



Borough of Tamworth

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CORPORATE SCRUTINY COMMITTEE

6 November 2019

Dear Councillor

A Meeting of the Corporate Scrutiny Committee will be held in **Committee Room 1, Marmion House, Lichfield Street, Tamworth, B79 7BZ on Thursday, 14th November, 2019 at 6.00 pm.** Members of the Committee are requested to attend.

Yours faithfully

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

Chief Executive

A G E N D A

NON CONFIDENTIAL

- 1 Apologies for Absence**
- 2 Minutes of the Previous Meeting (Pages 5 - 10)**
- 3 Declarations of Interest**

To receive any declarations of Members' interests (personal and/or personal and prejudicial) in any matters which are to be considered at this meeting.

When Members are declaring a personal interest or personal and prejudicial 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 personal and prejudicial interest in respect of which they do not have a dispensation.

4 Chair's Update

5 Responses to Reports of the Corporate Scrutiny Committee

To receive an update on responses received to reports of the Corporate Scrutiny Committee.

6 Consideration of Matters referred to the Corporate Scrutiny Committee from Cabinet / Council

Discussion item.

7 Working Group Updates

To receive any working group updates.

8 2019/20 Forward Plan

Discussion item – link to the Forward Plan

<http://democracy.tamworth.gov.uk/mgListPlans.aspx?RPId=120&RD=0&bcr=1>

9 Quarter Two 2019/20 Performance Report (Pages 11 - 54)

Report of the Leader of the Council

10 Local Council Tax Reduction Scheme 2021/22 (Pages 55 - 70)

Report of the Portfolio Holder for Assets and Finance

11 Private Sector Housing Enforcement Policy Update (Pages 71 - 76)

Report of the Assistant Director, Partnerships

12 Corporate Scrutiny Committee Work Plan (Pages 77 - 78)

To consider the Committee's Work Plan.

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](#)

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To Councillors: T Jay, B Price, R Bilcliff, R Claymore, R Ford, S Goodall, Dr S Peaple,
P Standen and M Summers

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MINUTES OF A MEETING OF THE CORPORATE SCRUTINY COMMITTEE HELD ON 8th OCTOBER 2019

PRESENT: Councillor T Jay (Chair), Councillors B Price (Vice-Chair), R Bilcliff, R Claymore, R Ford, S Goodall, Dr S People, P Standen and M Summers

The following officers were present: Zoe Wolicki (Assistant Director People), Michael Buckland (Head of Revenues) and Jo Hutchison (Democratic Services, Scrutiny and Elections Officer)

36 APOLOGIES AND ORDER OF BUSINESS

The Vice-Chair reported that as the Chair was expected to arrive late to the meeting, he would initially take the Chair. Accordingly he suggested that the agenda order be amended such that items 7 (Working Group Updates) and 10 (Garage Sites) were considered later in the agenda and item 9 (Customer Portal Update) was considered earlier.

In accordance with Rule 9.1.3 (to change the order of business on the agenda) the Committee resolved to change the order of the business as set out in the minutes.

(Moved by Councillor P Standen and seconded by S Goodall).

No further apologies were received.

37 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 14th August 2019 were approved and signed as a correct record.

(Moved by Councillor R Ford and seconded by Councillor S Goodall)

38 DECLARATIONS OF INTEREST

There were no declarations of interest.

39 CHAIR'S UPDATE

It was reported that there were no further items to report which were not already covered under later items on the agenda.

40 RESPONSES TO REPORTS OF THE CORPORATE SCRUTINY COMMITTEE

The Vice-Chair reported that Cabinet had agreed with the Committee's recommendation to issue a letter to Ministers co-signed by Councillor D Cook and Councillor Dr S People regarding waiting times for Universal Credit and that the recommendation had been completed.

The Vice-Chair reported that recommendations from this Committee on Member Induction had been received and noted by Cabinet on 26 September 2019 and that Cabinet had resolved that this Committee, in liaison with Members and Democratic Services, continue to oversee implementation of Member training.

41 CONSIDERATION OF MATTERS REFERRED TO THE CORPORATE SCRUTINY COMMITTEE FROM CABINET / COUNCIL

None.

42 CUSTOMER PORTAL UPDATE

The Committee received the Report of the Portfolio Holder for Assets and Finance which updated members on the progress to date in respect of the Customer Portal and Customer Relationship Management system, which was presented by the Assistant Director, People and the Head of Revenues.

The Head of Revenues reported that the Customer Portal was initially due to be in operation in May 2019, however, the Council was notified that the Staffordshire wide CRM system (Lagan) was to be decommissioned by the end of September 2019, and therefore priority was given to implementing the CRM element of the project by the end of September 2019. It was reported that the Lagan system was decommissioned and replaced with the Civica CRM on 27 September 2019.

The Head of Revenues reported that work had continued on development of the portal alongside the implementation of the CRM and that development of the following three processes was underway with implementation expected by the end of 2019:

- Moving in moving out
- Single person discount
- Safeguarding

The Head of Revenues reported that the development of an online housing applications form would not be developed by Civica but would instead be developed by Orchard as this solution was expected to provide a process which fully integrated into the back office system and the Customer Portal.

Following the appointment of a new Head of Customer Experience it was reported that the Head of Revenues would hand over responsibility for leading the project.

The Committee members sought clarification in the following areas:

- **Accessibility** – the Committee sought and received confirmation that notwithstanding the implementation of a digital customer portal, there would remain face to face and telephone channels for customers who preferred to access Council services in this way.
- **Post implementation review** – it was planned to have a post implementation review in early 2020 once the implementation of the three processes above had been completed.
- **Business continuity** – it was reported that the Council had full business continuity plans across all departments.
- **Testing of the systems** – the Committee requested details as to how the new systems were being tested. The Head of Revenues reported that staff were testing the systems. The Committee considered that relying on testing by staff only would not necessarily highlight potential flaws in the system as staff would be likely to have a different level of knowledge of the systems from the average customer which could mean that issues would not be identified. The Committee considered that it would be appropriate to explore the option of making the system available in test mode to customers together with a clear reporting mechanism where any issues identified could be reported to the Council. It was further reported that we had been liaising with other Councils to understand their experience of implementing the system and any lessons learnt.
- **Budgetary requirements** – it was reported that the capital budget of £115,000 had been utilised and that there would be a £18,000 fee annually for support, maintenance and upgrades. There would be further costs which would require further budgetary provision, however, for any additional functionality required. The Committee considered that it would be important to ensure that the further budgetary requirements were identified and fed into the budget setting process as early as possible to support the continued development of the system.

Councillor T Jay joined the meeting at 6.30pm and took the Chair for the remainder of the meeting.

