



# CABINET

25 November 2020

A meeting of the CABINET will be held on Thursday, 3rd December, 2020, 6.00 pm  
in Online Meeting

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## A G E N D A

### NON CONFIDENTIAL

- 1 Apologies for Absence**
- 2 Minutes of Previous Meeting** (Pages 5 - 8)
- 3 Declarations of Interest**  
*To receive any declarations of Members' interests (pecuniary and non-pecuniary) in any matters which are to be considered at this meeting.*  
  
*When Members are declaring a pecuniary or non-pecuniary interest in respect of which they have dispensation, they should specify the nature of such interest. Members should leave the room if they have a pecuniary or non-pecuniary interest in respect of which they do not have a dispensation.*
- 4 Question Time:**  
To answer questions from members of the public pursuant to Executive Procedure Rule No. 13
- 5 Matters Referred to the Executive (Overview and Scrutiny Committee or by the Council)** (Pages 9 - 10)  
*(Report of the Chair of the Infrastructure Safety & Growth Scrutiny Committee)*
- 6 Quarter Two 2020/21 Performance Report** (Pages 11 - 66)  
*(Report of the Leader of the Council)*
- 7 Draft Base Budget Forecasts 2021/22 to 2025/26** (Pages 67 - 124)  
*(Report of the Leader of the Council)*

- 8 **Local Council Tax Reduction Scheme 2021/22 onwards** (Pages 125 - 146)  
*(Report of the Portfolio Holder for Assets and Finance)*
- 9 **Review of Temporary Reserves, Retained Funds and Provisions** (Pages 147 - 152)  
*(Report of the Portfolio Holder for Assets and Finance)*
- 10 **Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2020/21** (Pages 153 - 174)  
*(Report of the Portfolio Holder for Assets and Finance)*
- 11 **Council Tax Base 2021/22** (Pages 175 - 178)  
*(Report of the Portfolio Holder for Assets and Finance)*
- 12 **Write offs 1 April 2020 - 30 September 2020** (Pages 179 - 190)  
*(Report of the Portfolio Holder for Assets and Finance)*
- 13 **Data Protection Policy** (Pages 191 - 216)  
*(Report of the Portfolio Holder for Assets and Finance)*
- 14 **Homelessness & Rough Sleeping Strategy 2020-2025** (Pages 217 - 302)  
*(Report of the Portfolio Holder for Neighbourhoods)*
- 15 **Councils Tenants Annual Report & Compliance 2019/2020** (Pages 303 - 458)  
*(Report of the Portfolio Holder for Neighbourhoods)*
- 16 **Tamworth Borough Council Private Sector Leasing Scheme** (Pages 459 - 470)  
*(Report of the Portfolio Holder for Neighbourhoods)*

Yours faithfully



**Chief Executive**

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### **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](mailto:democratic-services@tamworth.gov.uk). We can then endeavour to ensure that any particular requirements you may have are catered for.

### **Filming of Meetings**

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

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

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

### **FAQs**

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

To Councillors: D Cook, R Pritchard, J Chesworth, M Cook, S Doyle and J Oates.  
Councillor Dr S People is also invited to sit and speak at this meeting.

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**MINUTES OF A MEETING OF THE  
CABINET  
HELD ON 12th NOVEMBER 2020**

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

The following officers were present: Andrew Barratt (Chief Executive), Rob Barnes (Executive Director Communities), Stefan Garner (Executive Director Finance), Joanne Sands (Assistant Director Partnerships), Jo Hutchison (Democratic Services, Scrutiny and Elections Officer), Tracey Pointon (Legal Admin & Democratic Services Manager), Sue Phipps (Strategic Housing Manager) and Linda Ram (Public Relations Officer and Copywriter)

The following Councilors were in attendance:

Councilor R Ford  
Councilor Dr. S People

**43 APOLOGIES FOR ABSENCE**

There were no apologies for absence

**44 MINUTES OF PREVIOUS MEETING**

The minutes of the meeting held on 22<sup>nd</sup> October 2020 were approved and signed as a correct record.

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

The Chair made the following announcement

The minutes of the last meeting also make reference to the Re-set & Recovery paper, which contains eight work streams that the Council will be working towards to re-balance our finances post Covid 19. Just want to make a quick announcement as per referenced in the Re-set & Recovery paper it was agreed an additional Scrutiny format or working group would be created to scrutinise the work streams that come from the Re-set & Recovery paper. I have spoken with the Chief Executive and the Leader of the Opposition and I am pleased to announce that Committee will be made up of the three Scrutiny Chairmen:  
Councillor Thomas Jay

Councillor Simon Goodall

Councillor Richard Ford

And three other members of each Scrutiny Committee that will be chosen by the Leader of the Opposition Councillor Simon Peaple. I believe Councillor Dr. Peaple as chosen

Councillor Sheree Peaple

Councillor Patrick Standen

Councillor Dr. Simon Peaple

The Committee will be chaired jointly by Councillor Thomas Jay and Councillor Dr. Simon Peaple.

#### **45 DECLARATIONS OF INTEREST**

There were no Declarations of Interest.

#### **46 QUESTION TIME:**

None

#### **47 MATTERS REFERRED TO THE EXECUTIVE (OVERVIEW AND SCRUTINY COMMITTEE OR BY THE COUNCIL)**

Councillor Richard Ford, Chair of the Health & Wellbeing Scrutiny Committee attended to endorse the Homelessness Strategy that was reviewed by the Health & Wellbeing Scrutiny Committee in September. Councillor Ford thanked the Cabinet Member & Officers who had compiled the report and thanked them for attending the meeting. There were no recommendations made by the Health & Wellbeing Scrutiny Committee to Cabinet on the Homelessness Strategy, however Councillor Ford attended to make the following observations:

1. Committee would have welcomed more detail on the arrangements for any further local lockdown, and therefore given that there is now a national second lockdown, this area is something which the Committee would like to see at it's December meeting.
2. Committee requested that Report Writers minimise the use of acronyms and /or ensure they are fully explained
3. Committee would have liked to see a list of all partners involved in supporting this area.

#### **48 BUDGET CONSULTATION 2021/22**

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

RESOLVED: That Cabinet

1. endorsed the report and
2. Agreed to take account of the findings, along with other sources of information, when setting the 2021/22 Budget

*(Moved by Councillor D Cook and Seconded by Councillor J Chesworth)*

#### **49 TAMWORTH BOROUGH COUNCIL GRANT SCHEMES**

Report of the Portfolio Holder Environment and Culture to review current Tamworth Borough Council grant funding to community, arts, sports, small businesses, not for profit and voluntary organisations

RESOLVED That Cabinet

1. agreed that the award of Tamworth Borough Council Arts, Sports, Voluntary and business grants in their current format and criteria are suspended;
2. agreed to a single Community grants budget being adopted for application by Community Groups/ individuals across all areas with new criteria aligned to Council priorities;
3. agreed that the award of grants at this time is delegated to the Portfolio Holder Environment and Culture/Portfolio Holder Heritage and Regeneration in consultation with the Executive Director Housing and Communities;
4. approved £6,200 be made immediately available for community grant awards in Quarter 3 and 4 2020/21;
5. agreed that Tamworth Business grants be suspended until January 2021 with a grant budget of £15,000 to run until March 31st 2021;
6. approved a complete review of the operation of all grants by 31<sup>st</sup> March 2021 in light of the Covid pandemic;
7. agreed that all grants awarded should demonstrate value for money and value to the people of Tamworth and have specific outcomes that can be recorded.
8. approved an additional saving of £16,390 for 2020/21 (all grants) above the £16,000 already identified in Quarter 1 2020/21

*(Moved by Councillors J Chesworth and seconded by Councillor J Oates)*

**50 HOUSING STRATEGY 2021-23**

Report of the Portfolio Holder for Neighbourhoods to consider the adoption of the draft Tamworth Borough Council Housing Strategy 2020-2025

RESOLVED: That Cabinet

1. Agreed that the contents and proposed actions contained within the consultation final draft Housing Strategy are adopted for publication
2. Agreed that the amendments recommended by the Health and Wellbeing Scrutiny meeting on 20th October are included within the strategy.

*(Moved by Councillor M Cook & seconded by Councillor R Pritchard)*

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Leader



THURSDAY 3 DECEMBER 2020

**REPORT OF THE CHAIR OF INFRASTRUCTURE SAFETY & GROWTH SCRUTINY COMMITTEE****MATTERS REFERRED TO CABINET IN ACCORDANCE WITH THE OVERVIEW AND SCRUTINY PROCEDURE RULES****EXEMPT INFORMATION**

None.

**PURPOSE**

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

**EXECUTIVE SUMMARY**

The following Committees have referred the following matters to Cabinet:

Scrutiny Committee	Title of Matter referred	Date of Scrutiny meeting
Infrastructure Safety & Growth Scrutiny (IS&G)	Castle Update	24.11.2020

**RECOMMENDATIONS**

The IS&G Committee considered a report of the Assistant Director Growth & Regeneration providing a Castle Update and the Committee endorsed it's recommendations and made one further recommendation as set out below.

It is recommended that consideration of the Castle Review report by Cabinet, currently scheduled for the Cabinet meeting on 17 December 2020 be deferred to a later meeting of Cabinet to allow the report to be considered by Cabinet to include relevant financial (including cost / benefit analysis) to be included within the report.

**REPORT AUTHOR**

Councillor Simon Goodall  
Chair of Infrastructure Safety & Growth Scrutiny Committee

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THURSDAY, 3 DECEMBER 2020

**REPORT OF THE LEADER OF THE COUNCIL  
QUARTER TWO 2020/21 PERFORMANCE REPORT**

**EXEMPT INFORMATION**

None.

**PURPOSE**

To provide Cabinet with a performance update and financial Healthcheck. The report was considered by Corporate Scrutiny Committee at their meeting on 19<sup>th</sup> November 2020.

**RECOMMENDATIONS**

It is recommended that Cabinet approve:

- the contents of this report,
- the Corporate Scrutiny Committee recommendation to Cabinet that Officers are requested to ensure that the Scrutiny Chairs are advised of the timelines of their Corporate Plan projects so there is an opportunity for scrutiny to participate in the process as necessary,
- the Corporate Scrutiny Committee recommendation to Cabinet that council staff in the collections team be thanked for their work at this difficult time.

**EXECUTIVE SUMMARY**

This report contains the following sections:

- Corporate projects summary,
  - General fund – actual spend summary,
  - Universal credit summary,
1. Corporate plan actions and corporate risks,
  2. Impact of welfare benefit reforms on Council services,
  3. Medium term financial strategy 2020/21 – 2025/26 monitoring,
  4. Financial health-check.

**RESOURCE IMPLICATIONS**

The latest financial information is detailed within section 3. Medium term financial strategy 2020/21 – 2025/26 monitoring and 4. Financial health-check.

**LEGAL/RISK IMPLICATIONS BACKGROUND**

There are none.

## **EQUALITIES IMPLICATIONS**

There are none.

## **SUSTAINABILITY IMPLICATIONS**

There are none.

## **REPORT AUTHOR**

John Day.

## **APPENDICES**

Quarter two 2020/21 performance report.













## **Sections in the report**

1. Corporate plan actions and corporate risks,
2. Impact of welfare benefit reform.
3. Medium term financial strategy,
4. Financial health-check.




## **List of appendices**

- Appendix 1** 2019 to 2022 Corporate Plan actions update,  
**Appendix 2** Corporate Risk Register 2020/21,  
**Appendix A** General Fund & Housing Revenue Account main variances,  
**Appendix B** Capital programme monitoring,  
**Appendix C** Treasury management update.

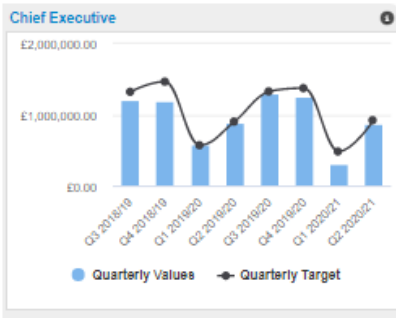
## Corporate Projects Summary

Corporate Project	Due Date	RAG Status	Commentary
Review of Corporate Capital Strategy	31st March 2021		
Priority Review - Cleaners	TBA (was 30th April 2020)		Implementation phase of the project has been delayed due to COVID-19. Further review will be required as part of the COVID-19 recovery phase.
Priority Review - Leisure Services	31st March 2021		
Risk Management Strategy	31st July 2020		Apart from one element the policy is, subject to approval, ready to be released to Audit and Governance Committee
Implement Customer Portal	31st December 2020		Capita have delayed the project significantly by not supplying documentation relating to their web services; project completion date revised to 31st December 2020.
IT Strategy	TBA		No further progress due to Covid -19 with priority being given to remote council meetings, catching up on business plan activities including completion of Windows 10/Office 2016 rollout, infrastructure upgrade projects, laptop and PC refresh programmes.
Organisational Development Strategy	TBA		
Completion of new council housing at Tinkers Green and Kerria	31st December 2020		
Welfare Reform	31st January 2021		The specification for the development of a Corporate Debt strategy went out on 'intend' during August/September2020 but only one interested party submitted a submission and price. One submission was not felt to be adequate and, further to the impact of covid-19, the specification is going to be modified before being reissued on intend. Consequently, the deadline for this piece of work has been changed to January 2021.
Housing Strategy	30th November 2020		
Leisure Strategy	30th June 2022		
Town Centre Programme	31st March 2022		

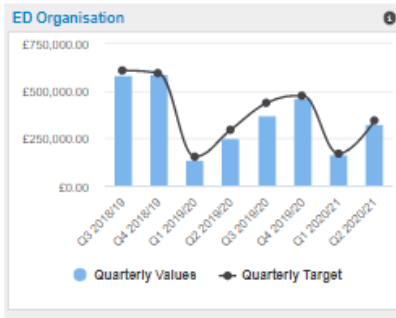
**Key to Symbols**

<b>RAG Status</b>	<b>Overall Project Status</b>
	Project on track and in control
	Project not on track but in control
	Project not on track

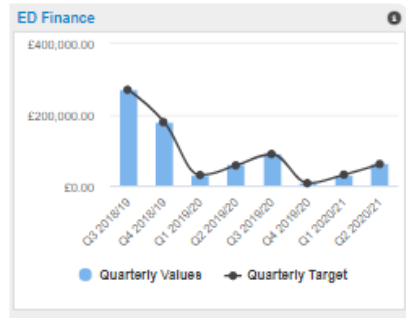
# General Fund – Actual Spend



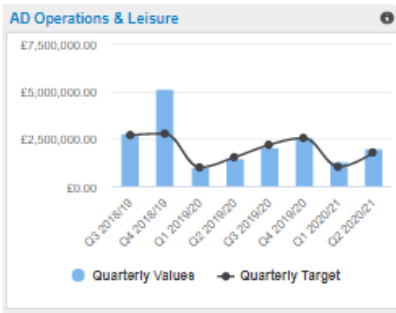
No significant variance reported.



No significant variance reported.



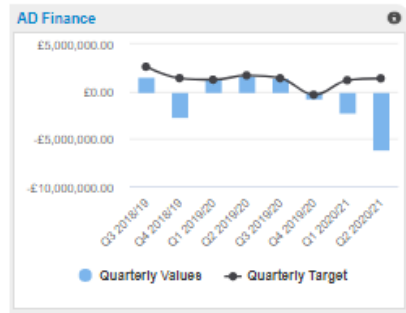
No significant variance reported.



Reduced income from Cemeteries due to less burials this year to date.



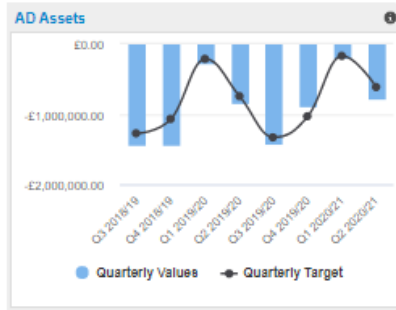
No significant variance reported.



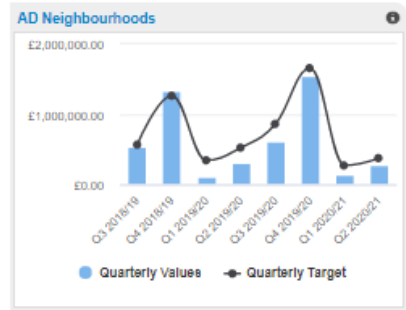
Additional income re Covid 19 government grants and potential surplus on Staffordshire business rates pool.



Reduced income due to impact of Covid 19.



No significant variance reported.



No significant variance reported.



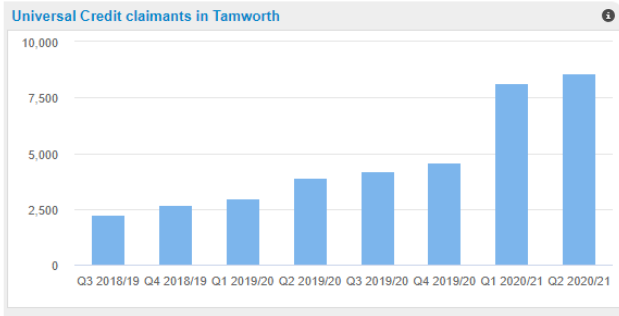
Reduction in income re car park enforcement.

## Key

Quarterly Value is the year to date position  
 Quarterly Target is the year to date budget

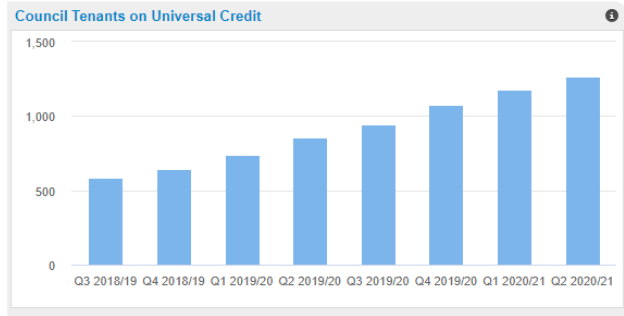


# Universal Credit Summary



**Commentary**

There are 8,594 universal credit claimants in Tamworth.



**Commentary**

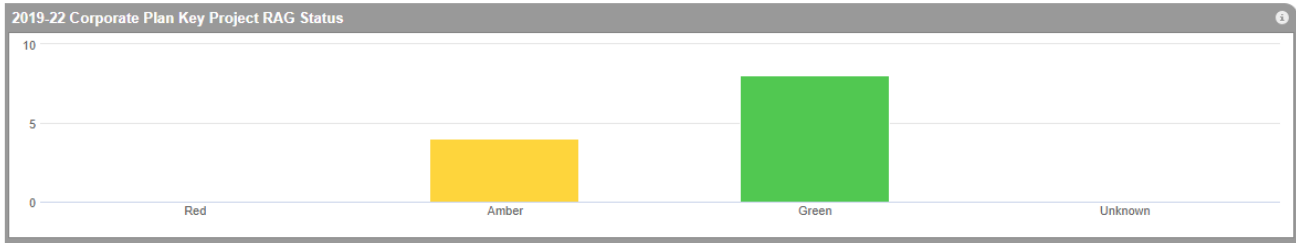
There are 1,269 council tenants on universal credit

## 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.

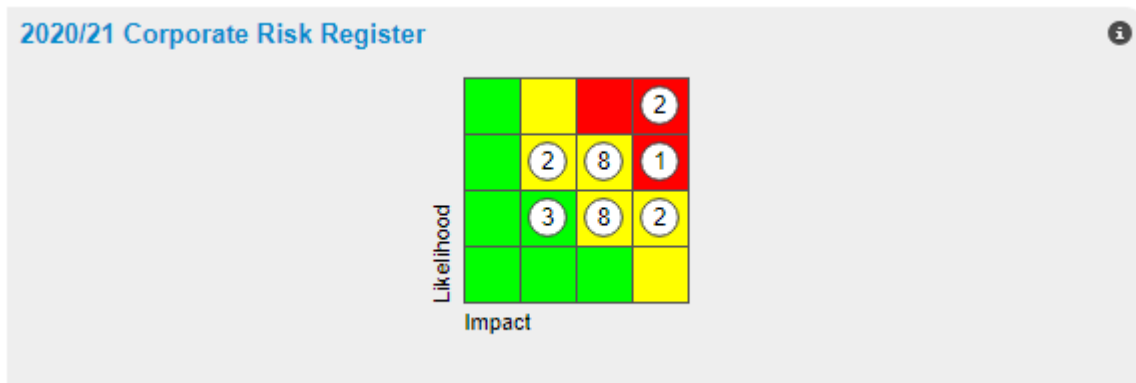
Project highlight reports for each of these are included at **Appendix 1**.

### Current RAG status of the key projects



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

### Corporate Risk Register 2020/21 heatmap



## 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.

This update also outlines the impact for the period since 1<sup>st</sup> April 2020, following implementation of the measures to counter the Covid-19 pandemic.

### Benefits

Similar levels of DHP claims to 2019/20 have been received for quarter two 2020/21 but Discretionary Housing Payment (DHP) claims paid are higher at £92k (£16k higher than at September 2019 - £75k) - with 118 successful claims from 175 applications (compared to 122 successful claims from 175 applications at September 2019). There is a one week backlog (one week as at September 2019) of claims still to be processed which may increase this figure.

Local Council Tax Reduction Scheme claims have stabilised at similar levels to 2019/20 but have seen a projected cost increase across all claims within the scheme of £0.4m to £4.5m.

Live caseload figures are 208 higher than 2019/20 – currently 5,601 (following a reducing annual trend – at September 2019 caseload was 5,393 which was 206 lower than the previous year). The average time taken to process new Housing Benefit/Council Tax Benefit claims and change events was seven days to September 2020 (6.8 days to September 2019).

### NNDR

Due to the pandemic, recovery actions were suspended for quarter one with a recovery plan implemented during July – starting with reminder letters being issued and negotiations regarding payment undertaken according to individual circumstances.

Reminders (314 at September 2020) are lower than 2019/20 levels (465 at September 2019). There have been no summons, liability orders or enforcement agent referrals as the Courts are not due to take cases until December 2020.

Collection performance is subsequently below target - current year collection levels are at 54.4%, below target by 3.1% at 30 September equating to arrears of £0.56m (from £10.54m due to 30 September). Court costs are £2.5k below the anticipated level of £3k.

Arrears collected for 2019/20 are 2.2% compared to a target of 34.8%.

### Council Tax

Due to the pandemic, recovery actions were suspended for quarter one until the full impact on individuals was known - with a recovery plan implemented during July, starting with reminder letters being issued and considering each individuals circumstances on a case by case approach to further support the most vulnerable.

During this period we have still been engaging with our customers and depending on their individual circumstances the following arrangements have been undertaken:

- Deferral of instalments,
- Flexible payment arrangements being made,
- Ensuring that they make an application for any qualifying benefits which includes Local Council Tax Support.

Reminders are 3,795 lower than 2019/20 levels (5,535 at September 2020 compared to 9,330 at September 2019) with summonses, liability orders, attachment of earnings and enforcement agent referrals also at lower levels (331 referrals to September 2020 compared to 1,106 at September 2019).

Current year collection levels at 57.5% are lower than the target of 58.6% at September 2020 (with a target of 98% for the 2020/21 financial year) equating to arrears of £0.43m (from £23.34m due to 30 September). Court cost income is behind that anticipated by £128k at £23k.

Arrears collection for 2019/20 of 23.5% is below the target of 36.4%.

## Housing

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

Indicator	Qtr 4 2019/20	Qtr 1 2020/21	Qtr 2 2020/21
Number of Council Tenants on Universal Credit	1,072	1,179	1,269
Number of Council Tenants on Universal Credit in Rent Arrears	663	777	877
Percentage of Council Tenants on Universal Credit in Rent Arrears	61.8%	65.9%	69.1%
Number of Council Tenants on Universal Credit not in Rent Arrears	409	402	392
Percentage of Council Tenants on Universal Credit not in Rent Arrears	38.2%	34.1%	30.9%

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 2020 were £698k compared to £507k at 31 March 2020 – an increase of £191k (compared to a £82k increase as at 30 September 2019).

Total arrears (including former tenant arrears, recharges, court costs and garages etc.) are £2.02m at 30 September 2020, compared to £1.84m at 31 March 2020, an increase of £178k (compared to a £113k increase between 31 March 2019 and 30 September 2019).

Total arrears (including former tenant arrears, recharges, court costs and garages etc.) were £1.84m at 31 March 2020, compared to £1.84m at 31 March 2019, an increase of £6k (compared to a £155k increase between 31 March 2018 and 31 March 2019).

There were no evictions during quarter two 2020/21 (5 to Quarter 2 of 2019/20), due to COVID-19 court action for evictions being on hold. The following measures have also been put in place.

### **Voluntary Court Agreements between Landlord and Tenant**

The courts recently gave Councils the power to revise court order agreements providing both parties are in full agreement. For those tenants whose cases have been cancelled (vacated) by the court due to the recent COVID-19 crisis or those tenants with existing court agreements that are no longer affordable due to a change in circumstance, the court is requesting that a voluntary agreement is successfully reached between landlord and tenant and this is put in writing for both parties to sign and forward to the court within fourteen days for the court to approve and/or place on file.

### **Hardship Fund**

There has been a small pot of money within the income budget that has not been fully utilised so we have successfully managed to get authorisation to access this to try and help some of our tenants that have been effected by COVID-19. The purpose of the scheme is:

- To assist tenants affected financially by the COVID-19 pandemic lockdown,
- To help alleviate poverty and stress,
- To reduce the temptation for tenants to use illegal money lenders,
- To sustain tenancies.

There are certain criteria for those who can apply, conditions and exceptions but all this information has been communicated across services in readiness for the receipt of applications.

The Income Officers are responsible for managing the applications that are made. As the budget is only small it has been agreed that we will be reliant on Income Officers to case manage and identify tenants eligible to meet the criteria to try and assist as many as possible.

There have been two applications for hardship funding both of which have been supported. Both the leaflet and web include key contact information for support and advice inclusive of protection for renters, information and signposting to debt and arrears management, COVID-19 financial help and assistance, emergency legislation to suspend new evictions, CAB support, and change in circumstances etc.

### **Paying Your Rent Leaflet**

In addition to updating the above leaflet in accordance with COVID-19 the website has also continued to be updated on a frequent basis.

## Universal Credit

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

Indicator	Qtr 4 2018/19	Qtr 4 2019/20	Qtr 1 2020/21	Qtr 2 2020/21
live caseload figure	5,514	5,374	5,671	5,601
Number of Universal Credit claimants in Tamworth	2,682	4,594	8,132	8,594
Number of Council Tenants on Universal Credit	645	1,072	1,179	1,269
Number of Council Tenants on Universal Credit and in Rent Arrears	443	663	777	877
Percentage of Council Tenants on Universal Credit and in Rent Arrears	68.7%	61.9%	65.9%	69.1%
Number of Council Tenants on Universal Credit and not in Rent Arrears	202	409	402	392
Percentage of Council Tenants on Universal Credit and not in Rent Arrears	31.3%	38.2%	34.1%	30.9%
Number of Council Tax Payers on Universal Credit	745	1,254	1,655	1,723
Number of Council Tax Payers on Universal Credit and in arrears with Council Tax payments	261	388	N/A*	N/A*
Percentage of Council Tax Payers on Universal Credit and in arrears with Council Tax payments	35.0%	30.9%	N/A*	N/A*
Number of Council Tax Payers on Universal Credit and not in arrears with Council Tax payments	484	866	N/A*	N/A*
Percentage of Council Tax Payers on Universal Credit and not in arrears with Council Tax payments	65.0%	69.1%	N/A*	N/A*
Number of Universal Credit claimants nationally	1,736,431	2,933,218	5,275,248	5,688,095
Discretionary Housing Payments made - Year to date	140,303	135,782	45,860	91,883
Amount of Discretionary Housing Payments made to Universal Credit claimants - Year to date	82,001	102,688	34,480	68,556

\* As court action is suspended until December, these figures are not available.

### **3. Medium Term Financial Strategy 2020/21 to 2025/26 monitoring**

Council, on 25th February 2020, approved a three year Medium Term Financial Strategy (MTFS) for the General Fund with a Council Tax increase of £5 for the year – in order to continue to deliver those services essential to the local community.

With regard to the Housing Revenue Account (HRA), a five year MTFS was approved by Council including significant investment in regeneration projects to meet future housing needs and sustain the HRA in the longer term.

When the budget and MTFS were approved, future levels of funding for the Council were uncertain pending the most significant changes in Local Government funding for a generation. The reforms were planned to be in place by 2020/21 but were deferred until 2021/22. The Government has confirmed that the longer-term reforms for the local government finance system (including the move to 75% Business Rates Retention and Fairer Funding Review of Relative Needs and Resources) will be deferred again as a result of the Covid-19 pandemic, although no timescales have been released. In addition, the next planned national Business Rates Revaluation, planned for 2021 has now been deferred to 2023.

On 21st July 2020, the Chancellor launched the 2020 Comprehensive Spending Review (CSR). The aim of the review, which will be published in the autumn, was to set out the Government's spending plans for the Parliament – UK Government department's resource budgets for the years 2021/22 to 2023/24 and capital budgets for the years 2021/22 until 2024/25 and devolved administration's block grants for the same period. However, on 21st October, the Treasury formally announced that the Spending Review would be narrowed in scope to cover one year only, setting departments' resource and capital budgets for 2021/22. The NHS, schools, and 'priority infrastructure projects' (e.g. HS2 and hospital building) will still be fully funded for multi-year resource settlements.

Previously, the Chancellor confirmed that departmental spending (both capital and resource) will grow in real terms across the CSR period and that the government will deliver on the commitments made at Budget to level up and invest in the priorities of the British people. Given the impact COVID-19 has had on the economy, the Chancellor was clear there will need to be tough choices in other areas of spending at the review. As part of their preparations for the CSR, departments have been asked to identify opportunities to reprioritise and deliver savings. Departments will also be required to fulfil a series of conditions in their returns, including providing evidence they are delivering the Government's priorities and focussing on delivery.

The Government has said it will keep an open dialogue with the local authorities about the best approach to the next financial year, including how to treat accumulated business rates growth of £2m p.a. (pending the planned business rates baseline reset) and the approach to the 2021/22 local government finance settlement. It is also 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 planned to consult widely on proposals prior to implementation. In the longer-term, the Government remains committed to reform and want to take time to work with local authorities to make sure that the approach is right.

As a nation we are likely to feel the consequences of the Covid-19 pandemic, and the measures to contain and mitigate its effects, for years to come.

The extraordinary events we are living through follow a decade of austerity, triggered by the financial crisis of 2008/09, which had already placed considerable strain on local authorities'

finances. Increased demand for many local public services, directly related to the outbreak of the virus, has placed immediate pressure on authorities' cash flows and expenditure budgets. The longer-term consequences of recession and unemployment on demand for services have yet to be experienced.

At the same time, several important sources of local authority income including Council Tax, Non domestic rates, fees and charges, rents and investment returns have, to a greater or lesser extent, been subject to reduction or suspension.

In light of the projected impact of Covid-19 on the Councils MTFS, an immediate suspension of all non-essential spending was approved by Cabinet on 9th July and managers were required to review their budgets and identify all non-essential spending for 2020/21 as part of the quarter one projections at 30 June 2020 - and approval sought for the budget to be revised to remove these.

No one can know what the effect of the Covid-19 crisis will have on the economy and ultimately the impact for the Council's finances. It will be many months before we have a clearer idea on how the economy has been affected – including any lasting effects for individual businesses and their employees. Social distancing measures will remain in place for the foreseeable future – impacting mainly on the Councils ongoing income receipts.

Government has provided additional funding of c. £1.25m and the Local Government Association (LGA) and the Society of District Council Treasurers (SDCT) will continue to lobby and provide evidence to the Ministry of Housing, Communities and Local Government (MHCLG) of the income and expenditure pressures that Council's face. MHCLG receive monthly financial updates from Councils including information on Housing Revenue Account pressures.

Financial resilience is and has been the key requirement for local authorities at any time, but in the current crisis it has assumed unprecedented importance. Perhaps the biggest difficulty with the pandemic is that there is no certainty about time scales; it is impossible to draw any conclusions about how long the effects will last.

During the crisis the Council has lost income which will significantly impact on the potential sustainability of the organisation, as will be the case across many Local Government organisations. Whilst the full extent of this cannot be known at present it will be necessary for the Council to take an accelerated approach towards the development and implementation of an effective sustainability strategy, linked to an overall vision for the organisation. Cabinet on 22<sup>nd</sup> October 2020 approved the Recovery and Reset programme which aims to consider how we can tackle the financial challenges facing the council as a result of the coronavirus pandemic. This will include reviewing services, reducing waste demand on services (basically this is any action or step in a process that does not add value to the customer), exploring opportunities for income generation and identifying any further savings. The overriding goal is to make sure our organisation remains fit for the future, while protecting services to the most vulnerable in our community. The Recovery and Reset programme outlines that this work be split into eight projects.

In light of the financial situation facing the Council, managers were tasked with identifying low level non-essential budgets for removal from the budget – bringing down the savings target of c. £2m per annum and limiting the cuts that would otherwise be needed to balance the MTFS in the future.

The budget review has identified savings of £1.2m towards the projected lost income anticipated from the impact of Covid-19 of £1.8m. In addition to the unringfenced grant of



£1.25m, it is also expected that an excess of £0.5m will be received from the projected fees and charges income support grant (subject to the impact of the pandemic on income levels to March 2021).

The review included a robust challenge / re-justification process for all vacant posts with a requirement to investigate alternative options including restructuring to fill vacancies / looking at what we can stop doing – with £0.5m savings identified.

As a result of the updated forecast as at October 2020, the projections identify a shortfall in General Fund balances of £1.6m over three years (compared with forecast balances in the February 2020 MTFs of £0.5m) – with a shortfall of £1.6m to 2023/24 increasing to £4.9m by 2024/25 and £8.6m over the five years to 2025/26 (at quarter one the shortfall was forecast at £4.1m in 2023/24, £8m by 2024/25), including the minimum approved level of £0.5m. Depending on the continuing effects of the pandemic, this could be much worse.

For the HRA, no major impact of the pandemic are forecast over five years at present, the current projections for the impact of Covid-19 on rent income levels is manageable within existing balances.

The main upside scenario is that scientists succeed in developing a vaccine, or effective treatment for Covid-19 before the end of this year. There are three downside risks.

First, the impact of the second spike in infections and the length of the second national lockdown on the economy,

Second, a wave of insolvencies, as weak companies fail and there is then a domino effect, as well capitalised businesses suffer bad debts,

Third, the UK and EU could fail to reach a trade deal before the end of 2020, leading to a hard Brexit.

## General Fund

	General Fund						
MTFS Projections 2019/20 - 2024/25	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Projected Balances per MTFS Council February 2020</b>	(6,644)	(5,570)	(3,139)	(506)	2,850	6,423	-
<b>Revised Forecasts:</b>							
Revised Forecast Balances - July 2020	(6,882)	(5,673)	(2,787)	27	3,585	7,476	-
Revised Forecast Balances - October 2020	(6,882)	(6,413)	(4,219)	(1,854)	1,123	4,417	8,144

On 20<sup>th</sup> August 2020, Cabinet approved the budget setting process (& project plan) for 2021/22.

On 10<sup>th</sup> 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 five year budget / forecast has progressed in order to inform the Base Budget Forecast for Cabinet on 3<sup>rd</sup> December.

As a result of the updated forecast as at October 2020, the projections identify a shortfall in General Fund balances of £1.6m over three years (compared with forecast balances in the February 2020 MTFS of £0.5m) – with a shortfall of £1.6m to 2023/24 increasing to £4.9m by 2024/25 and £8.6m over the 5 years to 2025/26 (at quarter one the shortfall was forecast at £4.1m in 2023/24, £8m by 2024/25), including the minimum approved level of £0.5m. Depending on the continuing effects of the pandemic, this could be much worse.

Further savings of around £1.7m p.a. will be required over the next five years (based on annual £5 increases in Council Tax). On an annualised basis this would equate to a year on year ongoing saving of £0.6m over five years (£0.3m year on year over three years).

The forecast has been updated to include:

- Additional balances brought forward due to an additional underspend in 2019/20 of £0.2m;
- The projected outturn underspend of £0.6k in 2020/21 – following the mitigating actions and additional Covid-19 grant funding of £0.5m (now increased to £1.25m plus an estimated £0.5m from the projected fees and charges income support grant);
- Ongoing savings from the non-essential spend review of £0.75m p.a. (previously forecast at £0.2m p.a.);

- Lower treasury management investment interest of £0.6m over three years from 2021/22, offset by lower interest payable to the HRA of £0.3m (£0.75m and £0.4m respectively over five years) – as previously forecast increases in the Bank of England base rate have been deferred due to the ongoing economic uncertainty; This has also delayed some of the planned property fund investments with an associated reduction in planned income of £0.2m in 2021/22;
- For future years, it has been assumed that the retained growth will be redistributed as part of the CSR 2020 / business rates reset and therefore business rates received will be equivalent to the tariff payable – meaning the Council will only retain the Government assessed Business Rates Baseline,
- The previously approved policy changes are included within this forecast – Assistant Directors were issued with the provisional information in August to review, confirm & resubmit by the end of September;
- Future Pension contribution levels – following an option to ‘freeze’ the ‘lump sum’ element for the three years from 2020/21 (after the triennial review during 2019), 2% p.a. year on year increases have been included from 2023/24;
- A marginal increase in cost due to the proposed pay award of 2.75% (compared to 2.5% budgeted) in 2020/21. A 2.5% p.a. pay award increase has been included within the MTFS from 2021/22 – no change has been assumed.

Should the Government let District Councils keep the accumulated growth in business rates (as they did last year) then that would benefit the MTFS – but that would be subject to the effect of the pandemic on future business rate income

Balances held within earmarked reserves for Transformation and Business rates retention will also be available to support the development of the budget and MTFS.

## Housing Revenue Account

	Housing Revenue Account						
MTFS Projections 2019/20 - 2024/25	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Projected Balances per MTFS Council February 2020	(4,764)	(3,424)	(3,013)	(1,586)	(1,447)	(1,131)	-
Revised Forecasts:							
Revised Forecast Balances - July 2020	(6,252)	(4,771)	(4,329)	(2,869)	(2,668)	(2,260)	-
Revised Forecast Balances - October 2020	(6,252)	(4,819)	(4,291)	(2,743)	(2,468)	(2,005)	(1,695)

As part of the approved MTFS in February 2020, a balanced five year forecast was presented for the Housing Revenue Account (HRA).

As a result of the updated forecast, over the three year period to 2023/24, balances of £2.5m are projected (compared with forecast balances remaining of £1.6m in the February MTFS) with balances of £2m over the four years to 2024/25 reducing to £1.7m in 2025/26 (balances were previously forecast in the MTFS at £1.4m in 2023/24, £1.1m in 2024/25).

The forecast has been updated to include:

- Additional balances brought forward due to an additional underspend in 2019/20 of £1.5m,
- The projected outturn overspend of £95k in 2020/21,
- Lower treasury management investment interest of £0.3m over three years from 2021/22 (£0.4m over five years) – as previously forecast increases in the Bank of England base rate have been deferred due to the ongoing economic uncertainty,
- The previously approved policy changes are included within this forecast – Assistant Directors were issued with the provisional information in August to review, confirm & resubmit by the end of September;
- Future Pension contribution levels – following an option to ‘freeze’ the ‘lump sum’ element for the three years from 2020/21 (after the triennial review during 2019), 2% p.a. year on year increases have been included from 2023/24;
- A marginal increase in cost due to the proposed pay award of 2.75% (compared to 2.5% budgeted).

It is currently anticipated that the rent loss arising from delays in letting void properties, increase in Universal Credit applications and temporary suspension of deductions from Universal Credit for rent arrears can be managed within budget for 2020/21. No further rent reductions have been assumed – with no changes to the current rent free weeks.

No impact of the delay in acquisitions / spend of one for one receipts has been included - MHCLG have now confirmed an extension of time to 31<sup>st</sup> December 2020 to spend such receipts.

## 4. Financial Healthcheck

### Executive Summary

This section to the report summarises the main issues identified at the end of September 2020.

### General Fund

#### Revenue

GENERAL FUND	YTD Budget £000	YTD Position £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000
Chief Executive	921	866	(55)	1,391	1,408	17
AD Growth & Regeneration	527	578	51	1,634	1,764	130
ED Organisation	344	328	(16)	563	566	3
AD People	1,368	1,441	73	178	150	(28)
AD Operations & Leisure	1,787	1,985	198	3,433	3,479	46
ED Finance	61	63	2	7	7	-
AD Finance	1,390	(6,128)	(7,518)	395	(379)	(774)
AD Assets	(614)	(773)	(159)	(661)	(688)	(27)
AD Neighbourhoods	375	273	(102)	1,209	1,197	(12)
AD Partnerships	356	467	111	1,003	1,042	39
<b>Total</b>	<b>6,515</b>	<b>(900)</b>	<b>(7,415)</b>	<b>9,152</b>	<b>8,546</b>	<b>(606)</b>

- The General Fund has a favourable variance against budget at Period 6 of £7.415m (£6.470m as at period 5).
- The projected full year position identifies a favourable variance against budget of £606k or 6.62% (£138k or 1.51% unfavourable as at period 5).

This projection has highlighted several budget areas for concern (detailed at **Appendix A**).

- The Council has ongoing monitoring processes in place for its spending and income levels. In light of the projected impact of Covid-19 on the Council's Medium Term Financial Strategy, an immediate suspension of all non-essential spending was approved by Cabinet on 9<sup>th</sup> July and that managers review their budgets and identify all non-essential spending for 2020/21 as part of the quarter one projections at 30 June 2020 - and approval sought for the budget to be revised to remove these.

The budget review has identified savings of £1.2m towards the projected lost income anticipated from the impact of Covid-19 of £1.8m.

## Capital

GENERAL FUND	Budget Reprofiled from 2019/20 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2021/22 (memo only) £000	Outturn £000
Chief Executive	718	359	5	(354)	718	5	(713)	713	718
AD Growth & Regeneration	529	505	283	(222)	1,009	609	(400)	400	1,009
AD People	114	202	147	(55)	404	296	(108)	-	296
AD Operations & Leisure	921	956	501	(455)	1,439	1,439	-	-	1,439
AD Finance	12,131	6,065	-	(6,065)	12,131	-	(12,131)	12,131	12,131
AD Assets	311	518	658	140	1,036	922	(114)	-	922
AD Neighbourhoods	46	52	49	(2)	103	73	(30)	-	73
AD Partnerships	-	-	-	-	-	-	-	-	-
GF Contingency	306	143	-	(143)	286	255	(31)	-	255
<b>TOTAL GENERAL FUND</b>	<b>15,077</b>	<b>8,800</b>	<b>1,644</b>	<b>(7,156)</b>	<b>17,127</b>	<b>3,600</b>	<b>(13,527)</b>	<b>13,244</b>	<b>16,844</b>

- Capital expenditure incurred was £1.644m compared to a profiled budget of £8.8m (£1.556m compared to a profiled budget of £7.412m at period 5).
- It is predicted that £3.6m will be spent by year end compared to a full year budget of £17.127m, including re-profiled schemes from 2019/20 of £15.077m (£16.505m projection compared to a full year budget of £17.127m as at period 5). Re-profiling to 2021/22 is forecast at £13.244m.
- A summary of Capital expenditure is shown at **Appendix B**.

## Treasury Management

- At the end of September 2020 the Authority had £59.572m invested in the money markets. The average rate of return on these investments is 0.77% though this may change if market conditions ease.
- Borrowing by the Authority stood at £63.060m at the end of September 2020, 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 £6.414m at the year end from normal revenue operations (£5.670m as at period 5) compared to £5.570m projected within the 2020/21 budget report– additional balances of £844k.

## 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	(9,326)	(9,205)	121	(2,827)	(2,807)	20
ED Communities	54	60	6	-	8	8
AD Operations & Leisure	67	54	(13)	178	171	(7)
AD People	83	56	(27)	167	154	(13)
AD Assets	403	391	(12)	389	394	5
AD Neighbourhoods	906	940	34	3,431	3,514	83
Housing Repairs	2,826	2,056	(770)	-	-	-
<b>Total</b>	<b>(4,987)</b>	<b>(5,648)</b>	<b>(661)</b>	<b>1,338</b>	<b>1,434</b>	<b>96</b>

- The HRA has a favourable variance against budget at Period 6 of £661k (£514k favourable as at period 5).
- The projected full year position identifies an unfavourable variance against budget of £96k (£57k unfavourable as at period 5). Individual significant budget areas reflecting the variance are detailed at **Appendix A**.

### Capital

HOUSING REVENUE ACCOUNT	Budget Reprofiled from 2019/20 (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	5,904	14,075	10,455	(3,620)	22,150	21,251	(899)	46	21,296
HRA Contingency	100	50	-	(50)	100	100	-	-	100
<b>TOTAL HOUSING REVENUE ACCOU</b>	<b>6,004</b>	<b>14,125</b>	<b>10,455</b>	<b>(3,670)</b>	<b>22,250</b>	<b>21,351</b>	<b>(899)</b>	<b>46</b>	<b>21,396</b>

- Housing Capital expenditure of £10.455m has been incurred as at the end of Period 6 compared to a profiled budget of £14.125m (£4.475m compared to a profiled budget of £12.771m at period 5).
- It is predicted that £21.351m will be spent by year end compared to a full year budget of £22.250m, including re-profiled schemes from 2019/20 of £6.004m (£22.250m projection compared to a full year budget of £22.250m as at period 5). Re-profiling to 2021/22 is forecast at £46k.
- 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 £4.818m at the year-end (£4.857m as at period 5) compared to £3.424m projected within the 2020/21 budget report – additional balances of £1.394m.



## Corporate Plan Project Updates

## Corporate Capital Strategy

Project due date	31 <sup>st</sup> March 2021
<b>Overall Project Status</b> (Indicate by typing <b>yes</b> in the appropriately shaded box below)	
3. On track and in control	✓
2. Not on track but in control	
1. Not on track	
Month & Year of update	September 2020

(Traffic light - red, amber, green based on progress to date)

Workstreams	Due date	Lead	Workstream RAG status
MTFS to include consideration of Capital Expenditure	October 2019	LP	
Monthly Capital Monitoring Reports	From June 2019	LP	
Review Capital Appraisal Process	October 2019	LP	
Review Asset Management Strategy – incorporating revised Stock Condition Survey	March 2021	PW	
Review of Building Repairs Fund (BRF) and planned approach to be developed	March 2021	PW / LP	
Review of Commercial Property – monitoring of performance to be established	October 2019	PW / LP	

Key milestones achieved	Date milestone achieved
Capital Strategy included with Budget and MTFS presented to Cabinet 24 <sup>th</sup> January 2019 and Joint Scrutiny Cttee 30 <sup>th</sup> January 2019	January 2019
Feedback received from Link Asset Services and subsequent amendments/updates made to strategy 2019/20	2019/20
ASSG meetings scheduled 1/4ly in diaries starting 28/03/19 – and resumed September 2020 following cancellations due to Covid 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	September 2019
Draft Capital Budgets for 2020/21 onwards considered by CMT 16/10/19	
Draft Capital Budgets for 2020/21 onwards included in base budget report to Cabinet 28/11/19	November 2019
Initial assessment/baseline position for monitoring BRF and Commercial Property established December 2019	December 2019
2020/21 Draft Capital Strategy included with Budget and MTFS presented to Cabinet 22 <sup>nd</sup> January 2020 and Joint Scrutiny Cttee 29 <sup>th</sup> January 2020	January 2020
2020/21 Final Capital Strategy included with Corporate Vision, Priorities Plan, Budget & MTFS 2020/21 approved by Cabinet 20 <sup>th</sup> February 2020 and Council 25 <sup>th</sup> February 2020	February 2020

## Cleaning Review

<b>Project due date</b>	TBA (was 30 <sup>th</sup> April 2020)
<b>Overall Project Status</b> (Indicate by typing <b>yes</b> in the appropriately shaded box below)	
<b>3. On track and in control</b>	
<b>2. Not on track but in control</b>	✓
<b>1. Not on track</b>	
<b>Month &amp; Year of update</b>	September 2020

(Traffic light - red, amber, green based on progress to date)

<b>Workstreams</b>	<b>Due date</b>	<b>Lead</b>	<b>Workstream RAG status</b>
Project Scoping [Complete]	Complete	PW	
PID [Complete]	Complete	PW	
Demands analysis [Complete]	Complete	TW	
Review of staffing needs and costing/Service standards [Complete]	Complete	TW	
Implementation [April 2020]	30/04/20	PW	

<b>Key milestones achieved</b>	<b>Date milestone achieved</b>
Project scoped, PID completed and agreed	Summer 2019
Demands analysis complete	Summer 2019
Service standards and staffing inputs mapped	Summer 2019
Costed model produced	Summer 2019
Report presented to CMT [Summer 2019]	Summer 2019
Outline report presented to Scrutiny	August 2019
Cabinet report date agreed	August 2019
Proposals approved by Cabinet	August 2019
Policy Reviews submitted as part of budget setting process	September 2019
Budgets approved	February 2020
Consultation planning commenced	February 2020

## Risk Management Strategy

<b>Project due date</b>	July 2020
<b>Overall Project Status</b> (Indicate by typing <b>yes</b> in the appropriately shaded box below)	
<b>3. On track and in control</b>	
<b>2. Not on track but in control</b>	✓
<b>1. Not on track</b>	
<b>Month &amp; Year of update</b>	September 2020

(Traffic light - red, amber, green based on progress to date)

<b>Workstreams</b>	<b>Due date</b>	<b>Lead</b>	<b>Workstream RAG status</b>
Review of current reporting process / format	July 2020	LP	
Rationalize and Co-ordinate mitigating actions	July 2020	LP	
Identification of Corporate Risks- ensure all captured, aligned and reported	July 2020	LP	

<b>Key milestones achieved</b>	<b>Date milestone achieved</b>
Appointment of consultants to assist with undertaking the review and project scoped	March 2019
Review of current risk undertaken and new grouping proposed(reduction to 14 categories) looking to reduce further	April 2019
Appointment of "Service Risk Champions"	September 2019
Collation of potential different reports from the system be considered	TBA
Meetings with Risk champions Scheduled in for November - rescheduled	Suspended
Due to the delay and loss of momentum in the project a revised timetable will be discussed – RB and risk consultant 14/2/20	February 2020
A revised draft of the new report to be presented to CMT in July for approval. If approved, discussions with relevant AD's and ED's will be held and a new report generated in Pentana. This will then be included in a future Risk report to A&G	July 2020
The new report layout is constructed and will be reviewed and refined in October by ED's and AD's ready for reporting to A&G at the 3 <sup>rd</sup> Qtr	TBA

## Leisure Services Review

<b>Project due date</b>	31 <sup>st</sup> March 2022
<b>Overall Project Status</b> (Indicate by typing <b>yes</b> in the appropriately shaded box below)	
<b>3. On track and in control</b>	✓
<b>2. Not on track but in control</b>	
<b>1. Not on track</b>	
<b>Month &amp; Year of update</b>	September 2020

(Traffic light - red, amber, green based on progress to date)

<b>Workstreams</b>	<b>Due date</b>	<b>Lead</b>	<b>Workstream RAG status</b>
Evidence gathering		SMcG/K M	
Review Information- to meet with ED Communities and ED DCE, AD Partnerships to discuss options leisure requirements		AG/SMc G	

<b>Key milestones achieved</b>	<b>Date milestone achieved</b>

## Implement Customer Portal

<b>Project due date</b>	31 <sup>st</sup> December 2020 (was August 2020)
<b>Overall Project Status</b> (Indicate by typing <b>yes</b> in the appropriately shaded box below)	
<b>3. On track and in control</b>	
<b>2. Not on track but in control</b>	✓
<b>1. Not on track</b>	
<b>Month &amp; Year of update</b>	September 2020

(Traffic light - red, amber, green based on progress to date)

Workstreams	Due date	Lead	Workstream RAG status
<b>CRM Activity</b> <ul style="list-style-type: none"> <li>Go Live of Move process</li> <li>Completion of SPD Process build via Knowledge Transfer Activity</li> <li>SPD Process User Acceptance Testing (UAT) underway</li> <li>Plan upgrade to Digital360 v29</li> </ul>	17/07/20 15/07/20 09/10/20 31/10/20	JMcD	
<b>Portal – Portal 360</b> <ul style="list-style-type: none"> <li>Move Process to be written into Portal 6<sup>th</sup> October onwards</li> <li>SPD Process in Test Portal – UAT underway</li> <li>Portal integration development work underway –               <ul style="list-style-type: none"> <li>Documentation requested from Capita</li> <li>Pay360 process to be put into Portal</li> </ul> </li> <li>Once the Civica Digital360 system is upgraded to v29 and the issues resolved with Capita, then Civica will make all these processes will be made available for testing within the Portal</li> </ul>	06/10/20  31/10/20  31/10/20	JMcD	
<b>Knowledge Transfer</b> <ul style="list-style-type: none"> <li>Session 3 Webex, Portal Styling - delivered</li> </ul>	19/08/20	JMcD	

Key milestones achieved	Date milestone achieved
<ul style="list-style-type: none"> <li>Test Portal created and skinned to fit in with Tamworth.gov.uk website – Dec 2019</li> <li>Knowledge Transfer Session – System Admin – delivered w/c 16<sup>th</sup> December 2019</li> <li>Knowledge Transfer Session – Single Person Discount - Process Mapping &amp; Customer Journey – delivered 22/01/2020</li> <li>System Admin – Build Elements w/c 3<sup>rd</sup> Feb</li> <li>Customer Journey Build w/c 24<sup>th</sup> Feb</li> <li>Portal user authentication completed</li> <li>Outstanding documentation ratified and delivered back to Civica</li> <li>Move Process go Live</li> <li>Final SPD Process build sessions delivered</li> <li>Address synchronisation implemented</li> <li>Final Knowledge Transfer Session delivered</li> <li>Address synchronisation between Local Land and Property Gazetteer process implemented</li> <li>SPD UAT started</li> <li>Capita provide technical documentation to support development of Academy integration</li> </ul>	31/12/19 16/12/19 22/01/20  24/02/20 02/06/20 12/05/20 17/06/20 17/07/20 15/07/20 17/08/20 19/08/20 31/08/20 01/09/20 28/09/20

## ICT Strategy

<b>Project due date</b>	TBA
<b>Overall Project Status</b> (Indicate by typing <b>yes</b> in the appropriately shaded box below)	
<b>3. On track and in control</b>	
<b>2. Not on track but in control</b>	✓
<b>1. Not on track</b>	
<b>Month &amp; Year of update</b>	September 2020

(Traffic light - red, amber, green based on progress to date)

Workstreams	Due date	Lead	Workstream RAG status
<p>Financial waiver approved for SIP platform upgrade initial estimated savings £1k per month</p> <p>Work to commence on move to new platform next month. Orders for the new lines into the Depot and Marmion have been placed and a project manager appointed by our supplier to oversee implementation. Next steps are commissioning of the new connectivity and SIP trunks followed by testing and porting of our numbers onto the new platform.</p> <p>There has been a delay to the first phase of this project due to BT lead times as a result of COVID. They have now engaged with us to arrange installation of the lines.</p> <p>Work now progressing with BT to install the new fibre connections.</p> <p>New Fibre connections now installed into Marmion and Depot. Next step is SIP provisioning and then porting of numbers</p>	Oct 2020	GY/NH	
<p>Implementation of Astute as policy management tool / decommissioning of Net Consent. Janet is continuing to work on Astute preparation for policy dissemination The next steps are to complete this work, agree a process for policy management followed by implementation. NetConsent will then be decommissioned. Implementation is planned for April.</p> <p>Timescales for implementation pushed back to August due to absences and other priorities relating to current situation</p> <p>Policy rollout on Astute in progress. Code of conduct has been issued to all staff, Allocations Policy rolled out to Housing and Customer Services. Further policies to be scheduled for roll out and refresh reminders in consultation with policy owners in terms of requirements for organisational or statutory refresh.</p>	Aug 2020	GY	
<p>Deliver short term priorities –</p> <p>EPOS Replacement – Assembly Rooms and TIC are now implemented. Implementation at the Castle is currently being planned for end Feb/Early March.</p> <p>Timescales changed for Castle implementation, this is currently being discussed with the Castle and Gardiff</p> <p>All information regarding proposed implementation of Spektrix and Gardiff provided to castle staff for consideration, awaiting response and timescale.</p> <p>Gardiff system implementation currently being planned in line with opening of the upper lodge café. Both Castle and upper lodge café implementations will be done at the same time. Activity currently paused whilst awaiting listed building consent for drilling a hole in the wall to feed in wiring.</p> <p>Contract renegotiation – this is an ongoing activity now. We are working on reviewing all of our contracts to ensure they are recorded correctly, documentation up to date and triggers for review in place.</p> <p>Agreed with Anna Miller that we will now proceed with Northgate M3 Assure upgrade for Planning followed by Environmental Health (EH) with learning from the Planning implementation as EH more complex and requires more resource. Training on Assure Planning and implementation has now commenced. Conversion of documents underway to new Assure document production.</p>	March 2021	GY	

<p>Proposal for a 3-year fixed term contract across all Northgate systems received. Results in savings, avoiding RPI increases for the contract duration. After negotiations with Northgate, updated proposal received with 2 free of charge inclusive consultancy days for each year of the contract along with reduced support and maintenance costs. Contract currently being reviewed by legal.</p> <p>Corporate Business Objects Review and explore Enterprise licencing – not started. This will be looked at as part of the contract work above.</p> <p>Telephony carrier/SIP trunk provider options appraisal – complete – see workstream for SIP platform above.</p> <p>Depot connectivity options appraisal – current connectivity contract with Virgin in place until Sept. Indicative quote requested from NetVisionIP for wireless link between Marmion and the Depot to replace the current Ethernet circuit.</p> <p>Provision of Public Services Network (PSN) associated services from April 2019 onwards. We will be continuing with Vodafone until further options from CCS are available, this is likely to be Sept for some of the services. We are planning to transition away from GCSx email during 2020 to our on premise email system so will be terminating this service with Vodafone. Contract extended with Vodafone due to new CCS framework delays. GCSx email retirement delayed due to resource involved with COVID. Implementation now planned for completion Dec 2020 ahead of GCSx service decommission by PSN in March 21.</p>			
Draft Strategy developed	February 2020	GY/ ZW	
<p>Consult with stakeholders including CMT, Officers and elected members Report to be presented to IS&amp;G Scrutiny Meeting on 27<sup>th</sup> February 2020 – this was postponed at the request of the Scrutiny chair, date has not yet been agreed</p> <p>Consultation still in progress, further feedback from AD's/service heads required. Member working group to be arranged by Cllr Goodall/Chesworth for consultation with members.</p> <p>Further development of ICT strategy required to meet the challenges of Covid recovery phase and general workplace strategies when information becomes available. Strategy discussed at ISG Scrutiny 16<sup>th</sup> Sept, members fully supportive of draft and will be forming a working group to feed in from an elected member perspective.</p>	December 2020	GY/ZW	
Deliver Strategy action plan by 2025	2025	GY	

Key milestones achieved	Date milestone achieved
Draft Strategy delivered to CMT	February 2020
Consultation commenced with AD's	March 2020

## Organisational Development Strategy

<b>Project due date</b>	TBA
<b>Overall Project Status</b> (Indicate by typing <b>yes</b> in the appropriately shaded box below)	
<b>3. On track and in control</b>	✓
<b>2. Not on track but in control</b>	
<b>1. Not on track</b>	
<b>Month &amp; Year of update</b>	September 2020

(Traffic light - red, amber, green based on progress to date)

Workstreams	Due date	Lead	Workstream RAG status
Development of Draft Strategy		AG/ZW	
Consultation		AG/ ZW	
Implementation		ZW/ JN	
Tender for Leadership Development Programme work developed		ZW/JN	
Tender evaluation to be completed by End January 2020	31/01/20	ZW/JN	
Contract Awarded by 29 February 2020	29/02/20	ZW/ JN	
Contractor to scope work by July 2020	31/07/20	ZW/JN	
Programme to be developed by August 2020	31/08/20	ZW/ JN	
Delivery to commence September 2020 – delayed	30/09/20	JN	
Delivery to commence November 2020	30/11/20	JN	

Key milestones achieved	Date milestone achieved
Quotes evaluated – preferred supplier identified – IODA	December 2019
Preferred supplier advised of contract award and suggested delay due to COVID-19	February 2020
Feedback provided for the unsuccessful suppliers	March 2020
No challenges received from the unsuccessful suppliers	March 2020
Initial scoping meeting held with Ioda	May 2020
Scoping sessions held with CMT, Heads of Service and some Line Managers	June 2020
Programme Developed and approved to be delivered virtually	September 2020



## Completion of new homes at Tinkers Green & Kerria

<b>Project due date</b>	December 2020 Tinkers Green January 2021 Kerria (was August 2020)
<b>Overall Project Status</b> (Indicate by typing <b>yes</b> in the appropriately shaded box below)	
<b>3. On track and in control</b>	✓
<b>2. Not on track but in control</b>	
<b>1. Not on track</b>	
<b>Month &amp; Year of update</b>	September 2020

(Traffic light - red, amber, green based on progress to date)

Workstreams	Due date	Lead	Workstream RAG status
Developer procurement [Complete]	Complete	PW	
Decant and empty property management [Complete]	Complete	TM	
Land and property acquisition and retail [Acquisition Complete Summer 2018]		PW	
Demolition [Complete]	Complete	PW	
Communication [Ongoing]	Ongoing	LR	
Local Lettings Policy [No longer required]	N/A	TM	

Key milestones achieved	Date milestone achieved
Contract in place	Spring 2018
Clerk of Works appointed	Summer 2018
Homes England funding confirmed and spent	Spring 2018
Demolition of both sites complete	Sept 2018
Construction work underway on both sites	Sept 2018
Handover schedule in place with first units due for completion in July 2019 [Ongoing]	Ongoing
Revised handover schedule on target for Autumn 2020 completion [Ongoing]	Ongoing
Regular scheduled handovers are taking place across both sites. [Ongoing]	Ongoing
Tenants have moved into properties across both sites and to date feedback appears to be positive. [Ongoing]	Ongoing
Heads of Terms out with legal for the full retail space with a single tenant (amended planning applications withdrawn)	Summer 2019
Following detailed research and consideration; and in view of the Portfolio's objectives being met it was agreed local lettings criteria has been met by making best use of the rights and flexibilities within the allocations policy. Of the c25 let thus far there has been a diverse mix of social and economic households seeking to support ambitions around creating balanced and sustainable communities. Given these were the outcomes originally designed it does not need a specific local lettings plan as objectives are being achieved – to do so would be subject to statutory consultation and therefore lead to delays in lettings. This will be kept under review as new developments are brought forward	

## Welfare Reform

<b>Project due date</b>	January 2021 (was December 2020)
<b>Overall Project Status</b> (Indicate by typing <b>yes</b> in the appropriately shaded box below)	
<b>3. On track and in control</b>	✓
<b>2. Not on track but in control</b>	
<b>1. Not on track</b>	
<b>Month &amp; Year of update</b>	September 2020

(Traffic light - red, amber, green based on progress to date)

Workstreams	Due date	Lead	Workstream RAG status
Project group TORs – Workstreams mapped as below		TMM	Completed
Transition FTAs to Finance		MB/LB	Completed
Customer impact – universal credit; co-ordination of figures, feedback from portal <ul style="list-style-type: none"> <li>Collation of data on UC figures (Housing/c/tax/DHP/customer service)</li> <li>Service data packs – performance etc.</li> <li>ICT infrastructure to generate business object reports for wider dissemination</li> </ul>	November 2020	AM/LB Supported by GY	
Third Sector Commissioning (TAC; opportunities for voluntary sector etc.) <ul style="list-style-type: none"> <li>Personal budgeting opportunities with County</li> <li>Describe/train on service offer (specialised training via TAC exploration)</li> <li>Opportunities for commissioning – what's offered now?</li> </ul>	November 2020	KC/LL	
Housing RIEN Self-assessment & Accreditation <ul style="list-style-type: none"> <li>Closing down of accreditation action plan and re-fresh with service improvement plan informed by HQN ongoing health check</li> <li>Rent first campaign review</li> <li>Early intervention and prevention vis pre tenancy rent information; rent free weeks;</li> <li>Satisfaction monitoring on rent service (STAR questions)</li> <li>Training staff</li> <li>UC trusted partner and full KPI monitoring etc.</li> </ul>	October 2020	LB/LL/JC	
Development Corporate Debt Strategy including <ul style="list-style-type: none"> <li>Scoping Corporate Debt Strategy (QQ spec by Feb 2020)</li> <li>Worked paused during COVID (23/3/20 – 4/7/2020)</li> <li>Draft specification out on intend – 28<sup>th</sup> July – 28<sup>th</sup> August 2020 (4weeks)</li> <li>LB/LL/TMM to evaluate</li> <li>Project team to review evaluation at September Meeting</li> </ul>	January 2021	TMM/All	

Key milestones achieved	Date milestone achieved
Corporate Project Group established – bi monthly meetings diarised	
Project group as listed – each work stream lead to draft and scope tasks for April meeting	
Key work-streams identified linked to work plans	
Policy change agreed to facilitate FTA transfer to MB's team	
TMM/LL attended scrutiny on UC and cross party letter to DWP & Ministers	
Agreed with RB a QQ to engage support to help draft corporate debt strategy for consultation/options	
Invitation to Quote for the Corporate Debt Strategy is out on Intend with a closing date of 29 <sup>th</sup> August 2020	

## Housing Strategy

<b>Project due date</b>	30 <sup>th</sup> November 2020
<b>Overall Project Status</b> (Indicate by typing <b>yes</b> in the appropriately shaded box below)	
<b>3. On track and in control</b>	✓
<b>2. Not on track but in control</b>	
<b>1. Not on track</b>	
<b>Month &amp; Year of update</b>	September 2020

(Traffic light - red, amber, green based on progress to date)

Workstreams	Due date	Lead	Workstream 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 – draft circulated		JS	
H& W Scrutiny Committee	20 October 2020	JS	
Cabinet report	12 November 2020	JS/SP	
Communications		LR/JS	
Corporate implementation plan – links to other workstreams inc Homelessness strategy		JS/SP	
Project completion	November 2020	SP	

Key milestones achieved	Date milestone achieved
Tender evaluation completed – 3 bids received	
Successful supplier HQN appointed	
HQN commencing stakeholder interviews	
Order raised	
Stakeholder interviews completed	
Update meeting with SP/JS on 18 <sup>th</sup> November - to look at first draft of evidence base and emerging priorities	18 <sup>th</sup> November 2019
First drafts received 2 December 2019 for consideration and circulation prior to member update	December 2019
Further draft received and circulated to ED Communities and appropriate ADs for comment – March 2020	March 2020
Planning consultation completed	July 2020
Updated report due for consideration	Aug 2020
Agenda Item H&W Scrutiny Committee	20 October 2020
Cabinet	12 November 2020

## Leisure Strategy

<b>Project due date</b>	30 <sup>th</sup> June 2022
<b>Overall Project Status</b> (Indicate by typing <b>yes</b> in the appropriately shaded box below)	
<b>3. On track and in control</b>	✓
<b>2. Not on track but in control</b>	
<b>1. Not on track</b>	
<b>Month &amp; Year of update</b>	September 2020

(Traffic light - red, amber, green based on progress to date)

<b>Workstreams</b>	<b>Due date</b>	<b>Lead</b>	<b>Workstream RAG status</b>
Review evidence from leisure services priority review		AG/SMc G	
Prepare brief for Leisure Strategy and Indoor & Outdoor sports strategy		AG/SMc G	
Appoint external consultants for the both		AG/SMc G	
Produce both Leisure Strategy and Indoor & Outdoor sports strategy		AG/SMc G	
Endorse both Leisure Strategy and Indoor & Outdoor sports strategy		AG/SMc G	

<b>Key milestones achieved</b>	<b>Date milestone achieved</b>
Evidence gathering underway	
Specification to be prepared	

## Town Centre Programme

<b>Project due date</b>	31 <sup>st</sup> March 2022
<b>Overall Project Status</b> (Indicate by typing <b>yes</b> in the appropriately shaded box below)	
<b>3. On track and in control</b>	✓
<b>2. Not on track but in control</b>	
<b>1. Not on track</b>	
<b>Month &amp; Year of update</b>	September 2020










(Traffic light - red, amber, green based on progress to date)

Workstreams	Due date	Lead	Workstream RAG status
Town Centre Strategy	2020/21	MF	
Gungate Masterplan	2020/21	DH	
TIC		ZW	
Place Investment Strategy	To be determined	MF	
Car Parking Strategy	2020/21	MF	
Market re-tender	2020/21	MF	
Communications and Engagement		ZW	
Town Centre Funding Applications	Ongoing	MF	
Future High Streets Fund	Sep 2020	AM	




Key milestones achieved	Date milestone achieved
<b>Town Centre Strategy</b> <ul style="list-style-type: none"> <li>Currently exploring options for this in line with FHSF and an economic recovery strategy for the Town Centre.</li> </ul>	Ongoing
<b>Gungate Masterplan</b> <ul style="list-style-type: none"> <li>Members briefing commenced. Discussions with Portfolio holder to determine public consultation strategy.</li> <li>AM and DH held meeting with McCarthy and Stone re: opportunities on the site and now also a meeting with NCP to look at potential land swap and later living accommodation. Buzz Bingo closing site.</li> <li>Looking at governance/decision making/procurement structures – see other comments</li> <li>Police site on the market</li> <li>Direction to CPO site by Leader – legal advice to be procured specifically on this.</li> </ul>	Procurement of legal advice to support CPO. Consultation to be held back to ensure that it fits with CPO procedures.
<b>Place Investment Strategy</b> <ul style="list-style-type: none"> <li>Work not progressing, need to reassess if this is still required to same degree or incorporate into other strategies.</li> </ul>	For future discussions
<b>Car Parking Strategy</b> <ul style="list-style-type: none"> <li>Benchmarking and baseline exercise currently underway looking at all aspects of off road car parks. Task and Finish group to be established.</li> <li>Policy change submitted to renew car parking infrastructure.</li> </ul>	Handover April 2020
<b>Market re-tender</b> <ul style="list-style-type: none"> <li>Market Tender is now being checked and supported through aid of NABMA Chief Executive, Draft due to us for July with launch in September for new operator to be in place by April 1<sup>st</sup> 2021.</li> <li>Current situation has affected this and may affect future market delivery but to what extent is unknown at this period of time.</li> </ul>	September for tender.
<b>Town Centre Funding Applications</b> <ul style="list-style-type: none"> <li>Accelerated funding applications submitted to and shortlisted by SSLEP and GBSLEP. Carnegie Centre application to SSLEP successful, just waiting for Board approval. Total ask £50K to undertake landlord works associated with COU to restaurant. Mr Miah has already signed the contract. PP required to regularise amended regulations in relation to the sale and redevelopment of Council assets. Carnegie Centre lease signed – funding no longer required.</li> <li>Application submitted to the Arts Council for c£250K to move castle education, visitor experience and collections to a digital format thereby increasing dwell time and enjoyment of the venue/destination which will lead to direct benefits to the town centre.</li> </ul>	Ongoing  Expected by

	the 16 October
<b>Future High Streets Fund</b> <ul style="list-style-type: none"><li>• Member seminar held. Project board in July followed by Council approval and submission.</li><li>• Clarifications around calculations requested by MHCLG.</li></ul>	Expecting feedback November 2020




## Corporate Risk Register 2020/21

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	14-Oct-2020	3	3	9		
Business Rates Retention	14-Oct-2020	3	3	9		
New Homes Bonus	14-Oct-2020	3	2	6		
Welfare and Benefit Reform	19-Oct-2020	4	3	12		
Failure to manage budgets	14-Oct-2020	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	14-Oct-2020	2	2	4		
Management of Assets	19-Oct-2020	2	3	6		
New Revenue Streams	14-Oct-2020	3	3	9		
Workforce Planning Challenges	16-Oct-2020	3	2	6		
Continuous Improvement	16-Oct-2020	2	2	4		
Partnerships fail	19-Oct-2020	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	16-Oct-2020	3	2	6	
Legislation	16-Oct-2020	3	2	6	
Policies & Procedures	13-Oct-2020	3	2	6	
Ethics	16-Oct-2020	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	19-Oct-2020	3	3	9	
Safeguarding Children & Adults (including Modern Slavery)	19-Oct-2020	2	3	6	
Emergency Planning	19-Oct-2020	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
Lack of economic investment in people and Places	13-Oct-2020	3	3	9	
Housing Needs	19-Oct-2020	3	3	9	
Economic Changes	13-Oct-2020	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 and information Safeguarding	15-Sep-2020	4	2	8	
Cyber Security	15-Sep-2020	4	2	8	
Business Continuity	19-Oct-2020	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	14-Oct-2020	4	4	16	
The Impact of Brexit upon the Council	19-Oct-2020	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	Year to Date Budget	Year to Date Variance	Full Year Budget	Predicted Outturn Variance	Predicted Outturn	Comment
AD Operations & Leisure	Peaks	Sport Development Project Funding	-	50,760	(50,760)	101,530	-	101,530	Contract with the Snowdome - no payments this year as of yet
	Cemeteries	Fees & Charges	(35,400)	(68,900)	33,500	(137,840)	30,000	(107,840)	Income from burials down this year, not had as many as previous years.
	Public Spaces	Contract Payments (Basic)	98,020	54,060	43,960	108,110	-	108,110	Expected spend within full year budget - commitments raised at start of year.
	Tbc Highways Maintenance	Maintenance Highway Related Assets	110,900	59,460	51,440	118,910	-	118,910	Spend within budget, large orders on system yet to be completed
AD People	ICT	Mft Licence/Mtce/Imp	343,457	273,080	70,377	449,760	-	449,760	No significant outturn variance expected
AD Assets	Industrial Properties	Provision For Bad Debts	12,665	54,820	(42,155)	94,820	-	94,820	Budget amended in Q1 review to reflect anticipated impact of COVID 19 on rental income
AD Neighbourhoods	Homelessness	Provision For Bad Debts	4,916	40,200	(35,284)	40,200	-	40,200	Report still to be done around write off of historic B&B debt
		Bed & Breakfast Income	(13,466)	(50,160)	36,694	(100,270)	-	(100,270)	Historic budget based on high level of spend in past years, improved practices have resulted in a significantly reduced spend on B&B
	Homelessness Strategy	Government Grants	(145,855)	(100,000)	(45,855)	(100,000)	-	(100,000)	Remaining grant money to be utilised once new spending priorities have been

Service Area	Cost Centre	Account Code	Year to Date Position	Year to Date Budget	Year to Date Variance	Full Year Budget	Predicted Outturn Variance	Predicted Outturn	Comment
									agreed (report to cabinet November 2020)
AD Partnerships	Voluntary Sector	Grants To Community Service Organisations	86,500	46,140	40,360	112,280	-	112,280	Large commitment on the system still ongoing, overall spend still within full year budget
	Car Parking Enforcement Costs	Standard Charges	4,849	(33,905)	38,754	(67,770)	40,000	(27,770)	Earning around £4k per month at the moment, not expecting to achieve income target, mainly due to Covid.
AD Growth & Regeneration	Outside Car Parks	Short Stay Car Parking	(117,894)	(216,000)	98,106	(400,000)	40,000	(360,000)	Reduced income - impact of Covid 19 & free parking until June 15th
	Castle & Museum	Wages	37,739	8,520	29,219	16,990	32,000	48,990	Casual average monthly pay expected to continue until November.
		Admission Fees	(7,766)	(38,000)	30,234	(36,610)	-	(36,610)	Income target now reduced, budget to be re-profiled
	Dev. Plan Local & Strategic	Local Development Framework	10,655	57,480	(46,825)	115,000	-	115,000	Local plan on hold pending results of planning white paper from government
AD Finance	Benefits	Rent Allowances	2,678,283	2,708,545	(30,262)	5,846,370	(97,750)	5,748,620	Based on DWP est claim @ P6
		Non-HRA Rent Rebates	7,024	37,095	(30,071)	74,190	(4,770)	69,420	
		Council Tenant Rent Rebates	3,810,431	3,769,690	40,741	7,222,010	(54,010)	7,168,000	
		Council Tenant Grant	(3,698,644)	(3,733,420)	34,776	(7,153,750)	52,350	(7,101,400)	
		Private Tenant Grant	(2,610,104)	(2,669,260)	59,156	(5,757,080)	103,590	(5,653,490)	
	Pt Overpayment Recovery	31,773	48,730	(16,957)	97,460	(33,910)	63,550	Based on e-Fins @ P6	
	Corporate Finance	NNDR Levy Payments	196,541	159,670	36,871	1,025,290	(129,790)	895,500	Uncertainty over business rates as economy recovers - based on projections at Period 4
Government Grants		(7,177,500)	(547,800)	(6,629,700)	(1,095,550)	129,790	(965,760)	S31 grant for additional Covid19 retail relief in 2020/21	

Service Area	Cost Centre	Account Code	Year to Date Position	Year to Date Budget	Year to Date Variance	Full Year Budget	Predicted Outturn Variance	Predicted Outturn	Comment
AD Finance	Corporate Finance	Miscellaneous Contributions	-	-	-	-	(250,000)	(250,000)	Uncertainty over business rates collection levels for Staffordshire pool over the coming months - current projections indicate a surplus will be achieved but dependent on economic conditions and recovery to March 2020
	Treasury Management	Minimum Revenue Provision Gf	55,520	83,520	(28,000)	167,070	(56,620)	110,450	Reduced due to reprofiling in capital programme
	Covid-19	Other Supplies And Services	3,156	41,180	(38,024)	41,180	-	41,180	Offsetting expenditure on other account codes
		Government Grants	(1,021,525)	(481,355)	(540,170)	(957,710)	(292,290)	(1,250,000)	Covid19 grant income
		Government Grants	(565,718)	(170,000)	(395,718)	(340,000)	(160,000)	(500,000)	Potential Covid 19 income support grant scheme

## Housing Revenue Account – Main Variances

Service Area	Cost Centre	Account Code	Year to Date Position	Year to Date Budget	Year to Date Variance	Full Year Budget	Predicted Outturn Variance	Predicted Outturn	Comment
AD Neighbourhoods	Income Management	Council Tax Payments	46,767	2,280	44,487	4,530	-	4,530	Full years council tax paid for void properties in error, this will need to be refunded once the properties have been let
	Estate Management	Maintenance Of CCTV	40,730	-	40,730	-	40,730	40,730	Committee decision to increase HRA contribution to CCTV not built in to HRA budget
Page 54 Housing Repairs	Repairs Contract	Covid 19 Costs	416,223	-	416,223	-	-	-	These costs relate to payments made under the Government guidance note PPN02/20 in response to COVID19
		Responsive Repairs	420,111	915,000	(494,889)	1,830,000	-	1,830,000	The initial months of the repairs contract have been impacted by the COVID 19 outbreak with access to property being restricted. It is anticipated that workloads will increase steadily but may not return to full levels in the current year.
		Voids	265,006	668,415	(403,409)	1,336,830	-	1,336,830	
		Lift Maintenance	36,703	90,000	(53,297)	180,000	-	180,000	The service programme is on track but there has been less spend on maintenance than in previous years. The maintenance element is ad-hoc and delivered on demand as and when issues are found during service visits

Service Area	Cost Centre	Account Code	Year to Date Position	Year to Date Budget	Year to Date Variance	Full Year Budget	Predicted Outturn Variance	Predicted Outturn	Comment
Housing Repairs	Repairs - General	Misc. (Non Specific)	32,202	100,000	(67,798)	200,000	-	200,000	This budget is used on an ad-hoc basis to deal with unforeseen issues that may arise during the course of the year. It is anticipated that a proportion of this will be needed to pay compensation and fees associated with a number of pending disrepair claims.
		Asbestos Removal	1,330	37,500	(36,170)	75,000	-	75,000	Programme of Asbestos surveys still to be agreed
Page 55 HRA Summary	H R A Summary	Rents	(9,336,395)	(9,436,725)	100,330	(18,118,510)	-	(18,118,510)	Rent income is currently under recovered due to a higher number of voids and a halt to the work on the Tinkers Green and Kerria developments during lockdown. Lettings have now resumed and it is anticipated that rent income levels should even out going forward

## Capital Programme Monitoring

## General Fund

Service Area	Budget Reprofiled from 2019/20	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2021/22 £000	Outturn £000	Comments
<b>Chief Executive</b>										
Gungate Development	718	359	5	(354)	718	5	(713)	713	718	This project will need to be re-profiled into 2021/22
<b>Service Area Total</b>	<b>718</b>	<b>359</b>	<b>5</b>	<b>(354)</b>	<b>718</b>	<b>5</b>	<b>(713)</b>	<b>713</b>	<b>718</b>	
<b>ED Growth</b>										
Castle Mercian Trail	280	140	263	123	280	280	-	-	280	Delay due to Castle closure, contractors are now on site, due for completion this year
Gateways	244	217	13	(204)	434	34	(400)	400	434	Funds for Phase 3 (Corporation St), linked to bid for Government funds under accelerated projects, with SCC. Expected spend of £10-£20k for design stage of the project, remaining amount to be c/f to 21/22
Cultural Quarter - Carnegie Centre	6	3	5	3	6	6	-	-	6	-
Repairs to Castle Elevation	-	125	1	(124)	250	250	-	-	250	Project delayed due to Covid 19, but work has now commenced
Castle Lighting	-	20	-	(20)	40	40	-	-	40	Tender in progress, likely to see costs later in year due to delays as a result of Covid 19
<b>Service Area Total</b>	<b>529</b>	<b>505</b>	<b>283</b>	<b>(222)</b>	<b>1,009</b>	<b>609</b>	<b>(400)</b>	<b>400</b>	<b>1,009</b>	



Service Area	Budget Reprofiled from 2019/20	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2021/22 £000	Outturn £000	Comments
<b>AD People</b>								-		
Replacement It Technology	45	52	68	16	105	105	-	-	105	To be spent in line with capital appraisal, plus replacement laptops & technology
EDRMS (Electronic Document Records Management System)	30	15	-	(15)	30	30	-	-	30	Further development of processes for the customer portal
New Time Recording System 17/18	15	8	-	(8)	15	15	-	-	15	Expected to be spent this year but dependent on recovery/reset programme
Self Service Customer Portal	24	12	24	12	24	24	-	-	24	Project expected to be completed shortly
Member Device Refresh	-	10	17	7	20	20	-	-	20	Expected to be fully spent
Endpoint & Web E-Mail Filter	-	20	38	18	40	40	-	-	40	Current contract expires October, looking at options
Asset Management Database	-	75	-	(75)	150	42	(108)	-	42	Underspend as a result of HRA contribution to software. The remaining funds may be re-profiled dependent on progress of the project
Mobile Phone Contract	-	10	-	(10)	20	20	-	-	20	Budget released from capital contingency as approved Cabinet 10/9/20
<b>Service Area Total</b>	<b>114</b>	<b>192</b>	<b>147</b>	<b>(45)</b>	<b>384</b>	<b>276</b>	<b>(108)</b>	<b>-</b>	<b>276</b>	
<b>AD Operations &amp; Leisure</b>								-		
Wigginton Park Section 106	10	5	-	(5)	10	10	-	-	10	Plans to deliver scheme in line with Wigginton Park Management Plan.
Broadmeadow Nature Reserve	17	8	-	(8)	17	17	-	-	17	Ongoing works to complete management plan and HLS agreement, now going out to tender.

