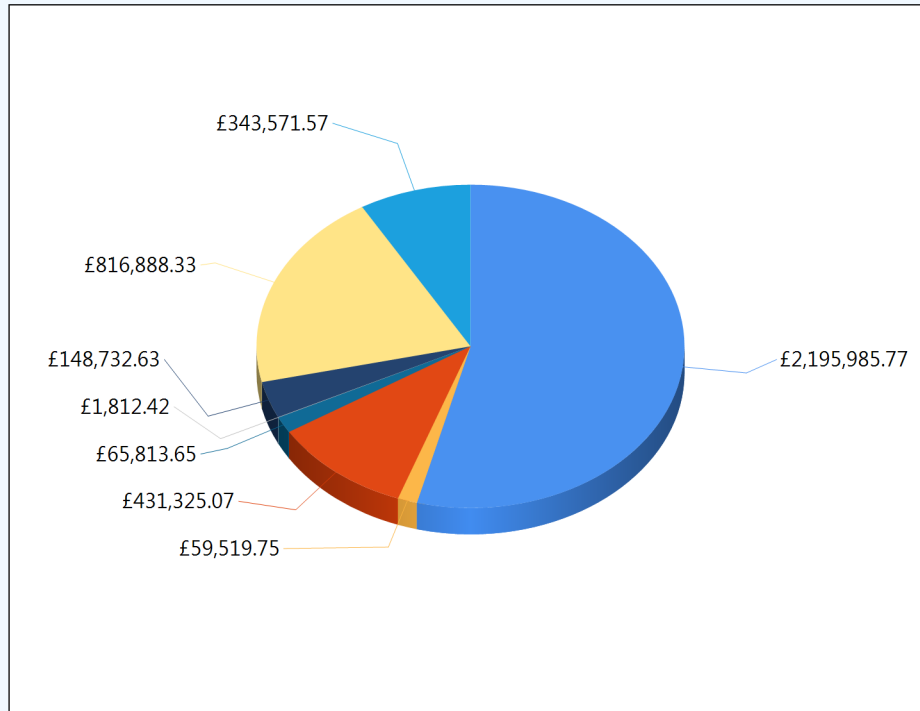
<http://democracy.tamworth.gov.uk/documents/s24666/Local%20Council%20Tax%20Reduction%20Scheme%20201920%20onwards.pdf>

APPENDICES

Appendix 1 Local Council Tax Reduction Working Age Expenditure Summary

Appendix 2 Local Council Tax Reduction Caseload Summary

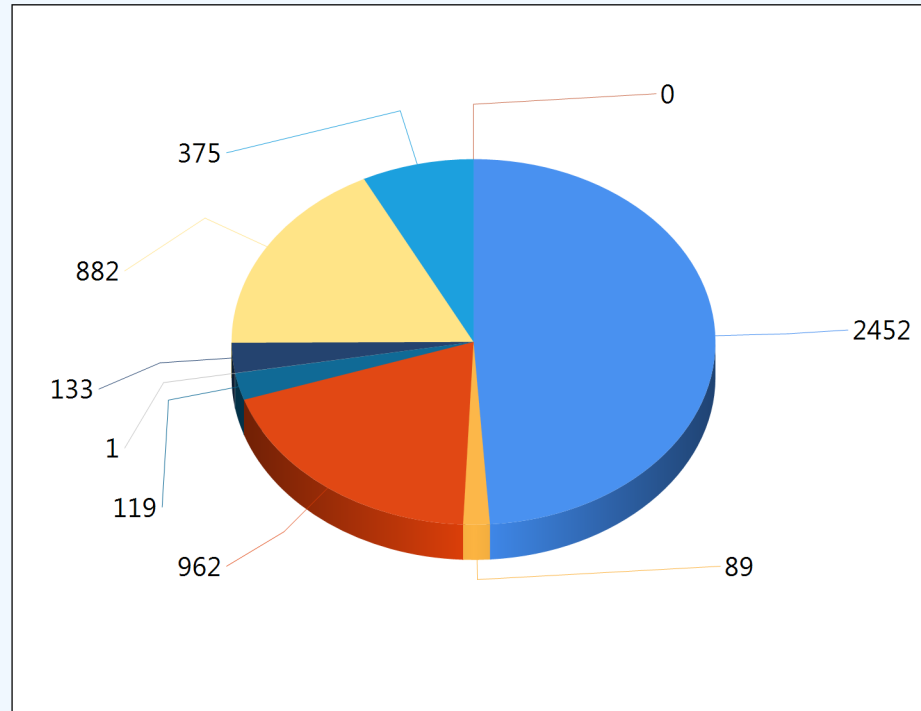
CTS Expenditure as of 2018-2019



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

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CTS Caseload as of 19.11.2019



Group Legend

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

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THURSDAY, 28 NOVEMBER 2019

REPORT OF THE PORTFOLIO HOLDER FOR ASSETS AND FINANCE**REVIEW OF TEMPORARY RESERVES, RETAINED FUNDS AND PROVISIONS****EXEMPT INFORMATION**

None

PURPOSE

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

RECOMMENDATIONS**Cabinet is asked to**

- 1) Approve the transfer of the reserves, as detailed in Appendix A, of £47,873.22 to General Fund Balances and £Nil to Housing Revenue Account Balances (HRA);**
- 2) Note the reserves to be spent in 2019/20 and 2020/21 which will otherwise be returned to balances; and**
- 3) Note the current levels of reserves remaining.**

EXECUTIVE SUMMARY

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

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

The review has now identified unspent reserves in the sum of £47,873.22 for General Fund and £Nil for Housing Revenue Account.

OPTIONS CONSIDERED

None

RESOURCE IMPLICATIONS

A summary of the current levels of reserves is provided at **Appendix A** which identifies that £47,873.22 can be re-purposed, all of which relates to the General Fund.

LEGAL / RISK IMPLICATIONS

None

EQUALITIES IMPLICATIONS

None

SUSTAINABILITY IMPLICATIONS

None

BACKGROUND INFORMATION

None

REPORT AUTHOR

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

APPENDICES

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

NARRATIVE	OPENING BALANCE	BALANCE AS AT 31/09/19	AMOUNT TO BE RELEASED FOLLOWING NOVEMBER REVIEW	RELEASED AUTHORISED BY	REASON FOR RETENTION	REVIEWED BY AD'S NOVEMBER 2019	REVIEWED BY ED & AD FINANCE Nov 2019
FUTURE CAPITAL EXPENDITURE							
HOUSING CAPITAL RESERVE	(12,936,107.61)	(12,936,107.61)			To finance capital works on council housing, the balance being included in future capital resource projections	OK	OK
CAPITAL FUND	(795,742.28)	(795,742.28)			To finance general capital works, the balance being included in future capital resource projections	OK	OK
PRIVATE SECTOR HOUSING RENEWAL (DF)	(229,844.59)	(229,844.59)			Balance of grant funding received from MHCLG	OK	OK
MAJOR REPAIRS FUND (HRA)	(2,960,531.43)	(2,960,531.43)			To finance capital works on council housing, the balance being included in future capital resource projections	OK	OK
AFFORDABLE HOUSING DEVELOPMENT (HRA)	(42,770.60)	(42,770.60)			To finance capital works on council housing, the balance being included in future capital resource projections	OK	OK
	(16,964,996.51)	(16,964,996.51)	0.00				
TEMPORARY RESERVES							
HSG REPAIRS OPTIONS REVIEW	(125,000.00)	(125,000.00)		P Weston	As per the cabinet report 22/2/18 a temp reserve created at 31/03/18 of £150k to meet the anticipated project costs for the future modelling of repairs delivery options	Monies required to fund project and it is anticipated that some will fund the early recruitment of Call Centre Staff.	OK but any unspent will be returned to balances at 31/3/19
TEMPORARY STAFF	(35,000.00)	(35,000.00)		Z Wolicki	As approved in MTFs, funding for retention of temp staff for 12 month period	anticipated to be required before year end to support staffing changes	To be released to Revenue 2019/20
STAFFS CONNECTS CONTRIBUTION	(31,820.00)	(25,820.00)		Z Wolicki	To fund contribution due to termination of contract in 2019/20 (no base budgetary funding)	carry forward to support portal development	To be released to Revenue 2019/20
TRAINING	(20,000.00)	(19,110.00)		Z Wolicki	CMT decision to put a hold on training pending finalisation of the organisational review. This reserve is required to fund additional training in 2019/20 as a result.	to carry forward to support OD programme from Jan 20 onwards	OK
HOUSING STRATEGY STATEMENT	(17,900.00)	(17,900.00)	15,900.00	J Sands	Funding required to meet costs of developing a new Housing Strategy	£2,000 to be released to cover cost of strategy 2020-23. £15,900 can be released. Review for 2023	£2,000 to be released to cover cost of strategy 2020-23. £15,900 can be released to balances. Review for 2023
FLEXI HOMELESS SUPPORT GRANT	(93,450.00)	(81,450.00)		R Barnes	Projects and spending plan under review not likely to be realised before March 2019 so reserve to be carried forward for a further year	HQN engaged to update plans and spending for Housing Strategy not likely to be realised before March 2020 so reserve to be carried forward for a further year	OK
HOMELESS REDUCTION ACT	(21,100.00)	(21,100.00)		R Barnes	Projects and spending plan under review not likely to be realised before March 2019 so reserve to be	HQN engaged to update plans and spending for Housing Strategy not likely to be realised before March 2020 so reserve to be carried forward for a further year	OK
HOUSING STRATEGY TEMP STAFF	(17,000.00)	0.00		J Sands	Funding required to meet costs of continuing to use agency cover as outlined in the staffing business case.	Released before 31/10/19	
CUSTOMER PORTAL APIS	(30,000.00)	(30,000.00)		L Pugh	Unspent government grant re welfare reform to be utilised in development of customer portal and specifically to fund cost of APis	Retain - No change	OK
PEER CHALLENGE	(53,000.00)	(53,000.00)		S Garner	To meet costs of peer challenge in 2019/20	To be Carried forward to Peer Challenge in 20/21	OK
ROSEMARY ROAD PLAY PARK	(16,000.00)	0.00		S McGrandle		Released before 31/10/19	

NARRATIVE	OPENING BALANCE	BALANCE AS AT 31/09/19	AMOUNT TO BE RELEASED FOLLOWING NOVEMBER REVIEW	RELEASED AUTHORISED BY	REASON FOR RETENTION	REVIEWED BY AD'S NOVEMBER 2019	REVIEWED BY ED & AD FINANCE Nov 2019
LEISURE STRATEGY	(26,000.00)	(26,000.00)		A Goodwin	External support will be required with regard to review of Leisure Strategy during 2019/20 and this reserve is funded from underspends across several leisure budgets.	Review of Leisure Services and Strategy now postponed until 2020/21. Will still need to fund work.	OK
EARNED AUTONOMY	(15,000.00)	0.00		J Sands	Earned Autonomy grant from SCC. This is an extension to the contract with CAB for families in debt and will be paid in 2019/20 following the change of provider.	Released before 31/10/19	
INNOVATIVE GRANTS	(30,000.00)	(30,000.00)		J Sands	Jointly funded by SCC and OPCC to focus on ASB and absence from school	To be reserved to check funding options - SCC to send invoice	OK
EU EXIT RESERVE	(17,480.00)	(17,480.00)		T Mustafa/S Gar	EU Exit funding from MHCLG	EU Exit funding from MHCLG	OK
INTERIM STAFFING COSTS	(36,000.00)	(36,000.00)		A Miller	The utilisation of section 106 funds in respect of compliance and monitoring has produced an underspend on the salary budget. It is requested that the underspend is reserved for interim staffing costs .	This continues to be the case - interim staffing will be required for longer whilst recruitment is undertaken.	OK
	(584,750.00)	(517,860.00)	15,900.00				
RETAINED FUNDS							
HSG PROPERTY INSURANCE EXCESS	(147,380.10)	(147,380.10)		L Pugh	The level of excess held on the property policy has been increased to £10k and has provided significant savings in premium costs but the cover for future payments will need to be financed from internal funds. The property policy carries a stop loss amount of £150k which represents our maximum exposure before external funds are available.	Retain - No change	OK
HOUSING CONDITION SURVEY	(66,600.00)	(66,600.00)		P Weston	Stock condition survey work underway	This fund is rolled over into future years to fund a larger survey when required. Estimated costs of survey £100k and expected to be undertaken in 21/22	Is this needed given the £185k [policy change for 2020/21? (stock, high rise & non-tradition)
IMPS ORCHARD-FUNDING HOME & TT	(59,040.00)	(59,040.00)		R Barnes	Funding required for Orchard development specifically around income analytics (rent arrears phase 2 - linked to intelligence on bad debt); finding a home - emerald likely to end so review of orchard offer; then repairs module to support repairs re-procurement	Funding required for Orchard development specifically around income analytics (rent arrears phase 2 - linked to intelligence on bad debt); repairs procurement will require orchard development and this is also supports the asset management module to inform in-house call handling	Can we see a plan for the spend of this - there is an annual revenue budget for this type of work.
MAINTENANCE & SECURITY UPGRADE	(60,285.00)	(60,285.00)		R Barnes	Tunstall (third party alarm maintenance) and Eldercare (new community alarm provider) have been appointed April 2019. Additional costs likely as infrastructure and BT compliance is re-assessed. Spending plan to be agreed 2019/2020	Tunstall (third party alarm maintenance) and Eldercare (new community alarm provider) have been appointed April 2019. Additional costs likely as infrastructure and BT compliance is re-assessed. Spending plan to be agreed 2019/2020	OK but any unspent will be returned to balances at 31/3/20

NARRATIVE	OPENING BALANCE	BALANCE AS AT 31/09/19	AMOUNT TO BE RELEASED FOLLOWING NOVEMBER REVIEW	RELEASED AUTHORISED BY	REASON FOR RETENTION	REVIEWED BY AD'S NOVEMBER 2019	REVIEWED BY ED & AD FINANCE Nov 2019
INSURANCE-THIRD PARTY EXCESS	(148,869.94)	(148,869.94)		L Pugh	Maintained through insurance budgets in order to finance claims below the excess level on current policies. Enquiries are ongoing into using this reserve to 'self fund' some insurance risks which could result in savings on insurance premiums.	Retain - No change	OK
FUTURE MEMORIAL INSP/MAINT	(50,000.00)	(50,000.00)		S McGrandle	Funding for ongoing inspection, testing & maintenance of memorials, now capped at £50,000 cabinet 30/11/17	Retain - No change	Capped at £50,000 - Contingency
CASTLE STRUCTURE REPAIRS	(72,961.00)	(56,961.00)		A Miller	Due to delays in the capital and exhibition programme for the HLF project the castle has been unable to progress the condition report and roof works beyond prelim meetings and start up discussions. However the scale of the works has been confirmed and framework agreed for work to commence early in 2019/20 and be completed by March 2020.	??Why hasn't this been used to fund the roof repairs rather than using the BRF??	Can be released to revenue to fund planned works?
CAR PARKS MAINTENANCE	(38,460.00)	(38,460.00)		S McGrandle	Funds retained to ensure ongoing maintenance programme for outside car parks can be funded appropriately year on year.	Funds retained to ensure costs of defects identified by inspectors for outside car parks can be met.	OK - Contingency
TREE MAINTENANCE BOROUGH WIDE	(12,755.00)	(12,755.00)		S McGrandle	To provide funding for further felling, removal and replanting of trees across the borough as necess	Retain - No change	OK - Contingency
TOWN CENTRE STRATEGY	(120,145.00)	(120,145.00)		A Miller	Consolidated reserve to support The Town Centre Strategy as reported to Cabinet on 8th November 2018. Will be used over a 5 year period.	Retain	OK
EXTERNAL SUPPORT	(27,605.00)	(27,605.00)		R Neill	To ensure that funds are available to cover staff sickness/maternity leave or for additional external support eg for a special investigation or specialist audits, particularly during shared service arrangements with Lichfield DC. The external audit review work to be undertaken by FIT will not be completed until 2019/20 so funding for this will need to be carried forward.	This will be required both to pay for the FIT contract work planned for 2019/20, and for external support/temporary staff cover as a result of maternity leave & staff vacancies.	OK
LSPA LOCALITY WORKING RESERVE	(122,710.00)	(85,905.86)		R Barnes	A Connecting Communities Grants fund is being developed with 4 priorities:- Homelessness, Emotional Health and Wellbeing, Social Isolation and Loneliness and Supporting Vulnerable People. A maximum of £40k will be awarded each year for 2019/20, 2020/21 and 2021/22. £1k is required to make a final payment to St. Martins church in 2019/20 in respect of rent.	To be retained as per Cabinet agreement as part of community development funding for commissioning for VCSE. Connecting Communities grant funding	OK - to be spent by 2021/22
STAFFORDSHIRE HOARD	(5,930.00)	(5,930.00)		A Miller	The initial programme of works has now evolved and in order to complement the HLF project the intention is to use the funding for extra costume and support the HLF activity plan and develop some augmented reality interpretation to increase future sustainability.	Retain	OK
HOMELESSNESS PREVENTION	(82,625.22)	(0.22)	0.22	R Barnes	To be spent by 2020 as part of the wider spending plan	Small balance to be returned to Revenue	Small balance to be returned to Revenue

NARRATIVE	OPENING BALANCE	BALANCE AS AT 31/09/19	AMOUNT TO BE RELEASED FOLLOWING NOVEMBER REVIEW	RELEASED AUTHORISED BY	REASON FOR RETENTION	REVIEWED BY AD'S NOVEMBER 2019	REVIEWED BY ED & AD FINANCE Nov 2019
LPSA2 GRANT ASB	(43,506.50)	(43,506.50)		J Sands	To support SCC and OPCC partnership for Diversionary Activities for Children and Young People over 2019/20 and 2020/21	To be retained at this time pending LDF community grant provision which are unknown at this time.	OK
DWP UC/NEW BURDENS GRANT	(73,136.00)	(53,086.00)		L Pugh	Retained fund established from DWP New Burdens & Welfare Reforms grants, to fund additional hours/temp staff cover and additional costs associated with welfare reform/UC, for example IEG 4 software maintenance	To be retained to fund annual cost IEG 4 software (not included within base budget)	OK
GF PROPERTY INSURANCE EXCESS	(58,966.12)	(58,966.12)		L Pugh	Funding has continued to be held back as a contribution to Inward Investment activity across the LEP area. It is now a project under the Commercial Strategy and funding will be required to produce the strategy and undertake associated activity.	Retain - No change	OK
GF MOTOR INSURANCE EXCESS	(21,190.57)	(21,190.57)		L Pugh	To cover the ongoing commitment to settle the excess level of General fund Motor insurance claims.	Retain - No change	OK
TOWN HALL IMPROVEMENTS	(8,870.00)	0.00		Z Wolicki	Spend put on hold in 2018/19, remaining funds required to be carried forward for Town Hall improvements (no other budgetary funding)	Released before 31/10/19	
LEGAL FEES	(12,400.00)	(12,400.00)	12,400.00	J Sands	Retention of the fund will allow for a central partnership budget for the prosecution of existing and emerging prosecutions and/or legal actions under the ASB, Crime and Policing Act 2014. This will allow greater flexibility and capacity when determining how and ASB perpetrator should be dealt with. The current revenue budget available is £2500 per year. If not retained then it would be necessary to seek increase to the revenue line in year.	No longer required - can be offered up	No longer required - to be returned to balances
INDIVIDUAL VOTER REGISTRATION	(20,000.00)	(20,000.00)		R Neill	Retained fund established from New Burdens grant to meet the requirements of IVR and additional staffing, printing, postage and equipment/systems costs. It is also required to bolster funds available for additional unbudgeted elections.	Will be required to meet the additional costs of any unbudgeted elections (eg by-elections) and additional costs re IVR, staffing, etc	OK

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MAINT. OF A5 BALANCING PONDS	(513,782.45)	(513,782.45)		S McGrandle	When the A5 bypass was constructed, a network of 8 balancing ponds and reedbeds were also constructed alongside it to take excess water from the surface of the road and prevent this water being discharged as either groundwater or surface water, and also to reduce the effects of certain pollutants from the carriageway. Over time these balancing ponds which flow from Kettlebrook through to Tamworth centre become 'silted' up and have to be cleansed. A recent survey of the ponds has highlighted the fact that the original commuted sum set aside to maintain these ponds is insufficient and further funding is required in order to support the proposed 10 year maintenance plan. Therefore it is proposed that the surplus revenue from the Highway Maintenance budget be retained to assist in the delivery of this cleansing and maintenance programme.	Tenders in on this project so reserves will need to be released.	OK
BUSINESS RATES COLLECTION	(710,380.00)	(710,380.00)		L Pugh	This retained fund was established from revenue contributions for new burdens (Small Business Rate Relief) grant received by the Council. It is required to mitigate the impact on the budget from fluctuations in business rates receivable (due to the increased risk/reliance on business rates received and the direct impact on the Council's budgets).	Retain - No change	OK
REGENERATION BUDGET	(9,720.00)	(9,720.00)		A Miller	This may need to be used to support the Town Centre/Gungate scheme	Retain	OK - Contingency
VR SAVINGS - TEMP STAFF	(7,573.00)	(7,573.00)	7,573.00	A Miller	to be used as a contingency to support vacancies as they arise. Temporary staff can be considerably more expensive and recruitment can be difficult and take considerable time.	No longer required - can be offered up	No longer required - to be returned to balances
SPORTS GRANT	(2,400.00)	(2,400.00)		S McGrandle	Required for Tamworth BMX club to draw against for track maintenance.	Retain - No change	OK
ECONOMIC DEVELOPMENT SHARED SE	(43,223.00)	(13,105.00)		A Miller	Following a tender exercise a contract worth £25k has been awarded and is due to be paid early April 2019. Negotiations are ongoing with LDC regarding partnership contributions in the future and so the balance will be needed to impement any decisions made	Retain	OK
POLICE&CRIME COMMISSIONERS GRT	(26,778.00)	(10,278.00)		J Sands	-£10K contribution to PBA Earned Autonomy plan	Retention for Sporting Communities SPACE provision 2020	OK

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CONSERVATION GRANTS	(27,557.00)	(27,557.00)		A Miller	£25k of this fund has already been used to support the Town Centre Strategy over a period of 5 years, as reported to Cabinet on 8th November. It is requested the remainder be retained to provide Conservation Grants as £6k of the annual revenue budget for Conservation Grants has been earmarked for virement to an annual revenue budget for Town Centre Strategy. It is requested that unallocated budget for 2018/19 be added to the fund to allow for any increase in demand.	Retain	OK - contingency
LOCAL PLAN	(59,124.00)	(59,124.00)		A Miller	"The delivery and monitoring of the Local Plan is an ongoing commitment. The budget has supported activity relating to the examination of the Community Infrastructure Levy.. The service will look to start a required review of the Local Plan in preparation for 2020/2021 and some of the evidence base will be updated and the creation of this retained fund will support this activity. There has been a delay due to a change in our requirements	Ongoing work on the Local Plan will require this money to be available.	OK
EXPAND BILDING CONT PARTNSHIP	(7,000.00)	(7,000.00)		A Miller	This is the return of the building Control Surplus. It will be needed to support service delivery changes and the expansion of the Building Control Partnership.	Retain	OK
PLANNING INVEST FROM FEE INC	(59,890.00)	(36,190.00)		A Miller	The Government increased nationally set planning fees by 20% on 17th January 2018 on the understanding that the increase would be re-invested into the planning service. This is the estimated amount generated by the increase during 2018/19. It is requested that this fund is created to make improvements and efficiencies to the service and provide transparency .	A re-structure of the team is underway which will look at the way in which posts are funded - with a start date of April 2020.	OK
PROPERTY FUND INVESTMENT COSTS	(600,000.00)	(600,000.00)		S Garner	Contribution to reserve for potential cost of property fund investment purchases (stamp duty, valuation changes etc.) and changes in valuation not covered by mitigation regulations	Retain - no change	OK
PLANNING INTERN	(12,000.00)	(12,000.00)	12,000.00	A Miller	A policy change of £18k for a Planning Trainee post was included in the budget for 2018/19 and 2019/20. Appointment has been delayed due to business requirements and therefore the period of employment will now fall into 2020/21 and budget will be required in the third year. Funding of this post is also reliant on an additional contribution from PM1794.	A re-structure of the team is underway which will look at the way in which posts are funded - with a start date of April 2020.	REJECTED - all of this could be funded from the additional income identified and included in PM1794. In addition an annual budget has been included in 2019/20 for spend of planning fee income
	(3,332,862.90)	(3,098,195.76)	31,973.22				
SECTION 106 CAPITAL FUNDS							
CAPITAL FUND	(697,203.90)	(697,203.90)			To fund general capital works, the balance being included in future capital resource projections	OK	OK
	(697,203.90)	(697,203.90)	0.00				

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COMMUTED SUNS RESERVES							
CASTLE ACCESSION FUND	(10,000.00)	(10,000.00)			To enable acquisition of specimens for the museum	OK	OK
OPEN SPACE MAINTENANCE	(456,127.73)	(456,127.73)			Section 106 - open space maintenance	OK	OK
OPEN SPACE ENHANCEMENT	(230,181.75)	(295,554.25)			Section 106 - open space enhancement, including £250k contribution for Amminton Community Woodland	OK	OK
LEISURE CENTRE CONTRIBUTION	(33,169.50)	(33,169.50)			Section 106 - Persimon land off Cotton Lane	OK	OK
STORM WATER DRAINAGE MAINTENANCE	(420,599.74)	(420,599.74)			Section 106 - drainage maintenance including A5 balancing ponds	OK	OK
OPENSACE PURCHASE	(117,757.10)	(117,757.10)			Section 106 open space purchase	OK	OK
LEISURE / RECREATIONIAL FACILITIES	(792,599.85)	(916,679.85)			Section 106 Leisure / Recreational Facilities	OK	OK
AGREEMENT MONITORING	(5,262.00)	(5,262.00)			Section 106 - agreement monitoring	OK	OK
CIL ADMIN 5%	0.00	(6,395.96)			CIL Admin	OK	OK
CIL COMMUNITY 15%	0.00	(19,187.88)			CIL Community	OK	OK
CIL STRATEGIC 80%	0.00	(102,335.33)			CIL Strategic	OK	OK
	(2,065,697.67)	(2,383,069.34)	0.00				
OTHER RESERVES							
HOUSING TRANSFORMATION	(62,104.00)	(62,104.00)			To be released to HRA to fund transformation projects	OK	OK
BUILDING REPAIRS FUND	(471,709.75)	(471,709.75)			To be released to fund building repairs in year	OK	OK
GENERAL FUND TRANSFORMATION	(231,977.00)	(201,977.00)			To be released to HRA to fund transformation projects	OK	OK
	(765,790.75)	(735,790.75)	0.00				
TOTAL RESERVES	(24,411,301.73)	(24,397,116.26)	47,873.22				

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CABINET

THURSDAY 28TH NOVEMBER 2019

REPORT OF THE PORTFOLIO HOLDER FOR ASSETS AND FINANCE

TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY MID-YEAR REVIEW REPORT 2019/20

EXEMPT INFORMATION

None

PURPOSE

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

RECOMMENDATIONS

That Council be requested to approve the Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2019/20.