- **Timelines** – the Committee requested further details on the timelines expected for the roll-out of the rest of the work-streams of the project. It was reported that, following implementation of the three processes highlighted above, the next areas to be developed and the anticipated timelines were:
 - Revenues – for implementation by April 2020
 - Online housing application form – for implementation by December 2020
 - Benefits – during 2021.
- **Resources** – the Committee sought clarification of the resources, including in terms of staff skillsets, available to support the implementation of all the work-streams and received assurances that the skillsets together with appropriate training existed and would be implemented to ensure that there was appropriately skilled resources to support the move into more digital platforms.

- **IT Robustness** – with the implementation of more internet based solutions and services, the Committee sought clarification on the penetration testing undertaken. The Assistant Director, People reported that the Head of Technology and Information Services had responsibility for this area and that penetration testing would extend to the customer portal.
- **Single and High Priority notification** – the Committee sought and received confirmation that the system would be designed to simplify the notification process by customers, and allow one simplified notification which would be forwarded to all relevant areas of the Council. Also, to ensure that high priority / urgent requests were considered first in the work queues. The Committee suggested utilising a key word search functionality for this. The Head of Revenues agreed to check whether the system would have a key word search functionality.

RESOLVED that the contents of the report be endorsed;

that the Committee considered that extended testing, involving members of the public, be undertaken in addition to testing by staff members.

(Moved by Councillor M Summers and seconded by Councillor Dr S Peuple)

43 WORKING GROUP UPDATES

The Chair reported that he had met with the Executive Director, Finance and the Knowledge, Performance and Insight Co-ordinator and had received a draft QPR summary from them. The Chair advised that he would review the draft QPR and would then reconvene with the rest of the Working Group for comments.

44 2019/20 FORWARD PLAN

The Committee noted that a new item had been added to the Forward Plan – Future High Street Fund. The Committee requested that it either receive a written update on this item, or this item be included in the town centre item due to come to the Committee in December. The Chair agreed to check this and include in the Work Plan as appropriate before the next Committee meeting.

45 GARAGE SITES

The Chair updated the Committee on the fact that Officers were still reviewing garage sites, and that it was proposed that Garage Sites would be brought to a full Council meeting before the end of the Municipal Year.

The Committee considered that prior to any report on Garage Sites being considered by full Council, it would be appropriate for a scrutiny committee to consider the matter. It was agreed that the Chair would feedback to the Portfolio Holder the expectation that this matter be considered by scrutiny prior to full Council. It was agreed that Garage Sites remain on the Work plan for this Committee at its December meeting.

46 UPDATE FROM CFPS SYMPOSIUM ON GOVERNMENT SCRUTINY GUIDANCE

Councillor Dr S Peale provided the Committee with an update on the CfPS Symposium on Government Scrutiny Guidance which he attended in June 2019. He highlighted the following key points which the Committee could consider further, in the light of the Peer Review in 2020:

- The value of independence in the chairing of scrutiny committees and the potential to use a secret ballot to elect scrutiny chairs;
- Dealing with familial links between executive and scrutiny responsibilities, as well as dealing with issues where members move between executive and scrutiny roles;
- The value of a Scrutiny Protocol;
- Avoiding members who hold less formal executive positions sitting on scrutiny committees looking at portfolios to which those roles relate.

The Committee discussed the value of scrutiny and the importance of all members participating in scrutiny with an independent mind.

The Committee agreed that the report from Councillor Dr S Peale be noted.

47 CORPORATE SCRUTINY COMMITTEE WORK PLAN

The Committee discussed the Work Plan and agreed to update it as follows:

Corporate Scrutiny Work Plan

Work Plan 2019 - 2020		
TARGET MEETING DATE	SUBJECT	MEETING WHEN ITEM ADDED TO WORK PLAN
November 2019	QPR Q2 2019/20 Report	Regular item
November 2019	Private Sector Housing Enforcement Policy – 12 month update	
November 2019	Local Council Tax Reduction Scheme 2020/21 onwards	July 2019
November 2019	Review of senior management restructuring	
November 2019	Working group report on QPR Report Executive Summary	June 2019
December 2019	Asset Management Review update (including town centre) – Councillor R Pritchard to be invited	

December 2019	Town Centre Strategy update	June 2019
December 2019	Future High Streets Fund	October 2019
December 2019	Corporate investment strategy	
December 2019	Garage Sites	
February 2020	QPR Q3 2019/20 Report	Regular item
February 2020	Market tender Update	August 2019
February 2020	Member Training update	June 2019
March 2020	Member Support Working group – sub group on Member Communications	
March 2020	Review of Cabinet decisions over previous 12 month period	
March 2020	Parking Toolkit review	October 2019

Upcoming Corporate Scrutiny Committee Meetings

14th November 2019 (QPR Q2 focus)

5th December 2019

5th February 2020 (QPR Q3 focus)

12th March 2020

It was reported that in previous years this Committee had nominated two members to attend the Council's Tenant Consultative Group. The Committee agreed that it would be appropriate for this Committee to nominate one representative and for the Health & Wellbeing Scrutiny Committee to nominate a second representative.

Chair

THURSDAY, 14 NOVEMBER 2019

REPORT OF THE LEADER OF THE COUNCIL

QUARTER TWO 2019/20 PERFORMANCE REPORT

EXEMPT INFORMATION

None

PURPOSE

The report aims to provide Corporate Scrutiny Committee with a performance update and financial healthcheck.

RECOMMENDATIONS

It is recommended that:

- Corporate Scrutiny Committee endorse the contents of this report.

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 support the budget setting process, Cabinet will be asked to approve 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

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

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	(3,970)	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);
- 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 30 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 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	(57)	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	

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
Strode House Car Park 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

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
										case the funds will be offered up and a new capital bid submitted
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	(3,870)	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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14TH NOVEMBER 2019**REPORT OF THE PORTFOLIO HOLDER FOR ASSETS AND FINANCE****LOCAL COUNCIL TAX REDUCTION SCHEME 2021/22****EXEMPT INFORMATION**

None

PURPOSE

To inform Members of the need to review the Council's Local Council Tax Reduction Scheme (LCTRS).

To give the Members of the Committee the opportunity to review the proposals for a new Local Council Tax Reduction Scheme, the detailed cost forecasting and scheme principles and the options contained within this report with the aim to finalise a new scheme for Public consultation in 2020.

RECOMMENDATION

That Members review the proposals and options contained within this report with the aim to finalise a new scheme for Public consultation in 2020.

EXECUTIVE SUMMARY

This report updates Members on the proposals to review the Local Council Tax Reduction Scheme (LCTRS) for implementation in 2021/22, starting on 1 April 2021. The proposals were considered at the Cabinet meeting on 26th September and approved (minute 12 refers):

- The need to review the Council's Local Council Tax Reduction Scheme;
- The Detailed cost forecasting and scheme principles explained in the report were considered and endorsed; and
- That Corporate Scrutiny Committee be asked to review the proposals and options contained within this report with the aim to finalise a new scheme for Public consultation in 2020.