Service Area	Budget Reprofiled from 2019/20	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2021/22 £000	Outturn £000	Comments
Public Open Space Section 106	10	5	-	(5)	10	10	-	-	10	Spend in line with work plan. Work required is seasonal / weather dependant.
Street Lighting	33	40	2	(38)	79	79	-	-	79	Works to be delivered in line with 30 year project plan
Local Nature Reserves	23	12	-	(12)	23	23	-	-	23	Works ongoing to deliver items from management plan for various LNRs.
Community Woodland Cycleway	199	99	10	(90)	199	199	-	-	199	Variation to design spec to be included with Amington Community Woodland, delay in delivery phase due to new work timeline from developer.
Amington Community Woodland	337	168	20	(148)	337	337	-	-	337	Consultation and design complete however, delay in delivery phase due to new work timeline from developer.
Sports Facility	193	568	551	(17)	665	665	-	-	665	Agreement with Sport England & FA grant of £472k awarded.
Assembly Rooms Development	-	-	(82)	(82)	-	-	-	-	-	Update report considered by Cabinet and final account to be completed Sept 20.
Indoor and Outdoor Sports Feasibility	100	50	-	(50)	100	100	-	-	100	Linked with review of Gungate site and strategy for the whole borough. Delayed due to Covid 19.
<b>Service Area Total</b>	<b>921</b>	<b>956</b>	<b>501</b>	<b>(455)</b>	<b>1,439</b>	<b>1,439</b>	<b>-</b>	<b>-</b>	<b>1,439</b>	
<b>AD Finance</b>										
Property Funds	8,131	4,065	-	(4,065)	8,131	-	(8,131)	8,131	8,131	Planned investment in Property Funds delayed by Covid-19 pandemic - future investment subject to review but unlikely to be before 21/22

Service Area	Budget Reprofiled from 2019/20	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2021/22 £000	Outturn £000	Comments
Solway Tamworth LTD LATC	4,000	2,000	-	(2,000)	4,000	-	(4,000)	4,000	4,000	Scheme review planned following Covid-19 pandemic
<b>Service Area Total</b>	<b>12,131</b>	<b>6,065</b>	<b>-</b>	<b>(6,065)</b>	<b>12,131</b>	<b>-</b>	<b>(12,131)</b>	<b>12,131</b>	<b>12,131</b>	
<b>AD Assets</b>										
Disabled Facilities Grant	190	420	658	238	840	840	-	-	840	Now recommenced and working through programme, at this stage it is expected that the budget will be fully spent
Agile Working Phase 2	114	57	-	(57)	114	-	(114)	-	-	No decisions have yet been made with regard to this scheme which is dependent on future plans for Marmion House/Covid 19 recovery. However it is not currently expected to be spent this year.
Energy EFF Upgrade Commercial and Industrial Properties	-	38	1	(37)	75	75	-	-	75	Ad hoc spend to upgrade units, will be in a better position next month to ascertain whether this will be fully spent this year.
Castle Grounds Toilet Refurbishment	7	4	-	(4)	7	7	-	-	7	Final invoice expected
<b>Service Area Total</b>	<b>311</b>	<b>518</b>	<b>658</b>	<b>140</b>	<b>1,036</b>	<b>922</b>	<b>(114)</b>	<b>-</b>	<b>922</b>	
<b>AD Neighbourhoods</b>										
Homelessness Reduction Act	30	15	-	(15)	30	-	(30)	-	-	There are no immediate plans to spend these funds
CCTV Infrastructure	16	37	49	13	73	73	-	-	73	Budget for upgrades to CCTV network - anticipate full spend at this stage
<b>Service Area Total</b>	<b>46</b>	<b>52</b>	<b>49</b>	<b>(2)</b>	<b>103</b>	<b>73</b>	<b>(30)</b>	<b>-</b>	<b>73</b>	
<b>GF Contingency</b>										
Gf Contingency	35	18	-	(18)	35	35	-	-	35	No requirement identified as at 31 August 2020
Cont-Return On Investment	20	10	-	(10)	20	20	-	-	20	No requirement identified as at 31 August 2020

Service Area	Budget Reprofiled from 2019/20	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2021/22 £000	Outturn £000	Comments
GF Contingency Plant and Equipment	100	50	-	(50)	100	100	-	-	100	Subject to VFM assessment - budget for potential plant and equipment purchases over leasing
Refurbishment of Marmion House Reception (Contingency)	100	50	-	(50)	100	100	-	-	100	The impact of Covid-19 means we now need to review how our most vulnerable residents are accessing services – which will inform the need for the budget.
GDPR Compliance (Contingency)	31	15	-	(15)	31	-	(31)	-	-	Not likely to be required
Mobile Phone Contract (Contingency)	20	-	-	-	-	-	-	-	-	Funds released following Cabinet approval September 2020
<b>Service Area Total</b>	<b>306</b>	<b>143</b>	<b>-</b>	<b>(143)</b>	<b>286</b>	<b>255</b>	<b>(31)</b>	<b>-</b>	<b>255</b>	
<b>GENERAL FUND TOTAL</b>	<b>15,077</b>	<b>8,795</b>	<b>1,644</b>	<b>(7,151)</b>	<b>17,117</b>	<b>3,590</b>	<b>(13,527)</b>	<b>13,244</b>	<b>16,834</b>	

## Housing Revenue Account

Service Area	Budget Reprofiled from 2019/20	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2021/22 £000	Outturn £000	Comments
<b>AD Assets</b>										
Structural Works	-	123	86	(37)	246	246	-	-	246	Budget for ad hoc repairs as identified during the year. £54k to HRA contribution to Asset Management Software.
Bathroom Renewals	-	284	10	(273)	568	568	-	-	568	At the moment it is anticipated that the budget will be fully spent in line with the programme, subject to potential impact of any possible further restrictions due to Covid 19.
Gas Central Heating Upgrades and Renewals	147	416	89	(327)	833	833	-	-	833	
Kitchen Renewals	-	519	15	(504)	1,038	1,038	-	-	1,038	
Major Roofing Overhaul and Renewals	95	503	292	(211)	1,006	1,006	-	-	1,006	
Window and Door Renewals	-	324	173	(152)	649	649	-	-	649	
Neighbourhood Regeneration	-	348	102	(246)	695	695	-	-	695	
Disabled Facilities Adaptations	112	162	(14)	(177)	325	325	-	-	325	It is expected that this will be fully spent, assuming full access to properties
Rewire	-	181	7	(174)	362	362	-	-	362	At the moment it is anticipated that the budget will be fully spent in line with the programme, subject to potential impact of any possible further restrictions due to Covid 19.
CO2 / Smoke Detectors	-	32	4	(28)	64	64	-	-	64	Subject to electrical/void inspections
Insulation	-	9	-	(9)	18	18	-	-	18	Ad hoc spend
Renew High Rise Lifts	243	121	(2)	(124)	243	243	-	-	243	Budget re-profiled from 2019/20 - work to be programmed in with Engie

Service Area	Budget Reprofiled from 2019/20	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2021/22 £000	Outturn £000	Comments
Fire Upgrades To Flats 2012	150	75	0	(75)	150	150	-	-	150	Budget re-profiled from 2019/20 to fund possible additional works linked with CR4023 Installation of Fire Doors
Sheltered Schemes	-	50	-	(50)	100	100	-	-	100	Flooring & decoration works identified but have been delayed due to Covid 19 - may be requirement to re-profile
Energy Efficiency Improvements	-	35	-	(35)	70	70	-	-	70	To be reviewed, potential disrepair claims
Install Fire Doors High Rise	-	730	-	(730)	1,460	1,460	-	-	1,460	Underway with Wates
High Rise Balconies	20	10	22	12	20	20	-	-	20	Budget re-profiled from 2019/20
Works to High Rise Flats	605	303	392	90	605	605	-	-	605	Budget re-profiled from 2019/20, will include works to underground car park
Retention of Garage Sites	179	440	26	(414)	879	26	(854)	-	26	Consultants' first report received and options will be subject to member decision. No spend likely this year and new scheme proposed as part of 21/22 capital programme.
Capital Salaries	-	100	-	(100)	200	200	-	-	200	-
Software Fire Safety Surveys	-	45	-	(45)	90	90	-	-	90	Tenders due back December.
HRA Street Lighting	-	35	-	(35)	69	69	-	-	69	Spending plan in place
Asset Management Software HRA	-	54	62	8	108	62	(46)	46	108	HRA contribution - budget established following Cabinet approval of virements from CR2001 & CR2007. At this stage it is anticipated that £46k will be re-profiled for further stages of the project in the new financial year.

Service Area	Budget Reprofiled from 2019/20	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2021/22 £000	Outturn £000	Comments
Tinkers Green	1,796	898	1,611	713	1,796	1,796	-	-	1,796	Planned completion in December
Kerria Estate Project	1,068	534	360	(174)	1,068	1,068	-	-	1,068	Planned completion now pushed back a couple of weeks to January
Regeneration General	81	-	-	-	-	-	-	-	-	Re-profiled from 2019/20, to be combined with CR7005
Other Acquisitions	1,407	704	1,233	530	1,407	1,407	-	-	1,407	Expected to spend in full, subject to completions
Regeneration & Affordable Housing	-	7,041	5,986	(1,055)	8,081	8,081	-	-	8,081	Council approval to bring forward £6m from provisional capital programme budgets, will be committed this year but unlikely to be fully spent. Once heads of terms are agreed a profile of spend will be available.
<b>Service Area Total</b>	<b>5,904</b>	<b>14,075</b>	<b>10,455</b>	<b>(3,620)</b>	<b>22,150</b>	<b>21,251</b>	<b>(899)</b>	<b>46</b>	<b>21,296</b>	
<b>HRA Contingency</b>										
HRA Contingency	100	50	-	(50)	100	100	-	-	100	-
<b>Service Area Total</b>	<b>100</b>	<b>50</b>	<b>-</b>	<b>(50)</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>100</b>	
<b>HRA Total</b>	<b>6,004</b>	<b>14,125</b>	<b>10,455</b>	<b>(3,670)</b>	<b>22,250</b>	<b>21,351</b>	<b>(899)</b>	<b>46</b>	<b>21,396</b>	

**Treasury Management Update – Period 6 - 2020/21**Investments held as at 30<sup>th</sup> September 2020:

<b>Borrower</b>	<b>Deposit £</b>	<b>Rate %</b>	<b>From</b>	<b>To</b>	<b>Notice</b>
Lancashire County Council	3,000,000	0.95%	29-Oct-19	28-Oct-20	-
Thurrock Council	3,000,000	0.83%	10-Oct-19	09-Oct-20	-
Lancashire County Council	3,000,000	1.10%	29-Oct-19	27-Oct-20	-
Lloyds Bank	1,000,000	1.10%	29-Nov-19	30-Nov-20	-
Lloyds Bank	1,000,000	1.10%	29-Nov-19	30-Nov-20	-
North Tyneside Council	5,000,000	1.20%	06-Dec-19	07-Jun-21	-
Bank of Scotland	2,000,000	1.10%	03-Jan-20	04-Jan-21	-
Bank of Scotland	2,000,000	1.10%	03-Jan-20	04-Jan-21	-
Coventry City Council	4,000,000	0.90%	29-Apr-20	28-Apr-21	-
Standard Chartered	5,000,000	0.20%	12-Aug-20	12-Feb-21	-
Santander	10,000,000	0.60%	-	-	180 day
MMF – PSDF	9,171,000	0.10%*	-	-	On call
MMF – Federated	6,000,000	0.11%*	-	-	On call
MMF – Federated	4,000,000	0.04%*	-	-	On call
MMF – Aberdeen	1,401,000	0.07%*	-	-	On call
<b>Total</b>	<b>59.572</b>	<b>0.77 (avg)</b>			

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



External Borrowing as at 30<sup>th</sup> September 2020:

<b><u>Borrowing from PWLB</u></b>				
<b><u>Loan Number</u></b>	<b><u>Rate</u></b>	<b><u>Principal</u></b>	<b><u>Start</u></b>	<b><u>Maturity</u></b>
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		<b>63,060,194</b>		

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3<sup>rd</sup> December 2020

### REPORT OF THE LEADER OF THE COUNCIL

#### DRAFT BASE BUDGET FORECASTS 2021/22 to 2025/26

##### **Purpose**

To inform Members of the re-priced base budget for 2021/22, base budget forecasts for the period 2021/22 to 2025/26 (the 5 Year Medium Term Planning Period) and the underlying assumptions and to consider the future strategy to address the financial trends.

##### **Recommendations**

###### **That:**

- 1. the technical adjustments and re-priced base budget figures for 2021/22 & indicative budgets to 2025/26 be approved (as attached at Appendix B, C, D, E, F, G & H);**
- 2. consideration be given to the proposed Policy Changes and Capital Programmes, as detailed within the report;**
- 3. consideration be given to the planned changes to Council Tax and Housing Rent for 2021/22, as detailed within the report; and**
- 4. in compliance with the Constitution of the Council, note that the Leader's Budget Workshop considered the budget proposals contained within this report on 2<sup>nd</sup> December 2020.**

##### **Executive Summary**

The following detailed budget information is contained within the report:

- Re-priced base budget information (& the associated technical adjustments) for 2021/22 in respect of the General Fund (GF) and Housing Revenue Account (HRA);
- A five year, medium term financial forecast for the General Fund and HRA;
- The associated strategy to address the financial trends & projection;
- The Provisional Capital Programmes for the General Fund and Housing Revenue Account for the period 2021/22 to 2025/26.

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

Currently projections identify:

1. A shortfall in General Fund balances of £1.6m over 3 years – with a shortfall of £4.9m to 2024//25 increasing to £8.6m over 5 years (the shortfall was previously forecast at £6.9m in 2024/25), including the minimum approved level of £0.5m;
2. HRA balances of £2.5m over 3 years with balances of £2m over the 4 years to 2024/25 reducing to £1.7m in 2025/26 (balances were previously forecast at £1.1m in 2024/25) including the minimum recommended balances of £0.5m.

Further savings of around £1.7m p.a. will be required over the next 5 years (£0.5m p.a. over 3 years), based on annual £5 increases in Council Tax. On an annualised basis this would equate to a year on year ongoing saving of £0.6m over 5 years (£0.3m year on year over 3 years).

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

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

When the current budget and MTFs were approved, future levels of funding for the Council were uncertain pending the most significant changes in Local Government funding for a generation. The reforms were planned to be in place by 2020/21 but were deferred until 2021/22. The Government has confirmed that the longer-term reforms for the local government finance system (including the move to 75% Business Rates Retention and Fairer Funding Review of Relative Needs and Resources) will be deferred again as a result of the current situation, although no timescales have been released. In addition, the next planned national Business Rates Revaluation, planned for 2021 will take effect from 2023.

On 21st July 2020, the Chancellor launched the 2020 Comprehensive Spending Review (CSR). The aim of the Review, which will be published in the autumn, was to set out the government's spending plans for the parliament – UK Government departments' resource budgets for the years 2021/22 to 2023/24 and capital budgets for the years 2021/22 until 2024/25, and devolved administrations' block grants for the same period. However, on 21<sup>st</sup> October, the Treasury formally announced that the Spending Review would be narrowed in scope to cover one year only, setting departments' resource and capital budgets for 2021/22. The NHS, schools, and 'priority infrastructure projects' (e.g. HS2 and hospital building) will still be fully funded for multi-year resource settlements.

Previously, the Chancellor confirmed that departmental spending (both capital and resource) will grow in real terms across the CSR period and that the government will deliver on the commitments made at Budget to level up and invest in the priorities of the British people. Given the impact COVID-19 has had on the economy, the Chancellor was clear there will need to be tough choices in other areas of spending at the review. As part of their preparations for the CSR departments have been asked to identify opportunities to reprioritise and deliver savings. Departments will also be required to fulfil a series of conditions in their returns, including providing evidence they are delivering the government's priorities and focussing on delivery.

The Government has said it will keep an open dialogue with the local authorities about the best approach to the next financial year, including how to treat accumulated business rates growth of £2m p.a. (pending the planned business rates baseline reset) and the approach to the 2021/22 local government finance settlement. It is also 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 planned to consult widely on proposals prior to implementation. In the longer-term, the Government remains committed to reform and want to take time to work with local authorities to make sure that the approach is right following the planned reviews:

- **Fair Funding Review (FFR)** of the distribution methodology including:
  - changes to the needs assessment (which will determine each Council's share of the national funding for Local Government – it is likely that this will reflect the impact of Social Care demands and that funding will be redistributed to Unitary and County Councils to the detriment of District Councils);
  - treatment of relative resources (to determine how much each Council can fund locally through income from fees and charges and council tax); and
  - any transitional arrangements to protect Councils from significant reductions in funding – and the impact from their unwinding.
- **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** – 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 up to £2m p.a.;
- Uncertainty over the ongoing funding for the **New Homes Bonus scheme**, local growth in housing numbers and share of the national pool (including potential increases to the 'deadweight' for which Councils no longer receive grant). The Government have confirmed that the 4-year legacy payments for New Homes Bonus (NHB) will continue to be paid after 2020/21, but there still remains uncertainty regarding new payments.

It is the Government's intention to look again at the New Homes Bonus scheme for 2021/22 and explore the most effective way to incentivise housing growth. They plan to consult widely on proposals prior to implementation.

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

- In 2016-17, at the start of the four-year offer made to local government, the Government introduced a separate council tax referendum principle for shire districts, to address particular pressures on these authorities. This principle meant that districts could increase council tax by the core principle (now announced as 2% for 2020/21 – this was previously 3%) or £5, whichever is greater. The Government has continued to grant this flexibility and is likely to continue for 2021/22.
- For 2019/20 a 2% increase in Local Government pay was agreed and included the introduction of a new pay spine on 1<sup>st</sup> April 2019 based on a bottom rate of £17,364 with additions, deletions and changes to other spinal column points. A 2.75% increase has been agreed for 2020/21 but future years remain uncertain. A 2.5% p.a. increase from 2021/22 has been assumed.
- The impact of any further uncertainty over future interest rate levels and their impact on investment income / treasury management;
- No one can know what the effect of the Covid-19 crisis will have on the economy and ultimately the impact for the Council's finances. It will be many months before we have a clearer idea on how the economy has responded to the recovery process – including any lasting effects for individual businesses and their employees. Social distancing measures will remain in place for the foreseeable future – impacting mainly on the Council's ongoing income receipts.

Measures taken to control Covid-19 are leading to heavy economic losses and this has and will continue to affect collection rates, as some individuals and businesses experience financial effects of the pandemic. The uncertainties created by the pandemic have also significantly increased volatility and uncertainty in markets. This applies not only to non-current operational and non-operational property assets held by authorities, but also to investment properties, financial assets and many assets held by pension funds.

There are further uncertainties arising from the finalisation of the Brexit process following the transition period which may also lead to a suppression of investment and achievement of the anticipated business rates income – in line with the assumed baseline and tariff levels set.

## Options Considered

As part of the budget setting process a number of options for the council tax increase levels for 2021/22 and future years have been modelled / considered.

<b>Council Tax</b>	<b>Option Modelled / Considered</b>
<b>Model 1</b>	<b>£5.00 increase in Council tax in 2021/22 (followed by increases of £5.00 p.a.)</b>
Model 2	2.99% increase in Council tax in 2021/22 (followed by increases of c.2.99% p.a.)
Model 3	£1 increase in Council tax in 2021/22 (followed by increases of £1 p.a.)
Model 4	2.5% increase in Council tax in 2021/22 (followed by increases of 2.5% thereafter)
Model 5	0% increase in Council tax in 2021/22 (followed by increases of 0% thereafter)
Model 6	1.99% increase in Council tax in 2021/22 (followed by increases of 1.99% thereafter)

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

## Resource Implications

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

The Forecast projects a shortfall in General Fund balances of £1.6m over 3 years – with a shortfall of £4.9m to 2024//25 increasing to £8.6m over 5 years (the shortfall was previously forecast at £6.9m in 2024/25), including the minimum approved level of £0.5m;

Further savings of around £1.7m p.a. will be required over the next 5 years (£0.5m p.a. over 3 years), based on annual £5 increases in Council Tax - in line with the cap set by the Ministry for Housing, Communities & Local Government (MHCLG).

On an annualised basis this would equate to a year on year ongoing saving of £0.6m over 5 years (£0.3m year on year over 3 years).

The current forecast projects Housing Revenue Account (HRA) balances of £2.5m over 3 years with balances of £2m over the 4 years to 2024/25 reducing to £1.7m in 2025/26 (balances were previously forecast at £1.1m in 2024/25) including the minimum recommended balances of £0.5m.

## Legal / Risk Implications

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

In line with the constitution a Leaders Budget Workshop has been arranged for 2<sup>nd</sup> December 2020. In order to allow Scrutiny Committees to respond to the Cabinet on the outcome of their deliberations, a meeting of the Scrutiny Committee (Budget) has been arranged for 27<sup>th</sup> January 2021.

Proposed amendments to the 2020/21 base budget, approved by Council on 25<sup>th</sup> February 2020, are detailed within the report.

## Key Risks

- The effect of the Covid-19 crisis on the economy and ultimately the impact for the Council's finances – including any lasting effects for individual businesses and their employees. Social distancing measures will remain in place for the foreseeable future – impacting mainly on the Council's ongoing income receipts.

Measures taken to control Covid-19 are leading to heavy economic losses and this has and will continue to affect collection rates, as some individuals and businesses experience financial effects of the pandemic. The uncertainties created by the pandemic have also significantly increased volatility and uncertainty in markets. This applies not only to non-current operational and non-operational property assets held by authorities, but also to investment properties, financial assets and many assets held by pension funds.

- There are further uncertainties arising from the finalisation of the Brexit process following the transition period which may also lead to a suppression of investment and achievement of the anticipated business rates income – in line with the assumed baseline and tariff levels set.
- The Government has confirmed that the longer-term reforms for the local government finance system (including the move to 75% Business Rates Retention and Fairer Funding Review of Relative Needs and Resources) will be deferred again as a result of the pandemic, although no timescales have been released. In addition, the next planned national Business Rates Revaluation, planned for 2021 will take effect from 2023.

The Government has said it will keep an open dialogue with the local authorities about the best approach to the next financial year, including how to treat accumulated business rates growth of £2m p.a. (pending the planned business rates baseline reset) and the approach to the 2021/22 local government finance settlement.

**There is a high risk that these reforms, including the planned Business Rates Reset (when a proportion of the growth in business rates achieved since 2013/14 will be redistributed), will have a significant effect on the Council's funding level from 2021/22;**



- Delivery of the planned Commercial Investment Strategy actions and associated improved investment returns of 4% p.a. arising from the investment of £24m from the capital receipt received over the period 2016 – 2018 from the sale of the former golf course (to support the MTFs in the long term);
- Uncertainty over the ongoing funding for the **New Homes Bonus scheme**, achievement of anticipated growth in new homes within the Borough and the associated dependency on the New Homes Bonus income to address / reduce the funding shortfall for the General Fund. The Government have confirmed that the 4-year legacy payments for New Homes Bonus (NHB) will continue to be paid after 2020/21, but there still remains uncertainty regarding new payments.

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

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

#### Risks to Capital and Revenue Forecasts:

<b>Risk</b>	<b>Control Measure</b>
Major variances to the level of grant / subsidy from the Government (including specific grants e.g. Benefits administration, Business Rates Section 31 funding); <b>(High)</b>	Sensitivity modelling undertaken to assess the potential impact in the estimation of future Government support levels; <b>(High / Medium)</b>
New Homes Bonus grant levels lower than estimated; Continuation of the scheme for 2020/21 has been confirmed – doubt over its continuation in future years; <b>(High/Medium)</b>	Future levels included based on legacy payments only; <b>(Medium/Low)</b>
Potential 'capping' of council tax increases by the Government or local Council Tax veto / referendum; <b>(Medium)</b>	Current indications are that increases of 2% or £5 and above risk 'capping' (2% or £5 for District Councils in 2020/21); <b>(Low)</b>
The achievement / delivery of substantial savings / efficiencies will be needed to ensure sufficient resources will be available to deliver the Council's objectives through years 4 to 5. Ongoing; <b>(High)</b>	A robust & critical review of savings proposals will be required / undertaken before inclusion within the forecast; <b>(High/Medium)</b>
Pay awards greater than forecast; <b>(Medium)</b>	Public sector pay cap was lifted from 2018/19 with pay awards of 2% p.a. for 2 years & 2.75% in 2020/21. Increases of 2.5% p.a. assumed from 2021/22; <b>(Medium / Low)</b>

Risk	Control Measure
<p>Pension costs higher than planned / adverse performance of pension fund;</p> <p><b>(Medium)</b></p>	<p>Regular update meetings with Actuary; Following an option to 'freeze' the 'lump sum' element for the 3 years from 2020/21 (after the triennial review during 2019), 2% p.a. year on year increases have been included from 2023/24;</p> <p><b>(Medium/Low)</b></p>
<p>Assessment of business rates collection levels to inform the forecast / budget (NNDR1) and estimates of appeals, mandatory &amp; discretionary reliefs, cost of collection, bad debts and collection levels;</p> <p>New burdens (Section 31) grant funding for Central Government policy changes – including impact on levy calculation;</p> <p>Potential changes to the Business Rates Retention system following the announcement for Councils to keep 75% (previously up to 100%) of the business rates collected; <b>(High)</b></p>	<p>Robust estimates included to arrive at collection target. Ongoing proactive management &amp; monitoring will continue;</p> <p>Business Rates Collection Reserve - provision of reserve funding to mitigate impact of any changes in business rate income levels;</p> <p>Monitoring of the situation / regular reporting;</p> <p><b>(High / Medium)</b></p>
<p>Local Council Tax Reduction scheme potential yield changes and maintenance of collection levels due to increases in unemployment caused by the pandemic; <b>(High)</b></p>	<p>Robust estimates included. Ongoing proactive management &amp; monitoring (including a quarterly healthcheck on the implications on the organisation – capacity / finance) will continue; <b>(High / Medium)</b></p>
<p>Achievement of income streams in line with targets in light of the economic conditions e.g. treasury management interest, car parking, planning, commercial &amp; industrial rents etc.; <b>(High / Medium)</b></p>	<p>Robust estimates using a zero based budgeting approach have been included;</p> <p><b>(Medium)</b></p>
<p>Delivery of the capital programme (GF / HRA – including Regeneration schemes) dependent on funding through capital receipts and grants (including DFG funding through the Better Care Fund); <b>(High / Medium)</b></p>	<p>Robust monitoring and evaluation – should funds not be available then schemes would not progress;</p> <p><b>(Medium)</b></p>
<p>Dependency on partner organisation arrangements and contributions e.g. Waste Management (SCC/LDC). <b>(High / Medium)</b></p>	<p>Memorandum of Understanding in place with LDC.</p> <p><b>(Medium)</b></p>
<p>Delivery of the planned Commercial Investment Strategy actions - recent review of the Treasury Management Investment Guidance / Minimum Revenue Provision Guidance carried out by MHCLG - with a potential restriction of investments by Councils given increased risk exposure. <b>(High/Medium)</b></p>	<p>The main issue seems to be the increased risks associated with those Councils who are borrowing large sums to invest in commercial property activities.</p> <p>Property Fund investment review carried out 2020.</p> <p><b>(Medium)</b></p>

<b>Risk</b>	<b>Control Measure</b>
Maintenance and repairs backlog for corporate assets – and planned development of long term strategic plan to address such. <b>(High / Medium)</b>	Planned development of long term strategic corporate capital strategy and asset management plan to consider the requirements and associated potential funding streams. <b>(Medium)</b>
Significant financial penalties arising from the implementation of the General Data Protection Regulations (GDPR). <b>(High / Medium)</b>	Implementation plan in place with corporate commitment and good progress. <b>(Medium)</b>
Property funds are not risk free - as such a risk based approach will need to be adopted – to balance risk against potential yield or return.  Based on past performance there is the potential for returns of c.4 to 5% p.a. but this is not guaranteed.  The value of the funds are also subject to fluctuation – which could mean a capital loss in one year (as well as expected gains).  The initial cost associated with the purchase of the investment in the funds is expected to be in the region of 5% - which would have to be recovered over the life of the investment (either from annual returns or capital appreciation). There is a real risk of a revenue loss therefore in the first year.  <b>(High/Medium)</b>	Any investment in funds which are deemed as capital expenditure will require the necessary capital programme budgets to be approved by full Council.  Risk is inherent in Treasury Management and as such a risk based approach will need to be adopted – to balance risk against potential yield or return.  It is suggested that risk be mitigated (although not eliminated) through investment in a diversified portfolio using a range of property funds.  The Council will also endeavour to use the secondary market for purchases to potentially gain access to a fund at a lower level of cost than via the primary route. Mitigation regulations are in place to defer any potential principal loss for 5 years.  Property Fund investment review carried out 2020 <b>(Medium)</b>

### Report Author

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

Background Papers:-	Corporate Vision, Priorities Plan, Budget & Medium Term Financial Strategy 2019/20, Council 25 <sup>th</sup> February 2020
	Budget and Medium Term Financial Planning Process, Cabinet 20 <sup>th</sup> August 2020
	Budget Consultation Report, Cabinet 12 <sup>th</sup> November 2020

## Base Budget Forecast 2021/22 to 2025/26

Revisions / updates have been made to the 2020/21 base budget in order to produce an adjusted base for 2021/22 and forecast base for 2022/23 onwards.

### General Fund Revenue

*Forecast* – When the budget for 2020/21, and indicative budgets for 2021/22 to 2022/23, were approved by Council in February 2020 it was anticipated that balances would remain above the minimum approved level of £0.5m for the 3 year period.

The Forecast projects a shortfall in General Fund balances of £1.6m over 3 years – with a shortfall of £4.9m to 2024//25 increasing to £8.6m over 5 years (the shortfall was previously forecast at £6.9m in 2024/25), including the minimum approved level of £0.5m.

The forecast has been updated to include:

- Additional balances brought forward due to an additional underspend in 2019/20 of £0.2m;
- The projected outturn underspend of £0.6m in 2020/21 – following the mitigating actions and additional Covid-19 grant funding of £0.5m (now increased to £1.25m plus an estimated £0.5m from the projected fees and charges income support grant);
- Ongoing savings from the non-essential spend review of £0.75m p.a. (previously forecast at £0.2m p.a.);
- Lower treasury management investment interest of £0.6m over 3 years from 2021/22, offset by lower interest payable to the HRA of £0.3m (£0.75m and £0.4m respectively over 5 years) – as previously forecast increases in the Bank of England base rate have been deferred due to the ongoing economic uncertainty. This has also delayed some of the planned property fund investments with an associated reduction in planned income of £0.2m in 2021/22;
- For future years, it has been assumed that the retained growth will be redistributed as part of the CSR 2020 / business rates reset and therefore business rates received will be equivalent to the tariff payable – meaning the Council will only retain the Government assessed Business Rates Baseline;
- The previously approved policy changes are included within this forecast – Assistant Directors were issued with the provisional information in August to review, confirm & resubmit by the end of September;
- Future Pension contribution levels – following an option to ‘freeze’ the ‘lump sum’ element for the 3 years from 2020/21 (after the triennial review during 2019), 2% p.a. year on year increases have been included from 2023/24;

- A marginal increase in cost due to the proposed pay award of 2.75% (compared to 2.5% budgeted) in 2020/21. A 2.5% p.a. pay award increase has been included within the MTFS from 2021/22 – no change has been assumed.

Should the Government let District Councils keep the accumulated growth in business rates (as they did last year) then that would benefit the MTFS – but that would be subject to the effect of the pandemic on future business rate income.

Balances held within earmarked reserves for Transformation and Business rates retention will also be available to support the development of the budget and MTFS.

### ***Implications & Options***

Further savings of around £1.7m p.a. will be required over the next 5 years (£0.5m p.a. over 3 years), based on annual £5 increases in Council Tax. On an annualised basis this would equate to a year on year ongoing saving of £0.6m over 5 years (£0.3m year on year over 3 years).

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

- The Recovery and Reset programme approved by Cabinet aims to consider how we can tackle the financial challenges facing the council as a result of the coronavirus pandemic. This will include reviewing services, reducing waste demand on services (basically this is any action or step in a process that does not add value to the customer), exploring opportunities for income generation and identifying any further savings. The overriding goal is to make sure our organisation remains fit for the future, while protecting services to the most vulnerable in our community.

The Recovery and Reset programme outlines that this work be split into eight projects:

1. **Financial Management and Commerciality** – Seeking to remove historic underspends and adopt an in-service approach to rigorous and controlled spending.
2. **Smart Working** – Exploration of the business impacts around current levels of home working and what the future is for AGILE working.
3. **Building Requirements and Utilisation** – Consideration of the best use of all our property assets to ensure the council's resources are focused on front line service delivery.
4. **Front Reception and Customer Service Offer** – Exploration of customer service models to assess the impact of front reception closing during the pandemic and how acceleration of digitising services can be delivered whilst ensuring our most vulnerable customers retain face to face services.
5. **Service Re-design and Review** – An organisational wide review of each service to identify short, medium and longer-term opportunities to improve delivery of services central to the council's core purpose and strategic aims.

6. **Third Sector Support and Vulnerability Strategy** – Recognising that one of the most positive outcomes to the Pandemic is the overwhelming ability of ‘anchor organisations and communities’ to mobilise and support each other, this project will explore how the Council’s commissioning framework can be aligned to build on these foundations going forward and how we define and develop our vulnerability strategy, building on the baseline assessment commissioned over the summer.
7. **Economy and Regeneration** - Work has continued on the future of our high street and alongside this the economic recovery and regeneration of Tamworth is central to our future Recovery and Reset.
8. **Heritage** – This project will attempt to define and establish a baseline of all of our heritage assets and review all opportunities to celebrate, nurture and protect our local heritage.

Together with any opportunities arising from the response to the Covid-19 pandemic, for Member consideration during the budget process.

- Ongoing lobbying of Government to provide additional support, in light of the financial impact of the pandemic, and clarity over future funding arrangements – including discussions with the MP and continued Local Government Association (LGA) representation and parliamentary briefings.

Monthly completion of Covid-19 financial monitoring returns to MHCLG and sales, fees and charges income loss compensation scheme claims.

This has led to additional Covid-19 related grants and the income protection scheme - in addition to the unringfenced grant of £1.25m, it is also expected that over £0.5m will be received from the projected fees and charges income support grant.

- Non-essential spend review identified £1.2m in 2020/21 (including Vacancies of £0.5m) and ongoing year on year savings included in the base budget of c.£0.75m (from the £1.2m identified in 2020/21) comprising £0.362m ongoing vacant posts which will not now be filled (from the £0.512m identified in 2020/21) and £0.386m unspent budgets (from £0.674m identified in 2020/21). In light of the financial situation facing the Council, managers were tasked with identifying low level non-essential budgets for removal from the budget.
- Recruitment freeze for all but essential posts (which are subject to robust re-justification process).
- Review of Property fund investment options 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 2021/22.
- Review of reserves – planned for November (including ensuring adequate provision for the funding uncertainties) / creation of fund for transformation costs).

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

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

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

## **Housing Revenue Account**

*Forecast* – When the budget for 2020/21, and indicative budgets for 2021/22 to 2024/25, were approved by Council in February 2020 it was anticipated that balances would remain above the minimum approved level of £0.5m for the 5-year period, with significant planned contributions to a regeneration reserve.

The forecast projects HRA balances of £2.5m over 3 years with balances of £2m over the 4 years to 2024/25 reducing to £1.7m in 2025/26 (balances were previously forecast at £1.1m in 2024/25) including the minimum recommended balances of £0.5m.

The forecast has been updated to include:

- Additional balances brought forward due to an additional underspend in 2019/20 of £1.5m;
- The projected outturn overspend of £95k in 2020/21;
- Lower treasury management investment interest of £0.3m over 3 years from 2021/22 (£0.4m over 5 years) – as previously forecast increases in the Bank of England base rate have been deferred due to the ongoing economic uncertainty;
- The previously approved policy changes are included within this forecast – Assistant Directors were issued with the provisional information in August to review, confirm & resubmit by the end of September;
- Future Pension contribution levels – following an option to ‘freeze’ the ‘lump sum’ element for the 3 years from 2020/21 (after the triennial review during 2019), 2% p.a. year on year increases have been included from 2023/24;
- A marginal increase in cost due to the proposed pay award of 2.75% (compared to 2.5% budgeted).

It is currently anticipated that the rent loss arising from delays in letting void properties, increase in universal credit applications and temporary suspension of deductions from Universal Credit for rent arrears can be managed within budget for 2020/21. No further rent reductions have been assumed – with no changes to the current rent free weeks.

## Detailed Considerations

### Base Budget Forecasts 2021/22 to 2025/26

Revisions / updates have been made to the 2020/21 base budget in order to produce an adjusted base for 2021/22 and forecast base for 2022/23 onwards. These changes, known as technical adjustments, have been informed by feedback from budget managers and calculated to take account of:

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

### General Fund – Technical Adjustments Summary

Technical Adjustments	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Base Budget B/Fwd	9,153	8,645	9,095	10,096	10,613
Committee Decisions	(805)	250	280	(8)	0
Inflation	20	33	35	35	35
Other	24	(137)	395	208	288
Pay Adjustments (Including pay award / 7.5% reduction for vacancy allowance)	253	304	291	282	266
Revised charges for non-general fund activities	0	0	0	0	0
Virements	0	0	0	0	0
<b>Total / Revised Base Budget</b>	<b>8,645</b>	<b>9,095</b>	<b>10,096</b>	<b>10,613</b>	<b>11,202</b>

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



## Future Revenue Support Grant & Business Rate Income

On 20<sup>th</sup> December 2019, the Secretary of State for the Ministry for Housing, Communities and Local Government, Rt. Hon. Robert Jenrick MP, made a written statement to Parliament on the provisional local government finance settlement (LGFS) 2020/21. This was confirmed in a written statement to Parliament on 6<sup>th</sup> February 2020.

The updated National Core Spending Power figures are detailed below and include the Settlement Funding Assessment (SFA); Council Tax; the Improved Better Care Fund; New Homes Bonus (NHB); Transitional Grant; Rural Services Delivery Grant; and the Adult Social Care Support Grant. The table shows the national changes to Core Spending Power between 2015/16 and 2020/21. It shows an increase of 6.3% for 2020/21 and an overall increase for the period 2015/16 to 2020/21 of 10%.

<b>Core Spending Power National Position</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>
Settlement Funding Assessment	21,250	18,602	16,633	15,574	14,560	14,797
Under-indexing business rates multiplier	165	165	175	275	400	500
Council Tax	22,036	23,247	24,666	26,332	27,768	29,370
Improved Better Care Fund	-	-	1,115	1,499	1,837	2,077
New Homes Bonus	1,200	1,485	1,252	947	918	907
Rural Services Delivery Grant	16	81	65	81	81	81
Transition Grant	-	150	150	-	-	-
Adult Social Care Support Grant	-	-	241	150	-	-
Winter pressures Grant	-	-	-	240	240	-
Social Care Support Grant	-	-	-	-	410	1,410
<b>Core Spending Power</b>	<b>44,666</b>	<b>43,730</b>	<b>44,296</b>	<b>45,098</b>	<b>46,213</b>	<b>49,142</b>
<b>Change %</b>		<b>(2.1)%</b>	<b>1.3%</b>	<b>1.8%</b>	<b>2.5%</b>	<b>6.3%</b>
<b>Cumulative change %</b>		<b>(2.1)%</b>	<b>(0.8)%</b>	<b>1.0%</b>	<b>3.5%</b>	<b>10.0%</b>

However, there remains a high degree of uncertainty arising from the most significant changes in Local Government funding for a generation. The planned reforms were due to be in place by 2021/22 (after the deferral from 2020/21) but have now been deferred again.

Given the pandemic, the work on the review of local government funding, fair funding review, future of new homes bonus and business rates retention will be deferred again, although no timescales have been released.

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 was carried out, covering the financial year 2020/21; and this will again now be followed in 2020 by a one year Spending Review.

For future years (post 2021/22), it has been assumed that there will be a reduction in Revenue Support Grant to nil, as detailed below.

<b>BASE BUDGET</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Revenue Support Grant	187,335	190,536	-	-	-	-
% Reduction	1.7%	1.6%	(100)%	-	-	-

## **Business Rates**

The 2021/22 finance settlement represents the ninth year in which the Business Rates Retention (BRR) scheme is the principal form of local government funding. As in the previous years, the provisional settlement provides authorities with a combination of provisional grant allocations and their baseline figures within the BRR scheme.

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

The Council received additional business rates during 2013/14 (above forecast / baseline) and had to pay a levy of £356k to the Greater Birmingham & Solihull Local Enterprise Partnership (GBSLEP). No levy was payable for 2014/15 due to the significant increase in appeals during March 2015 – which meant an increase in the provision from £1m to almost £4m. The Council received additional business rates during 2015/16, 2016/17, 2017/18 and 2018/19 (above forecast / baseline) and had to pay a levy of £534k, £612k, £1.17m and £992k respectively. For 2019/20, due to the pilot arrangement, no levy was payable although growth over baseline was £1.97m.

The latest estimates for 2020/21 indicate additional business rates receivable above the baseline – of which the Council will receive 40% less the Government set tariff payment of c.£10m (plus an agreed share of the surplus from the Staffordshire pool arrangement - after deduction of the 25% Central Share, 9% County & 1% Fire & Rescue Authority shares). It should be noted that c.£17.7m in additional relief has been granted in 2020/21 due to the pandemic – meaning that retail, leisure and hospitality businesses will pay no business rates in 2020/21.

For future years, it has been assumed that the retained growth will be redistributed as part of the CSR 2020 / business rates reset and therefore business rates received will be equivalent to the tariff payable – meaning the Council will retain the Government assessed Business Rates Baseline.

The Government has said it will keep an open dialogue with the local authorities about the best approach to the next financial year, including how to treat accumulated business rates growth of £2m p.a. (pending the planned business rates baseline reset) and the approach to the 2021/22 local government finance settlement – this will not be known until late December when the settlement is published. Should the Government let District Councils keep the accumulated growth in business rates (as they did last year) then that would benefit the MTFs – but that would be subject to the effect of the pandemic on future business rate income.

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

<b>BASELINE</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
	£	£	£	£	£
<b>February 2020 MTFS:</b>					
Retained Business Rates	15,403,818	15,704,865	16,011,414	16,331,642	16,658,275
Less: Tariff payable	(13,041,378)	(13,294,366)	(13,582,302)	(13,853,948)	(14,131,027)
Total SFA	2,362,440	2,410,499	2,429,112	2,477,694	2,527,248
% Reduction	(6.5)%	2.0%	0.8%	2.0%	2.0%
<b>Base Budget Forecast (November 2020):</b>					
Retained Business Rates	14,637,102	14,918,867	15,217,244	15,521,589	15,832,021
Less: Tariff payable	(12,282,227)	(12,518,660)	(12,769,033)	(13,024,414)	(13,284,902)
Total SFA	2,354,876	2,400,207	2,448,211	2,497,175	2,547,119
% Reduction	(6.8)%	1.9%	2.0%	2.0%	2.0%
<b>Increase / (Decrease)</b>	<b>(7,564)</b>	<b>(10,292)</b>	<b>19,099</b>	<b>19,481</b>	<b>19,871</b>

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

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

<b>BASE BUDGET</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
	£	£	£	£	£
<b>February 2020 MTFS:</b>					
Retained Business Rates	15,403,818	15,704,865	16,011,414	16,331,642	16,658,275
Less: Tariff payable	(13,041,378)	(13,294,366)	(13,582,302)	(13,853,948)	(14,131,027)
Total	2,362,440	2,410,499	2,429,112	2,477,694	2,527,248
% Reduction*	(34.6)%	2.0%	0.8%	2.0%	2.0%
<b>Base Budget Forecast (November 2020):</b>					
Retained Business Rates	14,637,102	14,918,867	15,217,244	15,521,589	15,832,021
Less: Tariff payable	(12,282,227)	(12,518,660)	(12,769,033)	(13,024,414)	(13,284,902)
Total	2,354,876	2,400,207	2,448,211	2,497,175	2,547,119
% Reduction	(34.8)%	1.9%	2.0%	2.0%	2.0%
<b>Increase / (Decrease)</b>	<b>(7,564)</b>	<b>(10,292)</b>	<b>19,099</b>	<b>19,481</b>	<b>19,871</b>

\* The reduction in retained business rates for the base budget reflects the assumed re-distribution of accumulated growth with retained business rates falling to baseline from 2021/22 (previously £3.6m for 2020/21).

Based on this Government financial support is shown below:

<b>DRAFT MTFS</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
	£	£	£	£	£
<b>February 2020 MTFS:</b>					
Revenue Support Grant	-	-	-	-	-
Retained Business Rates	15,403,818	15,704,865	16,011,414	16,331,642	16,658,275
Less: Tariff payable	(13,041,378)	(13,294,366)	(13,582,302)	(13,853,948)	(14,131,027)
<b>Total</b>	<b>2,362,440</b>	<b>2,410,499</b>	<b>2,429,112</b>	<b>2,477,694</b>	<b>2,527,248</b>
% Reduction	(34.6)%	2.0%	0.8%	2.0%	2.0%
<b>Base Budget Forecast (November 2020):</b>					
Revenue Support Grant	190,536	-	-	-	-
Retained Business Rates	14,637,102	14,918,867	15,217,244	15,521,589	15,832,021
Less: Tariff payable	(12,282,227)	(12,518,660)	(12,769,033)	(13,024,414)	(13,284,902)
<b>Total</b>	<b>2,545,412</b>	<b>2,400,207</b>	<b>2,448,211</b>	<b>2,497,175</b>	<b>2,547,119</b>
% Reduction	(29.5)%	(5.7)%	2.0%	2.0%	2.0%
<b>Increase / (Decrease)</b>	<b>182,972</b>	<b>(10,292)</b>	<b>19,099</b>	<b>19,481</b>	<b>19,871</b>

### **New Homes Bonus (NHB)**

There remains significant uncertainty over the future operation of the scheme with recent announcements that it will be considered as part of the review of Fair Funding review and the Business Rates retention scheme – which have been further deferred.

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

It is the Government's intention to look again at the New Homes Bonus scheme for 2021/22 and explore the most effective way to incentivise housing growth. They planned to consult widely on proposals prior to implementation. As the roll forward was 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 from 2020/21 will not result in legacy payments being made in subsequent years on those allocations.

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

<b>BASE BUDGET</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
<b>NHB</b>	£	£	£	£	£
Base Budget Forecast	230,910	211,750	-	-	-
Revised Risk Weighting applied (legacy payments only)	100%	100%	0%	0%	0%

## Forecast

Using the funding forecast and assuming increases in Council Tax of £5 per annum for 2021/22 onwards, the five year base budget forecast is as follows:

Summary	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/25 £'000
<b>Estimated Net Cost of Services</b>	<b>8,645</b>	<b>9,096</b>	<b>10,096</b>	<b>10,613</b>	<b>11,202</b>
Proposed Policy Changes / Additional Costs Identified	381	132	(38)	(30)	22
Net Expenditure	9,026	9,228	10,058	10,583	11,224
<b>Financing:</b>					
RSG	191	-	-	-	-
Collection Fund Surplus - NNDR	33	33	33	33	33
Tariff Payable	(12,282)	(12,519)	(12,769)	(13,024)	(13,285)
Non Domestic Ratepayers	14,637	14,919	15,217	15,522	15,832
Council Tax Income (Model 1)	4,253	4,430	4,600	4,758	4,917
Gross Financing	6,832	6,863	7,081	7,289	7,497
Surplus(-)/Deficit	2,194	2,365	2,977	3,294	3,727
Balances Remaining (-) / Overdrawn	(4,219)	(1,854)	1,123	4,417	8,144
Per Council, 25 <sup>th</sup> February 2020	(2,362)	(518)	-	-	-
Band D Equivalents	22,757	23,085	23,365	23,565	23,765

Indicating a potential shortfall in General fund balances of approx. £1.6m over 3 years (with a shortfall of £4.9m over 4 years & £8.6m over the 5 year period) - including the minimum approved level of £0.5m.

Balances are forecast to be £6.4m at 31<sup>st</sup> March 2021.

A detailed summary of the budget for 2021/22 is attached at **Appendix F** with 5 years attached at **Appendix G**.

## Future Strategy

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

### 1) Variations to Council Tax Policy/Strategy

For future years potential 'capping' of the increase by the Government or a proposed local council tax referendum/veto needs to be considered when setting future Council Tax increases. The Council's Council Tax is currently £181.89.

The indication is that the 'capping' threshold for District Councils will be the higher of £5 or 2.0% - following a freeze in 2011/12 & 2012/13 and a below 2% increase from 2013/14 to 2016/17 (followed by c.3% or £5 p.a. to 2020/21). The impact of a £5 p.a. increase (Band D) is outlined below:

#### Model 1 Impact of £5 increase in Council Tax in 2021/22 (followed by £5 p.a.)

Year:	2021/22	2022/23	2023/24	2024/25	2025/26
Forecast:	£'000	£'000	£'000	£'000	£'000
Surplus (-) /Deficit	2,194	2,365	2,977	3,294	3,727
<b>Balances Remaining (-) / Overdrawn</b>	<b>(4,219)</b>	<b>(1,854)</b>	<b>1,123</b>	<b>4,417</b>	<b>8,144</b>
£ Increase	5.00	5.00	5.00	5.00	5.00
% Increase	2.75%	2.68%	2.61%	2.54%	2.48%
Note: Resulting Band D Council Tax	186.89	191.89	196.89	201.89	206.89

Indicating a potential shortfall in General fund balances of approx. £1.6m over 3 years (with a shortfall of £4.9m over 4 years & £8.6m over the 5 year period) - including the minimum approved level of £0.5m. Further savings of approx. £1.7m per annum over 5 years would have to be identified.

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

**Model 2 Impact of 2.99% increase in Council Tax in 2021/22 (followed by increases of 2.99% p.a. thereafter)**

Year:	2021/22	2022/23	2023/24	2024/25	2025/26
Forecast:	£'000	£'000	£'000	£'000	£'000
<b>(Increase) in Council Tax £</b>	(10)	(24)	(42)	(65)	(91)
Revised Surplus (-) /Deficit	2,184	2,341	2,935	3,229	3,636
<b>Balances Remaining (-) / Overdrawn</b>	<b>(4,229)</b>	<b>(1,888)</b>	<b>1,047</b>	<b>4,276</b>	<b>7,912</b>
£ Increase	5.45	5.61	5.78	5.96	6.11
% Increase	3.00%	2.99%	3.00%	3.00%	2.99%
Note: Resulting Band D Council Tax	187.34	192.95	198.73	204.69	210.80

Indicating a potential shortfall in General fund balances of approx. £1.5m over 3 years (with a shortfall of £4.8m over 4 years & £8.4m over the 5 year period) - including the minimum approved level of £0.5m. Further savings of approx. £1.7m per annum over 5 years would have to be identified.

**Model 3 Impact of £1 increase in Council Tax in 2021/22 (followed by increases of £1 p.a. thereafter)**

Year:	2021/22	2022/23	2023/24	2024/25	2025/26
Forecast:	£'000	£'000	£'000	£'000	£'000
<b>Reduction in Council Tax £</b>	91	183	276	370	465
Revised Surplus (-) /Deficit	2,285	2,548	3,253	3,664	4,192
<b>Balances Remaining (-) / Overdrawn</b>	<b>(4,128)</b>	<b>(1,580)</b>	<b>1,673</b>	<b>5,337</b>	<b>9,529</b>
£ Increase	1.00	1.00	1.00	1.00	1.00
% Increase	0.55%	0.55%	0.54%	0.54%	0.54%
Note: Resulting Band D Council Tax	182.89	183.89	184.89	185.89	186.89

Indicating a potential shortfall in General fund balances of approx. £2.2m over 3 years (with a shortfall of £5.8m over 4 years & £10m over the 5 year period) - including the minimum approved level of £0.5m. Further savings of approx. £2m per annum over 5 years would have to be identified.

**Model 4 Impact of 2.5% increase in Council Tax in 2021/22 (followed by increases of 2.5% p.a. thereafter)**

Year:	2021/22	2022/23	2023/24	2024/25	2025/26
Forecast:	£'000	£'000	£'000	£'000	£'000
<b>Reduction in Council Tax £</b>	10	18	23	26	26
Revised Surplus (-) /Deficit	2,204	2,383	3,000	3,320	3,753
<b>Balances Remaining (-) / Overdrawn</b>	<b>(4,209)</b>	<b>(1,826)</b>	<b>1,174</b>	<b>4,494</b>	<b>8,247</b>
£ Increase	4.54	4.65	4.77	4.89	5.01
% Increase	2.5%	2.5%	2.5%	2.5%	2.5%
Note: Resulting Band D Council Tax	186.43	191.08	195.85	200.74	205.75

Indicating a potential shortfall in General fund balances of approx. £1.7m over 3 years (with a shortfall of £5m over 4 years & £8.8m over the 5 year period) - including the minimum approved level of £0.5m. Further savings of approx. £1.7m per annum over 5 years would have to be identified.

**Model 5 Impact of 0% increase in Council Tax in 2021/22 (followed by increases of 0% thereafter)**

Year:	2021/22	2022/23	2023/24	2024/25	2025/26
Forecast:	£'000	£'000	£'000	£'000	£'000
<b>Reduction in Council Tax £</b>	114	229	346	464	583
Revised Surplus (-) /Deficit	2,308	2,594	3,323	3,758	4,310
<b>Balances Remaining (-) / Overdrawn</b>	<b>(4,105)</b>	<b>(1,511)</b>	<b>1,812</b>	<b>5,570</b>	<b>9,880</b>
£ Increase	0.00	0.00	0.00	0.00	0.00
% Increase	0.00%	0.00%	0.00%	0.00%	0.00%
Note: Resulting Band D Council Tax	181.89	181.89	181.89	181.89	181.89

Indicating a potential shortfall in General fund balances of approx. £2.3m over 3 years (with a shortfall of £6.1m over 4 years & £10.4m over the 5 year period) - including the minimum approved level of £0.5m. Further savings of approx. £2.1m per annum over 5 years would have to be identified.



**Model 6 Impact of 1.99% increase in Council Tax in 2021/22 (followed by increases of 1.99% p.a. thereafter)**

Year:	2021/22	2022/23	2023/24	2024/25	2025/26
Forecast:	£'000	£'000	£'000	£'000	£'000
<b>Reduction in Council Tax £</b>	31	61	90	117	143
Revised Surplus (-) /Deficit	2,225	2,426	3,067	3,411	3,870
<b>Balances Remaining (-) / Overdrawn</b>	<b>(4,188)</b>	<b>(1,762)</b>	<b>1,305</b>	<b>4,716</b>	<b>8,586</b>
£ Increase	3.62	3.69	3.76	3.84	3.91
% Increase	1.99%	1.99%	1.99%	1.99%	1.99%
Note: Resulting Band D Council Tax	185.51	189.20	192.96	196.80	200.71

Indicating a potential shortfall in General fund balances of approx. £1.8m over 3 years (with a shortfall of £5.2m over 4 years & £9.1m over the 5 year period) - including the minimum approved level of £0.5m. Further savings of approx. £1.8m per annum over 5 years would have to be identified.

2) *Potential Savings / additional costs*

Potential revenue policy changes are highlighted below:

<b>Item No</b>	<b>Policy Changes Identified</b>	<b>21/22 £'000</b>	<b>22/23 £'000</b>	<b>23/24 £'000</b>	<b>24/25 £'000</b>	<b>25/26 £'000</b>
<b>PAR1</b>	Reduction in Civil Parking Enforcement income and expenditure predictions due to COVID-19 pandemic	39.0	(39.0)	-	-	-
<b>A&amp;G1</b>	Review of Elections budgets from a zero-base, factoring in the anticipated schedule of elections. It is anticipated that additional costs relating to running elections in 2021 in a Covid secure manner will be offset by Government Grant already received	62.0	(7.3)	(71.4)	7.8	57.0
<b>A&amp;G2</b>	Savings as a result of deletion from the establishment of vacant principal Auditor and Audit Assistant posts - less virement of £38k to External Support re externalisation of internal audit support to Lichfield DC	(24.5)	-	-	-	-
<b>G&amp;R1</b>	Reduced predicted income from car parking services based on the post pandemic trends.	213.1	(213.1)	-	-	-
<b>G&amp;R2</b>	Reduced predicted education income from the operation of the castle as we move into Pandemic recovery	16.4	-	(16.4)	-	-
<b>G&amp;R3</b>	Reduced predicted income from the operation of the castle as we move into Pandemic recovery	71.8	-	(71.8)	-	-
<b>G&amp;R4</b>	The creation of a budget to support business engagement and business support activities through the Economic Development function	5.5	-	-	-	(5.5)
<b>G&amp;R4</b>	Termination of Economic Development shared service with Lichfield DC	(22.0)	-	-	-	-
<b>G&amp;R5</b>	£10k for the period of April 2022 to end of March 2023 (1 financial year), to match fund against a European funded project, to enable businesses and individuals to start up	-	10.0	(10.0)	-	-
<b>G&amp;R6</b>	Subject to award of Future High Streets Fund, monitor and evaluate the success and impact of the project and its components, and the wider medium term change in the Town Centre	20.0	-	-	-	-
	<b>Total New Items / Amendments</b>	<b>381.3</b>	<b>(249.4)</b>	<b>(169.6)</b>	<b>7.8</b>	<b>51.5</b>
	<b>Cumulative</b>	<b>381.3</b>	<b>131.9</b>	<b>(37.7)</b>	<b>(29.9)</b>	<b>21.6</b>

As part of the planned review & scrutiny process leading up to formal presentation of the budget, Executive Management Team will consider feedback received from the Budget Consultation process, the Joint Scrutiny Budget workshop and the Joint Budget Scrutiny Committee (planned for 27<sup>th</sup> January 2021) in order to inform the next stages of the budget process:

- a review of the proposals including:
  - Reference to the Council's corporate priorities together with the feedback & issues raised by the budget consultation exercise, and
  - Consideration of how the limited resources can be 'rationed' (& whether service improvements in a priority area should be met from service reductions elsewhere).
- Inclusion of any further potential savings in order to mitigate the forecast budget shortfall. This process is ongoing and will be reported as policy changes in the next phase of the budget process in order to formulate a balanced medium term financial strategy for approval by Cabinet & Council in February 2021.

## Housing Revenue Account – Technical Adjustments Summary

Technical Adjustments	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Base Budget B/Fwd	1,337	527	1,548	275	463
Committee Decisions	(502)	1,198	(1,133)	335	0
Inflation	128	195	170	172	178
Other	(540)	(462)	(397)	(401)	(410)
Pay Adjustments (Including pay award / reduction of 7.5% for vacancy allowance)	104	90	87	82	79
Revised charges for non-general fund activities	0	0	0	0	0
Virements	0	0	0	0	0
<b>Total / Revised Base Budget</b>	<b>527</b>	<b>1,548</b>	<b>275</b>	<b>463</b>	<b>310</b>

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

Summary	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
<b>Estimated Net (Surplus) / Deficit</b>	527	1,548	275	463	310
Proposed Policy Changes / Additional Costs Identified	-	-	-	-	-
Surplus (-) / Deficit	527	1,548	275	463	310
Balances Remaining (-) / Overdrawn	(4,291)	(2,743)	(2,468)	(2,005)	(1,695)

Per Council, 25 <sup>th</sup> February 2020	(3,013)	(1,586)	(1,447)	(1,131)	-
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The updated HRA base budget forecast now shows that over the 3 year period to 2023/24, balances will remain above the approved minimum of £0.5m at £2.5m with balances of £2m over the 4 years to 2024/25 reducing to £1.7m in 2025/26.

There are no revenue policy changes proposals for the HRA.

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

## Rent Setting Policy

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

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

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

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

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

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

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

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

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

In setting the rent setting policy the Council had full regard to legislation, regulations and associated rent setting guidance including the Welfare Reform and Work Act 2016 which gave effect to the Government's 1% rent reduction for four years up to 2020/21.

For 2021/22 (and in the medium term), rents will be set in line with the approved policy including a general increase of the consumer price index (CPI) measure of inflation of plus 1% - equating to a 1.5% increase (followed by forecast increases of 3% p.a.).

The following options have been modelled:

	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £
<b>Option 1: CPI + 1%</b>						
Rent (52 Weeks)	81.17	82.38	84.86	87.40	90.02	92.72
Rent (48 Weeks)	87.93	89.25	91.93	94.68	97.52	100.45
% Increase	2.70%	1.50%	3.00%	3.00%	3.00%	3.00%
	0	0	0	0	0	0
<b>Option 2: CPI</b>						
Rent (52 Weeks)	81.17	81.57	83.20	84.87	86.56	88.30
Rent (48 Weeks)	87.93	88.37	90.14	91.94	93.78	95.65
% Increase	2.70%	0.50%	2.00%	2.00%	2.00%	2.00%
<b>Reduced Rent compared to Option 1</b>	<b>0</b>	<b>184,560</b>	<b>373,650</b>	<b>570,130</b>	<b>774,190</b>	<b>986,080</b>
			<b>5 year impact</b>			<b>2,888,610</b>
<b>Option 3: No increase</b>						
Rent (52 Weeks)	81.17	81.17	81.17	81.17	81.17	81.17
Rent (48 Weeks)	87.93	87.93	87.93	87.93	87.93	87.93
% Increase	2.70%	0%	0%	0%	0%	0%
<b>Reduced Rent compared to Option 1</b>	<b>0</b>	<b>276,840</b>	<b>834,500</b>	<b>1,403,120</b>	<b>1,982,890</b>	<b>2,574,090</b>
			<b>5 year impact</b>			<b>7,071,440</b>
Inflation at CPI + 1%	2.70%	1.50%	3.00%	3.00%	3.00%	3.00%

## Corporate Capital Strategy

The Council has an ongoing capital programme of over £40m for 2020/21 and an asset base valued at £250m (as at 31<sup>st</sup> March 2020).

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

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

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

The Capital Strategy will:

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

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

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

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

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

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

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

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

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

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

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

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

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



Following a review of the Capital Programme approved by Council on 25<sup>th</sup> February 2020, a revised programme has been formulated including additional schemes which have been put forward for inclusion.

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

A number of new schemes have been proposed and the forecast has highlighted that insufficient resources are available to finance all of the GF schemes submitted which means, should the schemes progress either:

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

The minimum approved level of GF capital balances is £0.5million which, should the programme progress without amendment, would mean £1.7m in borrowing would be needed (or use of the capital receipt) over the next 5 years (£1.25m over 3 years, £1.5m over 4 years) – a reduction £0.3m over 3 years (& £0.4m over 4 years) since the provisional programme was approved, due to higher levels of DFG grant income.

There has been some significant changes in the Housing capital programme from that provisionally approved – with a number of new schemes proposed. It has also been updated to include the new year 5 costs for 2025/26.

Given the significant reduction in spend over the 4 years of c.£4m (c.£10m reduction less the re-profiling of £6m from years 2,3,4 & 5 into 2020/21 to allow for the acquisition of housing property [£1.5m from each year from Regeneration & Affordable Housing]) then funding remaining within the HRA capital reserves is forecast at £7m, pending the results of the planned stock condition surveys.

It should be noted that there are no debt repayment costs for the HRA and the Government has now lifted the previous debt cap (of £79.407m). The current HRA Capital Financing Requirement (CFR) stands at £68.53m with planned borrowing in 2020/21 of £2m relating to the Tinkers Green and Kerria Regeneration projects – reduced from £7.2m due to receipt of Homes England grant of c.£5m.

With regard to the contingency schemes/allocation **£235k** remains in current year contingency funds (£135k GF/ £100k HRA) - which will be re-profiled into 2021/22 to provide General Contingency funding.

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

## General Fund

The minimum approved level of GF capital balances is £0.5million which, should the programme progress without amendment, would mean £1.7m in borrowing would be needed (or use of the capital receipt) over the next 5 years (£1.25m over 3 years, £1.5m over 4 years) – a reduction £0.3m over 3 years (& £0.4m over 4 years) since the provisional programme was approved, due to higher levels of DFG grant income.

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

#### **Project Score: 72**

An updated capital submission had been prepared for £60kp.a. – revised to £60k for 2 years then £30k p.a.

Significantly increased reliance on ICT has resulted in a commitment to *ongoing, large scale upgrade and maintenance to the TBC infrastructure, in line with technology lifecycles. The Council is also on a journey towards digital transformation and self service for customers, demand for flexible resilient and available ICT services to support this requires continued investment into the authorities hardware and associated software.* The organisation is also establishing new, more flexible and agile ways of working which requires investment into technology to support ongoing effectiveness. *External factors including legislative requirements from central government in the guise of the Public Sector Network (PSN) Code of Connection, and the increase in required investment into cyber security to keep the councils network secure and available means continued investment is essential. It should be noted that corporate applications are excluded from this schedule of planned work.*

***An annual £60k budget was approved for 2020/21 with an expectation that budgets from 2021/22 onwards would be informed by the conclusions of the priority review and ICT Strategy (including a detailed breakdown of the proposed spend).***

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

### 2) V13 Income Management System & 3 D Secure

#### **Project Score: 48**

A new capital submission had been prepared for potential spend of £27.4k in 2021/22 for an upgrade of the payment management system to V13 & implementation of 3D Secure to meet mandatory customer authentication system as required by the FCA.

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The appraisal identifies additional hosting costs of £8.5k p.a. A Cloud hosted solution is available with an additional revenue budgetary impact for the hosting fee, but, including capital impact, over 5 years savings will be around £6k. Annual revenue commitments associated with the system will increase but there will be no capital outlay required for upgrades over the longer year term. Savings could also be made in associated on premise hardware maintenance. However, the Cloud solution proposed is subject to review. An up to date income system is needed and switching to another system would be more costly in terms of implementation, training, interfaces, etc

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### 3) Off Street Car Parking Infrastructure Update

#### **Project Score: 24**

A new capital submission had been prepared for potential spend of £50k in 2021/22 to update all car parking machines across the Council's Town Centre car parking estate in order to ensure:

- less maintenance costs;
- lower staff resource required;
- full back end reporting system;
- cashless paying on machines;
- less vulnerable to criminal activity;
- consistent machines across all estate,
- ability to generate more income through less down time and more user friendly interface.

£68k of current budgets/reserves in 2020/21 will be used to start this project. The capital allocation in this bid is to complete the project.

Use of an existing Growth and Enterprise officer (0.6 FTE) at a cost of £24k p.a. is included in the revenue implications – offset by increased income of £52k p.a.

***Implementation, for one year only, will be funded through the use of existing Officers.***

***The effect of the pandemic on income levels needs to be considered – which will affect the additional income forecasts.***

***The business case makes reference to more efficient working / less management and collection costs but no savings have been included.***

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### 3) Refurbishment of Castle Grounds Tennis Courts

#### **Project Score: 48**

A new capital submission had been prepared for potential spend of £125k (fully funded from Section 106 monies of £120k and a £5k revenue contribution) in 2021/22 for resurfacing of existing tennis courts in castle grounds with an all weather type surface to provide multi sport access and hire all year round for tennis, 5 a side football, basketball etc. Will also include changes/improvements to access gates and external fencing and lighting.

The current surface is in a poor condition and only suitable for tennis and has a limited life for use. The COVID19 pandemic has resulted in people requiring more high quality outdoor facilities for exercise and recreation.

There will be ongoing maintenance costs of £1k from 2022/23 which can be met from existing budgets, together with increased income of £2k p.a..

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***A £2k p.a. return on the investment seems low given the projected demand / quality of the facilities outlined.  
The section for Consultation has not been completed.***

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

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**a) Endpoint Protection and Web-Email Filter**

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***Project Score: 60***

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An updated appraisal has not been prepared for spend of £40k in 2023/24 following the 3 year contracts for Endpoint Protection (covering Anti Virus, Anti Malware and Encryption and the contract for Web and Email filtering).

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**b) Street Lighting**

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

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**c) Replacement Castle Grounds Play Area**

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

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**d) Disabled Facilities Grants (DFG)**

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The provisional programme included £650k p.a. part funded by redistributed Better Care Fund (BCF) grant of £481k (increased from £400k p.a.).

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***An update regarding the Government review is requested (including options for managing / mitigating costs (e.g. use of the Regulatory Reform Order – RRO - approach) and current demand levels).***

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***The c.£0.2m p.a. net funding is be funded via capital receipts (with an associated revenue loss of investment interest), borrowing (with revenue interest/debt repayment costs) or a revenue contribution.***

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

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

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

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

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

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**f) Major repair to Castle Elevations**

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***Project Score: 8***

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An updated capital submission has not been prepared for spend of £150k in 2021/22 (£250k in 2020/21) for major repairs to castle elevation walls, roof areas and walkways.

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**g) CCTV Upgrades**

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Following approval of the Shared Service, Capital budgets of £45,714 p.a. have been included from 2021/22 – part funded by OPCC grant of £24k p.a.

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**7) General Fund Capital Contingency Budget**

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The remaining 2020/21 contingency budget of £135k will be rolled forward to 2021/22.

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## Housing

There has been some significant changes in the Housing capital programme from that provisionally approved – with a number of new schemes proposed. It has also been updated to include the new year 5 costs for 2025/26.

Given the significant reduction in spend over the 4 years of c.£4m (c.£10m reduction less the re-profiling of £6m from years 2,3,4 & 5 into 2020/21 to allow for the acquisition of housing property [£1.5m from each year from Regeneration & Affordable Housing]) then funding remaining within the HRA capital reserves is forecast at £7m, pending the results of the planned stock condition surveys.