EXECUTIVE SUMMARY

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

- An economic update for the first six months of 2019/20;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's Capital expenditure as set out in the Capital Strategy, and Prudential Indicators;
- A review of the Council's investment portfolio for 2019/20;
- A review of the Council's borrowing strategy for 2019/20;
- A review of any debt rescheduling undertaken during 2019/20;
- A review of compliance with Treasury and Prudential Limits for 2019/20.

The main issues for Members to note are:

1. The Council has complied with the professional codes, statutes and guidance.
2. There are no issues to report regarding non-compliance with the approved prudential indicators.

3. The investment portfolio yield for the first six months of the year is 1.02% (0.77% for the same period in 2018/19) compared to the 3 Month LIBID benchmark rate of 0.66% (0.61% for the same period in 2018/19).

The aim of this report is to inform Members of the treasury and investment management issues to enable all Members to have ownership and understanding when making decisions on Treasury Management matters. In order to facilitate this, training on Treasury Management issues was most recently delivered for Members in November 2019 and will be provided as and when required.

RESOURCE IMPLICATIONS

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

LEGAL/RISK IMPLICATIONS BACKGROUND

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

SUSTAINABILITY IMPLICATIONS

None

BACKGROUND INFORMATION

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

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

A report setting out our updated Capital Strategy will be included with the Budget and Medium Term Financial Strategy report presented to Cabinet and Council in February 2020.

The CIPFA Code of Practice on Treasury Management (revised 2017) suggests that Members should be informed of Treasury Management activities at least twice a year, but preferably quarterly. This is the second monitoring report for 2019/20 presented to Members this year and therefore ensures the Council is embracing best practice. Cabinet also receives regular monitoring reports as part of the quarterly healthcheck on Treasury Management activities and risks.

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

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

Accordingly, Treasury Management is defined as:

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

Introduction

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

The primary requirements of the Code are as follows:

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

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

- An economic update for the first part of the 2019/20 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's Capital expenditure as set out in the Capital Strategy, and Prudential Indicators;
- A review of the Council's investment portfolio for 2019/20;
- A review of the Council's borrowing strategy for 2019/20;
- A review of any debt rescheduling undertaken during 2019/20;
- A review of compliance with Treasury and Prudential Limits for 2019/20.

1. Economic Update

1.1 UK

This first half year has been a time of upheaval on the political front as Theresa May resigned as Prime Minister to be replaced by Boris Johnson on a platform of the UK leaving the EU on or 31 October, with or without a deal. However, in September, his proroguing of Parliament was overturned by the Supreme Court and Parliament carried a bill to delay Brexit until 31 January 2020 if there was no deal by 31 October. MPs also voted down holding a general election before 31 October, though one has since been arranged for December 12th. At the time of writing the whole Brexit situation is highly fluid and could change radically by the day. Given these circumstances and the imminent general election, any interest rate forecasts are subject to material change as the situation evolves. If the UK does soon achieve a deal on Brexit agreed with the EU then it is possible that growth could recover relatively quickly. The MPC could then need to address the issue of whether to raise Bank Rate at some point in the coming year when there is little slack left in the labour market; this could cause wage inflation to accelerate which would then feed through into general inflation. On the other hand, if there was a no deal Brexit and there was a significant level of disruption to the economy, then growth could weaken even further than currently and the MPC would be likely to cut Bank Rate in order to support growth. However, with Bank Rate still only at 0.75%, it has relatively little room to make a big impact and the MPC would probably suggest that it would be up to the Chancellor to provide help to support growth by way of a fiscal boost by e.g. tax cuts, increases in the annual expenditure budgets of government departments and services and expenditure on infrastructure projects, to boost the economy.

The first half of 2019/20 has seen UK **economic growth** fall as Brexit uncertainty took a toll. In its Inflation Report of 1 August, the Bank of England was notably downbeat about the outlook for both the UK and major world economies. The MPC meeting of 19 September reemphasised their concern about the downturn in world growth and also expressed concern that prolonged Brexit uncertainty would contribute to a build-up of spare capacity in the UK economy, especially in the context of a downturn in world growth. This mirrored investor concerns around the world which are now expecting a significant downturn or possibly even a recession in some major developed economies.

It was therefore no surprise that the Monetary Policy Committee (MPC) left Bank Rate unchanged at 0.75% throughout 2019, so far, and is expected to hold off on changes until there is some clarity on what is going to happen over Brexit. However, it is also worth noting that the new Prime Minister is making some significant promises on various spending commitments and a relaxation in the austerity programme. This will provide some support to the economy and, conversely, take some pressure off the MPC to cut Bank Rate to support growth.

As for **inflation** itself, CPI has been hovering around the Bank of England's target of 2% during 2019, but fell to 1.7% in August. It is likely to remain close to 2% over the next two years and so it does not pose any immediate concern to the MPC at the current time. However, if there was a no deal Brexit, inflation could rise towards 4%, primarily as a result of imported inflation on the back of a weakening pound.

With regard to the **labour market**, despite the contraction in quarterly GDP growth of -0.2% q/q, (+1.3% y/y), in quarter 2, employment continued to rise, but at only a muted rate of 31,000 in the three months to July after having risen by no less than 115,000 in quarter 2 itself: the latter figure, in particular, suggests that firms are preparing to expand output and suggests there could be a return to positive growth in quarter 3. Unemployment continued at a 44 year low of 3.8% on the Independent Labour Organisation measure in July and the participation rate of 76.1% achieved a new all-time high. Job vacancies fell for a seventh consecutive month after having previously hit record levels. However, with unemployment continuing to fall, this month by 11,000, employers will still be having difficulty filling job vacancies with suitable staff. It was therefore unsurprising that wage inflation picked up to a high point of 3.9% in June before easing back slightly to 3.8% in July, (3 month average regular pay, excluding bonuses). This meant that in real terms, (i.e. wage rates higher than CPI inflation), earnings grew by about 2.1%. As 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. The latest GDP statistics also included a revision of the savings ratio from 4.1% to 6.4% which provides reassurance that consumers' balance sheets are not over stretched and so will be able to support growth going forward. This would then mean that the MPC will need to consider carefully at what point to take action to raise Bank Rate if there is an agreed Brexit deal, as the recent pick-up in wage costs is consistent with a rise in core services inflation to more than 4% in 2020.

In the **political arena**, the general election 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 although, conversely, a weak international backdrop could provide further support for low yielding government bonds and gilts.

1.2 USA.

President Trump's massive easing of fiscal policy in 2018 fuelled a temporary boost in consumption in that year which generated an upturn in the rate of strong growth to 2.9% y/y. Growth in 2019 has been falling back after a strong start in quarter 1 at 3.1%, (annualised rate), to 2.0% in quarter 2. Quarter 3 is expected to fall further. The strong growth in employment numbers during 2018 has reversed into a falling trend during 2019, indicating that the economy is cooling, while inflationary pressures are also weakening. The Fed finished its series of increases in rates to 2.25 – 2.50% in December 2018. In July 2019, it cut rates by 0.25% as a 'midterm adjustment' but flagged up that this was not to be seen as the start of a series of cuts to ward off a downturn in growth. It also ended its programme of quantitative tightening in August, (reducing its holdings of treasuries etc). It then cut rates again in September to 1.75% - 2.00% and is thought likely to cut another 25 bps in December. Investor confidence has been badly rattled by the progressive ramping up of increases in tariffs President Trump has made on Chinese imports and China has responded with increases in tariffs on American imports. This trade war is seen as depressing US, Chinese and world growth. In the EU, it is also particularly impacting Germany as exports of goods and services are equivalent to 46% of total GDP. It will also impact developing countries dependent on exporting commodities to China.

1.3 EUROZONE

Growth has been slowing from +1.8 % during 2018 to around half of that in 2019. Growth was +0.4% q/q (+1.2% y/y) in quarter 1 and then fell to +0.2% q/q (+1.0% y/y) in quarter 2; there appears to be little upside potential to the growth rate in the rest of 2019. German GDP growth fell to -0.1% in quarter 2; industrial production was down 4% y/y in June with car production down 10% y/y. Germany would be particularly vulnerable to a no deal Brexit depressing exports further and if President Trump imposes tariffs on EU produced cars. The European Central Bank (ECB) ended its programme of quantitative easing purchases of debt in December 2018, which meant that the central banks in the US, UK and EU had all ended the phase of post financial crisis expansion of liquidity supporting world financial markets by purchases of debt. However, the downturn in EZ growth in the second half of 2018 and into 2019, 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%), has prompted the ECB to take new measures to stimulate growth. At its March meeting it said that it expected to leave interest rates at their present levels "at least through the end of 2019", but that was of little help to boosting growth in the near term. Consequently, it 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. However, since then, the downturn in EZ and world growth has gathered momentum so at its meeting on 12 September, it cut its deposit rate further into negative territory, from -0.4% to -0.5%, and announced a resumption of quantitative easing purchases of debt. It also increased the maturity of the third round of TLTROs from two to three years. However, it is doubtful whether this loosening of monetary policy will have much impact on growth and unsurprisingly, the ECB stated that governments will need to help stimulate growth by fiscal policy.

On the political front, Austria, Spain and Italy are in the throes of forming coalition governments with some unlikely combinations of parties i.e. this raises questions around their likely endurance. The recent results of two German state elections will put further pressure on the frail German CDU/SDP coalition government.

1.4 CHINA

Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems. Progress also still needs to be made to eliminate excess industrial capacity and to switch investment from property construction and infrastructure to consumer goods production. The trade war with the US does not appear currently to have had a significant effect on GDP growth as some of the impact of tariffs has been offset by falls in the exchange rate and by transshipping exports through other countries, rather than directly to the US.

1.5 JAPAN

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

1.6 WORLD GROWTH

The trade war between the US and China is a major concern to financial markets and is depressing worldwide growth, as any downturn in China will spill over into impacting countries supplying raw materials to China. Concerns are focused on the synchronised general weakening of growth in the major economies of the world compounded by fears that there could even be a recession looming up in the US, though this is probably overblown. These concerns have resulted in government bond yields in the developed world falling significantly during 2019. If there were a major worldwide downturn in growth, central banks in most of the major economies will have limited ammunition available, in terms of monetary policy measures, when rates are already very low in most countries, (apart from the US), and there are concerns about how much distortion of financial markets has already occurred with the current levels of quantitative easing purchases of debt by central banks. The latest PMI survey statistics of economic health for the US, UK, EU and China have all been sub 50 which gives a forward indication of a downturn in growth; this confirms investor sentiment that the outlook for growth during the rest of this financial year is weak.

1.7 Interest rate forecasts

The Council’s treasury advisor, Link Asset Services, has provided the following forecast. This forecast includes the increase in margin over gilt yields of 100bps introduced on 9.10.19.

Link Asset Services Interest Rate View										
	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.25
3 Month LIBID	0.70	0.70	0.70	0.80	0.90	1.00	1.00	1.00	1.10	1.20
6 Month LIBID	0.80	0.80	0.80	0.90	1.00	1.10	1.10	1.20	1.30	1.40
12 Month LIBID	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.40	1.50	1.60
5yr PWLB Rate	2.30	2.50	2.60	2.70	2.70	2.80	2.90	3.00	3.00	3.10
10yr PWLB Rate	2.60	2.80	2.90	3.00	3.00	3.10	3.20	3.30	3.30	3.40
25yr PWLB Rate	3.30	3.40	3.50	3.60	3.70	3.70	3.80	3.90	4.00	4.00
50yr PWLB Rate	3.20	3.30	3.40	3.50	3.60	3.60	3.70	3.80	3.90	3.90

The above forecasts have been based on an assumption that there is some sort of muddle through to an agreed deal on Brexit at some point in time. Given the current level of uncertainties, this is a huge assumption and so forecasts may need to be materially reassessed in the light of events over the next few weeks or months.

It has been little surprise that the Monetary Policy Committee (MPC) has left Bank Rate unchanged at 0.75% so far in 2019 due to the ongoing uncertainty over Brexit. In its meeting on 1 August, the MPC became more dovish as it was more concerned about the outlook for both the global and domestic economies. That’s shown in the policy statement, based on an assumption that there is an agreed deal on Brexit, where the suggestion that rates would need to rise at a “gradual pace and to a limited extent” is now also conditional on “some recovery in global growth”. Brexit uncertainty has had a dampening effect on UK GDP growth in 2019, especially around mid-year. If there were a no deal Brexit, then it is likely that there will be a cut or cuts in Bank Rate to help support economic growth. The September MPC meeting sounded even more concern about world growth and the effect that prolonged Brexit uncertainty is likely to have on growth.

Bond yields / PWLB rates. There has been much speculation recently that we are currently in a bond market bubble. However, given the context that there are heightened expectations that the US could be heading for a recession, and a general background of a downturn in world economic growth, together with inflation generally at low levels in most countries and expected to remain subdued, conditions are ripe for low bond yields. While inflation targeting by the major central banks has been successful over the last thirty years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This has pulled down the overall level of interest rates and bond yields in financial markets over the last thirty years. We have therefore seen over the last year, many bond yields up to ten years in the Eurozone actually turn negative. In addition, there has, at times, been an inversion of bond yields in the US whereby ten year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession.

The other side of this coin is that bond prices are elevated as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities. However, stock markets are also currently at high levels as some investors have focused on chasing returns in the context of dismal ultra-low interest rates on cash deposits.

What we saw during the last half year up to 30 September is a near halving of longer term PWLB rates to completely unprecedented historic low levels. There is though, an expectation that financial markets have gone too far in their fears about the degree of the downturn in US and world growth. If, as expected, the US only suffers a mild downturn in growth, bond markets in the US are likely to sell off and that would be expected to put upward pressure on bond yields, not only in the US, but due to a correlation between US treasuries and UK gilts, which at various times has been strong but at other times weaker, in the UK. However, forecasting the timing of this and how strong the correlation is likely to be, is very difficult to do with any degree of confidence.

One potential danger that may be lurking in investor minds is that Japan has become mired in a twenty year bog of failing to get economic growth and inflation up off the floor, despite a combination of massive monetary and fiscal stimulus by both the central bank and government. Investors could be fretting that this condition might become contagious.

Another danger is that unconventional monetary policy post 2008, (ultra-low interest rates plus quantitative easing), may end up doing more harm than good through prolonged use. Low interest rates have encouraged a debt fuelled boom which now makes it harder for economies to raise interest rates. Negative interest rates could damage the profitability of commercial banks and so impair their ability to lend and / or push them into riskier lending. Banks could also end up holding large amounts of their government's bonds and so create a potential doom loop. (A doom loop would occur where the credit rating of the debt of a nation was downgraded which would cause bond prices to fall, causing losses on debt portfolios held by banks and insurers, so reducing their capital and forcing them to sell bonds – which, in turn, would cause further falls in their prices etc.). In addition, the financial viability of pension funds could be damaged by low yields on holdings of bonds.

The balance of risks to the UK

- The overall balance of risks to economic growth in the UK is probably to the downside due to the weight of all the uncertainties over Brexit, as well as a softening global economic picture.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates are broadly similarly to the downside.

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

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

- **Brexit** – if it were to cause significant economic disruption and a major downturn in the rate of growth.
- **Bank of England** takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- A resurgence of the **Eurozone sovereign debt crisis**. In 2018, Italy was a major concern due to having a populist coalition government which made a lot of anti-austerity and anti-EU noise. However, in September 2019 there was a major change in the coalition governing Italy which has brought to power a much more EU friendly government; this has eased the pressure on Italian bonds. Only time will tell whether this new unlikely alliance of two very different parties will endure.
- Weak capitalisation of some **European banks**, particularly Italian banks.
- **German minority government**. In the German general election of September 2017, Angela Merkel's CDU party was left in a vulnerable minority position dependent on the fractious support of the SPD party, as a result of the rise in popularity of the anti-immigration AfD party. Then in October 2018, the results of the Bavarian and Hesse state elections radically undermined the SPD party and showed a sharp fall in support for the CDU. As a result, the SPD had a major internal debate as to whether it could continue to support a coalition that is so damaging to its electoral popularity. After the result of the Hesse state election, Angela Merkel announced that she would not stand for re-election as CDU party leader at her party's convention in December 2018. However, this makes little practical difference as she has continued as Chancellor, though more recently concerns have arisen over her health.
- **Other minority EU governments**. Austria, Sweden, Spain, Portugal, Netherlands and Belgium all have vulnerable minority governments dependent on coalitions which could prove fragile.
- **Italy, Austria, the Czech Republic and Hungary** now form a strongly anti-immigration bloc within the EU. There has also been rising anti-immigration sentiment in Germany and France.
- There are concerns around the level of **US corporate debt** which has swollen massively during the period of low borrowing rates in order to finance mergers and acquisitions. This has resulted in the debt of many large corporations being downgraded to a BBB credit rating, close to junk status. Indeed, 48% of total investment grade corporate debt is rated at BBB. If such corporations fail to generate profits and cash flow to reduce their debt levels as expected, this could tip their debt into junk ratings which will increase their cost of financing and further negatively impact profits and cash flow.
- **Geopolitical risks**, for example in North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.

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

- **Brexit** – if agreement was reached all round that removed all threats of economic and political disruption between the EU and the UK.

- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- **UK inflation**, whether domestically generated or imported, returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

2. Treasury Management Strategy Statement and Annual Investment Strategy Update

The Treasury Management Strategy Statement (TMSS) for 2019/20 was approved by Council on 26th February 2019.

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

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

This part of the report is structured to update:

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

3.1 Prudential Indicator for Capital Expenditure

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

Capital Expenditure	2019/20 Original Programme	Budget B'fwd from 2018/19	Virements in Year	Total 2019/20 Budget	Actual Spend @ Period 6	Predicted Outturn	2019/20 Revised Estimate*
	£m	£m	£m	£m	£m	£m	£m
General Fund	0.983	17.929	-	18.912	3.155	8.494	18.315
HRA	8.927	22.354	-	31.281	9.000	27.413	29.883
Total	9.910	40.283	-	50.193	12.156	35.908	48.198

* Includes potential expenditure slippage into 2020/21 of £12.29m relating mainly to Gungate development, Gateways projects, Amington Woodland & Cycleway, Property Fund investments and Solway LATC, High Rise lifts and Tinkers Green and Kerria redevelopment.

3.2 Changes to the Financing of the Capital Programme

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

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

Capital Expenditure	2019/20	2019/20	2019/20
	Capital Programme	Predicted Outturn	Budget *
	£m	£m	£m
Unsupported	0.295	6.278	8.668
Supported	9.615	29.630	41.525
Total spend	9.910	35.908	50.193
Financed by:			
Grants - Disabled Facilities	0.400	0.400	0.400
Coalfields Grant	-	-	0.222
Section 106's	0.100	0.437	1.032
GF Receipts	-	4.624	13.359
GF Reserve	-	0.614	1.055
Sale of Council House Receipts	0.188	0.487	0.601
HRA Receipts	2.150	3.368	3.368
HLF Assembly Rooms Lottery	-	0.128	0.128
Grants - Assembly Rooms (SLGF/Arts Council)	-	0.081	0.081
Public Contributions (Assembly Rooms)	-	-	0.050
HLF/Donation - Castle Mercian Trail	-	0.470	0.531
Other Contributions	-	-	-
MRR	2.805	5.315	5.463
HRA 1-4-1 Replacements Receipts	0.650	0.784	1.034
HRA Reserve	2.422	9.556	10.286
HRA Regeneration Fund	0.900	3.366	3.916
Total Financing	9.615	29.630	41.525
Borrowing need	0.295	6.278	8.668

* includes potential expenditure slippage into 2020/21

However, it should be noted that due to receipt of Homes England grant of c.£5m, it is likely that the planned borrowing for the Regeneration of Tinkers Green and Kerria will be reduced to c.£2m.

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

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

Prudential Indicator – Capital Financing Requirement

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

Prudential Indicator – the Operational Boundary for External Debt

	2018/19	2019/20	2019/20	2019/20
	Outturn	Capital Programme	Projected Outturn	Budget
	£m	£m	£m	£m
CFR – Non Housing	0.828	2.235	1.959	2.159
CFR – Housing	68.041	75.255	73.065	75.255
Total CFR	68.869	77.490	75.024	77.414
Net movement in CFR	(0.057)	8.412	6.155	8.545
Operational Boundary				
Expected Borrowing	63.060	63.060	63.060	63.060
Other long term liabilities	-	-	-	-
Total debt 31st March	63.060	63.060	63.060	63.060

3.4 Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2019/20 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

	2018/19	2019/20	2019/20	2019/20
	Outturn	Original Estimate	Projected Outturn	Budget
	£m	£m	£m	£m
Gross borrowing	63.060	63.060	63.060	63.060
Less investments	68.761	26.369	43.805	41.415
Net borrowing	(5.701)	36.691	19.255	21.645
CFR (year end position)	68.869	77.490	75.024	77.414

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

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

Authorised Limit for External Debt	2019/20 Original Indicator	Current Position	2019/20 Revised Indicator
Borrowing	84.642	84.642	84.642
Total	84.642	84.642	84.642

4. Investment Portfolio 2019/20

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

The Council held £66.634m of investments as at 30th September 2019, excluding investments in property funds (£64.94m at 31st March 2019) and the investment portfolio yield for the first six months of the year is 1.02% against a benchmark of the 3 months LIBID of 0.66%. A full list of investments held as at 30th September 2019 is detailed in **APPENDIX 1**.

The Executive Director Finance confirms that the approved limits within the Annual Investment Strategy were not breached during the first six months of 2019/20.

The Council's budgeted investment return for 2019/20 is £418k, and performance for the year is projected to be £250k above budget, due to additional funds available to invest (due to increased capital slippage). However, a shortfall of £91k in respect of property fund interest and dividends is forecast, due to a delay in making any further investments in property funds due to the uncertainty around the Brexit and the current economic situation. The value of property fund investments as at 30th September 2019 was £3.78m (£3.82m at 31st March 2019).

CIPFA Benchmarking Club

The Council is a member of the CIPFA Treasury Management Benchmarking Club which is a means to assess our performance over the year against other members. Our average return for In House Investments for the period April to September 2019 was 1.0% compared to the group average of 1.02% (information from CIPFA Benchmarking Report Quarter 2 2019/20). This is considered to be a reasonable result in light of the current financial climate, our lower levels of deposits/funds and shorter investment time-lines due to Banking sector uncertainty, when compared to other Authorities.