The Council's current LCTRS was implemented in 2013, in partnership with all other Staffordshire councils, when the national Council Tax Benefit scheme was abolished. In the main the scheme has remained relatively unchanged since 2013 only incorporating small changes to continue to align the scheme each year with any Housing Benefit changes. Implementation of Universal Credit has prompted the review – given the initial impact seen of the complexity and associated administration as each change in circumstances has to be reviewed (and is 'penny-specific') with the associated benefits assessments and council tax bills re-issued.

The proposed scheme will be a "Banded Discount Scheme" 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.

Changing the LCTRS to a Banded Discount Scheme will make it much easier for people to understand and for our staff to administer. Claimants will easily be able to establish if they will qualify and the amounts involved.

There is no proposal to reduce the total cost of scheme – currently c.£4.1m (with the Council's share at 10%, in line with the total precept).

In light of the proposals contained within this report, there are no proposed changes to the scheme for 2020/21 other than the usual alignment with Housing benefit which is a minor change and did not require consultation. Council at its December meeting will be asked to approve this approach.

The scheme is means tested and all claimants are required to complete an application form and provide considerable evidence and information within a specific timescale in order for an assessment to be completed enabling a reduction in the amount of council tax payable. However, the current scheme does not work well for Universal Credit (UC) claimants, who no longer claim other benefits from the Council. We make an award based on exact income and capital of the customer. Any change must be reported and will require a re-assessment, which in turn generates a revised Council Tax bill. This is cumbersome and frustrating for Benefit Staff, Council Tax Staff and customers alike, particularly when changes are small. Furthermore, the repeated re-issue of bills delays the recovery of unpaid council tax, which obviously contributes to non-payment issues.

UC payments in particular would be problematic if not addressed. For many claimants, UC payments can change on monthly basis. This could mean that an individual might receive twelve council tax bills and revised benefit letters during the year with payment schedules being re-profiled each time. This makes it very difficult for claimants to manage their money or understand how changes to their income might affect them, often leading to arrears and debt. This will certainly become more of an issue as the volume of UC claimants increase when managed migration of UC commences, with additional administration as a consequence of the multiple changes, potentially impacting on staff resources required to deal with these changes.

The new income band system would enable people to increase their working hours or get a better paid job knowing in advance how much support we will give them to pay their council tax. It is therefore, proposed that the income ranges will be wide ranging in order to avoid having to make constant changes in the level of discount awarded. They will also get fewer council tax bills even if their Universal Credit changes provided their income remains within a particular band.

It is expected that some of the current onerous evidence requirements can be also reduced, with our officers' time being more targeted to compliance checks using data access and data matching facilities available to us.

OPTIONS CONSIDERED

Options considered for the proposed banding scheme are:

- The scheme will be cost neutral. We anticipate the total spend to be as it is now.
- Significant administrative savings resulting from the streamlined process and use of technology.
- Improved customer experience, through simplicity of process.
- If possible, we want to create common schemes across all Staffordshire Districts.
- Banded Discounts, probably increasing in 25% or 20% increments up to 100%.
- For Universal Credit claimants – Housing costs to be 100% disregarded. This amount included in their monthly payment is intended for help towards their rental costs. This is also disregarded in the current scheme.
- Continue to disregard the following incomes – Disability Living Allowance (Care & Mobility components), Personal Independence Payments (Daily Living & Mobility – both Standard & Enhanced rate components) and Child Benefit, Maintenance Received & War Pensions (the current scheme allows for all of these disregards).
- Where an applicant is disabled, they have a disabled child or receive the Support Component of the Employment and Support Allowance, the amount they receive as a premium under the existing scheme will be replaced by an equivalent income disregard. This will help continue to protect the most vulnerable.

- Where applicants receive Carers Allowance for looking after a person who is ill or disabled, the Carers Allowance payment they receive should be disregarded.
- Earnings disregards – to encourage work existing earnings disregards replaced by a standard £25 per week across all applicant types. Under the current scheme the earnings disregards are £5 (single persons), £10 (couples) £20 (disabled) and £25 (Lone Parents).
- No Non-dependant deductions. This is a significant change and means that the administration of the scheme will be more straightforward whilst also protecting low income families where adult sons and daughters, for example, remain at home. The current scheme applies no deduction where a non-dependant claims a primary benefit, £5 if a non-dependant works less than 16 hours per week and £10 if working 16 hours or more weekly.
- Simplifying the capital rules and reducing the capital limit from the current £16,000 to £6,000. Any capital below this level will not have any effect on the applicant's entitlement. This removes the need for applying a tariff income on capital above £6,000.
- The scheme will have a minimum award of £1.00 per week.
- Claimants will only need to report changes of income which are sufficient to take them into the next income band.
- Self-employed claimants will be assessed according to their HMRC self-assessed earnings, subject to a minimum of the National Minimum wages level.

Various modelling has been carried out with varying degrees of savings/expenditure dependent on the options applied, income bands and percentages used – attached at **Appendix 1 to Annex 1**.

LCTRS Modelling option 1 shows a maximum award of 100% for those customers in receipt of a Passported benefit (Jobseekers Allowance (IB), Employment Support Allowance (IR) or Income Support); however the cost of this scheme shows a significant overspend of approximately £531,000. While the intention of the scheme is to support those on the lowest income, protecting the disabled and trying to minimise the loss of customer's current entitlement, this is unlikely to be achieved without further spending. Under this scheme only 76 would lose an average of £6 per week with 2,464 either benefiting financially or seeing no change to their current entitlement.

The proposed scheme, option 2 shows a change to both income bands and percentages with the maximum award of 80%. There would be a significant financial impact for a small number of customers and it is estimated that 1,778 customers will benefit financially, 762 will be worse off by £4 per week on average while achieving a cost neutral spend.

LCTRS Modelling option 3 shows the maximum award reduced to 90% with a saving of around £27,000. However in order to achieve this, the income bands have been lowered resulting in 1,436 either benefiting financially or seeing no change to their current entitlement, while 1,104 would lose an average of £5 per week.

The Exceptional Hardship Policy will continue to be an integral part of the scheme for the foreseeable future and will allow for additional support to be given where an individual suffers exceptional hardship.

In order to finalise the proposed scheme for Public Consultation in 2020, Corporate Scrutiny Committee Members have the opportunity to review the proposals and options contained within this report and provide appropriate feedback to Cabinet to influence the design of the scheme. This will give Members the opportunity to further understand the complexities involved in amending the scheme and the potential impact (positive and negative) on the current scheme recipients.