It should be noted that there are no debt repayment costs for the HRA and the Government has now lifted the previous debt cap (of £79.407m). The current HRA Capital Financing Requirement (CFR) stands at £68.53m with planned borrowing in 2020/21 of £2m relating to the Tinkers Green and Kerria Regeneration projects – reduced from £7.2m due to receipt of Homes England grant of c.£5m.

### Housing Revenue Account

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The provisional capital programme has been reviewed and updated:

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**a) Regeneration and New Affordable Housing**

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Funding of £1.75m p.a. from 2021/22 had been provisionally approved.

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This has been reduced to £250k for 2021/22 to 2024/25 (due to the re-profiling of £6,000,000 from years 2,3,4 & 5 into 2020/21 to allow for the acquisition of housing property [£1,500,000 from each year] with £1.75m added for 2025/26.

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**b) Street Lighting**

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HRA share of £76k for year 5 has been included in line with the approved programme.

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**c)** High Rise Lift Renewal (£180k in 2021/22) and Insulation (£17.9k p.a.) budgets have been removed as no new bids have been received. Capital salaries have remained at £200k p.a.

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Detailed Programme Changes:

<b>Housing Revenue Account Capital Programme</b>	<b>2021/22 £</b>	<b>2022/23 £</b>	<b>2023/24 £</b>	<b>2024/25 £</b>	<b>2025/26 £</b>	<b>Total £</b>
Structural Works	(100,000)	(100,000)	(100,000)	(100,000)	200,000	(200,000)
Bathroom Renewals	(350,000)	-	-	-	567,800	217,800
Gas Central Heating Upgrades and Renewals	-	-	(302,900)	(302,900)	685,500	79,700
Kitchen Renewals	(250,000)	-	-	-	1,037,500	787,500
Major Roofing Overhaul and Renewals	200,000	-	(284,800)	(284,800)	911,400	541,800
Window and Door Renewals	(250,400)	(248,900)	(331,900)	(331,900)	400,000	(763,100)
Neighbourhood Regeneration	(249,100)	(249,100)	(249,100)	(249,100)	500,000	(496,400)
Disabled Facilities Adaptations	350,000	-	-	-	212,500	562,500
<b>Electrical upgrade &amp; Rewire</b>	(212,200)	(212,200)	(212,200)	(212,200)	150,000	(698,800)
CO / Smoke Detectors	-	-	(16,000)	(16,000)	64,000	32,000
Insulation	(17,900)	(17,900)	(17,900)	(17,900)	-	(71,600)
Replacement of High Rise Soil Stacks	805,000	-	-	-	-	805,000
High Rise Lift Renewal	-	(180,000)	-	-	-	(180,000)
Replacement of High Rise Ventilation System	120,000	-	-	-	-	120,000
Sheltered Schemes	-	-	(40,000)	(40,000)	100,000	20,000
Energy Efficiency Improvements	-	-	-	-	70,000	70,000
Capital Salaries	-	-	-	-	200,000	200,000
Street Lighting	-	-	-	-	76,420	76,420
<b>Improvements to Retained Garage Sites</b>	50,000	50,000	(700,000)	(700,000)	-	(1,300,000)
Construction of new build properties - Caledonian depot site	1,507,900	-	-	-	-	1,507,900
Regeneration and New Affordable Housing	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	1,750,000	(4,250,000)
Telecare system upgrades	35,500	30,000	-	-	-	65,500
<b>Total HRA Capital</b>	138,800	(2,428,100)	(3,754,800)	(3,754,800)	6,925,120	(2,873,780)

	Revised Bids Part 1
	Revised Bids Part 2
	New Scheme Bids
	Amended Bid
	To be removed / amended?

New Capital Appraisals have been received:

**1) Improvements to Retained Garage Sites**

**Project Score: 12**

A new capital submission had been prepared for potential spend of £750k in 2021/22 and 2022/23 (previously approved programme included £700k p.a.) for Improvements to garage sites identified for retention following completion of survey work during 2020.

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**2) Construction of new build properties on Caledonian depot site**

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***Project Score: 40***

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A new capital submission had been prepared for potential spend of £1.508m in 2021/22 for the construction of new build properties on Caledonian depot site.

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Rental income of £48k p.a. is forecast with additional repairs and investment costs of £2.5k p.a.

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**3) Telecare system upgrades**

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A new capital submission had been prepared for potential spend of £65.5k over 2 years for the upgrade of telecare systems to sheltered schemes and high-rise to make them digitally compatible in time for the BT digital switchover in 2025.

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## Main Assumptions

Inflationary Factors	2021/22	2022/23	2023/24	2024/25	2025/26
Inflation Rate - Pay Awards	2.50%	2.50%	2.50%	2.50%	2.50%
National Insurance	9.50%	9.50%	9.50%	9.50%	9.50%
Superannuation	16.50%	16.50%	16.50%	16.50%	16.50%
Inflation Rate (RPI)	2.50%	2.50%	2.50%	2.50%	2.50%
Inflation Rate (CPI)	1.60%	1.93%	2.00%	2.00%	2.00%
Investment Rates	0.25%	0.25%	0.50%	1.00%	1.25%
Base Interest Rates	0.10%	0.25%	0.50%	0.50%	0.50%

1. For 2019/20 a 2% increase in Local Government pay was agreed and included the introduction of a new pay spine on 1<sup>st</sup> April 2019 based on a bottom rate of £17,364 with additions, deletions and changes to other spinal column points. A 2.75% increase has been agreed for 2020/21 but future years remain uncertain. A 2.5% p.a. increase from 2021/22 has been assumed.
2. Overall Fees and Charges will rise generally by 2.5% annually except where a proposal has otherwise been made (car parking charges, corporate & industrial property rental income, statutory set planning fees, leisure fees);
3. Revised estimates for rent allowance / rent rebate subsidy levels have been included;
4. At this stage no changes to the level of recharges between funds has been included;
5. A reduction in Revenue Support Grant levels to zero from 2022/23 after an inflationary increase for 2021/22, following the deferral of the funding reforms. The impact for the Council will be confirmed by MHCLG as part of the *Local Government Finance Settlement* with a provisional announcement in December 2020.
6. Only continuation of the New Homes Bonus scheme legacy payments relating to 2017/18 and 2018/19 pending consultation on the future of the scheme;
7. Lower investment income returns due to delayed forecast interest rate increases;
8. An increase of £5 p.a. in Council Tax - current indications are that increases of 2% or £5 and above risk 'capping' (confirmed as 2% or £5 for District Councils for 2020/21);
9. The major changes to the previously approved policy changes are included within this forecast – Assistant Directors were issued with the provisional information in August to review, confirm & resubmit by the end of September;
10. Future Pension contribution levels – following an option to 'freeze' the 'lump sum' element for the 3 years from 2020/21 (after the triennial review during 2019), 2% p.a. year on year increases have been included from 2023/24;

11. Increase in rent levels by CPI plus 1% - the Government has confirmed that social housing annual rent increases can rise by up to the consumer price index (CPI) measure of inflation plus 1% for five years from 2020, following the conclusion of a consultation on the new rent standard. Current indications that sales of council houses will be approximately 30 per annum.
12. Forecasts have been informed by the Bank of England Inflation report (August 2020), HM Treasury – Forecasts for the UK Economy (August 2020), Office for Budget Responsibility Economic & Fiscal Outlook (March 2020). Any significant variances will be considered later in the budget setting process.

## Technical Adjustments Analysis – General Fund 2020/21

	£	£	£
<b>Chief Executive</b>			
Virements		(26,130)	
Committee Decisions			
2017/18 Policy Change Vacancy Allowance Increase	(3,590)		
2019/20 Policy Change CEXEC 1 Revised Waste Management Costs	20,540		
2020/21 Policy Change A&G1 Elections	(63,000)		
2020/21 Policy Change WM1 Potential Waste Management Cost Increases	99,700	53,650	
Inflation		(6,630)	
Other			
2021/22 BWP 002 Salaries Vacancy Allowance Increases	4,930		
2021/22 BWP 010 NNDR Charges for TBC Properties	10		
2021/22 BWP 037 CMT Savings Review	(2,640)	2,300	
Pay Adjustments		14,040	
Changes in Recharges		-	
			<b>37,230</b>
<b>Assistant Director Growth and Regeneration</b>			
Virements		(70,270)	
Committee Decisions			
2017/18 Policy Change Vacancy Allowance Increase	(10,260)		
2018/19 Policy Change AE 11 Vacant Posts Review	(670)		
2018/19 Policy Changes AE 4 Tamworth Enterprise Centre	(23,310)		
2019/20 Policy Change GROW 1 Review of the Tamworth Local Plan 2006-2031	(105,000)	(139,240)	
Inflation		(8,280)	
Other			
2021/22 BWP 002 Salaries Vacancy Allowance Increases	460		
2021/22 BWP 010 NNDR Charges for TBC Properties	12,270		
2021/22 BWP 012 Bank Charges and Cash Collection	(170)		
2021/22 BWP 017 Gas and Electricity	3,680		
2021/22 BWP 033 Depreciation	(700)		
2021/22 BWP 037 CMT Savings Review	(15,700)		
2021/22 BWP 045 Master Income Review	75,720	75,560	
Pay Adjustments		40,210	
Changes in Recharges		-	
			<b>(102,020)</b>

	£	£	£
<b>Executive Director Organisation</b>			
Virements		37,590	
Committee Decisions			
2017/18 Policy Change Vacancy Allowance Increase	(2,160)		
2018/19 Policy Change SOL 1 Democratic Services Restructure	1,100	(1,060)	
Inflation		8,420	
Other			
2021/22 BWP 002 Vacancy Allowance	(190)		
2021/22 BWP 004 Members Allowances	710		
2021/22 BWP 006 Land Charges	8,000		
2021/22 BWP 023 Mayoral Allowance	20		
2021/22 BWP 037 CMT Savings Review	(5,420)	3,120	
Pay Adjustments		10,400	
Changes in Recharges		-	
			<b>58,470</b>
<b>Assistant Director People</b>			
Virements		-	
Committee Decisions			
2017/18 Policy Change Vacancy Allowance Increase	(11,790)		
2017/18 Policy Change TCP 3 Revenue Implications of Capital Scheme	4,000		
2018/19 Policy Change TC1 Marmion House Security	(15,000)	(22,790)	
Inflation		12,060	
Other			
2021/22 BWP 002 Salaries Vacancy Allowance Increases	(4,780)		
2021/22 BWP 012 Bank Charges and Cash Collection	(1,230)		
2021/22 BWP 033 Depreciation	12,600		
2021/22 BWP 037 CMT Savings Review	(220,250)		
2021/22 BWP 038 Procurement Savings	(12,910)	(226,570)	
Pay Adjustments		44,250	
Changes in Recharges		-	
			<b>(193,050)</b>
<b>Assistant Director Operations and Leisure</b>			
Virements		(85,100)	
Committee Decisions			
2017/18 Policy Change Vacancy Allowance Increase	(16,610)		
2018/19 Policy Change AE 11 Vacant Posts Review	(1,560)		
2018/19 Policy Change AE 8 Revised Assembly Rooms Budgets	(230)		
2020/21 Policy Change OPS3 Assembly Rooms	(62,250)	(80,650)	
Inflation		500	
Other			
2021/22 BWP 002 Salaries Vacancy Allowance	5,190		

	£	£	£
Increases			
2021/22 BWP 010 NNDR Charges for TBC Properties	(7,390)		
2021/22 BWP 012 Bank Charges and Cash Collection	6,330		
2021/22 BWP 017 Gas and Electricity	(7,250)		
2021/22 BWP 033 Depreciation	(22,450)		
2021/22 BWP 037 CMT Savings Review	<u>(129,550)</u>	(155,120)	
Pay Adjustments		22,160	
Changes in Recharges		-	
			<u>(298,210)</u>
<b>Executive Director Finance</b>			
Virements		-	
Committee Decisions			
2017/18 Policy Change Vacancy Allowance Increase	<u>(790)</u>	(790)	
Inflation		120	
Other			
2021/22 BWP 002 Vacancy Allowance	(20)		
2021/22 BWP 037 CMT Savings Review	<u>(650)</u>	(670)	
Pay Adjustments		3,150	
Changes in Recharges		-	
			<u>1,810</u>
<b>Assistant Director Finance</b>			
Virements		34,640	
Committee Decisions			
2017/18 Policy Change Vacancy Allowance Increase	(10,750)		
2017/18 Policy Change DF 5 New Homes Bonus	(36,650)		
2017/18 Policy Change DF 9 Contribution from Building Repairs Fund	53,200		
2017/18 Policy Change DF10 Revenue Implications from Capital Scheme	283,800		
2017/18 Policy Change DF 12 Business Rates Levy Payment	62,000		
2017/18 Policy Change DF 13 Business Rates Section 31 Grant Income	9,000		
2018/19 Policy Change DF 2 Property Funds Investment	60,000		
2018/19 Policy Change DF 8 New Homes Bonus	5,900		
2018/19 Policy Change DF 9 Business Rates Levy	49,520		
2018/19 Policy Change DF 10 Business Rates S31 Grant Income	(5,910)		
2019/20 Policy Change FIN 5 Revenue Implications of Capital Programme	13,000		
2019/20 Policy Change FIN 6 Revenue Implications of Capital Programme	21,000		
2019/20 Policy Change FIN 10 Contingency for Pay award impact 2019/20	(10,000)		
2020/21 Policy Change FIN 1 Reduce Contingency Budget	(105,000)		
2020/21 Policy Change FIN 2 New Homes Bonus	33,980		

	£	£	£
2020/21 Policy Change FIN 3 Revenue Implications of Capital Programme	19,000		
2020/21 Policy Change FIN 4 Revenue Implications of Capital Programme	30,000		
2020/21 Policy Change FIN 5 Pension Costs	(2,700)		
2020/21 Policy Change FIN 6 Business Rates Levy Payment	284,930		
2020/21 Policy Change FIN 7 Business Rates Section 31 Grant Income	(12,840)		
2020/21 Policy Change FIN 8 Transformation Reserve	(1,000,000)		
2020/21 Policy Change FIN 9 Climate Emergency Initiatives	(105,000)	(363,520)	
Inflation		4,600	
Other			
2020/21 BWP 005 Pensions Lump Sum	(28,400)		
2020/21 BWP 006 New Homes Bonus	414,660		
2020/21 BWP 007 NNDR Forecast - Levy payment	(1,486,470)		
2020/21 BWP 007 NNDR Forecast - Returned Levy	549,980		
2020/21 BWP 007 NNDR Forecast - Section 31 Grants	1,105,300		
2021/22 BWP 002 Salaries Vacancy Allowance Increases	340		
2020/21 BWP 013 Interest SOCH/HAA	20		
2021/22 BWP 005 Benefits Estimates	8,420		
2021/22 BWP 009 NNDR Cost of Collection Grant	2,410		
2021/22 BWP 011 Revenues Court Cost Income	51,940		
2021/22 BWP 012 Bank Charges and Cash Collection	(2,910)		
2021/22 BWP 015 Treasury Management	(16,530)		
2021/22 BWP 020 Superannuation Allowances	(1,350)		
2021/22 BWP 025 Audit Fee	3,280		
2021/22 BWP 026 Apprenticeship Levy	2,460		
2021/22 BWP 033 Depreciation	20,870		
2021/22 BWP 037 CMT Savings Review	(229,450)	394,570	
Pay Adjustments		61,120	
Changes in Recharges		-	
			<b>131,410</b>
<b>Executive Director Communities</b>			
Virements		-	
Committee Decisions		-	
Inflation		-	
Other		-	
Pay Adjustments		-	
Changes in Recharges		-	
			-
<b>Assistant Director Assets</b>			
Virements		-	
Committee Decisions		-	
2017/18 Policy Change Vacancy Allowance	(1,550)		

	£	£	£
Increase			
2020/21 Policy Change AST 2 Condition Survey	(100,000)		
2020/21 Policy Change AST 7 Marmion House Accommodation	800		
2020/21 Policy Change AST 9 AccessAble Guides	(15,000)	(115,750)	
Inflation		10,870	
Other			
2020/21 BWP 045 Car Allowances	2,060		
2021/22 BWP 002 Salaries Vacancy Allowance Increases	(2,610)		
2021/22 BWP 010 NNDR Charges for TBC Properties	(8,630)		
2021/22 BWP 017 Gas and Electricity	(2,010)		
2021/22 BWP 021 Community Centres Income	(1,000)		
2021/22 BWP 022 Marmion House Rents and Service Charges	6,070		
2021/22 BWP 033 Depreciation	(9,050)		
2021/22 BWP 037 CMT Savings Review	(15,720)	(30,890)	
Pay Adjustments		8,550	
Changes in Recharges		-	
			(127,220)
<b>Assistant Director Neighbourhoods</b>			
Virements		(63,260)	
Committee Decisions			
2017/18 Policy Change Vacancy Allowance Increase	(3,850)		
2018/19 Policy Change DHH 2 Homelessness Prevention Services	(140,000)		
2018/19 Policy Change DHH 4 Funding for Homelessness through S31	26,000		
Cabinet 02/07/19 CCTV - Service Review Setting Out Future Delivery Options	(12,850)	(130,700)	
Inflation		840	
Other			
2021/22 BWP 002 Salaries Vacancy Allowance Increases	5,000		
2021/22 BWP 017 Gas and Electricity	10		
2021/22 BWP 033 Depreciation	(1,270)		
2021/22 BWP 037 CMT Savings Review	(37,500)		
2021/22 BWP 041 Bad Debt Provision	102,500	68,740	
Pay Adjustments		12,730	
Changes in Recharges		-	
			(111,650)
<b>Assistant Director Partnerships</b>			
Virements		172,530	
Committee Decisions			
2017/18 Policy Change Vacancy Allowance Increase	(4,310)	(4,310)	
Inflation		(2,380)	
Other			
2021/22 BWP 002 Salaries Vacancy Allowance	(17,910)		

	£	£	£
Increases			
2021/22 BWP 012 Bank Charges and Cash Collection	(190)		
2021/22 BWP 017 Gas and Electricity	10		
2021/22 BWP 027 Off Street Car Parking	950		
2021/22 BWP 037 CMT Savings Review	(89,300)		
2021/22 BWP 043 Private Sector Leasing Schemes	(250)	(106,690)	
Pay Adjustments		36,070	
Changes in Recharges		-	
		<u>95,220</u>	
TOTAL			<u>(508,010)</u>

( ) denotes saving



	£	£	£
<b>HRA Summary</b>			
Virements		(117,000)	
Committee Decisions			
2020/21 Policy Change HRA 8 Building Surveys	(140,000)		
2020/21 Policy Change HRA 9 Fire Risk Assessments	(65,000)		
2020/21 Policy Change HRA 10 Fire Safety Manuals	(70,000)		
2020/21 Policy Change HRA 16 FTA Officer	26,000		
2020/21 Policy Change HRA 19 Pensions	(830)	(249,830)	
Inflation			98,530
Other			
2018/19 BWP 027 Debt Management	430		
2019/20 BWP 016 Treasury Management	(21,810)		
2020/21 BWP 005 Pensions Lump Sum	(8,680)		
2020/21 BWP 013 Interest SOCH/HAA	60		
2021/22 BWP 007 Garage Rents	19,490		
2021/22 BWP 008 Housing Rents	(533,390)		
2021/22 BWP 026 Apprenticeship Levy	220		
2021/22 BWP 028 HRA Service Charges	2,900		
2021/22 BWP 033 Depreciation	(700)		
2021/22 BWP 041 Bad Debt Provision	5,500	(535,980)	
Pay Adjustments			-
Changes in Recharges			-
			<b>(804,280)</b>
<b>ED Communities</b>			
Virements			74,980
Committee Decisions			
2017/18 Policy Change HRA 3 Increase Vacancy Allowance	(790)	(790)	
Inflation			40
Other			
2021/22 BWP 002 Vacancy Allowance	(20)	(20)	
Pay Adjustments			3,150
Changes in Recharges			-
			<b>77,360</b>
<b>AD People</b>			
Virements			117,000
Committee Decisions			
2020/21 Policy Change HRA 12 Repairs Call Handling	(9,490)	(9,490)	
Inflation			120
Other			
2021/22 BWP 002 Vacancy Allowance	(10,610)	(10,610)	
Pay Adjustments			15,140
Changes in Recharges			-
			<b>112,160</b>

	£	£	£
<b>AD Operations &amp; Leisure</b>			
Virements			-
Committee Decisions			
2017/18 Policy Change HRA 3 Increase Vacancy Allowance	(680)	(680)	
Inflation			260
Other			
2021/22 BWP 002 Vacancy Allowance	(570)		
2021/22 BWP 017 Gas and Electricity	330		
2021/22 BWP 030 Alarm Call Contract	(80)		
2021/22 BWP 038 Procurement Savings	1,450		
Pay Adjustments			10,020
Changes in Recharges			-
			<b>10,730</b>
<b>AD Assets</b>			
Virements			-
Committee Decisions			
2017/18 Policy Change HRA 3 Increase Vacancy Allowance	(5,250)	(5,250)	
Inflation			2,310
Other			
2021/22 BWP 002 Vacancy Allowance	310		
2021/22 BWP 010 NNDR Charges for TBC Properties	(810)		
2021/22 BWP 017 Gas and Electricity	930		
2021/22 BWP 030 Alarm Call Contract	40		
Pay Adjustments			23,940
Changes in Recharges			-
			<b>21,470</b>
<b>AD Neighbourhoods</b>			
Virements			(74,980)
Committee Decisions			
2017/18 Policy Change HRA 3 Increase Vacancy Allowance	(12,440)		
2018/19 Policy Change HRA 4 Security Marmion House	(15,000)		
2018/19 Policy Change HRA 7 Removal of Vacant Admin Post	(890)		
2020/21 Policy Change HRA 2 High Rise Stock Condition Survey	(75,000)		
2020/21 Policy Change HRA 3 Non Trad Stock Condition Survey	(50,000)		
2020/21 Policy Change HRA 4 Stock Condition Survey	(60,000)		
2020/21 Policy Change HRA 15 Support Worker Eringden	(33,800)		
2020/21 Policy Change HRA 16 FTA Officer Cabinet 02/07/19 CCTV - Service Review Setting Out Future Delivery Options	40,000	(235,530)	
Inflation			26,040

	£	£	£
Other			
2019/20 BWP 014 Sheltered Housing Heating Charges	1,530		
2021/20 BWP 020 Superannuation Allowances	210		
2021/22 BWP 002 Vacancy Allowance	6,720		
2021/22 BWP 010 NNDR Charges for TBC Properties	760		
2021/22 BWP 012 Bank Charges and Cash Collection	(7,860)		
2021/22 BWP 017 Gas and Electricity	3,860		
2021/22 BWP 025 Audit Fee	3,150		
2021/22 BWP 028 HRA Service Charges	(3,000)		
2021/22 BWP 030 Alarm Call Contract	(50)		
2021/22 BWP 040 Enhanced Housing Management Charges	(40)	5,280	
Pay Adjustments		51,330	
Changes in Recharges		-	
			(227,860)
<b>Housing Repairs</b>			
Virements		-	
Committee Decisions		-	
Inflation		-	
Other		-	
Pay Adjustments		-	
Changes in Recharges		-	
			-
<b>TOTAL</b>			<b>(810,420)</b>

( ) denotes saving

## General Fund – Technical Adjustments 2021/22

	Budget 2020/21 £	Technical Adjustments						Total Adjustments £	Total Adjusted Base 2021/22
		Virements £	Committee Decisions £	Inflation £	Other £	Pay Adjustments £	Changes in Recharges £		
Chief Executive	1,639,680	(26,130)	53,650	(6,630)	2,300	14,040	-	37,230	1,676,910
AD Growth & Regeneration	555,720	(70,270)	(139,240)	(8,280)	75,560	40,210	-	(102,020)	453,700
ED Organisation	433,340	37,590	(1,060)	8,420	3,120	10,400	-	58,470	491,810
AD People	2,003,870	-	(22,790)	12,060	(226,570)	44,250	-	(193,050)	1,810,820
AD Operations & Leisure	3,016,790	(85,100)	(80,650)	500	(155,120)	22,160	-	(298,210)	2,718,580
ED Finance	84,790	-	(790)	120	(670)	3,150	-	1,810	86,600
AD Finance	(120,600)	34,640	(363,520)	4,600	394,570	61,120	-	131,410	10,810
ED Communities	-	-	-	-	-	-	-	-	-
AD Assets	(468,260)	-	(115,750)	10,870	(30,890)	8,550	-	(127,220)	(595,480)
AD Neighbourhoods	1,144,420	(63,260)	(130,700)	840	68,740	12,730	-	(111,650)	1,032,770
AD Partnerships	863,650	172,530	(4,310)	(2,380)	(106,690)	36,070	-	95,220	958,870
<b>Grand Total</b>	<b>9,153,400</b>	<b>-</b>	<b>(805,160)</b>	<b>20,120</b>	<b>24,350</b>	<b>252,680</b>	<b>-</b>	<b>(508,010)</b>	<b>8,645,390</b>

## Housing Revenue Account – Technical Adjustments 2021/22

	Budget 2020/21	Technical Adjustments						Total Adjusted Base 2021/22	
		Virements £	Committee Decisions £	Inflation £	Other £	Pay Adjustments £	Changes in Recharges £		Total Adjustments £
HRA Summary	(2,790,440)	(117,000)	(249,830)	98,530	(535,980)	-	-	(804,280)	(3,594,720)
ED Communities	27,410	74,980	(790)	40	(20)	3,150	-	77,360	104,770
AD People	49,570	117,000	(9,490)	120	(10,610)	15,140	-	112,160	161,730
AD Operations & Leisure	166,570	-	(680)	260	1,130	10,020	-	10,730	177,300
AD Assets	271,770	-	(5,250)	2,310	470	23,940	-	21,470	293,240
AD Neighbourhoods	3,612,330	(74,980)	(235,530)	26,040	5,280	51,330	-	(227,860)	3,384,470
Housing Repairs	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>1,337,210</b>	<b>-</b>	<b>(501,570)</b>	<b>127,300</b>	<b>(539,730)</b>	<b>103,580</b>	<b>-</b>	<b>(810,420)</b>	<b>526,790</b>

## General Fund Summary Budgets – 2021/22

<i>Figures exclude internal recharges which have no bottom line impact.</i>	<b>Base Budget 2020/21 £</b>	<b>Technical Adjustments £</b>	<b>Policy Changes £</b>	<b>Budget 2021/22 £</b>
Chief Executive	1,639,680	37,230	37,580	1,714,490
AD Growth & Regeneration	1,234,150	(780,450)	304,780	758,480
ED Organisation	433,340	58,470	-	491,810
AD People	2,003,870	(193,050)	-	1,810,820
AD Operations & Leisure	2,338,360	380,220	-	2,718,580
ED Finance	84,790	1,810	-	86,600
AD Finance	(120,600)	131,410	-	10,810
ED Communities	-	-	-	-
AD Assets	(468,260)	(127,220)	-	(595,480)
AD Neighbourhoods	1,144,420	(111,650)	-	1,032,770
AD Partnerships	863,650	95,220	39,000	997,870
<b>Total Cost of Services</b>	<b>9,153,400</b>	<b>(508,010)</b>	<b>381,360</b>	<b>9,026,750</b>
Transfer to / (from) Balances	(1,074,572)	(1,120,711)	-	(2,195,283)
Revenue Support Grant	(187,535)	(3,001)	-	(190,536)
Retained Business Rates	(13,828,842)	(808,260)	-	(14,637,102)
Less: Tariff payable	10,405,841	1,876,386	-	12,282,227
Collection Fund Surplus (Council Tax)	(77,339)	44,339	-	(33,000)
Collection Fund Surplus (Business Rates)	(322,619)	322,619	-	-
<b>Council Tax Requirement</b>	<b>(4,068,334)</b>	<b>196,638</b>	<b>(381,360)</b>	<b>(4,253,056)</b>

## General Fund Summary Budgets – 2020/21 to 2025/26

<i>Figures exclude internal recharges which have no bottom line impact.</i>	<b>Base Budget 2020/21</b> £	<b>Budget 2021/22</b> £	<b>Budget 2022/23</b> £	<b>Budget 2023/24</b> £	<b>Budget 2024/25</b> £	<b>Budget 2025/26</b> £
Chief Executive	1,639,680	1,714,490	2,125,660	2,162,760	2,143,040	2,205,330
AD Growth & Regeneration	1,234,150	758,480	568,250	513,460	546,810	571,980
ED Organisation	433,340	491,810	507,970	523,510	539,220	554,480
AD People	2,003,870	1,810,820	1,833,500	1,895,050	1,955,310	2,013,450
AD Operations & Leisure	2,338,360	2,718,580	2,761,100	2,835,120	2,907,050	2,975,190
ED Finance	84,790	86,600	89,460	92,370	95,370	98,430
AD Finance	(120,600)	10,810	(25,080)	605,190	900,600	1,246,190
ED Communities	-	-	-	-	-	-
AD Assets	(468,260)	(595,480)	(574,480)	(552,880)	(532,130)	(511,030)
AD Neighbourhoods	1,144,420	1,032,770	956,920	978,120	999,740	1,020,390
AD Partnerships	863,650	997,870	984,500	1,006,080	1,028,210	1,049,290
<b>Total Cost of Services</b>	<b>9,153,400</b>	<b>9,026,750</b>	<b>9,227,800</b>	<b>10,058,780</b>	<b>10,583,220</b>	<b>11,223,700</b>
Transfer to / (from) Balances	(1,074,572)	(2,195,283)	(2,364,812)	(2,977,234)	(3,295,506)	(3,726,840)
Revenue Support Grant	(187,535)	(190,536)	-	-	-	-
Retained Business Rates	(13,828,842)	(14,637,102)	(14,918,867)	(15,217,244)	(15,521,589)	(15,832,021)
Less: Tariff payable	10,405,841	12,282,227	12,518,660	12,769,033	13,024,414	13,284,902
Collection Fund Surplus (Council Tax)	(77,339)	(33,000)	(33,000)	(33,000)	(33,000)	(33,000)
Collection Fund Surplus (Business Rates)	(322,619)	-	-	-	-	-
<b>Council Tax Requirement</b>	<b>(4,068,334)</b>	<b>(4,253,056)</b>	<b>(4,429,781)</b>	<b>(4,600,335)</b>	<b>(4,757,539)</b>	<b>(4,916,741)</b>

\* Figures include proposed Policy Changes

## Housing Revenue Account 2020/21 to 2025/26

<i>Figures exclude internal recharges which have no bottom line impact.</i>	<b>Base Budget 2020/21</b> £	<b>Budget 2021/22</b> £	<b>Budget 2022/23</b> £	<b>Budget 2023/24</b> £	<b>Budget 2024/25</b> £	<b>Budget 2025/26</b> £
HRA Summary	(2,790,440)	(3,594,720)	(2,659,350)	(4,040,930)	(3,956,130)	(4,211,350)
ED Communities	27,410	104,770	107,550	110,390	113,320	116,310
AD Operations & Leisure	216,140	339,030	323,350	331,470	339,880	348,010
AD Assets	271,770	293,240	318,630	341,550	363,070	384,970
AD Neighbourhoods	3,612,330	3,384,470	3,457,390	3,532,280	3,603,080	3,671,690
Housing Repairs	-	-	-	-	-	-
<b>Grand Total</b>	<b>1,337,210</b>	<b>526,790</b>	<b>1,547,570</b>	<b>274,760</b>	<b>463,220</b>	<b>309,630</b>

\* Figures include proposed Policy Changes



## Draft General Fund Capital Programme 2021/22 to 2025/26

<b>General Fund Capital Programme</b>	<b>2021/22 £</b>	<b>2022/23 £</b>	<b>2023/24 £</b>	<b>2024/25 £</b>	<b>2025/26 £</b>	<b>Total £</b>
Off Street Car Parking Infrastructure Update	50,000	-	-	-	-	50,000
Technology Replacement	60,000	60,000	30,000	30,000	30,000	210,000
V13 Income Management System & 3 D Secure	27,400	-	-	-	-	27,400
Endpoint Protection and Web-Email Filter	-	-	40,000	-	-	40,000
Street Lighting	-	-	233,560	119,940	50,940	404,440
Replacement Castle Grounds Play Area	375,000	-	-	-	-	375,000
Refurbishment of Castle Grounds Tennis Courts	120,000	-	-	-	-	120,000
Private Sector Grants - Disabled Facilities Grants	650,000	650,000	650,000	650,000	650,000	3,250,000
Energy Efficiency Upgrades to Commercial and Industrial Units	75,000	75,000	75,000	75,000	75,000	375,000
Major repair to Castle Elevations	150,000	-	-	-	-	150,000
CCTV Upgrades	45,710	45,710	45,710	45,710	45,710	228,550
<b>Total General Fund Capital Proposed Financing:</b>	1,553,110	830,710	1,074,270	920,650	851,650	5,230,390
	-	-	-	-	-	-
	-	-	-	-	-	-
Grants - Disabled Facilities	481,000	481,000	481,000	481,000	481,000	2,405,000
Section 106 Receipts	120,000	-	-	-	-	120,000
General Fund Capital Receipts	50,000	4,400	4,400	4,400	4,400	67,600
Sale of Council House Receipts	212,400	150,200	150,000	150,000	150,000	812,600
Other Contributions	24,000	24,000	24,000	24,000	24,000	120,000
<b>Unsupported Borrowing</b>	<b>665,710</b>	<b>171,110</b>	<b>414,870</b>	<b>261,250</b>	<b>192,250</b>	<b>1,705,190</b>
<b>Total</b>	<b>1,553,110</b>	<b>830,710</b>	<b>1,074,270</b>	<b>920,650</b>	<b>851,650</b>	<b>5,230,390</b>

## Draft Housing Revenue Account Capital Programme 2021/22 to 2025/26

<b>Housing Revenue Account Capital Programme</b>	<b>2021/22 £</b>	<b>2022/23 £</b>	<b>2023/24 £</b>	<b>2024/25 £</b>	<b>2025/26 £</b>	<b>Total £</b>
Structural Works	200,000	200,000	200,000	200,000	200,000	1,000,000
Bathroom Renewals	217,800	567,800	567,800	567,800	567,800	2,489,000
Gas Central Heating Upgrades and Renewals	685,500	685,500	685,500	685,500	685,500	3,427,500
Kitchen Renewals	787,500	1,037,500	1,037,500	1,037,500	1,037,500	4,937,500
Major Roofing Overhaul and Renewals	1,111,400	911,400	911,400	911,400	911,400	4,757,000
Window and Door Renewals	398,500	400,000	400,000	400,000	400,000	1,998,500
Neighbourhood Regeneration	500,000	500,000	500,000	500,000	500,000	2,500,000
Disabled Facilities Adaptations	562,500	212,500	212,500	212,500	212,500	1,412,500
Electrical upgrade & Rewire	150,000	150,000	150,000	150,000	150,000	750,000
CO / Smoke Detectors	64,000	64,000	64,000	64,000	64,000	320,000
Insulation	-	-	-	-	-	-
Replacement of High Rise Soil Stacks	1,750,000	-	-	-	-	1,750,000
High Rise Lift Renewal	-	-	-	-	-	-
Replacement of High Rise Ventilation System	120,000	-	-	-	-	120,000
Sheltered Schemes	100,000	100,000	100,000	100,000	100,000	500,000
Energy Efficiency Improvements	70,000	70,000	70,000	70,000	70,000	350,000
Capital Salaries	200,000	200,000	200,000	200,000	200,000	1,000,000
Street Lighting	-	-	350,330	179,910	76,420	606,660
Improvements to Retained Garage Sites	750,000	750,000	-	-	-	1,500,000
Construction of new build properties on Caledonian depot site	1,507,900	-	-	-	-	1,507,900
Regeneration and New Affordable Housing	250,000	250,000	250,000	250,000	1,750,000	2,750,000
Telecare system upgrades	35,500	30,000	-	-	-	65,500
<b>Total HRA Capital</b>	<b>9,460,600</b>	<b>6,128,700</b>	<b>5,699,030</b>	<b>5,528,610</b>	<b>6,925,120</b>	<b>33,742,060</b>
<b>Proposed Financing:</b>						
Major Repairs Reserve	2,809,430	2,804,670	2,804,800	2,804,300	2,804,800	14,028,000
HRA Capital Receipts	600,000	600,000	525,330	175,000	-	1,900,330
Revenue Contribution	3,959,770	2,186,930	1,859,900	2,294,400	3,595,320	13,896,320
Capital Receipts from Additional Council House Sales (1-4-1)	527,370	75,000	75,000	75,000	525,000	1,277,370
Regeneration Reserve	1,564,030	462,100	434,000	179,910	-	2,640,040
<b>Total</b>	<b>9,460,600</b>	<b>6,128,700</b>	<b>5,699,030</b>	<b>5,528,610</b>	<b>6,925,120</b>	<b>33,742,060</b>

**Contingencies 2021/22 - 2025/26**

<b>Revenue</b>	2021/22	2022/23	2023/24	2024/25	2025/26
Specific Earmarked &	£'000	£'000	£'000	£'000	£'000
<b>General</b>					
<b>General Fund</b>					
<i>General Contingency*</i>					
<i>General Contingency re Income Targets</i>	169	169	169	169	169
<b>Total General Contingency</b>	<b>169</b>	<b>169</b>	<b>169</b>	<b>169</b>	<b>169</b>
<b>Total GF Revenue</b>	<b>169</b>	<b>169</b>	<b>169</b>	<b>169</b>	<b>169</b>
<b>Housing Revenue Account</b>					
<i>HRA - General Contingency</i>	130	130	130	130	130
<b>Total HRA Revenue</b>	<b>130</b>	<b>130</b>	<b>130</b>	<b>130</b>	<b>130</b>

\* Reduced by £165k as part of Qtr 1 unspent budget review

<b>Capital</b>	2021/22	2022/23	2023/24	2024/25	2025/26
Specific Earmarked &	£'000	£'000	£'000	£'000	£'000
<b>General</b>					
<b>General Fund</b>					
<b>General Contingency</b>	<b>135</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	-	-	-	-	-
<b>Total GF Capital</b>	<b>135</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Housing Revenue Account</b>					
<b>General Contingency</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total HRA Capital</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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## CABINET

THURSDAY, 3<sup>RD</sup> DECEMBER 2020

## COUNCIL

TUESDAY, 15<sup>TH</sup> DECEMBER 2020

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

#### LOCAL COUNCIL TAX REDUCTION SCHEME 2021/22 ONWARDS

#### EXEMPT INFORMATION

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

#### PURPOSE

To advise members that the Local Council Tax Reduction Scheme for working age customers for 2021/22 should include continued alignment to Applicable Amounts with those of Housing Benefit.

#### RECOMMENDATIONS

1. That Council consider and endorse or otherwise the proposed recommended changes detailed below:
2. That the planned review for the introduction of a banding scheme for Council Tax Reduction be deferred until 2021 and that the current scheme for working age customers continues to be aligned to Applicable Amounts with those of Housing Benefit for 2021/22.

#### EXECUTIVE SUMMARY

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

Proposals were submitted to Corporate Scrutiny committee on 14<sup>th</sup> November 2019 for a need to review the current Council Tax Reduction Scheme along with three modelled options with the aim to finalise a new scheme for consultation this autumn.

The proposal was to replace the current 'traditional scheme' for working age claimants which was modelled in 2012 (and implemented in April 2013) based on the national Council Tax Benefit and has had various amendments made annually to continue to align to legislation changes in Housing Benefit.

The national scheme regulations continue for pensioners, which mirror the obsolete Council Tax Benefit Scheme.

At the meeting, Members reviewed the proposals in detail and asked for further modelling to be carried out (for up to 100% supported scheme) and reported back to committee in 2020.

However, in light of the unprecedented situation following the COVID-19 Pandemic, it is now suggested that the review be postponed until 2021 when the situation will be clearer. The potential longer-term consequences of recession and unemployment on demand for the scheme have yet to be experienced. It will be many months before we have a clearer idea on how the economy has responded to the recovery process including any lasting effects for individual businesses and their employees.

Reports recommending this approach were considered and approved by the Corporate Scrutiny on 25<sup>th</sup> August 2020 and Cabinet on 10<sup>th</sup> September 2020.

## **OPTIONS CONSIDERED**

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

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

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

However, in light of emerging issues from the COVID-19 pandemic, the potential implications for the scheme need to be considered.

The current 'traditional scheme' has largely been unaffected by the changes to the Welfare system as announced by the government in response to the outbreak of COVID19. The current scheme has been able to react quite quickly to the changes in claimants' income, therefore ensuring that they have not lost any Council Tax Reduction. For example, the government in response to COVID19 announced that the standard allowance of Universal Credit would increase by £1000pa. Under the current traditional LCTR scheme, this had the effect of increasing the applicable amount by the equivalent UC increase and therefore had no detrimental effect any entitlement to Council Tax Reduction. Under a banding scheme this additional income could have had the effect of dropping a claimant into a lower council tax income band and thereby reducing CTR entitlement between 20-25% depending on the banding scheme percentage bands. In order to compensate each claimant for any loss to

their Council Tax Reduction, for each claim affected, the funding would have to be made from out of the Council's own budgets / Hardship Fund which would be insufficient to cope with the additional demand.

In addition, there has been and still is much uncertainty, of the effects of the Furlough scheme which was recently extended to March 2021 after being introduced in August to run initially to the end of October. Before this announcement was made, from around mid-October, there was a significant increase in benefit applications as employers were clearly faced with the decision on what to do with their furloughed employees. There may be further impact on the welfare system yet to come, and around the uncertainty of how the economy recovers and when.

To attempt to model a new Council Tax Reduction Banding scheme at this point in time would be a constant moving target. LCTR applications have increased by around 500% from late March which has resulted in the working age claim base increasing from 2613 in February to 3081 in October. As a result, expenditure of the scheme has also increased from £4.1m in 2019/20 to £4.5m (of which £2.1m relates to pensioners).

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

**In light of the proposals contained within this report, there are no proposed changes to the scheme for 2021/22 other than the usual alignment with Housing benefit which is a minor change and did not require a formal consultation.**

## **RESOURCE IMPLICATIONS**

Latest figures confirm that £4.51m has so far been awarded in Local Council Tax Reduction (LCTR) for 2020/21, to both working age and pensioner customers of which £2.4m relates to working age claimants. The live caseload has increased by approximately 17% since January 2020, which is as a direct consequence of the COVID-19 pandemic. However, many of the existing claims have also seen an increase in the amount of LCTRS they receive due to loss of income.

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

Grant funding was reduced and is distributed by the Ministry of Housing, Communities and Local Government rather than the Department for Work and Pensions. Outturn for the 2019/20 scheme was £4.14m of which the Authority's share was £426k (10.3% of the impact on the Collection Fund). At inception, the scheme design was modelled to ensure that the Authority complied with the Central Government requirement to achieve a 10% reduction in benefit cost but without increasing the burden of cost to the Council Tax Payer. However, it

has been assumed that Revenue Support Grant (RSG) will cease to be paid from 2022 and the Council will have to fund the scheme from its own resources and retained Business Rates income in the future.

The impact of grant funding and expenditure is closely monitored on a regular basis to identify whether the scheme is achieving its objectives but also not increasing cost burdens to the Medium Term Financial Strategy. The current maximum level of award under the existing scheme is 75%. Current financial modelling indicates that although grant levels are reducing the scheme maxima should not be changed for the 2021/22 scheme as it would add further potential hardship to claimants. This position is under regular review. Members should be aware of the impact of the Central Government Grant reductions when formulating the scheme for 2021/22 as any subsequent changes to the scheme governance arrangements, would require a consultation exercise.

## **LEGAL/RISK IMPLICATIONS BACKGROUND**

The Ministry of Housing, Communities and Local Government have confirmed that consultation on the scheme is not required annually if it is not amended. Other than the yearly alignment of applicable amounts to those of Housing Benefit, there are no other proposed changes to the LCTR Scheme for 2021/22 and therefore no consultation has been required.

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

## **EQUALITIES IMPLICATIONS**

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

## **SUSTAINABILITY INFORMATION**

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 be a contingency if, for instance, a major local employer goes into administration.

## **BACKGROUND INFORMATION**

The Welfare Reform Act 2012

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

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



## 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 2020/21, Corporate Scrutiny Committee 25 <sup>th</sup> August 2020 & Cabinet 10 <sup>th</sup> September 2020.
	Local Council Tax Reduction Scheme 2020/21 Onwards and Consultation Results, Council 10 <sup>th</sup> December 2019
	Local Council Tax Reduction Scheme 2021/22, Corporate Scrutiny Committee, 14 <sup>th</sup> November 2019
	Local Council Tax Reduction Scheme 2021/22, Cabinet 26 <sup>th</sup> September 2019

## APPENDICES

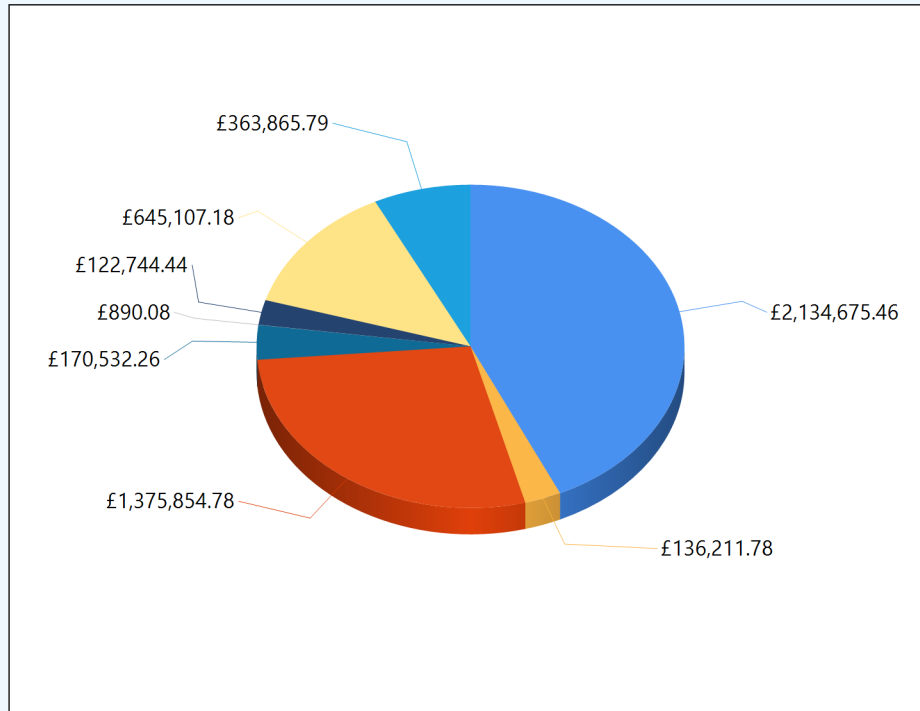
**Appendix 1** Local Council Tax Reduction Working Age Expenditure Summary

**Appendix 2** Local Council Tax Reduction Caseload Summary

**Appendix 3** Equality Impact Assessment Pensioners & Severely Disabled

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CTS Expenditure as of 2020-2021



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

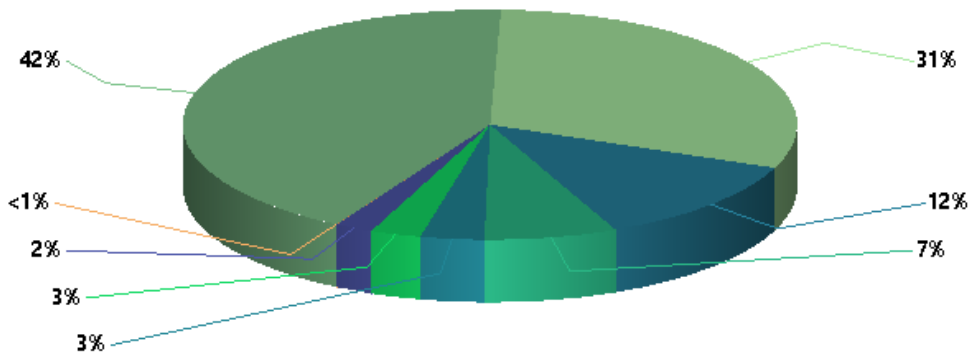
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Colour	Description	Value
■	Elderly	2253
■	Working Age Non-Passported Other	1630
■	Working Age Passported Other	649
■	Working Age Passported Severe Disability	373
■	Working Age Non-Passported Severe Disability	179
■	Working Age Non-Passported Disabled Child Premium	142
■	Working Age Passported Disabled Child Premium	107
■	Working Age Non-Passported War Pensioners	1

**LA Caseload Count**

**CTS Caseload**

**5334**



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

Name of policy/ procedure/ practice to be assessed	Introduction of Localised Council Tax Support (Council Tax Reduction)		Date of Review	Nov 2020	
Is this a new or existing policy/ procedure/ practice?	New	Officer responsible for the Assessment	Jane Smith Head of Benefits	Department	Benefit Services
<p><b>1. Briefly describe the aims, objectives and purpose of the policy/ procedure/ practice?</b></p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 135</p>	<p>The national Council Tax Benefit (CTB) scheme came to an end on 1<sup>st</sup> April 2013 and was replaced by a locally determined system of Council Tax Reduction (CTR). The funding available for the new scheme is limited. The aim of the local scheme is to provide financial assistance to council taxpayers who have low incomes.</p> <p>Persons who are of state pension age (a minimum 60 years or greater) are protected under the scheme in that the calculation of the support they are to receive has been set by Central Government.</p> <p>For working age applicants however the support they receive is to be determined by the local authority.</p> <p>This equality impact assessment looks at the potential for <b>not only</b> protecting pensioners (as required under the legislation) <b>but also</b> providing full support to all working age claimants who are considered <b>severely disabled</b> within the current Council Tax Benefit scheme. The definition of severely disabled is where the claimant or partner is in receipt of a <b>severe disability premium</b>, within either their Council Tax Benefit, Housing Benefit or other means tested benefit;</p> <p>The objective in adopting this policy would be to protect a specific section of the existing claimant group deemed to be highly vulnerable and independently verified as being he most seriously sick and not likely to be able to obtain work.</p>				

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



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

	<p>The factors / forces that could detract from these outcomes are as follows;</p> <ul style="list-style-type: none"> <li>• The failure of Central Government to approve the necessary legislation on time;</li> <li>• The failure of the Council’s software suppliers to deliver the necessary changes to existing software systems to enable the correct processing of the new support; and</li> <li>• The failure to deliver these significant changes to the welfare benefit system on time.</li> </ul>
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<p><b>6. Who are the main stakeholders in relation to the policy/ procedure/ practice?</b></p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 138</p>	<p>In respect of the pension age and working age severely disabled claimants for Council Tax Support, the main stakeholders are as follows;</p> <p><b>External Stakeholders;</b></p> <ul style="list-style-type: none"> <li>• Major Precepting authorities – County Council, Police Authority and Fire and Rescue Authority;</li> <li>• Parish Councils (local precepting authorities);</li> <li>• Pension Age claimants;</li> <li>• Working age severely disabled claimants</li> <li>• Potential pension age claimants;</li> <li>• Potential working age severely disabled claimants</li> <li>• Interested Groups such as Citizens Advice Bureau, Age Concern and Help the Aged, Disabled Persons Groups, RNIB, Action on hearing loss etc.</li> <li>• Council Taxpayers generally</li> </ul> <p><b>Internal Stakeholders;</b></p> <ul style="list-style-type: none"> <li>• Staff;</li> </ul>
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<p><b>7. Which individuals/ groups have been/ will be consulted with on this policy/ procedure/ practice?</b></p>	<p>All major precepting authorities have been consulted on the implementation of the new Council Tax Support scheme.</p> <p>The Ministry of Housing, Communities and Local Government have confirmed that consultation on the scheme is not required annually if it is not amended and therefore no consultation has been carried out as the scheme will continue to be aligned to Housing Benefit Applicable Amounts. For future consultations as pension age claimants are protected, the authority will still, as part of the</p>
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	<p>consultation process, look to pension age claimants and pensioners generally to respond to the consultation itself.</p> <p>In respect of working age severely disabled claimants, it will be essential to consult with the group as, being of working age, they will be directly affected by any changes decided by the Council.</p> <p>For working age claimants who are not classified as severely disabled within this policy, it will be essential that extensive consultation is undertaken to obtain their views given that the level of support they receive will be reduced significantly where additional groups are protected.</p> <p>The consultation process will be comprehensive and encourage a full response to the new support scheme itself (notwithstanding the fact that the authority is obliged to implement the scheme determined by Central Government for pension age claimants).</p> <p>Groups representing the disabled or chronically sick will be directly consulted as part of the process.</p>		
<p><b>8. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact on racial groups?</b></p>	Y	N ✓	<p>This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants and there would be <b>no</b> differential impact due to race</p>
<p><b>9. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to gender?</b></p>	Y	N ✓	<p>This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants and there would be <b>no</b> differential impact due to gender</p>

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

			<p>To provide financial assistance for the scheme, Central Government is to provide funding to each billing authority in England, however the level of funding provided is to be less than the amount currently provided to support the existing Council Tax Benefit scheme.</p> <p>If working age severely disabled claimants are to be protected in full, along with pension age claimants (as required by Central Government) there would be an increase in the level of support available to all other working age claimants although this would be a large group over which the reduction could be spread.</p> <p>In the case of the Borough Council, the shortfall to be borne by working age claimants not deemed to be severely disabled would amount to 25% per annum of Council Tax liability.</p>
<p>Page 41 4. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to religious belief?</p>	Y	N ✓	<p>This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants and there would be <b>no</b> differential impact due to religious belief</p>
<p>15. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact on Gypsies/ Travellers?</p>	Y	N ✓	<p>This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants and there would be <b>no</b> differential impact to gypsies or travellers</p>
<p>16. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to dependant/caring responsibilities?</p>	Y ✓	N	<p>This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants – however where any claimant has dependants or have caring responsibilities, this could potentially increase the level of support given due to the following;</p> <ul style="list-style-type: none"> <li>• The award of additional allowances for dependants within the</li> </ul>

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

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

# Equality Impact Assessment Action Plan

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

ACTION/ ACTIVITY	RESPONSIBILITY	TARGET	PROGRESS
Introduction of the Council Tax Support scheme for pensioners as prescribed by the Local Government Finance Act 2012 and defined within the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012	Jane Smith	1 <sup>st</sup> April 2021	Ongoing
<b>Monitoring arrangements:</b>		<b>Data collected quarterly</b>	
Full monitoring of scheme implementation on a monthly basis in line with the accepted project plan	Jane Smith	Monthly and quarterly collection of data to be undertaken by the Benefits Service	Ongoing
<b>Publication:</b>			
The revised Council Tax Reduction scheme is to be published by the Council by April 2020, after consideration at Cabinet and then full Council in December 2020.	Jane Smith		Ongoing
<b>Review Period:</b>		<b>Reviewed 12 monthly unless otherwise stated</b>	
The scheme will be reviewed annually by both Central Government and the Borough Council	Jane Smith		Ongoing

Expand as appropriate

Signed



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

**Date .....**

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

**Date .....**

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

**Date .....**

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## CABINET

3RD DECEMBER 2020

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

#### TEMPORARY RESERVES, RETAINED FUNDS AND PROVISIONS

##### EXEMPT INFORMATION

None

##### PURPOSE

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

##### RECOMMENDATIONS

###### Cabinet is asked to

- 1) **Approve the transfer of the reserves, as detailed in Appendix A, including £560,000 to the Transformation reserve, £64,467.85 to General Fund Balances and £5,000 to Housing Revenue Account Balances (HRA);**
- 2) **Note the reserves to be spent in 2020/21 and 2021/22 which will otherwise be returned to balances; and**
- 3) **Note the current levels of reserves remaining.**

##### EXECUTIVE SUMMARY

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

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

The review has now identified unspent reserves in the sum of £64,467.85 for General Fund and £5,000 for Housing Revenue Account.

#### **OPTIONS CONSIDERED**

None

#### **RESOURCE IMPLICATIONS**

A summary of the current levels of reserves is provided at **Appendix A** which identifies that £69,467.85 can be re-purposed, of which £64,467.85 relates to the General Fund and £5,000 to the HRA.

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

None

#### **EQUALITIES IMPLICATIONS**

None

#### **SUSTAINABILITY IMPLICATIONS**

None

#### **BACKGROUND INFORMATION**

None

#### **REPORT AUTHOR**

If Members would like further information or clarification prior to the meeting please contact Stefan Garner, Executive Director Finance (tel. 709242) or Jo Goodfellow, Head of Finance (tel. 709241).

#### **APPENDICES**

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

NARRATIVE	OPENING BALANCE	MOVEMENT IN YEAR	BALANCE AS AT 23/11/20	MAXIMUM FUND BALANCE	AMOUNT TO BE RELEASED FOLLOWING NOVEMBER REVIEW	DATE FUND TO BE SPENT	BUDGET MANAGER	RELEASE AUTHORISED BY	REASON FOR RETENTION
<b>FUTURE CAPITAL EXPENDITURE</b>									
HOUSING CAPITAL RESERVE	(5,693,835.28)	0.00	(5,693,835.28)	(5,693,835.00)	0.00		L Pugh		To finance capital works on council housing, the balance being included in future capital resource projections
AFFORDABLE HOUSING DEVELOPMENT	(123,799.41)	0.00	(123,799.41)	(123,800.00)	0.00		L Pugh		To finance capital works on council housing, the balance being included in future capital resource projections
CAPITAL FUND	(1,214,548.28)	0.00	(1,214,548.28)	(500,000.00)	560,000.00		L Pugh		Building Repairs Fund contribution to Assembly Rooms held to transfer £560k to Transformation Reserve
PRIVATE SECTOR RENEWAL/DFG'S	(229,844.59)	0.00	(229,844.59)	0.00	0.00		L Pugh		Balance of grant funding received from MHCLG
	<b>(7,262,027.56)</b>	<b>0.00</b>	<b>(7,262,027.56)</b>	<b>(6,317,635.00)</b>	<b>560,000.00</b>				
<b>TEMPORARY RESERVES</b>									
HOUSING SOLUTIONS TEMP STAFF	(5,000.00)	0.00	(5,000.00)	0.00	5,000.00	31/03/2021	S Finnegan		Not required as temp staff costs met from salaries underspend in year
REPAIRS CONTRACT DEMOBILISATIO	(110,250.00)	0.00	(110,250.00)	0.00	0.00	31/03/2021	P Weston		
TRAINING	(54,110.00)	0.00	(54,110.00)	(54,110.00)	0.00	31/03/2021	J Noble	Z Wolicki	Includes £30k earmarked for Leadership Development Programme plus funds for other training put on hold pending organisational change/post pandemic
FLEXI HOMELESS SUPPORT GRANT	(218,405.00)	0.00	(218,405.00)	(218,405.00)	0.00	31/03/2021	S Finnegan		No budget for Homelessness Prevention for 2021/22 onwards, therefore the spend plan identified in the Nov 2020 report will need to be met from this reserve and any future grant provision
CUSTOMER PORTAL APIS	(30,000.00)	0.00	(30,000.00)	(30,000.00)	0.00	31/03/2021	J Smith	L Pugh	Unspent government grant re welfare reform to be utilised in development of customer portal and specifically to fund cost of APIS - customer portal project has been delayed so these funds have not been spent yet but are still required
PEER CHALLENGE	(53,000.00)	0.00	(53,000.00)	(53,000.00)	0.00	31/03/2021	S Garner	S Garner	To meet costs of peer challenge in 2021
LEISURE STRATEGY	(26,000.00)	0.00	(26,000.00)	(26,000.00)	0.00	31/03/2021	S McGrandle		Review of Leisure Services and Strategy postponed but will still need to fund work.
EARNED AUTONOMY	(15,000.00)	(15,000.00)	0.00	0.00	0.00	30/09/2020	-		-
INNOVATIVE GRANTS	(30,000.00)	(15,000.00)	(15,000.00)	0.00	0.00	31/03/2021	J Sands		Retention at this time as part of CSP delivery plan - spend by 31 March 2021
EU EXIT RESERVE	(41,980.00)	0.00	(41,980.00)	0.00	0.00	31/03/2021	T Mustafa		Balance of MHCLG funding provided for EU exit preparations
CCTV RESIDUAL COSTS	(17,000.00)	(17,000.00)	0.00	0.00	0.00	31/03/2021			
HEART OF TAMWORTH SUMMER SCHEM	(5,000.00)	0.00	(5,000.00)	(5,000.00)	0.00	31/03/2021	K Clancy	J Sands	Plans to be discussed with SCC due to no October activities.
CYBER SECURITY IMPROVEMENTS	(5,000.00)	0.00	(5,000.00)	(5,000.00)	0.00	31/03/2021	G Youlden	Z Wolicki	LGA grant re improvements to cyber security - will be spent later in the year
ICT COVID19 RECOVERY	(30,000.00)	(30,000.00)	0.00	0.00	0.00				
GUNGATE CONSULTANTS FEES	(25,000.00)	0.00	(25,000.00)	0.00	25,000.00	31/03/2021	S Garner		Not required - unsuccessful bid for match funding
COVID 19 GRANTS	(58,000.00)	(58,000.00)	0.00	0.00	0.00		S Garner		-
SCC SPORT COM. DIVERSION ACTIV	(9,900.00)	0.00	(9,900.00)	0.00	0.00	31/03/2021	J Sands		For release to GY1603 for diversionary activity by 31 March 2021
ENV HEALTH CONSULTANCY COSTS	(12,000.00)	(12,000.00)	0.00	0.00	0.00	31/03/2021	G Harvey	A Miller	To cover env health consultancy costs until end of contract in May 2020.
SCANNING ENV. HEALTH	(15,500.00)	0.00	(15,500.00)	0.00	0.00	31/03/2021	G Harvey	A Miller	To scan all paperwork team carried over to marmion house, 12 months to go paperless. This workload has been delayed due to Covid and the workload of the environmental health team.
CASTLE PROPOSALS	(99,400.00)	(44,900.00)	(54,500.00)	0.00	0.00	31/03/2021		A Miller	Fund to be used to improve and upgrade numerous areas of the castle. This work has been delayed due to Covid and the Castle's closure. In addition it is proving difficult to get the necessary consent from Historic England - they have not been undertaking site visits since the first lockdown in March.
HSG GEN FUND WORKS IN DEFAULT	(5,000.00)	0.00	(5,000.00)	(5,000.00)	0.00	31/03/2021	S Phipps	J Sands	Subject to consideration as part of corporate enforcement policy

NARRATIVE	OPENING BALANCE	MOVEMENT IN YEAR	BALANCE AS AT 23/11/20	MAXIMUM FUND BALANCE	AMOUNT TO BE RELEASED FOLLOWING NOVEMBER REVIEW	DATE FUND TO BE SPENT	BUDGET MANAGER	RELEASE AUTHORISED BY	REASON FOR RETENTION
HSG STRATEGY TEMP. COVER	(9,800.00)	0.00	(9,800.00)	0.00	0.00	31/03/2021	S Phipps	J Sands	To be spent by 31 March 2021 - ongoing support required by temp staff due to sickness absence
OUTDOOR/COMMUNITY EVENTS	(35,000.00)	0.00	(35,000.00)	(35,000.00)	0.00	31/03/2021	A Ramsel	S McGrandle	To provide community and outdoor events as the Assembly Rooms may be out of action for a while.
COMMUNITY PROJECTS	(26,000.00)	0.00	(26,000.00)	(26,000.00)	0.00	31/03/2021	S McGrandle		To engage in community projects instead of the usual Britain in Bloom/flower planting in the summer. To be reviewed at end of year
	(936,345.00)	(191,900.00)	(744,445.00)	(457,515.00)	30,000.00				
<b>RETAINED FUNDS</b>									
HSG PROPERTY INSURANCE EXCESS	(147,380.10)	(1,459.72)	(145,920.38)	(150,000.00)	0.00		R Bennett		Prudential accounting for potential liabilities
IMPS ORCHARD-FUNDING HOME & TT	(84,040.00)	0.00	(84,040.00)	(84,040.00)	0.00		G Youlden?		Several projects still outstanding, including costs for implementation of Customer Portal
MAINTENANCE & SECURITY UPGRADE	(60,285.00)	0.00	(60,285.00)	(60,285.00)	0.00		L Birch	T Mustafa	
HRA LEGAL FEES	(20,000.00)	0.00	(20,000.00)	(20,000.00)	0.00		T Mustafa		Retained fund required for potential additional legal fees outside of those provided by the Legal shared service agreement (agreed as part of Cabinet report)
CASTE ACCESSION FUND	2,570.00	(10,000.00)	(7,430.00)	(7,430.00)	0.00			A Miller	£1500 from the Accessions budget is transferred to the reserves each year if it is not spent but then the retained fund was capped at £10,000. This was so that if we needed to make a large collection purchase we could do that. There is never any more than £1500 so we will never be able to build up this fund again. So Again the purpose for this fund was as follows £To support the castle collections, either by enabling the purchase of equipment to support the storage and care of the collections, or to purchase one-off pieces with relevant provenance to supplement the collections.
INSURANCE-THIRD PARTY EXCESS	(164,311.16)	(5,000.00)	(159,311.16)	(150,000.00)	9,311.16		R Bennett		Prudential accounting for potential liabilities
4 FUTURE MEMORIAL INSP/MAINT	(50,000.00)	0.00	(50,000.00)	(50,000.00)	0.00		S McGrandle		Funding for ongoing inspection, testing & maintenance of memorials, capped at £50,000.
5 CASTLE STRUCTURE REPAIRS	(8,000.00)	(8,000.00)	0.00	0.00	0.00				
CAR PARKS MAINTENANCE	(54,729.00)	0.00	(54,729.00)	(54,729.00)	0.00		M Fletcher	A Miller	Management of car parks previously under J Sands but now transferred. Subject to work of car park review and capital bid.
TREE MAINTENANCE BOROUGH WIDE	(12,755.00)	0.00	(12,755.00)	(12,755.00)	0.00		S McGrandle		To provide funding for further felling, removal and replanting of trees across the borough as necessary
TOWN CENTRE STRATEGY	(227,985.00)	(145,125.00)	(82,860.00)	(82,860.00)	0.00		M Fletcher	A Miller	Consolidated reserve to support The Town Centre Strategy as reported to Cabinet on 8th November 2018. Will be used over a 5 year period.
EXTERNAL SUPPORT	(32,805.00)	(5,200.00)	(27,605.00)	(27,605.00)	0.00		R Neill		As Internal Audit is not hosted as a permanent resource in-house, these funds are required in the event that additional external support is needed eg for a special investigation or specialist audits, particularly during shared service arrangements with Lichfield DC.
LSPA LOCALITY WORKING RESERVE	(85,905.86)	0.00	(85,905.86)	(85,910.00)	0.00		K Clancy	J Sands	To be retained as per Cabinet agreement as part of community development review in 2017 - funding for commissioning for VCSE. Connecting Communities grant funding which has not been made available this year. Consideration as part of Corporate R&R project - vulnerabilities
LPSA2 GRANT ASB	(43,506.50)	0.00	(43,506.50)	(43,510.00)	0.00		J Sands		No plans for expenditure at this time
DWP UC/NEW BURDENS GRANT	(78,086.00)	(21,410.00)	(56,676.00)	(75,000.00)	0.00		J Smith	L Pugh	Budgeted contribution from additional Gov't grants
GF PROPERTY INSURANCE EXCESS	(68,966.12)	0.00	(68,966.12)	(50,000.00)	18,966.12		R Bennett		Prudential accounting for potential liabilities
gf MOTOR INSURANCE EXCESS	(21,190.57)	0.00	(21,190.57)	(10,000.00)	11,190.57		R Bennett		Prudential accounting for potential liabilities
TOWN HALL IMPROVEMENTS	(15,000.00)	0.00	(15,000.00)	(25,000.00)	0.00		D Lewis	A Millard	Required to fund redecoration & improvements to Town Hall (no other budgetary funding available)

NARRATIVE	OPENING BALANCE	MOVEMENT IN YEAR	BALANCE AS AT 23/11/20	MAXIMUM FUND BALANCE	AMOUNT TO BE RELEASED FOLLOWING NOVEMBER REVIEW	DATE FUND TO BE SPENT	BUDGET MANAGER	RELEASE AUTHORISED BY	REASON FOR RETENTION
INDIVIDUAL VOTER REGISTRATION	(15,000.00)	0.00	(15,000.00)	(15,000.00)	0.00		B Flanagan		Retained fund established from New Burdens grant to meet the requirements of IVR and additional staffing, printing, postage and equipment/systems costs. It is also required to bolster funds available for additional unbudgeted elections.
MAINT. OF A5 BALANCING PONDS	(536,965.45)	(426,000.00)	(110,965.45)	(111,000.00)	0.00		S McGrandle		When the A5 bypass was constructed, a network of 8 balancing ponds and reedbeds were also constructed alongside it to take excess water from the surface of the road and prevent this water being discharged as either groundwater or surface water, and also to reduce the effects of certain pollutants from the carriageway. Over time these balancing ponds which flow from Kettlebrook through to Tamworth centre become 'silted' up and have to be cleansed. A recent survey of the ponds has highlighted the fact that the original commuted sum set aside to maintain these ponds is insufficient and further funding is required in order to support the proposed 10 year maintenance plan. Therefore it is proposed that the surplus revenue from the Highway Maintenance budget be retained to assist in the delivery of this cleansing and maintenance programme.
BUSINESS RATES COLLECTION	(1,075,830.00)	0.00	(1,075,830.00)	(1,225,830.00)	0.00		S Garner		This retained fund was established from revenue contributions for new burdens (Small Business Rate Relief) grant received by the Council. It is required to mitigate the impact on the budget from fluctuations in business rates receivable (due to the increased risk/reliance on business rates received and the direct impact on the Council's budgets). Annual Budgeted contribution £150k for business rates equalisation & potential need for £215.45k Staffs Pilot Contingency
SPORTS GRANT	(2,400.00)	0.00	(2,400.00)	(2,400.00)	0.00		S McGrandle		Required for Tamworth BMX club to draw against for track maintenance.
ECONOMIC DEVELOPMENT SHARED SE	(34,105.00)	(16,000.00)	(18,105.00)	(18,105.00)	0.00		M Fletcher	A Miller	Joint money between equally contributed from Lichfield and Tamworth Councils.
POLICE&CRIME COMMISSIONERS GRT	(10,278.00)	(10,278.00)	0.00	0.00	0.00				
CONSERVATION GRANTS	(27,557.00)	0.00	(27,557.00)	(27,560.00)	0.00		E Overton	A Miller	£25k of this fund has already been used to support the Town Centre Strategy over a period of 5 years, as previously reported to Cabinet. It is requested the remainder be retained to provide Conservation Grants as £6k of the annual revenue budget for Conservation Grants has been earmarked for virement to an annual revenue budget for Town Centre Strategy.
LOCAL PLAN	(147,624.00)	0.00	(147,624.00)	(147,630.00)	0.00		E Overton	A Miller	The delivery and monitoring of the Local Plan is an ongoing commitment. Work will continue in 20/21
EXPAND BILDING CONT PARTNSHIP	(12,420.00)	0.00	(12,420.00)	(12,420.00)	0.00		E Overton	A Miller	This is Tamworth's share of the returned earmarked reserve from the Southern Staffs Building Control Partnership, and is required to be retained for future in line with the agreement.
PLANNING INVEST FROM FEE INC	(36,190.00)	0.00	(36,190.00)	(36,190.00)	0.00		E Overton	A Miller	The Government increased nationally set planning fees by 20% on 17th January 2018 on the understanding that the increase would be re-invested into the planning service. It is requested that this fund is created to make improvements and efficiencies to the service and provide transparency .
PROPERTY FUND INVESTMENT COSTS	(600,000.00)	0.00	(600,000.00)	(600,000.00)	0.00		S Garner		Contribution to reserve for potential cost of property fund investment purchases (stamp duty, valuation changes etc.) and changes in valuation not covered by mitigation regulations

NARRATIVE	OPENING BALANCE	MOVEMENT IN YEAR	BALANCE AS AT 23/11/20	MAXIMUM FUND BALANCE	AMOUNT TO BE RELEASED FOLLOWING NOVEMBER REVIEW	DATE FUND TO BE SPENT	BUDGET MANAGER	RELEASE AUTHORISED BY	REASON FOR RETENTION
GROWTH HUB	(16,128.00)	0.00	(16,128.00)	(16,130.00)	0.00		M Fletcher	A Miller	Underspend from grant funding to be used to cover entirety of project for each council partner.
BELGRAVE 3G PITCH MAINTENANCE	0.00	21,876.00	(21,876.00)	(21,880.00)	0.00		S McGrandle		Sinking fund required at £25k per year as per agreement with football foundation for maintenance costs.
	(3,686,872.76)	(626,596.72)	(3,080,276.04)	(3,223,269.00)	39,467.85				
<b>SECTION 106 CAPITAL FUNDS</b>									
CAPITAL FUND	(547,821.15)	211,041.00	(758,862.15)	(758,870.00)	0.00				To fund general capital works, the balance being included in future capital resource projections
	(547,821.15)	211,041.00	(758,862.15)	(758,870.00)	0.00				
<b>COMMUTED SUNS RESERVES</b>									
CASTLE ACCESSION FUND	(10,000.00)	10,000.00	0.00	0.00	0.00				
OPEN SPACE MAINTENANCE	(458,412.73)	0.00	(458,412.73)	(458,410.00)	0.00				Section 106 - open space maintenance
OPEN SPACE ENHANCEMENT	(187,343.94)	(130,285.06)	(317,629.00)	(317,630.00)	0.00				Section 106 - open space enhancement, including contribution for Amington Community Woodland
LEISURE CENTRE CONTRIB	(108,485.06)	(37,280.80)	(145,765.86)	(145,770.00)	0.00				Section 106 - Persimmon land off Coton Lane
STORM WATER DRAINAGE MAINT.	(424,614.74)	0.00	(424,614.74)	(424,610.00)	0.00				Section 106 - drainage maintenance including A5 balancing ponds
OPEN SPACE PURCHASE	(118,945.10)	0.00	(118,945.10)	(118,940.00)	0.00				Section 106 open space purchase
RECREATION/LEISURE FACILITIES	(801,958.85)	(135,228.59)	(937,187.44)	(937,190.00)	0.00				Section 106 Leisure/Recreation Facilities
AGREEMENT MONITORING	(5,314.00)	(1,400.00)	(6,714.00)	(6,710.00)	0.00				Section 106 - agreement monitoring
C I L ADMIN 5%	(11,041.24)	0.00	(11,041.24)	(11,040.00)	0.00				CIL Admin
C I L COMMUNITY 15%	(331.00)	(32,793.72)	(33,124.72)	(33,120.00)	0.00				CIL Community
C I L STRATEGIC 80%	(1,764.00)	(174,899.79)	(176,663.79)	(176,660.00)	0.00				CIL Strategic
	(2,128,210.66)	(501,887.96)	(2,630,098.62)	(2,630,080.00)	0.00				
<b>OTHER RESERVES</b>									
HOUSING TRANSFORMATION RESERVE	(62,104.00)	0.00	(62,104.00)	(62,105.00)	0.00		S Garner		To be released to HRA to fund transformation projects
BUILDING REPAIRS FUND	(27,259.94)	0.00	(27,259.94)	(27,260.00)	0.00		S Garner		To be released to fund building repairs in year
TRANSFORMATION RESERVE	(1,043,543.00)	0.00	(1,043,543.00)	(1,603,545.00)	(560,000.00)		S Garner		Held for Transformation projects associated with Recovery and Reset Programme and / or to fund the MTFS requirement in the Medium Term - includes Building Repairs Fund contribution to Assembly Rooms held to transfer £560k to Transformation Reserve
	(1,132,906.94)	0.00	(1,132,906.94)	(1,692,910.00)	(560,000.00)				
<b>TOTAL RESERVES</b>	<b>(15,694,184.07)</b>	<b>(1,109,343.68)</b>	<b>(15,608,616.31)</b>	<b>(15,080,279.00)</b>	<b>69,467.85</b>				



## CABINET

THURSDAY 3<sup>RD</sup> DECEMBER 2020

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

#### TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY MID-YEAR REVIEW REPORT 2020/21

#### EXEMPT INFORMATION

None

#### PURPOSE

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

#### RECOMMENDATIONS

**That Council be requested to approve:**

- 1. the Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2020/21;**
- 2. that the planned investments in property funds be deferred, with a review during Spring 2021 when the situation should be clearer, to inform future investment plans.**

#### EXECUTIVE SUMMARY

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

- An economic update for the half of the 2020/21 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's Capital expenditure as set out in the Capital Strategy, and Prudential Indicators;
- A review of the Council's investment portfolio for 2020/21;
- A review of the Council's borrowing strategy for 2020/21;
- A review of any debt rescheduling undertaken during 2020/21;
- A review of compliance with Treasury and Prudential Limits for 2020/21.