This can be analysed further into the following categories:

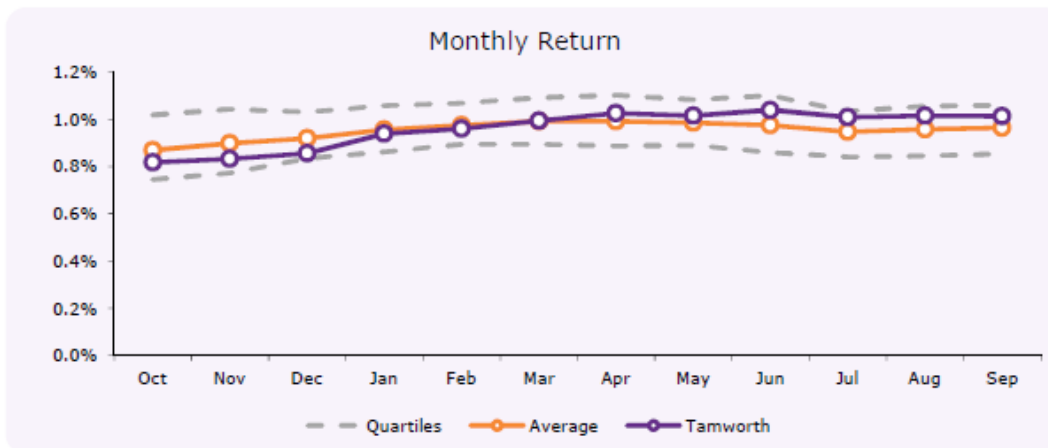
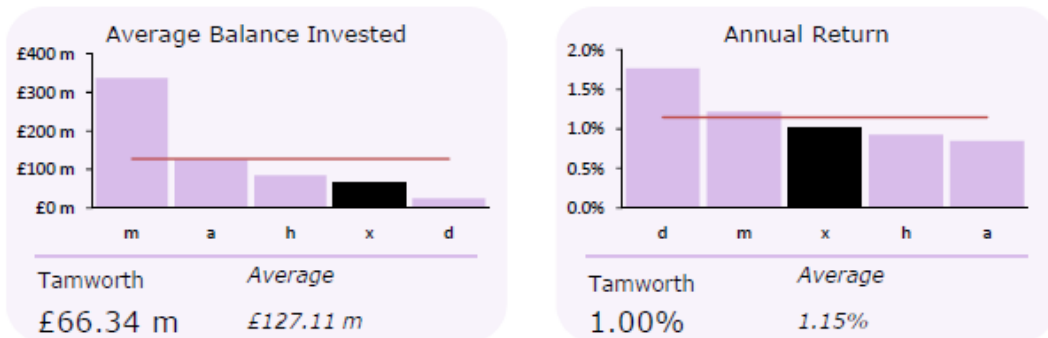
Category	Average Balance Invested		Average Annual Return Received	
	£m		%	
	Tamworth Borough Council	CIPFA Benchmarking Club	Tamworth Borough Council	CIPFA Benchmarking Club
Fixed Investments (up to 30 days)	-	0.1	-	0.8
Fixed Investments (between 31 and 90 days)	-	2.2	-	0.8
Fixed Investments (between 91 and 364 days)	20.1	35.3	1.1	1.4
Fixed Investments (between 1 year and 3 years)	6.6	45.8	1.0	1.0
Fixed Investments (over 3 years)	-	8.0	-	1.8
Callable and Structured Deposits	-	28.7	-	1.3
Notice Accounts	20.0	11.2	1.0	1.3
Money Market Funds (Constant Net Asset Value)	11.6	23.7	0.7	0.9
Money Market Funds (Variable Net Asset Value)	-	18.0	-	0.5
DMADF	-	0.6	-	0.5
CDs, Gilts and Bonds	7.9	7.2	1.2	2.9
Average of all investments (Managed in House)	66.3	127.1	1.0	1.2

* Excludes property funds / Variable rate MMF

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

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

Combined Investments (excl. impaired investments)



Monthly Return (Oct 18 - Sept 19)													
	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Sept	Year
Balance £'m	70.4	69.8	71.7	73.4	71.2	67.5	67.4	66.9	67.0	68.2	68.9	70.3	66.3
Interest £'k	48.8	47.8	52.1	58.4	52.3	57.0	56.8	57.6	57.2	58.4	59.3	58.5	664.1
Return	0.82%	0.83%	0.86%	0.94%	0.96%	0.99%	1.02%	1.01%	1.04%	1.01%	1.01%	1.01%	1.00%
Upper Quartile	1.02%	1.04%	1.03%	1.06%	1.07%	1.09%	1.10%	1.08%	1.10%	1.03%	1.05%	1.06%	1.49%
Average	0.87%	0.90%	0.92%	0.95%	0.97%	0.99%	0.99%	0.98%	0.97%	0.95%	0.96%	0.96%	1.15%
Lower Quartile	0.74%	0.77%	0.83%	0.86%	0.89%	0.89%	0.89%	0.89%	0.86%	0.84%	0.84%	0.85%	0.88%
% Diff from Avg	-0.05%	-0.06%	-0.06%	-0.02%	-0.02%	0.00%	0.03%	0.03%	0.06%	0.06%	0.06%	0.05%	-0.15%

Investment Counterparty Criteria

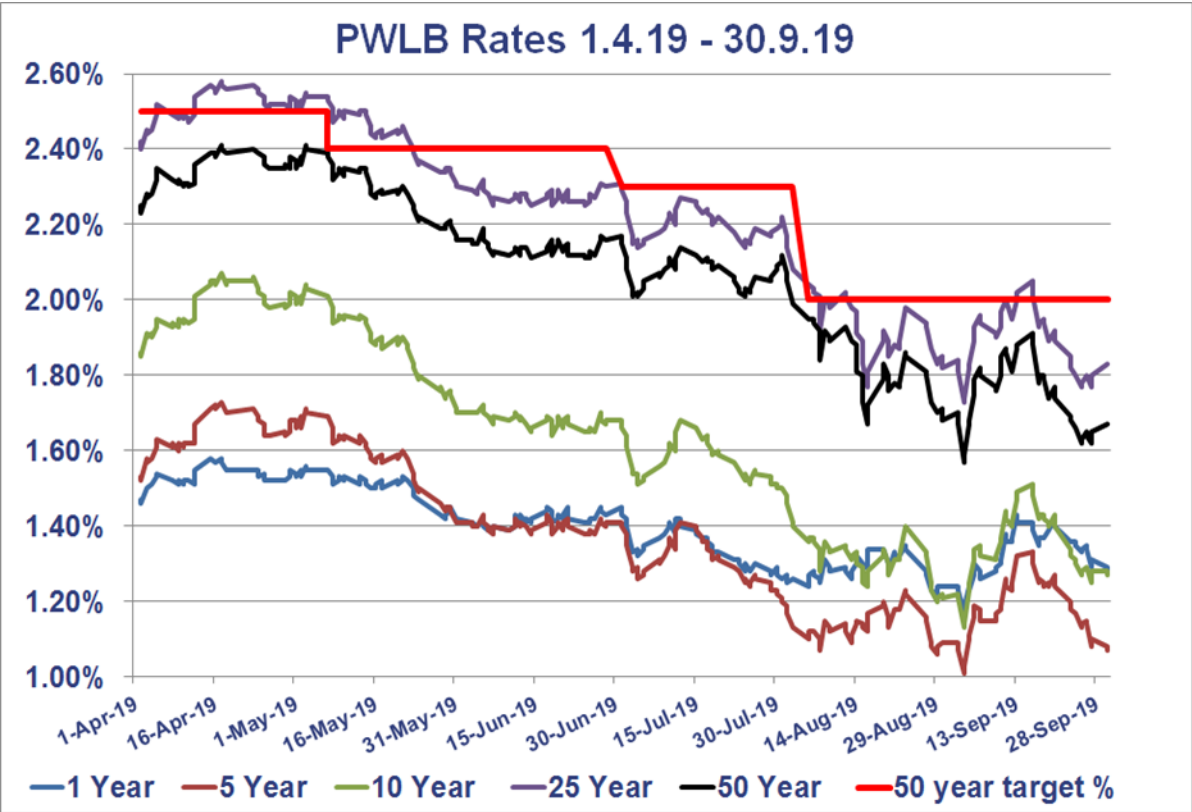
The current investment counterparty criteria selection approved in the TMSS and as approved by Council on 26th February 2019 meets the requirements of the Treasury Management function.

5. Borrowing

The Council's estimated revised capital financing requirement (CFR) for 2019/20 is £75.024m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. Table 3.4 shows the Council has borrowings of £63.060m and plans to utilise £11.964m of cash flow funds in lieu of borrowing. This is a prudent and cost effective approach in the current economic climate but will require ongoing monitoring in the event that upside risk to gilt yields prevails.

It is not anticipated that any additional borrowing will be undertaken during 2019/20.

The table and graph below show the movement in PWLB Certainty Rates for the first six months of the year to date. PWLB rates have been on a falling trend during this period and longer rates have almost halved to reach historic lows. The 50 year PWLB target (certainty) rate for new long term borrowing fell from 2.5% to 2% during this period.



	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.17%	1.01%	1.13%	1.73%	1.57%
Date	03/09/2019	03/09/2019	03/09/2019	03/09/2019	03/09/2019
High	1.58%	1.73%	2.07%	2.58%	2.41%
Date	15/04/2019	17/04/2019	17/04/2019	17/04/2019	17/04/2019
Average	1.40%	1.37%	1.62%	2.20%	2.07%

Increase in the cost of borrowing from the PWLB

On 9 October 2019 the Treasury and PWLB announced an increase in the margin over gilt yields of 100bps on top of the current margin of 80 bps which this authority has paid prior to this date for new borrowing from the PWLB. There was no prior warning that this would happen and it now means that every local authority has to fundamentally reassess how to finance their external borrowing needs and the financial viability of capital projects in their capital programme due to this unexpected increase in the cost of borrowing. Representations are going to be made to HM Treasury to suggest that areas of capital expenditure that the Government are keen to see move forward e.g. housing, should not be subject to such a large increase in borrowing.

Whereas this authority has previously relied on the PWLB as its main source of funding, it now has to fundamentally reconsider alternative cheaper sources of borrowing. At the current time, this is a developmental area as this event has also taken the financial services industry by surprise. We are expecting that various financial institutions will enter the market or make products available to local authorities. Members will be updated as this area evolves.

It is possible that the Municipal Bond Agency will be offering loans to local authorities in the future. This Authority may make use of this new source of borrowing as and when appropriate.

6. Debt Rescheduling

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

The 100bps increase in PWLB rates from 9.10.19 only applied to new borrowing rates, not to premature repayment rates.

7. Changes in risk appetite

The 2018 CIPFA Codes and guidance notes have placed enhanced importance on risk management. Where an authority changes its risk appetite e.g. for moving surplus cash into or out of certain types of investment funds or other types of investment instruments, this change in risk appetite and policy should be brought to members' attention in treasury management update reports. There are no such changes to report to Members at this stage.

REPORT AUTHOR

Please contact Stefan Garner, Executive Director Finance, extension 242, or Jo Goodfellow, Head of Finance, extension 241.

LIST OF BACKGROUND PAPERS

<i>Background Papers -</i>	<i>Local Government Act 2003</i>
	<i>CIPFA Code of Practice on Treasury Management in Public Services 2017</i>
	<i>Annual Report on the Treasury Management Service and Actual Prudential Indicators 2018/19 – Council 10th September 2019</i>
	<i>Treasury Management Strategy & Prudential Indicators Report 2019/20 - Council 26th February 2019</i>
	<i>Budget & Medium Term Financial Strategy 2019/20 - Council 26th February 2019</i>
	<i>Financial Healthcheck Period 6, September 2019</i>
	<i>CIPFA Treasury Management Benchmarking Club Report Quarter 2, September 2019</i>

APPENDIX 1

Investments held as at 30th September 2019:

Borrower	Deposit £	Rate %	From	To	Notice
National Westminster Bank plc	4,001,183	1.1300%	27-Nov-18	26-Nov-19	-
Lloyds Bank	1,000,000	1.1000%	30-Nov-18	29-Nov-19	-
Lloyds Bank	1,000,000	1.1000%	30-Nov-18	29-Nov-19	-
Bank of Scotland	2,000,000	1.1000%	03-Jan-19	03-Jan-20	-
Bank of Scotland	2,000,000	1.1000%	04-Jan-19	03-Jan-20	-
Lloyds Bank	1,000,000	1.1000%	08-Feb-19	07-Feb-20	-
Bank of Scotland	2,000,000	1.1000%	11-Feb-19	10-Feb-20	-
Thurrock Council	7,000,000	1.1200%	13-Mar-19	13-Feb-20	-
Lloyds Bank	2,000,000	1.2500%	03-Apr-19	03-Apr-20	-
Lloyds Bank	2,000,000	1.2500%	03-Apr-19	03-Apr-20	-
Barclays Bank	2,000,000	0.8400%	05-Apr-19	07-Oct-19	-
Thurrock Council	3,000,000	0.9000%	10-Apr-19	10-Oct-19	-
National Westminster Bank plc	2,000,791	0.9200%	28-Jun-19	26-Jun-20	-
National Westminster Bank plc	4,001,583	0.8300%	05-Jul-19	26-Jun-20	-
Goldman Sachs	10,000,000	1.17%	-	-	180 day
Santander	10,000,000	1.00%	-	-	180 day
MMF – PSDF	2,187,000	0.73%*	-	-	On call
MMF – Federated	3,000,000	0.96%*	-	-	On call
MMF – Federated	3,446,504	0.73%*	-	-	On call
Total	63.634	1.02 (avg)			

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

28 November 2019

REPORT OF THE PORTFOLIO HOLDER FOR ASSETS AND FINANCE**COUNCIL TAXBASE 2020/21****EXEMPT INFORMATION**

None

PURPOSE

To report the Council Tax Base for the Borough Council for 2020/21.

RECOMMENDATIONS

That Tamworth Borough Council resolves its calculation of the Council Tax Base for the year 2020/21 to be 22,367 (2019/20 – 21,761).

EXECUTIVE SUMMARY

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

The Authority is required to approve the Council Tax Base.

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

OPTIONS CONSIDERED

Not applicable.

RESOURCE IMPLICATIONS

The figure for 2020/21 Council Tax Base is calculated at 22,367.
This represents an increase in the current year of 606 or 2.8%.

LEGAL/RISK IMPLICATIONS BACKGROUND

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

EQUALITIES IMPLICATIONS

Not applicable.

SUSTAINABILITY IMPLICATIONS

None

BACKGROUND INFORMATION

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

In accordance with the Local Authority (Calculation of Council Tax Base) Regulations 1992 as amended, the Tax Base for the year 2020/21 is calculated by applying a formula $A \times B$.

A is the number of properties in each band (expressed as a number of band D equivalents).

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

Applying the collection rate to A gives a Council Tax Base of 22,367 ($22,847 \times 97.9\%$).

REPORT AUTHOR

Michael Buckland, Head of Revenues, Telephone 01827 709523
e-mail michael-buckland@tamworth.gov.uk

LIST OF BACKGROUND PAPERS

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

APPENDICES

Appendix A – Council Tax Base Calculation 2020/21

Appendix A				
Band		Band D Equivalent	LCTS adjustment	Total
A		5,440.6	-1390.8	4,049.8
B		8,457.5	-827.3	7,630.2
C		4,771.4	-202.6	4,568.8
D		3,559.4	-63.3	3,496.1
E		2,292.4	-21.8	2,270.6
F		674.0	-8.5	665.5
G		162.2	-1.1	161.1
H		4.5	0.0	4.5
Total		25,362.0	-2,515.4	22,846.6
	x 97.90%	24,829.4	-2,462.6	22,366.8
Council Tax Base				22,367

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28 November 2019

REPORT OF THE PORTFOLIO HOLDER FOR ASSETS AND FINANCE

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

EXEMPT INFORMATION

None

PURPOSE

That Members endorse the amount of debt written off for the period 01 April 2019 to 30 September 2019 and to seek approval to write off irrecoverable debt in line with policy regarding Sundry Income 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 30 September 2019 – **Appendix A-D**; and
- 2) Approve the write off of irrecoverable debt for Sundry Income of £11,956.65 – **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 the current financial year. Further updates will continue to be produced on a quarterly basis.

Type	01/04/19 – 30/09/19 £ p
Council Tax	£133,594.16
Business Rates	£175,439.78
Sundry Income	£0.00
Housing Benefit Overpayments	£14,588.57

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 – 30/09/19 £ p
Bad Debt provision	£542,214.20
Less, amount written off to date under delegated powers	(£175,439.78)
Amount remaining	£366,774.42

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 Sundry Income 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 September 2019.

Appendix E gives details of Sundry Income write offs for approval.

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Appendix A

Summary of Council Tax Write Offs 01/04/2019-30/09/2019

Date of Write Off	Head of Revenues			Assistant Director of Finance	Executive Director of Finance		Remitted	Credit Write Off	Reversed Write Off	Total	No. of Accounts (Write Off Only)	Reason(s)
	(£0.00-£75.00)	(£75.01-£500.00)	(£500.01-£2,000.00)									
03/07/2019		£12,046.72	£11,506.53						£23,553.25	64	No trace	
"		£235.38							£235.38	1	Uneconomic to pursue	
04/07/2019								(£127.44) (£3.75)	(£127.44) (£3.75)		Payment received Dividend received	
05/07/2019								(£146.75) (£51.33)	(£146.75) (£51.33)		Liability adjustments LCTR adjustments	
"								(£134.37)	(£134.37)		Payments received	
08/07/2019	£35.00	£7,486.03	£6,993.18						£14,514.21	35	No trace	
15/07/2019								(£12.12)	(£12.12)		Dividend received	
17/07/2019								(£12.05)	(£12.05)		Dividend received	
31/07/2019								(£18.22)	(£18.22)		Dividend received	
07/08/2019								(£2.35)	(£2.35)		Dividend received	
15/08/2019								(£2.38)	(£2.38)		Dividend received	
21/08/2019								(£2,165.96)	(£2,165.96)		IVA failed	
22/08/2019								(£1.51)	(£1.51)		Dividend received	
19/09/2019								(£203.39)	(£203.39)		IVA failed	
19/09/2019								(£30.00)	(£30.00)		Payment received	
03/09/2019		£488.72	£780.63	£4,875.48					£6,144.83	3	Hardship	
20/09/2019								(£1.39)	(£1.39)		Dividend received	
Q2 Totals	£35.00	£20,256.85	£19,280.34	£4,875.48	£0.00	£0.00	£0.00	£0.00	(£2,913.01)	£41,534.66	103	
Q1 Totals (B/F)	£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	
Overall Total	£5,751.98	£48,361.01	£65,608.52	£17,599.54	£0.00	£0.00	£0.00	£0.00	(£3,726.89)	£133,594.16	778	

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Appendix B

Summary of NNDR Write Offs 01/04/2019-30/09/2019

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)									
15/08/2019						£34,279.86				£34,279.86	1	Absconded
"						£112,431.64				£112,431.64	4	Insolvency
30/09/2019									(£108.42)	(£108.42)		Dividend received
Q2 Totals	£0.00	£0.00	£0.00	£0.00	£0.00	£146,711.50	£0.00	£0.00	(£108.42)	£146,603.08	5	
Q1 Totals (B/F)	£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	
Overall Total	£0.00	£0.00	£8,222.31	£15,330.61	£5,556.82	£146,711.50	£0.00	£0.00	(£381.46)	£175,439.78	15	

Appendix C

Summary of Sundry Income Write Offs 01/04/2019-30/09/2019

Date of Write Off	Assistant Director of Assets (up to £5,000.00)	Assistant Director Operations & Leisure (up to £5,000.00)	Assistant Director Neighbourhoods (up to £5,000.00)	Head of Revenues (£0.00-£2,000.00)	Assistant Director of Finance (£2,000.01-£5,000.00)	Assistant Director Partnerships (up to £5,000.00)	Executive Director of Finance (£5,000.01-£10,000.00)	Cabinet (£10,000.01 +)	Total	No. of Accounts	Reason(s)
Q2 Totals	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0	
Q1 Totals (B/F)	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0	
Overall Total	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0	
No Sundry Income write offs in Q1 or Q2 of 2019/20											

Appendix D

Summary of Benefit Overpayment Write Offs 01/04/2019-30/09/2019

Date of Write Off	Head of Benefits				Executive Director of Finance (£2,000.01-£10,000.00)	Cabinet (£10,000.01 and Over)	Reversed Write Off	Total	No. of Accounts	Reason(s)
	(£0.00-£75.00)	(£75.01-£500.00)	(£500.01-£1,000.00)	(£1,000.01-£2,000)						
31.07.2019	£67.17	£112.30					£179.47	2	deceased (2019)	
"	£15.19			£1,138.64			£1,153.83	3	HB Reg100 compliant not recoverable (19)	
"		£182.47					£182.47	2	<2 weeks outstanding due to death (2019)	
"						(£136.08)	(£136.08)			
31.08.2019	£34.59	£727.09					£761.68	6	<2 weeks outstanding due to death (2019)	
"	£3.86						£3.86	1	uneconomical to pursue (2018)	
"		£101.17					£101.17	1	HB Reg100 compliant not recoverable (19)	
30.09.2019	£27.29						£27.29	11	uneconomical to pursue (2019)	
"		£708.92					£708.92	6	<2wks o/s due to death (2019)	
Q2 Totals	£148.10	£1,831.95	£0.00	£1,138.64	£0.00	£0.00	(£136.08)	£2,982.61	32	
Q1 Totals (B/F)	£345.87	£1,754.68	£600.94	£0.00	£8,996.34	£0.00	(£91.87)	£11,605.96	35	
Overall Total	£493.97	£3,586.63	£600.94	£1,138.64	£8,996.34	£0.00	(£227.95)	£14,588.57	67	

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CABINET

28 NOVEMBER 2019

REPORT OF THE PORTFOLIO HOLDER FOR REGULATORY AND COMMUNITY SAFETY

ADOPTION OF THE PROPOSED LICENSING POLICY 2020 - 2023

EXEMPT INFORMATION

None.

PURPOSE

To inform Cabinet of the outcome of consultations regarding the review of Tamworth's statement of licensing policy and proposed cumulative impact assessment and for Cabinet to consider and approve the revised policy and cumulative impact assessment.

RECOMMENDATIONS

Cabinet is requested to:

- a) Consider and endorse the final amended version of Tamworth's Statement of Licensing Policy and the proposed Cumulative Impact Assessment.
- b) Refer the revised Statement of Licensing Policy and Cumulative Impact Assessment to Council for approval and adoption.

EXECUTIVE SUMMARY

The current Statement of Licensing Policy expires in December 2019. In order for the Council to fulfil its statutory obligations under the Act, it is necessary to adopt a new policy before the end of December 2019. In addition a proposed Cumulative Impact Assessment in respect of the town centre area is also presented for approval and adoption.

At a meeting of the Licensing Committee on the 20 June 2019, Members considered a report on the consultation process due to commence to review the policy and the proposed cumulative impact assessment. The Borough Council has consulted widely on the review of its current statement of licensing policy and the cumulative impact assessment and a list of those consulted is attached as

Appendix 1 to this report. A total of 9 responses were received which are summarised in the table at **Appendix 2**.

On the 22 August 2019 Members of the Licensing Committee were given the opportunity to contribute to the policy review, and at a meeting of Licensing Committee on 21 November 2019 (Agenda item 4 refers), to consider a draft version of Tamworth's revised statement of licensing policy and the cumulative impact assessment, incorporating all valid and relevant consultation responses and other amendments required to update the policy. The proposed revised document is attached as **Appendix 3** to this report.

To ensure that statutory deadlines for the publication of reports and agendas were met, this report was written prior to the meeting of the Licensing Committee on 21 November 2019, therefore the decision of Licensing Committee and any observations made by members will be reported verbally to Cabinet.

OPTIONS CONSIDERED

Not applicable as this is a statutory process.

RESOURCE IMPLICATIONS

There are no resource implications arising from this consultation process.

LEGAL/RISK IMPLICATIONS

The Council is required by the Licensing Act 2003 to ensure that the policy is reviewed and updated.

EQUALITIES IMPLICATIONS

A Community Impact Assessment has been undertaken in respect of the proposed revised licensing policy and cumulative impact assessment which is attached as **Appendix 4** to this report.

SUSTAINABILITY IMPLICATIONS

Tamworth Borough Council's licensing policy and the proposed cumulative impact assessment will form a central part in the support, control and regulation of the economy, in particular evening and night time economies. As such, it can be viewed as having a pivotal role in the prevention of alcohol related crime and disorder.

The effective control of licensed premises via appropriate conditions or restrictions on licences can significantly reduce the potential for alcohol related issues or mitigate their effects. This coupled with the appropriate use of the review process can significantly contribute towards crime reduction and enhance Tamworth's reputation as a place to live and visit.

FINANCIAL IMPLICATIONS

The costs of consultation and publication of the revised policy will be met from existing budgets.

BACKGROUND

The introduction of new legislation for example the Deregulation Act 2015; the Immigration Act 2016 and the Policing and Crime Act 2017 along with the need to comply with provisions to maintain a current policy have brought about a number of changes to the current Licensing Policy.

One of the recent changes to the Licensing Act 2003 since the current Licensing Policy (2015 – 2020) was adopted has been made by the Policing and Crime Act 2017. This Act amended the Licensing Act 2003 to place 'Cumulative Impact Assessments' on a statutory footing by introducing paragraph 5A of the Licensing Act.

A cumulative impact assessment may be published by a Licensing Authority to help it limit the number of applications granted in areas where there is evidence to show that the number or density of licensed premises in the area is having a cumulative impact and leading to problems which are undermining the licensing objectives. Cumulative impact relates to applications for new premises and club premises licences and variations of existing licences.