RESOURCE IMPLICATIONS

The estimated annual cost of the current LCTR scheme is £4.1m of which £2m relates to working age claimants. The financial modelling for the new scheme is ongoing but the intention is to maintain the cost at current levels. There will be no significant financial impact to the Council and major Precepting Authorities. It is anticipated that the scheme that we will consult upon will be broadly budgetary neutral and will be reported and explained to members through the consultation process.

LEGAL/RISK IMPLICATIONS BACKGROUND

The new scheme framework will inevitably change the amount of discount to some customers. The modelling suggests that whilst a number will have an enhanced award, where any award is reduced applicants will be able to apply for an exceptional hardship payment.

We have a legal duty to consult on the changes to our scheme. Schedule 1A of the Local Government Finance act 1992, which was inserted by Local Government Finance act 1992 states that:

Before making a scheme, the authority must (in the following order):

- a) consult any major precepting authority which has power to issue a precept to it;*
- b) publish a draft scheme in such manner as it thinks fit; and*
- c) consult such other persons as it considers are likely to have an interest in the operation of the scheme.*

A summary of the perceived risks are outlined in the report at Annex 1.

EQUALITIES IMPLICATIONS

A full Equality Impact Assessment, together with the results of the consultation will be presented to Cabinet once the consultation is closed.

SUSTAINABILITY IMPLICATIONS

Funding for the replacement of the previous Council Tax Benefit Scheme was changed from an unrestricted reimbursement of Council Tax Benefit Subsidy to a restricted, pre-allocated grant figure – which has subsequently been reduced year on year as part of the austerity measures. The Council must be aware that there must continue to be a contingency if, for instance, a major local employer goes into administration.

REPORT AUTHOR

If Members would like further information or clarification prior to the meeting please contact Jane Smith, Head of Benefits (Ext.355), Lynne Pugh, Assistant Director Finance (Ext.272), or Stefan Garner, Executive Director Finance (Ext. 242).

Background Papers:-	Local Council Tax Reduction Scheme 2019/20 Onwards and Consultation Results, Council 11 th December 2018
	Local Council Tax Reduction Scheme 2021/22, Cabinet 26 th September 2019

CABINET

26TH SEPTEMBER 2019

REPORT OF THE PORTFOLIO HOLDER FOR ASSETS AND FINANCE

LOCAL COUNCIL TAX
REDUCTION SCHEME 2021/22**EXEMPT INFORMATION**

None

PURPOSE

To inform Cabinet of the need to review the Council's Local Council Tax Reduction Scheme (LCTRS).

To explain the proposed features of a new Local Council Tax Reduction Scheme.

RECOMMENDATIONS

That Cabinet approve:

1. the need to review the Council's Local Council Tax Reduction Scheme.
2. the detailed cost forecasting and scheme principles explained in this report are considered and endorsed.
3. that Corporate Scrutiny Committee be asked to review the proposals and options contained within this report with the aim to finalise a new scheme for Public consultation in 2020.

EXECUTIVE SUMMARY

This report updates Members on the proposals to review the Local Council Tax Reduction Scheme (LCTRS) for implementation in 2021/22, starting on 1 April 2021.

The Council's current LCTRS was implemented in 2013, in partnership with all other Staffordshire councils, when the national Council Tax Benefit scheme was abolished. In common with all other districts and boroughs at that time, Staffordshire authorities worked jointly to produce a framework scheme, which is based on the same set of principles but contained some variances for each local authority depending on their demographics and local priorities, whilst at the same time accommodating a 10% reduction in government funding, and protecting the more vulnerable groups.

In the main our scheme has remained relatively unchanged since 2013 only incorporating small changes to continue to align the scheme each year with any Housing Benefit changes. In light of the proposals contained within this report, we are not proposing any changes to the scheme for 2020/21 other than the usual alignment with Housing benefit which is a minor change and does not require consultation.

The scheme is means tested and all claimants are required to complete an application form and provide considerable evidence and information within a specific timescale in order for an assessment to be completed enabling a reduction in the amount of council tax payable.

However, the current scheme does not work well for Universal Credit (UC) claimants, who no longer claim other benefits from the Council.

Central government funding continues to reduce as Housing Benefit caseloads reduce as a result of Universal Credit. The rules for LCTR pensioners continue to be prescribed nationally and therefore we can only consider changes to the scheme for working age claimants.

Our current scheme is 'penny specific'. We make an award based on exact income and capital of the customer. Any change must be reported and will require a re-assessment, which in turn generates a revised Council Tax bill. This is cumbersome and frustrating for Benefit Staff, Council Tax Staff and customers alike, particularly when changes are small. Furthermore, the repeated re-issue of bills, delays the recovery of unpaid council tax, which obviously contributes to non-payment issues.

UC payments in particular would be problematic if not addressed. For many claimants, UC payments can change on monthly basis. This could mean that an individual might receive twelve council tax bills and revised benefit letters during the year with payment schedules being re-profiled each time. This makes it very difficult for claimants to manage their money or understand how changes to their income might affect them, often leading to arrears and debt. This will certainly become more of an issue as the volume of UC claimants increase when managed migration of UC commences, with additional administration as a consequence of the multiple changes, potentially impacting on staff resources required to deal with these changes.

The Council Tax arrears amongst LCTR recipients are proportionately much higher than arrears amongst those not reliant on benefit, and this is no surprise. Whereas in 2018-19 we collected 98.4% of our overall Council Tax within the financial year, the collection rate amongst LCTR recipients was 84%. The current scheme is evidently creating charges which are difficult for the taxpayer to pay and for the Council to recover when not paid. This is clearly inefficient and ineffective and needs to be addressed, without losing fairness and equality from the scheme.

Better use of technology can also be considered in order to simplify the process of claiming, assessing and notifying LCTR, to the benefit of both the council and its customers.

The proposed scheme will be a "Banded Discount Scheme" 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.

According to their household and financial circumstances, claimants will be placed into bands and an appropriate percentage reduction made from their bill.

An example of a banded scheme can be seen below
(This is for illustration purposes only):

CTR Level	Passported	Single Person Income Band £	Couples Income Band £	Family with 1 child £	Family with 2 or more children £
Band 1 – 80%	Relevant Benefit	0.00 – 79.99	0.00 – 119.99	0.00 – 179.99	0.00 – 239.99
Band 2 – 60%	N/A	80.00 – 129.99	120.00 – 169.99	180.00 – 229.99	240.00 – 299.99
Band 3 – 40%	N/A	130.00 – 179.99	170.00 – 219.99	230.00 – 279.99	300.00 – 349.99
Band 4 – 20%	N/A	180.00 – 259.99	220.00 – 299.99	280.00 – 379.99	350.00 – 449.99
No Discount	N/A	>260.00	>300.00	>380.00	>450.00

Changing the LCTRS to a Banded Discount Scheme will make it much easier for people to understand and for our staff to administer. Claimants will easily be able to establish if they will qualify and the amounts involved.