The main issues for Members to note are:

1. The Council has complied with the professional codes, statutes and guidance.
2. There are no issues to report regarding non-compliance with the approved prudential indicators.
3. The investment portfolio yield for the first six months of the year is 0.77% (1.02% for the same period in 2019/20) compared to the 3 Month LIBID benchmark rate of 0.11% (0.66% for the same period in 2019/20).

At the meeting on 15<sup>th</sup> July 2020, Members of the Corporate Scrutiny Committee considered the Capital Outturn report for 2019/20 concluding before any further investments in property funds under existing delegations are made, that a review be carried out.

As the Committee nominated by Council for the scrutiny of Treasury Management functions, it was recommended to and approved by Cabinet on 30<sup>th</sup> July that the review be scrutinised by the Audit & Governance Committee to inform the Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Review Report due to be presented to Council in December 2020. This was considered at the Audit & Governance Committee on 29<sup>th</sup> October 2020 where it was resolved that it be recommended to Cabinet that the planned investments in property funds be deferred, with a review during Spring 2021 when the situation should be clearer, to inform future investment plans.

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

## **RESOURCE IMPLICATIONS**

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

## **LEGAL/RISK IMPLICATIONS BACKGROUND**

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

## **SUSTAINABILITY IMPLICATIONS**

None

## **BACKGROUND INFORMATION**

In December 2017, the Chartered Institute of Public Finance and Accountancy

(CIPFA) issued revised Prudential and Treasury Management Codes. As from 2019/20, all local authorities have been required to prepare a Capital Strategy which is to provide the following:-

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

A report setting out our updated Capital Strategy will be included with the Budget and Medium Term Financial Strategy report presented to Cabinet and Council in February 2021.

The CIPFA Code of Practice on Treasury Management (revised 2017) suggests that Members should be informed of Treasury Management activities at least twice a year, but preferably quarterly. This is the second monitoring report for 2020/21 presented to Members this year and therefore ensures the Council is embracing best practice. Cabinet also receives regular monitoring reports as part of the quarterly healthcheck on Treasury Management activities and risks.

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

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

Accordingly, Treasury Management is defined as:

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

## Introduction

This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2017), which was adopted by this Council on 27<sup>th</sup> February 2018.

The primary requirements of the Code are as follows:

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

### 1. Economic Update and Interest Rates

**1.1** As expected, the Bank of England's Monetary Policy Committee kept Bank Rate unchanged on 6<sup>th</sup> August. It also kept unchanged the level of quantitative easing at £745bn. Its forecasts were optimistic in terms of three areas:

- The fall in **GDP** in the first half of 2020 was revised from 28% to 23% (subsequently revised to -21.8%). This is still one of the largest falls in output of any developed nation. However, it is only to be expected as the UK economy is heavily skewed towards consumer-facing services – an area which was particularly vulnerable to being damaged by lockdown.
- The peak in the **unemployment rate** was revised down from 9% in Q2 to 7½% by Q4 2020.
- It forecast that there would be excess demand in the economy by Q3 2022 causing CPI **inflation** to rise above the 2% target in Q3 2022, (based on market interest rate expectations for a further loosening in policy). Nevertheless, even if the Bank were to leave policy unchanged, inflation was still projected to be above 2% in 2023.

It also squashed any idea of using **negative interest rates**, at least in the next six months or so. It suggested that while negative rates can work in some circumstances, it would be “less effective as a tool to stimulate the economy” at this time when banks are worried about future loan losses. It also has “other instruments available”, including QE and the use of forward guidance.

The MPC expected the £300bn of **quantitative easing** purchases announced between its March and June meetings to continue until the “turn of the year”. This implies that the pace of purchases will slow further to about £4bn a week, down from £14bn a week at the height of the crisis and £7bn more recently.

In conclusion, this would indicate that the Bank could now just sit on its hands as the economy was recovering better than expected. However, the MPC acknowledged that the “medium-term projections were a less informative guide than usual” and the minutes had multiple references to **downside risks**, which were judged to persist both in the short and medium term. One has only to look at the way in which second waves of the virus are now impacting many countries including Britain, to see the dangers. In addition, Brexit uncertainties ahead of the year-end deadline are likely to be a drag on recovery.

Overall, **the pace of recovery** is not expected to be in the form of a rapid V shape, but a more elongated and prolonged one after a sharp recovery in June through to August which left the economy 11.7% smaller than in February. The last three months of 2020 are now likely to show no growth as consumers will probably remain cautious in spending and uncertainty over the outcome of the UK/EU trade negotiations concluding at the end of the year will also be a headwind. If the Bank felt it did need to provide further support to recovery, then it is likely that the tool of choice would be more QE.

There will be some **painful longer term adjustments** as e.g. office space and travel by planes, trains and buses may not recover to their previous level of use for several years, or possibly ever. There is also likely to be a reversal of globalisation as this crisis has shown up how vulnerable long-distance supply chains are. On the other hand, digital services is one area that has already seen huge growth.

One key addition to **the Bank’s forward guidance** was a new phrase in the policy statement, namely that “it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% target sustainably”. That seems designed to say, in effect, that even if inflation rises to 2% in a couple of years’ time, do not expect any action from the MPC to raise Bank Rate – until they can clearly see that level of inflation is going to be persistently above target if it takes no action to raise Bank Rate

The **Financial Policy Committee** (FPC) report on 6<sup>th</sup> August revised down their expected credit losses for the banking sector to “somewhat less than £80bn”. It stated that in its assessment “banks have buffers of capital more than sufficient to absorb the losses that are likely to arise under the MPC’s central projection”. The FPC stated that for real stress in the sector, the economic output would need to be twice as bad as the MPC’s projection, with unemployment rising to above 15%.

**US.** The incoming sets of data during the first week of August were almost universally stronger than expected.

However, growth will be dampened by continuing outbreaks of the virus in some states leading to fresh localised restrictions. At its end of August meeting, the Fed tweaked **its inflation target** from 2% to maintaining an average of 2% over an unspecified time period i.e. following periods when inflation has been running persistently below 2%, appropriate monetary policy will likely aim to achieve inflation moderately above 2% for some time. This change is aimed to provide more stimulus for economic growth and higher levels of employment and to avoid the danger of getting caught in a deflationary “trap” like Japan. It is to be noted that inflation has actually been under-shooting the 2% target significantly for most of the last decade so financial markets took note that higher levels of inflation are likely to be in the pipeline; long term bond yields duly rose after the meeting. The Fed also called on Congress to end its political disagreement over providing more support for the unemployed as there is a limit to what monetary policy can do compared to more directed central government fiscal policy. The FOMC’s updated economic and rate projections in mid-September showed that officials expect to leave the fed funds rate at near-zero until at least end-2023 and probably for another year or two beyond that. There is now some expectation that where the Fed has led in changing its inflation target, other major central banks will follow. The increase in tension over the last year between the US and China is likely to lead to a lack of momentum in progressing the initial positive moves to agree a phase one trade deal.

**EU.** The economy was recovering well towards the end of Q2 after a sharp drop in GDP, (e.g. France 18.9%, Italy 17.6%). However, the second wave of the virus could cause a significant slowdown in the pace of recovery, especially in countries more dependent on tourism. The fiscal support package, eventually agreed by the EU after prolonged disagreement between various countries, is unlikely to provide significant support and quickly enough to make an appreciable difference in weaker countries. The ECB has been struggling to get inflation up to its 2% target and it is therefore expected that it will have to provide more monetary policy support through more quantitative easing purchases of bonds in the absence of sufficient fiscal support.

**China.** After a concerted effort to get on top of the virus outbreak in Q1, economic recovery was strong in Q2 and has enabled it to recover all of the contraction in Q1. However, this was achieved by major central government funding of yet more infrastructure spending. After years of growth having been focused on this same area, any further spending in this area is likely to lead to increasingly weaker economic returns. This could, therefore, lead to a further misallocation of resources which will weigh on growth in future years.

**Japan.** There are some concerns that a second wave of the virus is gaining momentum and could dampen economic recovery from its contraction of 8.5% in GDP. It has been struggling to get out of a deflation trap for many years and to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy. The resignation of Prime Minister Abe is not expected to result in any significant change in economic policy.

**World growth.** Latin America and India are currently hotspots for virus infections. World growth will be in recession this year. Inflation is unlikely to be a problem for some years due to the creation of excess production capacity and depressed demand caused by the coronavirus crisis.

## 1.2 Interest rate forecasts

The Council's treasury advisor, Link Group, provided the following forecasts on 11<sup>th</sup> August 2020 (PWLB rates are certainty rates, gilt yields plus 180bps):

Link Group Interest Rate View 11.8.20										
	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank Rate View	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month average earnings	0.05	0.05	0.05	0.05	0.05	-	-	-	-	-
6 month average earnings	0.10	0.10	0.10	0.10	0.10	-	-	-	-	-
12 month average earnings	0.15	0.15	0.15	0.15	0.15	-	-	-	-	-
5yr PWLB Rate	1.90	2.00	2.00	2.00	2.00	2.00	2.10	2.10	2.10	2.10
10yr PWLB Rate	2.10	2.10	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.30
25yr PWLB Rate	2.50	2.50	2.50	2.60	2.60	2.60	2.70	2.70	2.70	2.70
50yr PWLB Rate	2.30	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.50	2.50

The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its meeting on 6<sup>th</sup> August (and the subsequent September meeting), although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary. As shown in the forecast table above, no increase in Bank Rate is expected within the forecast horizon ending on 31<sup>st</sup> March 2023 as economic recovery is expected to be only gradual and, therefore, prolonged.

**GILT YIELDS / PWLB RATES.** There was much speculation during the second half of 2019 that bond markets were in a bubble which was driving bond prices up and yields down to historically very low levels. The context for that was heightened expectations that the US could have been heading for a recession in 2020. In addition, there were growing expectations of a downturn in world economic growth, especially due to fears around the impact of the trade war between the US and China, together with inflation generally at low levels in most countries and expected to remain subdued. Combined, these conditions were conducive to very low bond yields. While inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers. This means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. The consequence of this has been the gradual lowering of the overall level of interest rates and bond yields in financial markets over the last 30 years. Over the year prior to the coronavirus crisis, this has seen many bond yields up to 10 years turn negative in the Eurozone. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession. The other side of this coin is that bond prices are elevated as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities.

Gilt yields had therefore already been on a generally falling trend up until the coronavirus crisis hit western economies during March. After gilt yields spiked up during the initial phases of the health crisis in March, we have seen these yields fall sharply to

unprecedented lows as major western central banks took rapid action to deal with excessive stress in financial markets, and started massive quantitative easing purchases of government bonds: this also acted to put downward pressure on government bond yields at a time when there has been a huge and quick expansion of government expenditure financed by issuing government bonds. Such unprecedented levels of issuance in “normal” times would have caused bond yields to rise sharply. At the close of the day on 30<sup>th</sup> September, all gilt yields from 1 to 6 years were in negative territory, while even 25-year yields were at only 0.76% and 50 year at 0.60%.

From the local authority borrowing perspective, HM Treasury imposed **two changes of margins over gilt yields for PWLB rates** in 2019-20 without any prior warning. The first took place on 9<sup>th</sup> October 2019, adding an additional 1% margin over gilts to all PWLB period rates. That increase was then at least partially reversed for some forms of borrowing on 11<sup>th</sup> March 2020, but not for mainstream General Fund capital schemes, at the same time as the Government announced in the Budget a programme of increased infrastructure expenditure. It also announced that there would be a consultation with local authorities on possibly further amending these margins; this was to end on 4<sup>th</sup> June, but that date was subsequently put back to 31<sup>st</sup> July. It is clear HM Treasury will no longer allow local authorities to borrow money from the PWLB to purchase commercial property if the aim is solely to generate an income stream (assets for yield). Following the changes on 11<sup>th</sup> March 2020 in margins over gilt yields, the current situation is as follows: -

- **PWLB Standard Rate** is gilt plus 200 basis points (G+200bps)
- **PWLB Certainty Rate** is gilt plus 180 basis points (G+180bps)
- **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
- **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

It is possible that the non-HRA Certainty Rate will be subject to revision downwards after the conclusion of the PWLB consultation; however, the timing of such a change is currently an unknown, although it would be likely to be within the current financial year.

As the interest forecast table for PWLB certainty rates, (gilts plus 180bps), above shows, there is likely to be little upward movement in PWLB rates over the next two years as it will take economies, including the UK, a prolonged period to recover all the momentum they have lost in the sharp recession caused during the coronavirus shut down period. Inflation is also likely to be very low during this period and could even turn negative in some major western economies during 2020/21.

### **The balance of risks to the UK**

The overall balance of risks to economic growth in the UK is probably relatively even, but is subject to major uncertainty due to the virus.

There is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations. However,



it is always possible that safe haven flows, due to unexpected domestic developments and those in other major economies, could impact gilt yields, (and so PWLB rates), in the UK.

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

- **UK** - second nationwide wave of virus infections resulting in further lockdown
- **UK / EU trade negotiations** – if it were to cause significant economic disruption and a fresh major downturn in the rate of growth.
- **UK - Bank of England** takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- A resurgence of the **Eurozone sovereign debt crisis**. The ECB has taken monetary policy action to support the bonds of EU states, with the positive impact most likely for “weaker” countries. In addition, the EU recently agreed a €750bn fiscal support package. These actions will help shield weaker economic regions for the next year or so. However, in the case of Italy, the cost of the virus crisis has added to its already huge debt mountain and its slow economic growth will leave it vulnerable to markets returning to taking the view that its level of debt is unsupportable. There remains a sharp divide between northern EU countries favouring low debt to GDP and annual balanced budgets and southern countries who want to see jointly issued Eurobonds to finance economic recovery. This divide could undermine the unity of the EU in time to come.
- Weak capitalisation of some **European banks**, which could be undermined further depending on extent of credit losses resultant of the pandemic.
- **German minority government & general election in 2021**. In the German general election of September 2017, Angela Merkel’s CDU party was left in a vulnerable minority position dependent on the fractious support of the SPD party, as a result of the rise in popularity of the anti-immigration AfD party. The CDU has done badly in subsequent state elections but the SPD has done particularly badly. Angela Merkel has stepped down from being the CDU party leader but she intends to remain as Chancellor until the general election in 2021. This then leaves a major question mark over who will be the major guiding hand and driver of EU unity when she steps down.
- **Other minority EU governments**. Austria, Sweden, Spain, Portugal, Netherlands, Ireland and Belgium also have vulnerable minority governments dependent on coalitions which could prove fragile.
- **Austria, the Czech Republic, Poland and Hungary** now form a strongly anti-immigration bloc within the EU. There has also been a rise in anti-immigration sentiment in Germany and France.
- **Geopolitical risks**, for example in China, Iran or North Korea, but also in Europe and other Middle Eastern countries, which could lead to increasing safe haven flows.
- **US – the Presidential election in 2020**: this could have repercussions for the US

economy and SINO-US trade relations.

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

- **UK** - stronger than currently expected recovery in UK economy.
- **Post-Brexit** – if an agreement was reached that removed the majority of threats of economic disruption between the EU and the UK.
- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.

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

The Treasury Management Strategy Statement (TMSS) for 2020/21 was approved by Council on 25th February 2020.

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

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

This part of the report is structured to update:

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

### 3.1 Prudential Indicator for Capital Expenditure

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

Capital Expenditure	2020/21 Original Programme	Budget B'fwd from 2019/20	Virements in Year	Total 2020/21 Budget	Actual Spend @ Period 6	Predicted Outturn	2020/21 Revised Estimate*
	£m	£m	£m	£m	£m	£m	£m
General Fund	1.579	15.077	0.472	17.127	1.644	3.600	16.844
HRA	10.246	6.004	6.000	22.250	10.455	21.351	21.396
<b>Total</b>	<b>11.825</b>	<b>21.080</b>	<b>6.472</b>	<b>39.377</b>	<b>12.099</b>	<b>24.951</b>	<b>38.241</b>

\* Includes potential expenditure slippage into 2020/21

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

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

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

<b>Capital Expenditure</b>	<b>2020/21 Capital Programme £m</b>	<b>2020/21 Predicted Outturn £m</b>	<b>2020/21 Budget * £m</b>
Unsupported	0.844	4.754	4.985
Supported	10.981	20.197	34.392
<b>Total spend</b>	<b>11.825</b>	<b>24.951</b>	<b>39.377</b>
Financed by:			
Grants - Disabled Facilities	0.400	0.400	0.400
Section 106's	0.090	0.816	0.972
GF Receipts	-	0.080	12.930
GF Reserve	-	0.175	0.298
Sale of Council House Receipts	0.191	0.263	0.392
HRA Receipts	0.741	0.786	0.940
HLF/Donation - Castle Mercian Trail	-	0.226	0.226
Community Infrastructure Levy (CIL)	0.030	-	0.030
Other Grants/Contributions	0.024	0.601	0.609
MRR	2.895	3.528	4.282
HRA 1-4-1 Replacements Receipts	0.600	3.072	3.072
HRA Reserve	5.666	9.061	9.053
HRA Regeneration Fund	0.344	1.066	1.066
HRA Affordable Housing Reserve	-	0.124	0.124
<b>Total Financing</b>	<b>10.981</b>	<b>20.197</b>	<b>34.392</b>
<b>Borrowing need</b>	<b>0.844</b>	<b>4.754</b>	<b>4.985</b>

\* includes potential expenditure slippage into 2020/21

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

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

#### Prudential Indicator – Capital Financing Requirement

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

#### Prudential Indicator – the Operational Boundary for External Debt

	<b>2019/20</b>	<b>2020/21</b>	<b>2020/21</b>	<b>2020/21</b>
	<b>Outturn</b>	<b>Capital Programme</b>	<b>Projected Outturn</b>	<b>Budget</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
CFR – Non Housing	3.523	2.806	4.453	4.627
CFR – Housing	68.532	75.255	72.246	72.246
Total CFR	72.055	78.061	76.698	76.873
<b>Net movement in CFR</b>	<b>3.188</b>	<b>3.010</b>	<b>4.643</b>	<b>4.818</b>
Operational Boundary				
Expected Borrowing	63.060	63.060	63.060	63.060
Other long term liabilities	-	-		-
<b>Total Debt 31<sup>st</sup> March</b>	<b>63.060</b>	<b>63.060</b>	<b>63.060</b>	<b>63.060</b>

### 3.4 Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2020/21 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

	<b>2019/20</b>	<b>2020/21</b>	<b>2020/21</b>	<b>2020/21</b>
	<b>Outturn</b>	<b>Original Estimate</b>	<b>Projected Outturn</b>	<b>Budget</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Gross borrowing	63.060	63.060	63.060	63.060
Less investments	58.981	27.197	43.905	43.673
Net borrowing	4.079	35.863	19.156	19.387
CFR (year end position)	72.055	78.061	76.698	76.873

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

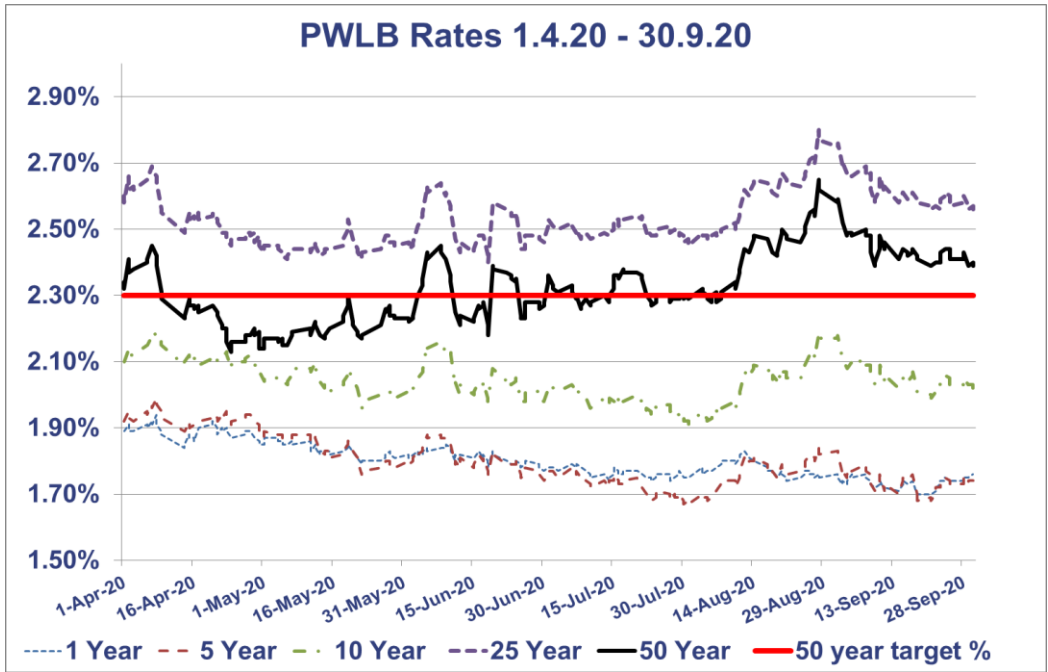
<b>Authorised Limit for External Debt</b>	<b>2020/21 Original Indicator</b>	<b>Current Position</b>	<b>2020/21 Revised Indicator</b>
Borrowing	85.213	85.213	85.213
Total	85.213	85.213	85.213

#### **4. Borrowing**

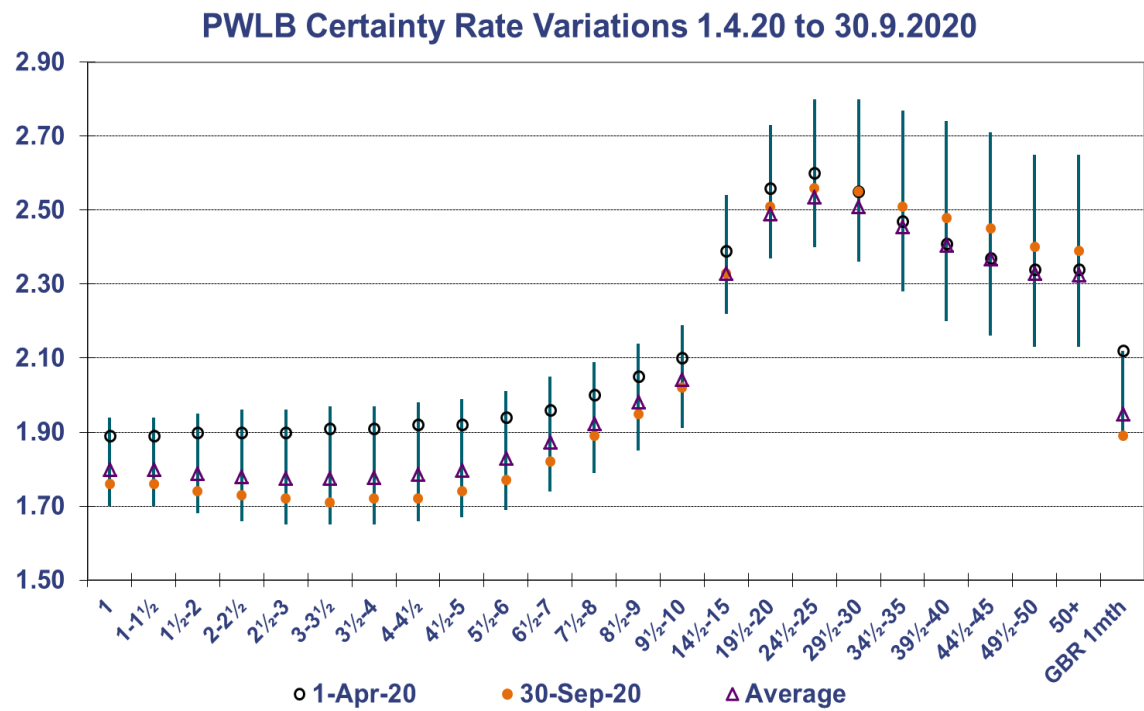
The Council's estimated revised capital financing requirement (CFR) for 2020/21 is £76.698m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. Table 3.4 shows the Council has borrowings of £63.060m and plans to utilise £13.638m of cash flow funds in lieu of borrowing. This is a prudent and cost effective approach in the current economic climate but will require ongoing monitoring in the event that upside risk to gilt yields prevails.

It is not anticipated that any additional borrowing will be undertaken during 2020/21.

**PWLB maturity certainty rates (gilts plus 180bps) year to date to 30<sup>th</sup> September 2020**



	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.70%	1.67%	1.91%	2.40%	2.13%
Date	18/09/2020	30/07/2020	31/07/2020	18/06/2020	24/04/2020
High	1.94%	1.99%	2.19%	2.80%	2.65%
Date	08/04/2020	08/04/2020	08/04/2020	28/08/2020	28/08/2020
Average	1.80%	1.80%	2.04%	2.54%	2.33%



PWLB rates varied within a relatively narrow range between April and July but the longer end of the curve rose during August. This increase came in two periods; the first in the second week of the month was on the back of hopes for fresh US stimulus. This saw investors switch monies out of government bonds and into equities. The second shift

higher at the longer end of the curve came in the latter stages of the month as investors reacted to the announcement of the tweak to the Fed's inflation target. Despite moves further out in the yield curve, the short end remained anchored on the basis of no fundamental change to the interest rate outlook.

The 50-year PWLB target rate for new long-term borrowing was unchanged at 2.30%.

## **5. Debt Rescheduling**

Debt rescheduling opportunities have been very limited in the current economic climate and following the various increases in the margins added to gilt yields which have impacted PWLB new borrowing rates since October 2010. No debt rescheduling has therefore been undertaken to date in the current financial year.

## **6. Compliance with Treasury and Prudential Limits**

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the half year ended 30<sup>th</sup> September 2020, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2020. The Executive Director Finance reports that no difficulties are envisaged for the current or future years in complying with these indicators.

All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices.

## **7. Annual Investment Strategy**

The Treasury Management Strategy Statement (TMSS) for 2020/21, which includes the Annual Investment Strategy, was approved by the Council on 25<sup>th</sup> February 2020. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Council's investment priorities as being:

- Security of capital
- Liquidity
- Yield

The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council's risk appetite. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months with high credit rated financial institutions, using the Link suggested creditworthiness approach, including a minimum sovereign credit rating and Credit Default Swap (CDS) overlay information.

As shown by the interest rate forecasts in section 1.2, it is now impossible to earn the level of interest rates commonly seen in previous decades as all investment rates are

barely above zero now that Bank Rate is at 0.10%, while some entities, including more recently the Debt Management Account Deposit Facility (DMADF), are offering negative rates of return in some shorter time periods. Given this risk environment and the fact that increases in Bank Rate are unlikely to occur before the end of the current forecast horizon of 31<sup>st</sup> March 2023, investment returns are expected to remain low.

### **Negative investment rates**

While the Bank of England has said that it is unlikely to introduce a negative Bank Rate, at least in the next 6 -12 months, some deposit accounts are already offering negative rates for shorter periods. As part of the response to the pandemic and lockdown, the Bank and the Government have provided financial markets and businesses with plentiful access to credit, either directly or through commercial banks. In addition, the Government has provided large sums of grants to local authorities to help deal with the Covid crisis; this has caused some local authorities to have sudden large increases in investment balances searching for an investment home, some of which was only very short term until those sums were able to be passed on.

As for money market funds (MMFs), yields have continued to drift lower. Some managers have suggested that they might resort to trimming fee levels to ensure that net yields for investors remain in positive territory where possible and practical. Investor cash flow uncertainty, and the need to maintain liquidity in these unprecedented times, has meant there is a glut of money swilling around at the very short end of the market. This has seen a number of market operators, now including the DMADF, offer nil or negative rates for very short term maturities. This is not universal, and MMFs are still offering a marginally positive return, as are a number of financial institutions.

Inter-local authority lending and borrowing rates have also declined due to the surge in the levels of cash seeking a short-term home at a time when many local authorities are probably having difficulties over accurately forecasting when disbursements of funds received will occur or when further large receipts will be received from the Government.

### **Creditworthiness.**

Although the credit rating agencies changed their outlook on many UK banks from stable to negative outlook during the quarter ended 30<sup>th</sup> June 2020 due to upcoming risks to banks' earnings and asset quality during the economic downturn caused by the pandemic, the majority of ratings were affirmed due to the continuing strong credit profiles of UK banks. However, during Q1 and Q2 2020, banks made provisions for *expected* credit losses and the rating changes reflected these provisions. As we move into the next quarters ahead, more information will emerge on *actual* levels of credit losses. (Quarterly performance is normally announced in the second half of the month following the end of the quarter.) This has the potential to cause rating agencies to revisit their initial rating adjustments earlier in the current year. These adjustments could be negative or positive, although it should also be borne in mind that UK banks went into this pandemic with strong balance sheets. Indeed, the Financial Policy Committee (FPC) report on 6<sup>th</sup> August revised down their expected credit losses for the banking sector to "somewhat less than £80bn". They stated that in their assessment, "banks have buffers of capital more than sufficient to absorb the losses that are likely to arise under the MPC's central projection". The FPC stated that for real stress in the sector, the economic output would need to be twice as bad as the MPC's projection, with unemployment rising



to above 15%.

All three rating agencies have reviewed banks around the world with similar results in many countries of most banks being placed on negative watch, but with a small number of actual downgrades.

Link have conducted some stress testing on the Link credit methodology based list of counterparties supplied to clients, to test for the results of a 1 notch downgrade to all Long Term Ratings from all agencies. Under such a scenario, only Commerzbank, Norddeutsche Landesbank, NatWest Markets Plc (non-ring-fenced entity), Leeds, Skipton and Yorkshire Building Societies moved from Green to No Colour. While there are a further 17 drops in other entities' suggested durations, in these instances, these entities still remain potentially available for use. (Note that this scenario excludes any additional impact from relative movement in CDS pricing.)

### **Investment Counterparty criteria**

The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

### **CDS prices**

Although CDS prices, (these are market indicators of credit risk), for UK banks spiked upwards at the end of March/early April due to the liquidity crisis throughout financial markets, CDS prices have returned to more average levels since then, although they are still elevated compared to end-February. Pricing is likely to remain volatile as uncertainty continues. However, sentiment can easily shift, so it remains important to undertake continual monitoring of all aspects of risk and return in the current circumstances.

### **Investment balances**

The Council held £59.572m of investments as at 30<sup>th</sup> September 2020, excluding investments in property funds (£55.061m at 31<sup>st</sup> March 2020) and the investment portfolio yield for the first six months of the year is 0.77% against a benchmark of the 3 months LIBID of 0.11%. A full list of investments held as at 30<sup>th</sup> September 2020 is detailed in **APPENDIX 1**.

The Executive Director Finance confirms that the approved limits within the Annual Investment Strategy were not breached during the first six months of 2020/21.

The Council's budgeted investment return for 2020/21 is £332k.

### **Investment Counterparty Criteria**

The current investment counterparty criteria selection approved in the TMSS and as approved by Council on 25th February 2020 meets the requirements of the Treasury

Management function.

## 8.Changes in risk appetite

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

## 9. Property Funds

Following a Property Fund Manager selection exercise during 2017/18, supported by Link Asset Services, Council on 27<sup>th</sup> February 2018 endorsed the approach taken and approved the investment in a short list of Property Funds.

To date, the Council has invested £1.85m with Schroders UK Real Estate Fund and £2m with Threadneedle Property Unit Trust, total investment £3.85m – however, capital values have fallen by £291k since, mainly since 31<sup>st</sup> March 2020 (£163k).

It should also be noted that investments in property are subject to fluctuations in value over the economic cycle and should also yield capital growth in the longer term as the economy grows.

Table 1: Fund Valuations	Investment	Valuation 31/03/2019	Valuation 31/03/2020	Valuation 30/09/2020
Schroders UK Real Estate Fund	1,848,933	1,897,716	1,884,412	1,796,118
Valuation Increase / (reduction)		48,783	35,479	(52,815)
Threadneedle Property Unit Trust	2,000,249	1,921,884	1,836,032	1,761,749
Valuation Increase / (reduction)		(78,365)	(164,216)	(238,500)
Total	3,849,182	3,819,601	3,720,444	3,557,867
Gain / (loss)		(29,581)	(128,738)	(291,315)

However, this needs to be balanced against the dividends received (which support the revenue budget). The Council received £147k in dividends from its property fund investments in 2019/20 (£108k in 2018/19), £255k in total compared to the valuation reduction of £129k over the same period.

Table 2: Investment Returns	Dividend Returns 31/03/2019	Dividend Returns 31/03/2020	Dividend Returns 30/09/2020	Estimated Return p.a.	
				%	
Schroders UK Real Estate Fund	48,118	56,638	27,300	3.0%	
Gain / (loss)	48,118	104,756	132,056		Half year only to

Threadneedle Property Unit Trust	60,056	90,274	38,684	4.9%	30/9/20 2020/21 for
Gain / (loss)	60,056	150,329	189,014		
Total	108,174	146,911	65,984		
Gain / (loss)	108,174	255,085	321,069		
Annual Revenue % Return	2.8%	3.8%	1.7%	3.9%	
Annual Overall % Return	2.0%	1.2%	(2.5)%		
Cumulative Gain / (loss)	78,593	126,348	29,754		

Internal Treasury Management Return Achieved %	0.9%	1.0%	0.8%	0.7%	
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The funds achieved an estimated return of 2.8% in 2018/19 and 3.8% during 2019/20 compared to internal investments with banks and other Councils of less than 1%.

The MTFs includes budgeted income of £300k for 2020/21 (£480k pa from 2021/22) arising from investment of the full £12m budgeted, however, due to uncertainty around arrangements for Brexit and the associated impact on the economy, and then the further uncertainty and questions over the potential outlook for future property fund returns as a result of the coronavirus, any further investment in property funds had been delayed until there is more clarity.

The secondary market investment opportunities available at present (as at 20<sup>th</sup> November) are set out below – and show that there is a potential discount of up to 5% on purchase costs, which needs to be considered against the risk of capital devaluations in the coming months.

### UK Balanced Funds

FUND	BID (BUYERS)	OFFER (SELLERS)	Notes
BlackRock UK Property Fund	-4%	-3%	
CBRE UK Property PAIF	-5%	NAV	
Hermes Property Unit Trust	-3%	-1.5%	
Lothbury Property Trust	-	-3%	
Schroder UK Real Estate Fund	-5%	-3%	Trading NAV -4%
Threadneedle Property Unit Trust	-5%	-3%	

### Conclusions

While risk is inherent in investment decisions, property fund investments provide investors with a strong level of return over the medium to longer term investment time horizon – which is why the Council was clear at the outset that the investments would be

longer term (at least 10 years) in order to benefit from capital growth and generating significantly improved annual investment returns supporting the revenue budget. The overall return is made up of income, achieved via rental streams and capital via the changing value of underlying properties within a fund. While the second element is the most volatile from a year-to-year perspective, the income produced by the funds is relatively stable.

It is clear that it will be many months before the impact of the pandemic on the wider economy and the associated impact on real estate markets is known, however, we are seeing signs of recovery and resilience in certain parts of the economy, and consequently the Funds real estate portfolio. Most funds are able to report relatively high collection rates (approaching 80%) for both the March and June payment dates which is positive – however, the effects of the furlough scheme measures ending and a second wave over the coming months could seriously impact the wider economy and real estate markets.

It is therefore suggested that planned investments be deferred with a review during Spring 2021, when the situation should be clearer, to inform future investment plans.

## REPORT AUTHOR

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

## LIST OF BACKGROUND PAPERS

<i>Background Papers -</i>	<i>Local Government Act 2003</i>
	<i>CIPFA Code of Practice on Treasury Management in Public Services 2017</i>
	<i>Annual Report on the Treasury Management Service and Actual Prudential Indicators 2019/20 – Council 15<sup>th</sup> September 2020</i>

	<i>Treasury Management Strategy &amp; Prudential Indicators Report 2020/21 - Council 25th February 2020</i>
	<i>Budget &amp; Medium Term Financial Strategy 2020/21 - Council 25th February 2020</i>
	<i>Review of the Proposed Investment in Property Funds, Audit &amp; Governance Committee – 29th October 2020</i>
	<i>Financial Healthcheck Period 6, September 2020</i>

**APPENDIX 1**

**Investments held as at 30<sup>th</sup> September 2020:**

Borrower	Deposit £	Rate %	From	To	Notice
Lancashire County Council	3,000,000	0.95%	29-Oct-19	28-Oct-20	-
Thurrock Council	3,000,000	0.83%	10-Oct-19	09-Oct-20	-
Lancashire County Council	3,000,000	1.10%	29-Oct-19	27-Oct-20	-
Lloyds Bank	1,000,000	1.10%	29-Nov-19	30-Nov-20	-
Lloyds Bank	1,000,000	1.10%	29-Nov-19	30-Nov-20	-
North Tyneside Council	5,000,000	1.20%	06-Dec-19	07-Jun-21	-
Bank of Scotland	2,000,000	1.10%	03-Jan-20	04-Jan-21	-
Bank of Scotland	2,000,000	1.10%	03-Jan-20	04-Jan-21	-
Coventry City Council	4,000,000	0.90%	29-Apr-20	28-Apr-21	-
Standard Chartered	5,000,000	0.20%	12-Aug-20	12-Feb-21	-
Santander	10,000,000	0.60%	-	-	180 day
MMF – PSDF	9,171,000	0.10%*	-	-	On call
MMF – Federated	6,000,000	0.11%*	-	-	On call
MMF – Federated	4,000,000	0.04%*	-	-	On call
MMF – Aberdeen	1,401,000	0.07%*	-	-	On call
<b>Total</b>	<b>59.572</b>	<b>0.77 (avg)</b>			

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

3 December 2020

**REPORT OF THE PORTFOLIO HOLDER FOR ASSETS AND FINANCE****COUNCIL TAX BASE 2021/22****EXEMPT INFORMATION**

None

**PURPOSE**

To report the Council Tax Base for the Borough Council for 2021/22.

**RECOMMENDATIONS**

**That Tamworth Borough Council resolves its calculation of the Council Tax Base for the year 2021/22 to be 22,366 (2020/21 – 22,367).**

**EXECUTIVE SUMMARY**

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

The Authority is required to approve the Council Tax Base.

The Council Tax Base is the total of the number of domestic properties in the Borough, after making deductions for exempt dwellings and for the granting of reliefs and discounts for disabled occupiers, single occupiers and as appropriate empty properties.

The Tax Base calculation has included an element for the Council Tax Reduction Scheme (the replacement for Council Tax Benefit). The estimated amount of Council Tax Support payable for 2021/22 is converted into the equivalent number of whole properties which are deducted from the total. Local Council Tax Reduction Scheme claims have stabilised at similar levels to 2019/20 (following increases in the early part of the year) but have seen a projected cost increase across all claims within the scheme of £0.4m to £4.5m – which has been reflected in the reduced Council Tax Base. The potential longer-term consequences of recession and unemployment on demand for the scheme have yet to be experienced. It will be many months before we have a clearer idea on how the economy has responded to the recovery process including any lasting effects for individual businesses and their employees.

**OPTIONS CONSIDERED**

Not applicable.

**RESOURCE IMPLICATIONS**

The figure for 2021/22 Council Tax Base is calculated at 22,366 which represents a negligible decrease. This is as a result of a projected forecast in respect of the level of Local Council Tax Support required next year as a result of the current pandemic and the effects it will have on our residents.

## **LEGAL/RISK IMPLICATIONS BACKGROUND**

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

## **EQUALITIES IMPLICATIONS**

Not applicable.

## **SUSTAINABILITY IMPLICATIONS**

None

## **BACKGROUND INFORMATION**

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

In accordance with the Local Authority (Calculation of Council Tax Base) Regulations 1992 as amended, the Tax Base for the year 2021/22 is calculated by applying a formula  $A \times B$ .

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

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

Applying the collection rate to A gives a Council Tax Base of 22,366 ( $22,846 \times 97.9\%$ ).

## **REPORT AUTHOR**

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## **LIST OF BACKGROUND PAPERS**

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

## **APPENDICES**

**Appendix A** – Council Tax Base Calculation 2021/22



<b>Appendix A</b>				
Band		Band D Equivalent	LCTS adjustment	Total
A		5,464.1	-1543.6	3,920.5
B		8,465.4	-939.7	7,525.7
C		4,853.3	-240.6	4,612.7
D		3,583.7	-71.6	3,512.1
E		2,377.8	-27.9	2,349.9
F		757.1	-10.5	746.6
G		175.1	-1.5	173.6
H		5.0	0.0	5.0
<b>Total</b>		25,681.5	<b>-2,835.4</b>	22,846.1
	x 97.90%	25,142.2	<b>-2,775.9</b>	22,366.3
<b>Council Tax Base</b>				<b>22,366</b>

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3 December 2020

**REPORT OF THE PORTFOLIO HOLDER FOR ASSETS AND FINANCE****WRITE OFFS - 1<sup>ST</sup> APRIL 2020 - 30<sup>TH</sup> SEPTEMBER 2020****EXEMPT INFORMATION**

None

**PURPOSE**

That Members endorse the amount of debt written off for the period 1<sup>st</sup> April 2020 to 30<sup>th</sup> September 2020 and to seek approval to write off irrecoverable debt in line with policy regarding Business Rates in excess of £10k.

**RECOMMENDATIONS**

It is recommended that Members endorse the amount of debt written off for the period of 1<sup>st</sup> April 2020 to 30<sup>th</sup> September 2020 – **Appendix A-E** and approve the write off of irrecoverable debt for Business Rates of £53,099.66 – **Appendix F** respectively.

**EXECUTIVE SUMMARY**

The Assistant Directors and Heads of Service are responsible for the regular review of debts and consider the need for write off and authorise where necessary appropriate write offs in line with the Corporate Credit Policy. The first part of this report shows the position for the second quarter of the financial year. It should be noted that this report now includes Housing moving forward.

<b>Type</b>	<b>01/04/20 – 30/09/20</b> <b>£ p</b>
Council Tax	£48,807.28
Business Rates	£39,189.69
Sundry Income	£0.00
Housing Benefit Overpayments	£14,265.64
Housing	£51,467.80

In these unprecedented times the pandemic has affected people in a number of ways. Many of our residents/customers continue to be financially impacted by the crisis.

Therefore a decision was made to suspend recovery action for Quarter 1. Action recommenced with a recovery plan implemented during July – starting with reminder letters being issued and negotiations regarding payment undertaken according to individual circumstances on a case by case approach to further support the most vulnerable.

We will continue to engage with our customers and depending on their individual circumstances the following arrangements will continue to be undertaken:

- Deferral of instalments;
- Flexible payment arrangements being made;
- Ensuring that they make an application for any qualifying benefits which includes Local Council Tax Support.

Whilst collection rates are currently behind target and income levels reduced, it is too early to know what effect the pandemic will ultimately have on the economy and residents ability to pay.

Magistrates Courts are now only just starting to consider cases with our first court due for this financial year on 21<sup>st</sup> December 2020. It is hoped that this will encourage payments together with engagement from and identification of customers who require further support.

It should be noted that at present we would not consider the write off of debts unless we have pursued them to the fullest extent (and as a last resort).

**OPTIONS CONSIDERED**

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

<b>Business Rates</b>	<b>01/04/20 – 30/09/20</b>
	<b>£ p</b>
Bad Debt provision as per NNDR 3	(£704,760.32)
Amount written off to date	£39,189.69
Amount remaining	(£665,570.63)

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

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

**RESOURCE IMPLICATIONS**

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

**LEGAL/RISK IMPLICATIONS BACKGROUND**

Not applicable

**EQUALITIES IMPLICATIONS**

Not applicable

**SUSTAINABILITY IMPLICATIONS**

Not applicable

## BACKGROUND INFORMATION

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

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

### Debt Write Off

Authorisations are needed to write off debt:

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

These limits apply to each transaction.

### Bad Debt Provision

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

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

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

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

## REPORT AUTHOR

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## LIST OF BACKGROUND PAPERS

Corporate Credit Policy - effective management of debt

## APPENDICES

**Appendices A to E** give details of write offs completed for Revenues and Benefits Services and Housing for 01 April 2020 to 30 September 2020.

**Appendix F** gives details of Business Rates write offs for approval.

# Appendix A

## Summary of Council Tax Write Offs 01/04/2020-30/09/2020

Date of Write Off	Head of Revenues			Assistant Director of Finance (£2,000.01-£5,000)	Executive Director of Finance (£5,000.01-£10,000.00)	Remitted (£10,000.01 and Over)	Remitted	Credit Write Off	Reversed Write Off	Total	No. of Accounts (Write Off Only)	Reason(s)
	(£0.00-£75.00)	(£75.01-£500.00)	(£500.01-£2,000.00)									
10/07/2020									(£5.58)	(£5.58)		
22/07/2020		£1,060.68	£936.82							£1,997.50	5	no trace
"			£1,974.46							£1,974.46	2	Insolvent
"	£11.26									£11.26	1	Deceased
19/08/2020									(£159.73)	(£159.73)		IVA terminated
20/08/2020				£3,307.09						£3,307.09	2	No trace
21/08/2020	£66.16									£66.16	1	Care home resident
"	£163.23									£163.23	6	Deceased
"	£56.66									£56.66	1	IVA
"	£327.87									£327.87	12	No Trace
"	£262.82									£262.82	15	Small balance
24/08/2020									(£23.00)	(£23.00)		Dividend
"			£3,288.49							£3,288.49	2	Bankrupt
"		£141.10								£141.10	1	Company dissolved
"		£322.10								£322.10	1	Deceased
"		£142.79	£2,759.18							£2,901.97	4	Debt relief order
"		£88.56								£88.56	1	Cash allocation error
"			£630.56							£630.56	1	IVA
"		£2,503.33	£6,684.95							£9,188.28	19	No trace
"			£1,476.27							£1,476.27	1	Uneconomic to collect
"		£485.24								£485.24	1	Vulnerable
11/09/2020									(£7.55)	(£7.55)		Dividend
10/09/2020	£18.10									£18.10	1	Benefits error
"		£110.51								£110.51	1	Cash allocation error
"			£1,122.91							£1,122.91	1	Debt relief order
"	£53.20	£1,809.90	£7,756.61							£9,619.71	16	IVA
14/09/2020				£2,217.35						£2,217.35	1	Debt relief order
"				£2,255.69						£2,255.69	1	Statute barred
"				£2,614.72						£2,614.72	1	Vulnerable
17/09/2020									(£47.72)	(£47.72)		Dividend
22/09/2020									(£37.50)	(£37.50)		Dividend
23/09/2020					£5,568.94					£5,568.94	1	No trace
28/09/2020									(£6.72)	(£6.72)		Dividend
<b>Q2 Totals</b>	<b>£959.30</b>	<b>£6,664.21</b>	<b>£26,630.25</b>	<b>£10,394.85</b>	<b>£5,568.94</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>(£287.80)</b>	<b>£49,929.75</b>	<b>99</b>	
<b>Q1 Totals (B/F)</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>(£1,122.47)</b>	<b>(£1,122.47)</b>	<b>0</b>	
<b>Overall Total</b>	<b>£959.30</b>	<b>£6,664.21</b>	<b>£26,630.25</b>	<b>£10,394.85</b>	<b>£5,568.94</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>(£1,410.27)</b>	<b>£48,807.28</b>	<b>99</b>	

# Appendix B

## Summary of NNDR Write Offs 01/04/2020-30/09/2020

Date of Write Off	Head of Revenues			Assistant Director of Finance (£2,000.01-£5,000)	Executive Director of Finance (£5,000.01-£10,000.00)	Cabinet (£10,000.01 and Over)	Remitted	Credit Write Off	Reversed Write Off	Total	No. of Accounts (Write Off Only)	Reason(s)
	(£0.00-£75.00)	(£75.01-£500.00)	(£500.01-£2,000.00)									
04/08/2020									(£474.61)	(£474.61)		Dividend
21/08/2020						£22,693.86				£22,693.86	2	Dissolved
24/08/2020				£3,676.27						£3,676.27	1	Administration
"				£5,712.97						£5,712.97	2	Dissolved
"				£4,568.40						£4,568.40	1	Individual Voluntary Arrangement
"				£9,319.46						£9,319.46	3	Uneconomic to collect
<b>Q2 Totals</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£23,277.10</b>	<b>£0.00</b>	<b>£22,693.86</b>	<b>£0.00</b>	<b>£0.00</b>	<b>(£474.61)</b>	<b>£45,496.35</b>	<b>9</b>	
<b>Q1 Totals (B/F)</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>(£6,306.66)</b>	<b>(£6,306.66)</b>	<b>0</b>	
<b>Overall Total</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£23,277.10</b>	<b>£0.00</b>	<b>£22,693.86</b>	<b>£0.00</b>	<b>£0.00</b>	<b>(£6,781.27)</b>	<b>£39,189.69</b>	<b>9</b>	





# Appendix D

## Summary of Benefit Overpayment Write Offs 01/04/2020-30/09/2020

Date of Write Off	Head of Benefits				Executive Director of Finance (£2,000.01-£10,000.00)	Cabinet (£10,000.01 and Over)	Reversed Write Off	Total	No. of Accounts	Reason(s)
	(£0.00-£75.00)	(£75.01-£500.00)	(£500.01-£1,000.00)	(£1,000.01-£2,000)						
31/07/2020	£14.57	£340.00					£354.57	3	not financially viable	
"	£2.50						£2.50	1	uneconomical to pursue	
"	£31.29	£172.14					£203.43	2	HB Reg100 compliant not recoverable	
"		£441.68					£441.68	1	deceased	
"				£1,081.26			£1,081.26	1	insolvency/bankruptcy	
31/08/2020	£73.00	£273.01					£346.01	4	deceased < 2 wks o/s	
"	£0.49						£0.49	2	uneconomical to pursue	
"		£454.50					£454.50	1	not financially viable	
"		£172.14					£172.14	1	HB Reg100 compliant not recoverable	
"			£962.50				£962.50	1	deceased	
30/09/2020	£54.21	£430.00					£484.21	3	not financially viable	
"	£72.98	£179.68					£252.66	3	deceased < 2 wks o/s	
"	£5.55						£5.55	2	uneconomical to pursue	
"		£91.87	£831.94				£923.81	2	insolvency /bankruptcy	
"		£371.58					£371.58	1	deceased	
<b>Q2 Totals</b>	<b>£254.59</b>	<b>£2,926.60</b>	<b>£1,794.44</b>	<b>£1,081.26</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£6,056.89</b>	<b>28</b>		
<b>Q1 Totals (B/F)</b>	<b>£360.84</b>	<b>£2,794.02</b>	<b>£2,692.94</b>	<b>£2,407.24</b>	<b>£0.00</b>	<b>£0.00</b>	<b>(£46.29)</b>	<b>£8,208.75</b>	<b>38</b>	
<b>Overall Total</b>	<b>£615.43</b>	<b>£5,720.62</b>	<b>£4,487.38</b>	<b>£3,488.50</b>	<b>£0.00</b>	<b>£0.00</b>	<b>(£46.29)</b>	<b>£14,265.64</b>	<b>66</b>	

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# Appendix E

## Summary of Housing Write Offs 01/04/2020-30/06/2020

Date of Write Off	Assistant Director - Neighbourhoods				Executive Director of Finance (£5,000.01-£10,000.00)	Cabinet (£10,000.01 and Over)	Remitted	Credit Write Off	Reversed Write Off (Write On)	Total	No. of Accounts (Write Off Only)	Reason(s)
	(£0.00-£75.00)	(£75.01-£500.00)	(£500.01-£2,000.00)	(£2,000.01-£5,000)								
03/06/2020								(£2,159.29)		(£2,159.29)		Private Homelink accounts over 6 years under £25.00
30/06/2020		£83.29			£7,851.53					£7,934.82	2	No trace/ prison
"	£71.03	£591.55	£3,184.73		£7,087.58					£10,934.89	8	Deceased
"	£14.56									£14.56	1	Uneconomic to pursue
"	£320.00	£5,539.57	£4,565.11	£4,972.42						£15,397.10	39	Statute barred
"			£934.56							£934.56	1	Debt relief order
<b>Q1 Totals</b>	<b>£405.59</b>	<b>£6,214.41</b>	<b>£8,684.40</b>	<b>£4,972.42</b>	<b>£14,939.11</b>	<b>£0.00</b>	<b>£0.00</b>	<b>(£2,159.29)</b>	<b>£0.00</b>	<b>£33,056.64</b>	<b>51</b>	

**Summary of Housing Write Offs 01/04/2020-30/09/2020**

Date of Write Off	Assistant Director - Neighbourhoods				Executive Director of Finance	Cabinet	Remitted	Credit Write Off	Reversed Write Off (Write On)	Total	No. of Accounts (Write Off Only)	Reason(s)
	(£0.00-£75.00)	(£75.01-£500.00)	(£500.01-£2,000.00)	(£2,000.01-£5,000)	(£5,000.01-£10,000.00)	(£10,000.01 and Over)						
25/08/2020									(£1,167.93)	(£1,167.93)		Traced
26/08/2020									(£2,241.70)	(£2,241.70)		Tenant on Housing waiting list
30/09/2020	£312.90	£486.71	£4,767.18	£3,073.18						£8,639.97	22	Deceased
"	£10.85	£123.39								£134.24	2	Uneconomic to pursue
"	£4,410.70	£5,168.50		£4,649.43						£14,228.63	201	Statute barred
"	£192.71	£126.08	£593.65							£912.44	17	LA Error
"							(£1,594.92)			(£1,594.92)		Private Homelink accounts over 6 years over £25.00
"							(£499.57)			(£499.57)		Former tenant rent accounts over 6 years under £25.01
<b>Q2 Totals</b>	<b>£4,927.16</b>	<b>£5,904.68</b>	<b>£5,360.83</b>	<b>£7,722.61</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>(£2,094.49)</b>	<b>(£3,409.63)</b>	<b>£18,411.16</b>	<b>242</b>	
<b>Q1 Totals (B/F)</b>	<b>£405.59</b>	<b>£6,214.41</b>	<b>£8,684.40</b>	<b>£4,972.42</b>	<b>£14,939.11</b>	<b>£0.00</b>	<b>£0.00</b>	<b>(£2,159.29)</b>	<b>£0.00</b>	<b>£33,056.64</b>	<b>51</b>	
<b>Overall Total</b>	<b>£5,332.75</b>	<b>£12,119.09</b>	<b>£14,045.23</b>	<b>£12,695.03</b>	<b>£14,939.11</b>	<b>£0.00</b>	<b>£0.00</b>	<b>(£4,253.78)</b>	<b>(£3,409.63)</b>	<b>£51,467.80</b>	<b>293</b>	

## Appendix F

Ref	Name	Year	From	To	Balance	Total	Comments
	Blue Inc (UK) Ltd	2018/19	01/04/2018	10/12/2018	£15,697.20		
						£15,697.20	In administration, no dividend anticipated for TBC
	TRL Realisations Ltd	2019/20	01/04/2019	19/07/2018	£95.00		
		2019/20	19/07/2019	02/12/2019	£21,264.89		
						£21,359.89	In administration, no further dividend anticipated for TBC
	Westaco Ltd t/a Project Fashion	2016/17	08/06/2016	17/12/2016	£16,042.57		
						£16,042.57	Proposal to strike off, registered address is residential
						£ 53,099.66	

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*THURSDAY, 3 DECEMBER 2020*

## REPORT OF THE PORTFOLIO HOLDER FOR ASSETS AND FINANCE

### DATA PROTECTION POLICY

#### EXEMPT INFORMATION

None

#### PURPOSE

This report provides an updated Data Protection Policy which details the framework within which Tamworth Borough Council will strive to ensure compliance with the requirements of the Data Protection Act 2018.

#### RECOMMENDATIONS

It is recommended that

1. Cabinet endorse the policy and approve it for immediate implementation and publication.
2. The Data Protection Officer be given delegated authority to make amendments to the Data Protection Policy to reflect changes to future legislative changes.

#### EXECUTIVE SUMMARY

The previous Data Protection Policy was approved for implementation in 2015 and was amended in 2018 following implementation of the General Data Protection Regulation. At that time it was embedded into the Council's Information Security Policy. Due to further legislative changes the Data Protection Policy has now been further updated.

The council also appointed a new Data Protection Officer in 2019 following the previous post holder leaving the authority. The Data Protection Officer has taken the opportunity to review all information governance policies, procedures and processes and has updated several of these to ensure compliance with legislation.

The policy confirms the Council's approach to data protection and GDPR compliance and sets out the responsibilities of the Data Protection Officer, Elected Members, managers and employees in ensuring the Council continues to act lawfully.

#### OPTIONS CONSIDERED

No other options were considered as the Council is required to adopt a Data Protection Policy which reflects current legislation. The policy is based on good practice and guidance from the Information Commissioner.

### **RESOURCE IMPLICATIONS**

All staff are expected to operate under the policy in a manner that is compatible with the requirements of the Data Protection Act 2018.

There is an ongoing requirement for training Officers and Elected Members, these costs will be met from existing budgets.

Annual registration with the Information Commissioners Office costs £2900 which continues to be met from existing budgets.

### **LEGAL/RISK IMPLICATIONS**

The policy seeks to ensure that the Council is compliant with the Data Protection Act 2018 and General Data Protection Regulation (GDPR) (EU 2016/679).

### **EQUALITIES IMPLICATIONS**

No specific implications

### **SUSTAINABILITY IMPLICATIONS**

No specific implications

### **BACKGROUND INFORMATION**

The Data Protection Act 2018 is the UK's implementation of the General Data Protection Regulation (GDPR).

The Data Protection Act 2018 governs the handling of personal information that identifies living individuals directly or indirectly and covers both manual and computerised information. It provides a mechanism by which individuals (data subjects) can have a certain amount of control over their personal data and the way in which it is handled.

Some of the main features of the Act are:

1. All data covered by the Act must be handled in accordance with the six principles:
  - Processing should be lawful, fair and transparent
  - Personal data shall be collected for specified, explicit and legitimate purposes
  - Personal data must be adequate, relevant and limited to what is necessary
  - Personal data shall be accurate and kept up to date
  - Personal data shall be kept for no longer than is necessary
  - There must be appropriate security in place in respect of the personal data
2. The Data Subject has various rights under the Act including the right to be informed about what personal data is being processed.
3. Processing of data, including special categories of data, must be done under a lawful basis
4. The Data Protection Act 2018 deals with criminal offence data in a similar way to special category data and sets out specific conditions providing lawful authority for processing it.
5. There is a principle of accountability of data controllers to implement appropriate technical and organisational measures that include internal data



protection policies, staff training and awareness of the requirements of the Act, internal audits of processing activities, maintaining relevant documentation on processing activities, appointing a data protection officer, and implementing measures that meet the principles of data protection by design and data protection by default, including data minimisation, transparency, and creating and improving security features on an on-going basis.

6. Data protection impact assessments (DPIA's) are carried out as part of the design and planning of projects, systems and programmes.
7. Data controllers must have written contracts in place with all data processors and ensure that processors are only appointed if they can provide 'sufficient guarantees' that the requirements of the Act will be met and the rights of data subjects protected.
8. Data breaches that are likely to result in a risk to the rights and freedoms of individuals must be reported to the Information Commissioner's Office within 72 hours of the Council becoming aware of the breach. Where a breach is likely to result in a high risk to the rights and freedoms of individuals, the council will notify those individuals concerned directly.

The Information Commissioner is responsible for regulation and issue notices to organisations where they are not complying with the requirements of the Act. The Information Commissioner can prosecute those who commit offences under the Act and to issue fines.

The General Data Protection Regulations place significant obligations on any organisation that handles the data of individuals living in the EU, independent of where the organisation is located. The new regulation is the most significant change in privacy law in twenty-two years and organisations must develop processes and procedures to avoid facing financial penalties.

The General Data Protection Regulations also introduce new obligations on such matters as data subject consent, data anonymization, breach notification, trans-border data transfers, and appointment of data protection officers.

## **REPORT AUTHOR**

**Zoe Wolicki – Assistant Director People**

## **APPENDICES**

**Appendix 1- Data Protection Policy 2020**





## ***Technology & Information Services***

Data Protection Policy

Document Hierarchy: Tier 1 Policy

Document Status: DRAFT

TISMS Document Ref: TISDPP0101

Originator: Data Protection Officer (Information Governance Manager)

Updated: Data Protection Officer (Information Governance Manager)

Owner: Assistant Director People

Version: 01.03

Date: November 2020

Review Date: November 2023

**Approved by**  
Technology & Information Services Management Team  
ELT/CMT

---

Classification: OFFICAL

## Document Location

This document is held by Tamworth Borough Council, and the document owner is Information Governance Manager

Printed documents may be obsolete an electronic copy will be available on Tamworth Borough Councils Intranet. Please check for current version before using.

### Revision History

Revision Date	Version Control	Summary of changes
July 2020	01.01	Initial Draft
July 2020	01.02	Draft
September 2020	01.03	Final for approval

### Key Signatories

#### Approvals Creation and Major Change

Name	Title	Approved
T&IS MT	Technology & Information Services - Management Team	September 2020
TU	Trade Union	October 2020
CMT	Corporate Management Team	November 2020
CAB	Cabinet	

#### Approvals Minor Change and Scheduled Review

Name	Title	Approved
T&IS MT	Technology & Information Services - Management Team	
CMT	Corporate Management Team	

### Approval Path

#### Major Change

Originator  
Owner  
TULG  
CMT

#### Action

T&IS  
Head of T&IS  
Consultative Group  
Corporate Approval

#### Minor Change

T&IS  
T&IS Mgmt Team

#### Action

Submission  
Approval

### **Document Review Plans**

This document is subject to a scheduled 3 yearly review, or sooner where legislation or contract changes prewise.

Updates shall be made in accordance with business requirements and changes and will be with agreement with the document owner.

### **Distribution**

The document will be distributed through Astute as a **MANDATORY** policy where applicable and will also be available on the Intranet.

### **Security Classification**

This document is classified as Official

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## 1 **Policy on a Page**

You **must** comply with the whole policy, but in summary:

- The Council will adhere to the Data Protection Principles and promote good practice in respect of obtaining, using and holding personal data.
- The Council will only disclose personal data in-line with its statutory responsibilities to undertake its functions/services for employees and service users. No voluntary release of data will be undertaken beyond the normal business requirements. In exceptional emergency circumstances data will be released where it is deemed appropriate.
- The Council will hold minimum personal data necessary to enable it to perform its functions. Every effort will be made to ensure that information is accurate and up to date and that inaccuracies are corrected without unnecessary delay. Only matters of fact will be recorded and which can be substantiated at a later date. Any opinions expressed will be based on reliable information and in a professional manner.
- The Council will retain personal data only far as long as is necessary in order to comply with legal, statutory or legitimate business function purposes. It will be the responsibility of each Assistant Director or Head of Service to inform the Corporate Management Team of this retention period for each class of data under their control and to arrange, in conjunction with Information Services, secure destruction of expired data.
- The Council will respond to and assist every request for access to personal data from those subject to the personal data processed about them. In most circumstances a fee cannot be charged, but the Council may charge for access to personal data where permitted by the GDPR and DPA 2018 provisions.
- Personal data will be kept in an appropriately controlled and secure environment.
- Data Sharing/Data Use with external organisations will be the subject of a written agreement covering the scope of data to be used, controls to protect personal data and where necessary the reasons permitting the sharing/use of the data.

The Council will ensure all employees, elected Members and temporary/contract staff receives the appropriate training/guidance regarding their individual responsibilities under the GDPR and DPA's provisions.

Any member of staff knowingly or recklessly breaching the Council's Data Protection Policy will be subject to the internal disciplinary procedure. Matters relating to Elected Member non-compliance will be reported the Standards Committee for review.



## **2 Introduction**

This Data Protection Policy provides a framework within which Tamworth Borough Council will strive to ensure compliance with the requirements of the Data Protection Act 2018 (DPA 2018) and any other related legislation, and will underpin any operational procedures and activities connected with the implementation of the DPA 2018.

As part of the authority's obligations and duties relating to the reporting of Data Breaches, Tamworth Borough Council is obliged to protect data using all means necessary, ensuring that any incident which could cause damage to the Council's reputation and assets is prevented and/or reduced.

Tamworth Borough Council collects and uses different types of information about people with whom it deals and communicates with in order to operate, including information on current, past and prospective employees, suppliers, clients, customers, and service users. In addition, the Council is required by law to collect and use certain types of information to fulfil its statutory duties and also to comply with the legislative requirements. This personal information must be dealt with properly whether it is collected, recorded and used on paper, computer or other material.

The Council is committed to ensuring that personal information is handled in a secure and confidential manner in accordance with its Data Protection obligations.

This policy outlines Tamworth Borough Council's approach to Data Protection, and its best practice approach to Data Breach reporting. In addition, there are a number of supporting policies that must be read in conjunction with this policy, these being;

- Information Security Policy
- Data Breach Notification Policy
- Data Protection Impact Assessment - Policy (and procedure)
- Incident Management Policy (and procedures)
- Records Management Policy
- Retention Schedule

This is not an exhaustive list and may be subject to change.

Links to those policies and procedures are provided in this document.

## **3 Overview of Data Protection Act 2018**

The Data Protection Act 2018 is the UK's implementation of the General Data Protection Regulation (GDPR).

The Data Protection Act 2018 governs the handling of personal information that identifies living individuals directly or indirectly and covers both manual and computerised information. It provides a mechanism by which individuals (data subjects) can have a certain amount of control over their personal data and the way in which it is handled.

Some of the main features of the Act are:

1. All data covered by the Act must be handled in accordance with the six principles

2. The Data Subject has various rights under the Act including the right to be informed about what personal data is being processed.
3. Processing of data, including special categories of data, must be done under a lawful basis
4. The Data Protection Act 2018 deals with criminal offence data in a similar way to special category data and sets out specific conditions providing lawful authority for processing it.
5. There is a principle of accountability of data controllers to implement appropriate technical and organisational measures that include internal data protection policies, staff training and awareness of the requirements of the Act, internal audits of processing activities, maintaining relevant documentation on processing activities, appointing a data protection officer, and implementing measures that meet the principles of data protection by design and data. Protection by default, including data minimisation, transparency, and creating and improving security features on an on-going basis.
6. Data protection impact assessments (DPIA's) are carried out as part of the design and planning of projects, systems and programmes.
7. Data controllers must have written contracts in place with all data processors and ensure that processors are only appointed if they can provide 'sufficient guarantees' that the requirements of the Act will be met and the rights of data subjects protected.
8. Data breaches that are likely to result in a risk to the rights and freedoms of individuals must be reported to the Information Commissioner's Office within 72 hours of the Council becoming aware of the breach. Where a breach is likely to result in a high risk to the rights and freedoms of individuals, the council will notify those individuals concerned directly.

The Information Commissioner is responsible for regulation and issue notices to organisations where they are not complying with the requirements of the Act. The Information Commissioner can prosecute those who commit offences under the Act and to issue fines.

## **4 Scope**

The Policy applies to all employees and Elected Members of the organisation, both permanent and temporary. It also applies to contractors, partners and visitors who are engaged to work with, or have access to, council information.

This policy applies to all personal data held by Tamworth Borough Council and covers all formats, including but not exclusive to: electronic, paper, magnetic, digital and video

Some of the responsibilities within this policy extend to employees of the Council beyond their period of employment or to Elected Members beyond their period of office. This paragraph refers specifically to their continued responsibility to keep secure and not publicly disclose the personal data of any third party (particularly any sensitive personal information) to which they may have had privileged access by virtue of their period of employment or office.

## 5 Definitions

Under General Data Protection Regulations (GDPR) and Data Protection Act 2018 (DPA 2018), certain words have specific meanings:

### **Data Controller**

This is the organisation or individual(s) who hold and use (process) personal information. Data controllers are responsible for ensuring that data is processed within the principles of the GDPR. The GDPR places additional emphasis on meeting contractual obligations with the processor to ensure they also comply with GDPR.

### **Data Processor**

Data processor means any organisation or person, other than an employee of the Council, who processes data on behalf of the data controller. For example, someone contracted to the Council to undertake work on its behalf. As a processor, the GDPR requires them to maintain records of all processing activities and personal data use, which increases the legal liability for processors in the event of a breach.

### **Data Subject**

Data subject is the individual about whom personal data is held. Data subjects have certain legal rights in relation to how, if at all, their personal data is processed.

### **Identifiable Natural Person**

An Identifiable Natural Person is anyone who can be identified, directly or indirectly. In particular, by reference to an identifier, such as, a name, an identification number, location data, an online identifier, or one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person.

### **Anonymisation**

Data amended in such a way that no individuals can be identified from the data (whether directly or indirectly) by any means or by any person.

### **Personal Data**

The GDPR makes a distinction between Personal Data and 'Special Category data'. Personal data is any information, which relates to an identified or Identifiable Natural Person. In addition, it includes any expression of opinion about the individual and any indication of the intentions of the data controller or any other person in respect of the individual. The definition of personal data has been expanded to reflect the importance of the online element of many individuals' and includes online identifiers, device identifiers, cookie IDs and IP addresses.

### **Processing**

Processing means obtaining, recording or holding the information or data, or carrying out any operation on the data (whether or not by automated means). This includes organisation, adaptation or alteration, retrieval, disclosure and destruction of the data.

### **Relevant Filing System**

Relevant filing system means any filing system which is structured and refers to identifiable individuals; the information relating to those individuals being readily accessible.

### **Special Category Data**

Special Category data is subject to stricter conditions of processing. The scope of special category data has been expanded to keep up with advances in medical technology,

therefore special category data means personal data consisting of information in any of the following categories:

- Genetic data;
- Biometric data;
- Racial or ethnic origin;
- Political opinion;
- Religious or other beliefs;
- Trade union membership;
- Physical or mental health or condition;
- Sexual life;
- Criminal proceedings or convictions.

### **Information Commissioner (ICO)**

The ICO is the supervisory authority for data protection in the UK. They offer advice and guidance, promote good practice, monitor breach reports, conduct audits and advisory visits, consider complaints, monitor compliance and take enforcement action where appropriate.

## **6 Data Protection Principles**

The Data Protection Act defines the key principles we must follow when processing data.

The Information Commissioner who oversees compliance and promotes good practice requires all data controllers and data processors, who process personal information, to be responsible for their processing activities and comply with the six data protection principles detailed below.

- processed lawfully, fairly and in a transparent manner in relation to individuals (**‘lawfulness, fairness and transparency’**)
  - The Council must have lawful authority for processing personal information and the purpose of the processing must be explained to the data subject.
- collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes; further processing for archiving purposes in the public interest, scientific or historical research purposes or statistical purposes shall not be considered to be incompatible with the initial purposes (**‘purpose limitation’**)
  - Processing must fall strictly within the purposes for which the data were obtained. Where the Council is obliged to obtain personal data for a statutory purpose, the data may not be processed for any other statutory purpose unless it directly relates to the original purpose.
- adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed (**‘data minimisation’**)
  - Personal information must be adequate, relevant and limited to only what is needed to get the job done given the purposes for which it is held. Care should be taken to ensure that information is not collected ‘just in case’ and that files are checked regularly to ensure that unnecessary information is removed.

- accurate and, where necessary, kept up to date; every reasonable step must be taken to ensure that personal data that are inaccurate, having regard to the purposes for which they are processed, are erased or rectified without delay (**‘accuracy’**)
  - Where it is discovered that information held by the Council is inaccurate, the error must be rectified immediately.
- kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data are processed; personal data may be stored for longer periods insofar as the personal data will be processed solely for archiving purposes in the public interest, scientific or historical research purposes or statistical purposes subject to implementation of the appropriate technical and organisational measures required by the GDPR in order to safeguard the rights and freedoms of individuals (**‘storage limitation’**)
  - Personal data must not be kept in a form which permits identification of data subjects for longer than is necessary for the purpose for which it was collected. The [Council’s Retention Schedule](#) must be applied at all times.
  - Personal data may be stored for longer periods, if it will be processed solely for archiving purposes in the public interest, scientific or historical research purposes or statistical purposes, subject to implementation of the appropriate technical and organisational measures required by the GDPR and the DPA 2018 in order to safeguard the rights and freedoms of individuals.
- processed in a manner that ensures appropriate security of the personal data, including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage, using appropriate technical or organisational measures (**‘integrity and confidentiality’**)
  - This principle protects the integrity and privacy of data by making sure it is secure (which extend to IT systems, paper records and physical security). The Council, when collecting and processing data, is responsible for implementing appropriate security measures that are proportionate to the risks and rights of data subjects. Further information on how the Council works to achieve this is detailed in the Council’s Information Security Policy

In addition to the six principles, there is an overarching principle of accountability which means the Authority **MUST** not only comply with the above six principles, they **MUST** be able to demonstrate compliance if inspected by regulatory bodies, such as the ICO.

- The controller shall be responsible for, and be able to demonstrate compliance with, paragraph 1 (**‘accountability’**).
  - This focuses on compliance and for the Council to be able to demonstrate compliance with the principles.

## 7 Roles and Responsibilities

### Organisational Responsibilities

Tamworth Borough Council is a data controller under the Data Protection Act 2018. The Council as an organisation is responsible for compliance with the Data Protection Act 2018.

### Data Protection Officer

The responsibility for incident management is delegated to The Head of Technology and Information Services and the Information Governance Manager.

The responsibility for compliance with the Data Protection Act 2018 is delegated to the Data Protection Officer (DPO).

The Data Protection Officer must be independent, an expert in data protection, adequately resourced, and report to the highest management level (CMT).

The council must provide the Data Protection Officer with the necessary resources and access to personal data and processing operations to enable them to perform the tasks outlined below and to maintain their expert knowledge of data protection law and practice.

The Data Protection Officer for Tamworth Borough Council is the Information Governance Manager, and is responsible for the following tasks:

- To inform and advise the Council and its employees about their obligations to comply with the Data Protection Act 2018 and other data protection laws.
- To monitor compliance with the Data Protection Act 2018 and other data protection laws, including the assignment of responsibilities, raising awareness, and training of staff involved in the processing operations and related audits.
- To provide advice regarding Data Protection Impact Assessments (DPIAs)
- Being the first point of contact for Subject Access Requests, and queries from data subjects
- Working closely with ICT to ensure all systems, services and equipment used for storing personal data meet acceptable security standards and GDPR responsibilities
- Co-operating wherever necessary with the relevant supervisory authority.

The DPO for Tamworth Borough Council will attend the Councils Statutory Officers group on a quarterly basis.

### CMT

CMT has overall responsibility and accountability for ensuring that all staff and associated third parties comply with data protection legislation, this policy and associated policies and procedures

### Heads of Service and Managers

Heads of Service and Managers, as data controllers for their Department and Teams, will retain a service responsibility for ensuring compliance with the provisions of the Data Protection Act 2018. Their main roles will be:

- Monitor compliance within their Service Area/Team
- Monitor compliance by external service providers who are processing personal data
- Ensure their Service Area/Team process and extract data in relation to subject access requests
- Assign ownership to information assets

- Ensure their Service Area/Team complies when there is a suspected data protection breach/incident management breach.

### **All Employees and Elected Members**

Every employee and elected Member must comply with this Policy when using personal data controlled by the Council. All employees and elected Members are individually responsible for ensuring that their collection, storage, processing and destruction of data are in accordance with the Data Protection Act 2018.

All employees should ensure paper files and other records or documents containing personal, confidential and sensitive data are kept in a secure environment. All employees are responsible for being aware of, and complying with, the disposal of confidential waste in the area in which they work. For further information on disposal of confidential waste, please see the Council's Confidential Waste Policy.

Personal data held on computers and computer systems are protected by the use of secure passwords and individual passwords should be such that they are not easily compromised. It is a criminal offence to access personal data held by the Council for other than Council business, or to procure the disclosure of personal data to a third party. It is a further offence to sell such data.

Employees who experience or discover a data loss are responsible for reporting it as soon as possible to the Data Protection Officer. All relevant employees will be responsible for assisting the Data Protection Officer during this investigation. Relevant employees play an important role in providing information about the data which has been lost. Further information is detailed in the Councils Breach Notification Policy.

### **Contractors/Partners**

All contractors, partners and other agents of the Council must ensure that they and their employees who have access to personal data held or processed for or on behalf of the Council are aware of this Policy and are fully trained in and are aware of their duties and responsibilities under the Data Protection legislation.

### **Ownership of data**

Each department is responsible for the personal data it holds. The responsibility also extends to personal data that is processed by a third party on behalf of Tamworth Borough Council. The departments will hold a record of all their processing activities containing personal information, irrespective of format. Where required each department will provide the necessary information to Data Protection Officer to demonstrate Accountability under Data Protection Legislation.