The proposed cumulative impact assessment relates to the Tamworth Town Centre area. The Town Centre area has been subject to a Cumulative Impact Policy as part of the Council's Statement of Licensing Policy since May 2005. There are no changes to the area within the assessment. Further information and evidence in respect of the cumulative impact assessment can be found in Appendix 3 of the Draft Statement of Licensing Policy.

The publication of a cumulative impact assessment does not remove the Licensing Authority's discretion to grant applications for new licences or applications to vary, where the authority considers this to be appropriate to the individual circumstances of the case.

The Licensing Act 2003 requires that licensing authorities prepare and publish a statement of its licensing policy every five years. The policy must be kept under review and the licensing authority may make such revisions to it, as it considers appropriate.

That said, it is proposed that the revised policy (2020 – 2023) will be reviewed in 3 years. This is because the revised statement of licensing policy includes a proposed cumulative impact assessment and new legislation in relation to cumulative impact assessment requires that the assessment is reviewed and consulted upon every 3 years from the date it comes into force. As the two

policies/documents are intrinsically linked, it is proposed that they should be consulted upon and reviewed at the same time.

Tamworth Borough Council adopted the current Statement of Licensing Policy on 16 December 2014. The Statement of Licensing policy must be revised, adopted and published by 1 January 2020. The Cumulative Impact Assessment is also presented for consideration and adoption.

The changes that have been made to the existing policy (2015 – 2020) are shown in RED within the document at **Appendix 3** and the more significant changes that have been made are also summarised in the table at **Appendix 5**.

REPORT AUTHOR

If Members would like further information or clarification prior to the meeting, please contact Colin John, Environmental Health Officer ; Tel 01827 709429; e mail colin-john@tamworth.gov.uk

APPENDICES

- | | |
|-------------------|---|
| Appendix 1 | List of Individuals and Groups Consulted. |
| Appendix 2 | Schedule of Consultation Responses Received. |
| Appendix 3 | Draft Revised Tamworth Borough Council Statement of Licensing Policy 2020-2023. |
| Appendix 4 | Community Impact Assessment |
| Appendix 5 | Table of Amendments to be Included in Proposed Policy (2020 – 2023). |

LIST OF BACKGROUND PAPERS

1. Licensing Act 2003.
2. Revised Guidance under s182 of the Licensing Act 2003.
3. Report of the Assistant Director, Growth and Regeneration to Licensing Committee 20 June 2019.
4. Report of the Assistant Director, Growth and Regeneration to Licensing Committee 22 August 2019.

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LIST OF INDIVIDUALS AND GROUPS CONSULTED

- Premises Licence / personal licence holders within the Borough via Tamworth Borough Council web site and notice on display at Marmion House
- Club Premises Certificates holders within the Borough via Tamworth Borough Council web site
- Local Residents via Tamworth Borough Council web site and notice on display at Marmion House
- Staffordshire Police
- Staffordshire Fire & Rescue
- Staffordshire County Council - Department of Social Care & Health
- Staffordshire County Council - Trading Standards
- Staffordshire County Council - Highways Department
- Staffordshire County Council – Planning
- Home Office (Immigration Enforcement)
- Health & Safety Executive
- TBC - Chief Executive
- TBC – Assistant Directors
- TBC - Environmental Protection Team
- TBC - Planning
- TBC - Legal Services
- TBC - Crime & Disorder Partnership
- TBC - Local Strategic Partnership
- TBC – Councillors
- TBC – Safeguarding Team
- TBC – Anti-Social Behaviour Team
- TBC - Arts & Heritage Trust Project Board
- TBC - CP&P Admin
- British Beer & Pubs Association
- Campaign for Real Ale
- Davenports Brewery – Premises Licence Holder
- Bolehall Manor Club – Premises Licence Holder
- Belgrave Sports & Social Club – Premises Licence Holder
- Tamworth Football Club – Premises Licence Holder
- Vanity – Premises Licence Holder
- The Albert Hotel – Premises Licence Holder
- The Castle Hotel – Premises Licence Holder
- Fake Festivals – Premises Licence Holder
- Classic Wine Company. – Premises Licence Holder
- The Globe – Premises Licence Holder
- Jalali Indian Cuisine – Premises Licence Holder
- Joules Brewery – Premises Licence Holder
- Decades Bar – Premises Licence Holder
- Coreys - Premises licence holder
- Tamworth Business Crime Reduction Partnership
- Regal Gaming
- Victim support organisation
- EI Group – Premises Licence Holder
- The Peel Hotel – Premises Licence Holder
- Tamworth Co-op – Premises Licence Holder
- Tamworth Brewing – Premises Licence Holder
- The Moathouse – Premises Licence Holder
- Starboard Hotels – Premises Licence Holder
- The Boot Inn – Premises Licence Holder
- Star pubs – Premises Licence Holder
- The Fox Inn , Dosthill – Premises Licence Holder
- Punch Taverns – Premises Licence Holder
- Asda – Premises Licence Holder
- New Inn Clapham – Premises Licence Holder
- The Odeon – Premises Licence Holder
- Queens Head – Premises Licence Holder

- Rage Hairdressers – Premises Licence Holder
- The Granny House – Premises Licence Holder
- Food Gusto – Premises Licence Holder
- Mitchell & Butlers – Premises Licence Holder
- Jumbo's Bar – Premises Licence Holder
- Deltic Group – Premises Licence Holder
- Green King Brewery – Premises Licence Holder
- Licensing Matters consultants
- Clifton Davies Solicitors
- PRS for Music
- UHB –NHS
- Knight Training Consultants
- Croft Planning Tamworth. Consultants
- Neptune Planning consultant
- Poppleston Allen, Solicitors
- Shoosmiths Solicitors
- Hammonds Solicitors
- John Gaunt & Partners Solicitors
- Rutherlands Solicitors
- Gosschalks Solicitors
- Bond Pearce Solicitors
- Ward Hadway Solicitors
- Eversheds-Sutherland Solicitors
- Flint Bishop Solicitors
- TLT Solicitors
- DWF Solicitors
- Popall Solicitors
- Fisher Dewes Solicitors

**CONSULTATION DRAFT STATEMENT OF LICENSING POLICY
SCHEDULE OF RESPONSES**

Question	Respondent Ref No and Type	Comments	Appraisal	Response
<p>Q1 Is there anything you feel should be included in the draft policy document which is not currently addressed?</p> <p align="center">Page 169</p>	R/001 & 2 Tamworth Business	The map of the cumulative impact area should be redrawn to include properties on BOTH sides of the boundary streets, instead of being drawn down the middle of the street. There are significant numbers of licenced properties, together with empty properties which could become licenced, which are not included. For example, The Globe, Corys, Atik, Penny Black. Include them!	Comments noted. The Cumulative Impact Assessment (CIA) includes a statement that Where a boundary line follows a street or road, premises on both sides of the street or road are deemed to be within the cumulative impact area.	Note comment .Add statement to map in Statement of Licensing Policy (SoLP) for clarification.
	R/003	No comments given to questions 1, 2 & 3.		
	R/004 Tamworth Resident	Should there be requirement for licensed premises to guarantee an agreed number of door staff to be on duty at the peak times for possible disorder? Should there be a requirement for all licensed premises and takeaways to have full CCTV coverage, in colour, areas required to be covered agreed with local police? If knife crime becomes a local problem, should licensed premises be required to install "knife arches" to monitor admittance. Should all licensed premises carry drug testing kits and have them readily available if needed.	The matters of concern are noted The Licensing Act 2003 does not allow blanket conditions to be placed on premises licences. Conditions on premises licences are formed from those offered up in operating schedule for an application for grant / variation of a licence, or those agreed during consultation process with relevant authorities. Many premises – have conditions that require provision of CCTV and Door Supervisors based on risk assessment as agreed with Police. Police would advise premises on individual basis on knife crime /drug issues under Prevention of Crime and Disorder objective.	No change to SoLP

**CONSULTATION DRAFT STATEMENT OF LICENSING POLICY
SCHEDULE OF RESPONSES**

Question	Respondent Ref No and Type	Comments	Appraisal	Response
	R/005 Tamworth Resident	No. Except an extension of the Cumulative Impact Assessment area to include land off Gungate between spinning school lane and Victoria road. Most of this land ("temporary" car park) is now owned by TBC and should in time be redeveloped for housing. Its proximity to Spinning School Lane makes this a concern.	Comments noted. See comments above R/001 & 2. The CIA will include premises on each boundary of the shaded area detailed in the map in SoLP where the previous Gungate Precinct was located. Any increase in area covered by the CIA would require an evidence base to support the increase in the area.	No change to SoLP
	R/006	No comments given to questions 1, 2 & 3.		
	R/007 Tamworth Resident	No, I am happy with the document. However, there is a general issue I would just like to flag up generally under the principle of protecting children from harm and it concerns vaping lounges and ecigarettes sales in such outlets. I fully understand such premises do not require a license and broadly have no concerns about that. However, I do have concerns where such places allow young children and babies in prams to be present in that vaping atmosphere for considerable periods of time with their guardians. Second hand vapours comes out of the lungs and mouths of participants and the perfumes can be overwhelming. So, if in the future, national concerns are raised around the issue, I personally would like to see a broad and informed consideration on the issue and possibly a license required to admit very young children.	Comments and concerns are noted. The matters raised are not covered by the provisions of the Licensing Act 2003.	No change to SoLP

SCHEDULE OF RESPONSES

Question	Respondent Ref No and Type	Comments	Appraisal	Response
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 17/18</p>	<p>R/008 Tamworth Resident</p>	<p>I think some money should be invested in extra recycling in the summer months. The bins smell awful and having food left to rot inside the bin with temperatures as high as 25°C is not nice. Maggots thrive in those temps. Not asking for 52 weeks of the year but definitely need weekly collection in summer months! Also use some money to fix up the community centres in each estate. The one on the leyfield is practically condemned, either let's use it or let's lose it, but don't leave them to decay and become breeding grounds for the vandals and druggies to use.</p>	<p>Comments and concerns are noted. This matter is not one that is covered by the provisions of the Licensing Act 2003. Concerns will be passed on to relevant Department operating the refuse collection and recycling service.</p>	<p>No change to SoLP</p>
	<p>R/009 Other</p>	<p>Please refer to final entry in table. Response given to questions 1,2 and 3</p>		
<p>Is there anything within the draft policy document which you feel should be removed or changed?</p>	<p>R/001 & 2 Tamworth Business</p>	<p>The map of the cumulative impact area should be redrawn to include properties on BOTH sides of the boundary streets, instead of being drawn down the middle of the street. There are significant numbers of licensed properties, together with empty properties which could become licensed, which are not included. For example, The Globe, Corys, Atik, Penny Black. Include them!</p>	<p>Comments noted. The Cumulative Impact Assessment (CIA) includes a statement that Where a boundary line follows a street or road, premises on both sides of the street or road are deemed to be within the cumulative impact area.</p>	<p>Note comment. Add statement to map in Statement of Licensing Policy (SoLP) for clarification.</p>
	<p>R/004 Tamworth Resident</p>	<p>No response given</p>		
	<p>R/005 Tamworth Resident</p>	<p>No</p>		
	<p>R/007 Tamworth Resident</p>	<p>No</p>		
	<p>R/008 Tamworth Resident</p>	<p>No comments given</p>		

**CONSULTATION DRAFT STATEMENT OF LICENSING POLICY
SCHEDULE OF RESPONSES**

Question	Respondent Ref No and Type	Comments	Appraisal	Response
<p>Q3 If you have any comments, questions or concerns about the draft policy, please include them here.</p> <p align="center" style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 172</p>	R/001 & 2 Tamworth Business	The map of the cumulative impact area should be redrawn to include properties on BOTH sides of the boundary streets, instead of being drawn down the middle of the street. There are significant numbers of licensed properties, together with empty properties which could become licensed, which are not included. For example, The Globe, Corys, Atik, Penny Black. Include them!	As Q1 and Q2 above for R/001 & 2	As Q1 and Q2 above for R/001 &2
	R/004 Tamworth Resident	I would not like to see applications for well managed and beneficial establishments refused licences on the grounds of cumulative impact, particularly if this meant existing, but more problematic establishments retained their licences on the grounds of tenure. Please also see previous comments.	When an application is made for a new premises licence or major variation and the premises is located in a CIA, if no relevant representations are made relating to cumulative impact the licence would be granted. If representations are made, the applicant would need to demonstrate no addition to Cumulative Impact that already exists. However important to remember that each application is considered on its own merits.	No change to SolP
	R/005 Tamworth Resident	Extension of the Cumulative Impact Assessment area to include land off Gungate between spinning school lane and Victoria road. Most of this land ("temporary" car park) is now owned by TBC and should in time be redeveloped for housing. Its proximity to Spinning school lane makes this a concern.	See comment above to Q1 reference R/005.	No change to SolP

**CONSULTATION DRAFT STATEMENT OF LICENSING POLICY
SCHEDULE OF RESPONSES**

Question	Respondent Ref No and Type	Comments	Appraisal	Response
	R/007 Tamworth Resident	A very thorough document. Happy to support.		
	R/008 Tamworth Resident	No comments given		
<p>Q1 Is there anything you feel should be included in the draft policy document which is not currently addressed?</p>	R/009 Other	<p>The British Beer & Pub Association is the UK's leading organisation representing the brewing and pub sector. Our members account for 90% of the beer sold in the UK and own around 20,000 of Britain's pubs. The pub plays a vital role in community cohesion and social life in Britain. They remain one of the few places where communities can come together to socialise. The British pub has been part of people's lives for hundreds of years. First and foremost, they are businesses which serve their local communities and contribute much to the social life of each and every community. The pub sector has enormous potential to generate economic growth and create jobs. It can also play an important part in local regeneration projects and has been at the heart of the regeneration of many of our key towns and cities over the last fifteen years. A major study undertaken by Oxford Economics in 2018 clearly identifies the significant local impact of brewing and pubs. Currently over £1.5 billion is invested in the pub sector per annum. Indeed, pubs are labour-intensive businesses so this investment directly correlates to jobs. Pubs employ 600,000 people across the UK, often</p>		

**CONSULTATION DRAFT STATEMENT OF LICENSING POLICY
SCHEDULE OF RESPONSES**

Question	Respondent Ref No and Type	Comments	Appraisal	Response
Page 174		<p>providing vital work in small towns and villages. Indeed, 45% of those employed in the sector are aged 16-24 providing a vital route to work and first career-step for many young people. Across Britain, 30 million people visit Britain’s pubs each month, with over 15 million people drinking beer.</p> <p>BBPA’s Support for the Proposed Revisions to the Statement of Licensing Policy (SoLP): Our review of the changes identified in the revised Statement of Licensing Policy Statement noted that these are mostly administrative, bringing the policy up to date and in accordance with recent legislation. On the basis that all of the proposed changes are those that have been identified as such on the revised Policy Statement, we can confirm that we are content with the proposed changes subject to the specific points made in the answers to the following questions</p>		
<p>Q2 Is there anything within the draft policy document which you feel should be removed or changed?</p>	<p>R/009 Other</p>	<p>3) Personal Licences – Suspension and Revocation – we would suggest that the Licensing Authority be obliged to inform a premises licence holder if their designated premises supervisor (DPS) has their personal licence either suspended or revoked. If the premise licence holder is not notified, they could be unknowingly in breach of their licence conditions because they would not have a DPS.</p> <p>3) EMRO and Late Night Levy – we</p>	<p>3) Personal Licences – Suspension and Revocation Section 3 of Statement of Licensing Policy (SoLP) – page 13 – states “the licensing authority may notify the premises licence holder”. In practice – the Licensing Authority officers would be in contact with the premises licence holder during this process and would notify the</p>	<p>3). No change to SoLP.</p>

**CONSULTATION DRAFT STATEMENT OF LICENSING POLICY
SCHEDULE OF RESPONSES**

Question	Respondent Ref No and Type	Comments	Appraisal	Response
<p>Page 175</p>		<p>support the re-confirmation that the Borough will not be introducing an early morning restriction order or a late night levy at this time.</p> <p>4) Planning and Building Control - we agree that where the terminal hour dictated by the planning permission differs from the licensing hours, the applicant must observe the earlier closing time. However, we feel that the applicant should have the ability to challenge the earlier closing time specified in the planning permission if they are able to show that the later time will not hinder the promotion of the licensing objectives. In effect, the terminal hour given by the planning permission should be open to review if it is unnecessarily earlier than the licensing hours.</p> <p>6) Opening Hours – we support the re-confirmation that the Borough is not seeking to impose fixed trading hours within any designated area.</p> <p>12) Enforcement – we suggest that one of the overall aims of the enforcement policy is to uphold the promotion of the licensing objectives.</p>	<p>premises licence holder of any decision made.</p> <p>4) Planning and Building Control – Note the comment. However it is open to the applicant to apply for a review of the terminal hour given under the Planning legislation. The (SoLP) does not prevent this.</p> <p>6) Opening Hours – Comment noted. No action required.</p> <p>12) Enforcement page 31 Comment is noted and considered a valid point.</p>	<p>4) No change to SoLP</p> <p>6) Opening Hours - No change to SoLP</p> <p>12) Enforcement - include reference in SoLP page 31 as follows: In addition, any enforcement action undertaken will be taken with a view to upholding the promotion of the licensing objectives.</p>
<p>Q3 If you have any comments, questions or concerns about the draft policy, please include them here</p>	<p>R/009 Other</p>	<p>The BBPA supports the Council’s review of their Cumulative Impact Assessment and Policy (CIP). However, any proposal to retain such a policy must be based on evidence of an</p>	<p>Comments are noted.</p> <p>If retained the CIA policy will be reviewed again in 3 years as required by legislation or</p>	<p>In view of the Police request for retention of CIA area - recommend no change to the CIA area in the SoLP. However please refer to other responses below.</p>

**CONSULTATION DRAFT STATEMENT OF LICENSING POLICY
SCHEDULE OF RESPONSES**

Question	Respondent Ref No and Type	Comments	Appraisal	Response
<p align="center">Page 176</p>		<p>issue and that a CIP would be a proportionate solution. In addition, any CIP must be time-bound and regularly assessed, ensuring that it remains relevant and the best solution to the identified issues. In the absence of evidence of an issue, or that a CIP is the best solution, a CIP should not be retained or introduced.</p> <p>We support the Council’s assertion that exemptions could be made to the CIP where there is evidence “that there will be no negative cumulative impact on one or more of the licensing objectives.” We note the consultation submission and comments made by Staffordshire Police Licensing Department and support the use of evidence in reviewing the CIP. However, some of the “key points” provided only compare data from the last 12 months against the previous 12 months, despite this particular CIP being in effect since May 2005. Whilst an annual comparison might provide some of the evidence to support the existing policy, it does not assess whether a CIP is the best solution to the identified issue, or consider whether it was the CIP, or another factor, which brought about any significant changes. It is more appropriate for the Council to review the effectiveness of the CIP by comparing data from before and since the introduction of the CIP, and including a wide range of factors rather than rely solely on reported crime data, e.g.</p>	<p>earlier if deemed appropriate.</p> <p>These comments are noted.</p>	<p>Evidence provided by Staffordshire Police in support of the CIA and retention of the area will be included in an Appendix to the SoLP.</p> <p>A table giving comparison data of the number and type of licensed premises within the town centre CIA area at 2005 and in later years will be included in an Appendix to the SoLP.</p>

SCHEDULE OF RESPONSES

Question	Respondent Ref No and Type	Comments	Appraisal	Response
		numbers of licensed premises and type of premises over the period, volume of customers.		

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Please note that the proposed changes to the current policy (2015 – 2020) are in red text in this draft consultation document.

APPENDIX 3



Statement of Licensing Policy

2020 - 2023

Please note that the proposed changes to the current policy (2015 – 2020) are in red text in this draft consultation document.

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Please note that the proposed changes to the current policy (2015 – 2020) are in red text in this draft consultation document.

TAMWORTH BOROUGH COUNCIL

LICENSING ACT 2003

STATEMENT OF LICENSING POLICY

2020 – ~~2025~~2023

1 INTRODUCTION

The Licensing Act 2003 came into force on 24 November 2005. From that date the Licensing Authority became responsible for issuing authorisations for premises in the Borough in respect of the sale and supply of alcohol, the provision of regulated entertainment and late night refreshment.

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

Tamworth's resident population of around 76,800 (Source – Census 2011, ONS) makes it one of the main urban centres in Southern Staffordshire. It has the highest population density (24.2 people per hectare) of all Southern Staffordshire districts and second only to Stoke on Trent (25.8 people per hectare) in the County as a whole.

The Borough has a wide range of recreational facilities including the Snowdome, a indoor real ski slope (the first in Europe), an athletics stadium, a football stadium, leisure centres, ~~a municipal golf course~~, indoor bowls and a 26 lane ten-pin bowling alley. It also has a ten-screen cinema, nightclubs, pubs and restaurants.

2 LICENSING ACT 2003 STATEMENT OF LICENSING POLICY PURPOSE AND SCOPE

This licensing policy statement sets out the manner in which Tamworth Borough Council (the Licensing Authority) will consider applications for licences as required by the Licensing Act 2003 (the Act).

The Licensing Authority's policy relates to all licensing activities falling within the provisions of the Act, namely:

- The sale of alcohol by retail; (including for consumption on or off premises, with or without food;
- the supply of alcohol by or on behalf of a club to, or to the order of, a member of the club;

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- the provision of regulated entertainment to the public, club members or with a view to profit;
- the provision of late night refreshment.
- In carrying out its functions the Authority will not only have regard to this policy but also any guidance issued from time to time by the Secretary of State under Section 182 of the Act (referred to as “the guidance”).
- The guidance makes it clear, and the Authority recognises that licensing should not be seen as the primary mechanism for the general control of nuisance and anti-social behaviour by individuals once they are away from licensed premises and therefore beyond the direct control of those with responsibility for managing and controlling licensed premises.
- However, licensees should take all reasonable steps to prevent the occurrence of crime and disorder and public nuisance immediately outside their premises, for example on the pavement, in a beer garden or in a smoking shelter to the extent that these matters are within their control.

Licensing will, however, be one of the key factors in managing the evening and night time economy particularly in town centres and any other places as identified ‘high risk’ areas in partnership with the police and other responsible authorities.

The Local Authority recognises its duty under Section 17 of the Crime and Disorder Act 1998 with regard to the prevention of crime and disorder in its area and will continue to work in partnership with the police, responsible authorities as defined by the Act, local businesses, local people and others towards the promotion of all the licensing objectives.

Regulated Entertainment

Regulated entertainment requires a licence when it is performed in front of an audience and includes the following:

- A performance of a play;
- an exhibition of a film;
- an indoor sporting event;
- boxing or wrestling entertainment;
- a performance of live music (not incidental music, i.e. piano in a restaurant);
- any playing of recorded music;
- a performance of dance;
- provisions of facilities for making music;
- entertainments of a similar description to the performance of live music, the playing of recorded music and the performance of dance where the entertainment takes place in the presence of an audience and is provided for the purpose (or for purposes which include the purpose) of entertaining that audience.

Subject to the qualifying conditions, definitions and the exemptions, entertainment facilities include facilities for enabling persons to take part in

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entertainment for the purpose of, or for the purposes that include the purpose, of being entertained:

- a) Making music;
- b) dancing;
- c) entertainment of a similar description to making music or for dancing.

Late Night Refreshment

Late night refreshment (subject to certain exemptions) is regarded as the supply on or off any premises between the hours of 11:00pm and 5:00am of hot food or drink for consumption on or off the premises.

The policy will apply in respect of new consents, renewals, transfers and variations to the following:

- Premises Licences;
- Club Premises Certificates;
- Personal Licences;
- Temporary Event Notices.

The licensing authority must have regard to the guidance issued by the Secretary of State for Culture, Media and Sport in discharging its functions under the Act and this statement of licensing policy has been prepared taking into account guidance issued under section 182 of the Act.

Consultation

Section 5 of the Act requires that the licensing authority prepares and publishes a statement of its licensing policy every 5 years. **However, this policy (2020 – 2023) will be reviewed in 3 years. This is because the licensing policy now includes a Cumulative Impact Assessment. The legislation requires that the Cumulative Impact Assessment is reviewed every 3 years and therefore the Statement of Licensing Policy will be reviewed at the same time.** During the **five** **three** year period the Authority will keep the policy under review and may make any amendments to it as it considers necessary. The Act makes provision for this policy to be the subject of consultation and in developing this policy the Licensing Authority has consulted a wide range of organisations including statutory consultees as follows:

- Chief Officer for Police for Staffordshire;
- Chief Fire Officer for Staffordshire;
- Representatives of local holders of existing licences, within the meaning of Part 1 of Schedule 8 to the Act;
- Representatives of local holders of club premises certificates within the meaning of the Licensing Act 1964.

Please note that the proposed changes to the current policy (2015 – 2020) are in red text in this draft consultation document.

The Licensing Authority has also consulted a range of non statutory consultees including:

- Staffordshire County Council – Department of Social Care and Health;
- Tamworth Community Safety Partnership;
- Bodies representing consumers;
- Officers within the Borough Council responsible for Regeneration Growth and Development, Health and Safety, Environmental Protection.

The views of all consultees have been given proper weight in the preparation of this policy document.