The new income band system would enable people to increase their working hours or get a better paid job knowing in advance how much support we will give them to pay their council tax. It is therefore, proposed that the income ranges will be wide ranging in order to avoid having to make constant changes in the level of discount awarded. They will also get fewer council tax bills even if their Universal Credit changes provided their income remains within a particular band.

The current CTR scheme policy is significant in size, unduly complex and primarily based on a means-tested benefits scheme. The intention is to make the new scheme policy much simpler, reducing the level of complexity and making it more transparent and understandable for applicants and tax payers.

It is expected that some of the current onerous evidence requirements can be also reduced, with our officers' time being more targeted to compliance checks using data access and data matching facilities available to us.

Many other councils across the country are adopting the same approach.

- 2013/14 – Only 1 Council in England had a banded scheme
- 2018/19 – 10 Councils introduced banded or part banded schemes
- 2019/20 – 25 Councils have introduced banded or part banded schemes
- 2020/21 – Over 100 authorities are looking to change and simplify their schemes.

OPTIONS CONSIDERED

The new scheme will be much simpler and will bring in a system of income bands to assess an entitlement to a set % Council Tax Reduction. The proposed Banded Scheme will be easier to administer. It will be easy for customers to calculate their own entitlement and understand the effect of changes in their income and how much council tax they need to pay. Their entitlement will only produce a revised Council Tax Demand Notice if their income moves into up/down into another band level.

Options considered for the proposed banding scheme are:

- The scheme will be cost neutral. We anticipate the total spend to be as it is now.
- Significant administrative savings resulting from the streamlined process and use of technology.
- Improved customer experience, through simplicity of process.
- If possible, we want to create common schemes across all Staffordshire Districts.
- Banded Discounts, probably increasing in 25% or 20% increments up to 100%.
- For Universal Credit claimants – Housing costs to be 100% disregarded. This amount included in their monthly payment is intended for help towards their rental costs. This is also disregarded in the current scheme.
- Continue to disregard the following incomes – Disability Living Allowance (Care & Mobility components), Personal Independence Payments (Daily Living & Mobility – both Standard & Enhanced rate components) and Child Benefit, Maintenance Received & War Pensions (the current scheme allows for all of these disregards).
- Where an applicant is disabled, they have a disabled child or receive the Support Component of the Employment and Support Allowance, the amount they receive as a premium under the existing scheme will be replaced by an equivalent income disregard. This will help continue to protect the most vulnerable.

- Where applicants receive Carers Allowance for looking after a person who is ill or disabled, the Carers Allowance payment they receive should be disregarded.
- Earnings disregards – to encourage work existing earnings disregards replaced by a standard £25 per week across all applicant types. Under the current scheme the earnings disregards are £5 (single persons), £10 (couples) £20 (disabled) and £25 (Lone Parents).
- No Non-dependant deductions. This is a significant change and means that the administration of the scheme will be more straightforward whilst also protecting low income families where adult sons and daughters, for example, remain at home. The current scheme applies no deduction where a non-dependant claims a primary benefit, £5 if a non-dependant works less than 16 hours per week and £10 if working 16 hours or more weekly.
- Simplifying the capital rules and reducing the capital limit from the current £16,000 to £6,000. Any capital below this level will not have any effect on the applicant's entitlement. This removes the need for applying a tariff income on capital above £6000.
- The scheme will have a minimum award of £1.00 per week.
- Claimants will only need to report changes of income which are sufficient to take them into the next income band.
- Self-employed claimants will be assessed according to their HMRC self-assessed earnings, subject to a minimum of the National Minimum wages level.

Various modelling has been carried out with varying degrees of savings/expenditure dependant on the options applied, income bands and percentages used – attached at **Appendix 1**.

LCTRS Modelling option 1 shows a maximum award of 100% for those customers in receipt of a Passported benefit (Jobseekers Allowance (IB), Employment Support Allowance (IR) or Income Support); however the cost of this scheme shows a significant overspend of approximately £531,000. While the intention of the scheme is to support those on the lowest income, protecting the disabled and trying to minimise the loss of customer's current entitlement, this is unlikely to be achieved without further spending. Under this scheme only 76 would lose an average of £6 per week with 2464 either benefiting financially or seeing no change to their current entitlement.

The proposed scheme, option 2 shows a change to both income bands and percentages with the maximum award of 80%. There would be a significant financial impact for a small number of customers and it is estimated that 1,778 customers will benefit financially, 762 will be worse off by £4 per week on average while achieving a cost neutral spend.

LCTRS Modelling option 3 shows the maximum award reduced to 90% with a saving of around £27,000. However in order to achieve this, the income bands have been lowered resulting in 1436 either benefiting financially or seeing no change to their current entitlement, while 1104 would lose an average of £5 per week.

It should be noted that these figures are estimates and can change due to continuous monitoring of the modelling of the scheme as the claim base changes.

In order to finalise the proposed scheme for Public Consultation in 2020, it is recommended that Corporate Scrutiny Committee be asked to review the proposals and options contained within this report and provide appropriate feedback to Cabinet to influence the design of the scheme. This will give Members the opportunity to further understand the complexities involved in amending the scheme and the potential impact (positive and negative) on the current scheme recipients.

Exceptional Hardship Policy

The current LCTR scheme also contains a provision for applicants to make an application for additional financial support where they experience exceptional hardship. It is therefore proposed that the new scheme will still contain the same provisions and where any person, or group of persons, is likely to experience hardship, this will be addressed as part of the overall scheme design.

The Exceptional Hardship Policy will continue to be an integral part of the scheme for the foreseeable future and will allow for additional support to be given where an individual suffers exceptional hardship.

Consultation Process

Full Council approval will be needed for an amended scheme and we are obliged to conduct a comprehensive consultation process prior to this. This will include involvement of the Corporate Scrutiny Committee in the design of the scheme as well as consultation with preceptors, voluntary organisations and the public. The next steps in this process are as follows;

- **Review** – whilst the principles of an efficient scheme are apparent, the most difficult part of the task is to establish the correct income bands to be applied within the scheme. Revised costings can be carried out throughout the process to finalise the scheme.
- **Consultation** - An extensive formal consultation will need take place around August 2020, typically for a period of around 8 to 12 weeks and include the major preceptors, partners, community groups, other stakeholders and any other interested parties. Sufficient information on the reasons for the proposals must be provided to permit the consultees to carry out intelligent consideration of the issues and respond. The Staffordshire billing authorities will undertake this exercise together, sharing the cost of any necessary external expertise.
- **Reporting and Approval** - The results of the consultation must be properly taken into account in finalising any decision. Full Council approval is needed for the new schemes.