### **Legal Services**

Legal Services, provided through South Staffs will provide advice and assistance on matters relating to the Data Protection Act as required

## **8 Information Sharing**

Information sharing is the sharing of sensitive and/or personal information in a closed way, between or within organisations. In instances of sharing, in order to comply with the DPA 2018 and other relevant legislation, the Council are responsible for giving individuals' clear and adequate information about how their information will be protected.

The Council will give thought to the following before sharing personal data with third parties:

- Does the Council have the power to share the information, for example, if consent is the lawful basis for sharing, how is the consent obtained and recorded?
- Is the sharing justified;
- Is the sharing to be carried out on an ad hoc or systematic basis;
- Is an information sharing agreement to be created; and
- how to ensure the security of information being shared

Any sharing of personal information between the Council and other organisations will be subject to an information sharing protocol that commits the partners to an agreed data transfer process that meets the requirements of the Data Protection Act, and as specified by an overarching Information Sharing Protocol.

A review and log of Information Sharing Agreements involving Council services will be maintained by the DPO.

### Lawful basis for processing

The lawful basis for processing personal data is set out in the GDPR and DPA 2018. At least one of these must apply whenever the Council processes personal information:

- **Consent:**  
The data subject has given clear and unambiguous consent for the Council to process his/her personal data for a specific purpose.
- **Contract:**  
The processing is necessary for a contract that the Council has with the data subject, or because the data subject has asked the Council to take specific steps before entering into a contract.
- **Legal Obligation:**  
The processing is necessary for the Council to comply with the law (not including contractual obligations).
- **Vital interests:**  
The processing is necessary to protect someone's life. If you can reasonably protect the person's vital interests in another less intrusive way, this basis will not apply.
- **Public interest:**  
The processing is necessary for the Council to perform a task in the public interest or in the exercise of official authority vested in the Council.
- **Legitimate interests:**  
The processing is necessary for the purposes of legitimate interests pursued by the Council or a third party except where such interests are overridden by the interests of the data subject. This requires balancing the Council's interests against the individual's interests. However, this basis is not available to processing carried out by the Council in the performance of its official tasks.



## Consent

GDPR now places a higher threshold for using consent as a lawful basis for processing person or special category data.

The correct use of consent should put individuals in control of their personal data, build customer trust and engagement, and enhance the Council's reputation.

Where the Council has another lawful basis for processing personal data this should be relied upon instead of consent, as consent must only be used where the data subject has a true choice in the processing of their personal data

Any data collection forms used in order to record personal information **MUST** contain a 'fair processing' statement. This should be clearly visible and placed appropriately on the form detailing our duties under the Data Protection Act. The statement should also contain the following information:

- The identity of the data controller; contact for submitting subject access requests.
- The purpose or purposes for which the information is intended to be processed.
- Any foreseeable third parties that the information is intended to be disclosed to.
- Any further information in order to make the processing fair.

When collecting information over the telephone, or face to face, the above information should also be made clear to the data subject **before** any processing of their personal data takes place.

## Recording and using data

Data **MUST** only be used for the purposes it was collected and **MUST** not be used for any additional purposes without the consent of the data subject.

Tamworth Borough Council has a duty to inform all individuals of why their personal data is being collected. **Principle 1** stipulates that all personal data collected should be fair and lawful and processed in line with the purpose it was given. The Council may need to hold and process the information in order to carry out its statutory obligations, where this process takes place it will also be processed fairly and lawfully.

## Processing Sensitive Data

When processing sensitive data, the Council **MUST** be able to demonstrate that the processing is strictly necessary and satisfies one of the conditions in Schedule 8 of the DPA or is based on consent.

## 9 Rights of Individuals

The Data Protection Act provides individuals the following rights:

1. The right to be informed
2. The right of access
3. The right to rectification
4. The right to erasure
5. The right to restrict processing
6. The right to data portability

7. The right to object
8. Rights in relation to automated decision making and profiling

Note: Not all rights are absolute and will depend on the lawful basis on which the Council are relying to process the personal data.

### **Right to be informed**

Individuals have the right to be informed about the collection and use of their personal data. This is a key transparency requirement under Data protection legislation.

The Council must provide privacy information to individuals at the time their personal data is collected from them. The information provided to people must be concise, transparent, intelligible, easily accessible, and it must use clear and plain language. This is done in a Privacy Notice, made available on the Councils website.

The information you must supply is determined by whether you obtained the personal data directly from the data subject, or from a 3rd party.

Information that must be contained within the Privacy Notice can be found in Appendix A

A review and log of Privacy Notices will be maintained by the DPO

### **Right of subject access**

Data Subjects have the right to request access to their personal information upon written application to the data controller for information which they believe may be held by them.

If the Council does hold the requested information, then subject to any exemptions, will provide a legible copy to the applicant or their authorised recipient within one month (prescribed period) of receipt of the subject access request.

Alternatively, the applicant or their authorised recipient may wish to view only the files. The files will be prepared in such a way to comply with the DPA 2018 and arrangements made to allow privacy whilst inspecting. An appropriate officer must be in attendance at all times whilst this process is being carried out to maintain security of the documentation, this again must be carried out within the prescribed period.

The Council will be diligent in providing the information within the prescribed period. Where this period is insufficient then the applicant must be informed at the earliest possible time and within one calendar month giving good reasons for the delay (resource shortage will not be considered a good reason). Where the period will be exceeded it is good practice to disclose any available information immediately and not wait until the package is complete.

If the applicant subject believes that Tamworth Borough Council has not responded correctly and are dissatisfied with the Council's response, they are entitled to lodge a complaint with the Information Commissioners Office, who may carry out an investigation and can result in a fine being levied.

Further information on Subject Access Requests (SAR) is detailed in the Councils Subject Access Guide

### **Right of rectification**

Individuals have the right to have inaccurate personal data rectified. An individual may also be able to have incomplete personal data completed – although this will depend on the purposes for the processing.

On receipt of a request for rectification Tamworth Borough Council should take reasonable steps to ensure that the data is accurate and to rectify the data if necessary, within the prescribed period (one calendar month)

The Council can refuse to comply with a request for rectification if the request is manifestly unfounded or excessive. The individual must be informed of the decision within one calendar month of receiving the request.

### **Right of erasure**

Individuals have the right to have personal data erased. This is also known as the ‘right to be forgotten’. The right is not absolute and only applies in certain circumstances.

The Council must respond to a request within one calendar month.

### **Right to restrict processing**

Individuals have the right to request the restriction or suppression of their personal data. It is not an absolute right and only applies in certain circumstances. The Council has one calendar month to respond to the request.

When processing is restricted, the Council is permitted to store the personal data, but not use it.

### **Right of data portability**

The right to data portability allows individuals to obtain and reuse their personal data for their own purposes across different services. It allows them to move, copy or transfer personal data easily from one IT environment to another in a safe and secure way, without affecting its usability.

This right only applies to information an individual has provided to a controller (the Council).

### **Right to object**

Individuals have the right to object to the processing of their personal data in certain circumstances.

They have an absolute right to stop their data being used for direct marketing. However, in other cases where the right to object applies Tamworth Borough Council may be able to continue processing if they can show that they have a compelling reason for doing so.

The Council must respond to an objection within one calendar month of receiving it.

## **Rights related to automated decision-making including profiling**

Solely automated individual decision-making, including profiling with legal or similarly significant effects is restricted.

Tamworth Borough Council is required to give individuals specific information about automated individual decision-making, including profiling. There are additional restrictions on using special category and children's personal data.

There are grounds for this type of processing that lift the restriction, but the Council is required to introduce additional safeguards to protect data subjects where one of these grounds applies.

## **10 Training**

All employees of Tamworth Borough Council that hold, have access to, or process personal information will receive appropriate training to comply with Data Protection legislation.

Data Protection awareness is essential for all personnel that carry out these functions, and the Council will provide this awareness through e-learning, to ensure that compliance with the DPA 2018 is known and understood and how DPA relates to their duties.

It is the responsibility of all Heads of Service / Managers to ensure that the appropriate level of training has been received by their staff.

Records will be held on the employees' electronic file within the iTrent HR& payroll system

## **11 Data Breach Notification**

A data breach could be defined as the unintentional release of personal or special category information (as defined under the Data Protection Act 2018) to an unauthorised person, either through accidental disclosure or loss/theft. However, non-compliance with any of the Principles referred to in Section 5 could be classed as a breach, particularly if there is a possibility that the data subject could be put at risk or suffer substantial damage or distress.

A security incident is defined as a breach of council security which may result in a risk of loss, access to or corruption of council information or assets, whether personal or not.

The Councils Breach Notification procedure is described in more detail in the Councils Breach Notification procedure

## **12 Breach of policy**

The document will be distributed through Astute as a **MANDATORY** policy where applicable and will also be available on the Infozone and staff will be reminded to refresh their knowledge and understanding of the policy on an annual basis.

If any user is found to have breached this Policy, they could be subject to the organisation's Conduct and Capability Policy. The policy can be found on [Infozone](#)

**End of Document**

**Appendix A**

<b>What information do we need to provide?</b>	<b>Personal data collected from individuals</b>	<b>Personal data obtained from other sources</b>
The name and contact details of your organisation	✓	✓
The name and contact details of your representative	✓	✓
The contact details of your data protection officer	✓	✓
The purposes of the processing	✓	✓
The lawful basis for the processing	✓	✓
The legitimate interests for the processing	✓	✓
The categories of personal data obtained		✓
The recipients or categories of recipients of the personal data	✓	✓

The details of transfers of the personal data to any third countries or international organisations	✓	✓
The retention periods for the personal data	✓	✓
The rights available to individuals in respect of the processing	✓	✓
The right to withdraw consent	✓	✓
The right to lodge a complaint with a supervisory authority	✓	✓
The source of the personal data		✓
The details of whether individuals are under a statutory or contractual obligation to provide the personal data	✓	
The details of the existence of automated decision-making, including profiling	✓	✓

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THURSDAY 3rd DECEMBER 2020

**REPORT OF THE PORTFOLIO HOLDER FOR NEIGHBOURHOODS****Homelessness and Rough Sleeping Strategy 2020- 2025****EXEMPT INFORMATION**

None

**1. PURPOSE**

The Homelessness Act 2002 requires all housing authorities to have in place a Homelessness strategy. In August 2018 the Government published its Rough Sleeping Strategy<sup>1</sup> which set out the vision to, by 2027 support every person who sleeps rough off the streets and into a home. Its main focus is eradicating rough sleeping and preventing homelessness. A Homelessness Prevention and Rough Sleeping strategy was made a mandatory document for all Local Authorities to have as stated in the Homelessness Reduction Act 2017. Our new strategy identifies revised priorities drawing on the evidence base as well as our response to the impact of the covid-19 pandemic on service delivery. The purpose of this report is for cabinet to agree and endorse all principles within the report and its delivery plan

**2. RECOMMENDATIONS**

Cabinet are asked to:

- Approve the Homelessness and Rough Sleeping Strategy 2020- 2025 attached at **Appendix 1**
- Endorse the evidence base **Appendix 2**
- Support the community impact assessment (CIA) is **Appendix 3**. This was developed with stakeholders facilitated by external support
- Acknowledge Health and Wellbeing Scrutiny input into the development of the strategy.

**3. EXECUTIVE SUMMARY**

The Government's Homelessness and Rough Sleeping Strategy in line with its manifesto pledge – has made addressing rough sleeping a priority. Ministry of Housing and Communities for Local Government (MHCLG) have committed to halve rough sleeping in this Parliament and to end it for good by 2027. Embedded throughout its strategy is its

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<sup>1</sup> <https://www.gov.uk/government/publications/the-rough-sleeping-strategy>

visions and plans to help people who are sleeping rough now and to put in place the structures to end rough sleeping for good. Preventing homelessness and helping people access suitable accommodation are part of Tamworth's core strategic purpose. Utilising resources effectively and building resilient communities are integral to ensuring our most vulnerable members of the community are supported and signposted to sustainable housing solutions. It is recognised that Local Authorities cannot deliver this by themselves and highlights the importance that communities, voluntary groups, local businesses, faith groups and members of the public can all play in delivering this vision. The Government in total is spending over £700 million pounds nationally to tackle homelessness and rough sleeping this year alone and state they.." remain committed to transforming the lives of some of the most vulnerable in society, and to end rough sleeping for good". (MHCLG 2020<sup>2</sup>)

The draft Homelessness and Rough Sleeping Strategy 2020-2025 sets out the Council's plans to tackle homelessness, rough sleeping and a range of other housing-related challenges over the next five years in Tamworth. The strategy reflects on performance and achievements since the last strategy was published, examines the homelessness challenges that we face in the borough, highlights the statutory obligations placed upon the Local Authority. The evidence base highlights feedback from key partners, data from key performance indicators and data returns that the service is required to submit back to MHCLG on a quarterly basis known as the Homelessness Case Level Collection (HCLIC) which has formed a basis for the development of our five key priorities.

**Our five priorities are as follows:**

1. Prevention and early intervention through working with partners and stakeholders
2. Develop rapid pathways for rough sleepers
3. Improve the supply of and access to affordable and supported housing
4. Offer a high quality and innovative service to homeless households
5. Improve health and well-being aspirations

The intended overall outcome is to prevent homelessness and, where it cannot be prevented, ensuring that services work to relieve it. It also will ensure that the Council meets its statutory duties.

The Homelessness and Rough Sleeping strategy has been considered on two occasions<sup>3</sup> by Health and Wellbeing Scrutiny as well as, being the subject of a question at full Council on 27<sup>th</sup> October; and the collective feedback has been incorporated into the report. Officers recommend that Health & Wellbeing Scrutiny are thanked for their feedback which endorsed the documents being shared and were pleased to see that the evidence base drove the delivery plan.

External consultation has also been underway with partners since 2019 with a range of stakeholder interviews being undertaken by Housing Quality Network (HQN). This was refreshed by a further 2 weeks of internal and external consultation which took place with between 26 October and 9 November 2020. We received detailed partner feedback



Letter from Minister  
<sup>2</sup> Kelly Tolhurst MP to C

<sup>3</sup> Health & Wellbeing Scrutiny 24<sup>th</sup> September and 20<sup>th</sup> October 2020

from Tamworth Cornerstone Housing Association (TCHA) and we will be in touch with them directly to work with them on future projects.

A summary of further partner feedback is listed below and includes actions taken within the strategy to support successful outcomes:

<b><u>You said (Partner consultation)</u></b>	<b><u>We did (action within strategy)</u></b>
Impact of county lines and cuckooing on vulnerable households in the social and private rented sectors leading to the potential loss of accommodation. (Cuckooing is a term used by the police in which drug dealers take over the home of vulnerable person in order to use it as base for county lines drug trafficking)	<ul style="list-style-type: none"> <li>• Development of an eviction prevention panel to work directly with registered providers to support early intervention.</li> <li>• Working with our community safety partnership, we will promote the Staffordshire Smart Alert service to vulnerable customers</li> </ul>
Military veterans across the County experiencing or facing homelessness and rough sleeping	<ul style="list-style-type: none"> <li>• Previous policy regard and current successful implementation of the allocations policy 2020-23 which further supports military veterans</li> <li>• Increase multi agency visits following reports of rough sleepers to engage through early intervention</li> </ul>
Small numbers of homeless individuals and rough sleepers that have chaotic lifestyles adversely impacting on other communities and reluctant to engage with service providers.	<ul style="list-style-type: none"> <li>• Working with partners and stakeholders, we will explore the relevance of 'housing first' as a potential pathway for rough sleepers with complex needs and chaotic lifestyles</li> <li>• Expand the provision of emergency accommodation within the community with enhanced support</li> <li>• Homeless Hub/ Outreach work</li> </ul>
Mental health issues: Increasing incidence of homeless people and rough sleepers with mental health issues	<ul style="list-style-type: none"> <li>• Supporting vulnerable households on digital inclusion so as to directly access / use, for example, e-forms and customer portals</li> <li>• Assisting third sector organisations to support their vulnerable customers to access services online</li> <li>• Consideration to be made for the employment of a rough sleeper outreach worker and mental health support worker within the service.</li> </ul>

## 6. BACKGROUND INFORMATION

Nationally the main causes of homelessness are loss or threat of homelessness through friends and family unwilling to accommodate, loss or threat of accommodation with rent arrears/anti-social behaviour (ASB), clients not being eligible due to immigration or status reasons e.g no recourse to public funds and not exercising their treaty rights under European Economic Area rules (EEA) , hidden homelessness (sofa- surfing), offending history, substance misuse and mental health issues and domestic abuse.

From our evidence base the Tamworth local context in 2018/19 and 2019/20, is the number of households assessed as owed a homelessness duty per quarter ranged from

72-85. Nationally and locally the two immediate reasons for homelessness continue to be the loss of a tenancy in the private rented sector and the unwillingness of families and friends to continue to provide accommodation (see evidence base P18).

In Tamworth the support needs of people likely to become or who are homeless is dominated by mental health issues (and this trend is growing) – the mean figure per quarter in 2018/19 was 26 cases and this increased to 31 cases in 2019/20 (see evidence base P17).

In England since the current methodology for recording national figures of rough sleeping conducted by Homeless Link was established in 2010 the numbers of rough sleepers nationally has risen . This picture contrasts with Tamworth where lower than national average figures are recorded. Since 2010 the numbers recorded as rough sleeping during the yearly estimate in Tamworth have recorded a figure below 5, with an exception in 2016 of 8 recorded. These figures are reflective of the transient nature of the issue and the strong partnership working undertaken with our statutory partners and the third sector to help identify and support rough sleepers into positive accommodation pathways through intelligence-lead provisions.

The number of rough sleepers ranged from 2-8 in the annual count between 2010 and 2019. And this year's estimate took place on 4<sup>th</sup> November and the verification process on 5<sup>th</sup> November, of which Tamworth have reported back the figure of 5 this year.

The 'Everyone in' Strategy due to covid-19 in lockdown one saw the service accommodate 16 clients of which were either at risk of rough sleeping or rough sleeping, this was from the period of 19 March until 23 June. This highlighted nationally a hidden homelessness problem as nationally last count there were approximately 4266 Rough sleepers on one particular night and nationally 15,000 vulnerable people were accommodated in hotels. For lockdown two, the Council has currently accommodated a further two rough sleepers and is hoping to engage all others and move them on to settled accommodation.

However, some rough sleepers known to the service are not always willing to engage with the Council and ensuring that the right support, tailored to an individual's needs and is provided alongside a home, which is fundamental. The earlier that a stable base can be established, the greater the chances that an individual will not return to rough sleeping. The internationally recognised Housing First model follows the principle that the first thing to do when intervening to secure a person's recovery is to support them into a home, with intensive wrap-around support provided in tandem to help them address their needs. One of Tamworth's actions is to commission a service such as this which is outlined in the strategy.

## **RESOURCE IMPLICATIONS**

There are no direct financial implications arising from the report. The SMART (Specific, Measurable, Achievable, Resources, Time-Bound) delivery plan will require investment and decisions around the level of resourcing required and will be based on individual assessed business cases and reported to members as appropriate.

Our ability to deliver the priorities of the strategy will be dependent on a range of funding resources. Confirmation of the Flexible Homelessness Support Grant (FHSG) allocation is

not confirmed and it has, therefore, been prudent to propose an annually updated resourcing plan so that financial implications can be assessed.

In summary the financial parameters are detailed in the table below for what future plans of investments will be used for.

<b>Resource</b>	<b>Estimated cost pa</b>
Housing Solutions Fund	50,000
Staff Training	5,000
Contribution for commissioning an advice service (TAC)	20,000
Jigsaw software	9,000
Housing First	50,000
SWEP	6,000
Outreach Service	20,000
Resource for Mental Health support	30,000
OOH service	6,600
	<b>196,600</b>
<b>Funding available:</b>	
FHSG reserve	218,405
FHSG remaining from 2020/21 allocation	45,855
	<b>264,260</b>

The homelessness service is routinely exposed to bench marking exercises on our service costs through MHCLG and the Homelessness Support Advisor Team (HAST), along with other independent partners. Over the last 3 years the service has seen a significant decrease in the cost of bed and breakfast accommodation which is down from approximately £213,000 to just over £80,000 pa with an ambition of bringing this down further in the coming years.

**LEGAL/RISK IMPLICATIONS**

Throughout the development of the strategy there has been a detailed risk assessment which has included an independent assessment from Housing Quality Network (HQN) it’s legislative and regulatory compliant. The headline risks are captured below:

<b>Risk Factor</b>	<b>Mitigation</b>
Actions and 5 priorities cannot be delivered.	A SMART ( Specific, Measurable, Achievable, Resources and Time-Bound) delivery plan will be reviewed and Key Performance Indicators will be updated on the system and also in line with Homelessness Case Level Information Collection (H-CLIC) requests from MHCLG
Significant increase in citizen expectations to deal with rising homelessness as a result of covid-19.	Comprehensive partnership working with the third and voluntary sector to support homelessness and winter relief. In addition to an updated allocations policy (June 2020) which manages access to the Council’s housing register and which has also been subject to detailed consultation.
There are	We are cognisant of the uncertainty around future funding and

insufficient resources to deliver the emerging strategy	therefore, are recommending an annual update to the delivery plan to ensure it remains fit for purpose.
Flexible Housing Support Grant (FHSG) or similar government funding is not received in 2021/22 or future year	Officers are working closely with the homelessness advisory support team (HAST) and monitoring updates to different funding arrangements to maximise the Council's opportunity of receiving future funding.

## **EQUALITIES IMPLICATIONS**

In accordance with Council policy a Community Impact Assessment (CIA) has been done in conjunction with partners and external support. A copy of which is shown at Appendix 3.

Clearly an assessment of homelessness and or priority need is likely to be based on a range of factors, some of which fall within protected characteristics within the Equality Act 2010. Inevitably factors such as pregnancy, nursing mothers, disability through complex vulnerability will impact on particular groups more than others. The assessment concludes that the strategy will not have any negative implications across all these areas, not withstanding that individual circumstances will result in tailored service offers.

## **REPORT AUTHOR**

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Head of Homelessness and Housing Solutions - Sarah Finnegan



Homelessness and Housing Solutions Service  
Directorate Neighbourhoods

**Homelessness Prevention and Rough Sleeping Strategy**

**2020-2025**

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## Introduction and aims

Our homelessness prevention and rough sleeping strategy (2020-2025) sets out our approach for addressing these complex issues. It is supported by an accompanying report that provides an evidence-base.

The strategy is aligned with our vision of 'To put Tamworth, its people and the local economy at the heart of everything we do'. This sees us working in partnership with other organisations to make Tamworth a better place for people to live, work and visit.

Our four aims are, therefore, to:

- Halve rough sleeping by 2022 (and end rough sleeping by 2027)
- Prevent homelessness by meeting affordable housing and social needs
- Promote independence
- Create and maintain sustainable communities so as to make Tamworth.

These have led to the creation of five priorities for our homelessness prevention and rough sleeping strategy (which are set out in detail in section eight):

- Prevention and early intervention through working with partners and stakeholders
- Develop rapid pathways for rough sleepers
- Improve the supply of and access to affordable and supported housing
- Offer a high quality and innovative service to homeless households and those threatened with homelessness
- Improve health and well-being aspirations.

We are, of course, mindful of the impact of covid-19. We have responded positively and effectively since March 2020 to national initiatives such as the 'everyone in' programme and the 'next steps accommodation' plan (see section five). We recognise, however, that our strategy and its delivery plan have to be flexible to take account of potential future local lockdowns, further surges and a second wave.

Sections two to seven outline the background and context for this strategy. This is followed in section eight by the five priorities, which is the main substantive element. The final three sections (nine to eleven) focus on implementation issues.

## Our vision as a service and a council

### **Foreword from the Portfolio Holder for Housing and Waste Management**

**The prevention of homelessness in Tamworth remains one of the Council's top priorities.**

Following the successful delivery of our previous Homelessness Prevention Strategy, I am pleased to present our updated vision for the next five years.

It remains the case that households who are experiencing homelessness or who are threatened with homelessness are trapped in cycles of deprivation which impact on their health, emotional wellbeing and life chances. The effects on children within households experiencing or threatened with homelessness can be life-long.

Tamworth Borough Council, alongside our partners, will continue to prioritise the reduction in rough sleeping with an aim, supported by Government, to half rough sleeping levels by 2022 and end it completely by 2027. To do this, we must ensure our services are accessible; people know where to go and get help and most importantly feel supported to do so.

Promoting independence amongst our residents is essential to ensure Tamworth can create and maintain sustainable communities.

In a time when resources overall are limited, we remain committed to prioritising this topic. We look forward to working with our teams, residents and partners to achieve the basic goal that everyone has a safe, warm home to wake up to. I am confident that we can deliver this during the strategy lifetime.



**Councillor Michelle Cook**

**Portfolio Holder for Housing and Waste Management**

## National context

The legislative and policy framework is set out below:



There has been a statutory requirement for local authorities to produce a local homelessness strategy since 2003. The homelessness reduction legislation and guidance has focussed on the prevention approach with a greater emphasis on actions to address the needs of households likely to face homelessness. This has been added to by the Government's rough sleeping strategy (2018) that covers policies and their implementation as well as guidance of the preparation of strategies. There are also two key commitments - halve rough sleeping by 2022 and end rough sleeping by 2027. The focus is threefold – (i) prevention, (ii) intervention and (iii) recovery.

As a result of the covid-19 pandemic, the national lockdown involved council's being required in March 2020 to end rough sleeping at short notice by providing temporary accommodation. This initiative is referred to as the 'everyone in' programme. This has been followed by the 'next steps' programme in summer 2020 to continue to provide temporary accommodation and to develop long-term housing options.

## Corporate context

Our homelessness prevention and rough sleeping strategy is aligned with four key plans:

- Local housing strategy (including allocations and lettings)
- Our corporate plan
- Community safety partnership plan
- County-wide community safety agreement.

The local housing strategy incorporates six major relevant themes that are set out in the table below:

Key themes	Relevance for homelessness and rough sleeping
1. Development of 250 new homes per year to meet the needs of the existing population	Provision of new affordable homes addresses the affordability issue that underpins homelessness issues
2. Provide a range of new homes to reflect need and aspiration	
3. Ensure all new homes meet the Tamworth Housing Standard set out in the Climate Change Strategy	High quality housing can help to reduce households' living costs by, for instance, addressing fuel poverty – so reducing the probability of homelessness
4. Improve conditions in the private sector	Ending of an assured tenancy is a major immediate reason for homelessness
5. Improve tenancy sustainment rates	Proactive initiatives to maintain an existing tenancy reduces the likelihood of homelessness
6. Providing a wider range of options for younger people.	Younger people on low incomes are more likely to experience homelessness and rough sleeping (eg sofa surfing)

Our corporate plan (2019-2022) has as its vision to 'put Tamworth, its people and the local economy at the heart of everything we do'. This is underpinned by statements of purpose – four of which relate to tackling homelessness and rough sleeping:

- Help tackle causes and effects of poverty and financial hardship
- Utilise our resources effectively
- Help tackle the causes of inequality and increase opportunities for all residents and businesses
- Help prevent homelessness and help people access suitable housing.

The community safety partnership plan for Tamworth is updated annually. Five of the priorities are relevant for our homelessness and rough sleeping strategy:

- Anti-social behaviour
- Protecting the vulnerable in our communities
- Public place violence and disorder

- Domestic abuse
- Alcohol and substance misuse.

For example, the immediate reasons for homelessness include domestic abuse, while personal circumstance factors include vulnerability and alcohol / substance misuse.

The county-wide community safety agreement includes a focus on piloting a place-based approach to proactively identify vulnerable families and children, so as to be able to make early interventions. This might include actions to prevent a loss of a tenancy, domestic abuse and relationship breakdown. These are significant factors in the immediate reasons for homelessness.

### Current climate – covid-19

Covid-19 has had major ramifications for homelessness and rough sleeping services since March 2020. As has already been pointed out, there are two relevant national policies for rough sleeping – (i) ‘everyone in’ initiative and (ii) the ‘next steps’ accommodation proposal.

The ‘*everyone in*’ programme was announced in March 2020. The aim has been to provide safe temporary accommodation. Councils have been required to provide a move-on accommodation plan for those in this programme by 11 June 2020. This included consideration of three options – encouraging people, wherever possible, to return to friends and family, providing sustainable move-on accommodation (eg through housing associations, local authorities and the private rented sector) and delivering temporary accommodation where sustainable housing is not an option.

The ‘*next steps*’ accommodation programme was launched on 18 July 2020. Funding has been available to councils to (i) continue to provide safe accommodation for vulnerable people including rough sleepers and (ii) help people into long-term housing. Bidding for these funds ran until 20 August 2020 to cover property costs and new tenancies. This is part of a larger programme to provide 6,000 long-term safe homes for vulnerable people.

In addition to these two initiatives, national policies have targeted vulnerable people including those potentially faced with homelessness. For instance, there has been the reopening of funding bids for the domestic abuse safe accommodation programme. This is a significant immediate reason for homelessness.

In relation to the private rented sector, a temporary ban on eviction proceedings was extended until 23 August 2020 and then extended again until 20 September 2020. In addition, landlords should provide tenants with six months’ notice, excluding serious cases such as anti-social behaviour and domestic abuse. When courts do resume

eviction hearings, priority should be given to the most serious cases. The loss of a private rented tenancy is the major immediate reason for homelessness.

As the next section shows, we have successfully responded to these national policies.

## Actions to date

Overall, we and our partners have achieved a positive performance, especially compared with national trends. A significant reason for this is the existing local policy and its implementation.

Our favourable performance is further highlighted in feedback from partners. The Government's homelessness and support advisers team (HAST) have commented that in relation to rough sleeping, the 'Tamworth position is well managed'. The interviews undertaken with local stakeholders by Housing Quality Network (HQN) in autumn 2019 highlighted the effective cooperation at an operational level with one organisation commenting that 'joint working with Tamworth Council delivers a good service for people threatened with homelessness'.

In relation to our existing strategy, there are four key points:

- Little use is made of temporary accommodation (especially bed and breakfast provision) compared to England as a whole – this reflects the emphasis in the strategy of providing suitable and sustainable accommodation
- Low numbers of repeat homelessness cases that shows the successful impact of our relief activities
- Relatively few rough sleepers with little evidence in the data on repeat cases, so demonstrating our collaborative work with partners
- Homelessness acceptance rates are in line with national rates – this shows that we have managed the homelessness crisis adequately.

During the existing strategy period, there have been significant changes in national policy. The most important of these is the focus on prevention through the homelessness reduction legislation and guidance. We have made significant progress on reorganising our services to facilitate a stronger preventative focus, though we recognise that further work is required.

Progress on the existing action plan is contained within Appendix A.

In relation to our performance in addressing the impact of covid-19, we have successfully completed the 'everyone in' programme and have provided accommodation for 16 people comprising bed and breakfast (three people), council temporary provision (five people) and settled accommodation (eight people). Of these 16 people, only four would have been supported on mandatory grounds. The

remaining 12 people have been helped on a discretionary basis. This demonstrates our commitment and success. We recognise that we must maintain this momentum to maintain our aims of halving rough sleeping by 2022 and ending rough sleeping by 2027.

## Local services and partnership working

Our successes have been achieved through effective working with partners and stakeholders at an operation level. Examples that show our commitment to prevention include:

- Supporting Tamworth Cornerstone Housing Association (TCHA) that provides accommodation and help to vulnerable young people (16-25 years old)
- Liaising with Staffordshire County Council (SCC) to ensure that care leavers are provided with suitable sustainable accommodation and support
- Working with the Starfish Project on night shelter accommodation in the winter since 2016 as part of the national severe weather emergency protocol (SWEP) programme
- Through the Tamworth Community Safety Partnership, we are actively involved in the Tamworth Vulnerability Partnership (TVP) that meets weekly to coordinate and manage high risk cases including vulnerable households.

Working with partners and stakeholders is, therefore, a fundamental element of our new strategy.

## Our five priorities

Our five priorities are:

- Prevention and early intervention through working with partners and stakeholders
- Develop rapid pathways for rough sleepers
- Improve the supply of and access to affordable and supported housing
- Offer a high quality and innovative service to homeless households and those threatened with homelessness
- Improve health and well-being aspirations.

The details of each of these is set out in the tables below.

### **Priority one: Prevention and early intervention through working with partners and stakeholders**

We have already highlighted the importance of prevention to minimise the risk of homelessness and rough sleeping. A key theme is collaboration with partners and stakeholders.

See also *'improve the supply of and access to affordable and supported housing'*.

Action	Justification and Focus	Additional Information
Pre-action protocols with registered providers / housing associations	Work with our partners to create and implement a local pre-action protocol on possession claims by social landlords	Ministry of Justice guidance updated in January 2020 <sup>1</sup>  It could be included in a revised local authority tenancy strategy
Opening up the Jigsaw Software to third parties	The Staffordshire approach to well-being for people with mental health issues will be rolled out more widely. This will help to address the relatively large number of homeless households citing mental health as a support need	
Protocols for 16/17 years olds / Care leavers	Although the number of young people presenting themselves as homeless or rough sleeping continues to be low, we are aware that there may be a hidden issue (eg sofa-surfing)  We will work with Staffordshire County Council (adult social care and childrens services) and other stakeholders (such as Tamworth Cornerstones Housing Association) to identify the scale of the issue and develop and implement a protocol based on best practice	Chartered Institute Housing (CIH) report in 2019 on rethinking allocations includes good practice in meeting the needs of care leavers <sup>2</sup>  Allocations policy gives them band 1
Review and revise referral duties	We will work with our partners (especially registered providers, third sector agencies, the police and the county council) to ensure that referrals on homelessness and rough sleeping are made, wherever possible, at an early stage	Homelessness Code of Guidance and the legislation on homelessness prevention (see section three) sets out a baseline position
Tenancy-ready schemes	Tenancy-ready schemes can help to ensure that households are able to sustain a tenancy so preventing the possibility of homelessness. We will, therefore, work with each of our registered providers to ensure that schemes are appropriate and similar	CIH report on rethinking allocations (see above) covers this topic.  It could be included in a revised local authority tenancy strategy

<sup>1</sup> <https://www.justice.gov.uk/courts/procedure-rules/civil/protocol/pre-action-protocol-for-possession-claims-by-social-landlords>

<sup>2</sup> <http://www.cih.org/resources/Rethinking%20allocations.pdf>



Drop-in service	Advice and support for households and people at risk of homelessness and rough sleeping  Expand the current service at the Tamworth Advice Centre (TAC) to include mental health support / signposting and extend job and training advice and homelessness prevention support	These can be held virtually or in person depending on current guidance
Prevention of evictions	Loss of an assured short hold tenancy is one of the main immediate reasons for the loss of a home / homelessness. One of the impacts of covid-19 in 2021 is likely to centre on households unable to pay rents and, thus, facing eviction  Through our housing strategy, we will prioritise working with landlords and tenants to prevent evictions by offering a range of services and / or signpost to other partners on issues such as dispute resolution	Pre-action protocols and tenancy-ready schemes will help to resolve this issue in the social rented sector  Government policies are subject to alteration – as of August 2020, the ban on evictions is extended until 20 September. There is a six-month notice period until at least March 2021
Move on pathways	In order to continue to prevent repeat homelessness and rough sleeping, we will develop move on pathways for sustainable accommodation and support needs	

### **Priority two: Develop rapid pathways for rough sleepers**

The focus of this priority is to help rough sleepers (and other vulnerable households) into safe and secure sustainable accommodation. It, therefore, links with the national initiatives on tackling rough sleeping during the covid-19 pandemic - '*everyone in*' programme and the '*next steps accommodation*' plan.

Action	Justification and Focus	Additional Information
Data and information	We will continuously analyse data from sources such as the annual rough sleeper count and the severe weather emergency protocol (SWEP) to identify needs and trends	See also priority five
'Housing first'	Working with partners and stakeholders, we will explore the relevance of 'housing first' as a potential pathway for rough sleepers with complex needs and chaotic lifestyles	Data and information will help to identify the nature and scale of need
Provision of emergency accommodation	Although our focus is on prevention, we recognise that there will be a requirement for emergency provision, especially for rough sleepers during winter periods / severe weather	A number of these initiatives are cross-referenced with our local housing strategy

	<p>There are four specific actions:</p> <ul style="list-style-type: none"> <li>• Reduce even further the use of bed and breakfast accommodation</li> <li>• Ensure that our allocations and lettings policy fast tracks rough sleepers into our accommodation and that of registered providers</li> <li>• Continue to support the provision of appropriate emergency accommodation during winter periods / severe weather</li> <li>• Ensure that we have an appropriate range of types of accommodation through asset management and acquisitions – for example, currently, there is a shortage of four-bedroom accommodation for vulnerable families</li> </ul>	
Advice and support services	<p>Help and assistance to rough sleepers and vulnerable households to access accommodation and support is fundamental.</p> <p>We, therefore, have three specific actions:</p> <ul style="list-style-type: none"> <li>• Work with the third sector / voluntary sector (eg Heart of Tamworth and Manna House)</li> <li>• As part of the community safety partnership, make links with the street warden scheme and local policing teams</li> <li>• Explore the concept of a ‘homeless hub’ based on our homelessness team and its services</li> </ul>	<p>See also ‘drop-in services’ in ‘<i>prevention and early intervention through working with partners and stakeholders</i>’</p>

**Priority three: Improve the supply of and access to affordable and supported housing**

This priority links with ‘*prevention and early intervention through working with partners and stakeholders*’. It is also an important theme in our local housing strategy.

Our evidence-base report highlights the diverse needs of households threatened with homelessness or likely to experience rough sleeping. These include households with the age of head of household under 35 years of age, single people, lone parents and family households.

Although, our proposed actions include working with private rented sector, we recognise the challenge of local housing allowance rates that for five years remained unchanged. We, therefore welcome the unfreezing of this rate as well as the temporary change as a result of covid-19. But we acknowledge that landlords are likely to look towards other segments of the housing market. Nevertheless, it is

important to highlight that the loss of an assured shorthold tenancy is one of the main immediate reasons for homelessness.

Action	Justification and Focus	Additional Information
Nominations to and direct lets by registered providers	<p>Accessing a wider range of social housing will help us meet our prevention and relief duties</p> <p>We will work with our existing registered providers to revise our nominations agreements to improve the range of available social housing</p>	<p>Links to (i) allocations and lettings policies and the development of our local authority tenancy strategy</p> <p>'Direct lets' relates to 'housing first' (see above)</p>
Planning agreements (national levy)	<p>Availability of new affordable rented housing for homeless households could be enhanced by incorporating a nomination provision into planning agreements</p>	<p>Government's Planning White Paper proposes replacing planning agreements with a national levy</p>
Supported housing / floating support	<p>Our evidence base shows that homeless households have a diverse range of support needs as well as accommodation</p> <p>We, therefore, will investigate with our partners the potential of putting together a hybrid package of support to help households better access move on accommodation</p>	<p>This links with the proposed tenancy-ready initiative in priority one</p>
Private renting	<p>Improving our offer to landlords opens up opportunities of accessing a wider range of accommodation</p> <p>We have three specific actions:</p> <ul style="list-style-type: none"> <li>• Use our landlords forum to highlight our offer</li> <li>• Operate a tenancy-ready scheme for households willing to consider the private rented sector</li> <li>• Enhance the role of our temporary accommodation service to include joint working with tenants and landlords</li> </ul>	<p>Our local housing strategy includes a number of additional relevant proposals on addressing issues in the private rented sector</p> <p>Preventing evictions is highlighted under priority one</p>

**Priority four: Offer a high quality and innovative service to homeless households and those threatened with homelessness**

We have already flagged up a number of initiatives including a drop-in service, tenancy-ready schemes and advice and support services.

This priority, therefore, focuses on two issues:

- Customer access to services
- Quality assurances.

Action	Justification and Focus	Additional Information
Customer access to services	<p>The overall theme of this action is to support vulnerable users to access services so as to (i) prevent homelessness and (ii) relieve homelessness</p> <p>The specific actions include:</p> <ul style="list-style-type: none"> <li>• Supporting vulnerable households on digital inclusion so as to directly access / use, for example, e-forms and customer portals</li> <li>• Assisting third sector organisations to support their vulnerable customers to access services online</li> </ul>	This is part of a broader customer services agenda focussed on digital inclusion
Quality assurances	<p>Ensuring appropriate access to services (including advice and support) depends on having robust mechanisms for checking quality</p> <p>Our specific actions include:</p> <ul style="list-style-type: none"> <li>• Staff training (including updates) on issues such as trauma management and conflict resolution</li> <li>• Use of a customer steering group to oversee quality issues</li> <li>• External reviews eg Government's homelessness and support advisers (HAST)</li> </ul>	

**Priority five: Improve health and well-being aspirations**

Our evidence base illustrates the important relationship between health and well-being and homelessness and rough sleeping:

- Support needs of people presenting themselves as homeless highlights the significance of (i) mental health and (ii) physical ill-health and disability
- External research findings emphasise the complex relationships – homelessness (and the threat of homelessness) can contribute to health and well-being issues, while health and well-being challenges can lead to homelessness and rough sleeping.

Action	Justification and Focus	Additional Information
Data and information	We need to better understand the relationship between health and well-being and homelessness at a local level so as to	See also priority two

	<p>develop appropriate responses</p> <p>We will continuously analyse data from sources such as the annual rough sleeper count and the severe weather emergency protocol (SWEP)</p>	
Occupational therapy (OT) assessments	We are developing policies and protocols to ensure that OT assessments for customers can be undertaken	
Addressing mental health issues	<p>As part of our response to covid-19, we have flagged up to customers mental health support services such as South Staffordshire Network for Mental Health.</p> <p>We will enhance our joint working with partners on addressing this issue</p>	
Helping vulnerable customers access emergency services	<p>Vulnerable households often require the assurance of being able to contact organisations in times of crisis via our Out of Hours Service (OOH)</p> <p>Working with our community safety partnership, we will promote the Staffordshire Smart Alert service to vulnerable customers</p>	This links with priority four
Helping households in the owner-occupied sector with financial problems	<p>One of the potential impacts of covid-19 is that there could be an increase in mortgage arrears leading to a rise in repossessions. External research shows that this can detrimentally affect health and well-being as well as leading to homelessness</p>	See also priority one action on preventing evictions
Tackling domestic abuse	<p>Domestic abuse is both one of the immediate reasons for homelessness as well as one of the support needs for those presenting themselves as homeless (see evidence base)</p> <p>We will work with our partners in developing and implementing policies to address this issue</p>	The Domestic Abuse Housing Alliance is a useful source of information <sup>3</sup>

## Future direction of travel

Our direction of travel is twofold:

- To continue to deliver and improve services for homeless households and rough sleeping
- To focus even more strongly on the prevention agenda.

<sup>3</sup> See <https://www.dahalliance.org.uk/>

The latter centres especially on two of our priorities - prevention and early intervention through working with partners and stakeholders and improve the supply of and access to affordable and supported housing.

We recognise, however, that the covid-19 pandemic has focused our attention since March 2020 on the former. This is illustrated by our satisfactory performance on the 'everyone in' initiative to ensure that rough sleepers were moved off the streets into accommodation.

As we have already pointed out, the consequences of potential local lockdowns, further surges and a second wave will affect the balance between prevention and relief duties.

Our direction of travel is, in addition, linked to our other strategies including the corporate plan, the community safety partnership plan and the local housing strategy. We have highlighted the close relationship between the policies in these plans and our priorities for homeless prevention and rough sleeping in section eight. We, therefore, want to ensure that there is a coordinated approach on moving forward on customer services and health and well-being – priorities four and five respectively.

## Governance

- Public sector equality requirements - All activities to give due consideration to the Council's Equality and Diversity Policy- Making Equality Real in Tamworth (MERIT)
- Consultation requirements- An informal consultation was undertaken in Autumn 2019 with key partners and stakeholders. There are important principles set out in chapter 2 of the Homelessness Code of Guidance, however the guidance is yet to be updated by the Ministry of Housing, Communities and Local Government<sup>4</sup>.
- Legal duties- It is a requirement of all Local Authorities to produce and publish and Rough Sleeping and Homelessness Strategy<sup>5</sup>
- Financial soundness of the strategy- Details contained within Annex A to be reviewed yearly due to Covid- 19.

## Delivering the strategy

As has been indicated in section nine on the direction of travel, the impact and uncertainty of the covid-19 pandemic makes delivery of the homelessness prevention and rough sleeping strategy challenging. Normally, this type of strategy

<sup>4</sup> <https://www.gov.uk/guidance/homelessness-code-of-guidance-for-local-authorities/chapter-2-homelessness-strategies-and-reviews>

<sup>5</sup> <https://www.gov.uk/guidance/homelessness-code-of-guidance-for-local-authorities/chapter-2-homelessness-strategies-and-reviews>

would incorporate an action plan comprising a three-year timescale. However, we are aware from the work of HQN that a number of councils that had published their strategies in 2019 have had to abandon their action plans in response to covid-19. Our approach is, therefore, at this stage limited to a set of five actions covering the next 12 months with a focus on responding to covid-19.

#### Action Plan 2020/21

Actions	Justification and Descriptions	Links to Priorities (section eight)
Respond to covid-19	Continue to take forward the principles of the 'next steps accommodation' initiative ie (i) continue to provide temporary accommodation and (ii) to provide sustainable long-term accommodation and support	Priority one: Move on accommodation  Priority two: Emergency accommodation
Address the requirements of the severe weather emergency protocol (SWEPE)	Ensure that suitable emergency accommodation is available for rough sleepers and other vulnerable households  This needs to take account of the health and safety requirements of social distancing etc. Night shelter-type provision in the form of dormitory accommodation and the sharing of facilities is, thus, unsuitable	Priority two: Emergency accommodation
Prevention of evictions	One of the impacts of covid-19 in 2021 is likely to centre on a growing number of households unable to pay rents and, thus, facing eviction  We will develop policies and procedures to work with landlords and tenants to resolve difficulties through, for example, dispute resolution mechanisms, mediation. Agreements between tenant and Landlords.	Priority one: Prevention of evictions
Helping households in the owner-occupied sector with financial problems	One of the potential impacts of covid-19 is that there could be an increase in mortgage arrears leading to a rise in repossessions in 2021  We will develop policies and procedures to work with lenders and homeowners to resolve difficulties	Priority five: Helping households in the owner-occupied sector with financial problems
Helping vulnerable customers access emergency services	We will work with our partners and stakeholders to develop a one-stop service for vulnerable customers threatened with homelessness or who are homeless	Priority one: Drop in service  Priority two: Advice and support services  Priority five: Helping vulnerable customers access emergency

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SMART Delivery Action Plan- Appendix 1



Homelessness and Housing Solutions Service  
Directorate Neighbourhoods

Homelessness & Rough Sleeping Strategy 2020 - 2025

## Homelessness and Rough Sleeper Strategy

### Action Plan 2020-2025

Specific Action	Measurable (outcome)	Achievable	Resources	Time	Lead Officer
1.Prevent and have early intervention of homelessness through working with partners and stakeholders	Assist those at risk of Friends and Family asking them to leave which is one of our highest reasons for approach	Trained mediators in the team (links to Priority 1 &4)	Officers X2 trained mediators £3K per course- Staff training £5K p/a	2021- ongoing	Head of Service
		Allocations policy permits band 1 for 6 months mediation programme ( links to priority 1&3)	Allocations policy is 2020 and will be reviewed	2021-2022	Homes Manager
	Move on pathways	In order to continue to prevent repeat homelessness and rough sleeping, we will develop move on pathways for sustainable accommodation and support needs	Partner joint working and third sector connections  Housing Solutions fund £50K to support cases for rent in advance  Rough Sleeper's if verified obtain a band	2021- ongoing	Homeless Prevention Manager

			2 status on the Council's housing register.		
	Pre-action protocols with Registered Provider's, Housing Association's and other statutory services	Work with our partners to create and implement a local pre-action protocol on possession claims by social landlords  Current work on going with SCC social services on 16/17 yr old protocol and assistance from MHCLG	Allocations policy 2020 gives all confirmed care leavers, ready for move on Band 1 status.  Eviction prevention panel with Registered Providers/Housing Associations	2021 – on going	Homes Manager
	Focus on Prevention of Evictions	We will work with landlords and tenants to resolve difficulties through, for example, dispute resolution mechanisms, mediation. Agreements between tenant and Landlords.(behavioural etc) Re-design	Team training and mediators in the team, look to increase	2021 – ongoing	Homeless Prevention Manager

		homelessness and stop the revolving door	Housing Solutions Fund £50K P/A ( as above)	2021	Head of Service & (All managers)
		Assist with rent arrears if facing financial; hardship and difficulties			
		Referrals to Tamworth Advice Centre for debt and money advice	Housing Solutions part Commission TAC £20K PA	2021	Head of Service, Referral & Compliance manager
		Helping households in the owner-occupied sector with financial problems	Team members assisting and trained, Mortgage rescue schemes in-light of covid tba	2021- ongoing	Head of Service & Homeless Prevention Manager
		To enable partners and Third sector who engage with clients to obtain and assist client's with their cases. To prevent gap's in service provision for the clients. Also will aid the duty to refer under the Homelessness Reduction Act 2017	£9K p/a	2021- ongoing	Homeless prevention Manager & Compliance and Referral Manager.

	Opening up the Homeless (Homeless Reduction Act 2017) Jigsaw Software to third parties	Deliver staff training on prevention tools (to both internal and external colleagues who may be able to signpost)			
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Specific Action	Measurable (outcome)	Achievable	Resources	Time	Lead Officer
2. Develop rapid pathways for rough sleepers	Commissioning a 'Housing First' service for those with multiple high needs	Working with partners and stakeholders, we will explore the relevance of 'housing first' as a potential pathway for rough sleepers with complex needs and chaotic lifestyles. Soft test Marketing will be done	£50K for 1 year, using Flexible Support Housing Grant. (FHSG)	2022-2025	Head of Homelessness & HS & All Managers
	Provision of emergency	<ul style="list-style-type: none"> <li>-Reduce even further the use of bed and breakfast accommodation,</li> <li>-Use of Council Stock</li> <li>-Ensure that our</li> </ul>	B&B Budget p/a now reduced to £100K reduced from £250K p/a  TA pays for itself	2021- ongoing	Head of Service & All Managers

	accommodation	<p>allocations and lettings policy fast tracks rough sleepers into our accommodation and that of registered providers</p> <p>-Continue to support the provision of appropriate emergency accommodation during winter periods / severe weather</p>	<p>creating revenue</p> <p>Allocations policy fast tracks Rough Sleepers. RS's receive band 2.</p> <p>SWEP budget £6K p/a</p>		
	Advice & Support / Outreach service&	<p>Help and assistance to rough sleepers and vulnerable households to access accommodation and support is fundamental, Staff complete out-reach services and aspiration of a homeless hub within the community. Build on 121 support.</p> <p>Work with Public Health and the Clinical Commissioning Group to explore links between poor health</p>	<p>Partners and Third sector</p> <p>£20K Outreach service p/a</p>	2022- 2025	Head of Service & All Managers

	Homeless Hub	and homelessness and identify ways of tackling these			
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Specific Action	Measurable	Achievable	Resources	Time	Lead Officer
3. Improve the supply of and access to affordable and supported housing	Planning agreements (national levy)	Availability of new affordable rented housing for homeless households could be enhanced by incorporating a nomination provision into planning agreements	Government's Planning White Paper proposes replacing planning agreements with a national levy	2022- 2025	Head of service & all Managers
	Private renting	Improving our offer to landlords opens up opportunities of accessing a wider range of	Housing Solutions fund £50K p/a (as noted)	2021- ongoing	Head of Service & All Managers

		<p>accommodation</p> <p>We have three specific actions:</p> <ul style="list-style-type: none"> <li>-Use our landlords forum to highlight our offer</li> <li>-Operate a tenancy-ready scheme for households willing to consider the private rented sector</li> <li>-Enhance the role of our temporary accommodation service to include joint working with tenants and landlords</li> </ul>	<p>Our local housing strategy includes a number of additional relevant proposals on addressing issues in the private rented sector</p> <p>Preventing evictions is highlighted under priority one</p>		
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Specific Action	Measurable	Achievable	Resources	Time	Lead Officer
4. Offer a high quality and innovative service to homeless households and those threatened with homelessness	Quality assurances	Ensuring appropriate access to services (including advice and support) depends on having robust mechanisms for checking quality	Staff training £5K for relevant case law and legislation updates.( as above)	2021- ongoing	Head of Service & All Managers



		<p>Our specific actions include:</p> <ul style="list-style-type: none"> <li>-Staff training (including updates) on issues such as trauma management and conflict resolution</li> <li>-Use of a customer steering group to oversee quality issues</li> </ul> <p>External reviews eg Government's homelessness and support advisers (HAST)</p>	New corporate portal		
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Specific Action	Measurable	Achievable	Resources	Time	Lead Officer
5. Improve health and well-being aspirations.	<p>Support needs of people presenting themselves as homeless highlights the significance of (i) mental health and (ii) physical ill-health and disability</p> <p>Addressing mental</p>	<p>Using Data and information also linked to priority 2</p> <p>We will continuously analyse data from sources such as the annual rough sleeper count and the severe weather emergency protocol (SWEP)</p> <p>As part of our response to</p>	<p>I.T software,</p> <p>Staff training</p> <p>KPI's</p> <p>Use of human</p>	2021 on going	Head of Service & Compliance & Referral Manager

	health issues- data shows highest issue	<p>covid-19, we have flagged up to customers mental health support services such as South Staffordshire Network for Mental Health.</p> <p>We will enhance our joint working with partners on addressing this issue</p> <p>Targeted mental health resource into the team</p>	<p>Kind/New Era SCC</p> <p>£30K p/a</p>		
	Helping vulnerable customers access emergency services	<p>Vulnerable households often require the assurance of being able to contact organisations in times of crisis via our Out of Hours Service (OOH)</p> <p>Working with our community safety partnership, we will promote the Staffordshire Smart Alert service to vulnerable customers (links to priority 4)</p>	<p>Staff costs in OOH claims per year £6600 per year 19/20</p>		Head of Service & All Managers
	Tackling domestic abuse	<p>Domestic abuse is both one of the immediate reasons for homelessness as well as one of</p>	<p>Part of DV forum in Staffordshire</p>		Head of Service & All Managers

		<p>the support needs for those presenting themselves as homeless (see evidence base)</p> <p>We will work with our partners in developing and implementing policies to address this issue</p>	<p>Previously made successful bids for Pathways to continue its service.</p>	<p>Total: Predicted £196,600 pa spend out of £264,260.00</p>	<p>Partnerships Team</p>
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Homelessness and Housing Solutions Service  
Directorate Neighbourhoods

**Evidence Base - Homelessness Prevention and Rough  
Sleeping Strategy**

**2020-2025**

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DRAFT

## Introduction

We have adopted a broad approach to the ‘evidence-base’ for the draft homelessness prevention and rough sleeper strategy. It comprises ‘information to inform decision-making’<sup>1</sup>.

The next section, therefore, centres on a summary of national policy and research including the impact of covid-19 on strategies for homelessness and rough sleeping. This is followed by a review of our existing local homelessness policy. The penultimate section (and appendices A & B) is the core element of the evidence-base. It covers an analysis of data and the outcome of interviews with stakeholders carried out by Housing Quality Network (HQN) in autumn 2019 (see appendix C), which wherever possible has been updated. The final section summarises the key findings in the draft evidence-base for the local housing strategy produced also by HQN in 2020. This provides a broader context covering, for example, the operation of the housing market and the state of play on affordable housing.

## National policy and research

### 1.1. Introduction

This section focuses on five topics:

- Legislative background for local homelessness strategies
- Government’s rough sleeping strategy
- Impact of covid-19
- Post-covid-19
- Other policy and research.

The latter briefly summarises relevant key findings and reports by think tanks and research organisations.

In broad terms, this section covers (i) substantive policies and (ii) guidance on producing local homelessness and rough sleeping strategies.

It is important that we and our local stakeholders appreciate the challenges and opportunities of the changing national policy environment. This is illustrated in the figure below:

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<sup>1</sup> This approach has also been adopted for the evidence-base for our local housing strategy.

Figure One: Legislative and Policy Framework



### 1.2. *Legislative background*

There is a statutory requirement for local authorities to produce a local homelessness strategy<sup>2</sup>. The Homelessness Act, 2002 introduced this requirement. It should review the nature and scale of homelessness and adopt a strategy to tackle identified problems (including an action plan and spending priorities). The associated Code of Guidance provides detailed advice to local authorities<sup>3</sup>.

The five key principles, some of which remain relevant, are that strategies should:

- Identify the scale and nature of homelessness
- Take steps to tackle homelessness
- Adopt a multi-agency perspective
- Keep strategies under review
- Publish new / revised strategies, at least, every five years

### 1.3. *Rough sleeping strategy*

The Government's rough sleeping strategy (August 2018)<sup>4</sup> covers policies and their implementation as well as guidance of the preparation of strategies.

<sup>2</sup> There is no mandatory requirement to prepare a local housing strategy.

<sup>3</sup> MHCLG (2018) *Homelessness Code of Guidance for Local Authorities*, London, MHCLG, 12 April 2018 Version

<sup>4</sup> See <https://www.gov.uk/government/publications/the-rough-sleeping-strategy>



In relation to *policies*, there are two key commitments:

- Halve rough sleeping by 2022
- End rough sleeping by 2027.

These commitments centre on ‘supporting every person who sleeps rough off the streets and into a home’ (p8 of the rough sleeping strategy). Over £100 million of funding has been made available for the first two years of the policy.

The focus is threefold – (i) prevention, (ii) intervention and (iii) recovery. This is illustrated in the table below:

Table One: Threefold Vision for Ending Rough Sleeping

Vision	Definition	Examples
Prevention	Preventing rough sleeping and homelessness happening in the first place	Homelessness Reduction Act, 2017: Prevention responsibilities for local authorities
Intervention	Supporting people who are rough sleeping by providing emergency accommodation and advice / help	Provision of hostel and night shelter accommodation accessed through the help of homelessness support workers
Recovery	Ensuring affordable and secure accommodation	Housing first initiative: Securing safe and permanent accommodation as a first priority

The rough sleeping strategy also included proposals in chapter three (paragraphs 71-73) to guide the *preparation of local strategies*:

- Ministry of Housing, Communities and Local Government (MHCLG) will work with local authorities so that there are updated strategies in place
- Strategies should be rebranded as homelessness and rough sleeping strategies
- Local authorities should regularly report on progress in delivering their strategies
- Annual action plans should be produced
- Strategies should be available online and submitted to MHCLG and
- Consultation will take place with national and local stakeholders on the use of local homelessness reduction boards.

The government’s rough sleeping strategy also included a commitment in chapter three paragraphs 68-70 that a review will be undertaken on the homelessness reduction legislation / guidance. Tamworth Borough Council is involved in this review as a member of the MHCLG Task Force.

The timeline for preparing homelessness and rough sleeping strategies has been flexible. It has, however, become clear that the covid-19 pandemic has created challenges. A sample survey of a small sample of district councils in the Midlands by HQN in August 2020 found that:

- Preparation of strategies and the implementation of action plans have generally been put on hold
- Newly produced strategies (in 2019/20) require reviewing
- Completing and updating strategies are, in some cases, being postponed pending guidance from MHCLG.

#### 1.4. *Post-2018 policy developments*

The Conservative Party election manifesto in autumn 2019 included a commitment to end rough sleeping by 2025. This has yet to become national policy.

As a result of the covid-19 pandemic (and see section 2.5.), the national lockdown involved council's being required in March 2020 to end rough sleeping at short notice by providing temporary accommodation. This initiative is referred to as the 'everyone in' programme. This has been followed by the 'next steps' programme in summer 2020 to continue to provide temporary accommodation and to develop long-term housing options.

We are assuming that there will be a further policy announcement in autumn 2020 to clarify the current position on rough sleeping targets, as well as guidance on homelessness and rough sleeping strategies.

#### 1.5. *Impact of covid-19*

This sub-section focuses on the strategic implications of covid-19 for homelessness prevention and rough sleeping policies. It, therefore, does not focus on the detailed guidance provided by the Government. The response by the Council and its partners to the impact of covid-19 on rough sleeping in Tamworth is discussed in section three.

As has already been pointed out, there are two primary relevant national policies for rough sleeping – (i) 'everyone in' initiative and (ii) the 'next steps' accommodation proposal. An overview of guidance was provided by the Minister for Rough Sleeping and Housing on 28 May 2020<sup>5</sup>. In addition, the Government has issued a series of statements that have implications for homelessness and rough sleeping.

The '*everyone in*' programme was announced in March 2020<sup>6</sup>. The aim has been to provide safe temporary accommodation with initial funding of £3.2 million to local authorities. Councils have been required to provide a move-on accommodation plan

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<sup>5</sup> See

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/892797/Letter\\_from\\_Luke\\_Hall\\_MP\\_Minister\\_for\\_Rough\\_Sleeping\\_and\\_Housing\\_to\\_LA\\_Chief\\_Execs.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/892797/Letter_from_Luke_Hall_MP_Minister_for_Rough_Sleeping_and_Housing_to_LA_Chief_Execs.pdf)

<sup>6</sup> See

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/876466/Letter\\_from\\_Minister\\_Hall\\_to\\_Local\\_Authorities.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/876466/Letter_from_Minister_Hall_to_Local_Authorities.pdf)

for those in this programme by 11 June 2020. This included consideration of three options – encouraging people, wherever possible, to return to friends and family, providing sustainable move-on accommodation (eg housing associations and the private rented sector) and delivering temporary accommodation where sustainable housing is not an option.

In total, the Government has indicated that up to 15,000 households have been helped including rough sleepers living on the streets, people sharing night shelter accommodation and people vulnerable to rough sleeping. It is also estimated that over 5,400 known rough sleepers have been helped into hotels, hostels and other emergency accommodation. This equates to approximately 90 per cent of all rough sleepers.

Independent analysis for Crisis<sup>7</sup> highlights that covid-19 prompted a radical and rapid shift in policy that was successfully implemented by councils and their partners through the ‘everyone in’ programme. Major findings include:

- Relatively low level of infections among people and households accommodated through the programme
- Eliminating the use of communal shelters and, wherever possible, dormitory provision
- Challenges for councils in responding to the immediate crisis while maintaining homelessness prevention activities.

The ‘next steps’ accommodation programme was launched on 18 July 2020<sup>8</sup>. Funding of £266 million has been available to councils to (i) continue to provide safe accommodation for vulnerable people including rough sleepers and (ii) help people into long-term housing. £105 million was targeted at Councils to safeguard temporary accommodation (initially funded through the ‘everyone in’ initiative). A further £161 million is aimed at delivering up to 3,300 units of long-term move-on accommodation. Bidding for these funds ran until 20 August 2020 to cover property costs and new tenancies. This is part of a larger programme to provide 6,000 long-term safe homes for vulnerable people.

In addition to these two initiatives, national policies have targeted vulnerable people including those potentially faced with homelessness. For instance, there has been the reopening of funding bids for the domestic abuse safe accommodation programme<sup>9</sup>. As is pointed out in section four, this is a significant immediate reason for homelessness.

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<sup>7</sup> Crisis (2020) *Homeless Monitor England 2020: Covid-19 Crisis Response Briefing*, London, Crisis – see <https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/england/homelessness-monitor-england-2020-covid-19-crisis-response-briefing/>

<sup>8</sup> <https://www.gov.uk/government/news/jenrick-launches-266-million-housing-fund-for-vulnerable-people>

<sup>9</sup> <https://www.gov.uk/government/publications/domestic-abuse-safe-accommodation-covid-19-emergency-support-fund>

In relation to the private rented sector, a temporary ban on eviction proceedings was extended until 23 August 2020 and then extended again until 20 September 2020. In addition, landlords should provide tenants with six months' notice, excluding serious cases such as anti-social behaviour and domestic abuse. When courts do resume eviction hearings, priority should be given to the most serious cases. Again, section four shows that the loss of a private rented tenancy is the major immediate reason for homelessness.

### *1.6. Post-covid-19*

Inevitably, there is a degree of speculation as to national policy on tackling homelessness and rough sleeping post-covid-19. Local lockdowns, surges and future waves of the pandemic are likely to result in further temporary measures.

The medium-term policy trajectory will be influenced by the outcomes of (i) MHCLG task force on supporting private sector tenants and landlords and (ii) the Government task force on rough sleeping. The latter includes the forthcoming publication of research into the causes of rough sleeping.

Nevertheless, there are indications of the direction of travel:

- A Renters' Reform Bill will be introduced once the covid-19 emergency has subsided and it will focus on providing greater security of tenure while, at the same time, enhancing the rights of landlords. One of the objectives will be to reduce the loss of a tenancy as a major immediate reason for homelessness.
- A Domestic Abuse Bill is proceeding through Parliament and will reinforce the powers of councils to support victims and provide safe accommodation
- The forthcoming Social Housing White Paper is likely to highlight the role of social housing in providing good quality affordable rented housing for households threatened with homelessness.

### *1.7. Other policy and research*

This sub-section focuses on the two major independent research centres on tackling homelessness. These are the UK Collaborative Centre for Housing Evidence (CaCHE) and the Centre for Homelessness Impact (CHI).

A useful policy framework has been developed by CaCHE<sup>10</sup>. It comprises five elements:

- Universal prevention to prevent or minimise risks across the population as a whole
- Targeted activities focussing on high risk groups

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<sup>10</sup> Fitzpatrick, S. et al (2019) *Homelessness Prevention in the UK – Policy Briefing*, Glasgow, CaCHE - <https://housingevidence.ac.uk/publications/homelessness-prevention-in-the-uk/>

- Crisis prevention ie preventing homelessness which is likely to occur within 56 days
- Emergency services for those who are homeless or rough sleeping and / or at immediate risk and
- Recovery prevention ie tackling repeat or revolving door homelessness.

The table below illustrates its potential application in terms of homelessness and rough sleeping policies.

Table Two: Policy Framework Elements

Elements	Examples of Policies	Links with Other Strategies & Organisations
Universal prevention	Provision of affordable housing Maximising welfare benefits	Local housing strategy DWP
Targeted activities eg multiple exclusion homelessness	Working with care leavers, prisoners etc Tackling substance misuse Addressing street culture activities Housing first initiative	Childrens services, probation service etc Drug and alcohol strategies Community safety partnership plan
Crisis prevention	Allocations and prioritising homelessness	Allocations policy
Emergency services	Night shelter accommodation Multi-agency services hub	Third sector organisations All public sector and voluntary agencies
Recovery prevention	Ongoing one-to-one support through housing first and a multi-agency services hub	Co-ordinated public and third sector activities

We are using this framework in our homeless prevention and rough sleeping strategy.

CHI was set up by the Government in 2018 as the ‘what works centre for tackling homelessness’<sup>11</sup>. It is working with the Office for National Statistics to improve the adequacy and quality of homelessness and rough sleeping data (see below), as there is a consensus that it currently is not fit for purpose.

<sup>11</sup> <https://whatworks.blog.gov.uk/2019/10/11/what-works-in-tackling-homelessness/>

The major initiative relevant for councils, such as ourselves, is a six-month online project to end homelessness through the use of data and evidence. Up to 30 local authorities will be invited to participate<sup>12</sup>. This project links to the CHI workstream on 'using evidence to end homelessness'<sup>13</sup>.

## Review of the existing strategy and policies

### 1.8. Introduction

This section covers our performance on (i) the existing strategy and (ii) the policies that we have adopted to address the impact of covid-19 on rough sleeping. This section should be read in conjunction with section four on 'local information on homelessness and rough sleeping' and appendices A and B.

Overall, as the data and information in sections 3.3. and 4.3. as well as appendices A and B show, we and our partners have achieved a highly satisfactory performance, especially compared with national trends. A significant reason for this is the existing local policy and its implementation.

Our positive performance is further highlighted in feedback from partners. The Government's homelessness and support advisers (HAST) have commented that in relation to rough sleeping, the 'Tamworth position is well managed'. The interviews undertaken with local stakeholders by HQN in autumn 2019 highlighted the effective cooperation at an operational level with one organisation commenting that 'joint working with Tamworth Council delivers a good service for people threatened with homelessness'.

### 1.9. Existing strategy

There are three elements to the review of the existing strategy:

- Our performance
- Progress on the existing action plan
- Analysis of the spending plan in the existing strategy.

These are now discussed in turn.

As has already been pointed out, our performance has been positive. Using data and analysis from section four (and appendices A and B), there are four key points:

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<sup>12</sup> See <https://www.homelessnessimpact.org/post/local-authorities-invited-to-join-community-committed-to-ending-homelessness-with-data-and-evidence>

<sup>13</sup> See, for example, <https://www.homelessnessimpact.org/post/using-evidence-to-end-homelessness-available-now>

- Little use of temporary accommodation (especially bed and breakfast provision) compared to England as a whole – this reflects the emphasis in the strategy of providing suitable and sustainable accommodation
- Low numbers of repeat homelessness cases that shows the successful impact of our relief activities
- Relatively few rough sleepers with little evidence in the data on repeat cases, so demonstrating our collaborative work with partners (which was highlighted as a major feature of the strategy)
- Homelessness acceptance rates up to 2017/18 are in line with national rates – this shows that we have managed the homelessness crisis adequately.

During the existing strategy period, there have been significant changes in national policy (see figure one in section two). The most significant of these is the focus on prevention through the homelessness reduction legislation and guidance. We have made significant progress on reorganising our services to facilitate a stronger preventative focus. However, the data in section 4.4. shows that further work is required.

- To see progress on the existing action plan please see **appendix D**

#### *1.10. Policies to address the impact of covid-19 on rough sleeping*

Sections 2.4.- 2.6. of this report summarised national policy. It also highlighted that local authorities should produce an accommodation move-on plan by 11 June 2020. The data and information underpinning this plan demonstrates our successful performance in addressing rough sleeping since 2019 and tackling the impact of covid-19 between March and June 2020.

The key points on the scale and nature of rough sleeping are:

- Numbers are low with 16 people included in the ‘everyone in’ programme between late March and early June 2020, while the rough sleeper count in November 2019 found that there were only five rough sleepers
- The issue is one of transience linked to periods of temporary rather than entrenched rough sleeping.
- The immediate reasons for rough sleeping mirror those for homelessness (see section 4.5.)
  - Asked to leave by a family (5 in 2019 and 8 in 2020) / friends being unwilling to continue to provide accommodation (5 in 2019 and 4 in 2020)
  - Loss of private rented accommodation<sup>14</sup> (4 in 2019 and 3 in 2020)
  - Relationship breakdown (4 in 2019 and 3 in 2020)
  - Fleeing domestic abuse (1 in 2019 and 4 in 2020).

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<sup>14</sup> Defined as the use of a section 21 notice by a landlord

The 'everyone in' programme has, so far, provided accommodation for 16 people comprising bed and breakfast (three people), council temporary provision (five people) and settled accommodation (eight people). Of these 16 people, only four would have been supported on mandatory grounds. The remaining 12 people have been helped on a discretionary basis. This demonstrates our commitment and success on the 'everyone in' programme.

Our performance mirrors the findings of the analysis for Crisis on the response to covid-19 (see section 2.5. and footnote 7). Councils and their partners have responded effectively. No use has been made of communal accommodation and there have been no significant issues over infection rates (according to the Directorate of Public Health at Staffordshire County Council).

An informal update by HQN in 2020 of a sample of district councils in the Midlands found that our performance is similar to other local authorities. Key points include relatively low numbers, helping both mandatory and discretionary cases and the use of a range of accommodation types. Our ability to provide council temporary accommodation and settled provision, nevertheless, stands out as significant compared to some other district councils. A further important finding is concern by all of the local authorities over access to national funding programmes because of low numbers and successful performance. We have also highlighted this as a challenge in our move-on plan.

Our SWOT (strengths, weaknesses, threats and opportunities) analysis that has been undertaken as part of our move-on plan shows that we are not complacent. The summary analysis is as follows:

Table Three: SWOT Analysis Summary



<p><i>Strengths</i></p> <ul style="list-style-type: none"> <li>• &lt; five rough sleepers in Tamworth</li> <li>• Transient not entrenched</li> <li>• Excellent relationships with partners</li> <li>• Strong organisational structure focused on prevention; partnerships and sustainable solutions</li> <li>• Significant range of housing solutions</li> <li>• Strong programme of affordable housing development including acquisitions</li> <li>• Low bed and breakfast usage with considerable savings to our general fund over last 2 years.</li> </ul>	<p><i>Weaknesses</i></p> <ul style="list-style-type: none"> <li>• Unmet housing need</li> <li>• Gaps in specialist provision</li> <li>• Performance strong that inevitably limits external funding opportunities.</li> </ul>
<p><i>Opportunities</i></p> <ul style="list-style-type: none"> <li>• Housing revenue account investment in more affordable housing</li> <li>• Refreshed evidence-base to inform strategy and commissioning of services</li> <li>• Homelessness &amp; Rough Sleeping Strategy 2020-2025 planned</li> <li>• Innovative approaches to meeting housing need that are recognised nationally.</li> </ul>	<p><i>Threats</i></p> <ul style="list-style-type: none"> <li>• Impact of wider health determinants</li> <li>• COVID19 “everybody in” and wider application of statutory discretion</li> <li>• Stakeholder expectations</li> <li>• Private sector landlords and realism around shared accommodation for under 35-year olds</li> <li>• Poverty / low incomes and impact on affordability of accommodation</li> <li>• Cross-border placements eg Birmingham.</li> </ul>

## 4. Local information on homelessness and rough sleeping

### 4.1. Introduction

This section focuses on the scale and nature of homelessness and rough sleeping in Tamworth. It covers (i) the trends on homelessness and rough sleeping and (ii) the reasons for homelessness and rough sleeping.

It is based on data analysis together with interviews with stakeholders, both undertaken by HQN in autumn 2019. The data analysis has been added to by an update by HQN in August 2020.

This section comprises:

- Brief review of the complex issues with national homelessness and rough sleeping data
- Data analysis summary (autumn 2019) and see appendix A for a more detailed review
- Data analysis summary (August 2020) and see appendix B for a more detailed review

- Analysis of the reasons for homelessness and rough sleeping.

#### 4.2. National data on homelessness and rough sleeping

Statistics on homelessness are published by the MHCLG. Until 2018/19, quarterly releases centred on households accepted as being owed a statutory duty and numbers in temporary accommodation. These were based primarily on what were referred to as P1E returns<sup>15</sup> made by local authorities to the government. Since April 2018, the government has adopted a revised approach. This reflects the new duties under the Homelessness Reduction Act, 2017, and a different system for collecting data. The latter is the 'homelessness case level information collection' (H-CLIC) system. This data is classified as 'experimental' because of quality issues<sup>16</sup>. Because of these issues and the lack of sufficient time-series statistics, it was not possible to draw any conclusions on the post-April 2018 data in the analysis undertaken by HQN in autumn 2019.

However, in mid-August 2020, MHCLG published the delayed homelessness statistics for the final quarter of 2019/20 as well as revised data for previous quarters. These revisions were, in some cases, substantial and we understand that further revisions and updates are likely. HQN has, nevertheless, produced an additional analysis based on this data release on 20 August 2020 covering 2018/19 and 2019/20. It, however, must be borne in mind that the raw MHCLG data is 'work in progress'.

HQN's survey of ten district councils in the Midlands in autumn 2019 suggest that data evidence-bases for homelessness and rough sleeping strategies draw, in the majority of cases, on pre-2018/19 official statistics ie P1E returns. Respondents commented that this data source allows long term comparisons between an individual council and national trends. HQN, therefore, adopted this approach in autumn 2019.

In the case of rough sleeping, the MHCLG publishes annual statistics which estimate the number of rough sleepers in a local authority area on a given night each autumn. There is a national consensus among organisations (eg CaCHE, CHI, Crisis and Shelter) that this is a less than satisfactory approach.

Unsurprisingly, therefore, there are attempts being made to improve data (see section two). For example, the Office for National Statistics (ONS) and the Centre for Homelessness Impact (CHI) have consulted on creating an indicator framework to measure progress on eliminating homelessness<sup>17</sup>.

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<sup>15</sup> See <https://www.gov.uk/guidance/homelessness-data-notes-and-definitions>

<sup>16</sup> These issues include non-returns by a small number of councils and different interpretations of the requirements. This has been compounded by frequent modifications to the H-CLIC system. The authors of this paper have been informed that there have been 16 changes over the last 18 months.