When approved, the statement of licensing policy will be used by the Licensing Authority in the administration and enforcement of its duties under the Act.

3 LICENSING OBJECTIVES AND FUNDAMENTAL PRINCIPLES

In exercising its duties and responsibilities under terms of the Licensing Act 2003, the Licensing Authority will operate within the statements and procedures mentioned in this policy statement. Notwithstanding this statement, all applications will be treated on their merits and judged accordingly. In exercising its powers under the Act, the Licensing Authority will have regard to any relevant guidance issued by the Secretary of State under section 182 of the Act.

The Licensing Authority will exercise its duties so that the licensing objectives of the Act are met. The licensing objectives are:

- The prevention of crime and disorder;
- public safety;
- the prevention of public nuisance; and
- the protection of children from harm.

The Licensing Authority confirms that each of these objectives is considered to be of equal importance.

Applications, Notices and Representations

The Licensing Authority requires that all applications for the grant, variation or transfer of any licence, permit or certificate detailed in the Act, are made in accordance with the Act and statutory guidance. In particular all such applications must be accompanied by the appropriate fee, where applicable, to be deemed duly made. Where applications are incomplete or inadequate

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and therefore not duly made, the whole application will be returned to the applicant. The Licensing Authority will do all that it can in such circumstances to provide guidance to an applicant on the reasons for the applications return. Where such applications are statutorily required to be advertised, or notified to other specified persons, the application must confirm that such advertising or notification has been properly made.

Upon receipt of a valid application, the Licensing Authority will consider the matter and determine it in accordance with this licensing policy, statutory requirements and current guidance issued by the Secretary of State. In order to maximise administrative speed, efficiency and cost effectiveness, the application will be determined in accordance with the delegation criteria detailed in section 13 of this policy.

The Licensing Authority will encourage all applicants intending to submit an application under the Act to carefully consider within the operating schedule accompanying the application; the steps that they propose to promote each of the licensing objectives.

Applicants should make themselves aware of the Licensing Authority's statement of licensing policy, in particular the issues that will need to be addressed in producing the operating schedule.

Prospective holders of new premises licence and those seeking variations to existing licences are advised to consult with the Licensing Authority's licensing officers and other responsible authorities early in the planning stage in order to reduce the risk of confusion and dispute arising.

The Licensing Authority will expect representations on applications relating to licensable activities and applications for the review of existing authorisations under the Act to relate directly to the promotion of one or more of the licensing objectives and to be supported and justified by a proper evidence base.

It will also expect that where such representations are made by interested parties and, in particular, by responsible authorities, they will have informed the applicant of their concerns with a view to agreeing amendments to the details of the application that are acceptable to all parties. Whenever feasible, the Licensing Authority will facilitate discussions between the applicants and objectors to assess whether a compromise can be agreed between both parties. Where such agreements are reached, the Licensing Authority after consulting other appropriate responsible authorities may then agree with the original parties that a hearing is no longer necessary.

When one part of the Licensing Authority seeks a premises licence from the licensing authority, the licensing committee and its officers will consider the matter from an entirely neutral standpoint. If relevant representations are made, for example, by local residents or the Police, they will be considered fairly by the committee. Those making representations genuinely aggrieved by a positive decision in favour of a local authority application considered by the

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licensing authority may be entitled to appeal to the Magistrates' Court and thereby receive an independent review of any decision made.

Hearings and Determinations

Where an objection is received concerning the grant or variation of a licence for any purpose regulated by the Act, the matter will be determined in accordance with the terms of this licensing policy. The objection will be considered in accordance with the delegation criteria listed in the table in Section 44 **13** of this policy.

Where the complaint or objection has been judged to be irrelevant, frivolous or vexatious, the matter will not proceed any further and the complainant will be advised in writing this fact.

Where “relevant representations” (as defined in section 18(6), 31(5), 35(5), 52(7), 72(7), 85(5) and 88(7) of the Act) are received, the Licensing Authority will normally hold a hearing to consider them. Applicants will be advised of all representations and all parties involved will be informed of the time and place of the hearing.

Where no representations are received, representations are withdrawn, or agreements are made that a hearing on an application is unnecessary; the Licensing Authority will approve the application and only impose conditions that are consistent with operating schedules accompanying it and/or are statutorily required of it under sections 19, 20, 21, 73 and/or 74 of the Act.

Where, however, an application for review of an existing premises licence or club premises certificate is received in accordance with sections 52(1) or section 88(1) of the Act, respectively, the Licensing Authority will hold a hearing to consider it, whether or not representations are received. The application for review will be considered in accordance with the delegated criteria listed in the table at section 44.4— **13**.

The Licensing Authority will take steps to reject applications, to impose or modify conditions, to exclude specific licensable activities, or, to cancel or revoke existing authorisations under the Act, only where it considers such steps necessary for promoting one or more of the licensing objectives.

In relation to a refusal to grant a licence or club premises certificate, the notification will detail the grounds for the refusal and specify the process for the applicant to appeal against the Licensing Authority's decision.

Where an application for review has been judged to be irrelevant, frivolous or vexatious, the matter will not proceed any further and the complainant will be advised in writing of this fact.

When an application to review a premises licence or club premises certificate has been determined in accordance with the procedures detailed above, the licence or certificate will either:

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- Continue in operation unaltered;
- be modified and the terms and conditions changed in accordance with the Licensing Authority's decision, or
- be cancelled.

The Licensing Authority will determine the date upon which the decision will take effect and the licence holder and applicant for review advised accordingly.

In relation to a modification or the cancellation of a licence or club premises certificate, the notification will detail the grounds for the modification or cancellation and specify the process for the applicant to appeal against the Licensing Authority's decision.

Conditions

The Authority will only be able to attach conditions (other than mandatory conditions) to a premises licence or club premises certificate if they are part of an applicant's operating schedule (including any conditions which may be subsequently volunteered by an applicant as a result of mediation following a representation), or by a decision of a Licensing Committee at a formal Hearing.

Any conditions which are attached to licences, certificates and other authorisations will be tailored to the individual style and characteristics of the premises and events concerned and will reflect, as far as possible, local crime prevention strategies. The Authority will not attempt to impose any 'blanket' conditions which apply to all premises but the applicant's operating schedule, which forms part of the application process should include sufficient information to enable a responsible authority or interested party to assess whether the steps being taken to promote the licensing objectives are satisfactory or not.

When submitting operating schedules applicants are required by the Act to outline the measures which are being taken in order to meet the licensing objectives. These measures are likely to form the basis of conditions which will be attached to the grant of a premises licence or club premises certificate. However, only those conditions which are considered appropriate for the promotion of the licensing objectives will be imposed and any breaches of conditions will, in most cases, be dealt with primarily through the review process.

The responsible authorities identified in this statement may also propose conditions of their own by making representations to a grant or variation application. However, these cannot be over burdensome or disproportionate and will only be imposed by the Authority in cases where it is considered appropriate to meet the licensing objectives. Any conditions proposed by a responsible authority and agreed by an applicant in such cases can be attached to the premises licence without the need for a formal Hearing either

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by the applicant agreeing to amend their operating schedule to include any condition(s) agreed between the parties or if all parties agree that a hearing is not necessary.

Duplication with other statutory or regulatory regimes will be avoided as far as possible. In circumstances where existing legislation already effectively promotes the licensing objectives it is likely that no additional conditions will be necessary. For this purpose each case will need to be assessed on its own individual merits.

Other regulatory controls are referenced in more detail in Section 4 of this policy document.

Suspension for Non Payment of Annual Fees

The Act requires the Authority to suspend a premises licence or club premises certificate if the annual fee is not paid when it is due. The Act provides for a grace period of 21 days in cases of an administrative error or where there is a dispute over liability for the fee, after which the licence/certificate will be suspended. The Authority has to give a minimum two days notice of the licence/certificate being suspended if payment is not made. The Authority, in this case, considers that seven days notice is more appropriate.

Temporary Event Notices (TEN)

There are two types of temporary event notice (TEN) which can be given to the Council; standard and late. Anyone wishing to give a standard TEN to the Authority must do so at least ten (10) clear working days prior to the event in question.

If it is not possible to give ten(10) working days notice then a late TEN may be given as long as five (5) working days notice is given. If an objection to a standard TEN is made by the Police or Environmental Health to impose existing conditions and all parties agree that a hearing is not necessary, the Authority will not normally hold a hearing. If, however, the Police or Environmental Health object to a late TEN then it will not be possible for the event to go ahead. The Licensing Authority would recommend that applicants refer to the documents detailed at Appendix 2 of this policy for further guidance.

Personal Licences - New Applications

A personal licence is a licence issued to an individual authorising them to make or authorise the sale of alcohol in accordance with a premises licence. Every premises licence that authorises the sale of alcohol must specify an individual who acts as the designated premises supervisor (DPS). The DPS must hold a personal licence.

Applications for personal licences should be made to the licensing authority for the area where the applicant is ordinarily resident at the time they make their application.

- (a) The applicant is aged 18 or over
- (b) The applicant is entitled to work in the United Kingdom
- (c) The applicant possesses a licensing qualification or is a person of a prescribed description

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(d) The applicant has not forfeited a personal licence in the five year period prior to their application being made

(e) The applicant has not been convicted of any relevant offence or any foreign offence or required to pay an immigration penalty

The licensing authority must reject an application if the applicant fails to meet one or more of the requirements set out in (a) to (d) above.

Where the applicant meets the requirements in (a) to (d) but does not meet the requirements of (e), the licensing authority must give the chief officer of police for its area a notice to this effect. Having received such a notice, if the chief officer of police is satisfied that the granting of the application would undermine the crime prevention objective, he must within 14 days, give the licensing authority a notice to that effect.

Where the applicant fails to meet the requirements of (e) as a result of a conviction for an immigration offence or because they have been required to pay an immigration penalty, the licensing authority must give a notice to the Secretary of State for the Home Department to that effect. The Home Office may object to an application on grounds that granting the personal licence would be prejudicial to the prevention of illegal working in licensed premises.

Where an objection to the grant of a personal licence is received from either the chief officer of police or the Home Office, the applicant is entitled to a hearing before the licensing authority. If no objections are received, the licensing authority must grant the application.

At a hearing to determine a personal licence application to which the chief officer of police or Home Office have objected, the licensing authority will have regard to all of the circumstances including the following:

- The need to assess each case on its merits
- The duty to promote the crime prevention objective
- The objection notice given by the Police or Home Office
- The guidance issued by the Secretary of State under section 182 of the Licensing Act 2003
- The seriousness of the relevant offence
- The sentence or penalty imposed on the applicant for the relevant offence
- Any representations made by the applicant
- Any other evidence as to the previous character of the applicant

If, having considered all of the circumstances, the licensing authority considers that it is appropriate for either the promotion of the crime prevention objective or for the prevention of illegal working in licensed premises to reject the application, it must do so. In all other cases the application must be granted.

If an application is refused, the applicant will be entitled to appeal against the decision they make. Similarly, if the application is granted despite a police objection notice or an objection from the Home Office, the chief officer of police or Home Office are entitled to appeal against the licensing authority's determination. The licensing authority will therefore record in full the reasons for any decision that it makes.

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Personal Licences - Suspension and Revocation

Section 138 of the Policing and Crime Act 2017 amended the Licensing Act 2003 and gave the power to a licensing authority to suspend or revoke personal licences that it has issued with effect from 6 April 2017.

When a licensing authority has granted a personal licence and becomes aware that the licence holder has been convicted of a relevant offence or foreign offence or been required to pay an immigration penalty, a licensing authority may revoke the licence or suspend it for a period of up to six months. This applies to convictions received and civil immigration penalties which a person has been required to pay at any time before or after the licence was granted, as long as the conviction was received after 6 April 2017, or the requirement to pay the civil penalty arose after 6 April 2017. Only magistrates' courts can order the forfeiture or suspension of a personal licence for convictions received prior to 6 April 2017.

The process which must be undertaken by the licensing authority to suspend or revoke a personal licence is set out at section 132A of the 2003 Act. The decision to revoke or suspend a personal licence must be made by the licensing committee or sub-committee, but the actions required before making a final decision may be made by a licensing officer.

The licensing authority may not take action if the licence holder has appealed against the conviction or the sentence imposed in relation to the offence, until the appeal is disposed of. Where an appeal is not lodged, the licensing authority may not take action until the time limit for making an appeal has expired.

If a licensing authority is considering revoking or suspending a personal licence, the authority must give notice to the licence holder. This notice must invite the holder to make representations about the conviction, any decision of a court in relation to the licence, or any decision by an appellate court if the licence holder has appealed such a decision. The licence holder may also decide to include any other information, for example, about their personal circumstances.

The licence holder must be given 28 days to make their representation, beginning on the day the notice was issued. The licensing authority does not need to hold a hearing to consider the representations. Before deciding whether to revoke or suspend the licence the licensing authority must consider any representations made by the licence holder, any decisions made by the court or appellate court in respect of the personal licence of which the licensing authority is aware, and any other information which the licensing authority considers relevant.

The licensing authority may not be aware of whether the court considered whether to revoke or suspend the licence, and there is no obligation on the licensing authority to find this out before making a decision themselves. Where the court has considered the personal licence and decided not to take action, this does not prevent the licensing authority from deciding to take action itself. Licensing authorities have different aims to courts in that they must fulfil their statutory duty to promote the licensing objectives, and therefore it is appropriate for the licensing authority to come to its own decision about the licence.

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If the licensing authority, having considered a suspension and revocation and subsequently considered all the information made available to it, proposes not to revoke the licence it must give notice to the chief officer of police in the licensing authority's area, and invite the chief officer to make representations about whether the licence should be suspended or revoked, having regard to the prevention of crime. The chief officer may make representations within the period of 14 days from the day they receive the notice from the licensing authority.

Any representations made by the chief officer of police must be taken into account by the licensing authority in deciding whether to suspend or revoke the licence.

Convictions may come to light via police in another area, for example if the personal licence holder no longer lives in the area of the licensing authority which issued the licence, or if the offence took place in another police force area. In this instance it would be good practice for the police providing the information to notify the police force in the licensing authority area, because it is the local chief officer who must provide representations if the licensing authority proposes not to revoke the licence.

Where the licence holder is convicted of immigration offences or has been required to pay a civil penalty for immigration matters, the licensing authority should notify Home Office Immigration Enforcement and allow representations to be made in the same way.

In deciding whether to suspend or revoke a personal licence, the licensing authority will have regard to all of the circumstances including the following:

- The need to assess each case on its merits
- The duty to promote the licensing objectives
- The guidance issued by the Secretary of State under section 182 of the Licensing Act 2003
- The seriousness of the relevant offence
- The sentence or penalty imposed on the licence holder for the relevant offence
- Any representations made by the Police or Home Office Immigration Enforcement
- Any representations made by the holder of the licence
- Any evidence as to the previous character of the holder of the licence

The licensing authority must notify the licence holder and the chief officer of police of the decision made (even if the police did not make representations). The licence holder may appeal the licensing authority's decision to revoke or suspend their personal licence. A decision to revoke or suspend the licence does not take effect until the end of the period allowed for appealing the decision (21 days); or if the decision is appealed against, until the appeal is disposed of.

If the personal licence holder is a DPS, the licensing authority may notify the premises licence holder once the decision to revoke or suspend the licence has been made if it becomes necessary to do so in order for the licensing authority to be able to carry out their functions.

The licensing authority may also notify any person who has declared an interest in the premises under section 178 of the 2003 Act if it becomes necessary to do so in order for the licensing authority to be able to carry out their functions.

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Immigration Act 2016 - Entitlement to Work

Section 36 of and Schedule 4 to the Immigration Act 2016 made a number of amendments to the Licensing Act 2003 to introduce immigration safeguards in respect of licensing applications made in England and Wales on or after 6 April 2017. The intention of these changes is to prevent illegal working in premises licensed for the sale of alcohol or late night refreshment.

The statutory prevention of crime and disorder licensing objective in the Licensing Act 2003 includes the prevention of immigration crime and the prevention of illegal working in licensed premises. The Council will work with the Home Office (Immigration Enforcement) as well as the police, in respect of these matters.

Section 36 of and Schedule 4 to the Immigration Act 2016 (the 2016 Act) amended the 2003 Act to provide that in England and Wales:

Premises licences to sell alcohol or provide late night refreshment and Personal licences cannot be issued to an individual who does not have permission to be in the UK, or is not entitled to undertake work relating to the carrying on of a licensable activity;

Licences issued to those with limited permission to be in the UK will lapse when their permission to be in the UK and work in a licensable activity comes to an end;

Immigration offences, including civil penalties, are ‘relevant offences’ as defined by the 2003 Act;

The Home Secretary (in practice Home Office (Immigration Enforcement)) was added to the list of responsible authorities in the licensing regime, which requires Home Office (Immigration Enforcement) to receive premises licence applications (except regulated entertainment only licences) and applications to transfer premises licences, and in some limited circumstances personal licence applications, and permits Home Office (Immigration Enforcement) to make appropriate representations and objections to the grant of a licence; and

Immigration officers are permitted to enter premises which they have reason to believe are being used to sell alcohol or provide late night refreshment, to investigate whether immigration offences are being committed in connection with the licensable activity.

The licensing authority will have regard to any guidance issued by the Home Office in relation to the immigration related provisions now contained in the Licensing Act 2003.

The licensing authority will also work in partnership with the Home Office (Immigration Enforcement) and the Police with a view to preventing illegal working in premises licensed for the sale of alcohol or late night refreshment.

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Designated Premises Supervisor (DPS)

On premises where there is the supply or sale of alcohol, the Licensing Authority will require one of the personal licence holders to be a designated premises supervisor. The main purpose being to ensure that there is always one specified individual among the personal licence holders, who can be readily identified as having key responsibilities at the premises. Therefore it will be clear who is in charge of the day to day running of the business. Guidance issued under section 182 of the Act does not state that a designated premises supervisor must be physically on the premises at all times when there is a supply or sale of alcohol.

The premises licence will specify the name of the designated premises supervisor. It is the responsibility of the premises licence holder to notify the Licensing Authority immediately of any change of designated premises supervisor.

Removal of DPS requirement at Community Premises

Instead of being required by way of a mandatory condition, to appoint an individual as a designated premises supervisor, (DPS), volunteer committees managing community premises are now allowed to take joint responsibility for the sale of alcohol in community premises. Management Committees wishing to apply for the removal of the mandatory condition requiring a DPS at community premises will need to demonstrate clearly to the Authority how they operate and that there will be appropriate supervision of all alcohol sales at different types of events.

'Community premises' will include church halls, chapels, community and village halls and similar buildings. If there is any doubt as to whether a building is a community premises or not, the Authority will deal with such matters on a case by case basis with the main consideration being how the premises are being predominantly used, for example :

- a. are they genuinely made available for community benefit most of the time?
- b. are they accessible by a broad range of persons and sectors of the local community?
- c. are they being used for purposes which are beneficial to the community as a whole?

Applicants will be required to set out exactly how the premises are managed, its committee structure and how alcohol sales are to be properly supervised within the committee/management structure.

Adult Entertainment

An applicant wishing to provide adult entertainment should specify in the operating schedule what sort of adult entertainment they intend to provide and how frequently it will be provided. If sexual entertainment is to be provided, for example lap dancing, striptease etc. then a separate Sexual Entertainment Licence will also be required.

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EMRO and Late Night Levy

There are no current proposals to implement a late night levy or introduce an early morning restriction order, but these will be kept under review in consultation with the Police and other responsible authorities.

Late Night Refreshment - Local Powers to Deregulate

Section 71 of the Deregulation Act 2015 inserted paragraph 2A into Schedule 2 of the Licensing Act 2003 in relation to the provision of late night refreshment.

This amendment created a discretionary power to licensing authorities to exempt premises in certain circumstances, from the requirement to have a licence to provide late night refreshment.

The powers allow a relevant licensing authority to exempt the supply of late night refreshment if it takes place:

- on or from premises which are wholly situated in a designated area;
- on or from premises which are of a designated description; or
- during a designated period (beginning no earlier than 23.00 and ending no later than 05.00).

The licensing authority does not currently consider it appropriate to exercise the discretionary powers within paragraph 2A of Schedule 2 to the Licensing Act 2003.

If the licensing authority was going to consider exercising the powers in the future, it would only do so having carefully considered the risks to the promotion of the licensing objectives and having carried out a comprehensive consultation exercise with relevant stakeholders.

Working with Partners

The Licensing Authority recognises that licensing functions under the Licensing Act 2003 are only one means of promoting the delivery of the licensing objectives. The Licensing Authority is committed to working in partnership with a wide range of organisations, including Staffordshire Police, Fire, and Social Services Authorities, Planning Authorities, Environmental Health e.g. Tamworth Responsible Body Group, CIEH Shropshire and Staffordshire Licensing Group; Staffordshire and Stoke Responsible Body Group, Neighbourhood Authority Working Group; the Tamworth Local Strategic Partnership and Community Safety Partnership, local businesses e.g. Tamworth Licensees Forum or similar and Destination Tamworth, local communities, performers and other organisations, to deliver these objectives.

Rights of Individuals

This policy sets out the general approach this Licensing Authority will take in making licensing decisions under the Act. It does not seek to undermine the right of any individual to apply, under the terms of the Act, for a variety of

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permissions and to have any such application considered on its individual merits.

Similarly, this policy does not seek to override the right of any person to make representations on an application or seek a review of a licence or certificate, where provision has been made for them to do so under the Act.

4 INTEGRATING OTHER REGULATORY CONTROLS

There are a number of other regulatory controls that may affect the Licensing Authority's licensing function. The Authority recognises that the licensing process should not duplicate powers; provisions or restrictions provided for in other legislation, and will in so far as possible avoid duplication of this kind. The Licensing Authority will be mindful of the following legislation and related strategies when executing its licensing functions under the 2003 Act:

1. The Licensing Act 2003, as amended;
2. Regulations and orders made under the Act;
3. Guidance issued by the Home Office; and
4. The principles of better regulation, particularly as set out in the Regulators' Code (BRDO 14/705 April 2014)

The following key areas have been considered during the formulation of this policy and will continue to be taken into consideration during administration and enforcement of the licensing process. However, the Licensing Authority recognises that it cannot use its powers under the Licensing Act 2003 as a mechanism for enforcing other legislation where it is more appropriate to enforce those requirements through more specific statutory provisions.

Planning and Building Control

The Licensing Authority recognises that licensing applications should not be seen as a re-run of the planning application process and that there should be a clear separation of the planning and licensing regimes to avoid duplication and inefficiency. Licensing decisions will take into account any relevant planning decisions made by the Council's planning committee or made as a result of appeal and will not cut across such decisions.

Where applications relating to premises licences and club premises certificates involve material alterations to a building, the granting of any such licence/certificate will not relieve the applicant of the need to apply for planning permission or building regulation approval and refusal of either of these may be taken into consideration by the Licensing Authority when considering representations on such applications.

Where requested, the Licensing Authority will arrange for reports to be provided to the Council's planning committee on situations regarding licensed premises in the Borough, including the general impact of alcohol related crime and disorder, in order for that committee to have regard to such matters when considering planning decisions.

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There are circumstances when as a condition of planning permission; a terminal hour has been set for the use of premises for commercial purposes. Where these hours are different to the licensing hours, the applicant must observe the earlier closing time. Premises operating in breach of their planning permission would be liable to prosecution under planning law.

Health and Safety

The Health and Safety at Work Act, etc. 1974 (and other relevant statutory provisions) impose duties on employers, employees and persons in control of premises to prevent where possible or minimise the risk of injury or ill health to people affected by work activities or the condition of the premises. Local authorities are the enforcing authority for the majority of premises on which licensable activities are carried on; in other cases the Health and Safety Executive is responsible.

Licensing objectives overlap with health and safety requirements in so far as foreseeable risks to public safety would be covered by the duties imposed by relevant legislation. In the majority of cases health and safety requirements will not form part of the conditions relating to premises licences and club premises certificates, as it is more appropriate to enforce those requirements through more specific statutory provisions. However when the Licensing Authority's decision making powers under the Act have been engaged following the receipt of relevant representations and where it is considered that such statutory provisions do not provide for adequate protection with regard to public safety, consideration may be given to addressing those matters through the imposition of licence/certificate conditions.

Fire Safety

The licensing objective for public safety overlaps with fire safety requirements, which are enforced by the Staffordshire Fire and Rescue Service (FARS) under the Regulatory Reform (Fire Safety) Order 2005 and the Health and Safety at Work etc Act 1974, in premises where licensable activities take place in the Borough of Tamworth. In the majority of cases, therefore, fire safety requirements will not form part of the conditions relating to premises licences and club premises certificates, as it is more appropriate to enforce those requirements through more specific statutory provisions. However when the Licensing Authority's decision making powers under the Act have been engaged following the receipt of relevant representations and where it is considered that such statutory provisions do not provide for adequate protection with regard to public safety, consideration may be given to addressing those matters through the imposition of licence/certificate conditions. The Licensing Authority will not seek to impose any fire safety conditions where the Regulatory Reform (Fire Safety) Order 2005 applies.