RESOURCE IMPLICATIONS

The estimated annual cost of the current LCTR scheme is £4.1m of which £2m relates to working age claimants. The financial modelling for the new scheme is ongoing but the intention is to maintain the cost at current levels. There will be no significant financial impact to the Council and major Precepting Authorities.

This report seeks only to explain the features of the process and so has no significant financial implications at this stage.

It is anticipated that the scheme that we will consult upon will be broadly budgetary neutral and will be reported and explained to members through the consultation process.

LEGAL/RISK IMPLICATIONS BACKGROUND

The new scheme framework will inevitably change the amount of discount to some customers. The modelling suggests that whilst a number will have an enhanced award, where any award is reduced applicants will be able to apply for an exceptional hardship payment.

We have a legal duty to consult on the changes to our scheme. Schedule 1A of the Local Government Finance act 1992, which was inserted by Local Government Finance act 1992 states that:

Before making a scheme, the authority must (in the following order):

- d) consult any major precepting authority which has power to issue a precept to it;*
- e) publish a draft scheme in such manner as it thinks fit; and*
- f) consult such other persons as it considers are likely to have an interest in the operation of the scheme.*

A summary of the perceived risks follows:

Perceived Risk	Seriousness	Likelihood	Preventative Action
Council not able to maximise collection due to increased demand notices	High	Medium	To review the scheme so that small changes in income are not reflecting in multiple changes to a CTR award with multiple demand notices.
Council not able to recover increase in arrears	Medium	Medium	To utilise resource effectively and administer hardship schemes appropriately.
Negative public reaction to proposals	Medium	Medium	Response from consultation will be taken into consideration when the final scheme is recommended.
Potential legal challenge to 2021/22 CTR scheme	Medium	Low	Ensure full consultation has taken place with genuine options and that a proper equality impact assessment has been undertaken.

EQUALITIES IMPLICATIONS

A full Equality Impact Assessment, together with the results of the consultation will be presented to Cabinet once the consultation is closed. At this stage, Cabinet is being asked to agree draft scheme options that can be put out to consultation.

Where an individual may suffer exceptional hardship, the scheme will include provisions to allow additional support to be given.

SUSTAINABILITY IMPLICATIONS

Funding for the replacement of the previous Council Tax Benefit Scheme was changed from an unrestricted reimbursement of Council Tax Benefit Subsidy to a restricted, pre-allocated grant figure – which has subsequently been reduced year on year as part of the austerity measures. 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 abolished Council Tax Benefit from 01 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.

On 11 December 2018 Full Council considered and approved the Council's Local Council Tax Reduction Scheme 2019/20. Since the introduction of the original scheme in April 2013, there have been many changes in welfare reform that have required the Council to review the existing scheme and impact that it will have on residents and the authority in the future. The potential to mitigate the effect of the changes by moving to a banded LCTRS scheme was raised in the LCTRS report to Council in December 2018.

It has been recognised locally (& by most Billing Authorities in the country), that the existing Local Council Tax Reduction Schemes need to significantly change to meet the changing world of local authority benefits and our claimants, who are of working age. No changes are permissible to the reductions offered to pensioners.

As such, discussions have taken place amongst the authorities in Staffordshire with a strong consensus of opinion being reached as to what a "Banded Discount Scheme" might look like. Many other authorities have already implemented such schemes with many more looking to do so from April 2020.

As with the current countywide LCTRS scheme, authorities are keen to work together on these changes. Most districts/boroughs have indicated that they would like to adopt banded schemes which are as similar as practicably possible, so as to avoid confusion or "post code lotteries" across the county.

The introduction of Universal Credit on 30 November 2017 in the district has started and will continue to have a significant impact on the Council's CTR scheme. This trend is being recognised nationally as more schemes are adapted to meet the changing needs of residents.

From 30 November 2017 working age claimants who apply for 'legacy benefits' (Income Support, Jobseekers Allowance, Employment Support Allowance, Working & Child Tax Credits and Housing Benefit) in Tamworth Jobcentre area will have to claim Universal Credit instead.

Under Universal Credit claimants receive monthly payments encompassing their qualifying benefits. This does not include Council Tax Reduction which remains an administrative function of the Local Authority.

Any proposed significant changes to the scheme will require a full public consultation and agreement at full Council by March 2021.

Any proposed change would only relate to working age claimants as the pensionable age regulations are maintained by Central Government and out of scope for review.

In addition to this, trends show that there is low take up of customers in receipt of Universal Credit applying for Council Tax Reduction. Large numbers of change in circumstances are received by Councils via the DWP's data hub resulting in monthly adjustments in CTR creating difficulties in collection of council tax with multiple demand notices being issued. National trends have demonstrated that on average Universal Credit customers receive at least 8 change notifications in a year, in particular those that work and also claim Universal Credit. Under the existing scheme each change to income would produce a new demand notice for the customer; amending their instalments on a regular basis and making it difficult to collect via Direct Debit due to rules around the administration.

Regular changing of instalments can make it difficult for a customer to use Direct Debit as a payment method, due to the lead in times that the Council needs to advise the customer of a change before taking the payment. Multiple demand notices and CTR notifications can also be confusing for the residents to keep up with.

REPORT AUTHOR

Jane Smith

LIST OF BACKGROUND PAPERS

None

APPENDICES

Appendix 1 – Scheme Modelling options

Tamworth Borough Council's Banding Scheme Option 1

Current Scheme Expenditure £4,082,941

Proposed Cost £4,613,937 (includes current spend – Pensioner scheme @ £2,168,224)

Overspend £530,996

Income bands

Weekly income levels					
Band	Discount	Single Person	Couple with no children or young person	Couple or lone parent with one child/young person	Couple or lone parent with two or more children/young persons
1	100%	Passported Benefit			
		£0 - £79.99	£0 - £119.99	£0 - £179.99	£0 - £239.99
2	75%	£80 – £129.99	£120 - £169.99	£180 - £229.99	£240 – £299.99
3	50%	£130 - £179.99	£170 - £219.99	£230 – £279.99	£300 - £349.99
4	25%	£180 - £259.99	£220 - £299.99	£280 - £379.99	£350 - £449.99
5	0%	£260 +	£300 +	£380 +	£450 +

Scheme basics

- The maximum discount that can be paid is 100%. Anyone with savings above £16,000 will not qualify.
- Applicants will receive a discount of 100%, 75%, 50%, 25% or no discount, depending on the level of their income and the income band they fall into.
- People on a Passported benefit – ie Income Support, Jobseekers Allowance (IB) or Employment Support Allowance (IR) will automatically be placed into Band 1 (ie 100% discount).
- Net weekly income is used.
- £25 per week disregard from net earnings.
- DLA, PIP, War Pensions, Child Benefit, Child Maintenance, ESA Support Component and Carers Allowance are disregarded in full.
- Extra disregards apply if disabled (ie SDP) and/or a child receives DLA/PIP.
- Minimum award of £1.00 per week.