<sup>17</sup> See <https://consultations.ons.gov.uk/policy-evidence-and-analysis-team/homelessness-indicators-consultation/>

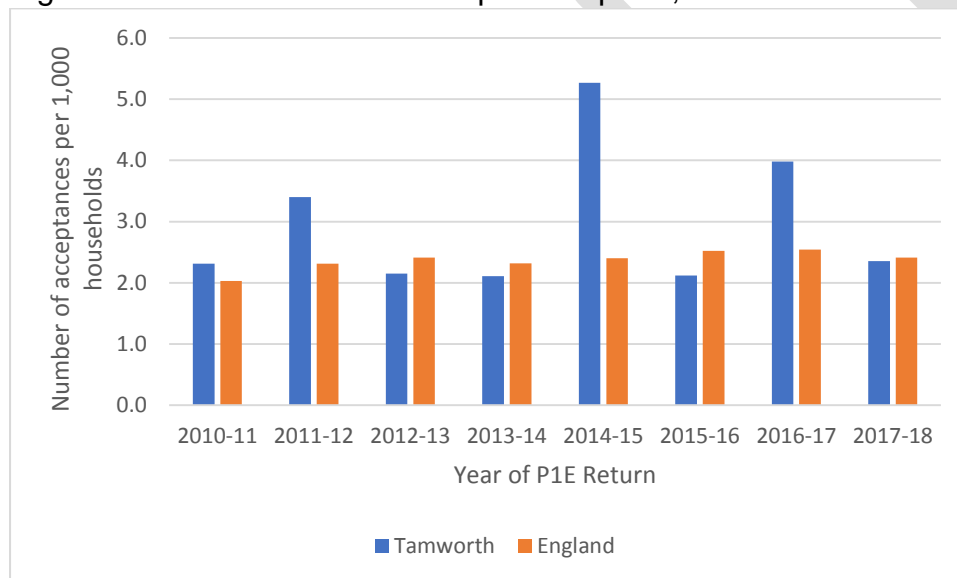
We will maintain a watching brief on these types of initiatives, so that we can better understand, for instance, the scale of sofa-surfing among young people (16-25 years old). This issue was flagged up in the interviews carried out by HQN in autumn 2019.

#### 4.3. Analysis of data for Tamworth (autumn 2019)

In contrast to the trends in national data, between 2010 and 2018, local statistics generally reflect an improving or constant picture. This applies, for example, to number of households in temporary accommodation. The number of rough sleepers follows a similar pattern. Homelessness acceptances show a similar picture to national figures.

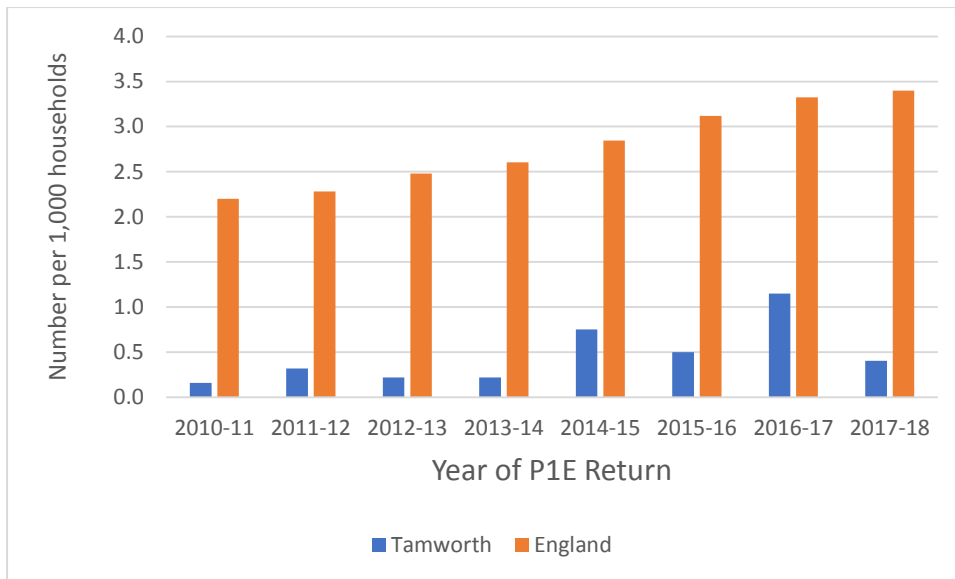
It is, however, evident that there was a pronounced spike in these local figures in 2016/17 (and in the case of homelessness acceptances also in 2014/15). The tables and figures below and in appendix A confirm these findings.

Figure Two: Homelessness Acceptances per 1,000 Households



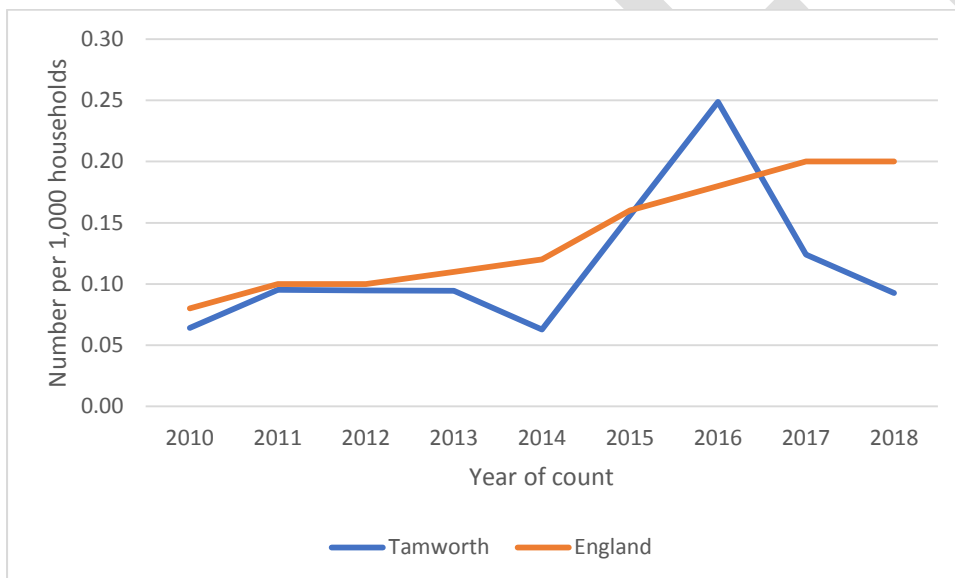
Source: P1E returns

Figure Three: Number of Households in Temporary Accommodation at 31 March per 1,000 Households



Source: P1E returns

Figure Four: Number of Rough Sleepers per 1,000 Households



#### 4.4. Data analysis for Tamworth (August 2020)

In some respects, the trends identified in the previous sub-section for data up to and including 2018 are continued for 2018/19 and 2019/20. More details can be found in the tables in appendix B.

The five salient points are:

- The number of relief cases is exceeding those owed a Prevention duty
  - The mean number of prevention cases per quarter fell from 37 in 2018/19 to 23 in 2019/20

- The mean number of relief cases per quarter rose from 41 in 2018/19 to 55 in 2019/20
  - The rate per 000 households for relief cases in Tamworth is consistently higher than the rate for England and is consistently lower for prevention cases in Tamworth than for England
- The two major immediate reasons for homelessness continue to be the loss of a tenancy in the private rented sector and the unwillingness of families and friends to continue to provide accommodation (see next sub-section).
  - The support needs of people likely to become or who are homeless is dominated by mental health issues (and this trend is growing) – the mean figure per quarter in 2018/19 was 26 cases and this increased to 31 cases in 2019/20.
  - The use of temporary accommodation in Tamworth continues to be at a significantly lower level compared with England – the rate per 000 households is approximately 16 per cent of the national figure.
  - The annual rough sleeper count continues to show a low number – for 2019, the figure was 5 cases.

#### *4.5. Reasons for homelessness and rough sleeping*

Policy and research on homelessness and rough sleeping distinguish between (i) immediate trigger factors (eg loss of an assured shorthold tenancy), (ii) personal circumstances (eg relationship breakdown, support needs etc) and (iii) broader structural considerations (eg lack of affordable housing).

It is important to appreciate the overlap between these three categories. For instance, official statistics include relationship breakdown as an immediate reason, while research often incorporates it as a personal circumstance issue.

These are now discussed in turn.

##### *Immediate reasons for homelessness*

Evidence from the HQN interviews (supported by limited data pre-2018 and 2018/19 – 2019/20) indicate that there are a number of local trends that follow the national pattern eg the four major immediate reasons for homelessness – potential or actual loss of private rented accommodation, the unwillingness of families and friends to continue to provide a home, relationship breakdown and domestic abuse / other violence. Of these, the most significant for Tamworth are loss of private rented accommodation and unwillingness of families and friends to continue to provide a home, with the former increasing in significance at the expense of the latter since 2018.

Table Four: Main Reasons for the Loss of the Last Settled Home for Households owed a Prevention or Relief Duty (2018/19)<sup>18</sup>

Reason	Tamworth (%)	England (%)
End of assured tenancy	19%	20%
Family or friends unwilling to provide accommodation	26%	25%
Relationship breakdown – non-violent	8%	10%
Domestic violence / other violence	11%	10%

Source: MHCLG live tables on homelessness A2 -

<https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>

See also table B2 in appendix b

In relation to the loss of private rented accommodation, the basic issue is that landlords can obtain a higher rent from middle income households even for property in a relatively poor state because of the flourishing nature of the sub-regional housing market that covers Greater Birmingham. Nationally, nearly 50% of cases of the end of an assured tenancy are due to landlords wishing to relet or sell property.

The unwillingness of families and friends to continue to provide accommodation is the most significant factor. HQN interviews with officers and partners highlighted the interplay between two issues. Firstly, there is the adverse impact of welfare changes on low income families (including those where household members are in low-paid employment) – see below. Secondly, there is a commonly held assumption among some households that the ‘homelessness route’ is the most appropriate way to improve the housing circumstances of family members.

Relationship breakdown was confirmed by some of the interviewees as a small but important factor. National research by organisations, such as Shelter, suggests that the lack of awareness of legal rights re joint tenancies / joint owners and marital / civil partnership status are important factors. This was confirmed in our interviews.

Domestic violence / other violence in relation to homelessness has been the subject of considerable recent discussion of the adequacy or otherwise of local authority duties as illustrated in a debate in Parliament in June 2019<sup>19</sup>. More broadly, it is important to note that official statistics demonstrate that it is the third most common reason for a person needing local authority support (after mental health and physical ill-health).

### *Personal Circumstances*

<sup>18</sup> Please note that these figures are based on experimental statistics – the national data has been updated on a number of occasions

<sup>19</sup> See <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CDP-2019-0139>

Our interview findings (together with the data analysis in appendix B<sup>20</sup>) can be compared with national evidence:

- Multiple exclusion homelessness: Homeless households and rough sleepers experience more than one form of social exclusion such as institutional care (eg local authority care, prison and / or mental health hospitals), substance abuse (eg drugs, alcohol and / or solvents) and participation in 'street culture activities' (eg begging, street drinking and / or survival shoplifting) – in the case of Tamworth (unlike the situation in England as a whole) the number of people with more than one support requirement has remained similar for the last two years
- Mental health issues: Increasing incidence of homeless people and rough sleepers with mental health issues – in the case of Tamworth this is the most significant support issue
- Drug addiction issues: Increasing incidence of homeless people and rough sleepers with drug addiction issues (as highlighted nationally in the report on *drug-related harms in homeless populations* by the Advisory Council on the Misuse of Drugs) – in the case of Tamworth, drug and alcohol abuse concerns has remained at a relatively low level for the last two years
- Visibility: Homeless households and rough sleepers are often known to many public and third sector organisations but are reluctant to engage with service providers and
- Revolving door of homelessness (or 'repeat homelessness'): Individuals 'cycling' between, for example, prison and homelessness or, and much more commonly, 'temporary accommodation' and rough sleeping – in the case of Tamworth, our data, nevertheless, shows that repeat homelessness is not a major issue.

In addition, there are some specific (and, in some cases, emerging) issues affecting the Tamworth area. According to stakeholders interviewed by HQN, these include:

- Impact of county lines and cuckooing on vulnerable households in the social and private rented sectors leading to the potential loss of accommodation ( Cuckooing is a term used by the police where drug dealers take over the home of a vulnerable person in order to use it as a base for county lines drug trafficking).
- Consequences of urban local authorities in the region placing families with a multiplicity of issues in a range of 'temporary accommodation' in Tamworth potentially resulting in some members experiencing homelessness and rough sleeping
- Military veterans across the County experiencing or facing homelessness and rough sleeping
- Stigma and social isolation faced by homeless households and
- Small numbers of homeless individuals and rough sleepers that have chaotic lifestyles adversely impacting on other communities and reluctant to engage with service providers.

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<sup>20</sup> Support needs (see table B3 in appendix B) is frequently used as a proxy indicator for personal circumstances.

In the case of military veterans, stakeholders and officers interviewed by HQN had differing views. Staffordshire County Council highlighted this issue, but third sector organisations indicated that it was of marginal significance. However, the data in table B3 in appendix B indicates that this has not been an issue over the last two years.

### *Structural Considerations*

These factors relate to the wider state of the economy and the housing market. They include:

- Lack of housing supply
- Crisis of affordability
- Unaffordability of home ownership and
- Welfare changes especially local housing allowances and its impact on the affordability of the private rented sector.

There has been and continues to be national discussions and debates on these topics.

From a local perspective, it is essential to make the links with the emerging housing strategy (and the evidence-base underpinning it – see next section).

## Wider local evidence-base

### *Introduction*

This section summarises the emerging findings from the draft evidence-base for the local housing strategy. Readers interested in additional detail should consult the full report.

As with the homelessness prevention and rough sleeping evidence-base, a broad approach has been taken ie ‘information to inform decision-making’.

There are three sub-sections:

- Key emerging policy themes
- Data summary
- Other relevant strategies and policies.

### *Key themes*



There are seven key themes in the evidence-base. These are highlighted in the table below along with their relevance for addressing homelessness and rough sleeping. They begin to address the three issues that have been emphasised in the previous section – the immediate reasons for homelessness, personal circumstances and structural factors.

Table Five: Key Themes in the Local Housing Strategy Draft Evidence-base

Key themes	Relevance for homelessness and rough sleeping
1. Development of 250 new homes per year to meet the needs of the existing population and those attracted to the area for work, either locally or in easy commuting distance	Boosting new housing provision begins to tackle the structural issue of lack of supply
2. Provide a range of new homes to reflect need and aspiration, particularly affordable homes	Provision of new affordable homes addresses the affordability issue that underpins homelessness issues
3. Ensuring Housing plays a key role in delivering Tamworth's response to climate change	High quality housing can help to reduce households' living costs by, for instance, addressing fuel poverty – so reducing the probability of homelessness
4. Ensure new housing is incorporated into the regeneration of the town centre	As for key themes one and seven
5. Improve conditions in the private sector	Ending of an assured tenancy is a major immediate reason for homelessness
6. Improve tenancy sustainment rates	Proactive initiatives to maintain an existing tenancy reduces the likelihood of homelessness
7. Providing a wider range of options for older people and for younger people.	Younger people on low incomes are more likely to experience homelessness and rough sleeping (eg sofa surfing)

#### *Local policy context – data summary*

The draft data element of the evidence-base for the local housing strategy draws on two sources. These are (i) the Tamworth data pack (2018) produced by the Staffordshire Observatory<sup>21</sup> and (ii) the joint strategic needs assessment (JSNA)<sup>22</sup> published by Staffordshire County Council and the Staffordshire Observatory.

<sup>21</sup> See <https://www.staffordshireobservatory.org.uk/documents/District-Borough-Data-Packs/2018/Tamworth-Data-Pack-2018.pdf>

The key points relevant for homelessness and rough sleeping are covered in the table below:

Table Six: Key Data

Key data	Relevance for homelessness and rough sleeping
18% of Tamworth residents live within the most deprived national quintile	There is research evidence indicating that deprived households and households where no adults are in employment are disproportionately affected by homelessness
Tamworth has a higher than average proportion of children living in households where there are no adults in employment	
Tamworth has a higher than average proportion of children absent or excluded from school	The Government's troubled families programme found that loss of a tenancy was correlated with school exclusion
Around 30% of residents are estimated to be financially stressed (nationally 28%)	Financial stress is an underpinning indicator linked to homelessness
Average house price (£170,000) is more than 6.8 times the average gross salary (£25,098)	This data highlights the importance of affordable housing options to prevent homelessness
Around one in ten households is living in fuel poverty	Fuel poverty contributes to affordability issues and tenancy sustainment (see previous table)
Rates of teenage pregnancy are high	This links to the 'commonly-held assumption among some households that the 'homelessness route' is the most appropriate way to improve the housing circumstances of family members' (see section 4.5. above).
There is a recognised need to improve the percentage of vulnerable adults who live in stable and appropriate accommodation	Proactive action to provide stable and appropriate accommodation addresses the revolving door issue of homelessness and rough sleeping

*Other relevant strategies and policies*

<sup>22</sup> See summary at

<http://moderngov.staffordshire.gov.uk/documents/s105011/Appendix%20A%20for%20JSNA%20Outcomes%20Report.pdf> and full reports at <https://www.staffordshireobservatory.org.uk/publications/healthandwellbeing/yourhealthinstaffordshire.aspx#.XzEOOa-SmUk>

The draft evidence base for the local housing strategy identifies three relevant policy documents for homelessness prevention and rough sleeping:

- Our corporate plan
- Community safety partnership plan
- County-wide community safety agreement.

The salient elements of each of these documents are highlighted in the next three paragraphs.

*Our corporate plan* (2019-2022) has as its vision to 'put Tamworth, its people and the local economy at the heart of everything we do'. This is underpinned by statements of purpose – four of which relate to tackling homelessness and rough sleeping including 'help prevent homelessness and help people access suitable housing'.

- Help tackle causes and effects of poverty and financial hardship
- Utilise Council resources effectively
- Help tackle the causes of inequality and increase opportunities for all residents and businesses
- Help prevent homelessness and help people access suitable housing.

The *community safety partnership plan for Tamworth* is updated annually. The six priorities are:

- Anti-social behaviour
- Protecting the vulnerable in our communities
- Public place violence and disorder
- Domestic abuse
- Road safety
- Alcohol and substance misuse.

Apart from 'road safety', the other five priorities are relevant for policies for homelessness prevention and rough sleeping. For example, the immediate reasons for homelessness include domestic abuse, while personal circumstance factors include vulnerability and alcohol / substance misuse.

The community safety partnership has also adopted a core set of six principles:

- Prevention wherever possible
- Early intervention
- Targeting prolific offenders
- Targeting resources to hotspot areas
- Supporting victims
- Increasing public confidence.

Again, these are relevant for tackling homelessness and rough sleeping. They link with the policy element framework developed by CaCHE (see section 2.4. above) ie targeted intervention, proactive / early prevention, emergency prevention and supporting recovery.

Furthermore, the partnership plan highlights some significant achievements under each of the key priorities, including those relating to housing, such as provision of a night shelter for homeless people, a prison to home project to prevent homelessness amongst those leaving prison, and a crisis support and intervention project. The Pathway project provides early intervention support for victims of domestic abuse. Tamworth has seen a significant upwards trend in cases of reported domestic abuse since 2013. Anyone can become a victim of domestic abuse, but the figures show that most victims are aged under 30 and female.

In terms of implementation, there are daily vulnerability meetings for immediate problem solving of high-risk incidents; these are supplemented by weekly meetings of the Tamworth Vulnerability Partnership to manage and co-ordinate high risk cases involving vulnerable individuals. There are also weekly community safety and risk meetings to take a partnership approach to ASB management and enforcement. The Multi-Agency Risk Assessment Conference (MARAC) meets weekly for high risk domestic abuse cases and community safety staff attend weekly police threat and grip meetings.

Relevant partners confirmed in consultation the value of these meetings and the exchange of information across services. The meetings can be brief, but the regularity offers opportunities to respond to issues at the earliest possible stage. A wide range of partners can attend the meetings including key council officers, the Police and Fire services, County Council Social Services and local support teams, community mental health teams, Staffordshire Victims gateway, integrated offender management and registered providers.

Finally, there is the *community-wide safety agreement*. We are piloting a place-based approach to proactively identify vulnerable families and children, so as to be able to make early interventions. This might include actions to prevent a loss of a tenancy, domestic abuse and relationship breakdown. As we have already pointed out, these are significant factors in the immediate reasons for homelessness.

## Appendix A: Data and analysis on homelessness and rough sleeping in Tamworth up to and including 2018

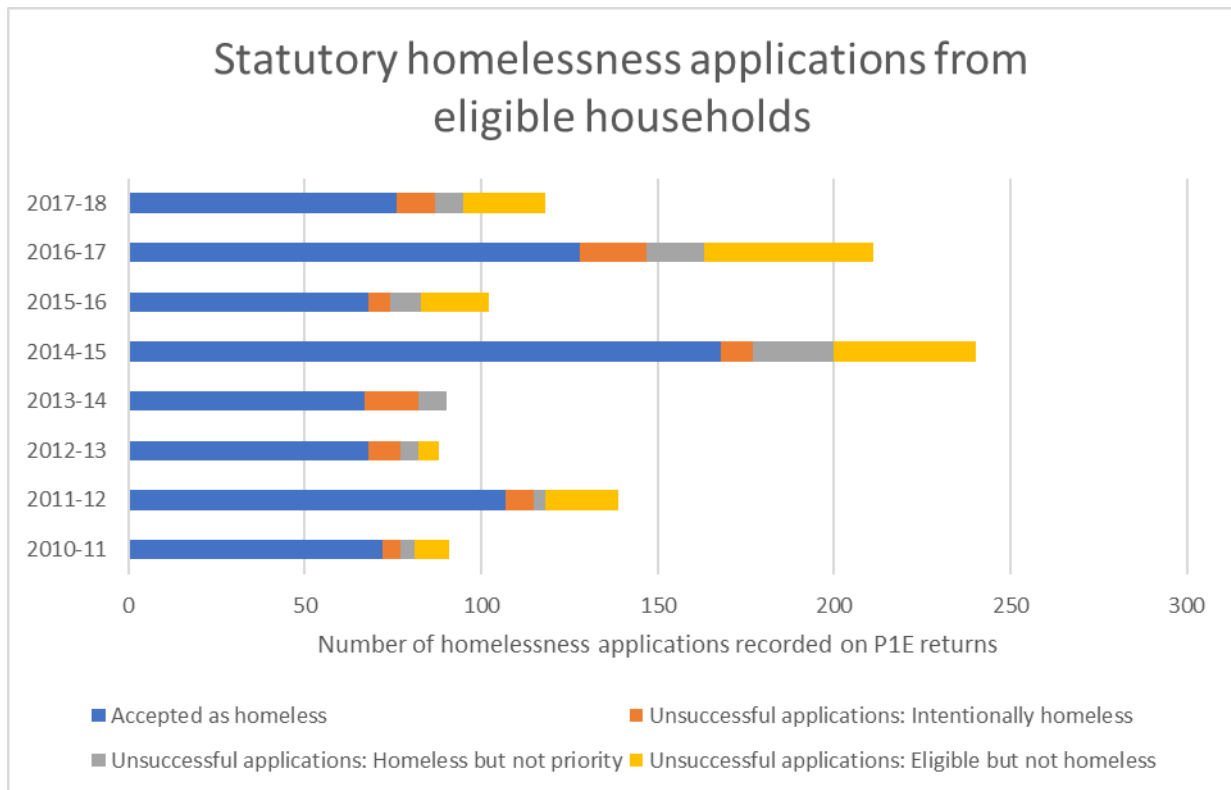
This material was compiled by HQN in autumn 2019

**Table A1: Statutory homelessness applications from eligible households in Tamworth**

Year	Accepted as homeless	Unsuccessful applications			Total decisions	Annual change in acceptances
		Unsuccessful applications: Intentionally homeless	Unsuccessful applications: Homeless but not priority	Unsuccessful applications: Eligible but not homeless		
2010-11	72	5	4	10	91	
2011-12	107	8	3	21	139	+ 49%
2012-13	68	9	5	6	88	- 36%
2013-14	67	15	8		92	- 1%
2014-15	168	9	23	40	240	+ 151%
2015-16	68	6	9	19	102	- 60%
2016-17	128	19	16	48	211	+ 88%
2017-18	76	11	8	23	118	- 41%

Source: P1E Returns

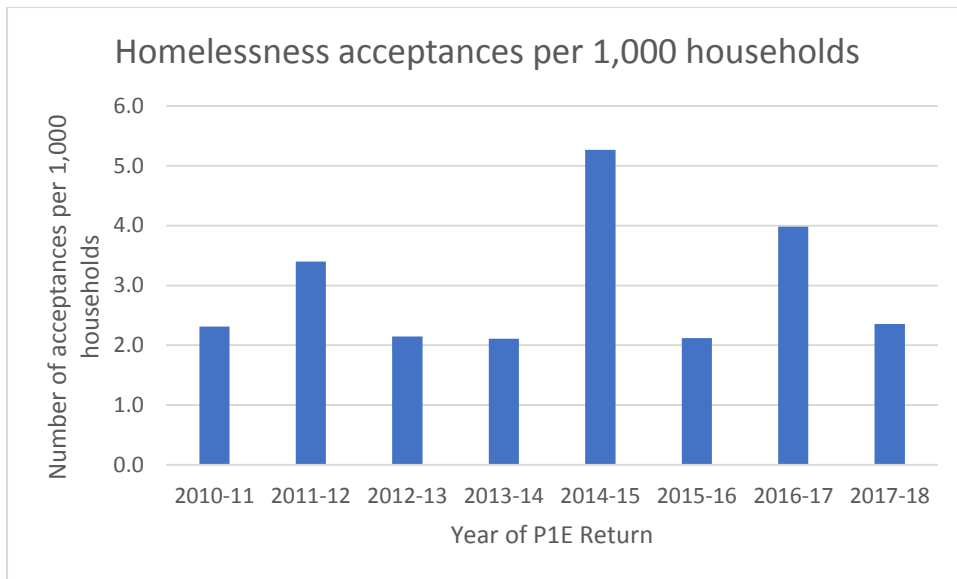




**Table A2: Homelessness acceptances per 1,000 households in Tamworth**

Year	Homelessness acceptances per 1,000 households
2010-11	2.3
2011-12	3.4
2012-13	2.1
2013-14	2.1
2014-15	5.3
2015-16	2.1
2016-17	4.0
2017-18	2.4

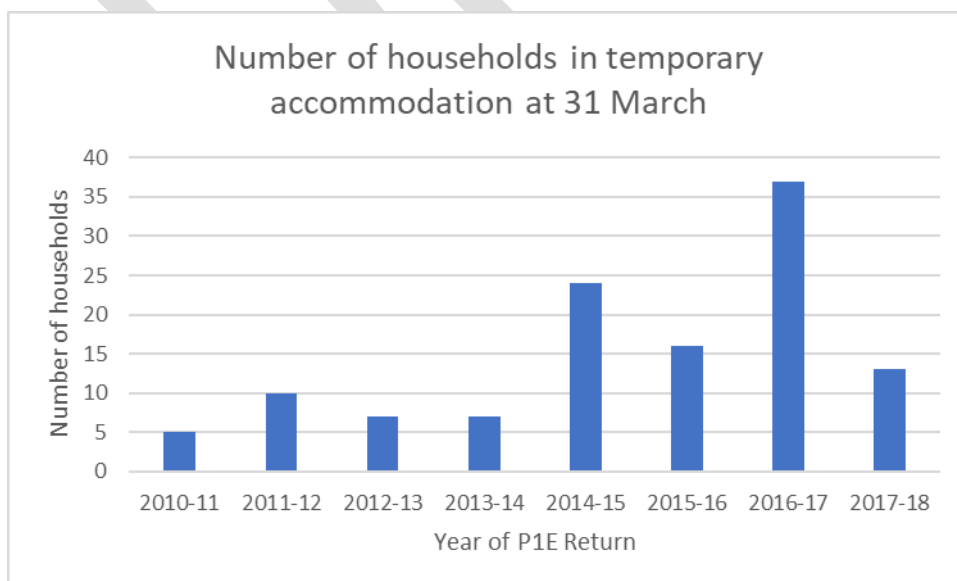
Source: P1E Returns

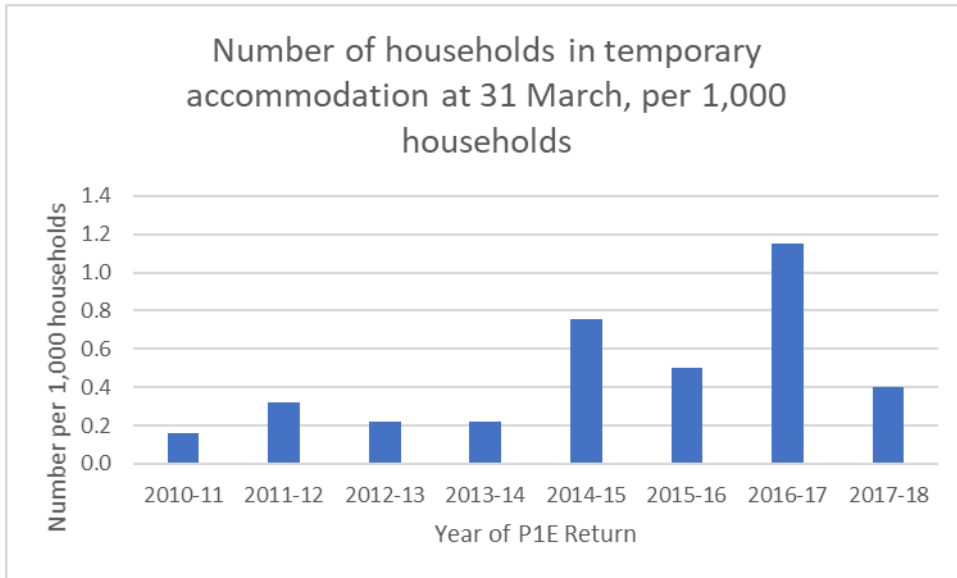


**Table A3: Number of households in temporary accommodation at 31 March in Tamworth**

Year	Number of households	Number per 1,000 households
2010-11	5	0.2
2011-12	10	0.3
2012-13	7	0.2
2013-14	7	0.2
2014-15	24	0.8
2015-16	16	0.5
2016-17	37	1.2
2017-18	13	0.4

Source: P1E Returns

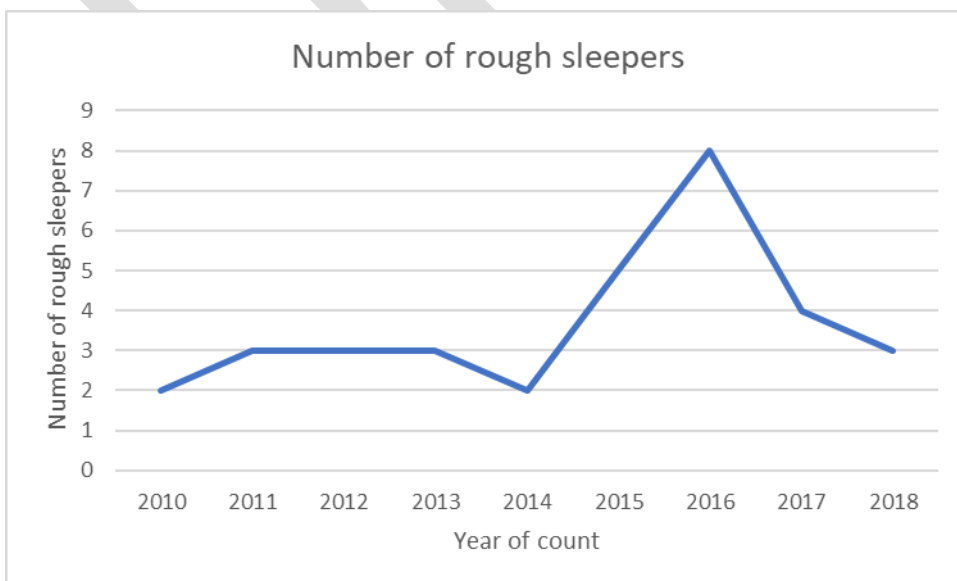




**Table A4: Number of rough sleepers in Tamworth**

Year	Number of rough sleepers
2010	2
2011	3
2012	3
2013	3
2014	2
2015	5
2016	8
2017	4
2018	3

Source: P1E Returns

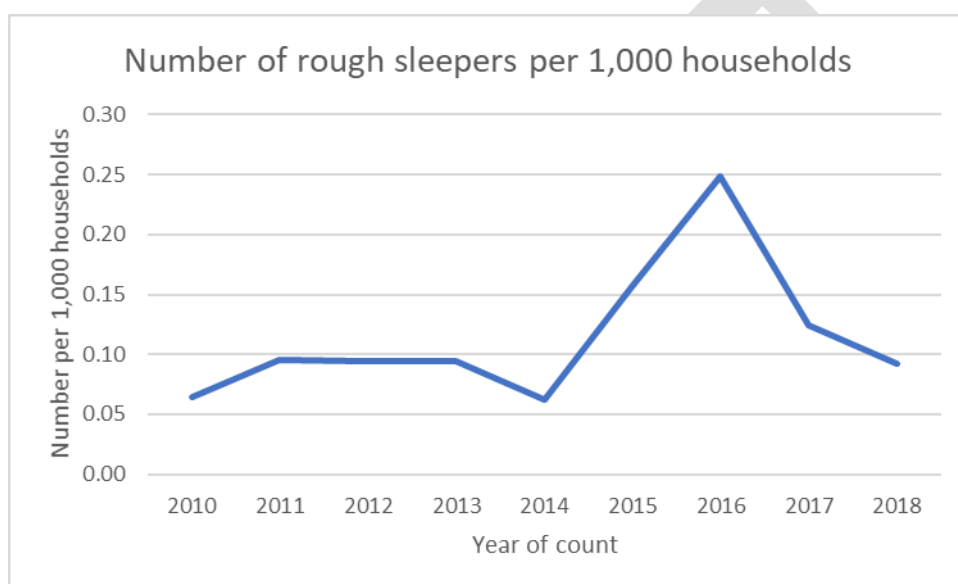




**Table A5: Number of rough sleepers per 1,000 households in Tamworth**

Year	Number of rough sleepers per 1,000 households
2010	0.06
2011	0.10
2012	0.09
2013	0.09
2014	0.06
2015	0.16
2016	0.25
2017	0.12
2018	0.09

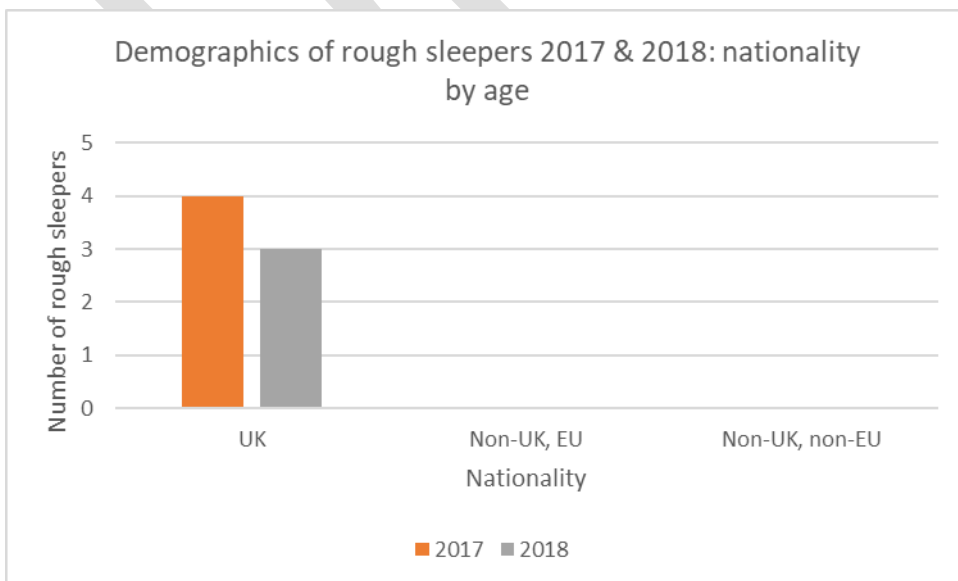
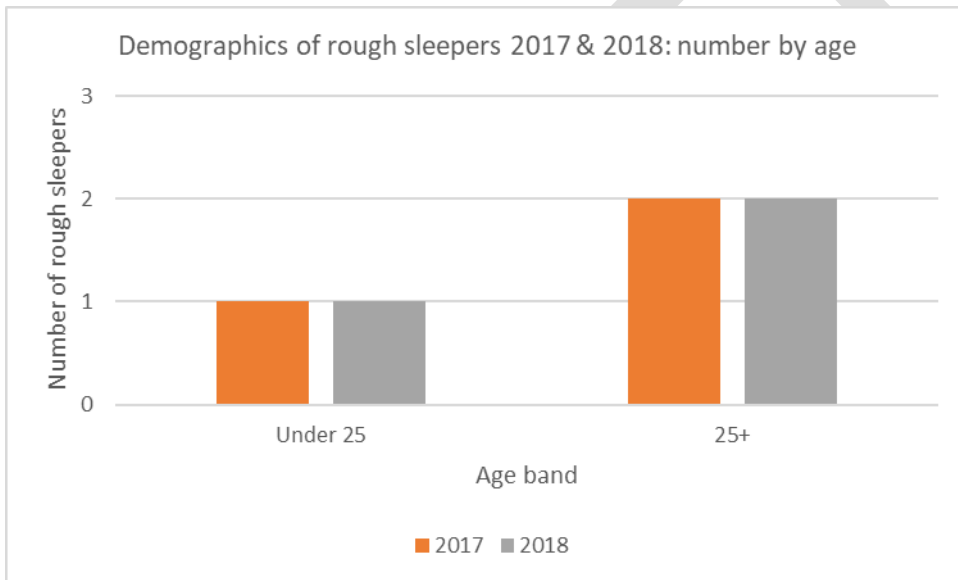
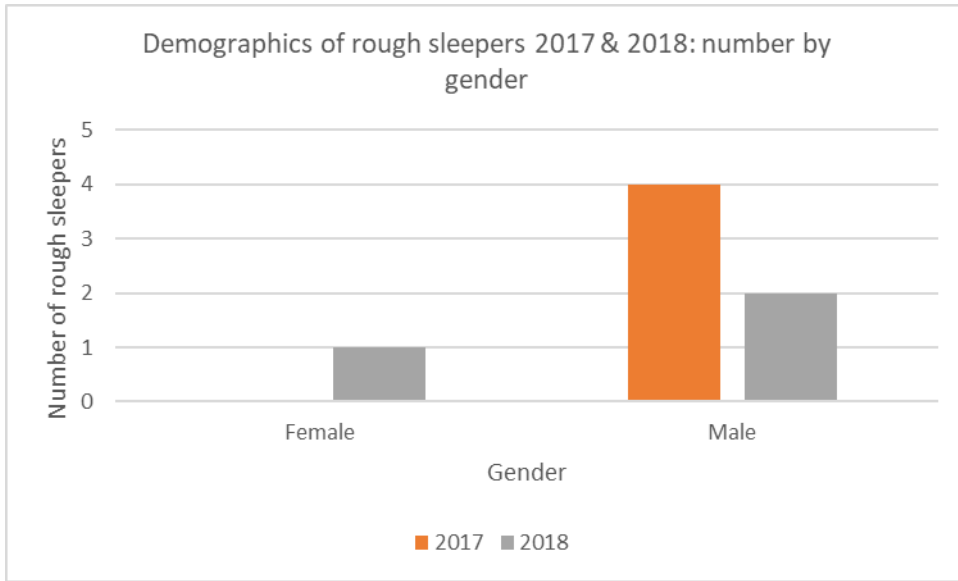
Source: P1E Returns



**Table A6: Demographics of rough sleepers in Tamworth**

Gender	2017	2018	TOTAL
Female	0	1	1
Male	4	2	6
Age	2017	2018	TOTAL
Under 25	1	1	2
25+	2	2	4
Nationality	2017	2018	TOTAL
UK	4	3	7
Non-UK, EU	0	0	0
Non-UK, non-EU	0	0	0

Source: P1E Returns



## Appendix B: Data and analysis on homelessness and rough sleeping in Tamworth for 2018/19 – 2019/20

This was compiled by HQN in August 2020 using MHCLG quarterly data releases and updates – see <https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness#statutory-homelessness-live-tables> and <https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness#rough-sleeping-tables>

Table B1: Households Assessed as Owed a Homelessness Duty – 2018/19 - 2019/20

		2018/19				2019/20			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Total no of households assessed as owed a homelessness duty</b>		78	72	76	82	85	77	71	85
Prevention duty owed (no)		40	33	41	28	32	20	21	23
Relief duty owed (no)		38	39	35	54	53	57	50	62
<i>Households assessed as threatened by homelessness (per 000 hhds)</i>	<i>Tamworth</i>	<i>Not available</i>	<i>Not available</i>	<i>Not available</i>	<i>Not available</i>	<i>0.99</i>	<i>0.62</i>	<i>0.65</i>	<i>0.71</i>
	<i>England</i>					<i>1.58</i>	<i>1.61</i>	<i>1.48</i>	<i>1.63</i>
<i>Households assessed as homeless (per 000 hhds)</i>	<i>Tamworth</i>	<i>Not available</i>	<i>Not available</i>	<i>Not available</i>	<i>Not available</i>	<i>1.63</i>	<i>1.52</i>	<i>1.54</i>	<i>1.92</i>
	<i>England</i>					<i>1.41</i>	<i>1.76</i>	<i>1.45</i>	<i>1.56</i>

Three key trends:

- Number of cases per quarter shows little variation
- Prevention duty cases is declining while relief duties are increasing

- Rate of households assessed as threatened by homelessness is significantly lower than the figure for England, while the rate of households assessed as homeless is higher than the figure for England.

Table B2: Main Reasons for Threat / Loss of a Home – 2018/19 – 2019/20

Main reasons for the loss / threat of loss of home (no)	2018/19				2019/20			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
End of private rented tenancy	16	17	19	19	30	19	20	24
Friends / families unwilling to continue to provide accommodation	30	29	23	21	23	16	21	27
Domestic abuse	8	6	6	9	8	8	5	7
Relationship breakdown (non-violent)	5	4	4	10	8	9	6	10

Two key trends:

- End of a private rented tenancy and friends / families unwilling to provide accommodation are the two main immediate reasons for the loss / threat of the loss of accommodation
- End of a private rented tenancy is gradually becoming an even more significant issue.

Table B3: Support Needs – 2018/19 – 2019/20

Main support needs (no)	2018/19				2019/20			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<i>More than one support need</i>	35	25	19	21	27	25	32	31
Mental health	30	17	23	35	30	23	31	40
Physical ill-health / disability	11	11	9	12	11	10	18	14
Learning disability	13	10	4	2	5	4	3	6
Domestic abuse	10	5	10	10	8	10	6	12
Offending history	9	7	5	5	4	4	4	3
Repeat homelessness	7	5	2	4	4	4	7	6
Substance abuse	4	10	5	9	6	10	10	5
HM forces	1	1	0	1	1	1	0	0

Five key trends:

- The number of people / households with one or more support needs remains more or less constant
- Mental health issues are the most significant support requirement
- Learning disability and / or autism has become less of an issue over the last two years
- Repeat homelessness is a relatively small issue
- There is no evidence that having previously been a member of HM forces is an issue in Tamworth.

Table B4: Temporary Accommodation – 2018/19 – 2019/20

		2018/19				2019/20			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Households in temporary accommodation at end of quarter (Nos)</b>		15	17	17	18	14	20	25	21
Bed & breakfast accommodation (Nos)		1	5	4	2	0	3	5	1
<i>Total number of households in temporary accommodation (per 000 hhds)</i>	<i>Tamworth</i>	<i>0.46</i>	<i>0.53</i>	<i>0.53</i>	<i>0.55</i>	<i>0.43</i>	<i>0.62</i>	<i>0.77</i>	<i>0.65</i>
	<i>England</i>	<i>3.55</i>	<i>3.59</i>	<i>3.60</i>	<i>3.64</i>	<i>3.69</i>	<i>3.74</i>	<i>3.78</i>	<i>3.95</i>

Three key trends:

- Gradual growth in the use of temporary accommodation in Tamworth but this trend is less pronounced compared to the rate for England
- Use of temporary accommodation in Tamworth is only 16 per cent of the rate for England
- Little use is made of bed and breakfast accommodation in Tamworth and over the two-year period, little or no use has been made of this accommodation for families with children.

Table B5: Rough Sleepers – 2017 to 2019

Tamworth	2017	2018	2019
No of rough sleepers	4	3	5

Two key trends:

- Continuation of previous trend of low numbers of rough sleepers – between 2010 and 2019, the number of cases has ranged from 2 to 8 cases per year
- Profile of rough sleepers is predominantly male, UK born and over 26 years of age.

## Appendix C: HQN study on homelessness and rough sleeping (autumn 2019): Approach

HQN undertook a study in autumn 2019. It was based on five elements:

- A review of recent national policy and research on homelessness and rough sleeping primarily in England
- A telephone survey of a sample of district councils in the Midlands
- An analysis of local and national data
- A review of local policy documents and
- Interviews with (i) partners and (ii) borough council officers.

Table A1: Research Approach

Elements	Method
Review of national policy and research	<ul style="list-style-type: none"> <li>• Literature search of databases</li> <li>• Website searches eg MCHLG, House of Commons Library, Local Government Association, Crisis, Shelter and CaCHE</li> <li>• Analysis of reports</li> </ul>
Telephone survey of district councils in the Midlands	<ul style="list-style-type: none"> <li>• Semi-structured interviews with housing policy officers in 10 local authorities in the Midlands in October 2019</li> <li>• Focus on aspects of preparing homelessness and rough sleeping strategies eg evidence base, timetable, policy issues and consultation process</li> </ul>
Analysis of local and national data	<ul style="list-style-type: none"> <li>• Use of MHCLG P1E data from 2010-2018 for England and Tamworth</li> </ul>
Review of local policy documents	<ul style="list-style-type: none"> <li>• Tamworth Borough Council Homeless Prevention Strategy 2016-2020 (including Action Plan, Evidence Base and Spending Priorities)</li> <li>• Tamworth Borough Council Allocations Policy (Draft)</li> <li>• Tamworth Borough Council Adopted Local Plan 2016</li> <li>• Tamworth Community Safety Partnership Plan 2017-2020: Update 2018</li> </ul>
Interviews with partners and council officers	<ul style="list-style-type: none"> <li>• Semi-structured interviews (including face-to-face and telephone interviews) in September and October 2019 with 11 representatives of public sector and voluntary sector / third sector agencies</li> <li>• Focus on the activities and policies of the organisations, involvement with homelessness and rough sleeping, relationship with the local authority</li> </ul>



	<p>and current issues</p> <ul style="list-style-type: none"><li>• Confidentiality of the interviewees</li><li>• Semi-structured interviews with six council officers in September 2019</li><li>• Focus on housing options, advice / support and personal housing plans</li><li>• Confidentiality of the interviewees</li></ul>
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Appendix D - Homelessness Prevention Strategy- Achievements

5 Priorities from 2016-20 Strategy	Achievements to date
<p><b>Improving and Enhancing Homelessness Prevention Activities</b></p>	<ul style="list-style-type: none"> <li>• Duty to refer active referral early intervention pathway for partners</li> <li>• Interlink departments with joint commissioning between Income/ Council Tax/ Benefits and Housing Solutions</li> <li>• Partner funding streams for customers- DHP and signposting customers to other funding available From The Job Centre</li> <li>• Housing Solutions Fund policy</li> <li>• Allocations Policy 2020- revised bandings</li> <li>• Trained Mediators within the team</li> <li>• Referrals to supported accommodation units</li> <li>• Advice and Assistance on applying to Court for warrant suspensions</li> <li>• Personal Housing Plans (PHP's)</li> </ul>
<p><b>Improving joint working to ensure effective partnerships are in place</b></p>	<ul style="list-style-type: none"> <li>• Expanding local knowledge with partners</li> <li>• Commissioning services e.g Tamworth Advice Centre</li> <li>• Supporting rough sleepers though joint visits with police and support services</li> <li>• Staffordshire wide 16/17 &amp; Care leaver protocol developing cross sector support for vulnerable young people</li> <li>• Tamworth Vulnerability Partnership (TVP) supporting tenancy sustainment</li> </ul>
<p><b>Increasing the supply of affordable housing and provide more settled homes</b></p>	<ul style="list-style-type: none"> <li>• 106 agreements- working closely with the development of the housing strategy</li> <li>• TBC own stock new builds Kerria/ Tinkers- increasing the number of good quality homes</li> <li>• Acquisitions- expanding property types to met housing</li> </ul>

	<p><b>need in the area</b></p> <ul style="list-style-type: none"> <li>• Working with key partners and RSL's via nominations</li> <li>• Exploring commissioning options for support once in a home in order to increase sustainment</li> </ul>
<p><b>Improving access to accommodation and services particularly for vulnerable people and those at risk of homelessness</b></p>	<ul style="list-style-type: none"> <li>• Allocations Policy 2020- revised banding for those who are homeless and verified as rough sleeping</li> <li>• Referrals to Rough sleeper pathways</li> <li>• HRA- PHP;s</li> <li>• Attending Landlord's forum to support rehousing pathways and eviction prevention</li> </ul>
<p><b>Improve health outcomes and reduced health inequalities for those who are homeless</b></p>	<ul style="list-style-type: none"> <li>• Duty to refer- working directly with the hospital as a key point of contact</li> <li>• Rapid referral channels via mental health and A&amp;E</li> <li>• Commissioning mental health worker 2019/20</li> <li>• Providing good quality TA for those who are homeless which meets individual needs including level access facilities, supported units and accommodation options centrally located to access town centre services.</li> <li>• Supported through revised Relief Duty Banding under Allocations Policy 2020</li> <li>• Create a 'temporary accommodation manager' role within the team to support those clients in TA.</li> </ul>

Achievement	Detail
<b>Reduced use of Bed and Breakfast accommodation</b>	Expanding the TA offer within the service has resulted in a spend reduction for B&B and more suitable TA facilities being provided to varying client groups to include larger properties and supported units
<b>Developing a robust temporary accommodation offer for homeless households</b>	Introduction of a temporary accommodation manager to support the customer journey while in TA through our range of TA properties
<b>Facilitating an enhanced package of support for rough sleepers during the winter months.</b>	Working directly with the 3 <sup>rd</sup> sector to support them in operating a popular winter night shelter providing up to 10 additional bed spaces during the winter months.
<b>Cross departmental funding for the Citizens Advice Bureau</b>	Working in partnership with internal Council departments including benefits and tenancy sustainment, the CAB operate a customer lead, outcome focused service for residents of Tamworth to support with Debt, Housing and benefit advice. Performance is monitored through quarterly meetings.
<b>Improving customer access to online services</b>	Through developing a range of online Factsheets, updating the website advice, supporting a webchat option, expanding the use of the customer portal to ensure the most reactive response to homelessness
<b>Creating a range of e-forms for customer use</b>	Customers can now apply for housing using an e-editable form therefore reducing the reliance on paper. Customers can now also complete change of circumstances forms and homeless initial enquiry forms online.
<b>Purchased a new IT system to support our homelessness function</b>	The 'Jigsaw' IT system was procured by the service in 2017 in order to support the functions required under the Homelessness Reduction Act 2017. The web based service
<b>Increased capacity within the team to support customer support</b>	Developing the service and the service offer to customers has lead to a natural development within the team in terms of case officers and additional capacity within the review and compliance team to ensure customer service standard are upheld
<b>Implemented a new 'Allocations Policy'</b>	Which has increased the ability for the service to house those in the most housing need.

Part 1 – Details	
What Policy/ Procedure/ Strategy/Project/Service is being assessed?	Homelessness and Rough Sleeping Strategy 2020-2025
Date Conducted	October 2020
Name of Lead Officer and Service Area	Sarah Finnegan, Housing Solutions
Commissioning Team (if applicable)	
Director Responsible for project/service area	Tina Mustafa, Assistant Director of Neighbourhoods
Who are the main stakeholders	<p>External stakeholders that actively are involved in developing the strategy have been:</p> <ul style="list-style-type: none"> <li>• Staffordshire County Council</li> <li>• Staffordshire Police</li> <li>• Tamworth Advice Centre / Citizens Advice Mid-Mercia</li> <li>• Tamworth Cornerstones Housing Association</li> <li>• Starfish Project</li> <li>• Tamworth Night Shelter Trustees.</li> </ul>
Describe what consultation has been undertaken. Who was involved and what was the outcome	<p>As part of developing the strategy, Housing Quality Network (HQN) were commissioned to produce a study on homelessness and rough sleeping – see below. This included semi-structured interviews with 11 public sector and voluntary sector / third sector agencies on homelessness and rough sleeping issues in Tamworth.</p> <p>The organisations were:</p> <ul style="list-style-type: none"> <li>• Department for Work and Pensions – Staffordshire &amp; Derbyshire</li> <li>• Heart of Tamworth Community Project</li> <li>• Staffordshire County Council [3] <ul style="list-style-type: none"> <li>○ Adult Social Care</li> <li>○ Armed Forces Covenant</li> <li>○ Care Leavers – Burton &amp; Tamworth Team</li> </ul> </li> <li>• Staffordshire Police</li> <li>• Tamworth Advice Centre / Citizens Advice Mid-Mercia</li> <li>• Tamworth Centre for Voluntary Services (CVS)</li> <li>• Tamworth Cornerstones Housing Association</li> <li>• Tamworth Covenanting Churches / Starfish Project</li> <li>• Tamworth Night Shelter Trustees.</li> </ul> <p>The key findings from the interviews included:</p> <ul style="list-style-type: none"> <li>• Diversity of groups and types of households affected by homelessness and rough sleeping including vulnerable</li> </ul>

	<p>adults eg people with mental health issues</p> <ul style="list-style-type: none"> <li>• Identification of good practice in addressing aspects of homelessness and rough sleeping eg night shelter provision and help for young people (18-25 years of age) with low or medium needs</li> <li>• Effective collaboration at operational levels to tackle issues (led and enabled by Tamworth Borough Council)</li> <li>• Willingness of stakeholders to work together to tackle homelessness and rough sleeping</li> <li>• Emerging issues such as the impact of (i) 'out-of-borough moves' from the West Midlands conurbation into poor quality temporary accommodation and (ii) 'county lines' and 'cuckooing' re vulnerable households, possibly leading to homelessness through loss of a tenancy in the social rented and private rented sectors.</li> </ul>	
Outline the wider research that has taken place (E.G. commissioners, partners, other providers etc)	<p>Review of national policy and research by Housing Quality Network for the Council eg MCHLG policy, House of Commons Library briefings, Local Government Association reports, Crisis, Shelter and CaCHE (UK Collaborative Centre for Housing Evidence)</p> <p>Telephone survey of district councils in the Midlands eg semi-structured interviews with housing policy officers in 10 local authorities in the Midlands on homelessness and rough sleeping strategies</p> <p>Analysis of local and national data eg MHCLG data for England and Tamworth</p> <p>Review of local policy documents eg Tamworth Borough Council Homeless Prevention Strategy 2016-2020 (including Action Plan, Evidence Base and Spending Priorities), Tamworth Borough Council Allocations Policy (Draft) and Tamworth Community Safety Partnership Plan 2017-2020 (Update 2018)</p>	
What are you assessing? Indicate with an 'x' which applies	A decision to review or change a service	<input type="checkbox"/>
	A Strategy/Policy/Procedure	X
	A function, service or project	<input type="checkbox"/>
What kind of assessment is it? Indicate with an 'x' which applies	New	X
	Existing	<input type="checkbox"/>
	Being reviewed	<input type="checkbox"/>
	Being reviewed as a result of budget constraints / End	<input type="checkbox"/>

## Part 2 – Summary of Assessment

Give a summary of your proposal and set out the aims/ objectives/ purposes/ and outcomes of the area you are impact assessing.

The Homelessness Act 2002 requires all housing authorities to have in place a homelessness strategy. This requirement has been strengthened by the Government's rough sleeping strategy (2018). It provides guidance on policies and their implementation as well as the preparation of strategies. There are also two key national commitments - halve rough sleeping by 2022 and end rough sleeping by 2027.

The Homelessness and Rough Sleeping Strategy 2020-2025 has been prepared in partnership with local stakeholders, partners and with external support from Housing Quality Network (HQN). It provides a framework to drive forward the Council's homelessness activities in accordance with the requirements of the Homelessness Act 2002, the Homelessness Reduction Act 2017 (HRA) and the rough sleeping strategy.

Our aspiration is to continuously improve our services and increase successful prevention and relief. The strategy focuses on prevention of homelessness and includes our existing services which prevent and alleviate homelessness.

The Homelessness and Rough Sleeping Strategy sets out the Council's five key priorities for action for the period 2020 – 2025. Each priority has a number of objectives and strategic actions, which are what the Council hopes to deliver to achieve its aims and ensure it meets its priorities. There is a comprehensive evidence base and delivery plan that support the strategy.

The new strategy identifies revised priorities drawing on the evidence base as well as our response to the impact of the covid-19 pandemic on service delivery.

The five key priorities are:

1. Prevention and early intervention through working with partners and stakeholders
2. Develop rapid pathways for rough sleepers
3. Improve the supply of and access to affordable and supported housing
4. Offer a high quality and innovative service to homeless households and those threatened with homelessness
5. Improve health and well-being aspirations.

The intended overall outcome is to prevent homelessness and, where it cannot be prevented, ensuring that services work to relieve it. It also will ensure that the Council meets its statutory duties.

Who will be affected and how?

Anyone who may be homeless or threatened with homelessness and those seeking advice and assistance.

Internal staff working in homelessness and related services who are delivering services

External stakeholders involved in policy and delivering services (see above).

Are there any other functions, policies or services linked to this impact assessment?

Yes                    X                    No                   

If you answered 'Yes', please indicate what they are?

Housing Strategy

Housing Allocations Policy 2020-23

Policy to Discharge Homelessness Duty into the Private Rented Sector (PRS)

Protocols:

- Move on Protocol
- Severe Weather Emergency Protocol (SWEP)
- Rough Sleeper Protocol

### Part 3 – Impact on the Community

Thinking about each of the Areas below, does or could the Policy function, or service have a direct impact on them?

Impact Area	Yes	No	Reason (provide brief explanation )
Age	<input type="checkbox"/>	X	
Disability	X	<input type="checkbox"/>	Physical / health disability: Between 9 and 13 cases per quarter of those assessed as owed a homelessness duty have physical ill-health / disability support needs  Learning disability and / or autism: Between 2 and 13 cases per quarter of those assessed as owed a homelessness duty have learning disability support needs (but the number of cases is on a downward trend)
Gender Reassignment	<input type="checkbox"/>	X	
Marriage & Civil Partnership	<input type="checkbox"/>	X	
Pregnancy & Maternity	<input type="checkbox"/>	X	
Race	<input type="checkbox"/>	X	There may be some groups who are not eligible to access homelessness service (for example those with no recourse to public funds). But they are able to have advice and assistance free of charge as legislation states that this should be available to all
Religion or belief	<input type="checkbox"/>	X	
Sexual orientation	<input type="checkbox"/>	X	
Sex	<input type="checkbox"/>	X	
Gypsy/Travelling Community	<input type="checkbox"/>	X	



Those with Caring/Dependent responsibilities	<input type="checkbox"/>	X	
Those having an offending past	X	<input type="checkbox"/>	Between 3 and 9 cases per quarter of those assessed as owed a homelessness duty have an offending history (but there is a downward trend in cases over the last two years)
Children	X	<input type="checkbox"/>	Although the number of young people (including 16 & 17-year olds) presenting themselves as homeless or rough sleeping continues to be low, we are aware that there may be a hidden issue (eg sofa-surfing)
Vulnerable Adults	X	<input type="checkbox"/>	The number of people / households with multiple support needs who are assessed as owed a homelessness duty ranges from 19-35 per quarter over the last two years
Families	X	<input type="checkbox"/>	The main reason for the loss or threat of a loss of a home is friends / families unwilling to continue to provide accommodation
Those who are homeless	X	<input type="checkbox"/>	Focus of strategy  In 2018/19 and 2019/20, the number of households assessed as owed a homelessness duty per quarter ranged from 72-85  The number of rough sleepers ranged from 2-8 in the annual count between 2010 and 2019
Those on low income	<input type="checkbox"/>	X	
Those with Drug or Alcohol problems	X	<input type="checkbox"/>	Between 4 and 10 cases per quarter of those assessed as owed a homelessness duty have substance abuse support needs
Those with Mental Health issues	X	<input type="checkbox"/>	Mental health is the major support need of those assessed as owed a homelessness duty – between 2018/19 and 2019/20, there have been between 17 and 40 cases per quarter
Those with Physical Health issues	X	<input type="checkbox"/>	See above
Other (Please Detail): Domestic Abuse	X	<input type="checkbox"/>	A reason for the loss or threat of a loss of a home is domestic abuse – there are between 5 and 9 cases per quarter

Source of data: Evidence-base for the Homelessness and Rough Sleeping Strategy 2020-25

#### Part 4 – Risk Assessment

From evidence given from previous question, please detail what measures or changes will be put in place to mitigate adverse implications

Impact Area	Details of the Impact	Action to reduce risk
<i>Eg: Families</i>	<i>Families no longer supported which may lead to a reduced standard of living &amp; subsequent health issues</i>	<i>Signposting to other services. Look to external funding opportunities.</i>
Those who are homeless	Loss of a home leading to potentially poorer quality of accommodation and rough sleeping  Adverse impact on quality of life eg health etc	The overarching aim underpinning the Homelessness and Rough Sleeper Strategy 2020-25 is to prevent homelessness and, where it cannot be prevented, ensuring that services work to relieve it  See above re the five priorities in the strategy
Those with mental health issues	Homelessness and rough sleeping may contribute to and exacerbate mental health issues	We will expand the current service at the Tamworth Advice Centre (TAC) to include mental health support / signposting  Staffordshire approach to well-being for people with mental health issues will be rolled out more widely (eg South Staffordshire Network for Mental Health).  These actions will help to address the relatively large number of homeless households citing mental health as a support need
Disability (including physical health issues)	Homelessness and rough sleeping may contribute to and exacerbate physical ill-health and learning disabilities and / or autism	We are developing policies and protocols to ensure that OT assessments for customers can be undertaken
Domestic abuse	Loss of a home and safety / security issues - domestic abuse is both one of the immediate reasons for homelessness as well as one of the support needs for those presenting themselves as homeless	We will work with our partners in developing and implementing policies to address this issue
Substance abuse	Homelessness and rough sleeping may contribute to and exacerbate substance abuse issues	The scale and nature of the issue will continue to be monitored because of emerging concerns regarding 'county lines' and 'cuckooing'
Children	Children leaving care	We will work with Staffordshire County

	may find it difficult to access accommodation and maintain a tenancy	Council (adult social care and childrens services) and other stakeholders (such as Tamworth Cornerstones Housing Association) to identify the scale of the issue and develop and implement a protocol based on best practice
Offending history	Difficulty of accessing accommodation / maintaining a tenancy	Tenancy-ready schemes can help to ensure that households are able to sustain a tenancy so preventing the possibility of homelessness
Vulnerable adults	Adults with multiple support needs may have difficulty accessing accommodation / maintain a tenancy without wrap around support	<p>We will investigate with our partners the potential of putting together a hybrid package of support to help households</p> <p>Working with our community safety partnership, we will promote the Staffordshire Smart Alert service to vulnerable customers</p> <p>Supporting vulnerable households on digital inclusion so as to directly access / use, for example, e-forms and customer portals</p> <p>Assisting third sector organisations to support their vulnerable customers to access services online</p> <p>Tenancy-ready schemes can help to ensure that households are able to sustain a tenancy so preventing the possibility of homelessness</p>

## Part 5 - Action Plan and Review

Detail in the plan below, actions that you have identified in your CIA, which will eliminate discrimination, advance equality of opportunity and/or foster good relations.

If you are unable to eliminate or reduce negative impact on any of the impact areas, you should explain why

Impact (positive or negative) identified	Action	Person(s) responsible	Target date	Required outcome
	<b>Outcomes and Actions entered onto Covalent</b>			
Positive	Prevent and alleviate homelessness by early intervention through working with partners and stakeholders		2025	
Positive	Develop rapid pathways for rough sleepers		2022 and 2027	Halve rough sleeping by 2022 and end rough sleeping by 2027
Positive	Offer high quality and innovative services to homeless households and those threatened with homelessness eg advice, tenancy-ready schemes and Staffordshire Smart Alert service for vulnerable households		2025	
Positive	Improve health and well-being aspirations eg mental health		2025	

	signposting, OT assessments for customers			
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Date of Review (If applicable) .....

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Thursday, 3 DECEMBER 2020

## REPORT OF THE PORTFOLIO HOLDER FOR NEIGHBOURHOODS

### COUNCILS TENANTS ANNUAL REPORT & COMPLIANCE 2019/2020

#### PURPOSE

To consider the draft `Neighbourhood Services Annual Report 2019/20 to tenants as required by the Regulator Social Housing (RSH) as part of the landlord regulatory framework evidencing effective scrutiny by tenants of their landlord's performance.

#### RECOMMENDATIONS

**Cabinet are recommended to:-**

1. Approve the digital draft `Neighbourhood Services Annual 2019/20` report for circulation to all the Council's tenants via the Council's website as required by the RSH (Regulator for Social Housing) to support effective scrutiny by tenants of their landlord's performance.
2. Distribution of the Annual report and future editions of 'Tamworth Matters' (Tenants Newsletter formerly Open House) as e-publications, available on-line as well as targeted hard copies to ensure value for money.
3. Delegated authority to the Portfolio Holder for Neighbourhoods to make the necessary amendments to the draft Neighbourhood Services Annual Report 2019/20 prior to digital circulation to Council's tenants.
4. Acknowledge the Ministry for Housing, Communities and Local Government (MHCLG) white paper published on 17<sup>th</sup> November 2020; [`The Charter for social housing residents; social housing white paper`](#).
5. Accelerate a compliance review of the Landlord consumer standards; as required by the Regulator Social Housing (RSH) to assist with a self-assessment against the proposals announced in the white paper on 17/11/20.

## Executive Summary

Cabinet know that performance of the ***councils stock retained services*** is reported annually; recommending both the production of a tenants' annual report as well as highlighting how the Council complies with the statutory consumer standards set by the Regulator of Social Housing. This year this work, coincides with the Government's announcement of its [Social Housing White Paper](#) setting out a new charter for social housing residents. Given the national context it further emphasises the importance of evidencing how the Council complies with its regulatory and consumer standards and why tenants' should continue to influence, scrutinise and inform policy and strategy developments for our neighbourhood services.

On Tuesday 17<sup>th</sup> November 2020 the Ministry for Housing, Communities and Local Government (MHCLG) published 'The charter for social housing residents; social housing white paper' (Appendix C). The white paper describes a new charter for social housing residents which sets out what every social housing tenant should be able to expect and what will be done to ensure landlords live up to this new charter. The most important step being that MHCLG are working with the Regulator of Social Housing (RSH) to create a strong, proactive consumer regulatory regime to ensure it holds all landlords to account. It proposes a return to inspections for landlords with more than 1000 stock which would include Tamworth.

The social housing white paper is detailed, and given it was only published on 17 November, officers are now scrutinising the detail to understand the impact for our services and on our tenants and communities. Cabinet have considered every year, since annual reporting started, continual improvement and performance of its stock retained services. In view of the changes in the social housing white paper it is recommended that this will accelerate a detailed self-assessment against the consumer & relevant rent standards, already routinely planned. Given the Government intend to move to inspection arrangements this will be supported using the Tenant Participation Advisory Service (TPAS). They represent tenants nationally in terms of their involvement and empowerment and Tamworth already subscribe to their services.

Cabinet will know that that on the 23<sup>rd</sup> March 2020 (end of the financial year 2019/20) the Country went into lockdown due to the coronavirus pandemic. As a result the impact of the coronavirus will become more apparent in next year's Annual Report 2020/21. Information contained in both this report and the Neighbourhood Service Annual Report 2019/20 to tenants reflect a normal operating period.

This is the 10th Annual report and is developed with the Councils tenant consultative group to evidence compliance with the Regulator Social Housing Consumer standard(s), highlight performance and identify areas for improvement going forward. Tenant feedback has included continued support with the focus on supporting the digitalisation of delivering services and as part of the regulatory framework, continuing to influence, scrutinise and inform policy decisions.

The latest Regulator of Social Housing Consumer Regulation Review Report for 2019/20 was published on 22<sup>nd</sup> September 2020. The regulator found a breach of the consumer standards and serious detriment in 15 cases, the highest number to date. Whilst the RSH report recognises that most registered providers are well-run,



and meet expectations set out in the regulatory standards, issues do arise on occasions that represents a risk to tenants, and where intervention by the regulator is required. Council Officers have assessed these summary findings for the purposes of learning and continuous improvement.

Performance across the landlord service continues to be strong in particular rent arrears recovery, sustaining tenancies and customer satisfaction with repairs. It is recognised that benchmarking around overall tenant satisfaction with Tamworth (as its landlord) needs to be developed and continually improving the way we engage with our tenants given the new world we now live in is planned for 2021/2022. Benchmarking also shows Neighbourhood Services continue to compare against other 'best in class' providers so that this informs continual improvement planning.

## **MATTERS FOR CONSIDERATION**

### **1. Social Housing White Paper- Changes to Regulatory Regime**

On Tuesday 17<sup>th</sup> November 2020 the Ministry for Housing, Communities and Local Government (MHCLG) published 'The charter for social housing residents; social housing white paper' (Appendix C). The white paper is introducing a new charter for social housing residents which sets out what every social housing tenant should be able to expect and what will be done to ensure landlords live up to this new charter. The most important step being that MHCLG are working with the Regulator of Social Housing (RSH) to create a strong, proactive consumer regulatory regime to ensure it holds all landlords to account for the services they deliver, drives good service for tenants and protects economic regulation.

At the heart of the white paper is the Charter for Social Housing Residents. The charter sets out seven commitments that residents should expect from their landlord:

1. To be safe in your home.
2. To know how your landlord is performing, including on repairs, complaints and safety, and how it spends its money.
3. To have your complaints dealt with promptly and fairly, with access to a strong Ombudsman.
4. To be treated with respect, backed by a strong consumer regulator and improved consumer standards for tenants.
5. To have your voice heard by your landlord.
6. To have a good quality home and neighbourhood to live in, with your landlord keeping your home in good repair.
7. The government will ensure social housing can support people to take their first step to ownership.

The white paper also promises a range of other measures and reforms. A full list of all these changes are set out in Appendix C. Many of these changes will require legislation. Set out below is some of the headline changes.

The government will;

- Work with the regulator to establish a proactive consumer regulation regime with active oversight of landlord performance, whilst maintaining the principle of co-regulation. This will include:
- Introducing routine inspections for the largest landlords (with over 1,000 homes) with the aim of doing so every four years, to obtain assurance from landlords that they are complying with the consumer standards;
- Legislate to remove the 'serious detriment test' as soon as parliamentary time allows, to eliminate barriers to the regulator adopting a proactive approach to monitoring and oversight of landlord performance on consumer issues.
- Legislate to give the regulator a power to publish a code of practice on the consumer standards to be clearer on what landlords are required to deliver.
- Expect the regulator to bring in a set of tenant satisfaction measures for all landlords on the things that matter to tenants, and expect landlords to report to every tenant on such matters at least once a year, if not continuously using technology.
- Legislate to place an obligation on landlords to identify and publicise a senior named person in their organisation who is responsible for ensuring compliance with their health and safety obligations.
- Expect the regulator to require landlords to identify a 'responsible person' for consumer standards compliance, as part of a wider requirement to provide greater clarity on the roles and responsibilities of senior staff.
- Expect the regulator to require landlords to evidence how they have sought out and considered ways to improve engagement with tenants.

The social housing white paper is detailed, and given it was only published on 17 November, officers are now scrutinising the detail to understand the impact for our services and on our tenants and communities. Cabinet have considered every year, since annual reporting started, continual improvement and performance of its stock retained services. In view of the changes in the social housing white paper it is recommended that this will accelerate a detailed self-assessment against the consumer standards, already routinely planned. Given the Government intend to move to inspection arrangements this will be supported using the Tenant Participation Advisory Service (TPAS). They represent tenants nationally in terms of their involvement and empowerment and Tamworth already subscribe to their services. Where there is a need for improvement then a clearly timetabled improvement action plan will be produced and will be reported separately as appropriate`.

## **2. The Role of the Regulator for Social Housing**

The objectives of the Regulator of Social Housing (RSH) are set out in the Housing and Regeneration Act 2008. In summary the RSH's role is regulating registered providers including local authorities of social housing to protect social housing assets, ensure providers are financially viable and properly governed, maintain confidence of lenders to invest in the sector, encourage and support supply of social housing, ensure tenants are protected and have opportunities to be involved in the management of their homes and ensures value for money in service delivery.

Regulatory standards for social housing in England are at the core of the RSH framework requirements. The standards are classified as either economic (Rent Standard) or consumer (Tenant Involvement & Empowerment, Homes, Tenancy, and Neighbourhood & Community Standards). Each standard sets out required outcomes and specific expectations of registered providers including local authorities. Full details of RSH's regulatory standards can be found at:  
<https://www.gov.uk/guidance/regulatory-standards>

The RSH's role is to proactively regulate these standards. Providers are expected to identify problems and take effective action to resolve them. If providers take responsibility and the RSH conclude that it is able to respond to the problems, then RSH will work with providers to help it deliver the necessary corrective action. However, in circumstances where a provider is unwilling to respond positively the RSH may use their regulatory enforcement and general powers. Full details of RSH's powers and approach to intervention can be found at:  
<https://www.gov.uk/government/publications/guidance-on-the-regulators-approach-to-intervention-enforcement-and-use-of-powers>

The RSH receive referrals and information about potential breaches from a range of sources, including tenants, statutory referrals (MP, Housing Ombudsman, Health & Safety Executive) or directly from Registered Providers themselves. The RSH then determines if the evidence indicates a wider failing within a provider's systems or processes – which may lead it to conclude there's been a breach of its standards. However, it must also believe the breach has caused or has the potential to cause serious harm, which it calls the "serious detriment test". Where it judges there's evidence of the serious detriment test having been met, RSH will publish a regulatory notice. Where the RSH judge the test has not been met but shortcomings have been found, the RSH are likely to still follow up with providers to address any issues informally.

### **3. Regulator of Social Housing's Standards**

All registered providers of social housing in England are responsible for meeting the relevant regulatory standards set by the RSH, as well as determining how this is done.

The standards are classified as either economic (Rent Standard) or consumer (Tenant Involvement & Empowerment, Homes, Tenancy, and Neighbourhood & Community Standards). Full details can be found at:  
<https://www.gov.uk/guidance/regulatory-standards>

#### Consumer Standards

The four consumer standards and the required outcomes that all registered providers including local authorities are required to meet are:

- Tenant Involvement and Empowerment Standard – customer service, choice, complaints, involvement, understanding tenant needs, empowerment and the provision of timely and relevant performance information i.e. Annual Report.
- Home Standard – health & safety, quality accommodation, decant homes, repairs & maintenance.
- Tenancy Standard - fair allocations & compatible tenure.
- Neighbourhood and Community Standard - neighbourhood management.

## Economic Standards

The Rent Standard forms part of the economic standards. There is an expectation that LAs already have robust arrangements around governance, viability and rent setting.

- Rent Standard – sets the requirements around how registered providers including local authorities set and increase rents for all their social housing stock in-line with government policy.
- Financial Viability Standard & Value for Money Standard – not applicable to local authorities

### **4. Regulator of Social Housing's Consumer Regulation Review 2019/20**

In September 2019, the RSH published 'The Regulator of Social Housing's Consumer Regulation Review 2019/20 (**Appendix A**)'. This Consumer Regulation Review sets out a summary of our consumer regulation work for the year 2019-20. Consumer standards are regulated on a reactive basis, based on cases that are raised. This year 2019/20, the regulator found a breach of the consumer standards and serious detriment in 15 cases, the highest number to date. Whilst the RSH report recognises that most registered providers are well-run, and meet expectations set out in the regulatory standards, issues do arise on occasions that represents a risk to tenants, and where intervention by the regulator is required. The number of non-compliant providers has increased significantly over the last year. Council Officers have assessed these summary findings for the purposes of learning and continuous improvement.