Noise and Other Public Nuisance

The licensing objective for the prevention of public nuisance overlaps with statutory environmental health requirements for controlling statutory nuisances, including noise, which are enforced, in Tamworth Borough, by the Council under the Environmental Protection Act 1990. Powers under the Act

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are also available to the Police and, under the Anti Social Behaviour Act 2003, to Environmental Health Staff and authorised officers to secure the closure of licensed premises causing a public nuisance because of noise. In the majority of cases, therefore, controls to prevent statutory nuisance will not form part of the conditions relating to premises licences and club premises certificates, as it is more appropriate to enforce those requirements through more specific statutory provisions. However, when the Licensing Authority's decision making powers under the Act have been engaged following the receipt of relevant representations and where it is considered that there is the potential for noise (or other public nuisance such as that caused by light pollution, noxious smells and/or litter) and where it is considered that such statutory provisions do not provide for adequate protection with regard to public nuisance, consideration may be given to addressing those matters through the imposition of licence/certificate conditions.

Human Rights Act

The Human Rights Act 1998 incorporates the European Convention on Human Rights and makes it unlawful for a local authority to act in a way that is incompatible with a Convention Right. When considering applications relating to licensable activities or representations on applications, the Licensing Authority will have particular regard to the following relevant provisions of the European Convention on Human Rights:

- Article 6 that in determination of civil rights and obligations everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law;
- Article 8 that everyone has the right to respect for their home and private life; and
- Article 1 of the first protocol that every person is entitled to the peaceful enjoyment of their possessions, including for example the possession of a licence.

Disability Discrimination Act

This Act provides that any person providing a service to the public must make reasonable adjustments to enable disabled people to access the service. From October 2004 service providers are under a duty to make reasonable adjustments to any physical features which make it impossible or unreasonably difficult for disabled persons to access a service, or they have to provide the service by a reasonable alternative means. The Licensing Authority will not attach conditions to licences or certificates which conflicts with or duplicates this requirement. Applicants may wish to obtain guidance from the Building Control Section of Tamworth Borough Council as regards access to buildings and their facilities, particularly as any alterations affecting access may require an application for building control approval. Further advice can also be obtained from the Disability Rights Commission at www.drc-gb.org.uk

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Equality Act 2010

Tamworth Borough Council has adopted an Equal Opportunities Policy and a Race Equality Scheme in which it sets out how it aims to address race equality issues in the Borough, and to have due regard to eliminate unlawful discrimination, promote equality of opportunity and good relations between different racial groups. The Licensing Authority's undertaking of its licensing functions will therefore be monitored in accordance with Tamworth Borough Council's Equal Opportunities Policy and Race Equality Scheme.

5 INTEGRATING OTHER STRATEGIES

There are a number of strategic influences that may affect Tamworth Borough Council's licensing function. The following key areas have been considered during the formulation of this policy and will continue to be taken into consideration during administration and enforcement of the licensing process.

Corporate Vision

Tamworth's Vision;
is to put Tamworth, its people and the local economy at the heart of everything we do.

Community Strategy

Tamworth Community Safety Partnership contribute to Tamworth Responsible Body Group and this is reflected in the **Tamworth Community Safety Partnership Plan 2017-2020** www.safertamworth.org. We will consider any reports submitted to ensure that these needs are reflected in our licensing considerations.

Live Music, Dancing and Theatre

The Licensing Authority is aware of the need to encourage and promote a broad range of entertainment, particularly live music and dancing and traditional theatre performances. The Licensing Authority will need to balance the natural concern to prevent disturbance in neighbourhoods with the wider cultural benefits, particularly the cultural benefits for children. Where there is any indication that such events are being deterred by licensing requirements, this policy statement will be reviewed to see how that situation may be reversed.

In addition the Licensing Authority will consult the National Association of Local Government Arts Officers (NALGAO) for practical help and advice in this area when required.

To promote this policy, Tamworth Borough Council now holds its own premises licences for some public spaces within the Borough including St Editha's Square, some streets in the town centre and the Castle Pleasure Grounds. This is intended to encourage the above mentioned activities in that at these premises and venues performers and entertainers would not need to

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acquire a licence to perform but would only need the permission of the Council as the premises licence holder.

Furthermore, live music is no longer considered to be regulated entertainment in venues licensed for the sale of alcohol for consumption on the premises in the following situations:

- When it is unamplified and takes place between 8am and 11pm; and
- When it is amplified and takes place in the presence of an audience of 200 persons or less and is provided between 8am and 11pm.

The premises must be open for the sale of alcohol during the time that the live music is provided for the exemption(s) to take effect. Any condition attached to the Premises Licence relating to live music will cease to have effect in respect of the live music when offered between 8am and 11pm, unless such conditions have been reinstated by the Licensing Authority as part of a Review Hearing.

Transport

Licensing protocols agreed between the Licensing Authority and Staffordshire Police will be established and will incorporate any procedures necessary to ensure that adequate arrangements are made in local transport plans and, where appropriate, in conditions relating to premises licences and club premises certificates for the swift and safe dispersal of people from premises and events authorised under the Act.

Alcohol Harm Reduction Strategy

The Government published in (2012) its Alcohol Harm Reduction Strategy for England in this it outlined how the Licensing Act can be used to address some of the social health and crime and disorder issues raised by the misuse of alcohol, when considering applications for premises or personal licences. On occasions when the Licensing Authority's decision making powers under the Act have been engaged, i.e. - upon receipt of relevant representations, this strategy will be taken into account specifically with regard to the sale of alcohol to under 18's and the impact of lack of effective steps to tackle antisocial behaviour.

The Portman Group Code of Practice on the Naming, Packaging and Promotion of Alcoholic Drinks, which seeks to ensure that drinks are packaged and printed in a socially responsible manner and only to those who are 18 years old or older, is commended for consideration by applicants whose proposed licensable activities involve the supply of alcohol.

Drug Abuse

The Licensing Authority would commend for consideration by applicants the strategy outlined in the Home Office Drug Strategy booklet - Safer Clubbing - Guidance for Licensing Authorities, Club Managers and Promoters.

On occasions when the Licensing Authority's decision making powers have been engaged, the Licensing Authority may impose special conditions for

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certain types of premises to prevent the sale and use of drugs and to create a safer environment for those who may have taken them. Conditions will take into account the Home Office “Safer Clubbing” guidelines and Annex D of the guidance issued under section 182 of the Act.

Director of Public Health

Health Bodies have been responsible authorities under the Act since April 2012 and health functions are now exercised by local authorities via the Director of Public Health. Although ‘health’ is not a licensing objective under the Act, health bodies hold certain information which other responsible authorities do not, but which would assist the Council in carrying out its licensing functions, especially in relation to the public safety or crime and disorder objectives.

Rebalancing Licensing

The Police Reform and Social Responsibility Act brought about amendments to the Licensing Act 2003. The legislative changes have been instigated by Her Majesty’s Government giving a clear commitment to overhaul alcohol licensing and to tackle the crime and disorder, and associated health and social harms, associated with alcohol consumption. The changes also aimed to rebalance the 2003 Act in favour of local communities.

The majority of the new measures are in force, in particular these relate to:

- Late night levy
- Early morning restriction orders (EMROs)

6 OPENING HOURS

The Licensing Authority will deal with licensing hours on the merits of each individual application. The Licensing Authority will have regard to the overall impact of the licensed premises on the local amenity and any proposals the applicant might submit to mitigate such impact.

The Licensing Authority recognises that longer licensing hours, with regard to the sale of alcohol, may be an important factor in ensuring that the concentrations of customers leaving premises simultaneously are avoided. This will help reduce the potential for disorder at fast food outlets, taxi ranks and other sources of transport. It will not, therefore, seek to impose fixed trading hours within any designated area, (i.e. zoning) but will take into consideration the individual merits of each application and any representations received from responsible authorities and/or interested parties regarding those applications.

When relevant representations have been received thus engaging the Licensing Authority’s decision making functions under the Act, the Licensing Authority may, if appropriate, consider applying stricter conditions with regard to licensing hours for licensed premises situated in or immediately adjacent to residential areas to ensure that disturbance to local residents is avoided. This may particularly apply in circumstances where, having regard to the location, size and nature of the licensed premises, it is likely that disturbance will be

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caused to residents in the vicinity of the premises by concentrations of people leaving during normal night time sleeping periods (11:00pm – 07:00am). However, when considering applications, the Licensing Authority will consider each application on its merits and will have regard to the overall impact of the licensed premises on the local amenity and any proposals the applicant might submit to mitigate such impact.

In the absence of any relevant representations being received, the Licensing Authority will approve the application subject only to any applicable mandatory conditions and such conditions which are consistent with the applicants operating schedule.

With regard to shops, stores and supermarkets, the Licensing Authority will not seek to restrict the sales of alcohol for consumption off the premises during times when the retail outlet is open for shopping, unless representations received from any responsible authority or interested party, regarding any of the licensing objectives being compromised, are substantiated. However, limitations on operating hours may be imposed as appropriate, for example in the case of specific premises known to be a focus of disorder and disturbance late at night.

7 THE LICENSING OBJECTIVES

Section 3 of this policy outlines the four licensing objectives which are paramount considerations at all times.

The following four sections of this policy (8, 9, 10, 11) provide further detail in respect of the four licensing objectives. The Licensing Authority recognises that applicants will know their businesses best and it is therefore for them to demonstrate how they will promote the four licensing objectives.

The Licensing Authority wishes to make it clear that where no relevant representations are received in respect of applications, the Licensing Authority will grant the application subject to any applicable mandatory conditions and such conditions which are consistent with the applicant's operating schedule. This is in line with Guidance issued by the Secretary of State under section 182 of the Act.

8 PREVENTION OF CRIME AND DISORDER

Tamworth Borough Council is committed to reducing crime and disorder and improving community safety in the Borough of Tamworth.

Section 17 of the Crime and Disorder Act 1998 introduced a wide range of measures for preventing crime and disorder and imposed a duty on Tamworth Borough Council, Staffordshire Police, Staffordshire County Council and others to consider crime and disorder reduction in the exercise of all their duties. The Licensing Act 2003 reinforces this duty for local authorities. The

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Licensing Authority will therefore have regard to the likely impact of licensing on related crime and disorder in the Borough, particularly when considering the location, impact, operation and management of licensable activities.

Conditions relating to premises licences and club premises certificates will, so far as is possible, reflect local crime prevention strategies and, where the Licensing Authority is satisfied, having received reports from the Tamworth Community Safety Partnership through the LSP or from Staffordshire Police, that there are serious crime prevention issues that need to be addressed in a particular area or areas of the Borough, it will consider adopting a “saturation policy”. Adoption of saturation policies is referenced in more detail in the [Cumulative Impact Assessment pages of this policy document](#).

The Licensing Authority considers the effective and responsible management of the premises, instruction, training and supervision of staff and the adoption of best practice to be amongst the most essential control measures for the achievement of all the licensing objectives and in particular the prevention of crime and disorder

The Licensing Authority recommends that all licensees of licensed premises be encouraged to attend training programmes which will raise their awareness of the issues relating to drugs and violence in licensed premises.

The promotion of the licensing objective, to prevent crime and disorder, places a responsibility on licence holders to become key partners in achieving this objective. When addressing crime and disorder, the applicant should initially identify any particular issues (having regard to their particular type of premises and/or activities) which are likely to adversely affect the promotion of the crime and disorder objective. Such steps as are required to deal with these identified issues should be included within the applicant's operating schedule.

Within the operating schedule for premises from which alcohol will be sold, a premises supervisor must be designated (‘Designated Premises Supervisor’ DPS). The Licensing Authority will normally expect the DPS to have been given the day to day responsibility for running the premises by the premises licence holder, and, as such, would normally be present on the licensed premises on a regular basis.

Certain temporary events are not required to be licensed but can be notified to the Licensing Authority using the temporary event notice procedure. Depending on the nature and location of such events, these can have serious crime and disorder implications. Organisers of these events are encouraged to submit their notification as soon as reasonably practicable to enable the Police and the Licensing Authority to work with them to identify and reduce the risk of crime and disorder.

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Security Operatives

Whenever security operatives are employed at licensed premises to carry out any security function they must be licensed by the Security Industry Authority (SIA).

Competent and professional door supervisors are key to public safety at licensed premises and the provision of door supervisors is an action point for the leisure industry to consider in the Home Office Harm Reduction Strategy.

All security operatives employed at licensed premises will be expected to display their identification as issued by the Security Industry Authority (SIA).

If a licensee directly employs security operatives he/she will need to be licensed by the SIA as a supervisor/manager.

When the Licensing Authority's decision making powers under the Act have been engaged following the receipt of relevant representations and where it is considered that such certain premises may require strict supervision for the purpose of the promotion of the licensing objectives, the Licensing Authority may impose a condition that licensed security operatives must be employed at the premises either at all times, or, at such times that certain licensable activities are taking place. However, the Authority will consider each application on its merits.

9 PUBLIC SAFETY

The Act covers a wide range and variety of premises that require licences, including cinemas, concert halls theatres, nightclubs, public houses, cafes, restaurants, fast food outlets and takeaways. Each of these premises will present a mixture of risks, with many common to most premises and others unique to specific operations. It is essential that premises are constructed or adapted and maintained so as to acknowledge and safeguard occupants against these risks as far as is practicable.

There are a wide range of statutory requirements as detailed in Section 4 in this policy which are separate regulatory requirements with which applicants and employers have a duty to comply.

The licensing authority is committed to ensuring that the safety of any person visiting or working in licensed premises is not compromised. Where an applicant identifies an issue with regard to public safety (including fire safety) which is not covered by existing legislation, the applicant should indicate in their operating schedule the steps which will be taken to ensure public safety.

The capacity of a premises is a legitimate public safety issue. The Licensing Authority is aware that from 1 October 2006 the Regulatory Reform (Fire Safety) Order 2005 replaced previous fire safety legislation. Under article 43 of the Fire Safety Order any conditions imposed by the Licensing Authority

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that relate to any requirements or prohibitions that are or could be imposed by the Order, automatically ceased to have effect. This means that the Licensing Authority will not seek to impose fire safety conditions or capacity limits where the Order applies.

The Licensing Authority may set an occupancy capacity following representations from the Chief Fire Officer for Stoke on Trent and Staffordshire Fire Authority, after having regard to any guidance issued by the Secretary of State if considered necessary to meet the public safety licensing objective. Each application will be considered on its merits.

The Licensing Authority would recommend that applicants refer to the documents detailed at Appendix 2 of this policy for further guidance.

10 PREVENTION OF PUBLIC NUISANCE

Licensed premises have a significant potential to adversely impact on communities through public nuisances that arise from their operation. These issues mainly relate to noise nuisance, light pollution and noxious odours. However this will depend on the individual circumstances of any premises including the nature and style of the venue, the activities being conducted there, the location of the premises and the anticipated clientele of the business involved.

The Licensing Authority wishes to maintain and protect the amenity of residents and other businesses from the potential consequence of the operation of licensed premises whilst recognising the valuable cultural, social and business importance that such premises provide.

There are a number of statutory controls available to deal with nuisance issues as outlined in Section 4.

When addressing public nuisance the applicant should initially identify any particular issues (having regard to their particular type of premises and/or activities) which are likely to adversely affect the promotion of the objective to prevent public nuisance. Such steps as are required to deal with these identified issues should be included within the applicant's operating schedule.

Applicants need to be clear that where relevant representations have been received, the Licensing Authority may apply stricter conditions, including controls on noise and operating hours, where licensed premises are in residential areas.

11 PROTECTION OF CHILDREN FROM HARM

The protection of children from harm is an extremely important issue and is one of the statutory licensing objectives. It is the Licensing Authority's wish

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that family friendly premises will thrive, but the risk of harm to children remains a paramount consideration when determining applications.

The Act makes it an offence to permit children under the age of 16 who are not accompanied by an adult to be present on premises being used exclusively or primarily for supply of alcohol for consumption on those premises under the authorisation of a premises licence, club premises certificate or where that activity is carried on under the authority of a temporary event notice.

It is also an offence to permit the presence of children under 16 who are not accompanied by an adult between midnight and 5:00am at other premises supplying alcohol for consumption on the premises under the authority of any premises licence, club premises certificate or temporary event notice.

Otherwise, the Act does not prevent the admission of unaccompanied children under 16 to the wide variety of premises where the consumption of alcohol is not the exclusive or primary activity at those venues. However this does not mean that children should automatically be allowed access to such premises.

The Licensing Authority will enforce the requirements of the Act restricting access by children to premises and events licensed or authorised under the Act. It will not, however, seek to limit such access through the imposition of conditions (other than those statutorily required of it), unless representations are received from any responsible authority or interested party and it is considered necessary to impose limitations for the prevention of physical, moral or psychological harm to children.

The Licensing Authority recognises Staffordshire County Council through its Safe Guarding Children's Board or any successor Board or Directorate charged with the responsibility for or interest in matters relating to the protection of children from harm and the Staffordshire Police as the responsible authorities for advising the Licensing Authority in matters relating to the protection of children from harm and competent to advise it on such matters.

When addressing the protection of children, the applicant should initially identify any particular issues (having regard to their particular type of premises and/or activities) which are likely to cause concern in relation to children. Such steps as are required to deal with these identified concerns should be included within the applicant's operating schedule.

When considering applications and deciding whether to limit access of children to premises, the Licensing Authority will judge each application on its own merits.

However the Licensing Authority will have particular regard to premises where there is substantial evidence that:

- Entertainment or services of an adult or sexual nature are commonly provided such as topless bar staff, striptease, lap-

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- table- or pole dancing, performances involving feigned violence or horrific incidents, feigned or actual sexual acts or fetishism, or entertainment involving strong and offensive language
- there have been convictions of members of the current staff at the premises for serving alcohol to minors, or, the premises has a reputation for under age drinking;
 - there is a known association with drug taking or dealing;
 - there is a known association with prostitution;
 - there is a strong element of gambling on the premises (but not, for example, the simple presence of a small number of cash prize gaming machines); and
 - the supply of alcohol for consumption on the premises is the exclusive or primary purpose of the services provided.

Where concerns have been identified in respect of individual premises, and it is felt that the access of children should be restricted the Licensing Authority may consider the following options:

- Limiting the hours when children may be present;
- age limitations (below 18);
- limiting or prohibiting access when certain activities are taking place;
- fully excluding persons under the age of 18 from the premises when certain licensable activities are taking place;
- limitations on access to certain parts of the premises for persons under 18;
- permitting access only when accompanied by an adult.

The above list is not exhaustive and the alternatives may be adopted in combination.

Applicants applying for premises licences and club premises certificates may also volunteer such prohibitions and restrictions in their operating schedules where their risk assessments have determined the presence of children is undesirable or inappropriate.

Where no relevant representations are made to the Licensing Authority, these volunteered prohibitions and restrictions will become conditions attached to the licence or certificate and will be enforceable as such. No other conditions concerning the presence of children on premises may be imposed by the Licensing Authority in these circumstances.

The Portman Group operates on behalf of the alcohol industry a Code of Practice on the Naming, Packaging and Promotion of alcoholic drinks. The Code seeks to ensure that alcoholic drinks are only marketed to those 18 years and older. The Licensing Authority commends the adoption of this Code by all relevant parties.

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The Licensing Authority will, as required by the Act, impose a condition on all licences and certificates authorising the exhibition of films, requiring the admission of children to be restricted in accordance with the recommendations given to films by a body designated under Section 4 of the Video Recordings Act 1984 (at the date of publishing this policy the British Board of Film Classification was the only body so designated), or in specific cases the Licensing Authority itself. The Licensing Authority will expect that operating schedules accompanying applications relating to activities involving film exhibitions will include details of the arrangements proposed for preventing children from viewing age restricted films.

When considering any application, the Licensing Authority will take into account any evidence that age restrictions for cinema exhibitions are not being properly observed.

Where representations are received from a responsible authority regarding regulated entertainment attended by children, the Licensing Authority will consider imposing conditions requiring the presence of adult staff for the purposes of controlling access and egress from the premises and for the protection of children from harm. The numbers of adults required will be determined through consultation with the appropriate responsible authorities defined in Section 13(4) and Section 69(4) of the Act; i.e., Staffordshire County Council through its Safe Guarding Children's Board or any successor Board or Directorate and the Chief Fire officer for Stoke on Trent and Staffordshire Fire Authority.

The Licensing Authority will not impose any condition specifically requiring access to be provided for children at any premises. Where no restriction or limitation is imposed, the issue of access will remain a matter for the discretion of the individual licence/certificate holder.

Illegal Sales of Age Restricted Goods.

The Licensing Authority recognises the important work carried out by Staffordshire County Council Trading Standards and Staffordshire Police in this field. The Licensing Authority, Staffordshire County Council Trading Standards and the Police take a very serious view of the illegal sale of alcohol and other age restricted goods and the Licensing Authority will work closely with Trading Standards and the Police to seek to ensure that illegal sales of alcohol and other age restricted goods are reduced and ultimately eradicated.

The sale of alcohol to minors (under 18 years of age) is a criminal offence and Trading Standards has, over time, worked to advise the off-licence trade on how to set up systems to avoid sales taking place. Trading Standards will continue to regularly conduct covert test purchasing exercises with volunteers in response to complaints and local intelligence. Trading Standards have been successful in bringing a number of prosecutions recently; having particular regard to the link between alcohol and crime and disorder issues, and this continues to be a concern of Staffordshire County Council under the Licensing Act 2003.

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Staffordshire Trading Standards have issued guidance that applicants may wish to consider in respect of underage sale of alcohol and other age restricted goods. Copies of this guidance can be obtained from Staffordshire Trading Standards or from the Licensing Authority.

Guidelines to be followed by the Licensing Committee when dealing with a review application following underage sales of alcohol

The Act provides the Council with a wide range of powers to be used when determining a review application. There are a number of steps which the Committee can take in order to promote the licensing objectives, as follows:

- a. modify the conditions of licence
- b. exclude a licensable activity from the scope of the licence
- c. remove the designated premises supervisor
- d. suspend the licence for a period of up to 3 months
- e. revoke the licence

When deciding which steps are appropriate, each case will be judged on its own merits but, the Committee will consider taking tougher steps in cases where, for example: an underage sale of alcohol has been made and there are related issues involving the use of counterfeit or illicit alcohol from the same premises, or the premises have already been before the Committee previously for an underage sale and conditions were imposed at that time.

Where a premises licence has been revoked by the Committee or one of its panels, the Authority will not normally grant an application for a new premises licence within 12 months of the date of the revocation, where there has been an objection to the application, when they are not satisfied that the management structure of the premises is not related to the management involved in the revoked licence and when one or more of the licensing objectives is undermined by such a circumstance. However, each application is to be considered on its own merits and this part of the policy does not fetter the discretion of the Committee and Panels. The Authority must carry out its functions with a view to promoting the licensing objectives.

Any action taken by the Committee or Panel should be an appropriate and proportionate response.

Nothing within this policy removes the discretion or judgement from the Committee or Panel when considering a review of a licence and each application and representation will be considered on its own merits. If the Committee or Panel depart from this policy or the guidance, reasons will be given.

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12 ENFORCEMENT

The Licensing Authority has established good working relationships with the Police and other enforcing authorities. These arrangements provide for the targeting of agreed problem high risk premises, but with a lighter touch being applied to those premises which are shown to be well managed and maintained. The Licensing Authority will incorporate the Hampton principles of inspection and enforcement into these activities. Consideration will also be given to any relevant codes of practice issued by the Better Regulation Delivery Office (BDRO).

It is intended that in general, action will only be taken in accordance with agreed enforcement principles and in line with the Licensing Authority's own enforcement policy. To this end the key principles of consistency, transparency and proportionality will be maintained. **In addition, any enforcement action undertaken will be with a view to upholding the promotion of the licensing objectives**

13 THE LICENSING PROCESS AND DELEGATION OF FUNCTIONS

The Licensing Authority's licensing functions will be discharged by the licensing committee. To facilitate the processing of applications made under the Act and in the interests of speed, efficiency and cost effectiveness, the Licensing Authority's licensing committee will delegate those functions to sub committees, each of which will comprise three members of the licensing committee.

Many of the licensing committee's decisions will be purely administrative and, where under the provisions of the Act, there are no relevant representations on an application for the grant of a premises licence or club premises certificate or police objections to an application for a personal licence or to an activity taking place under the authority of a temporary event notice, these matters will be delegated to officers of the Licensing Authority who are responsible for the administration and enforcement of the Act.

The Licensing Authority's licensing committee will receive regular reports on decisions made by officers and its sub committee so that it maintains an overview of the general licensing situation in the Borough.