3 Do not qualify – due to income.

76 lose average £351 pa. (1 loses £1200 (due to income of £830 per week).

1811 gain

653 no change to current entitlement

Of the claims that lose entitlement:

76 Non-passported – ave loss £351 pa.

(ie all Passported claims under this scheme will gain from 75% to 100%)

Tamworth Borough Council's Banding Scheme Option 2

Cost £4,108,821

Overspend £25,880

Income bands

Weekly income levels					
Band	Discount	Single Person	Couple with no children or young person	Couple or lone parent with one child/young person	Couple or lone parent with two or more children/young persons
1	80%	Passported Benefit			
		£0 - £79.99	£0 - £119.99	£0 - £179.99	£0 - £239.99
2	60%	£80 – £129.99	£120 - £169.99	£180 - £229.99	£240 – £299.99
3	40%	£130 - £179.99	£170 - £219.99	£230 – £279.99	£300 - £349.99
4	20%	£180 - £259.99	£220 - £299.99	£280 - £379.99	£350 - £449.99
5	0%	£260 +	£300 +	£380 +	£450 +

Scheme basics

- The maximum discount that can be paid is 80%. Therefore everyone will have to contribute a minimum of 20% council tax.
- Anyone with savings above £6,000 will not qualify.
- Applicants will receive a discount of 80%, 60%, 40%, 20% or no discount, depending on the level of their income and the income band they fall into.
- People on a Passported benefit – ie Income Support, Jobseekers Allowance (IB) or Employment Support Allowance (IR) will automatically be placed into Band 1 (ie 80% discount).
- Net weekly income is used.
- £25 per week disregard from net earnings.
- DLA, PIP, War Pensions, Child Benefit, Child Maintenance, ESA Support Component and Carers Allowance are disregarded in full.
- Extra disregards apply if disabled (ie SDP) and/or a child receives DLA/PIP.

13 do not qualify due to capital limit reduction from £16,000 to £6,000.

Recalculated changing the capital limit to £16K = Overspend £35,995 (additional £10,075).

3 do not qualify – due to income.

762 lose average £213 pa. (5 lose £1000 - £1300 (due to income – ranges from £800-£950 per week).
1778 gain

Of the claims that lose entitlement:

474 Passported – ave loss £188 pa (these are

288 Non-passported – ave loss £254 pa.

Tamworth Borough Council's Banding Scheme Option 3

Cost £4,055,937

Saving £27,003

Income bands

Weekly income levels					
Band	Discount	Single Person	Couple with no children or young person	Couple or lone parent with one child/young person	Couple or lone parent with two or more children/young persons
1	90%	Passported Benefit			
		£0 - £73.34	£0 - £115.13	£0 - £199.48	£0 - £266.38
2	75%	£73.35 – £133.34	£115.14 - £175.13	£199.49 - £259.48	£266.39 – £326.38
3	50%	£133.35 - £163.34	£175.14 - £205.13	£259.49 – £289.48	£326.38 - £356.38
4	25%	£163.35 - £193.34	£205.14 - £235.13	£289.49 - £319.48	£356.39 - £386.38
5	0%	£193.35 +	£235.14 +	£319.49 +	£386.39 +

Scheme basics

- The maximum discount that can be paid is 90%. Therefore everyone will have to contribute a minimum of 10% council tax.
- Anyone with savings above £6,000 will not qualify.
- Applicants will receive a discount of 90%, 75%, 50%, 25% or no discount, depending on the level of their income and the income band they fall into.
- People on a Passported benefit – ie Income Support, Jobseekers Allowance (IB) or Employment Support Allowance (IR) will automatically be placed into Band 1 (ie 90% discount).
- Net weekly income is used.
- £25 per week disregard from net earnings.
- DLA, PIP, War Pensions, Child Benefit, Child Maintenance and Carers Allowance are disregarded in full.
- Extra disregards apply of £64.19 if a child receives DLA/PIP and £65.85 if disabled (ie SDP).

172 DNQ – due to income (14 DNQ due to capital limit reduction) = 186.

1104 lose average £253 pa. (14 claims lose £1000 - £1700 (due to income – ranges from £475-£950 per week).

1257 gain

179 no change

Of the claims that lose entitlement:

474 Passported – ave loss £99 pa

630 Non-passported – ave loss £369 pa.

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Corporate Scrutiny Committee

14 November 2019

Report of the Assistant Director Partnerships

Report on the Impacts of the Private Sector Housing Enforcement Policy

EXEMPT INFORMATION

None

PURPOSE

The report provides an annual update on the impact of the Private Sector Housing Enforcement Policy approved by Cabinet on 7th September 2017.

RECOMMENDATIONS

This report is for information only and the Committee is asked to note its contents.

EXECUTIVE SUMMARY

Progress

At the time of approval, the Private Sector Housing Policies anticipated upcoming legislation in the Housing and Planning 2016 and stated our intention to use new powers and sanctions where appropriate, including the powers to issue Civil Penalties for certain breaches of the Housing Act 2004, and look to make use of banning orders and the Rogue landlord database. This legislation has now been enacted.

Our approach to these new provisions has not changed although we have not to date made any entries onto the database or been granted a banning order. There are only a small number of Authorities who have to date used these provisions.

Staff have attended and contributed to regional workshops run by Ministry of Housing, Communities and Local Government (MHCLG) where the effectiveness and reform of Private Sector Housing legislation is discussed. The ideas discussed here do seem to be assimilated into new Regulations coming forward.

The private sector housing functions are now undertaken within the Strategic Housing Team which is within the Partnerships Team. We are continuing to build stronger working relationships with all areas of the Council to promote the crucial role that safe and secure housing must play in the health and wellbeing of the local population and use the Enforcement Policy in line with other legislation and powers to affect the best possible outcomes.

Working across teams we have managed complaints about the physical conditions of a property / garden which do not meet the threshold to be considered a 'statutory nuisance' or are not 'filthy and verminous' but are causing alarm harassment and distress' and a Community Protection Notice (CPN) may be issued using the ASB, Crime and Policing Act 2014.

The team have also worked to in partnership to tackle ASB from tenants in Houses of Multiple Occupation (HMOs).

Daily the Strategic Housing Team offer advice and support to tenants, landlords, owner occupiers, agents internal and external partners. This has a significant impact with an average of some 20 interventions per week since November 2018.

Most of these interventions have been informal interventions. Interventions include advice around

- standards,
- disrepair,
- licencing,
- tenancy and eviction issues
- energy efficiency.

The team are currently working with the corporate communication team to seek to reduce service demand by increasing the information available to all parties on our webpages.