#### **Lessons from recent cases**

<b>1</b>	Ensuring tenants are safe in their homes is a fundamental responsibility of any social landlord. In doing so, registered providers and local authorities must meet the full range of statutory health and safety obligations.
<b>2</b>	Registered providers and local authorities must treat tenants with fairness and respect, and they must demonstrate that they have taken tenants' diverse needs into account in the course of their business. The quality of a registered provider's relationship with tenants underpins the trust and confidence that tenants and stakeholders have in the organisation.
<b>3</b>	Registered providers and local authorities should respond to complaints promptly and effectively, and in such a way that allows emerging issues to be identified and addressed at an early stage. The importance of providers getting it right when handling complaints applies to complaints from all tenants, including shared owners.
<b>4</b>	Being able to maintain and evidence compliance is paramount as all registered providers must comply with the consumer standards and be able to demonstrate their compliance to tenants and stakeholders. Registered providers and local authorities must be clear on the legal and regulatory requirements and their responsibilities as well as having a good understanding

	of the stock they own. It also requires them to have in place robust reporting and oversight arrangements for their governing bodies.
5	Effective assurance relies on good quality data and effective systems.
6	Transparency with the regulator as well as with tenants and stakeholders is critical. The principle of co-regulation relies on openness and transparency, and it gives the regulator confidence that registered providers and local authorities are willing and able to resolve issues as they emerge. The decision on the level of regulatory intervention required will be shaped, in part, by the quality of the engagement received from registered providers.

The key themes arising from the RSH casework include;

- A significant proportion of consumer regulation work arises from referrals where registered providers and local authorities have failed to understand what is required of them to ensure tenants are safe in their homes. In a number of cases in 2019-20, a breach of the Home standard was where registered providers and local authorities have either not understood the legislative and regulatory requirements, or where they have not understood their role in delivering a compliant outcome. Ensuring tenants are safe in their homes is the fundamental responsibility of any social landlord. Registered providers and local authorities must ensure that they comply with all of the consumer standards, including safety.
- Registered providers or local authorities do not always have adequate internal controls, or there are weaknesses in the oversight and risk management arrangements. Good governance is critical to an organisation's ability to manage risks effectively.
- Good quality data and reporting is a critical part of ensuring effective oversight of health and safety. It also enables providers to evidence compliance with the consumer standards. Having good oversight of these controls enables issues to be identified at an early stage, escalated where appropriate, and remedied in a timely manner.
- Taking account of tenants' needs, focusing on delivering the right outcome for tenants, and working and engaging effectively with tenants and stakeholders are important in delivering effective services and taking into account tenants' diverse needs, as well as managing potential reputational risk. For the first time this year, the regulator concluded that a registered provider had failed to meet the requirements of this standard and published a regulatory notice.
- The regulator expects registered providers to respond in a prompt and effective way to address any issue, and in such a way that any risks to tenants are mitigated as quickly as possible. Complaints provide an opportunity for registered providers to identify and address weaknesses in their systems and processes, and to share learning within the organisation.
- The Tenant Involvement and Empowerment standard requires registered providers to respond to complaints promptly and effectively, and where organisations fail to do so, it can have a detrimental impact on tenants, as well as a significant reputational impact for registered providers
- Transparency with the regulator is essential. Transparency and a commitment to co-regulation, gives the regulator confidence that registered

providers are willing and able to work effectively with them , and can shape the level of regulatory intervention, which may be required. Providers need strong governance

## 5. Annual Neighbourhood Services Report 2019/20

*At the end of the financial year 2019/20 the Country went into lockdown due to the coronavirus pandemic. This consequently means that the impact of the coronavirus will become more apparent in next year's Annual Report 2020/21. Information contained in both this report and the Neighbourhood Service Annual Report 2019/20 to tenants reflect a normal operating period.*

The Council is required to publish an Annual Neighbourhood Services Report as set out in the RSH's Regulatory Standards. The Tenant Involvement and Empowerment Standard specifically requires the provision of timely and relevant performance information to support effective scrutiny by tenants of their landlord's performance. The Annual Report must be circulated to all tenants, so it is proposed to place a copy of the 2019/20 Annual Report on the Council's website, distribute copies within its sheltered, and support schemes.

The proposed annual report has been considered via the Tenants Consultative Group and reflects their feedback. The draft Annual Neighbourhood Services Report 2019/20 is shown at **Appendix B**, with the proposal for any final amendments to be delegated to the Portfolio Holder for Communities for final approval. If approved, the production of the Annual Report 2019/20 will be the 10<sup>th</sup> publication since the regulatory code was introduced.

Key to demonstrating the Council's performance is by communicating performance; and for Tamworth this is via the production of an Annual Tenants' Report. This outcome based assessment is subject to wider benchmarking with organisations such as HouseMark, Rent Income Excellence Network, Chartered Institute of Housing and Emerging Role of Sheltered Housing (EROSH). Comparisons with 'best in class' provide real time learning and is central to localised performance management. Both regionally and nationally benchmarking data is available typically during the summer. Therefore the 2019/20 Annual Neighbourhood Report proposed incorporates learning and best practice in relation to that data.

Benchmarking is a core part of the Councils approach to performance management; ensuring we are able to measure key performance indicators, improvements and operational efficiencies. Tamworth's own stock retained housing service continues to report positive outcomes. Qualitative data suggests overall satisfaction (when aggregated across all landlord services) continues to remain around 88%. .

The landlord co-regulatory framework developed by tenants is aimed at ensuring tenants influence, scrutinise and inform policy decisions and their views are routinely referenced in cabinet reports, which is done in conjunction with nominated scrutiny committee members. As in the past, the Tenant Consultative Group have influenced the production and contributed to target setting and scrutiny in relation to core housing management performance.

Online the Council continues to update its live neighbourhood performance dashboard. These headline key performance indicators have been agreed with the

Tenant's Consultative Group and with officers continue to routinely discuss performance and actions to continually improve.

As you will already know from previous reports, we take the opportunity to benchmark Neighbourhoods Key Performance Indicators and Tamworth continues to do use that learning to inform planning.

***\*Qualitative data suggests overall satisfaction (when aggregated across all landlord services) remains at around 88%. This figure was recorded in 2017/18 and remains the same at 2019/20 until the new STAR survey is undertaken in 2021/2022***

	Tamworth Borough Council's performance compared with previous years				
	2016/17	2017/18	2018/2019	2019/2020	Estimated Top Quartile*
Overall satisfaction with Landlord Services	78%	88%	88%*	88%*	82%
Average time between letting Council properties	17.60 days	17 days	15 days	22.6 days	18.53 days
Estate Inspections	10 inspections completed	10 inspections completed	10 inspections completed	6 inspections completed	Not benchmarked
Satisfaction with communal cleaning	87%	87%	87%	76%	Not benchmarked
Number of tenants on the database of involvement	617	557	479	479	Not benchmarked
% of appointments made and kept	95%	90.48%	91.30%	89%	97.06%
Gas servicing – CP12	99.99%	97.82%	100%	98%	100%
% of repairs completed at first visit	89.40%	89.34%	87.80%	88%	93.59%
Customer satisfaction with repairs	83%	95%	90.80% (top quartile)	94%	91.23%
Arrears as a % of rent due	1.82%	2.15%	2.82%**	2.87%**	1.55%
Number of Evictions	10	18 (0.42%)	13 (0.31%)	9 (0.21%)	0.17%

*\*\* Whilst not directly related to 2019/2020 performance it is important to note that for the first quarter of 2020-21, arrears rose above expected levels for much of the sector, inclusive of Tamworth. However, between September 2019 and June 2020 Tamworth's current tenant arrears as a percentage of rent due was in fact below the sector average. The % of tenants claiming universal credit for Tamworth is also above average, therefore does assume higher arrears*

*Additionally, HouseMark have now factored in an increase in Q2 for the sector when the government furlough scheme winds down and a further hit in Q3/Q4 when the scheme ends.*

HouseMark is helping landlords understand the impact now, forecast what the future repercussions might be, and act on the evidence to secure the well-being of residents, employees and businesses. These forecasts do not take into account local policy and practice decisions that can have a big impact on performance but they do provide an external view that can inform and enhance provider's forecasts, and help them make the right decisions in these challenging times.

### **Neighbourhood Achievements 2019/2020**

The management and maintenance of the councils housing stock directly contributes to the Councils strategic agenda and achievements in 2019/20 have included:-

#### **Neighbourhood Service Achievements 2019/20**

- Core Neighbourhood Services across housing management and maintenance have continued to show improvement when benchmarked nationally
- Customer satisfaction levels with tenants, when aggregated across all of landlord services remains at around 88% although it is recognised that this requires updating
- Completion of a detailed action plan following a successful Sheltered Housing Service Peer Review
- The final lift in high rise renewal programme was completed at Weymouth House
- Completion of the high rise sprinkler project
- An annual programme of estate inspections was successfully carried out
- A total of 60 tenant-led communal cleaning audits was carried out across the borough
- Continued enjoyment of high satisfaction levels within our sheltered housing services
- Compliance with health and safety evidenced through a robust review of fire safety and development of a fire safety strategy
- Continued development of the tenant regulatory framework through development of an updated Tenant Involvement & Consultation Strategy 2020-2024

#### **Tenancy Standard**

- Completed Sheltered Housing EROSH Peer Review Improvement Action Plan
- Delivered the sheltered annual health & safety inspection programme
- Mobilisation of the new Sheltered Housing Lifeline provider `Eldercare`



- Development of a sheltered electronic visiting sheet
- Capital Investment Programme complete across sheltered scheme
- Sheltered Housing joined EROSH as members
- Review of all credits across accounts with a complimentary action plan
- Re-established the Corporate Welfare Reform Action Group
- End of year 2019/2020 summary Income report
- Successful Income Management Audit Review
- Development of Rental Income & Arrears intelligence pack
- HQN Review of TBC's rent against government rent policy
- Contributed to the corporate customer portal implementation
- Achieved HouseMark ASB Accreditation with continual improvement action plan

### **Home Standard**

- Mobilisation of two new contracts as part of future delivery of the repair and investment services for council housing
- Implementation of repairs 'Call Handling' back in house service
- Continuation of the High Rise refurbishment programme inclusive of the sprinkler and lift refurbishment programme
- Development of an Asset Management Strategy
- Continuation and delivery of the Councils acquisition programme

### **Neighbourhood & Community Standard**

- Achieved HouseMark ASB Accreditation with a continual improvement action plan for the third time
- Re-launched the Neighbourhood Estate Inspection programme with a more joined up and targeted approach to tackling estate management
- Introduced the Neighbourhood investment budget with applications to improve estates
- Completed the estate regeneration projects at Tinkers Green and the Kerria
- Completed the delivery of the Corporate Project in the mobilisation of Shared CCTV Services with West Midlands Combined Authority (WMCA)
- Continued success at Eringden with the appointment of a Resident Support Officer and installation of CCTV

### **Tenant Involvement & Empowerment Standard**

- Mapped the requirements for consultation on all major Landlord projects
- The Tenant Consultative Group continued to be fully involved in the future repairs service options from March 2020
- Review and relaunched the Tenant Involvement & Consultation Strategy 2020-2024
- Delivered the annual estate inspection and communal cleaning audit programme to shape housing services and improve accountability to tenants (2019/2020)
- Continued to support and develop the following involvement groups under the Tenant Involvement & Empowerment framework: Tenant Involvement Group, Tenant Consultative Group, Complaints Review Panel, ASB Service Improvement Group
- Updated Landlord Service Health Inequalities Plan
- Published key statutory and other landlord publications to include Annual Report to tenants (2019/20), Tenant Involvement annual Impact Assessment (2019/2020), and the tenants' quarterly e-newsletter

- Supported a residents gardening event in partnership with the repairs contractor, Staffordshire County Council Highways, Tenant Regulation and Supported Housing colleagues
- Consulted with High Rise residents on improvements to the block gardens

## FINANCIAL IMPLICATIONS

With the production of a digital Annual Neighbourhood Services Report 2019/20 there are very minimal financial implications. As like previous years the Annual Report will be advertised on the web, via an e-newsletter and targeted hard copies to ensure value for money and these costs can be met from existing budgets, approximately £200.

The council saves on average £2000 a year on printing costs by producing a digital annual report rather than a paper one, which has been reported previously.

## LEGAL/RISK IMPLICATIONS BACKGROUND

### Risk Management

	<b>Risk</b>	<b>Mitigation</b>
<b>Annual Report</b>  <b>Low Risk</b>	The regulatory framework requires the Council to publish an Annual Report. Failure to do so will be a breach of the framework and may result in regulator intervention and/or enforcement	Finalise and publish the Annual Report in December 2020 to all its tenants digitally.
<b>Regulatory Standards set by RSH</b>  <b>High Risk with regards to Health &amp; Safety</b>	Registered providers of social housing in England are responsible for meeting the relevant regulatory standards set by the Regulator of Social Housing, as well as determining how this is done. Failure to do so will be a breach of the framework and may result in regulator intervention and/or enforcement.	Self-assessment carried out to check for compliance early 2020.  Submit a LADR return in 2020 alongside the existing LAHA submission made to MHCLG.

## TIMETABLE

Finalise draft of annual report & arrange with graphics to produce into an e-booklet	Early December 2020
Publish annual report on website	Complete and publish on website by mid December 2020
Engage TPAS to support with self-assessment of landlord services against RSH standards	Early 2021
Scope out self-assessment against RSH standards / white paper changes	Added to workplan for 2021/22
Develop action plan for compliance with RSH standards / white paper changes	Added to workplan for 2021/22

## REPORT AUTHOR

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## APPENDICES

Appendix A - Regulator of Social Housing's Consumer Regulation Review 2019/20

Appendix B – Draft, Annual Neighbourhood Services Report 2019/20

Appendix C – Social Housing White Paper published 17 November 2020

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Regulator of  
Social Housing

# Consumer Regulation Review 2019-20

September 2020

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**Executive summary**

## Executive summary

This Consumer Regulation Review sets out a summary of our consumer regulation work for the year 2019-20. We regulate the consumer standards on a reactive basis, based on cases that are raised with it. This year, the regulator found a breach of the consumer standards and serious detriment in 15 cases, our highest number to date. While we recognise that most registered providers are well-run, and this represents only a small proportion of registered providers, the number of non-compliant providers has increased significantly over the last year.

In this report, we set out the details of the 15 cases where we found a breach of the standards and serious detriment, including seven findings made against local authorities, and for the first time, a breach of the Tenant Involvement and Empowerment standard. This report sets out the themes and learning from our casework. We would encourage all private registered providers and local authority registered providers to read this report, and for governing bodies to reflect on the lessons learned, in order to take steps to improve their systems and processes.

In 2018, the government published the Social Housing Green Paper<sup>1</sup> which set out the government proposals to rebalance the relationship between social housing tenants and landlords. The government has confirmed that it intends to follow this with the publication of a White Paper in 2020. We anticipate some possible changes to our consumer regulation role and remit in future. In the meantime, the regulator has given registered providers a clear steer that they should not wait for the White Paper before taking steps where they need to, to improve areas of their service where they need to, or their engagement with tenants.

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<sup>1</sup> <https://www.gov.uk/government/consultations/a-new-deal-for-social-housing>



## Lessons from recent cases

1	Ensuring tenants are safe in their homes is a fundamental responsibility of any social landlord. In doing so, registered providers and local authorities must meet the full range of statutory health and safety obligations <sup>2</sup> .
2	Registered providers and local authorities must treat tenants with fairness and respect, and they must demonstrate that they have taken tenants' diverse needs into account in the course of their business. The quality of a registered provider's relationship with tenants underpins the trust and confidence that tenants and stakeholders have in the organisation.
3	Registered providers and local authorities should respond to complaints promptly and effectively, and in such a way that allows emerging issues to be identified and addressed at an early stage. The importance of providers getting it right when handling complaints applies to complaints from all tenants, including shared owners.
4	Being able to maintain and evidence compliance is paramount as all registered providers must comply with the consumer standards and be able to demonstrate their compliance to tenants and stakeholders. Registered providers and local authorities must be clear on the legal and regulatory requirements and their responsibilities as well as having a good understanding of the stock they own. It also requires them to have in place robust reporting and oversight arrangements for their governing bodies.
5	Effective assurance relies on good quality data and effective systems.
6	Transparency with the regulator as well as with tenants and stakeholders is critical. The principle of co-regulation relies on openness and transparency, and it gives the regulator confidence that registered providers and local authorities are willing and able to resolve issues as they emerge. Our decision on the level of regulatory intervention required will be shaped, in part, by the quality of the engagement we receive from registered providers.

A short summary of the lessons from previous years is available in Annex B.

<sup>2</sup> We recognise that the restrictions arising from Covid-19 means that some statutory checks have been delayed, and that compliance may be recorded differently as a result. Our expectation is that registered providers continue to follow advice from relevant professional bodies, including the Health and Safety Executive.

**Context and key themes**

## 1. Introduction

- 1.1 This report provides a summary of the regulator's consumer regulation work for the year 2019-20. It sets out our current role and remit and how we approach consumer regulation. As with previous years, we also use this report to highlight key issues and lessons arising from our casework that we wish to share with the sector.
- 1.2 As the regulator of social housing, our aim is to promote a viable, efficient and well-governed social housing sector able to deliver homes that meet a range of needs. Parliament has given the regulator an economic objective and a consumer regulation objective, and a requirement to exercise its functions in a way that minimises interference, and (so far as is possible) is proportionate, consistent, transparent and accountable. This co-regulatory approach means that Board members and councillors are responsible for ensuring their organisations are managed effectively and comply with all regulatory requirements.
- 1.3 The consumer regulation objective is intended to:
- support the provision of well-managed and appropriate quality housing
  - ensure tenants are given an appropriate degree of choice and protection
  - ensure tenants have the opportunity to be involved in the management of their homes and to hold their landlords to account
  - encourage registered providers to contribute to the well-being of the areas in which their homes are situated.
- 1.4 To achieve this objective, the regulator sets consumer standards. There are four consumer standards:
- Home
  - Neighbourhood and Community
  - Tenancy
  - Tenant Involvement and Empowerment
- 1.5 In line with our legislative remit, we regulate the consumer standards reactively (i.e. where matters are referred to us), and we do not currently monitor providers' performance. This does not however lessen the obligation on all registered providers to comply with the consumer standards. Providers' boards and local authority councillors are responsible for ensuring they meet the consumer standards.

- 1.6 We consider all referrals and information received to determine if there are reasonable grounds to suspect that there may have been a breach of the consumer standards and that that breach may result in actual or potential serious detriment (which we take to mean serious harm) to tenants. This report explains how we handle referrals and apply the serious detriment test. Further detail on our approach is set out in annex B of our publication *Regulating the Standards* which is available on our website<sup>3</sup>.

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<sup>3</sup> <https://www.gov.uk/government/publications/regulating-the-standards>

## 2. Key themes arising from our casework

2.1 In the course of our consumer regulation work each year we identify themes and learning points which we consider to be useful to all registered providers and local authorities. We have summarised these themes and feedback messages below.

### Understanding the requirements

- 2.2 A significant proportion of our consumer regulation work arises from referrals where registered providers and local authorities have failed to understand what is required of them to ensure tenants are safe in their homes. In a number of cases in 2019-20, we have found a breach of the Home standard where registered providers and local authorities have either not understood the legislative and regulatory requirements, or where they have not understood their role in delivering a compliant outcome.
- 2.3 Ensuring tenants are safe in their homes is the fundamental responsibility of any social landlord. Registered providers and local authorities must ensure that they comply with all of the consumer standards, including the Home standard requirement to meet statutory health and safety obligations which provide for tenant safety. Where things have gone wrong, we have seen evidence that registered providers and local authorities have not adequately understood the legislative requirements relating to health and safety compliance, or they have not adequately understood their responsibility to act on the outcome of checks where risks to tenants have been identified. If registered providers or local authorities are unclear about the requirements, they should take steps to understand what the requirements are, seeking external advice if necessary.
- 2.4 The other emerging issue we have identified this year relates to registered providers understanding their responsibilities particularly where housing management services are delivered by a third party. This has been notable in cases where providers lease their properties from a third party and have in place management agreements which mean that the housing management is contracted out, either to the property owner or to another third party.

- 2.5 It has also occurred in cases where local authorities have contracted out their housing management service to an arms-length management organisation (ALMO). Contracting out the delivery of housing management services does not contract out the responsibility of registered providers and local authorities to ensure compliance with the consumer standards, nor the requirement to ensure tenants are safe in their homes. It is for the governing bodies of registered providers – Boards and local authority councillors<sup>4</sup> – to ensure the arrangements in place deliver a compliant outcome, and to take appropriate action where they do not have such assurance.

### Oversight, risk management and internal controls

- 2.6 Where we find things have gone wrong, often it is because registered providers or local authorities do not have adequate internal controls, or there are weaknesses in the oversight and risk management arrangements. Good governance is critical to an organisation's ability to manage risks effectively, and it is vital that governing bodies have effective oversight of how key risks, including health and safety, are managed.
- 2.7 Good quality data and reporting is a critical part of ensuring effective oversight of health and safety. It also enables providers to evidence compliance with the consumer standards. In a number of cases, the regulator has seen that a failure by registered providers to maintain good quality data about the homes where their tenants live, means they may not know what is needed in terms of statutory checks or remedial work. Not only is this a failure to comply with the consumer standards it means any potential risks to tenants are not fully known. Good quality data forms the cornerstone on which all other assurance of compliance is based, and we would expect registered providers to seek assurance on the quality and integrity of their data in the course of their business.
- 2.8 On occasions, systems or processes may fail to operate effectively. In such cases, registered providers must ensure they fully understand the causes to reduce the chance of something similar arising again. It may be that the system or process is poorly designed or implemented or may be inadequate and not fit for purpose. In all cases, it is the registered provider's responsibility to ensure systems and processes are effective, even when the delivery of this is contracted to third parties.
- 2.9 As detailed above, having good quality data as well as effective systems and processes are key to an organisation's ability to manage risks. Having good oversight of these controls enables issues to be identified at an early stage, escalated where appropriate, and remedied in a timely manner. Put simply, it means a problem can be addressed before it presents a significant risk to tenants.

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<sup>4</sup> Where we have referenced governing bodies throughout this report, this refers to local authority councillors and Boards of registered providers who hold the same responsibility for ensuring compliance with regulatory standards.

## Taking tenants into account

- 2.10 How an organisation takes account of its tenants' needs, and how it interacts with tenants, is a key indication of organisational culture, and it speaks to why registered providers exist and their purpose. With that in mind, the Tenant Involvement and Empowerment standard requires registered providers to treat tenants with fairness and respect, and to take their diverse needs into account. For the first time this year, the regulator concluded that a registered provider had failed to meet the requirements of this standard and we published a regulatory notice – details of that case study are set out below.
- 2.11 Registered providers should not seek only to comply with the consumer standards because the regulator requires them to do so, but because the expectations set out in these standards are the minimum that a provider should expect to deliver in the course of a well-run business. Taking account of tenants' needs, focusing on delivering the right outcome for tenants, and working and engaging effectively with tenants and stakeholders are important in delivering effective services and taking into account tenants' diverse needs, as well as managing potential reputational risk.

## Putting things right

- 2.12 In the course of running an organisation, it is inevitable that sometimes things go wrong. Where that happens, the regulator expects registered providers to respond in a prompt and effective way to address the issue, and in such a way that any risks to tenants are mitigated as quickly as possible.
- 2.13 Sometimes issues are identified through a registered provider's own systems, at other times it is identified by tenants who have direct experience of the services provided by their landlord. Complaints provide an opportunity for registered providers to identify and address weaknesses in their systems and processes, and to share learning within the organisation. The Tenant Involvement and Empowerment standard requires registered providers to respond to complaints promptly and effectively, and where organisations fail to do so, it can have a detrimental impact on tenants, as well as a significant reputational impact for registered providers. It may also affect our view of a registered providers' governance grading.
- 2.14 Complaints data, including trends over time, can inform a registered provider's understanding of the messages tenants are giving to them, and can allow them to identify potentially significant failures at an early stage. Registered providers should have mechanisms in place to hear, and learn from, the messages their tenants are giving. Governing bodies should ensure there is sufficient oversight over the complaints handling arrangements and outcomes.

2.15 Lastly, where issues do arise, transparency with the regulator is essential. The Governance and Financial Viability Standard requires registered providers to communicate with the regulator in a timely manner where it identifies non-compliance (or potential non-compliance) with the regulatory standards<sup>5</sup>. For all registered providers, including local authorities, the principle of co-regulation is based on transparency and co-operation between the regulator and the provider. Where we find a breach of a consumer standard and serious detriment and the registered provider has failed to be transparent with the regulator, we will take that into account in determining our regulatory response. Transparency and a commitment to co-regulation, gives us confidence that registered providers are willing and able to work effectively with the regulator, and can shape the level of regulatory intervention which may be required.

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<sup>5</sup> <https://www.gov.uk/guidance/regulatory-standards>



### 3. How we regulate the consumer standards

- 3.1 The consumer standards, which the regulator sets as part of the framework for regulation, details the outcomes the regulator expects to see delivered by all registered providers, including local authorities.
- 3.2 Boards and councillors are responsible for ensuring that registered providers meet the consumer standards. This is a fundamental part of a registered provider's commitment to co-regulation. Registered providers should have the systems and processes in place to provide assurance to their Boards and councillors that the standards are being met. The regulator does not currently have a mandate to proactively monitor registered providers' performance or compliance with the consumer standards. However, we will consider all information we receive about potential non-compliance with our standards, to determine if this evidence indicates systemic or organisational failing within the registered provider, for example in their systems or processes. Such a systemic failing may lead us to determine there has been a breach of our standards. In line with our legislative remit, we also consider whether a breach of the consumer standard has caused or has the potential to cause serious harm. This is referred to as the serious detriment test and unless this test is met our legislative powers in consumer cases are limited.
- 3.3 As set out in Regulating the Standards, we consider that the meaning of serious detriment is when there is risk of, or actual, serious harm to tenants. In reaching this judgement, we consider the circumstances of the case, including the number of tenants affected, the duration of harm or risk of harm and the seriousness of the issue. Where the regulator judges there is a breach of standard(s) and the serious detriment test has been met, we will publish a regulatory notice.
- 3.4 Under our current remit the threshold for regulatory intervention on breaches of consumer standards is intended to be significantly higher than that in relation to the economic standards. Failure to meet one or more of the consumer standards does not in itself lead in all cases to a judgement of serious detriment by the regulator. Where we judge the test has not been met but shortcomings have been found, we are likely to still engage further with registered providers to share findings and address any issues informally, and we are likely to also consider whether our Governance and Financial Viability Standard has been complied with.

- 3.5 The consumer regulation process consists of up to three stages. As noted above, we will consider all information received. This is Stage 1 of the process. During this initial consideration we will determine if the matter falls within our remit, if it is covered by our consumer standards and if it could potentially represent a breach of those standards. If these tests are satisfied the referral moves to Stage 2. This is where our Consumer Regulation Panel (CRP) carries out a detailed review of the information we have received to determine whether there is a potential breach of the standard which could meet the serious detriment test. That is, has this matter caused or could it cause serious harm to tenants? If the CRP is unable to conclude on these points based on the information received, Stage 3 of the process will commence where further enquiries will be made. We will engage with the provider, the referrer and/or third parties to obtain the necessary information.
- 3.6 Referrals can range from relatively straightforward matters that can be concluded quickly to complex investigations requiring time and extensive engagement with the parties involved. A full explanation of our process is provided in Annex A below, and a diagram showing our process is included on our website<sup>6</sup>.
- 3.7 If we determine that the information received is not within the regulator's remit to consider (for example, it relates to 100% leaseholders, or non-social housing) we will, wherever possible, advise a referrer of the appropriate route to pursue the concerns raised. For example, we may conclude that the referral relates to an individual complaint or disagreement between a tenant and the registered provider. The regulator does not have a role in resolving individual disputes such as these, and in these cases, we will signpost the referrer to the registered provider's own complaints procedure and the Housing Ombudsman.<sup>7</sup>
- 3.8 The regulator receives referrals and information about potential breaches of the consumer standards from a range of different sources. These include complaints from tenants, statutory referrals (including those from Members of Parliament and the Housing Ombudsman) or information obtained during our planned regulatory engagement with registered providers. Registered providers and local authorities may also refer a matter directly to the regulator where they themselves have identified failings. In line with our co-regulatory settlement, registered providers and local authorities should notify the regulator of any breach or potential breach of the consumer standards.

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<sup>6</sup> <https://www.gov.uk/government/publications/consumer-regulation-process>

<sup>7</sup> <https://www.housing-ombudsman.org.uk>

**Detailed findings  
and case studies**

## 4. The link between consumer regulation and governance

- 4.1 A registered provider's ability to comply with the consumer standards depends on the governance arrangements in place, and the effective operation of the provider's risk management and internal controls framework. It also requires commitment and focus from Boards and councillors to ensuring they are an efficient and well-governed social housing provider. In line with our co-regulatory approach, registered providers should assess their own compliance across all consumer standards and where appropriate, take steps to mitigate any risks to tenants. Registered providers should ensure that the governance arrangements in place allow them to identify, at an early stage, when something is going wrong, and to implement appropriate controls and mitigations to respond effectively.
- 4.2 Where the regulator finds that a registered provider has failed to meet a consumer standard, and that the serious detriment test has been met, our experience is that the failure often indicates a failure in the organisation's governance and risk management arrangements. Our experience also shows that where there are weaknesses in a registered provider's governance arrangements, it is not uncommon for that to be demonstrated by poor controls over key risks, including health and safety.
- 4.3 Where the regulator concludes that there has been a breach of the consumer standards and serious detriment, for private registered providers we will consider whether that failure has implications on our view of the registered provider's governance. Our consideration of governance is a separate decision, taking into account the facts of the case and the information we have received through our regulatory engagement. The regulator does not have a role in regulating the governance of local authorities, but in the event that we conclude a breach of the consumer standards and serious detriment, we would expect to see the local authority seeking to understand the causes of the failure, and taking steps to address the underlying issues which led to the breach of the consumer standard.
- 4.4 The case study below shows how the regulator considered a registered provider's governance where we had concluded there to be a breach of the consumer standards.

### **Case study 1 – Link between consumer regulation and governance**

Cheshire Peaks and Plains Housing Trust (CPPHT) made a self-referral to the regulator notifying us of potential non-compliance with health and safety requirements. The information provided by CPPHT identified failings in relation to fire safety, electrical safety and asbestos. The regulator noted that CPPHT had identified the issues and reported them to the regulator, but taking into account the seriousness of the issues and the range of health and safety areas where failings were identified, the regulator concluded that there had been a breach of the Home standard and risk of serious detriment to tenants. A regulatory notice was published setting out our conclusions.

Around the same time, the regulator was also engaging with CPPHT in relation to a breach of a non-financial loan covenant. CPPHT was subsequently granted waiver letters from its funders, but nevertheless it had failed to safeguard social housing assets during that period.

Taking into account the governance issues underpinning the breach of the Home standard, and the issue with the breach of the non-financial covenant, the regulator concluded that there were weaknesses in CPPHT's governance arrangements and downgraded CPPHT's governance to G3. These two issues demonstrated that CPPHT had failed to have in place an effective risk management framework and showed serious weaknesses in the operation of the internal controls' framework. A regulatory judgement was published in December 2019 setting out our conclusions.

Since then, CPPHT has been working with the regulator as it seeks to resolve these issues. It has taken steps to strengthen the Board and executive team and has developed an action plan which sets out how it is addressing the failure to comply with our regulatory standards, including both the statutory compliance issues, and the underlying governance issues. It has commissioned external support and provided additional resources to resolve the outstanding health and safety actions, including addressing weaknesses in CPPHT's data. The regulator will continue to engage intensively with CPPHT until it is satisfied that the issues have been addressed, and CPPHT is compliant with all regulatory standards.

- 4.5 The case study above shows the links between consumer regulation and governance, and how a failure to meet one of our consumer standards is often symptomatic of more widespread weaknesses in an organisation's governance arrangements. It also demonstrates the importance of registered providers seeking to understand the causes of failures when they arise in order to strengthen systems and controls to try and prevent other issues arising.

- 4.6 This year, the regulator has also seen a small number of cases where we have been engaging with a registered provider in relation to their compliance with our governance requirements, and through that work, we have also identified weaknesses in their compliance with our consumer standards. An example of that is set out below.

### **Case study 2 – Link between consumer regulation and governance**

The regulator was already engaging with Bespoke Supportive Tenancies (BEST) in relation to concerns about its governance and financial viability, and we had previously issued a regulatory notice<sup>8</sup> in May 2019 setting out our concerns about the effectiveness of BEST's risk management framework and that we lacked assurance that the Board was managing BEST's affairs with an appropriate degree of skill, diligence, effectiveness, prudence and foresight. As part of our engagement with BEST, we asked for assurance about how BEST was managing risks around health and safety compliance.

Through our investigation we learned that BEST had a number of statutory checks and risk assessments overdue in relation to gas, fire, electric, asbestos and Legionella. We also learned that for a significant number of its properties, BEST had been unable to provide assurance that statutory checks and follow-up actions had been completed by the property owners. The regulator concluded that given the seriousness and breadth of the issues, that this was a breach of the Home standard, and that there had been a risk of serious detriment to tenants. We published a second regulatory notice in August 2019 setting out our conclusions.

In response, BEST took steps to improve its statutory compliance position, and commissioned a number of statutory checks, as well as demonstrating an improved understanding of its responsibilities in relation to its leased stock. The regulator continues to engage with BEST to seek assurance that it has effective systems in place to ensure risks around health and safety are managed, and to seek assurance that it is remedying the non-compliance set out in both regulatory notices.

- 4.7 This case study highlights the importance of providers having effective systems in place that allow them to comply with all relevant health and safety legislation. This is particularly important when there is a contract in place which relies on a third party such as a head landlord or property owner to carry out the checks. The responsibility for ensuring tenants' homes are safe for them to live in rests with the registered provider, and there should be an effective system of risk management and internal controls to deliver that outcome.

<sup>8</sup> We do not publish regulatory judgements for registered providers which have fewer than 1,000 social housing units. However, if we have evidence that such a provider has breached an economic standard, we will issue a regulatory notice

## 5. Local authorities' compliance with the consumer standards

- 5.1 The regulator's consumer standards apply equally to private registered providers and local authorities. We expect all social housing tenants, regardless of whether their landlord is a private registered provider or a local authority, to have the same experience: they should have homes which are safe and of reasonable quality, the opportunity to have a say in decisions which affect them, and access to a complaints process which addresses concerns in a prompt and effective way.
- 5.2 This year the regulator has received a significant increase in the number of referrals relating to local authorities' compliance with our consumer standards (up by 76% on the previous year), and we found a breach of the Home standard and serious detriment in seven of those cases. We consider the increase in referrals to be the result of increased engagement with local authorities as well as wider stakeholder engagement detailing local authority responsibilities around consumer regulation.
- 5.3 Annex A shows the increase in the number of referrals we have seen from local authorities in the last year, and the increase in findings of a breach of the consumer standards and serious detriment. The case studies below show the detail of these cases and a reminder of the responsibility councillors hold for ensuring a local authority's compliance with the consumer standards.

### **Case study 3 – Regulating local authorities' compliance with the consumer standards**

Last year, the regulator received information from third parties about three local authorities: Gateshead Metropolitan Borough Council (Gateshead MBC), Runnymede Borough Council (Runnymede BC) and London Borough of Lambeth (LB Lambeth). In each case concerns were raised about the local authorities' compliance with health and safety requirements.

In line with our approach to consumer regulation, the regulator sought assurance from each of the Councils about their compliance with statutory health and safety requirements and concluded that they had failed to meet these requirements, and therefore had breached our Home standard. We published regulatory notices for Gateshead MBC in April 2019, for Runnymede BC in October 2019 and LB Lambeth in November 2019.

The regulator learned that through its ALMO, Gateshead MBC had failed to carry out fire risk assessments on its properties (with the exception of its high-rise blocks) and had failed to carry out electrical safety checks and asbestos surveys for several hundred properties.

In the case of Runnymede BC, the regulator learned that it had failed to complete urgent or high priority remedial actions arising from fire risk assessments and that it had no reliable means of evidencing the completion of remedial actions across its homes. It was also unable to evidence the completion of electrical safety checks, and where checks had been carried out, a number of them were over ten years old.

For LB Lambeth, the regulator learned that the local authority had had a number of overdue remedial actions arising from fire risk assessments, including some which resulted in levels of intolerable or substantial risks (according to LB Lambeth's system of classification, but which had been remedied at the time the regulatory notice was published). It also had a number of communal areas where asbestos surveys had not been carried out, including in high and medium risk properties, and a smaller number of gas safety certificates which were out of date.

In response to our conclusions, each of the Councils put significant resource into improving practices and systems, including procuring additional capacity and resources where needed. The Councils have taken steps to complete the required statutory checks and relevant safety actions to ensure tenants are not at risk as a result. In each case, the local authorities continue to make progress in addressing the issues and the underlying causes and are continuing to work closely with the regulator.

- 5.4 In the case studies above, the regulator received information from third parties about the local authorities' compliance with the consumer standards. That continues to be the most common route by which the regulator learns of emerging issues within local authorities. In our Consumer Regulation Review last year, we set out our expectation that all registered providers should be open and transparent with the regulator when they identify issues which indicate non-compliance (or potential non-compliance) with our standards and we re-state that position here. Where a local authority identifies issues and is transparent with the regulator about them, we will take this into account in our engagement. A local authority's transparency with the regulator, and its willingness to work with us, affects the level of confidence the regulator can have in the local authorities' ability to put things right and can shape the level of regulatory intervention required.
- 5.5 In previous years, we have made the point that where private registered providers contract out delivery of housing management services, that does not remove their responsibility to ensure that tenants are safe in their homes. The same point applies where local authorities' housing management services are delivered by an ALMO. The Gateshead MBC case is a good example of this, and the case study below shows how four local authorities with an ALMO failed to comply with the consumer standards.



#### **Case study 4 – Regulating local authorities’ compliance with the consumer standards**

East Kent Housing Limited (East Kent Housing) is an ALMO providing housing management services to four local authorities: Canterbury City Council, Dover District Council, Folkestone and Hythe District Council and Thanet District Council. The regulator received a referral from East Kent Housing on behalf of the four Councils, and further referrals from third parties, which suggested a failure to meet our consumer standards. The referral from East Kent Housing said that following an internal audit there was no assurance in relation to fire, electric, lift and water safety, and only limited assurance in relation to gas safety.

From our investigation, we learned that there were a number of gas safety checks outstanding and that little action had been taken to address high risk actions identified in relation to fire, electrical, water and lift safety. The regulator concluded that none of the Councils, through East Kent Housing, had an effective system to allow them to meet their statutory health and safety responsibilities. Taking into account the breadth and scale of the failures and the longstanding nature of the issues, the regulator concluded that the Councils had breached the requirements of the Home standard and risked serious detriment to tenants. We published a regulatory notice for each of the four Councils in September 2019.

Each of the Councils developed a programme of works arising from the internal audit and procured additional resources to complete the outstanding safety works. They also put in place actions to mitigate any risk to tenants in the meantime.

The regulator is working closely with each of the four Councils as they continue to improve compliance and deliver a programme of works to address the underlying causes of the failures which led to the breach of the Home standard. The Councils involved have also decided to wind up East Kent Housing and transfer the management of all housing functions back to the four Councils in due course.

## 6. Home standard

- 6.1 The Home standard requires registered providers to provide homes of a decent quality, and to have an effective repairs and maintenance service which responds to the needs of tenants. Much of our work however relates to the other requirement of the Home standard, for registered providers to meet all applicable health and safety requirements which provide for the safety of tenants in their homes.
- 6.2 For the first time, in 2019-20, gas safety issues did not represent a significant issue in the cases where we found a breach of the Home standard and serious detriment, and this is an area where the sector in aggregate appears to have been making good steady progress over recent years based upon referrals and data received<sup>9</sup>. Instead in 2019-20, we investigated a number of referrals about potential breaches of the Home standard in regard to electrical, fire and asbestos safety. We have detailed below case studies of five providers with failings in one or more areas of health and safety compliance which we concluded amounted to a breach of standards and risked serious harm to tenants.

### Case study 5 – Compliance with electrical safety requirements

Magenta Living, formerly Wirral Partnership Homes Limited, informed the regulator that while moving to a five-year electrical installation inspection programme, it identified that it could not evidence that it had completed urgent electrical remedial works in a large number of its properties, potentially affecting a significant number of tenants. The evidence demonstrated that weak data management and insufficient oversight and reporting of electrical safety contributed to the failure.

The regulator concluded that Magenta Living had failed to have effective systems in place and an appropriate programme of planned work to identify electrical safety risks and had therefore breached the Home standard. We noted Magenta Living's self-identification of these issues and its subsequent reporting to the regulator but taking into account the seriousness of the issues and the number of properties involved, the regulator determined a breach of the Home standard in this case and published a regulatory notice in April 2019.

In response to this issue, Magenta Living sought additional resources to deliver the remedial work needed and commissioned an external review to understand why this situation arose and how it could be prevented in the future.

<sup>9</sup> We recognise that the restrictions arising from Covid-19 has made it more challenging for registered providers to manage their statutory compliance, including in relation to gas safety. The Health and Safety Executive publishes guidance on how registered providers should seek to manage this, including in relation to gaining access to tenants' homes.

### **Case study 6 – Compliance with fire safety requirements**

Through a small number of self-referrals and from our planned regulatory engagement, the regulator identified weaknesses in Connexus Housing Limited's (Connexus) approach to fire safety. We found that urgent remedial repairs to solid fuel appliances had not been completed in a timely way. We also found that Connexus was not able to evidence that fire risk assessments had been carried out for a number of properties and there was no system in place for prioritising or monitoring remedial works arising from those fire risk assessments.

The regulator identified that weaknesses in relation to data quality and oversight of health and safety remedial work, had resulted in these failures. The regulator acknowledged Connexus' improvements to its approach and systems for health and safety but given the seriousness of the failings concluded that Connexus has breached the Home standard with the potential to cause serious detriment to tenants. We published a regulatory notice in August 2019.

6.3 During the year we found that a number of failings around health and safety were in part due to poor record keeping. Having effective data reporting and monitoring systems in place is key to ensuring any risks to tenants are appropriately identified and managed. We found that this essential element of health and safety compliance was not being managed effectively in the three case studies below.

### **Case study 7 – Compliance with fire, electrical and asbestos safety requirements**

As a result of an In-Depth Assessment of Brunelcare, and following self-referrals from Golding Homes and Shepherds Bush Housing Association Limited (Shepherds Bush), the regulator learned that each of the registered providers had failed to meet statutory health and safety requirements in a number of areas.

In relation to Brunelcare, we identified an internal audit which concluded only partial assurance in relation to fire safety and electrical safety. There remained outstanding work, including actions categorised as high and medium risk, in relation to fire safety and electrical safety. Some of this work had been overdue for a number of years, and with the potential to affect a significant number of tenants.

Regarding Golding Homes, the provider notified the regulator of potential non-compliance with health and safety requirements in relation to fire safety and electrical safety. An audit found that Golding Homes' compliance was poor, and it was unable to fully validate the compliance position due to a lack of reliable data. It had failed to complete a number of high risk actions arising from fire risk assessments and electrical safety checks.

In the Shepherds Bush case, it had identified a significant number of properties, including communal areas, where it was unable to evidence that electrical safety checks had taken place and was unable to determine if there were remedial actions which should have been addressed. It also identified that asbestos surveys had not been carried out for a number of communal areas in its properties.

We published a regulatory notice for Brunelcare in April 2019, for Golding Homes in February 2020 and for Shepherd Bush in March 2020. In response, each of the registered providers demonstrated a willingness to understand the causes of the failures and took steps to complete the remedial works as a priority, and in a risk-based way. Where appropriate, the registered providers allocated additional resource to improving systems and practices.

- 6.4 The above case study highlights an issue we are increasingly seeing in our work where the identification of one failing, often leads to finding similar failings across other areas of health and safety. The requirement to have assurance across all areas of health and safety is paramount, and we would encourage all registered providers to ensure compliance across all relevant health and safety areas.

## 7. Neighbourhood and Community standard

- 7.1 The Neighbourhood and Community standard includes three specific expectations of registered providers. These are in relation to neighbourhood management, local area co-operation and anti-social behaviour. Anti-social behaviour negatively affects the quality of life for tenants and others living and working in the community.
- 7.2 All registered providers are required to work collaboratively with other agencies to tackle and prevent this behaviour. We have received a number of complaints about anti-social behaviour in 2019-20 and where we have made enquiries with registered providers, this has included seeking assurance they have robust policies and procedures in place to address such concerns. An example of that is set out below.

### **Case study 8 – Supporting tenants experiencing anti-social behaviour**

We received a referral from a tenant who complained they were experiencing anti-social behaviour and were being harassed by neighbours because of their race.

Due to the seriousness of the matters described and potential risk to a vulnerable tenant, we made some follow-up enquiries and saw that the registered provider had clear policies and dedicated staff to help deal with anti-social behaviour and hate crimes. In this case the registered provider had met with and spoken to the tenant to understand the concerns and had worked closely with the local police. The registered provider maintained regular contact with the tenant while they investigated the matter through their internal procedures.

The registered provider said it had a position of zero tolerance on incidents and allegations where race may be a factor. They said these complaints are categorised as their most serious and all necessary steps were taken, including legal intervention where necessary to protect victims. We recognise that issues relating to anti-social behaviour can be complex and require a multi-agency response. In this case we saw that the registered provider had taken appropriate steps to engage with and support the tenants and investigate the complaint, seeking involvement from other agencies, including the police. On the basis of the information and evidence we received we concluded there were no systemic failings and the registered provider had not breached the Neighbourhood and Community standard.

- 7.3 Effective neighbourhood management is also an obligation under the Neighbourhood and Community standard. This includes registered providers ensuring that communal areas associated with the homes they own are clean and safe. The case study below demonstrates how registered providers can learn from incidents to improve the safety of communal areas even though we have found no breach of standards.

**Case study 9 – Improving safety around communal areas**

A registered provider informed the regulator of an incident when a child sustained a minor injury when using an entrance gate to one of their schemes when the brick pier connected to the gate collapsed. The registered provider told us that it had inspected the gate within the last two years as part of its asset management routine and it had been found to be in good condition.

Following the incident, the registered provider identified the type of brick pier that had been involved and undertook checks across their stock where these had been used. This revealed that although the design was robust and fit for purpose, the pier could weaken over time. The registered provider identified all brick piers of a similar design and tested each for structural integrity. Removal or repairs were completed where needed. The registered provider then extended its asset review to cover all properties with external boundary walls in the region to identify any similar issues.

Although a child had sustained a minor injury in this case, we found that this was not as a result of failing by the registered provider who had a system in place prior to the incident to identify potential hazards in communal areas. The registered provider had also responded positively, taking steps following the incident to help prevent this happening again.

## 8. Tenant Involvement and Empowerment standard

8.1 The Tenant Involvement and Empowerment standard requires registered providers to take the diverse needs of tenants into account. Specifically, it says that registered providers shall treat all tenants with fairness and respect and demonstrate they understand the different needs of their tenants, including in relation to the equality strands and tenants with additional support needs<sup>10</sup>. The case study below details the first case where we have found a breach of the Tenant Involvement and Empowerment standard.

### Case study 10 - Taking account of vulnerable tenants' needs

The regulator was already engaging with Westmoreland Supported Housing Limited (Westmoreland) in relation to its failure to comply with our governance and financial viability requirements. We then received a small number of referrals about the quality of accommodation provided and how Westmoreland had taken tenants' needs into account.

Through our consideration of these referrals, the regulator learned that Westmoreland had issued eviction notices to a number of tenants to vacate a property to allow it to return the lease to the head landlord. We found that Westmoreland had failed to consult with tenants, to provide appropriate advice and assistance, and to consider what would happen to tenants during and after the notice period. As a result, we considered that Westmoreland had failed to properly take the needs of these potentially vulnerable tenants into account. We concluded that was a breach of Tenant Involvement and Empowerment standard and published a regulatory notice in May 2019. In the same regulatory notice, we also concluded that Westmoreland lacked assurance that it complied with the Home standard in relation to both the quality of accommodation and its compliance with statutory health and safety requirements, and had breached the Tenancy standard by failing to take steps to support tenants to maintain their tenancies.

Westmoreland accepted the regulator's findings and have since been able to successfully rehouse affected tenants. The regulator has been engaging intensively with Westmoreland throughout in relation to these matters, and in relation to the wider governance and financial viability issues, including making statutory appointments to the Westmoreland Board to support them in resolving these weaknesses. The regulator has seen that Westmoreland have acquired additional internal and external resources to address the issues identified and are working to improve wider tenant management as well as systems and processes.

<sup>10</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/725831/Tenant\\_Involvement\\_and\\_Empowerment\\_Standard.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/725831/Tenant_Involvement_and_Empowerment_Standard.pdf)

- 8.2 In addition to the above obligations under the Tenant Involvement and Empowerment standard, registered providers should also ensure they have an approach to complaints that is clear, simple and accessible and ensures that complaints are resolved promptly, politely and fairly. The case study below highlights that while complaints can be lengthy and complex, the requirements of the standard must be met.

### **Case study 11 – Effective complaint handling**

A tenant complained that their registered provider had failed to complete a number of repairs to their home and refused to approve adaptations needed for their family before they moved into their home. The tenant felt that their complaints about these matters had not been handled properly by the registered provider.

We noted that both the tenant and a family member had physical disabilities and additional support needs. We made enquiries with the registered provider to ensure their needs were understood. In response to our enquiries, the registered provider told us that they had received a number of complaints from the tenants since they moved into the property, and that they were continuing to receive a high level of contact from the tenants to raise additional issues about the property via email and telephone. The registered provider said that it had endeavoured to work with the tenants to address all of the issues raised including face to face meetings. The registered provider provided evidence to demonstrate that the tenancy had been properly advertised and let, a significant number of repairs had been completed in a timely manner, and it had engaged with a number of agencies to understand and address the tenant's concerns around adaptations and accessibility.

We found no indications of systemic failings by the registered provider and therefore no breach of the Tenant Involvement and Empowerment standard in this case. We saw that the registered provider had in this case been flexible in its approach to complaint handling and had used a number of communication methods to ensure that it fully understood the tenants' needs.



## 9. Tenancy standard

- 9.1 The Tenancy standard places an obligation on registered providers to ensure that their homes are let in a fair, transparent and efficient way. Registered providers should demonstrate how their lettings make best use of available housing and there should be clear application, decision-making and appeals processes. It also requires registered providers to enable their tenants to gain access to opportunities to exchange their tenancy with that of another tenant. When letting homes, the Tenancy standard also requires registered providers to take into account the housing needs and aspirations of tenants and potential tenants. This is particularly important where tenants have access needs due to disability.
- 9.2 We have included the Tenancy standard and several of the expectations this standard places on registered providers for completeness in respect of our consumer standards. However, we have not included examples of specific case studies. We have not found instances of breach of the Tenancy standard in 2019/20. Although we have received referrals regarding tenancy issues, these have generally constituted individual complaints and reflect dissatisfaction with outcomes rather than issues with systems or controls, or with fair treatment of tenants. In these referrals, we have not found instances where there has been evidence of systemic failure or breach of our consumer standards.

**Annexes**

## Annex A – Analysis of cases

### Referrals by stage

10.1 Our consumer regulation process has up to three stages. We have summarised this below, and a diagram is provided on our website<sup>11</sup>.

- **Stage 1:**

The Referrals and Regulatory Enquiries (RRE) team is responsible for managing all referrals to the regulator. The RRE team's role is to review referrals and determine whether the issues raised appear to be within the regulator's remit, and if there appears to have been a breach (or a risk of a breach) of the consumer standards. If so, the RRE team refers the case to the Consumer Regulation Panel (CRP).

- **Stage 2:**

The CRP considers each case to determine whether there is evidence of a breach of the standards and, if so, whether there has been harm, or potential harm, to tenants. It considers two questions:

- i. if the issues raised were true (i.e. they were found to be substantiated), is it likely that there has been, or could be, a breach of a consumer standard?
- ii. if the issues raised were true (i.e. they were found to be substantiated), would there be any impact on tenants which would cause serious actual harm or serious potential harm?

- **Stage 3:**

If the CRP considers that the evidence could indicate a breach of the standards, or if there is a suggestion that tenants are at risk of serious harm, we will carry out an investigation. We will usually seek information from the individual making the referral and the registered provider, as well as any third parties if necessary.

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<sup>11</sup> <https://www.gov.uk/government/publications/consumer-regulation-process>

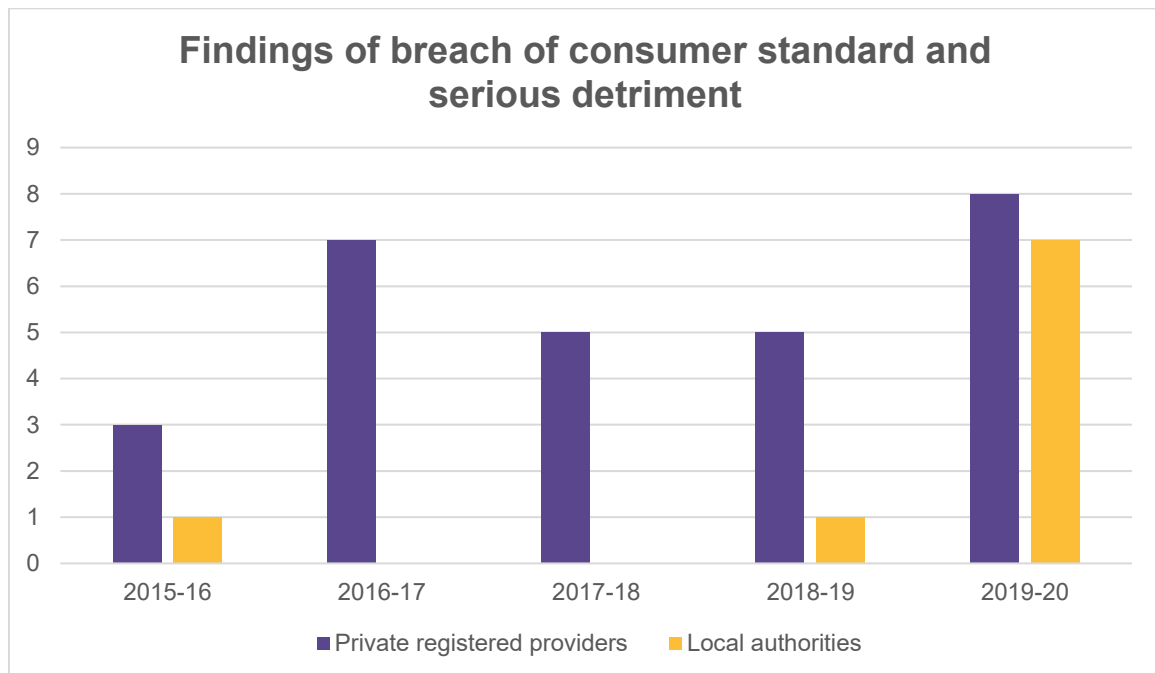
- 10.2 The table below shows the total number of consumer regulation referrals handled by the regulator in 2019-20 and how many of those went on the subsequent stages of our process. The 2018-19 figures are also given for comparison purposes.

	2019-20	2018-19
<b>Stage 1 – All referrals</b>	597	502
<b>Stage 2 – Considered by Consumer Regulation Panel</b>	274	226
<b>Stage 3 – Investigation undertaken</b>	143	124
<b>Published findings of breach and serious detriment</b>	15	6

- 10.3 In 2019-20 we received 597 consumer standard referrals which was a 19% increase on the previous year. As a result, numbers proceeding through each stage of the consumer regulation process all showed an increase on the previous year, with 21% more cases being considered at Stage 2 by CRP, and 15% more cases being investigated at Stage 3.
- 10.4 Although the numbers of referrals we received increased in 2019-20 from the previous year, the proportion of cases moving through each stage of our consumer regulation process remained consistent. 274 (46%) of referrals were moved to a Stage 2 review by the CRP (compared to 45% last year), and of these 143 (24%) were investigated further (compared to 25% last year). A key difference this year was that we found a breach and serious detriment in 15 cases (2.5%) compared to six cases (1%) the previous year. Although this still represents a small proportion of our work, we consider this increase to be significant. We attribute this to the increase of our communication with the sector, particularly the level of engagement with local authorities about the importance of comply with the consumer standards. Previously, we have had limited involvement with local authorities and have found a breach in relatively few cases. This year, we found a breach of the consumer standards in seven cases.

## Referrals about local authorities

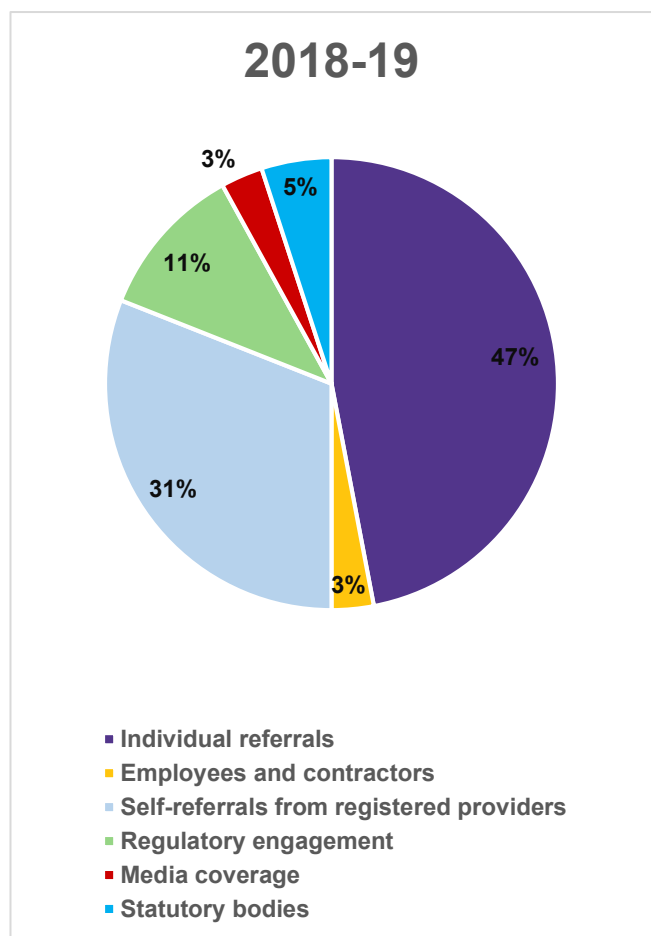
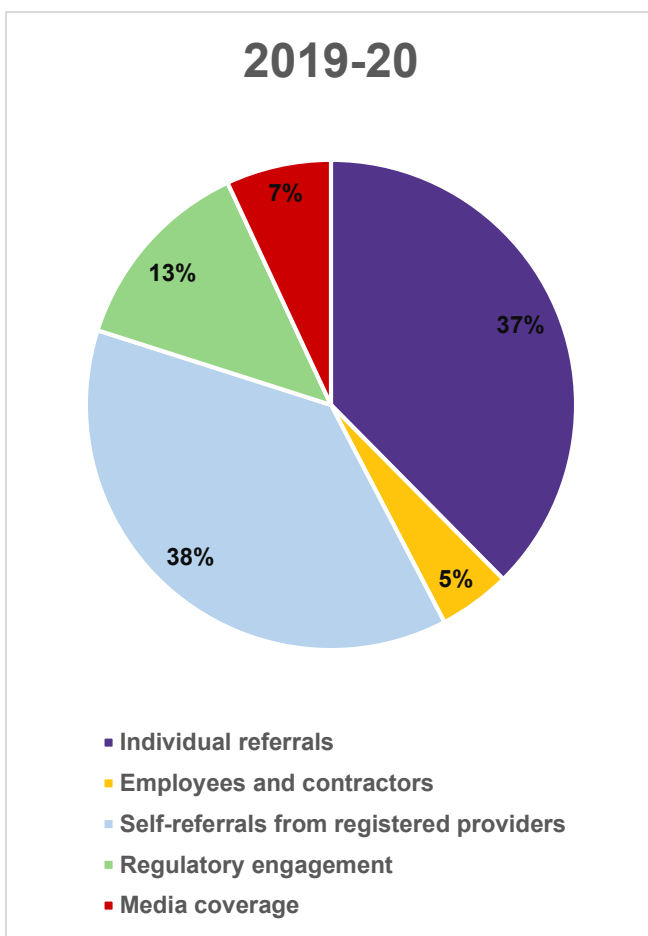
- 10.5 In relation to local authorities, the regulator has seen an increase in the number of referrals either from, or about, local authorities in the last year. In 2018-19, referrals about local authorities represented just 7% of referrals received by the regulator, and we did not receive any self-referrals directly from local authorities. This year, with the increase in our communication with the sector, including local authorities, referrals about local authorities represented 11% of all referrals to the regulator, and included a number of self-referrals directly from local authorities.
- 10.6 We encourage local authorities to continue to self-refer issues relating to non-compliance (or potential non-compliance) with the regulator in a timely manner. In absolute terms, referrals in relation to local authorities increased by 76% from the previous year. We consider this to be a material change in the way local authorities monitor and report their compliance to the regulator and is key in explaining the higher numbers of cases where we found a breach of the consumer standards and serious detriment this year. The graph below shows the number of cases where we have found a breach and serious detriment each year, split between private registered providers and local authorities.



## Sources of referrals

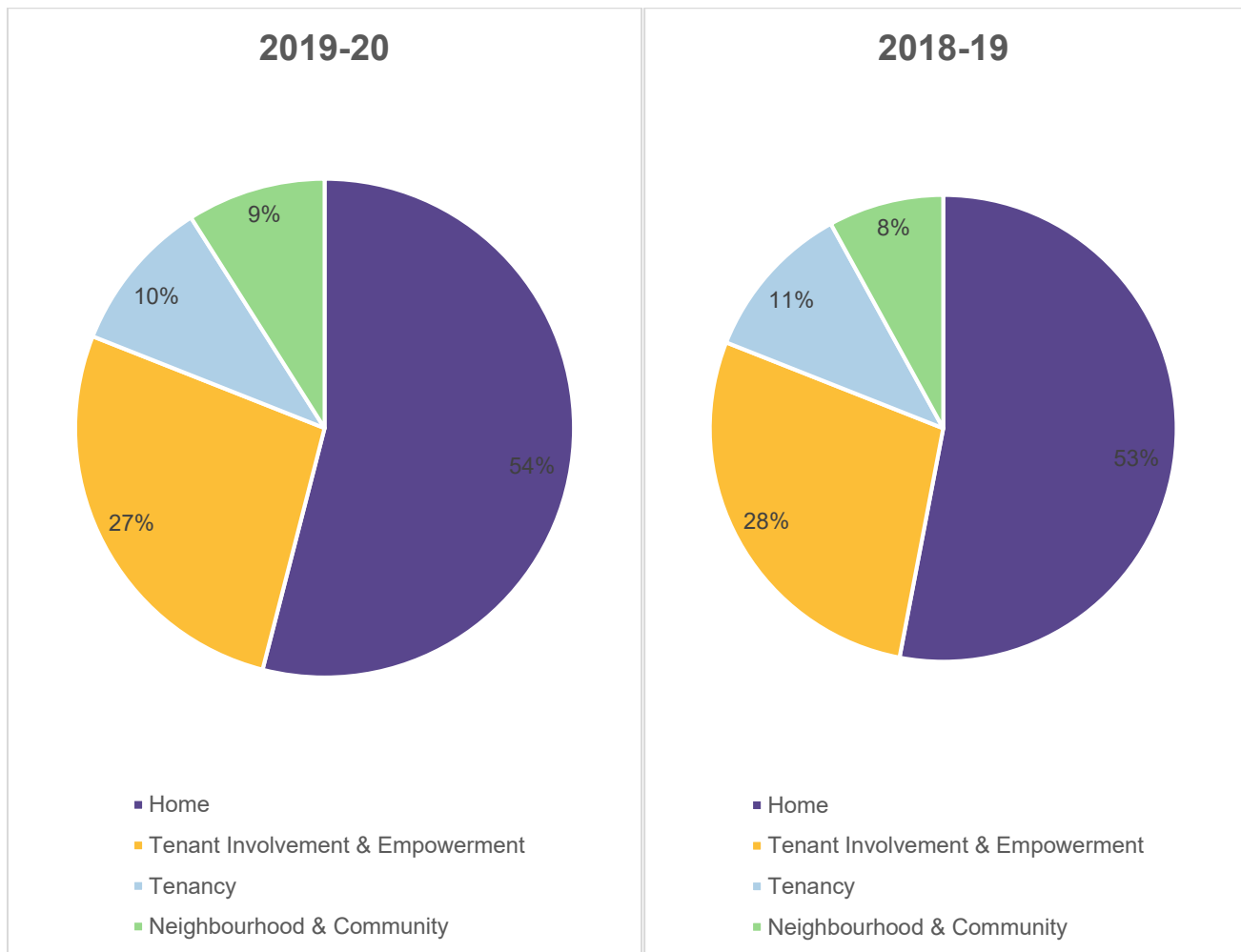
10.7 The regulator receives referrals from a range of sources, most commonly from tenants and as self-referrals from registered providers. We also receive information from employees or contractors, and we identify referrals in the course of our planned regulatory engagement with providers.

10.8 The charts below show that of the cases we investigated, 38% were self-referrals from registered providers (an increase of 7% on the previous year). 37% of referrals were from tenants or their representatives (a decrease of 10% on the previous year), and 13% were issues identified through our regulatory engagement (a slight increase of 2% from 2018-19).



## Referrals by standards

10.9 The proportion of referrals relating to each of the consumer standards remains consistent year-on-year. As in previous years, the Home standard continues to be the consumer standard which is most often cited in referrals and represents more than half of all referrals considered by the Consumer Regulation Panel. The Tenant Involvement and Empowerment standard is the next most frequently cited standard, accounting for just less than 30% of cases each year.



## Annex B – Summary of previous lessons learned

11.1 This is our eighth annual Consumer Regulation Review and each year our report sets out the key lessons we wish to share with the sector. Full versions of each of the reports are available on our website<sup>12</sup>. We have set out a short summary of these lessons below.

### 2018-19

11.2 In our last Consumer Regulation Review, we set out the details of six cases where we had found a breach of the consumer standards and serious detriment. We reiterated the importance of registered providers ensuring the homes where their tenants live were safe. We said:

- Registered providers must meet the full range of statutory health and safety obligations. This requires robust reporting and assurance arrangements, to allow effective oversight by Boards and councillors.
- Effective assurance relies on good quality data and effective systems.
- Registered providers should be able to demonstrate compliance across all aspects of the consumer standards, including how they engage with their tenants, how they deal with neighbourhood issues, and how they allocate their properties.
- Transparency with the regulator is essential. Co-regulation requires registered providers to be transparent with the regulator, and a failure to do so can indicate broader governance concerns.

### 2017-18

11.3 In our 2017-18 Consumer Regulation Review, we set out the details of five cases where we had found a breach of the consumer standards, and serious detriment. We focused on the importance of landlords meeting their statutory health and safety obligations and set out the importance of providers having an effective complaints process, and listening to the messages their tenants give. We said:

- Complying with health and safety obligations remains the most fundamental responsibility for registered providers. Registered providers should be clear about their responsibilities, including for properties that are leased or managed.

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<sup>12</sup> <https://www.gov.uk/government/collections/consumer-regulation-review>



- Compliance with the consumer standards, including how tenants are listened to, reflects the culture of the organisation, and goes to the heart of why registered providers exist and their purpose.
- Providers are responsible for responding to complaints about their service and getting the culture right on complaints handling affects the level of trust and confidence tenants have in their landlord. Registered providers must ensure they understand the messages that tenants are giving and should probe where those messages indicate a significant or systemic failure.

## 2016-17

11.4 In our fifth Consumer Regulation Review, published shortly after the terrible fire at Grenfell Tower, we again reiterated the importance of complying with statutory health and safety obligations, and for registered providers to have clarity over their statutory responsibilities. We also shared our view on the importance of good complaint handling and the need for transparency with the regulator. We said:

- Compliance with health and safety obligations and the consumer standards has always been a key responsibility for governing bodies of registered providers.
- Registered providers must be clear about what stock they own and are the landlord for and must understand their responsibilities to deliver statutory compliance.
- Registered providers are responsible for ensuring tenants know how to complain, and for responding to complaints effectively. Boards should have access to the messages that tenants are giving them.

## 2015-16

11.5 In our fourth Consumer Regulation Review, we set out the details of the four regulatory notices we published that year, all in relation to gas safety. One of those cases related to a registered provider who had contracted out delivery of gas safety compliance. We explained that that did not remove the responsibility on the landlord to ensure statutory compliance. We said:

- Meeting health and safety obligations is a primary responsibility for registered providers. Contracting out the delivery of services does not contract out responsibility to meet the requirements of legislation or standards.

## 2014-15

11.6 In 2014/15, we set out the details of six cases where we had found a breach of the consumer standards and risk of serious detriment. Four of those cases related to compliance with gas safety requirements but, for the first time, two of those cases related to the repairs and maintenance service provided to tenants. In the report, we highlighted that:

- Responsibility for complying with the consumer standards applied to local authorities as well as private registered providers.
- It is important for registered providers to have in place good asset management systems. Where failures occur, we often find those systems are not fit for purpose, or that the Board did not probe or challenge the assurance they were given.

## 2013-14

11.7 In our second Consumer Regulation Review, we set out details of the three cases where we had found a breach of the consumer standards and risk of serious detriment. All three cases related to a failure to meet gas safety requirements. We also reminded registered providers of their duty to be transparent with the regulator. We said:

- Registered providers have a responsibility to communicate with the regulator in a timely way. Where a registered provider becomes aware of a breach of the standard which might cause serious detriment, it must notify the regulator promptly.

## 2012-13

11.8 In our first annual Consumer Regulation Review, we provided details of one regulatory notice for a failure to meet gas safety requirements. In the report, we said:

- Registered providers are responsible for meeting statutory health and safety requirements. We recognise that, for good reason, registered providers prefer to work with tenants to secure access to properties. However, on occasions registered providers may need to make use of legal mechanisms available to ensure the safety of tenants, and they should do so in a timely manner.



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or write to:

Regulator of Social Housing  
1st floor – Lateral  
8 City Walk  
Leeds LS11 9AT

**RSH regulates private registered providers of social housing to promote a viable, efficient and well-governed social housing sector able to deliver homes that meet a range of needs.**

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**Tamworth Borough Council  
Neighbourhood Services (Draft)**

**Annual Report to Tenants**

**2019 – 2020**

*(Different design to last year please)*

Tenant Approved Stamp

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If you require this information in another format or language,  
please call 01827 709709 or email: [enquiries@tamworth.gov.uk](mailto:enquiries@tamworth.gov.uk)

## **Welcome to your Annual Report**

Welcome to the 2019-2020 Annual Report for Tenants and Leaseholders. This report is designed to show how we are performing and what we have achieved over the last 12 months.

We would like to acknowledge the valuable contribution made by tenants to all of our work and encourage you not to just read this report, but take part in improving services in the future.

We continue to send out the Annual Report by email. However, the report is also available to download via the website. As ever, we welcome any feedback you have on the report and its contents, so please do get in touch if you would like to.

If you find yourself interested and would like to get involved or simply require further information please contact the Tenant Regulatory & Involvement Team on 01827 709709 or email [tenantparticipation@tamworth.gov.uk](mailto:tenantparticipation@tamworth.gov.uk)

## Who We Are



**Total number of properties: 4260**

Row Labels	Count of Property ID
Amington	384
Belgrave	294
Bolehall	347
Borough Road	39
Coton Green	65
Dosthill	79
Fazeley	111
Gillway	218
Glasgote	576
Hockley	150
Kettlebrook	207
Leyfields	452
Stonydelph	708
The Leys	57
Town Centre	397
Two Gates	21
Wilmecote	155
<b>Grand Total</b>	<b>4260</b>

## Type of properties available to tenants

Property Type	0 Bed	1 Bed	2 Bed	3 Bed	4+ Bed	Total
BEDSIT	1					1
BUNGALOW		203	32			235
FLAT/MAISONETTE		677	521	20		1218
HOUSE			532	1756	153	2441
SHELTERED		324	38	3		365
<b>Total</b>	<b>1</b>	<b>1205</b>	<b>1123</b>	<b>1779</b>	<b>153</b>	<b>4260</b>



## **A Year in Pictures 2019/20**

- Operation Disrupt x 2
- Magnolia Plant a Pot x 3
- Bright crescent Plant a Pot x 2
- Eringden Garden Project x1
- Supported Housing Garden Project x1
- Supported Housing event x 1
- New Build property inspection x 2

## Tenant Involvement and Empowerment

This section looks at how we communicate and involve our tenants and how well we know and respond to tenants needs.

If you find yourself interested and would like to get involved or simply require further information please contact the Tenant Regulatory & Involvement Team on 01827 709709 or email [tenantparticipation@tamworth.gov.uk](mailto:tenantparticipation@tamworth.gov.uk).

<p><b>There are various ways for customers to get involved</b></p>	<p>More have <b>than 40 involvement activities</b> have been arranged, ranging from postal surveys, estate - based activities and consultation events</p>	<p><b>Analysed</b> more than <b>600</b> surveys from customers</p> <p>Piloted customer surveys/ feedback forms online to reduce carbon footprint</p>	<p><b>New Tenant Inspectors trained</b> to undertake communal cleaning audits and estate inspections as part of an annual programme</p>
<p><b>50</b> tenant-led communal cleaning audits carried out across the borough</p>	<p>Annual programme of <b>Estate Inspections</b> completed, <b>6</b> in total</p>	<p><b>479</b> Tenants registered on the <b>Database of Involvement -</b></p>	<p><b>Engagement activities –</b></p> <p>Plant a Pot events</p> <p>High Rise Sprinkler Installation</p> <p>Police Community Engagement Day</p>
<p><b>Tenants Consulted</b> on the new Allocations policy to be rolled out during 2020/2021</p>	<p>New Build <b>property inspections</b> carried out by Tenant Inspectors</p>	<p><b>Consulted</b> with the Council on the appointment of the new repairs contractor</p> <p>Reviewed applications/ Attended interviews</p>	<p><b>Estate Based Events –</b></p> <p>Eringden garden project</p> <p>Supported Housing garden event</p> <p>High rise gardening and tidy up</p>

- “The cleaner is very friendly with people and you can always tell when she has done the cleaning, smells lovely and clean” - Strode House Resident (**speech bubble**)
- “I would like to say that the cleaner who cleans my block is very friendly and helpful, always cheerful. I can’ t think of any improvement to be made to my block” – Harcourt House Resident (**speech bubble**)

- “The cleaner for Peel House does a good job. Always happy to help and keeps the block clean at all times – Peel House Resident (speech bubble)

## Involvement Opportunities for 2020/2021

<p><b>Tenant Inspector Communal Cleaning Audits</b></p> <p>Tenant inspectors monitor the quality of service delivery against defined standards and undertake on-site inspections</p>	<p><b>Estate Inspection programme</b></p> <p>To help ensure estates are kept clean and in good condition, regular inspections are carried out by neighbourhood services and tenants.</p>	<p><b>Tenant Consultative Group</b></p> <p>This group discusses a range of issues and is involved in the decision making process to improve neighbourhood services for all. This group is consulted on all tenant related policies, practices and procedures and current issues affecting Tamworth Borough Council and its tenants.</p>	<p><b>Complaints Review Panel</b></p> <p>The Panel reviews anonymised information relating to the Tell Us Policy. The Panel looks for key trends and emerging common themes and will make recommendations for service improvements.</p>
<p><b>ASB Service Improvement Group</b></p> <p>This is a forum that looks at the delivery of service improvements, considers and discusses best practice, self-assesses neighbourhood service ASB for compliance against national standards and establishes and monitors action plans and key</p>	<p><b>Tenants Voice Editorial Panel</b></p> <p>Is a working group who review publications produced by Neighbourhood Services. These include Tamworth Matters (tenant’s newsletter), Annual Report to tenants, information leaflets, surveys, standard letters and any document intended for tenants.</p> <p>Any document showing the ‘Tenant Approved’ stamp has been reviewed by the Editorial Panel to ensure the content and design meet their high</p>	<p><b>Tenant Involvement Group</b></p> <p>Oversees the implementation of actions and performance targets set out in the Tenant Involvement Strategy action plan. In addition to this, the group closely monitors all customer intelligence and performance.</p>	<p><b>Surveys/ Questionnaires/ Focus Groups/ Consultation Drop in sessions</b></p> <p>This provides customers with an opportunity to give their views and opinions on the services they receive.</p>

performance data.	standards, is clear, helpful and in plain language.		
<p><b>Seniors United</b></p> <p>This is a forum for sheltered housing tenants to get together, share ideas and experiences and discuss issues relevant to their needs with the support of their Independent Living Manager and Tenant Regulatory &amp; Involvement Team.</p>	<p><b>Neighbourhood Improvement Programme</b></p> <p>This initiative gives tenants the opportunity to make recommendations to improve the environment in their local area, subject to budget availability.</p>	<p><b>Police Community Engagement Days</b></p> <p>Engagement days address local area issues through community contact, address-parking issues and abandoned properties and give residents the opportunity to get involved and have their say in local issues that affect or are of interest to them.</p>	<p><b>Estate Based Events</b></p> <p>Various events may be held throughout the year for tenants to come along and find out about changes or improvements to services, such as rent levels, repairs or any other housing or environmental issues. These events are normally publicised in the tenants newsletter Tamworth Matters, Marmion House and on the Council's website</p>

### **Moving forward 2020/2021**

- We will continue to promote the work of the involvement working groups and to increase the number of tenant representatives on all involvement working groups to ensure representation from across all areas of the borough
- Explore options such as TEAMS as part of a new programme of digital engagement with tenants
- Continue to engage with Neighbourhoods more vulnerable residents as a commitment to undertake wellbeing checks to avoid issues of social isolation
- Coming soon is a new online digital platform that will be available to all Tamworth Borough Council tenants providing 24 hour a day / 7 days a week access to their tenancy information including rent account balances, repairs history, personal contact details, housing applications
- The Tenant Consultative Group will continue to be fully involved in the future of the new repairs and investment contracts
- The Tenant Consultative Group will consider environmental works for future years as part of wider neighbourhood improvements
- Monthly monitoring of Neighbourhoods service performance, intelligence and satisfaction across services
- Continue with the annual programme of estate inspections to assess the standards of service and contribute to the neighbourhood improvement programme
- Encourage more tenant involvement in the future of Neighbourhoods publications
- Continue with the annual 'Plant a Pot' programme aimed to enable elderly residents with mobility issues to actively take part in a fun and inclusive gardening event

- Work closely with tenant inspectors to carry out a scheduled programme of communal cleaning audits against the Neighbourhood Offer
- Continue to support and assist in planned engagement days and estate based events to target and resolve estate based issues

## Customer feedback

### Complaints, Compliments and Service Requests

We value all feedback about services we deliver to tenants and we understand that at times we do not always get things right. We want to hear from you if you do not feel that you have received the level of service you expect from us. This will enable us to learn and make improvements to our services.