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Applications will be determined in accordance with the following delegation criteria:

Function	Full Committee	Sub Committee	Officers
Application for personal licence		Where an objection has been received from the Police or Home Office	Where no objection received
Decision whether to suspend or revoke a personal licence		All cases	
Application for personal licence with unspent convictions		All cases	
Application for premises licence/club premises certificate	<ul style="list-style-type: none"> Where objection relates to cumulative impact Where application falls within paragraph 14.5 below 	Where “relevant representation” has been made	Where no “relevant representation” made or all representations made are withdrawn
Application for provisional statement	<ul style="list-style-type: none"> Where objection relates to cumulative impact Where application falls within paragraph 14.5 below 	Where “relevant representation” has been made	Where no “relevant representation” made or all representations made are withdrawn
Application to vary a premise licence/club premises certificate	<ul style="list-style-type: none"> Where objection relates to cumulative impact 	Where “relevant representation” has been made	Where no “relevant representation” made or all representations

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	<ul style="list-style-type: none"> Where application falls within paragraph 14.5 below 		made are withdrawn
Application to vary designated premise Supervisor		Where an objection has been received from the Police	Where no objection has been received
Application for the mandatory alcohol condition under the Licensing Act 2003 requiring a Designated Premises Supervisor in respect of a premises licence to be disappplied		If a police representation is made	All other cases
Decision whether to consult other responsible authorities on minor variation application			All cases
Determination of minor variation application			All cases
Application for transfer of premise licence		Where an objection has been received from the Police or Home Office	All other cases
Applications for interim authority notices		Where an objection has been received from the Police or Home Office	All other cases
Application to review premise licence/club premises certificate		All cases	

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Decision on whether a complaint or objection is irrelevant frivolous vexatious etc			All cases
Decision to object when local authority is a consultee and not the relevant authority considering the application		All cases	
Acknowledgement of receipt of a temporary event notice			All cases
Determination of a Police or environmental health representation to a temporary event notice		All cases	
Decision to suspend a licence or certificate for non-payment of the annual fee			All cases

Where a councillor who is a member of the licensing committee or a licensing sub committee has had a direct or indirect involvement in the affairs of an application before them, in the interests of good governance they will disqualify themselves from any involvement in the decision making process affecting the premises licence in question.

The Licensing Authority's nominated officers will deal with all licence applications where either no representations have been received, or where representations have been received and it is agreed by the parties that a hearing is not necessary.

Entitlements to appeal for parties aggrieved by decisions of the Licensing Authority are set out in Schedule 5 of the 2003 Act. Other than in the case of personal licences, an appeal has to be made to the magistrates' court. In

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which the premises concerned is situated. In the case of personal licences, the appeal must be made to the magistrates' court for the area in which the licensing authority (or any part of it) which made the decision is situated.

14 EQUAL OPPORTUNITIES

The Equality Act 2010 places a legal obligation on public authorities to have due regard to the need to eliminate unlawful discrimination, harassment and victimisation; to advance equality of opportunity; and to foster good relation, between persons with different protected characteristics, for example age, disability, race and religion.

Tamworth Borough Council has a Statement of Intent for Equality and Diversity which requires that services are provided that embrace diversity, promote equality of opportunity and access. The statement can be found at <http://www.tamworth.gov.uk/equality-and-diversity>

15 FURTHER INFORMATION

Further information about the Licensing Act 2003 and the Licensing Authority's licensing policy can be obtained from:

Growth and Regeneration
Tamworth Borough Council
Marmion House
Lichfield Street
Tamworth
Staffordshire
B79 7BZ

Telephone (01827) 709445
E-mail publicprotection@tamworth.gov.uk

This policy is available on the Council's web-site www.tamworth.gov.uk

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APPENDIX 1

Definitions

The following definitions are included to provide an explanation of certain terms included in the Act and therefore in this policy. In some cases they are an abbreviation of what is stated in the Licensing Act 2003 or an interpretation of those terms. For a full definition of the terms used, the reader must refer to the Licensing Act 2003.

Appeals

Appeals against decisions of the licensing authority are to the magistrates' court for the area in which the premises are situated. The appeal must be lodged within 21 days of being notified of the Council's decision. On appeal a magistrates' court may, dismiss the appeal; substitute its own decision; remit the case to the licensing authority with directions; and make an order for costs.

Authorised Persons

"Authorised Persons" are specified people who have statutory duties in relation to the inspection of premises, e.g. licensing officers, police, fire, health & safety, environmental health officers.

Interested Parties

"Interested Parties" are persons living in the vicinity of the premises; a body representing such persons; a person involved in business in the vicinity; or a body representing businesses in the vicinity.

Responsible Authorities

"Responsible Authorities" include the police, fire, enforcing authority for health and safety, planning authority, environmental health, bodies responsible for child protection and other specified authorities. Only these groups can make representations about an application for a premises licence.

Closure Order

New powers for the police and courts to close premises. The 2003 Act significantly extends the existing powers of the police to seek court orders in a geographical area that is experiencing or likely to experience disorder or to close down instantly individual licensed premises that are disorderly, likely to become disorderly or are causing noise nuisance.

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Club Premises Certificate

A certificate which licences a qualifying club for the sale/supply of alcohol. It can be granted to members clubs which comply with specific conditions e.g. membership rules, run by club committees, profits go to members not an owner etc club premises certificates replace registration under the Licensing Act 1964. The law for members clubs has changed relatively little under the 2003 Act. There is no time limit on the duration of the certificate but it may be withdrawn, surrendered or suspended.

Conditions

A premises licence may be granted subject to different conditions, and these may be in respect of different parts of the premises and different licensable activities. There is no power to impose conditions on a personal licence. Secretary of State's guidance provides "The only conditions which should be imposed on a premises licence or club premises certificate are those which are necessary for the promotion of the licensing objectives. Accordingly, if the existing law already places certain statutory responsibilities on an employer or operator of premises, it cannot be necessary to impose the same or similar duties on the premises licence holder". Conditions must be proportional and tailored to size, style, characteristics and activities taking place at the premises concerned.

Designated Premises Supervisor

The person in the case of premises selling alcohol, who will normally have been given the day to day responsibility for running the premises by the holder of the premises licence or will be the premises licence holder themselves (who must also be a personal licence holder).

Interim Authority Notices

Where a premises licence lapses due to death, incapacity or insolvency etc of the holder, specified persons can within 7 days serve an interim authority notice on the Licensing Authority. This revives the licence, subject to Police objection, for a period of up to 2 months so the premises can continue trading. This is the equivalent to "interim authorities" and "protection orders" under the Licensing Act 1964.

Late Night Refreshment

The supply of hot food and/or drink to members of the public (whether for consumption on or off the premises) between the hours of 11.00pm and 5.00am.

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Licensable Activities

- the sale by retail of alcohol;
- the supply of alcohol by or on behalf of a club, or to the order of a member of the club;
- the provision of regulated entertainment;
- the provision of late night refreshment.

Licensing Authority

Tamworth Borough Council

Licensing Objectives

The objectives of licensing set out in the Act:

- the prevention of crime and disorder;
- public safety;
- the prevention of public nuisance;
- and the protection of children from harm.

The Licensing Authority must carry out its functions under the Act with a view to promoting the licensing objectives.

Licensed Premises

Includes club premises and events unless the context otherwise requires.

Mandatory Conditions

Conditions that the Act requires are imposed on a premises licence, club premises certificate or personal licence.

Objection Notice

A procedure whereby the police can object to the grant of a personal licence on the grounds where having regard to convictions of the applicant for relevant offences, the grant would undermine the crime prevention objective.

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Operating Schedule

A document containing a statement of the following matters (and any others that may be prescribed):

- Steps taken by the licence holder to tackle the four licensing objectives;
- the licensable activities to be conducted on the premises;
- the times during which the licensable activities are to take place and any other times when premises are open to the public;
- where the licence is required only for a limited period, that period;
- where the licensable activities include the supply of alcohol, the name and address of the individual to be specified as the designated premises supervisor.

Personal Licence

A licence granted to an individual and authorises that person to supply alcohol or authorise the supply of alcohol in accordance with a premises licence. The licence lasts for 10 years and can be renewed. It ceases to have effect when revoked, forfeited, surrendered or suspended. A personal licence holder is not required where the premises concerned does not supply alcohol as one of its licensable activities. A personal licence holder is also not required for the supply of alcohol in a club which holds a club premises certificate. Only the Police can object to the grant of a personal licence (there is no equivalent to relevant representations as for premises licences).

Premises Licence

A licence granted in respect of any premises, which authorises the premises to be used for one or more licensable activities, has effect until revoked, surrendered or on the death, insolvency etc of the holder. Applications are dealt with by the local authority licensing committee in the area where the premises are situated.

Provisional Statement

A procedure by which the Licensing Authority can give a statement approving for licensing purposes proposals for a premises being built or in the course of being constructed. Equivalent to a “provisional grant” under the Licensing Act 1964. Where a provisional statement is made, subject to limited exceptions, the full licence must normally be granted once the premises are completed.

Qualifying Club

Club premises certificates will be issued to qualifying clubs formerly registered members clubs. To be eligible for a club premises certificate the

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club/organisation members must have joined together for a particular social, sporting or political purpose and then have combined to purchase alcohol in bulk as members of the organisation for supply to members and their guests. Qualifying conditions are specified in section 61 of the Act and the Council must be satisfied that these conditions have been met, including evidence to support that the club is non profit making and that there is a minimum of 48 hours delay between application and acceptance of new members. The club must be established and conducted in 'good faith' (this involves consideration of details such as club finances).

Regulated Entertainment

- A performance of a film;
- an exhibition of a film;
- an indoor sporting event;
- a boxing or wrestling entertainment;
- a performance of live music;
- any playing of recorded music;
- a performance of dance;
- entertainment of a similar description to that falling within the performance of live music, the playing of recorded music and the performance of dance;
- (or entertainment of a similar description falling within the last three of the categories listed above), where the entertainment takes place in the presence of and for the purposes of entertaining that audience or spectators.

Relevant Offences

Relevant offences are set out in Schedule 4 to the 2003 Act.

Relevant Representations

The 2003 Act does not use the term “objections”. Instead authorised persons, interested parties and responsible authorities may be able to make relevant representations about an application for a licence. Representations must relate to the licensing objectives and where made by an interested party must not be frivolous or vexatious. When considering an application from an interested party or responsible authority the local authority need only consider relevant representations. The making of relevant representations engages

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the licensing authorities discretion to take “steps” consistent with the licensing objectives when considering the application.

Review of Licence

Where a premises licence is in force an interested party or responsible authority may apply to the Council for it to be reviewed. The Council must hold a hearing to review the licence and as a result must take any necessary steps to promote the licensing objectives, such as modification of conditions; exclusion of licensable activities; removal of the premises supervisor; suspension of the licence for up to 3 months; or the revocation of the licence.

Responsible Authority

- the Chief Officer of Police in the area where the premises are situated;
- the Fire Authority in the area where the premises area situated;
- the enforcing authority for Health and Safety at Work.
- the Local Planning Authority;
- the local authority responsible for minimising or preventing the risk of pollution of the environment or of harm to human health;
- the body representing matters relating to the protection of children from harm;
- in relation to a vessel, a navigation authority, the Environment Agency, or the British Waterways Board.

Statement of Licensing Policy

Each licensing authority must every 5 years determine and publish a statement of licensing policy. There is a requirement to consult on the policy and keep it under review.

Supervisor

Responsible for supervision of the premises e.g. the day to day manager. Any premises where alcohol is supplied as a licensable activity must have a designated premises supervisor.

Temporary Event Notice

A permitted temporary activity involving one or more licensable activities subject to the following various conditions and limitations:

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- Duration – they are limited to events lasting for up to 96 hours;
- Scale – they cannot involve the presence of more than 499 people at any one time;
- Use of the same premises – the same premises cannot be used on more than 12 occasions in a calendar year, but are subject to the overall aggregate of 15 days irrespective of the number of occasions on which they have been used;
- The number of notices given by one individual within a given period of time – a personal licence holder is limited to 50 notices in 1 year, and any other person to 5 notices in a similar period;
- (If these conditions are not fulfilled, the temporary event would require a premises licence if it were currently unlicensed for the activity involved).

Transfer

A procedure where an application can be made to transfer the premises licence into a new name e.g. if a premises licence holder sells his premises an application may be made to transfer the premises licence to the new owner.

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APPENDIX 2

List of Publications That Provide Guidance When Considering Public Safety

~~Annex D of the Statutory Guidance issued under section 182 of the Licensing Act 2003 includes a list of publications that provide guidance on public safety matters. The Guidance recommends that in addition, to considering the points made in Annex D,~~ It is recommended that those preparing operating schedules or club operating schedules, licensing authorities and responsible authorities should consider the following:

- Model National and Standard Conditions for Places of Public Entertainment and Associated Guidance (2002) ISBN 1 904031 11 0 (Entertainment Technology Press – ABTT Publications);
- **The Event Safety Guide – The Purple Guide to health, safety and welfare at music and other events -The Events Industry Forum**
- Managing Crowds Safely: guide for organisers at events and venues (HSE 2000) (HSG 154) ISBN 0 7176 1834 X;
- 5 Steps to Risk Assessment: Case Studies (HSE 1998, reprinted 2002) (HSG 183) ISBN 07176 15804;
- **The Guide to Safety at Sports Grounds 5th revised edition The Football Licensing Authority written for - The Department for Culture, Media and Sports (DCMS) ISBN 10 0117020745; ISBN 13 9780117020740**
- Safety Guidance for Street Arts, Carnival, Processions and Large Scale Performances published by the Independent Street Arts Network, copies of which may be obtained through:
www.streetartsnetwork.org.uk/publications./index.php
- The London District Surveyors Association’s “Technical Standards for Places of Public Entertainment” (2001) ISBN 0 9531229 2 1.

The following British Standards should also be considered:

- BS 5588-6:1991 Fire precautions in the design, construction and use of buildings. Code of practice for places of assembly
- BS 5588-9:1999 Fire precautions in the design, construction and use of buildings. Code of practice for ventilation and air conditioning ductwork
- BS 5588-8:1999 Fire precautions in the design, construction and use of buildings. Code of practice for means of escape for disabled people
- BS 5839 (fire detection, fire alarm systems and buildings)

Please note that the proposed changes to the current policy (2015 – 2020) are in red text in this draft consultation document.

- BIP 2081:2006 A Guide to Emergency Lighting ISBN 0580 47755

However, in consulting these texts, those creating operating schedules or club operating schedules, the licensing authority and responsible authorities should note that under no circumstances should any conditions be regarded as standard for all premises.

Please note that the proposed changes to the current policy (2015 – 2020) are in red text in this draft consultation document.

APPENDIX 3

TAMWORTH BOROUGH COUNCIL CUMULATIVE IMPACT ASSESSMENT

The Licensing Authority, when publishing its licensing policy, is required to have regard to the Cumulative Impact Assessment contained in the following pages.

The statements within the policy are aimed at encouraging best practice; a safe environment and to actively promote the four licensing objectives.

The Licensing Authority is also required to publish, within the licensing policy, a summary of the Cumulative Impact Assessment. However, by including the justification for the Cumulative Impact Assessment and supporting evidence within the licensing policy document, it is considered that this would make a summary unnecessary and would duplicate the information provided in the pages that follow.

Cumulative Impact Assessments – Background

The concept of Cumulative Impact has been described within the Secretary of State's Guidance (section 182) since the Licensing Act 2003 came into force. It has been part of the Council's licensing policy since May 2005.

Cumulative impact is defined as the potential impact on the promotion of the licensing objectives of a significant number of licensed premises concentrated in one area. In some areas where the number and type or density of licensed premises, such as those selling alcohol or providing late night refreshment is high, serious problems of nuisance and disorder may arise outside or some distance from those premises

Such problems generally occur when large numbers of drinkers are concentrated in one area at peak times when queuing for transport or food. These can attract criminal activity such as drug dealing or street robbery. The effect of this type of concentration of people can also place increased pressure on local transport and public services resulting in littering and public nuisance.

The cumulative impact of licensed premises on the promotion of the licensing objectives is a proper matter for a licensing authority to consider in developing its licensing policy statement and when determining applications under the Act.

The Policing and Crime Act 2017 amended the Licensing Act 2003 to place 'Cumulative Impact Assessments' on a statutory footing by introducing paragraph 5A of the Licensing Act.

Please note that the proposed changes to the current policy (2015 – 2020) are in red text in this draft consultation document.

Reasons for the Cumulative Impact assessment

One of the Council's key objectives is to seek a reduction in crime and disorder throughout the Borough, consistent with its statutory duty under section 17 of the Crime & Disorder Act 1998, and an improvement in local amenity through the reduction of antisocial behaviour.

The Licensing Authority is aware of the potential link between an increase in licensed premises within the town centre and the rise in the number of violent crimes, and antisocial behaviour.

The cumulative impact of people dispersing from an area can also disturb nearby residents

The Licensing Authority is mindful of the need to safeguard users of the late night economy, in relation to crime and disorder but also from alcohol harm. It recognises its responsibilities to protect children from harm and to promote public safety. The concentration of licensed premises, whose primary function is the consumption of alcohol can increase the vulnerability of people and result in alcohol harm.

The authority recognises that the impact of longer hours can be a factor as well as the density of the premises, and this issue will be given due consideration in any decision.

Town Centre Cumulative Impact Assessment Area – General Principles

A cumulative impact assessment may be published by a Licensing Authority to help it limit the number of applications granted in areas where there is evidence to show that the number or density of licensed premises in the area is having a cumulative impact and leading to problems which are undermining the licensing objectives. Cumulative impact relates to applications for new premises and club premises licences and variations of existing licences.

A cumulative impact assessment must include a statement stating that the licensing authority considers that the number of premises in the identified area is causing a cumulative impact. The statement must encompass that if a special policy relating to cumulative impact is not put in place then it will impact on the ability of the authority to uphold the licensing objectives. The cumulative impact once identified must relate to licensable activities.

The publication of a cumulative impact assessment does not remove the Licensing Authority's discretion to grant applications for new licences or applications to vary, where the authority considers this to be appropriate to the individual circumstances of the case.

Please note that the proposed changes to the current policy (2015 – 2020) are in red text in this draft consultation document.

This proposed Cumulative Impact Assessment will therefore be published under these new provisions of the Licensing Act 2003. The assessment will be reviewed every three years from the date it comes into force, consulting the persons outlined in Section 5 of the Licensing Act 2003.

The Cumulative Impact Assessment relates to the Tamworth Town Centre area. The Town Centre area has been subject to a Cumulative Impact Policy as part of the Council's Statement of Licensing Policy since May 2005. There are no changes to the area within this assessment.

This assessment applies to the following roads

- 1) Lower Gungate, from its junction with Albert Road and Aldergate to its junction with Colehill.
- 2) Spinning School Lane, from its junction with Lower Gungate to its junction with Marmion Street.
- 3) Colehill, from its junction with Lower Gungate and Church Street, to its junction with Bolebridge Street and George Street.
- 4) Bolebridge Street from its junction with Colehill, George Street up to its junction with the first traffic island (Mill Lane / Anker Drive island).
- 5) George Street, from its junction with Colehill, Bolebridge Street to its junction with Market Place and Market Street.
- 6) Market Street, from its junction with George Street, Middle Entry to its junction with Silver Street and Holloway.
- 7) Silver Street, from its junction at the entrance into Market Street up to the traffic lights at junction between Aldergate, Church Street and Lichfield Street.
- 8) Church Street, from its junction at the traffic lights in Silver Street, Lichfield Street, Aldergate, up to its junction with Colehill.
- 9) Aldergate, from its junction at the traffic lights with Lichfield Street, Church Street and Silver Street up to its junction with Lower Gungate, Hospital Street, Upper Gungate and Albert Road.
- 10) All other roads, streets and areas enclosed within the area bounded by the above streets, to include College Lane, Middle Entry, Market Place, King Street, Corporation Street, St Editha's Square, St Editha's Close, Church Lane, Little Church Lane and Lower Gungate Precinct.

Where a boundary line follows a street or road, premises on both sides of the street or road are deemed to be within the cumulative impact area.

Please note that the proposed changes to the current policy (2015 – 2020) are in red text in this draft consultation document.

A map showing the Cumulative Impact area is attached at [page 54](#).

Cumulative Impact Assessment Evidence

Evidence received in respect of the Cumulative Impact Assessment and to support the retention of the Town Centre Cumulative Impact Policy

The area that is covered by the Cumulative Impact Assessment occupies 8.9 hectares which is 0.28% of the total area of the Borough of Tamworth.

In June 2019, there were fifty eight licensed premises within the Cumulative Impact Area. This figure represents 27% of the total number of licensed premises within the Borough. Forty eight out of those fifty eight premises are licensed to sell alcohol.

There are fifty premises open past 23:00hours in the Town Centre Cumulative Impact Area of which forty are licensed to sell alcohol. Furthermore, twelve of the premises licensed to sell alcohol in the Cumulative Impact Area are permitted to be open after 02:00am on certain days of the week.

As of June 2019, the numbers and types of premises within the Cumulative Impact Area were as follows:

Night Clubs and public houses = 22

Restaurants – 14

Hotels – 2

Takeaways – 10

Off sales only = 4

Clubs – 1

Cinemas and theatre type premises = 2

Others (including open spaces having the benefit of a premises licence, hair dressing salons, bingo premises) = 4

The table on page 59 gives a comparison of the number and type of licensed premises within the town centre cumulative impact area in November 2005 (when the Licensing Act 2003 came into force), the premises with a licence in 2015 and those with a licence in June 2019.

The table shows that:

- There is a concentration of licensed premises within the town centre area
- Since November 2005 there has been an increase in the number of licensed premises in the town centre area although there has been a slight decrease between 2015 and June 2019.

Please note that the proposed changes to the current policy (2015 – 2020) are in red text in this draft consultation document.

- Over the years there has been an increase in the number of premises licensed to sell alcohol in the town centre area, with a slight decrease between 2015 and June 2019.

As part of the consultation process in respect of the Cumulative Impact Assessment and the Statement of Licensing Policy, Staffordshire Police submitted updated evidence relating to levels of crime and antisocial behaviour (ASB) and rowdy and inconsiderate behaviour in the town centre. The evidence details current levels of crime and disorder within the town centre and the types of offences which include violent offences which are being committed in the area.

The submission gave the key findings from the Police information records using data from recorded incidents and figures based on year to date (05 05 2019). Further supporting evidence is included on pages 55 - 59 of this policy.

Key points:

- There has been a 3% decrease in Town Centre ASB in the last 12 months compared to the previous 12 months.
- Rowdy and inconsiderate behaviour is the most prevalent type. 16% of ASB calls in the town centre are marked as Alcohol related (this figure may be higher dependent on recording accuracy) compared with Tamworth as a whole which sits at 5%.
- The majority of ASB incidents occur in the afternoon to the evening and into the early hours at the weekend (shown in the heat map below). This pattern is enhanced with clear alcohol related incidents.
- There has been a 2% increase in 'Town Centre' Public Space Violence (PSV) in the last 12 months compared to the previous 12 months.
- The highest levels of PSV are (on average) committed between 0000hrs and 0100hrs on Friday nights and 2300hrs and 0400hrs on Saturday nights. This has a direct correlation with the Tamworth night-time economy and also ASB.
- Public order offences have decreased, as has more serious violent crime.
- Less serious violent crime with injury, personal robbery and other violence against the person have increased.

Please note that the proposed changes to the current policy (2015 – 2020) are in red text in this draft consultation document.

- The highest repeat locations for PSV include licensed premises on Lower Gungate, Bolebridge Street, and Spinning School Lane all of which are within the hub of the night time economy.

At the conclusion of their submission in support of the Town Centre Cumulative Impact Policy, Staffordshire Police made the following statement: “We cannot stress enough, based on the above, the importance of maintaining the Cumulative Impact Zone/Area”.

The current Statement of Licensing Policy 2015 – 2020 contains a special policy relating to Cumulative Impact covering the town centre area of the Borough. The Licensing Authority considers that in the Cumulative Impact Area, the number of premises licences and/or club premises certificates are such that it is likely that granting further licences or variations to existing relevant authorisations would be inconsistent with its duty to promote the licensing objectives.

The Licensing Authority has carefully considered the evidence submitted by Staffordshire Police and other comments received during the consultation process in respect of the Cumulative Impact Assessment and the existing Cumulative Impact Policy. It has formed the opinion that the Cumulative Impact Policy should be retained in the proposed Statement of Licensing Policy 2020 -2023.

The effect of the Cumulative Impact Assessment and adopting a Cumulative Impact Policy

The effect of adopting a special policy is to create a rebuttable presumption that applications for new premises licenses or club premises certificates or material variations will normally be refused, if relevant representations about cumulative impact on the licensing objectives are received, unless it can be demonstrated that the operation of the premises involved will not add to the cumulative impact already being experienced.

It is for the applicant to consider, within their operating schedule, the potential cumulative impact and to demonstrate that there will be no negative cumulative impact on one or more of the licensing objectives.

This assessment will apply to all applications for grant of a new premises licence/club premises certificate or the variation of an existing premises licence or club premises certificate to for example increase the hours for licensable activities or increase the capacity or any other matter that may add to the cumulative impact in the cumulative impact area.

The contents of the Cumulative Impact Assessment does not change the fundamental ways that decisions are made under the 2003 Act. The Authority will make all decisions on applications within the Town Centre Cumulative Impact Area on a case by case basis with a view on how best to promote the

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licensing objectives. It also does not remove the requirement for a relevant representation to be submitted by a responsible authority or a member of the public (defined as ‘any other person’ within the Act) against an application for it to be considered by the Licensing Sub-Committee. An application that does not receive relevant representations is deemed granted under the Act.