There have been 3 Prohibition Orders issued by the team this year which have all safeguarded vulnerable people in very dangerous living conditions.

The Housing and Planning Act 2016 extended mandatory licensing of Houses in Multiple Occupation (HMOs).

Since 1st October 2018 HMOs where 5 people live require a Licence. (The 3-storey rule was removed.)

Throughout this year this area of work has continued to be a major focus in relation to the Team's regulatory role.

There are now currently 71 fully licenced HMOs with 7 new applications currently being processed.

Despite the challenging stakeholders involved we have influenced landlords to licence eligible properties and our success in this has influenced and supported a neighbouring Council in its approach to landlords. The team have updated processes in response to best practice including requiring additional information from landlords relating to the 'fit and proper person' test and fire safety.

Would be/new HMO landlords continue to be offered significant levels of advice and support to try and ensure that they are aware of their obligations from the outset and the accommodation provided will be of a good standard.

Licensing of HMO's will remain a priority for the coming year.

Legislative Changes

Over the last year there have been a number of legislative changes enacted or implemented targeted at improving both physical conditions in the rental sector and increasing the rights of private tenants. Some of the changes are detailed below.

The Homes fit for Human Habitation Act 2018 became law in March 2019 and gave increased rights to tenants in both the private and socially rented sector around ensuring that all properties are safe and up to standard both at the commencement and throughout the life of the tenancy. The Act gives the tenants the rights to seek actions through the Courts should they feel their home is unfit.

This is a power for tenants and does not alter any existing local authority powers. . The Team is able to offer advice to tenants where possible to seek their own redress under the Act. Disrepair issues are also dealt with as appropriate under the Housing Act 2004 in parallel to any action being taken by the tenant.

The Tenant fees Act became law in June 2019. The Act aimed to drastically reduce the amount of money required from potential tenants in order to secure a tenancy. In short landlords and letting agents can only make certain charges permitted by the Act. These include the rent, and a deposit now capped at 5 weeks rent. The duty to enforce rests with 'local weights and measures' – Staffordshire County Council Trading Standards, although the team offers advice to tenants' landlords, and colleagues around the Act.

As the legislation does have implication for the validity of Section 21 notices, there may be an increased number of 'cases' in the next few months.

The Minimum Energy Efficiency Standards (MEES) became law in April 2018.

For new tenancies it has become unlawful to rent out a property unless it reached a minimum energy rating of E. (unless property is registered on the exemptions register).

From April 2020 all existing tenancies are included in this requirement. The standards should mean that homes are warmer, easier to heat, with lower running costs and CO2 emissions.

Staffordshire County Council Trading Standards enforce on MEES infringements, however the team educate and assist tenants, landlords and colleagues around the requirements of MEES.

Properties potentially breaching the Regulations are reported when inspection visits are undertaken either proactively for Housing Solutions or on disrepair inspections.

The Council continues to fund an active energy efficiency advice service HEAT, which we refer both landlords and tenants into. Currently the team is actively involved in the roll out of the Staffordshire Warn Homes fund, bringing first time gas central heating and other measures to homes in all tenures across the Borough.

There are currently approximately 50 households who have been qualified and deemed eligible for the installation of a gas supply, boiler and heating for the very first time.

In partnership with Lichfield District Council (LDC) the Council continues to facilitate a highly successful Landlords Forum. The Forum continues to grow and provide useful platform to both communicate with and educate local landlords. We encourage them to work with us in helping to get applicants to the Housing Solutions re-housed or lease a property to us and reducing the need for formal interventions. In agreement with our partners at LDC and the National Landlord Association (NLA) these formal forums have become six monthly. Smaller, more frequent local sessions are being considered with the aim to be able to offer smaller locally tailored meetings to local landlords where we can concentrate on targeted education and landlords being able to meet local staff for advice and 'troubleshooting' sessions.

The team remain focused on dealing with Rogue landlords where identified and improving property conditions in line with current and emerging legislation.

FINANCIAL IMPLICATIONS

The cost of the activities outlined above are met from existing budgets.

BACKGROUND INFORMATION

The Council has a range of responsibilities regarding Private Sector housing, as set out in legislation, regulation and directed by best practice guidance. This includes the Housing Act 2004, Housing and Planning Act 2016, Environmental Protection Act 1990 and Public health legislation.

The overall approach taken is in line with the principles outlined in the Regulators code to act with fairness, transparency and proportionality.

Wherever it is appropriate we aim to resolve issues informally by mutual agreement. If this informal approach is not appropriate or not effective, we will move to take formal action.

The Regulators Code was introduced by the Department for Business, Enterprise, Innovation and Skills back in 2014 as part of the drive from central government to deal with what was often portrayed as unnecessary and complicated red tape and burdensome regulation which worked against economic growth.

Regulators must have regard to the code and should carry out their activities in a way that supports those they regulate to comply and grow and they should choose

proportionate approaches to those they regulate, based on relevant factors including, for example, business size, capacity and culpability.

The Enforcement Policy is one of a number of policy documents approved by Cabinet on 7th September 2017 which set out the Council's overall approach to fulfilling our obligations in regulating and improving standards across private housing in Tamworth. The Enforcement Policy seeks to clarify for all parties including, tenants, landlords, agents and homeowners which services we offer and what we expect from them. It also clarifies the Council's approach to charging. The Council's approach is to work in partnership with all parties and to use formal sanctions only as a last resort. This aligns with good practice guidance and offers more opportunities for improved outcomes for all stakeholders.

REPORT AUTHOR

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Appendices

None at this time

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Corporate Scrutiny Work Plan

Work Plan 2019 - 2020		
TARGET MEETING DATE	SUBJECT	MEETING WHEN ITEM ADDED TO WORK PLAN
November 2019	QPR Q2 2019/20 Report	Regular item
November 2019	Private Sector Housing Enforcement Policy – 12 month update	
November 2019	Local Council Tax Reduction Scheme 2020/21 onwards	July 2019
December 2019	Asset Management Review update (including town centre)	
December 2019	Town Centre Strategy update, including Future High Streets Fund	June 2019
December 2019	Corporate investment strategy	
December 2019	Garage Sites	
February 2020	QPR Q3 2019/20 Report	Regular item
February 2020	Market tender Update	August 2019
February 2020	Member Training update	June 2019
February 2020	Review of senior management restructuring	
February 2020	Working group report on QPR Report Executive Summary	June 2019
March 2020	Member Support Working group – sub group on Member	

	Communications	
March 2020	Review of Cabinet decisions over previous 12 month period	
March 2020	Parking Toolkit review	October 2019

Upcoming Corporate Scrutiny Committee Meetings
5 th December 2019 5 th February 2020 (QPR Q3 focus) 12 th March 2020