As part of this policy, the licensing committee will not consider whether or not there is a need for any particular type of premises (as this is largely a matter for the local planning authority) but it will consider the cumulative impact that an application for grant of a new licence/club premises certificate or the variation of an existing premises licence or club premises certificate would have on the special cumulative area.

The Town Centre Cumulative Impact Policy will not be used to justify:

- Revocation of existing licences or certificates;
- rejecting applications to vary an existing licence/certificate, except where those modifications are directly relevant to the policy and the rejection is strictly necessary for the promotion of the licensing objectives;
- provisions for terminal hours of operation;
- imposing quotas on the number or capacity of premises that restrict the consideration of any application on its individual merits, or, impose limits on trading hours in particular areas.

Exceptions to the Special Cumulative Impact Policy

In general, the Licensing Authority wants to encourage “family friendly” entertainment in the town centre and discourage antisocial behaviour especially that associated with excessive alcohol consumption.

Even in the light of valid representations, acceptable grounds for exceptions to be considered may include:

- 1) The applicant can demonstrate that the premises will not be used primarily for the consumption of alcohol or as a hot food takeaway premises. This may be evidenced by the general nature of the business activity, e.g. restaurant or other considerations such as the proportion of the floor space available for other activities that do not involve alcohol consumption and / or
- 2) The applicant can demonstrate that the general age profile of customers will be 25+ and / or family groups. The committee may consider evidence such as marketing plans showing examples of advertising and promotions.

Please note that the proposed changes to the current policy (2015 – 2020) are in red text in this draft consultation document.

In any case where an applicant wishes an exception to be considered, the responsibility is with the applicant to show why an exception should be considered, not on the committee to demonstrate why an exception should not be made.

If an exception is made to this special policy relating to cumulative impact, applicants must fulfil the other requirements to be granted a premises licence or club premises certificate.

Where the Licensing Authority's discretion is engaged, grounds that will not be considered as an exception to the policy include:

- 1) That the building design will be of a high standard. It is assumed that all applicants will want to ensure the highest design standards possible.
- 2) That the applicant is of good character. It is a legal requirement that premises selling alcohol must be under the management of a designated premises supervisor, who must themselves hold a personal licence to sell alcohol.
- 3) The premises are small. A small business can still contribute to crime, disorder and nuisance suffered by interested parties in the vicinity of the special policy area.

Other Methods of Controlling Cumulative Impact

There are, however, other mechanisms, both within and outside the licensing system, that are available for addressing the potential effects of cumulative impact in areas. These include:

- planning controls;
- positive measures to create a safe and clean environment in partnership with local businesses, transport operators and other service units of the Council;
- provision of CCTV surveillance, sufficient taxi facilities, public conveniences open late at night, street cleaning and litter patrols;
- designation of parts of the Borough as places where alcohol may not be consumed publicly;
- confiscation of alcohol from adults and children in designated areas;
- Police enforcement of the general law concerning disorder and antisocial behaviour, including the issuing of fixed penalty notices;

Please note that the proposed changes to the current policy (2015 – 2020) are in red text in this draft consultation document.

- prosecution of personal licence holders or members of staff at licensed/certificated premises that are selling alcohol to people who are drunk;
- Police powers to close down instantly, for up to 24 hours, any licensed/certificated premises or temporary event on grounds of disorder, the likelihood of disorder, or, noise emanating from the premises causing a nuisance;
- powers of local authority environmental health officers to close premises, for up to 24 hours, where noise is causing a public nuisance;
- local authority, fire authority and Health and Safety Executive powers to prohibit activities including the use of premises or parts of premises, where there is a risk of serious personal injury;
- the right of responsible authorities or interested parties, to seek reviews of premises licences and club premises certificates.
- **Early Morning Restriction Orders**
- **Late Night Levy**

Please note that the proposed changes to the current policy (2015 – 2020) are in red text in this draft consultation document.

Where a boundary line follows a street or road, premises on both sides of the street or road are deemed to be within the cumulative impact area.

Cumulative Impact Area



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Department:	EM_PP_cj
Drawing No:	050127
27:01:05	Scale: 1:3000



Ordnance Survey

Please note that the proposed changes to the current policy (2015 – 2020) are in red text in this draft consultation document.

Further evidence in respect of the Cumulative Impact Assessment and to support the retention of the Town Centre Cumulative Impact Policy

1. STAFFORDSHIRE POLICE CUMULATIVE IMPACT REPORT AS AT 5 MAY 2019

Licensing Act 2003

Objectives:

- Prevention of crime and disorder;
- Public Safety
- Prevention of public nuisance; and
- The protection of children from harm.

The Legislation also supports a number of other key aims and purposes, including:

- Protecting the public and local residents from crime, anti-social behaviour and noise nuisance caused by irresponsible licensed premises;
- Giving the police and licensing authorities the powers they need to effectively manage and police the night-time economy and take action against those premises that are causing problems.

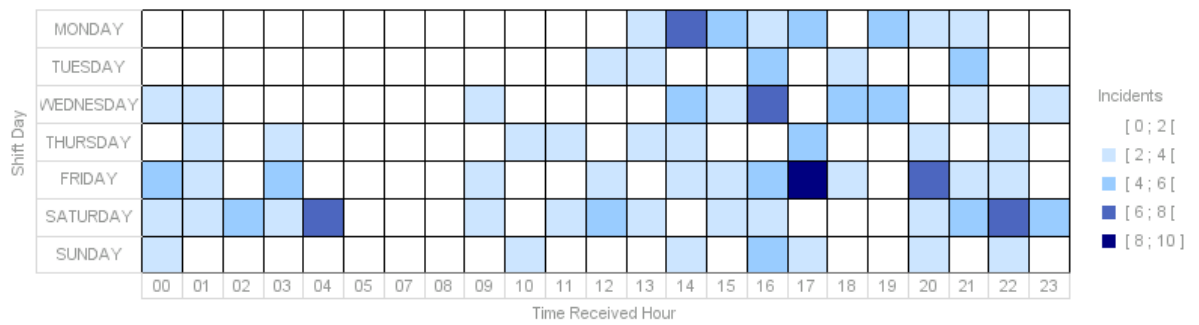
Cumulative impact is the potential impact on the promotion of the licensing objectives of a significant number of licensed premises concentrated in one area.

The key findings from the Police using data from recorded incidents are: Figures are based on year to date (05/05/2019).

- There has been a 3% decrease in Town Centre ASB in the last 12 months compared to the previous 12 months.
- Rowdy and inconsiderate behaviour is the most prevalent type. 16% of ASB calls in the town centre are marked as Alcohol related (this figure may be higher dependent on recording accuracy) compared with Tamworth as a whole which sits at 5%.
- The majority of ASB incidents occur in the afternoon to the evening and into the early hours at the weekend (shown in the heat map below). This pattern is enhanced with clear alcohol related incidents.

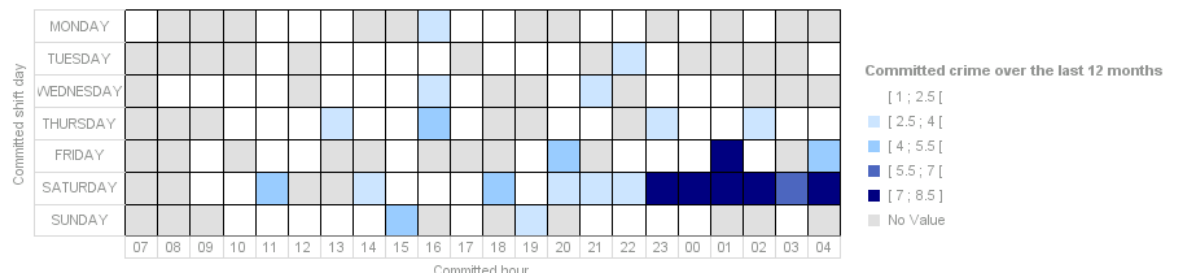
Please note that the proposed changes to the current policy (2015 – 2020) are in red text in this draft consultation document.

Incidents by Day and Hour (12 Months)



- There has been a 2% increase in 'Town Centre' Public Space Violence (PSV) in the last 12 months compared to the previous 12 months.
- The highest levels of PSV are (on average) committed between 0000hrs and 0100hrs on Friday nights and 2300hrs and 0400hrs on Saturday nights. This has a direct correlation with the Tamworth night-time economy and also ASB.

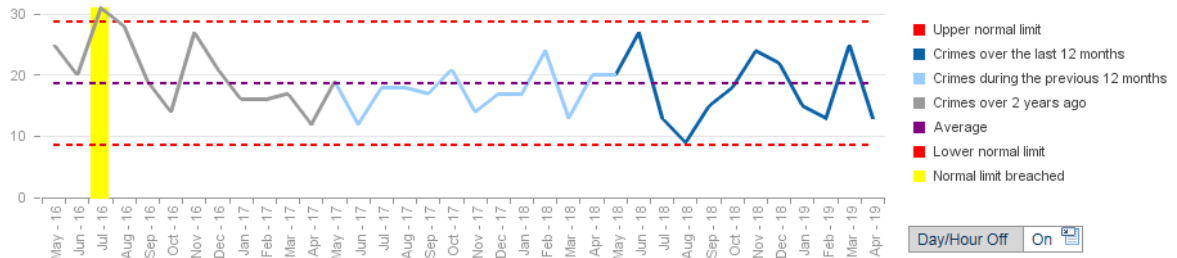
Committed Crime by Day and Hour (12 Months)



- Public order offences have decreased, as has more serious violent crime.
- Less serious violent crime with injury, personal robbery and other violence against the person have increased.
- The highest repeat locations for PSV include licensed premises on Lower Gungate, Bolebridge Street, and Spinning School Lane all of which are within the hub of the night time economy.

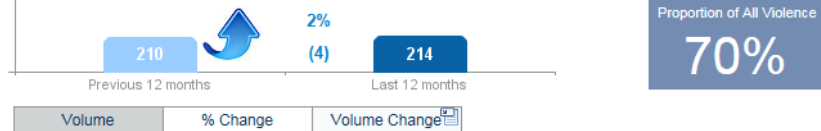
Please note that the proposed changes to the current policy (2015 – 2020) are in red text in this draft consultation document.

Public Space Violence in Tamworth Town Centre (castle FW00) over the past 12 months

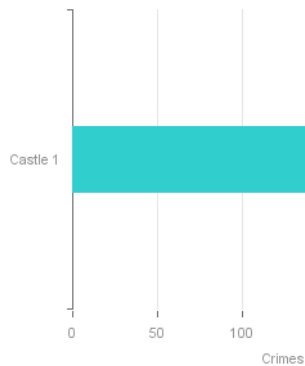


Change Over 12 Months (Direction)

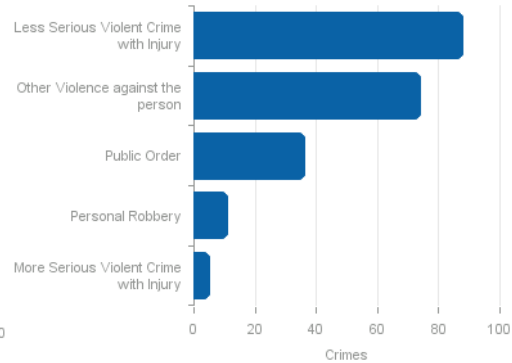
Profile Analysis Off On



RIA Crimes Over 12 Months

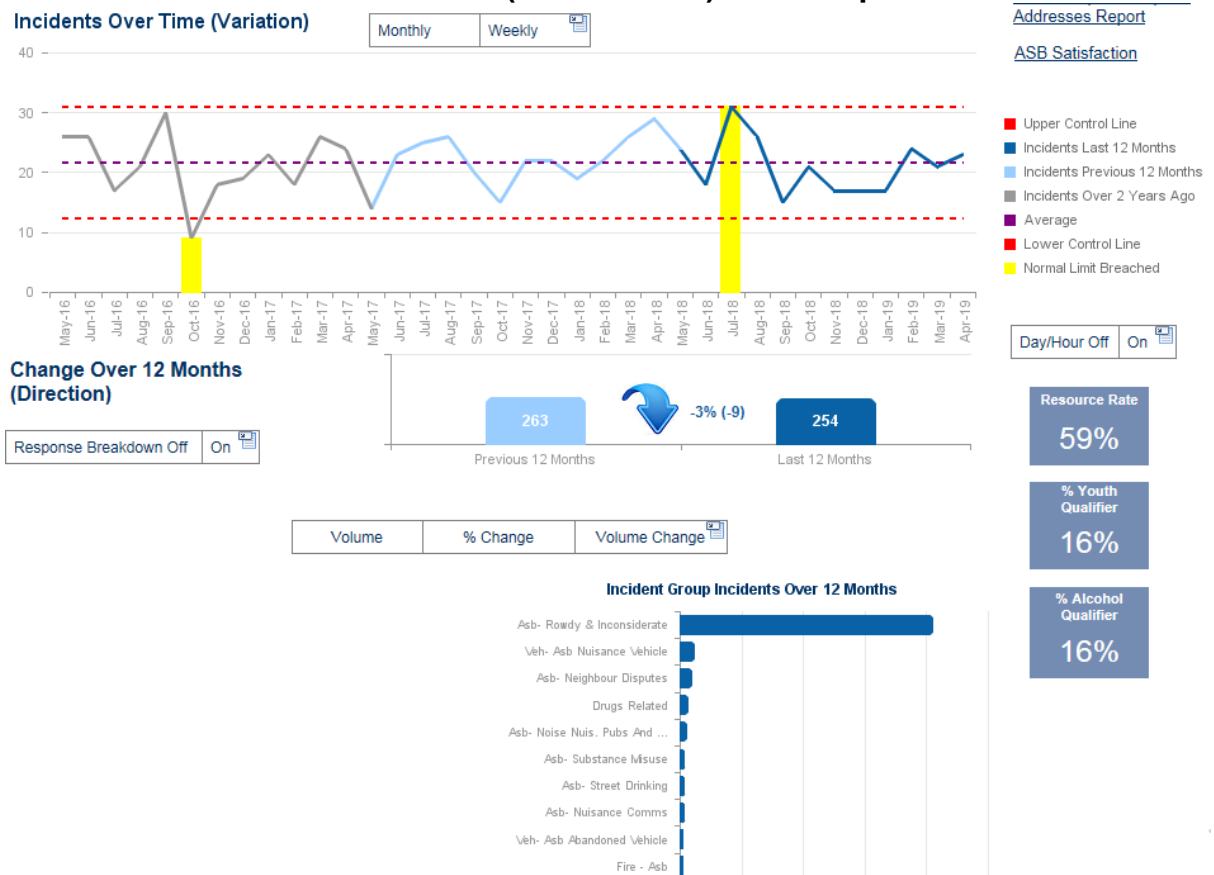


Offence Crimes Over 12 Months



Please note that the proposed changes to the current policy (2015 – 2020) are in red text in this draft consultation document.

ASB in Tamworth Town Centre (Castle FW00) over the past 12 months



What is more difficult to quantify is the amount of work officers encounter whilst engaged on Safer nights operations dealing with adults/youths who have been affected by drink or other substance misuse; making sure they receive medical treatment when required or trying to get them home safe. There is also dealing with the low level drink related incidents not recorded on the police systems. This type of work not only affects the police but partners including street wardens and ambulance staff.

The Police Licensing department have been consulted regarding Cumulative Impact assessments and have observed that they are a very useful tool in preventing premises that either already exist or are a new venture adding to violence and disorder in our town centres. The very existence of the policy has allowed us to advise prospective applicants in Tamworth of the Police stance and that we would object, and this has been sufficient to negate an application being submitted. The policies are invaluable even though a true auditable account of their use cannot be readily produced.

Whilst we make every effort to intervene and work to reduce violence and ASB in the Town Centre it is no secret that the police resource is being stretched and we do not always have the police readily available within the Town centre. Additional demand created by new ventures would have a

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negative impact on the forces ability to meet demand and hence the licensing objectives listed above.

If we do not have the policies in place, the late hour applications, new venues are more likely to be permitted creating that extra demand (increase in violence and public nuisance).

We cannot stress enough, based on above, the importance of maintaining the Cumulative Impact Zone/Area.

2. Comparison of the Number and type of Licensed Premises within the Town Centre Cumulative Impact Area over different years.

The table below gives a comparison of the number and type of premises holding a licence within the town centre cumulative impact area in November 2005 (when the Licensing Act 2003 came into force), the premises with a licence in 2015 and those with a licence in June 2019.

	Premises with a Licence 2005 (November)	Premises with a Licence in 2015	Premises with a Licence in 2019 (June)
Type of Premises			
Night Clubs and Public Houses	19	22	22
Restaurants	11	14	14
Hotels	2	2	2
Takeaways	10	13	10
Off Sales	6	9	4
Clubs	1	1	1
Cinema/Theatre	1	1	1
*Others	2	2	4
Total premises	52	64	58
Total as % of all Licensed Premises in Borough	25%	29%	27%
Licensed to sell Alcohol in CIA	41	51	48

*Others (include open spaces having the benefit of a premises licence, hair dressing salons, bingo premises)

Please note that the proposed changes to the current policy (2015 – 2020) are in red text in this draft consultation document.

APPENDIX 4

1.14 Nudity Striptease and Other Entertainment of an Adult or Sexual Nature

1) This part of the policy statement details the approach of the Licensing Authority to entertainment involving nudity, striptease or other entertainment of an adult nature and applies to applications relating to:

- new premises licence;
- new club premises certificate;
- variation of a converted premises licence;
- variation of an existing premises licence;
- variation of a converted club registration certificate;
- variation of an existing club premises certificate; and
- a provisional statement.

In which entertainment involving nudity, striptease or other entertainment of an adult nature is proposed.

2) This part of the policy also applies to reviews.

The Policy

- 3) On the 2nd of June 2010 the Council's Cabinet adopted the new powers under section 27 of the Policing and Crime Act 2009 regarding the regulation of Sexual Entertainment Venues including lap dancing.
- 4) The Council is aware of the Indecent Displays Act 1981 and other legislation covering indecency and obscenity, and notes the Secretary of State's Guidance (para. 2.17) in not seeking to use the Licensing Act 2003 or the police and crime act to go beyond these other legislative controls.



Part 1 – Details		
What Policy/ Procedure/ Strategy/Project/Service is being assessed?	Licensing Policy and Cumulative Impact Assessment (CIA).	
Date Conducted	30 October 2019	
Name of Lead Officer and Service Area	Colin John/Anna Miller	
Commissioning Team (if applicable)		
Director Responsible for project/service area	Andrew Barratt	
Who are the main stakeholders	Town Centre customers, police, license holders	
Describe what consultation has been undertaken. Who was involved and what was the outcome	<p>Formal consultation was undertaken June/July – Sept/Oct.</p> <p>Staffordshire Police have been specifically involved in discussions around the CIA.</p> <p>In total 9 respondents made comments.</p>	
Outline the wider research that has taken place (E.G. commissioners, partners, other providers etc)	Staffordshire Police have presented evidence to support the continued CIA zone.	
What are you assessing? Indicate with an 'x' which applies	A decision to review or change a service	<input type="checkbox"/>
	A Strategy/Policy/Procedure	<input checked="" type="checkbox"/>
	A function, service or project	<input type="checkbox"/>
What kind of assessment is it? Indicate with an 'x' which applies	New	<input checked="" type="checkbox"/>
	Existing	<input type="checkbox"/>
	Being reviewed	<input type="checkbox"/>

	Being reviewed as a result of budget constraints / End of Contract	<input type="checkbox"/>

Part 2 – Summary of Assessment

Give a summary of your proposal and set out the aims/ objectives/ purposes/ and outcomes of the area you are impact assessing.

The Licensing Act 2003 came into force on 24 November 2005. From that date the Licensing Authority became responsible for issuing authorisations for premises in the Borough in respect of the sale and supply of alcohol, the provision of regulated entertainment and late night refreshment. The Borough Councils licensing policy and associated cumulative impact assessment responds to this legislation and requires regular review to ensure that the policy remains up to date and relevant.

The current policy expires at the end of the year. A revised policy is necessary from January 1 2020 onwards.

Who will be affected and how?

The Licensing Authority's policy relates to all licensing activities falling within the provisions of the Act, namely:

- The sale of alcohol by retail; (including for consumption on or off premises, with or without food;
- the supply of alcohol by or on behalf of a club to, or to the order of, a member of the club;
- the provision of regulated entertainment to the public, club members or with a view to profit;
- the provision of late night refreshment.

Are there any other functions, policies or services linked to this impact assessment?

Yes No X

If you answered 'Yes', please indicate what they are?

Part 3 – Impact on the Community

Thinking about each of the Areas below, does or could the Policy function, or service have a direct impact on them?

Impact Area	Yes	No	Reason (provide brief explanation)
Age	<input type="checkbox"/>	X	The policy and its application of both the licensing regulations and the CIA does not discriminate in terms of how the regulations are applied. The outcome of the CIA is a positive impact on the town centre in terms of reputation, crime and attractiveness to all sections of the community.
Disability	<input type="checkbox"/>	X	Ditto
Gender Reassignment	<input type="checkbox"/>	X	Ditto
Marriage & Civil Partnership	<input type="checkbox"/>	X	Ditto
Pregnancy & Maternity	<input type="checkbox"/>	X	Ditto
Race	<input type="checkbox"/>	X	Ditto
Religion or belief	<input type="checkbox"/>	X	Ditto
Sexual orientation	<input type="checkbox"/>	X	Ditto
Sex	<input type="checkbox"/>	X	Ditto
Gypsy/Travelling Community	<input type="checkbox"/>	X	Ditto
Those with Caring/Dependent responsibilities	<input type="checkbox"/>	X	Ditto
Those having an offending past	<input type="checkbox"/>	X	Ditto
Children	<input type="checkbox"/>	X	Ditto
Vulnerable Adults	<input type="checkbox"/>	X	Ditto
Families	<input type="checkbox"/>	X	Ditto
Those who are homeless	<input type="checkbox"/>	X	Ditto
Those on low income	<input type="checkbox"/>	X	Ditto
Those with Drug or Alcohol problems	<input type="checkbox"/>	X	Ditto
Those with Mental Health issues	<input type="checkbox"/>	X	Ditto
Those with Physical Health issues	<input type="checkbox"/>	X	Ditto
Other (Please Detail)	<input type="checkbox"/>	X	Ditto

Part 4 – Risk Assessment

From evidence given from previous question, please detail what measures or changes will be put in place to mitigate adverse implications

APPENDIX 4

Impact Area	Details of the Impact	Action to reduce risk
<i>Eg: Families</i>	<i>Families no longer supported which may lead to a reduced standard of living & subsequent health issues</i>	<i>Signposting to other services. Look to external funding opportunities.</i>
N/A		

Part 5 - Action Plan and Review

Detail in the plan below, actions that you have identified in your CIA, which will eliminate discrimination, advance equality of opportunity and/or foster good relations.

If you are unable to eliminate or reduce negative impact on any of the impact areas, you should explain why

Impact (positive or negative) identified	Action	Person(s) responsible	Target date	Required outcome
	Outcomes and Actions entered onto Covalent			
N/A				

Date of Review (If applicable)30 October 2019.....

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**TAMWORTH BOROUGH COUNCIL
STATEMENT OF LICENSING POLICY 2020-2023
SUMMARY OF AMENDMENTS TO BE INCLUDED IN PROPOSED POLICY**

Page	Subject and Comment
3	1. INTRODUCTION Remove reference to municipal golf course
3	2. LICENSING ACT 2003 STATEMENT OF LICENSING POLICY – PURPOSE AND SCOPE
5	Consultation Insertion of text to explain why this policy will be reviewed in three years.
6	3. LICENSING OBJECTIVES & FUNDAMENTAL PRINCIPLES
10	Personal Licences Insertion of update for New Applications; Suspension and Revocation;
14	Immigration Act 2016 – Entitlement to Work. Insertion of provisions
16	Late Night Refreshment – Local Powers to Deregulate Insertion of provisions
17	4. INTEGRATING OTHER REGULATORY CONTROLS Insertion of list of legislation and guidance
20	5. INTEGRATING OTHER STRATEGIES Insertion of references to Tamworth Corporate Vision and Community Strategy - Tamworth Borough Council Updated Vision. Revised vision included Tamworth Borough Council Community Safety Plan. www.safertamworth.org
	CUMULATIVE IMPACT Remove Section and include in Appendix 3 - Cumulative Impact Assessment
31	12. ENFORCEMENT
31	Insertion of text to state that any enforcement action undertaken will be with a view to upholding the promotion of the licensing objectives.
31	13. THE LICENSING PROCESS AND DELEGATION OF FUNCTIONS Insertion of updates in delegation criteria table.
43	APPENDIX 2 - List of Publications That Provide Guidance When Considering Public Safety
43	Remove reference to Annex D of the Statutory Guidance issued under section 182 of the Licensing Act 2003 because Annex D is no longer included in the Guidance. Update references to list of documents where appropriate.
45/59	APPENDIX 3 - TAMWORTH BOROUGH COUNCIL CUMULATIVE IMPACT ASSESSMENT Insertion of Cumulative Impact Assessment Details and Evidence from Staffordshire Police Insertion of text above map of the Cumulative Impact Assessment Area to clarify which premises are included in the area. Insertion of evidence

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

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