We continue to benchmark using industry backed performance arrangements to inform our continual learning and improvement

A total of **432** complaints, compliments and service requests were received within Neighbourhood Services during 2019/2020. Of the total received, **40%** were classified as complaints, **51%** service requests and **9%** compliments

	2017/2018	2018/2019	2019/2020
Complaints	206	195	174
Compliments	50	55	36
Service requests	261	315	222
<b>Total</b>	<b>517</b>	<b>565</b>	<b>432</b>

	2017/2018	2018/2019	2019/20
<b>Number of stage 1 complaints</b>	183	179	159
<b>Number of stage 2 complaints</b>	16	16	15
<b>Number of stage 3* complaints</b>	7	N/A	N/A
<b>Number of complaints upheld</b>	37	23	22
<b>Number of compliments</b>	50	55	36

\*A review of Tell Us was undertaken in 2018 and the stage 3 escalation was removed from the process

Across the total number of 174 complaints:

- **20%** relate to Wates (inclusive of Wates Gas)
- **8%** relate to Housing Solutions
- **12%** relate to Tenancy/ASB issues
- **8%** relate to TBC Repairs
- **6%** relate to Property Services

- **10%** relate to other neighbourhood services

Across the total number of 36 compliments:

- **20%** relate to Wates (including Gas)
- **14%** Housing Solutions
- **27%** to Tenancy/ASB issues
- **39%** relate to other neighbourhood services

In summary, 174 complaints were received within Neighbourhood Services during 2019/2020. This is a significantly small proportion in relation to **4260** household tenancies.

### **Complaints upheld**

During 2019/2020 there was a total of **22** complaints, that following investigation, were classified as upheld. Of the **22** cases, **78%** were associated with Wates, the Council's repairs contractor.

### **Learning from your complaints**

- Improved the communication between the out of hours call centre and the local call centre
- Improved the communication between the customer and the call centre
- Increased the number of 'fix first time' for plumbing trades

### **Have your say**

Tamworth Borough Council wants to ensure that the services we provide meet both our published standards and the needs of our customers. All customer feedback is important to us and can be a complaint, suggestion, comment or compliment.

All feedback, including complaints, is taken seriously and we use this to learn lessons as to how things may have been done differently and to improve future services.

Where possible, we will publish information on how we have made improvements resulting from your feedback.

Picture here graphics to provide " Have your say" from 2018/2019 Annual Report

Have your say either by going on line at [www.tamworth.gov.uk/do-it-online](http://www.tamworth.gov.uk/do-it-online) or telephone 01827 709709.

Could we have a picture of tell or logging onto the website

## Home

This section looks at how we provide homes that are safe, of good quality and well maintained

	2018/2019	2019/20
Percentage of repairs completed on first visit	87.80%	88.58%
Customer satisfaction for responsive repairs	91%	95%
Percentage of appointments made and kept	91.30%	88.27%
Percentage of complaints relating to the repairs service	49%	35%
Percentage of complaints relating to the gas service	2%	1%

Average number of calendar days to complete a repair <b>10.82 days</b>	Number of Roofing Jobs <b>31</b>	Number of Gas Services <b>3,833</b>	Number of Void properties <b>301</b>	Number of responsive repairs <b>12,677</b>
Number of Electrical tests/Inspections <b>558</b>	Number of Boiler replacements <b>129</b>	Percentage of repairs completed at first visit <b>88.58%</b>	Average spend on an empty property <b>£3,872</b>	Total cost to carry out responsive repairs <b>£1.34m</b>

## Gas servicing

### Tenant satisfaction with gas servicing arrangements

2017/2018	2018/2019	2019/20
92%	86%	88%

## Planned maintenance

In 2019/2020, we spent approximately **£3,054,527** on planned home improvements

Improvement Programme	How Many	Total spend
Kitchens	211	£982,114
Bathrooms	173	£809,602
Roofing	31	£417,338
Windows and Doors	163	£251,888
Disabled Adaptations (Major and Minor)	65	£389,226

Heating installations	120	£204,359
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<p><b>Disabled adaptations</b> This year a total of <b>65</b> disabled adaptations were completed in tenants' homes, making them more suitable for the householder.</p>	<p>Picture/image to be included - Graphics</p>
<p><b>High Rise Sprinkler Installation Project</b> Installation of sprinklers to the 6 high-rise blocks in the Town Centre, along with the block at Eringden, was completed at the end of 2019. The project was extremely successful, went smoothly with feedback about the project and those involved in the delivery has been positive.</p>	<p>Picture/image to be included - Graphics</p>
<p><b>New Repairs Contractors</b> The new repairs and investment contracts were successfully procured and commenced as planned on 1<sup>st</sup> April 2020. These contracts will be in place for 10 years and include significant Social Value elements along with opportunities to improve on customer service.</p> <p>Alongside the implementation of these new contracts, saw the repairs 'Call Handling' brought back in house in-house to receive and diagnose incoming calls from tenants wishing to report a repair. The call handling service now takes a greater degree of customer care follow-up contact and will be used to drive improvements in the service provided to customers</p>	<p>Picture/image to be included - Graphics</p>
<p><b>Regeneration Sites</b> Works have been progressing well on both the Tinkers Green and Kerria regeneration sites with completion on target for late 2020. New tenants have been moving into their homes as they have been completed and to date the feedback has been very positive.</p>	<p>Picture/image to be included - Graphics</p>



## High Rise Sprinkler Installation Project – Resident Quotes

- “The sprinkler mock up in the demonstration flat was very good. The staff there asked my opinion as well. The Tenant Liaison officer, Alison, was very good, if you asked her anything she got back to you straight away and sorted out any questions or concerns you had” – Strode House Resident (speech bubble)
- “The workmen were really good, they cleaned up any mess and we had a good laugh with them. Alison was lovely as well. Wasn’t keen on the white boxing as we have painted the walls in different colours and the white stood out, but we are used to it now and plan to paint the boxing to match the walls” – Harcourt House Resident (speech bubble)
- “Everything went smoothly, workmen talked me through what they were going to do and cleaned up after themselves. All very good just hope we don’t have to use the sprinklers. Boxing took some getting used too but we don’t notice it now and it had to be done for our safety” – Stanhope House (speech bubble)

## Looking Forward 2020/2021 & 2021/2022

- Additional building safety surveys will be undertaken in anticipation of the requirements of the Building Safety Bill; this will supplement the safety and compliance checks that are already carried out.
- There will be a programme of fire door replacements in the high-rise blocks aimed at further improving fire safety standards.
- We hope to be able to renew the aging drainage within 6 high-rise blocks.
- We aim to complete a detail survey of the Councils garage sites with a view to developing a programme that will see a mixture of outcomes.
- We will continue to undertake gas safety checks but alongside these we will be striving to undertake a higher number of electrical safety checks using similar methods to ensure building safety.
- We will continue to deliver programmes of work across the Borough to maintain high standards in our housing.
- We aim to acquire new housing stock in the form of new-build houses and property bought on the open market to replace properties sold under the Right To Buy.

Picture to fill any space

## Tenancy

In this section we talk about how efficiently we let our homes, how we can help you maintain your tenancy and how satisfied you are with our overall service.

Number of active housing applicants on the housing register, by band, as at 31 March 2020 was **1415**

Band 1+	1
Band 1	65
Band 2	240
Band 3	217
Band 4	892
<b>Total</b>	<b>1415</b>

### Did you know?

<p><b>Optional welfare benefit checks</b> Customers are given an optional welfare benefit check at the start of their tenancy which also includes referrals to support agencies</p>	<p><b>Average time between lettings</b> <b>22.6</b> days on average to let properties</p>	<p><b>Total number of properties for re-letting</b> <b>301</b> of council properties became available for re-letting; approximately <b>25</b> per month, ** of these were refused</p>
<p><b>Finding a Home Customer Satisfaction</b> <b>95%</b> of customers satisfied with the Finding a Home service</p>	<p><b>Housing Choices</b> Housing Solutions offer interviews to all applicants to ensure that customers are aware of all housing choices available to them</p>	<p><b>Early intervention to prevent homelessness</b> Early intervention prevented or relieved <b>162 households</b> becoming homeless which is an <b>increase of 15%</b> compared to <b>141 households</b> in 2018/2019</p>
<p><b>Length of Bed &amp; Breakfast stay</b> The average length of stay in Bed &amp; Breakfast was <b>18 nights</b>, a <b>significant reduction</b> compared to <b>32 nights</b> in 2018/2019. This was within the 42 night limit set out by government legislation and represents a 44% reduction in the time families spent in bed and</p>	<p><b>Temporary accommodation</b> There were <b>25 households</b> in temporary accommodation, 2 in Bed &amp; Breakfast, 12 in Private sector leasing temporary accommodation units and 11 in council owned temporary accommodation units</p>	<p><b>Incentive to Move</b> Delivered the incentive to move programme, which is designed to release larger family accommodation</p>

breakfast before they were accommodated		
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### **New Allocations Policy**

During 2019/20 extensive work and consultation was undertaken in preparation for the implementation of the new Housing Allocations Policy. This was approved by Councillors during November 2019 and was rolled out during 2020.

The consultation developing the new allocations policy involved communicating with all applicants on the housing register, local partners and agencies, Housing Associations where we have nomination agreements with, the Tenant Consultative Group and Tamworth residents. This was advertised more broadly via our social media channels, website and press releases in the local paper. – [picture of Allocations Policy](#)

### **Supported Housing**

Our Supported Housing team helps young families and young adults adapt to living independently and support tenants in learning how to successfully manage and maintain a tenancy on their own.

As well as supporting tenants with reporting repairs and maintaining their properties our team have also organised events to help and raise residents awareness in areas such as fire safety. Other good case events such as “nearly new clothes sales” have also been successfully held at the local church.

- **100%** of lettings turned around within 10 days from tenancy end date
- **100%** of support plans agreed within 4 weeks
- **100%** of successful move-on

### **Sheltered Housing**

#### **Member of EROSH!**

Since EROSH conducted our peer review in 2018/19 Tamworth Borough Council has successfully become a member of the EROSH consortium. EROSH is a membership organisation for professionals within the sector and provides practical expert advice and guidance, news and commentary for front line staff and service managers to help respond to the challenges and opportunities currently facing the sector. Joining EROSH has enhanced individual and organisational performance and improved the quality of housing related support services for older people.

#### **Capital Works Programme**

We have continued to invest in improving and maintaining our sheltered schemes. Works on the new flooring at Anker Moor Court and Glenfield was successfully completed during 2019/2020 and new flooring at Bright Crescent is now well underway. In an effort to make our schemes more efficient and sustainable new energy, efficient LED lighting has been installed in communal areas of Glenfield. [Include photos of new flooring at Glenfield](#)

On average <b>97.95% (9177)</b> of alarm calls answered within 60 seconds	<b>100%</b> needs assessments carried out at all sheltered schemes for potential applicants
<b>100%</b> of scheme resident meetings held bi-monthly	<b>100%</b> of monitoring sheets completed in relation to Legionella
<b>100%</b> of new tenants were visited with 24hrs of moving in	<b>100%</b> of new tenants complete Tenancy management plans with their scheme manager within 4 weeks of moving in

## Health & Safety

We continue to work with Staffordshire Fire and Rescue Service on an annual basis to ensure that all sheltered schemes maintain their high standards of Health and Safety and Fire Safety, with particular emphasis on the safe storage and charging of mobility scooters. All annual health and safety was successfully completed for 2019/2020

## We are Going Green! New Electronic visiting sheet

As part of the council's mission to become more environmentally friendly, we have been working to develop an interactive electronic visit sheet, to be used by scheme managers, to assist with daily resident welfare checks. Electronic forms will not only contribute to making a reduction in the council's carbon footprint but will ensure scheme managers have continual and easy access to the most up to date resident information.

## Did you know?

We continue to develop the range of current activities to enable tenants to stay well and independent. The following activities provided across the schemes:

Cottage Healing centre treatment	Hairdressers	Chiropodists	Opticians
Dementia Friends	Assistive technology market stall for useful gadgets	Eat well programme	Olive branch visits from local fire service

## Join in and Plant a pot!

Successful 'Plant a Pot' events take place annually at a couple of Tamworth Borough Councils sheltered schemes as part of a rolling programme. These events enable elderly residents to actively take part in a fun and inclusive gardening event thereby increasing mobility and tackling issues of social isolation. Any activity of this kind is considered beneficial for residents as it is an enjoyable form of exercise, encourages the use of all motor skills, can improve endurance and strength, promotes relaxation and improves wellbeing as a result of social interaction.

## Rent

The government replaced the existing 2015 Rent Standard with a new Rent Standard for all registered providers of social housing including local authorities from 1 April 2020.

### Universal Credit

Many of our tenants are now receiving regular monthly payments of universal credit and we can advise you on how to apply. We can help you by setting up an alternative payment arrangement where universal credit is paid direct to your rent account, to pay the standard weeks rent, plus an additional sum towards any arrears if this applies. Many customers have found this to be the easiest way to pay their rent and / or arrears.

Customers seeking help or advice about Universal Credit can contact the UC help line 0800 328 5644, which is a free call, Mon to Fri, 8.00am to 6pm. Alternatively queries regarding UC can be directed to the Citizens advice helpline Tel: 0300 330 9002

	As at 31st at March 2019	As at 31 <sup>st</sup> March 2020
Number of Council Tenants on Universal Credit	645	1072
Number of Council Tenants on Universal Credit in Rent Arrears	443	663
Percentage of Council Tenants on Universal Credit in Rent Arrears	68.7%	61.85%
Number of Council Tenants on Universal Credit not in Rent Arrears	202	409
Number of Council Tenants on Universal Credit not in Rent Arrears	31.3%	38.15%

### Average rent (excluding service charges)

Property Type	Weekly (49 weeks)	Monthly
1 Bedroom Flat/Maisonette	72.94	297.84
2 Bedroom Flat/ Maisonette	82.59	337.24
1 Bedroom Bungalow	82.46	336.71
2 Bedroom Bungalow	93.40	381.38
2 Bedroom House	86.32	352.47
3 Bedroom House	92.96	379.59
4 bedroom House	103.47	422.50

<p><b>Reduction in evictions</b></p> <p>The number of evictions carried out for <b>2019/2020</b> was <b>9</b> compared to <b>13</b> in <b>2018/2019</b>.</p> <p><b>Eviction is always the last resort</b></p>	<p><b>Notices of seeking Possession</b></p> <p>The number of NSP's issued for rent arrears in <b>2019/2020</b> was <b>699</b> compared to <b>787</b> in <b>2018/2019</b></p>	<p><b>Rent Incentive Draw</b></p> <p>Our quarterly <b>rent incentive draw</b> continues with a prize of £250 to encourage tenants to keep a clear rent account</p>
<p><b>Rent collected as a % of annual debit</b></p> <p>Rent collected as a % of annual debit was <b>101.14%</b> for 2018/2019 and <b>101.92%</b> for 2019/2020</p>	<p><b>HQN (Housing Quality Network) Review of TBC's rent against government rent policy</b></p> <p>Current rents that are being charged are accurate and in accordance with guidelines.</p>	<p><b>Early Intervention</b></p> <p>Emphasis continues to be placed on early intervention whilst arrears are at a low level in order to prevent the escalation of arrears</p>

## Stop Loan Sharks

Tamworth Borough Council work's in partnership with the England Illegal Money Lending team to stop loan sharks operating in Tamworth. If you are a victim of a loan shark or wish to report a suspected loan shark you can contact the Illegal Money Lending team for confidential help and advice on telephone number 0300 555 2222.

### NOT SURE WHAT A LOAN SHARK IS?

If you can answer yes to one or more of these questions you might be borrowing from a loan shark:

- Did they offer you a cash loan?
- Did they not give you paperwork?
- Did they add huge amounts of interest or APR to your loan?
- Have they threatened you?
- Are you scared of people finding out?
- Have they taken your bank card, benefit card, passport, watch or other valuables from you?

## Contents Insurance

Tamworth Borough Council has negotiated a home contents insurance scheme for its tenants and leaseholders. The prices are competitive and contents insurance is worth considering. It is important to protect your personal contents in your property against loss or damage caused by fire, flood and burglary. The council's insurance policy only covers

the building not your personal contents. Further information is available at:  
<http://www.tamworth.gov.uk/contents-insurance>

### **Look Out!**

Coming soon is a new online digital platform available to all Tamworth Borough Council tenants. This will provide 24 hour a day / 7 days a week access to tenancy information including rent account balances, repairs history, personal contact details, and housing applications. More information will shortly be available on the Council website  
[www.tamworth.gov.uk](http://www.tamworth.gov.uk)

### **Tamworth Advice Centre (TAC) Help with Benefits and Debt advice**

The Tamworth Advice Centre (TAC) will check you are getting all the benefits you are entitled to, help you apply for those benefits you are not getting, assist you in setting up a bank account if needed, help you deal with your debts and assist with budgeting within your means. Tamworth Advice Centre (TAC) can also help you with benefits and specialist debt advice and can be contacted on their Advice-line,

- **Tel** 0300 330 9002, Monday to Friday 10.00am - 4.00pm
- **E-mail** [citizensadvice@citizensadvicemidmercia.org.uk](mailto:citizensadvice@citizensadvicemidmercia.org.uk).
- **Website** [citizensadvicemidmercia.org.uk/support-in-tamworth](http://citizensadvicemidmercia.org.uk/support-in-tamworth)

## Neighbourhood and community

In this section we talk about how we work with tenants and our partners to keep neighbourhoods and communal areas greener, cleaner and safer, preventing and tackling incidents of anti—social behaviour and supporting tenants who experience this where they live.

### Estate Inspection Programme 2019-2020 – picture of leaflet

Estate inspections are carried out to assess the standards of service we are delivering, identify areas for improvement and generally identify any action needed to be taken to address tenancy breaches. We are committed to inspecting our housing areas on a regular basis. Across the borough, housing estates are located across ten wards. Each area is inspected once a year on a rolling programme. This is the fifth year the estate inspection programme has been carried out in this way

#### The estate inspection team will aim to identify issues such as;

- Vandalism
- Abandoned vehicles / illegally parked vehicles
- Graffiti
- Litter and fly-tipping
- Dog fouling
- Problems with highway maintenance and street lighting
- Health and safety issues
- Neglected homes and gardens, tenancy issues
- Hot spots for anti-social behaviour
- The condition of hard landscape (e.g. fences, walls and paving)
- The condition of soft landscape (e.g. trees, grass, shrubs in communal areas)

#### Estate Inspections will;

- Provide a high profile presence on our estates
- Ensure cleaner, more attractive and safer neighbourhoods
- Improve the physical condition of estates through quick responses to residents' concerns and by identifying potential improvements
- Clear communal areas of fly-tipping/graffiti and rubbish
- Identify overgrown gardens/shrubbery
- Identify defective street lighting and estate furniture
- Ensure agencies take responsibility for issues identified within their remit
- Identify potholes and surface perishing to hard surfaces and uneven and broken paving.

### Annual Estate Inspection Review 2019/2020

During the end of 2019, Tenant Inspectors worked closely alongside the Tenant Involvement & Regulatory Team to undertake a review of the annual Estate Inspection Programme and how this was delivered. Estate Inspections will continue in 2020/2021, but will predominantly be undertaken by the Neighbourhoods Community Wardens and



Tenancy Sustainment Officers. Tenant Inspectors, supported by the Tenant Regulatory & Involvement Team will however also undertake a cross section of inspections as part of Neighbourhoods current scrutiny arrangements. In accordance with the Governments Regulatory Framework, specifically the Neighbourhood Standard and Tenant Involvement and Empowerment Standard, it is essential to demonstrate that as part of Neighbourhoods independent scrutiny practices, tenants are fully inclusive within the estate inspection programme and are given the opportunity to audit a sample of estate inspection areas in addition to identifying potential environmental improvements. The review of the process by the Tenant Inspectors has successfully concluded with an updated inspection leaflet, scoring sheet and recording and monitoring procedure.

### **Communal Cleaning Audits - Tenant Inspectors**

248 (75%) of tenants in receipt of communal cleaning have rated their overall satisfaction as either fairly or very satisfied.

There are currently 10 tenant inspectors working with the Tenant Regulatory & Involvement team to carry out communal cleaning audits across Tamworth borough. Their input has proved invaluable. Tenant Inspections make recommendations and comment on services which are reported back to the Estates Manager.

**A full review of the communal cleaning programme**, with Tenant Inspectors, was undertaken earlier in the year to conclude the following:

- Annual refresher training for all tenant inspectors with the Estates Manager
- A more collective approach amongst tenant inspectors in completing scoring sheets
- Score sheet to be shared with the Estates Manager within the same week as the inspection to ensure immediate action is taken
- Communal cleaning survey to be distributed to residents on a bi-annual basis and to highlight potential problem areas
- Half yearly meetings to be arranged between the Estates Manager and Tenant Inspectors to discuss findings, themes and address any areas of concerns

### **Regeneration**

Significant investment at Tinkers Green and Kerria has enabled the Council to offer attractive, modern houses.

A new estate of 96 homes has been created at Tinkers Green, including 24 one-bedroom apartments, six two-bedroom apartments, 44 two-bedroom houses, 19 three-bedroom houses and three four-bedroom houses. In addition, a total of 44 modern new homes have been built at the former Kerria site, consisting of eight one-bedroom apartments, four two-bedroom apartments, 24 two-bedroom houses and eight three-bedroom houses.

“I can’t believe I’ve got a brand new house! I never want to move” (speech bubble)

“Truly thrilled to have been assigned one of the new properties, they’ve been done up to a lovely standard. I feel like the cat that got the cream!” (speech bubble)

## Anti-Social Behaviour

The team continued to work hard over the last 12 months, achieving a number of successful outcomes, all of which help towards making your neighbourhood safe.

We have again achieved the HouseMark accredited standard for a quality anti-social behaviour service (ASB). This was awarded after an independent review of our ASB and complaints service. This accreditation is valid for 3 years.

	2017/2018	2018/19	2019/20
Number of complaints received	264	299	252
Percentage of customers satisfied that they were kept informed throughout their ASB case	63%	64%	66%
Percentage of customers satisfied with the support given to them during their ASB case	65%	66%	60%
Percentage of customers satisfied with the outcome of their ASB complaint	52%	47%	47%
Successfully closed ASB cases (resolved)	98%	100%	99%
Percentage of customers who have already made a complaint of ASB, and who would be willing to report ASB in the future	83%	71%	79%

Number of ASB cases: **252**

Number of Civil Injunctions: **2**

Number of Notice Seeking Possession/Demotion: **4**

Number of possessions: **2 cases pending with courts**

Nature of incident	2018/19	2019/20
Noise	76	87
Pets/animals	24	25
Harassment/threats	42	46
Garden nuisance	48	70
Other	109	63
<b>Total</b>	<b>299</b>	<b>252</b>

**Intervention** remains a key factor in how we deal with ASB cases. The team intervene as early as possible where evidence is provided. This often prevents enforcement action from being taken. In 2019/20 early intervention was carried out with **224 cases** to successfully resolve them

**252 incidents were recorded during 2019/2020 compared to 299 incidents in 2018/2019**

The Neighbourhood Services ASB and Estate Management Team merged with the Corporate ASB Team to include CCTV, Community wardens and multi tenure ASB service as one centralised service in order to streamline a more efficient approach to dealing with ASB and environmental crime. In addition, the Neighbourhood team agreed a pilot of private tenure neighbour ASB resolution.

53 Community protection warnings were served, 20 of those proceeded Community protection notices due to non-compliance, to resolve the matter

For more information about ASB see web link <http://www.tamworth.gov.uk/asb-zone>

## Value for money

In this section we explain how we make sure that our services provide value for money.

Tamworth Borough Council recognises the importance of demonstrating value for money, which doesn't only mean keeping costs to a minimum. Value for money is also achieved through the following:

- Comparing costs and performance with other similar housing providers. Assess value for money (VFM), by using an independent organisation called HouseMark. This organisation compares our services to other councils and registered social landlords. HouseMark also produces an annual report which identifies areas for improvement.
- Monitoring 'tenant satisfaction that rent is providing value for money'. We check this by carrying out regular tenant satisfaction surveys.
- Continue to remove old inefficient gas appliances and install new 'A' rated appliances, reducing heating and hot water energy costs for tenants across the borough.
- Purchasing existing properties has enabled an efficient and effective use of capital receipts funding, one element of the Housing Revenue Account capital business programme to increase its stock.
- Senior managers regularly review budgets and the highest areas of spending.
- Tenants are involved in the choice and appointment of contractors, suppliers and consultants to help ensure we get the right balance between cost and quality.
- Spent more than **£3,054,527** on improvements to homes ensuring that our core business of providing affordable homes to those in need continues to expand.
- Co-regulating our services. Our co-regulation model means that tenants continue to review our performance and scrutinise selected areas of service.

### Did you know?






The following indicators have been agreed with tenants


	2017/2018	2018/2019	2019/20	Estimated top quartile*
Overall satisfaction with Neighbourhood services	78%	78%	78%	82%
Average time between lettings	17.75 Days	15 days	22.6 days	18.53 Days
Estate Inspections	10	10	6	Not benchmarked
Tenant satisfaction with communal cleaning	87%	87%	76%	Not benchmarked
Number of	557	479	479	Not

tenants on the database of involvement				benchmarked
% of repairs appointments made and kept	90.48%	93.30%	89%	97.06%
Gas servicing CP 12	97.82%	100%	98%	100%
% of repairs completed at first visit	89.34%	87.80%	88%	93.59%
Customer satisfaction with responsive repairs	95%	90.80%	9%	91.23%
Arrears as a % of rent due	2.47%	2.83%	2.87%	1.55%
Number of Evictions	18 (0.42%)	13 (0.31%)	9 (0.21%)	0.17%

- Figures based on estimated top quartile range when benchmarked nationally

### Top performance indicators as voted for by tenants as at 31 March 2020

Performance Indicator	Target	Current Value	Are we on target	Trend
Average number of calendar days to complete repairs	-	9.53 days		↑
Percentage of appointments made and kept	93%	89%		↓
Percentage of repairs completed at first visit	85%	88%		↑
Percentage of properties with a valid Gas Safety Certificate	100%	98%		↓
Average re-let times (in days)	16 days	22.6 days		↓
Percentage of closed resolved anti-social - behaviour cases	-	99%	-	-
Number of close unresolved anti-social behaviour cases	-	0	-	-

Current rent arrears as a percentage of annual debit	3%	2.87%		↑
Number of complaints since 1st April 2019	-	174	-	-
Number of complaints upheld since 1st April 2019	-	22	-	-
Number of compliments since 1st April 2019	-	36	-	-



Ministry of Housing,  
Communities &  
Local Government

# The Charter for Social Housing Residents

## Social Housing White Paper





## Credits

Page 9 - Marlake Crescent,  
Bell Phillips, photo credit Kilian O'Sullivan

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## Foreword from the Prime Minister

As a cub reporter in the 1980s, I was once despatched to a Wolverhampton council estate to call on a young family who had written in about the damp in their flat.

And what struck me most when I arrived wasn't the condensation streaming down the windows like a waterfall or the black spores of mould metastasising across the walls or even the rasping cough of the small baby, which seemed to get worse even in the short time I was there.

It was the miserable despair of the father, a man utterly bereft of hope at the problem ever being sorted out. He'd complained to the housing office, he'd complained to his local councillor, he'd complained to anyone who would listen and many who wouldn't, but nobody seemed to care, nobody seemed willing or able to do anything about it.

And while that scene unfolded more than 30 years ago, the culture and attitude that allowed it to happen – the idea that social tenants are less worthy of respect or can be ignored when their views are inconvenient – remains all too prevalent today.

Although the exhaustive independent inquiry into the causes of the Grenfell tragedy will not report its final findings for some time yet, it is already clear that the people who called Grenfell Tower home were, like that Wolverhampton father, no strangers to their voices going unheard.

If there were only a handful of social tenants in this country it would be a matter of grave concern.

In a nation where many millions rely on their local council or a housing association to help keep a roof over their head – and in the UK the social rented sector makes up a greater share of housing stock than in most other major economies – it is nothing short of a scandal. And it's one this government is going to deal with.

The proposals in this White Paper will make clear the standards that every social tenant in England is entitled to expect from their landlords.

They will ensure that people feel safe and secure in their homes, can get problems fixed before they spiral out of control, and see exactly how good their landlord is at dealing with complaints.

Above all, it will give social housing tenants a voice, and ensure that it is listened to.

We're levelling up this country, making it fairer for everyone – and that includes making sure social housing tenants are treated with the respect they deserve, so that nobody should ever again feel as hopeless as the man I met all those years ago.

**The Rt. Hon. Boris Johnson MP**

**Prime Minister**

“We're levelling up this country, making it fairer for everyone – and that includes making sure social housing tenants are treated with the respect they deserve.”



## Foreword from the Secretary of State

One of the privileges of my time as Secretary of State has been meeting with the bereaved and survivors of the Grenfell Tower tragedy. Their courage and grace shone through on each encounter, however harrowing and heart breaking the stories they told.

Time and again, former residents would return to two themes: firstly, that they didn't feel listened to when they raised concerns and complaints and could only wonder what might have been avoided if their voices had been heard. And secondly, a broader sense that they had not been treated with the dignity and respect they deserved. Indeed, the same dignity and respect they themselves have exhibited, in unimaginable grief and distress since the night of 14 June 2017.

These conversations with me and my predecessors were the genesis of this White Paper. Those most affected by the events at Grenfell Tower understandably seek answers and justice and that is what an independent public inquiry aims to provide. But, it is clear to me they also seek positive action and change for the benefit of others. I do not presume to assert that this White Paper alone answers that desire, but it is in that spirit that we publish it and will ensure its aims and ambitions are realised.

This Charter for Social Housing Residents sets out to raise the standard of social housing and meet the aspirations of residents throughout the country, today and in the future. It speaks to safety, to quality, to family, to life free from the blight of crime and anti-social behaviour, to the opportunity to move from rent to ownership, where this is possible.

I want housing associations and local councils to ensure that those who live in social housing are treated with dignity and respect. The interests and perspective of residents must be given greater prominence in service delivery. And when things go wrong, as they inevitably sometimes do, tenants should be able to seek redress and know that they will be heard. No one should accept poor service, nor show deference to those that provide it. Landlords should welcome the views of their tenants as a route to better management.

I want tenants to feel protected and empowered by a regulatory regime and a culture of transparency, accountability, decency and service befitting of the best intentions and traditions of social housing in this country.

I hope the ideas and regulatory changes we set out in this White Paper will make a measurable difference to the experiences of those living in England's four million social homes in the years ahead.

**The Rt. Hon. Robert Jenrick**

**Secretary of State for Ministry of Housing,  
Communities and Local Government**

“This Charter for Social Housing Residents sets out to raise the standard of social housing and meet the aspirations of residents throughout the country, today and in the future.”

# Executive Summary

## A home should always be more than just four walls and a roof.

A home should provide safety, security and dignity. An opportunity to put down roots and contribute to our community so we can enjoy social and civic lives. Regardless of who you rent from, your landlord should treat you fairly and with respect. And if things go wrong there should be a swift and effective means of redress.

We all have these expectations, but for some social housing residents they have not always been met. This White Paper seeks to change that, establishing a new Charter for social housing residents.

This country has a long tradition of providing homes for those most in need, going back many centuries. The first recorded almshouse was founded in York by King Athelstan. The oldest still in existence is the Hospital of St Cross in Winchester, dating to about 1132. During the nineteenth century and early twentieth century, great philanthropists and social reformers changed the face of housing. They recognised that good quality homes with open space and amenities were essential to overcoming the chronic public health challenges of the time. Model villages such as George Cadbury's Bournville in Birmingham, Joseph Rowntree's New Earswick in York, and George Peabody's and Octavia Hill's developments in inner city London were born. Octavia Hill said her aim was to 'make lives noble, homes happy and family life good'.

From the 1890s, some local councils started to build social housing. This was given a huge boost by the Addison Act of 1919, which provided central government funding to local authorities to build "homes fit for heroes" as troops returned from World War 1. Ever since, local councils have played a significant role in providing good homes to working people and creating strong communities, particularly rebuilding the country after the devastation of World War 2 when the country lost over a million homes and 4 million more were damaged.

As of 2018, local councils provided homes to over 1.6 million households<sup>1</sup>. This Government has been clear that we want to see councils build more homes and has made this possible through removing restrictions on their borrowing so they can invest.

Since the 1970s we have also seen the tremendous growth of housing associations, which has transformed how social housing is delivered now. Many housing associations began in that decade from community roots, often from local churches or communities coming together in response to homelessness. Several of those small charities have become the large housing associations we know today. Housing associations own approximately 60% of our social housing. The 1974 Housing Act enabled the charitable housing association sector to access funding to build new homes. In the 1980s, housing associations were given freedom to access private borrowing, seeking to blend charitable aims with commercial acumen to build more homes and take on homes from local authorities. We want housing associations to build yet more homes and to deliver their mission of charitable purpose combined with the best customer service of the private sector.

From the 1980s, social housing became not only a crucial safety net for those in need, but also, for many, a vital step on the ladder towards home ownership. The introduction of the Right to Buy and shared ownership enabled millions of social tenants to buy a home of their own. We want to support even more social housing residents to own a home. This is why we are introducing a simpler and fairer shared ownership offer, allowing people to get on the first rung by buying only 10% of their home – and why we have introduced the Right to Shared Ownership, which will enable people living in rental homes built under the new Affordable Homes Programme to purchase their own home through shared ownership.

Today, the sector provides homes to 4 million households. Many landlords provide a good service to their residents. They provide a decent and safe home. They support thriving neighbourhoods and communities. They are open with their residents, listen to them and treat them with respect.

<sup>1</sup> 'Live Table 104' <https://www.gov.uk/government/statistical-data-sets/live-tables/104-dwelling-stock-including-vacants>

But this is not true of all landlords.

The tragedy at Grenfell Tower in June 2017 raised critical questions for everyone involved in social housing, including residents, landlords, developers, and local and national government. We are committed to learning the lessons of the Grenfell tragedy and have already taken significant action. We have supported the bereaved and survivors, established an independent public inquiry and started implementing the recommendations of its Phase 1 findings. And through the Building Safety Bill we are undertaking the biggest change in building safety for a generation.

We have also been listening intensely to social housing residents across the country about the change that they want to see. The social housing Green Paper in 2018 sought views on a wide range of potential changes, and alongside it we launched a Call for Evidence about how social housing is regulated. We received over 1,000 responses to the social housing Green Paper and over 100 to the Call for Evidence. Many residents reported positive experiences, but others did not. We heard concerns about safety and quality; of complaints being handled slowly or poorly; and about residents feeling they were not listened to, or not treated with respect.

The COVID-19 pandemic has reinforced the importance of people's homes, communities and neighbourhoods – including access to green spaces. Good landlords have ensured that their vulnerable residents have not been left alone, and have gone the extra mile to support them. It remains important for people to have access to open green spaces and playgrounds to promote exercise and mental wellbeing. And it is critical that those in social housing, as elsewhere, can live free from the blight of crime, drugs and anti-social behaviour, in developments well designed to protect them and with law enforcement there to take decisive action where necessary.

Alongside the challenges posed by COVID-19, social landlords are seeking to increase energy efficiency, and are working to improve the safety of their buildings. We recognise that these pose very significant challenges and are assisting through targeted grants and support.

Many landlords have made positive changes since the publication of the social housing Green Paper. And there have been welcome initiatives to support sector-wide culture change, such as the National Housing Federation's Together with Tenants<sup>2</sup> programme and the resident-led guide on how to engage with residents by See the Person and the Chartered Institute of Housing.<sup>3</sup>

But there is more to do to ensure that all social housing residents have the experience we expect for them. This White Paper sets out how we will achieve this, through our new Charter for social housing residents.

Building on the commitments we have already made on building safety, to the highest single funding commitment to affordable housing in a decade, and to establishing more routes for tenants to own their own home, this White Paper will deliver transformational change for social housing residents.



<sup>2</sup> <https://www.housing.org.uk/our-work/together-with-tenants/>

<sup>3</sup> *It's Not Okay: a guide to tackling stigma in social housing* <https://www.cih.org/publications/its-not-okay-a-guide-to-tackling-stigma-in-social-housing>



“A home should provide safety, security and dignity. An opportunity to put down roots and contribute to our community so we can enjoy social and civic lives. Regardless of who you rent from, your landlord should treat you fairly and with respect. And if things go wrong there should be a swift and effective means of redress.”



# A new Charter for social housing residents

Our new Charter sets out what every social housing resident should be able to expect:

- 1. To be safe in your home.** We will work with industry and landlords to ensure every home is safe and secure.
- 2. To know how your landlord is performing,** including on repairs, complaints and safety, and how it spends its money, so you can hold it to account.
- 3. To have your complaints dealt with promptly and fairly,** with access to a strong Ombudsman who will give you swift and fair redress when needed.
- 4. To be treated with respect,** backed by a strong consumer regulator and improved consumer standards for tenants.
- 5. To have your voice heard by your landlord,** for example through regular meetings, scrutiny panels or being on its Board. The Government will provide help, if you want it, to give you the tools to ensure your landlord listens.
- 6. To have a good quality home and neighbourhood to live in,** with your landlord keeping your home in good repair.
- 7. To be supported to take your first step to ownership,** so it is a ladder to other opportunities, should your circumstances allow.

## How we will ensure this Charter is met

This White Paper sets out what we will do to ensure landlords live up to this new Charter. Our package of measures is summarised below. The most important step we will take is to work with the Regulator of Social Housing (“the regulator”) to create a strong, proactive consumer regulatory regime, strengthening the formal standards against which landlords are regulated and requiring them to:

- be transparent about their performance and decision-making – so that tenants and the regulator can hold them to account;
- put things right when they go wrong; and
- listen to tenants through effective engagement.

# Summary of the policy measures in this White Paper

## To be safe in your home

Building and fire safety is a paramount concern for residents. We are committed to ensuring that all homes are safe to live in, and have identified ways both to raise safety standards and to help residents feel safer in their homes. Chapter 1 sets out that we will:

- Legislate to strengthen the Regulator of Social Housing’s consumer regulation objectives to explicitly include safety.
- Legislate to require social landlords to identify a nominated person responsible for complying with their health and safety requirements.
- Expect the Regulator of Social Housing to prepare a Memorandum of Understanding with the Health and Safety Executive to ensure effective sharing of information with the Building Safety Regulator.
- Launch a consultation on requiring smoke alarms in social housing and introducing new expectations for carbon monoxide alarms.
- Consult on measures to ensure that social housing residents are protected from harm caused by poor electrical safety.
- Continue to work with the Social Sector (Building Safety) Engagement Best Practice Group and the Building Safety Regulator to ensure resident voices are heard.

## To know how your landlord is performing

If tenants are to be able to hold their landlord to account, they need to know how it is performing and what decisions it is making. This will allow them to challenge their landlord when things are not working as they should, and to compare its performance with that of other social landlords. Chapter 2 sets out how we will:

- Create a set of tenant satisfaction measures for landlords on things that matter to tenants.
- Introduce a new access to information scheme for social housing tenants of housing associations and other private registered providers of social housing, so that information relating to landlords is easily available.
- Ensure landlords provide a clear breakdown of how their income is being spent.
- Require landlords to identify a senior person in their organisation who is responsible for ensuring they comply with the consumer standards set by

## **To have your complaints dealt with promptly and fairly**

Residents should get swift and effective resolution of complaints. But we heard from some residents that making a complaint can be difficult and take too long – and that it can sometimes take months for the complaint to be resolved, or for the resident to be able to access the Housing Ombudsman. Chapter 3 sets out how we have recently:

- Acted to speed up access to the Housing Ombudsman by removing (through the Building Safety Bill) the need for residents to either go to a ‘designated person’ or wait eight weeks before approaching the Ombudsman directly.
- Expanded the Housing Ombudsman service, and increased its powers, so it will make decisions more quickly and can take stronger action against landlords where needed.

Chapter 3 also sets out how we will do more to:

- Provide residents with consistency across landlord complaint handling by ensuring landlords self-assess against the Housing Ombudsman’s Complaint Handling Code by 31 December 2020.
- Ensure tenants know how to raise complaints and have confidence in the system by launching a communications campaign. We will expect landlords, the Housing Ombudsman and the Building Safety Regulator to ensure residents have clear and up to date information on how to complain.
- Legislate to ensure clear co-operation between the Housing Ombudsman and the Regulator of Social Housing to hold landlords to account more effectively when things go wrong.
- Make landlords more accountable for their actions by publicising the details of cases determined and published by the Housing Ombudsman.

## **To be treated fairly and with respect, backed by a strong consumer regulator for tenants**

Transformation of consumer regulation is needed to further drive the right behaviours and hold landlords to account when they fail. This will complement the robust economic regulation already in place, which will be maintained. Chapter 4 sets out our commitment to:

- Transform the consumer regulation role of the Regulator of Social Housing (“the regulator”) so it proactively monitors and drives landlords’ compliance with improved consumer standards.

- Remove the ‘serious detriment test’ and introduce routine inspections for the largest landlords (those with over 1,000 homes) every four years.
- Change the regulator’s objectives to explicitly cover safety and transparency, and work with it to review its consumer standards to ensure they are up to date and deliver its revised objectives.
- Give the regulator the power to publish a Code of Practice on the consumer standards to be clear what landlords are required to deliver.
- Strengthen the regulator’s enforcement powers to tackle failing landlords and to respond to new challenges facing the sector.
- Hold local authorities to account as landlords, including how they manage Arms Length Management Organisations and Tenant Management Organisations, to make sure they deliver a good service to tenants.
- Require the regulator to set up an Advisory Committee to provide independent and unbiased advice on discharging its functions.

## **To have your voice heard by your landlord**

Stronger resident engagement by landlords will give residents a clearer voice so that they can hold landlords to account. In Chapter 5 we set out how we will:

- Expect the regulator to require landlords to seek out best practice and consider how they can continually improve the way they engage with social housing tenants.
- Deliver a new opportunities and empowerment programme for social housing residents, to support more effective engagement between landlords and residents, and to give residents tools to influence their landlords and hold them to account.
- Review professional training and development to ensure residents receive a high standard of customer service.

## **To have a good quality home and neighbourhood to live in**

We heard that tenants are proud of their communities and want greater investment in them. We want to ensure social tenants have good quality, decent homes and neighbourhoods, including access to green space and support for wellbeing. Chapter 6 sets out that we will:

- Review the Decent Homes Standard, including access to and the quality of green spaces.

- Tackle anti-social behaviour by enabling tenants to know who is responsible for action and who can support and assist them if they are faced with anti-social behaviour.
- Consider the results of the allocations evidence collection exercise findings to ensure that housing is allocated in the fairest way possible and achieves the best outcomes for local places and communities.
- Introducing a new Affordable Homes Guarantee Scheme.
- Encouraging local authorities to take advantage of our removal of the borrowing cap to build more council homes.

The measures in this White Paper apply to social housing landlords and residents in England. Separate arrangements apply in the devolved administrations of Scotland, Wales and Northern Ireland.

### To be supported to take your first step to ownership

We are continuing to increase the supply of good quality social homes, and working to give as many residents as possible the right to purchase their own home. Chapter 7 explains how we are:

- Investing £11.5 billion to build up to 180,000 affordable homes – the highest single funding commitment to affordable housing in a decade. Around half of these new homes will be for affordable home ownership.
- Implementing a new, fairer and more accessible model for Shared Ownership.
- Implementing a new Right to Shared Ownership for tenants of housing associations and other private registered providers who live in new grant funded homes for rent.
- Emphasising through our new National Design Guide the importance of building beautiful and well-designed social homes.

#### Key terms used in this White Paper:

**Residents** – This White Paper considers the issues facing all residents of social housing, including those who rent, leaseholders and shared owners. We have referred throughout to “residents” to include all those living in social housing, except where an issue is only relevant to those who are renting from a social housing landlord, in which case we refer to “tenants”.

**Landlords** – Generally throughout this White Paper we use the term “landlord” to cover anyone who rents social homes to people. It also covers social landlords of leaseholders and shared owners.

Changes to the Regulator of Social Housing and its powers will apply to tenants.<sup>4</sup>

There is a full glossary of terms used at the end of this White Paper.



<sup>4</sup> Some of the regulator’s Standards do not apply to shared owners as set out at <https://www.gov.uk/guidance/regulatory-standards>

# Chapter 1:

## To be safe in your home



## Ensuring good health through good quality, safe and decent homes has been at the cornerstone of developing social housing over the past century, led by the vision shown by the pioneering work of Octavia Hill, George Peabody and others.

The tragedy at Grenfell Tower shook public trust in building safety and revealed significant failings. Our renewed drive in this White Paper puts residents back at the heart of building safety and goes further in delivering changes to ensure that every social housing resident is safe in their home.

### We have already:

- Made up to £400 million available to social sector landlords to fund the removal and replacement of unsafe cladding of aluminium composite materials on residential social housing buildings over 18 metres, and announced a further £1 billion of grant funding to cover the costs of remediating unsafe non-aluminium composite materials on residential buildings over 18 metres.
- Published a Building Safety Bill, which sets out an enhanced regulatory regime for all buildings, including a more stringent fire and structural safety regime for higher-risk buildings, with residents having a strong voice in the system.
- Published a Fire Safety Consultation on Government proposals to implement the recommendations in the Grenfell Tower Inquiry's Phase 1 report that require changes to the law.

- Supported a Social Sector (Building Safety) Engagement Best Practice Group, bringing together social landlords and residents from across the country to test approaches to engagement on building safety.
- Published a Fire Safety Bill which will clarify the scope of the Fire Safety Order in its application to the structure, external walls and flat entrance doors in multi-occupied residential buildings.

### We will:

- Legislate to strengthen the Regulator of Social Housing's consumer regulation objectives to explicitly include safety.
- Legislate to require social landlords to identify a nominated person responsible for complying with their health and safety requirements.
- Expect the Regulator of Social Housing to prepare a Memorandum of Understanding with the Health and Safety Executive to ensure effective sharing of information with the Building Safety Regulator.
- Launch a consultation on mandating smoke and carbon monoxide alarms in social housing.
- Consult on measures to ensure that social housing residents are protected from harm caused by poor electrical safety.
- Build on the work of the Social Sector (Building Safety) Engagement Best Practice Group, supporting the development of statutory and good practice guidance on engaging residents in all tenures on safety issues.



## Ensuring buildings are safe

1. Building safety is a top priority for the Government. We have already made up to £400 million available to social sector landlords to fund the removal and replacement of unsafe cladding of aluminium composite materials (ACM) on residential social housing buildings over 18 metres. At Budget 2020 we went further, announcing an additional £1 billion to accelerate the remediation of unsafe non-ACM on residential buildings over 18 metres. At the end of October 2020, 151 (97%) of the 155 social sector buildings identified with ACM cladding systems unlikely to meet Building Regulations had either completed or started remediation, with 90 (58%) having now completed remediation and 74% in total having de-risked the building by removing the ACM cladding. Plans are in place to remediate the remaining four buildings.<sup>5</sup>
2. In July 2020, we published our Building Safety Bill, which brings forward measures to put in place an enhanced regulatory regime for all buildings, including a more stringent regime for the design, construction, day-to-day management and maintenance of higher-risk buildings, with residents having a strong voice in the system. The new regimes will deliver stronger enforcement and sanctions to ensure homes are safe. These will ensure the right people are held to account and will drive a culture change to put safety first. Local enforcement agencies and national regulators, including a new Building Safety Regulator, will work together to ensure that the safety of buildings across all tenures is improved. The Building Safety Regulator will be responsible for all regulatory decisions under the new regime during the design, construction, occupation and refurbishment of higher-risk buildings.
3. The proposals in the Building Safety Bill aim to bring about a culture change so that organisations who manage buildings across all tenures, including higher-risk buildings, prioritise residents and their safety. It is important that the social housing regime supports fire safety, and that the building safety and social housing regimes work effectively together. **To do this we will:**
  - **Legislate to strengthen the Regulator of Social Housing’s consumer regulation objective so that it explicitly includes safety (paragraph 59).**
  - **Legislate to require social landlords to identify a nominated person responsible for complying with their health and safety requirements (paragraph 61).**
  - **Expect the Regulator of Social Housing to prepare a Memorandum of Understanding with the Health and Safety Executive, once the national Building Safety Regulator is created, to ensure effective sharing of information (paragraph 62).**
4. Alongside the Building Safety Bill, we published the Fire Safety Consultation as part of government’s package of reform to improve building and fire safety in all regulated premises where people live, stay or work. The Fire Safety Consultation seeks views and asks questions on our proposals to implement the recommendations in the Grenfell Tower Inquiry’s Phase 1 report that require changes to the law. These proposals seek to provide residents with greater assurance and fire safety improvements in their buildings. We are seeking to implement the recommendations in the most practical, proportionate and effective manner. In many cases, our proposals go beyond the Grenfell Tower Inquiry’s recommendations, whilst in others we have proposed an approach which prioritises residents’ safety in a way that is proportionate to the risks the Grenfell Tower Inquiry identified.
5. We published a Fire Safety Bill which clarifies that under the Fire Safety Order 2005 a responsible person or duty-holder for multi-occupied residential buildings must assess the fire safety risks for the structure, external walls and flat entrance doors as part of the fire risk assessment process. Where appropriate, the responsible person or duty-holder must put in place general fire precautions to mitigate any risks in relation to these parts of the building.

<sup>5</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/934661/Building\\_Safety\\_Data\\_Release\\_October\\_2020.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/934661/Building_Safety_Data_Release_October_2020.pdf)

## Engagement on safety

6. Putting residents at the heart of building safety continues to be a core priority for us. The Independent Review of Building Regulations and Fire Safety, commissioned following the Grenfell tragedy, called for government action to develop a national culture of engagement on fire and structural safety for residents of all tenures. We also heard in response to the *Building a Safer Future* consultation that residents want more effective, tailored, regular communication around fire and structural safety issues, and a range of ways to engage. Residents told us that more effective engagement with landlords would help to support them to feel safer in their homes.
7. Social landlords have a key role to play in supporting their residents to feel safe in their homes. For residents, knowing you live in a safe, secure building is of paramount importance, for your physical safety and for your mental health. Trust in your landlord is crucial to this, and ensuring there is two-way engagement on how safety is managed is a central part of gaining that trust. To support this change in culture, we want to make sure that residents know how to communicate with their landlord or building manager on fire and structural safety issues, and that they feel confident their voices are heard. We also want to create a culture where landlords and building safety managers communicate effectively with their residents on safety issues.
8. To deliver this, through the Building Safety Bill we are introducing a requirement for the 'Accountable Person' for each higher-risk building to produce and implement a resident engagement strategy to promote the participation of tenants and leaseholders in decisions that are made about building safety risks in their building. This will ensure that:
  - residents automatically receive information about the fire and structural protections in place to manage risks within their building, and are able to access the building Safety Case Report (a report that the Accountable Person will have to write in which they make an explicit claim that they are managing major accident risks within the building and evidence exactly how they are going about it) and more detailed safety information about the building where appropriate, if they wish to do so;
  - residents have access to a quick and effective route to raise complaints about fire and structural safety; and that
  - residents have information to enable them to understand and fulfil their safety responsibilities.
9. We have learned a great deal from listening to residents and understanding what changes they want to see. We consulted a mixed-tenure Residents Reference Panel, whose members helped us to ensure that our reforms are informed by the experience of people living in higher-risk buildings.
10. Since March 2019 we have also been running a Social Sector (Building Safety) Engagement Best Practice Group<sup>6</sup> bringing together social landlords and residents from across the country to test approaches to engagement on building safety and foster stronger partnerships between residents and landlords. This has taken forward work in three areas:
  - information and understanding;
  - landlord and resident responsibilities; and
  - action to take in the event of a fire.
11. The pilots run by the group have explored ways to support residents and landlords to communicate effectively on fire safety issues. This work has helped inform our approach to the provision of resident information and the setting of responsibilities in the Building Safety Bill published in July 2020 for pre-legislative scrutiny. We have really valued the voluntary effort that residents have made in this group to identifying practical ways to improve communication on building safety, and for the support and time that landlords have contributed to taking this forward. The group's final report and recommendations will be published shortly.
12. We are working with the shadow Building Safety Regulator (based in the Health and Safety Executive) to ensure that resident voice continues to shape the new regulatory regime as it evolves, building on the propositions in our Building Safety Bill that the regulator will establish a resident panel to assist it in determining its priorities and in informing any guidance that it publishes on resident engagement.

<sup>6</sup> <https://www.gov.uk/government/groups/social-sector-building-safety-engagement-best-practice-group>



“Social landlords have a key role to play in supporting their residents to feel safe in their homes. For residents, knowing you live in a safe, secure building is of paramount importance, for your physical safety and for your mental health.”



## Setting standards on smoke and carbon monoxide alarms and electrical safety

13. Safety measures in the social sector should be in line with the legal protections afforded to private sector tenants. Responses to the social housing Green Paper showed overwhelming support for consistency in safety measures across social and private rented housing. Although many social landlords have already taken steps to keep tenants safe, it is unacceptable that around 200,000 social households are without a working smoke alarm and over 2.3 million are without a working carbon monoxide alarm.<sup>7</sup>

14. We want to bring safety requirements for smoke alarms and carbon monoxide alarms in line with private rented sector requirements. That is why, **alongside this White Paper, we have launched a consultation on extending requirements for smoke and carbon monoxide alarms, including introducing new requirements in social housing. We will also consult separately on ways to ensure that social housing tenants are protected from harm caused by poor electrical safety.**



<sup>7</sup> 'English Housing Survey, Headline Report 2018-19'

## Chapter 2:

# To know how your landlord is performing

If tenants are to be able to hold their landlords to account, they need information on how their landlord is performing, what decisions it is making and who is responsible.



As housing associations began to expand from the mid-1970s, they were generally closely connected to the communities they were building homes for, but this has become strained with the more substantial growth in the scale of their operations from the mid-2000's. Some housing associations have been criticised for excessive administration costs and executive pay, with reported average Chief Executive pay of £181,000 in 2019/20 – more than the Prime Minister – and some, in excess of £400,000 per year<sup>8</sup>. This White Paper seeks to redress that balance and recreate strong connections between landlords and tenants to ensure transparency and accountability and ensure all landlords consider their purpose and their tenants, at all times. We have heard clearly from tenants how important this is to them.

### We will:

- Expect the Regulator of Social Housing to bring in a set of tenant satisfaction measures for all landlords on things that matter to tenants.
- Introduce a new access to information scheme for social housing tenants of housing associations and other private registered providers of social housing, so that information relating to landlords is easily accessible by tenants.
- Ensure landlords provide a clear breakdown of how their income is being spent, including levels of executive remuneration, to be published alongside their tenant satisfaction measures.
- Require landlords to identify a senior person in their organisation who is responsible for ensuring they comply with the consumer standards set by the Regulator of Social Housing.
- Expect landlords to report to every tenant on such matters at least once a year, if not continuously, using technology.

## Tenant Satisfaction Measures

15. Although landlords are already required to give tenants timely and relevant performance information, including the publication of an annual report, the format and content of this information can vary significantly. Private registered providers and local authority landlords should be giving tenants access to a set of clear, comparable tenant satisfaction measures on the things they care about to ensure they can understand their landlord's performance. This information is also important in informing the

Regulator of Social Housing's ("the regulator's") approach to regulating landlords.

16. **The Regulator of Social Housing will develop a process for collecting and publishing a core set of tenant satisfaction measures for all social landlords.** These should follow the themes set out in the social housing Green Paper, widely supported by tenants, around properties being in good repair, building safety, engagement and neighbourhood management, including measures on anti-social behaviour. They should include both objective quantitative measures and tenant perception measures.
17. These measures will provide tenants with greater transparency about their landlord's performance. They will also inform the regulator about how the landlord is complying with the consumer standards under a proactive consumer regulation regime. The regulator should consider the best way of publishing measures so that they are clear and accessible for all tenants, and how to ensure landlords publicise them, but we would expect an annual statement to be provided to every tenant as a minimum and, unless there are special reasons, for technology to be used (such as an app) to provide this more directly and accessibly.
18. We have worked with groups across the sector including tenant representatives, landlords, trade bodies and the regulator to develop the draft set of tenant satisfaction measures set out in **Box A**. We expect the regulator to do further work, engaging with tenants and landlords, to finalise these and embed them within the regulatory system. The importance of careful design of the tenant satisfaction measures was highlighted in responses to the Call for Evidence about the regulatory regime for social housing. Many respondents expressed concern about the comparability of different landlords and the regulator will need to consider this. The regulator will also work with the Building Safety Regulator as it develops performance standards and reporting requirements as part of the new building safety regime for higher-risk buildings.

<sup>8</sup> Inside Housing Chief Executive Staff Survey 2020 (23 October 2020)

<https://www.insidehousing.co.uk/insight/insight/inside-housing-chief-executive-staff-survey-2020-68245>



“We want to ensure a culture change whereby landlords are more open with residents, beyond the information provided through tenant satisfaction measures.”

Box A: Draft Tenant Satisfaction Measures	
Theme	Draft tenant satisfaction measures
Keeping properties in good repair	Decent Homes Standard compliance
	Responsive repairs completed right first time
	Tenant satisfaction with landlord's repairs and maintenance service
Maintaining building safety	Compliance with health and safety obligations: <ul style="list-style-type: none"> <li>• Gas safety</li> <li>• Electrical safety</li> <li>• Fire safety</li> <li>• Asbestos</li> <li>• Water safety</li> <li>• Lift safety</li> </ul>
	Tenant satisfaction with the health and safety of their home
Effective handling of complaints	Number of complaints relative to the size of the landlord
	% of complaints resolved within agreed timescale
	Tenant satisfaction with landlord's complaints handling
Respectful and helpful engagement	Number of complaints relating to fairness and/or respect, relative to the size of the landlord
	Tenant satisfaction that their landlord listens to their views and takes notice of them
	Tenant satisfaction with landlord's engagement with tenants
Responsible neighbourhood management	% of communal areas meeting the required standard
	Number of complaints relating to communal areas, relative to the size of the landlord
	Tenant satisfaction with landlord actions to keep communal areas clean and safe
	Tenant satisfaction with landlord contribution to the neighbourhood associated with their home
	Number of complaints relating to anti-social behaviour, relative to the size of the landlord
	Tenant satisfaction with landlord's handling of anti-social behaviour
Overall	Tenant overall satisfaction with the service their landlord provides

19. In addition, **we will expect landlords to publish three financial measures alongside these tenant satisfaction measures, providing clear and accessible information on how much landlords are spending on administrative costs and executive remuneration (see Box B).** These will not inform the regulator's consumer regulation activity but will be made available for tenants' information. The regulator separately considers the effectiveness and efficiency of private registered providers through its Value for Money standard, as part of its economic regulation regime.

Box B: Draft Financial Measures	
Theme	Draft financial measures
Executive remuneration	Chief Executive or equivalent salary, relative to the size of the landlord
	Executive remuneration, relative to the size of the landlord
Efficiency and effectiveness	Management costs, relative to the size of the landlord

## New access to information scheme

20. We want to ensure a culture change whereby landlords are more open with tenants, beyond the information provided through tenant satisfaction measures. Local authority tenants can already access information from their landlord through a request made under the Freedom of Information Act 2000, but this is not available to tenants of housing associations and other private registered providers. Good landlords would want to share the information with tenants when asked, but there is a risk that others might choose to withhold information that they should share. To address this, **we will introduce a new access to information scheme for social housing tenants of housing associations and other private registered providers through the social housing regulatory regime.** This will ensure that all social housing tenants can access information from their landlord or be supported by others to do so such as councillors, MPs, solicitors, advocates or local journalists to support them in holding landlords to account.

21. This new access to information scheme will allow tenants or their representatives to access information related to the management of social housing held by their landlord, and also relevant information that may be held by sub-contractors. The scheme will include time limits for providing the information. It will also set out the circumstances in which a landlord may refuse to disclose information. This will be broadly aligned with the exemptions from disclosure under the Freedom of Information Act 2000.
22. It is important that if a tenant feels their landlord has unreasonably withheld information then they can challenge that decision. The first stage of this should be an internal review carried out by the landlord. We propose that the Housing Ombudsman will be engaged to decide on cases that have not been resolved at this first internal review stage. The Housing Ombudsman would also be able to refer suspected systemic breaches of the scheme to the regulator as it does on other matters. We will work with the Housing Ombudsman to develop this new role and agree its responsibilities.

## More information on use of funds

23. To ensure openness and transparency we also want social landlords to provide clear information to show how they are making the best use of their resources. Housing associations and other private registered providers of social housing have a total annual turnover of more than £20 billion, so it is important that tenants know how this income is being used and that they are able to see whether they are getting value for money. Social landlords should welcome scrutiny of whether they are using resources in the most efficient and effective way, including in their approach to executive remuneration and employment costs.
24. **We will work with the Regulator of Social Housing to ensure all social landlords provide a clear breakdown of how their income is being spent.** This needs to be in an accessible format so tenants can see how funds are being spent and can challenge whether money is being spent on the things that matter to them. We will work with the sector to explore best practice on the use of apps to make this information more accessible to tenants.



## Clear leadership in landlords to deliver a quality service

25. We want it to be clear to tenants who, in the leadership of their landlord, is responsible for ensuring good quality customer service. **We therefore expect the Regulator of Social Housing to require that all landlords identify a 'responsible person' who will ensure that the organisation is complying with consumer standards** (see paragraph 65). This person will be key to ensuring landlords deliver good quality customer service and drive culture change where it is needed. The regulator will introduce this measure as part of a broader requirement for landlords to provide greater clarity on the roles and responsibilities of senior level staff. We will expect the regulator to implement these requirements through changes to its consumer standards.
26. There should be such a 'responsible person' identified in every landlord, regardless of size or type. Given the diverse nature of the sector, it should be for landlords to decide who is best placed to fulfil this function. What is essential is that responsibility must rest with an individual person at a suitably senior level within the landlord's organisation to drive change and unite the organisation behind delivering good customer service; and that this person must be clearly identified to tenants, the regulator and the Housing Ombudsman. For example, this might be a senior executive within a local authority or large housing association, or the Chief Executive of a small housing association.



## Chapter 3:

# To have your complaints dealt with promptly and fairly

Since it was created in 1996, the Housing Ombudsman has been delivering a vital service to ensure disputes are resolved and residents receive redress where appropriate. We are clear that residents should be able to raise concerns without fear and get swift and effective resolution when they do. We heard from some residents that making a complaint can be difficult and take too long – and that it can sometimes take months for the complaint to be resolved, or for the resident to be able to access the Housing Ombudsman. This chapter sets out how we will fix that.

### We have already:

- Set out in the Building Safety Bill how we will speed up access to the Housing Ombudsman by removing the need for residents to go to a designated person or wait eight weeks before approaching them – removing the ‘democratic filter’.
- Expanded the Housing Ombudsman service which is aiming to halve its decision times by March 2022.
- Increased the Housing Ombudsman’s powers to take action against landlords where needed. The Housing Ombudsman has published a new Complaint Handling Code and guidance on new orders that will be implemented from 1 January 2021.

### We will:

- Support improved complaint handling by landlords and hold them to account through stronger action by the Housing Ombudsman.
- Keep the Housing Ombudsman’s powers, and compliance with them, under review and consider ways to strengthen them, including the option of legislation to put the Complaint Handling Code on a statutory footing.
- Run an awareness campaign so social housing residents know their rights, are confident in navigating their routes to complain, and are aware of how to escalate to get redress where needed.
- Ensure lessons are learned and maintain residents’ confidence in the Housing Ombudsman Service through the appointment by the Ombudsman of an independent reviewer by March 2021 to examine any complaints made about the service that the Housing Ombudsman provides.
- Formalise and strengthen the relationship between the Regulator of Social Housing and the Housing Ombudsman by introducing a statutory requirement for both bodies to co-operate with each other in undertaking their responsibilities in holding landlords to account.
- Make the Housing Ombudsman a statutory consultee for any proposal concerning changes to the Regulator of Social Housing’s economic and consumer standards.
- Make the Regulator of Social Housing a statutory consultee for any changes to the Housing Ombudsman Scheme.



- From March 2021, publish on the Housing Ombudsman’s website, reports on the complaints the Housing Ombudsman has handled for individual landlords, as well as the determinations on individual cases.

## Standards that ensure residents get effective resolution and redress

27. Landlords have a key role to play in ensuring their residents know how to make complaints and can do so confidently. They must do this as one of the conditions of membership of the Housing Ombudsman Scheme. The Scheme sets out how residents’ complaints about landlords are investigated by the Housing Ombudsman.
28. To ensure that complaints handling is taken as seriously as it should be, the Housing Ombudsman has published a new Complaint Handling Code. This promotes consistency across landlords’ complaints procedures and learning from complaints to drive service improvements. The new Code sets out what residents can expect from their landlord when they complain, how to make a complaint and how to progress it through the landlord’s complaints procedure. The Code emphasises the importance of resident involvement in complaint handling through the formation of resident panels. Landlords have been asked to self-assess against the Code by 31 December 2020 and publish the results. Non-compliance with the Code could result in the Housing Ombudsman issuing complaint handling failure orders which will outline the details of any failure, be notified to the landlord’s governance body, the responsible person or the Regulator of Social Housing (“the regulator”) and be published on the Ombudsman’s website. The Housing Ombudsman has published guidance<sup>9</sup> on these new orders that will be implemented from 1 January 2021.
29. To support this change, we have approved new powers for the Housing Ombudsman to identify best practice, outlined in the new Code, with which landlords will be expected to comply (see **Box C: The Housing Ombudsman**). In addition, the strengthened Housing Ombudsman Scheme includes new requirements on landlords to publish their complaints procedures on their websites and in correspondence to residents,

and to deal with complaints in accordance with published procedures or within a reasonable timeframe.

### Box C: The Housing Ombudsman

*The Housing Ombudsman plays a key role in helping social housing residents access effective redress when things go wrong. The Housing Ombudsman resolves disputes involving residents and leaseholders with social landlords.<sup>10</sup> It supports residents and landlords to resolve issues within landlords’ own complaints processes. The service is free for residents and is independent and impartial.*

*Social housing residents can seek early resolution, advice and support from the Housing Ombudsman Service at any time to help resolve an issue or complaint with their landlord. They can also formally refer to the Housing Ombudsman an unresolved complaint that has already been through a landlord’s complaints process.*

## Resolving complaints more quickly

### Accelerating resolution of complaints by landlords

30. We want to see landlords putting things right for residents as quickly as possible before the Housing Ombudsman has to be involved. Residents told us that some complaints took weeks, and even months, for landlords to resolve. We also heard the experiences of residents who had been delayed in accessing the Housing Ombudsman Service as landlords’ complaints processes were slow and ineffective. To tackle this, **landlords will be required to comply with the Housing Ombudsman’s Complaint Handling Code, ensuring that they have good processes in place to respond swiftly and effectively to complaints.**
31. Resolving complaints within a landlord’s own process can provide quicker outcomes for residents than a formal investigation by the Housing Ombudsman and can improve relationships between residents and landlords. The Housing Ombudsman can help to support the resolution of disputes before they reach the formal investigation stage. In 2019/20, 80% of complaints and enquiries were closed at this early stage by the Housing Ombudsman

<sup>9</sup> <https://www.housing-ombudsman.org.uk/wp-content/uploads/2020/11/Guidance-on-complaint-handling-failure-orders.pdf>

<sup>10</sup> The Housing Ombudsman’s role is set out in the legislation (Housing Act 1996) and the Housing Ombudsman Scheme. As at 31 March 2020, 2,303 landlords were members of the Scheme.



without needing to go onto further, formal investigation.<sup>11</sup> We want the **Housing Ombudsman to use its increased resources to support improved complaint handling by landlords and to resolve a greater proportion of formal complaints quickly using mediation.** The Housing Ombudsman's new Complaint Handling Code will help support this culture change and will set clearer expectations for landlords on their complaints handling process.

**32.** New powers are also in place for the Housing Ombudsman to intervene when landlords are unreasonably slow in resolving complaints. Where landlords do not act, in addition to the Housing Ombudsman issuing complaint handling failure orders, the regulator will be able to take firm action where necessary where there is evidence of systemic failings and a breach of the consumer standards. The Housing Ombudsman will be able to investigate potential systemic failings and refer the outcome to the landlord's board or elected members, to the 'responsible person' or to the regulator. The Housing Ombudsman will also identify and recommend best practice to landlords, helping to improve services and prevent residents experiencing similar issues. We will keep the Housing Ombudsman's powers, and compliance with them, under review and consider ways to strengthen them, including the option of legislation putting the Complaint Handling Code on a statutory footing.

## Accelerating redress through the Housing Ombudsman

**33.** We also want to see the **Housing Ombudsman deciding cases more quickly to ensure residents are not waiting months for resolution.** The Housing Ombudsman aims to halve the average determination time for complaints formally referred over the next two years: first to 4-5 months by March 2021, then to 3-4 months by March 2022. We have agreed increased resourcing through the 2020/21 Business Plan which will result in a more efficient dispute resolution service.<sup>12</sup> To make this work, it is critical that the Housing Ombudsman has prompt access to the evidence it needs to make fair and timely decisions. Delays in landlords providing the necessary information can slow residents' access to redress.

**34.** That is why we have ensured that a strengthened Housing Ombudsman Scheme and a new Code on complaint handling gives the Housing Ombudsman stronger powers to require landlords to provide the information it needs within a reasonable timeframe. This will deliver quicker decisions and reduce determination times. From 2021 the Housing Ombudsman will use new powers to issue a complaint handling failure order to take appropriate action to progress a complaint if a landlord fails to provide the information as expected.



<sup>11</sup> See Page 7, KPI Table

<https://www.housing-ombudsman.org.uk/wp-content/uploads/2020/11/Housing-Ombudsman-Business-Plan-2019-20.pdf>

<sup>12</sup> The Housing Ombudsman Business Plan 2020/21

<https://www.housing-ombudsman.org.uk/wp-content/uploads/2020/10/Housing-Ombudsman-business-plan-2020-21.pdf>



“We want people living in social housing to be able to access swift and effective resolution and not face unnecessary barriers.”

35. There is high compliance with the orders made by the Housing Ombudsman, with the majority requiring landlords to comply with inside three months.<sup>13</sup> Where there is non-compliance, the Housing Ombudsman has the power to refer this to the regulator. From 2021, the Housing Ombudsman will also be able to issue complaint handling failure orders where handling failures by landlords are identified. These will be published on a quarterly basis, highlighting the names of the landlords and reasons for the orders. This information will also be shared with the regulator, will form part of the Housing Ombudsman's annual landlord performance reports and will be available on the Housing Ombudsman's website.
36. To ensure residents' confidence in the Housing Ombudsman Service is maintained, the Housing Ombudsman will appoint an independent reviewer by March 2021, to examine a sample of complaints made about the service the Housing Ombudsman provides. The Housing Ombudsman Service will publish the independent reviewer's findings, including where the Housing Ombudsman needs to improve performance and learn from outcomes.

## Awareness campaign

37. These changes will speed up complaints handling for residents and ensure action when needed. But in too many cases we have heard that landlords' complaints processes are complex and that it is not always clear how to make a complaint. Many residents do not know how to approach the Housing Ombudsman Service and are unfamiliar with the role played by the regulator.
38. We want to make sure residents are aware of all routes open to them to raise concerns and feel confident using them. **We will run an awareness campaign so social housing residents know their rights, are confident in navigating their routes to complain, and are aware of how to escalate to get redress where needed.** We will work with residents, landlords, the Housing Ombudsman Service, and other organisations to ensure that the campaign is as far reaching as possible. We also expect the Housing Ombudsman Service and the regulator

to do more to ensure people living in social housing know about the services they provide.

39. The Housing Ombudsman's new Complaint Handling Code states that landlord's complaints policy should be widely publicised through as many routes as possible - for example through social media channels, in leaflets, newsletters, online and as part of regular correspondence with residents. This will be extended in future updates of the Code to require social landlords to prominently display other information including posters, for residents in their offices or shared residential areas.

## Removing barriers to accessing redress for social housing

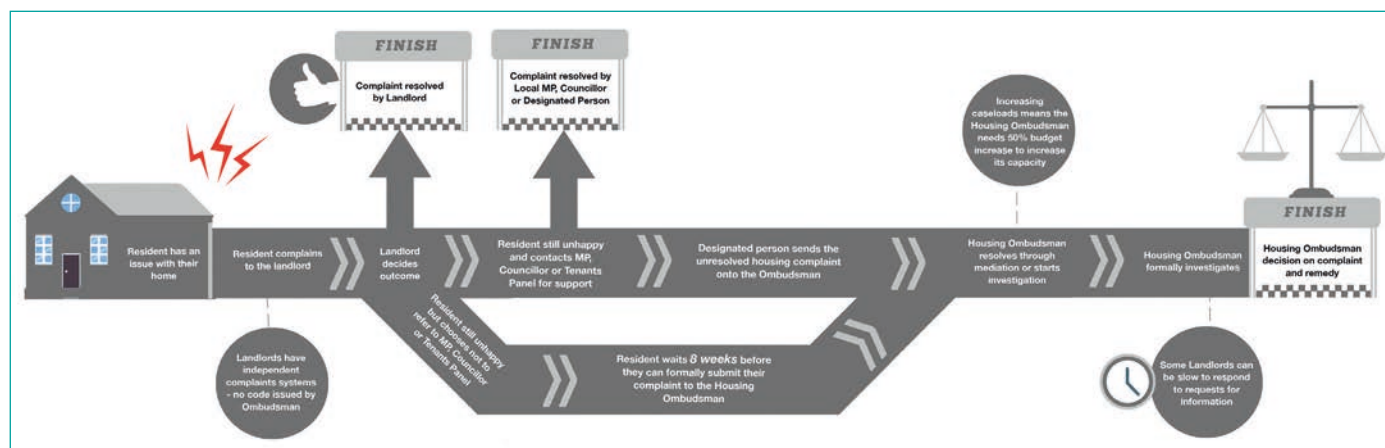
40. Currently, social housing residents who want to formally escalate unresolved complaints to the Housing Ombudsman face additional hurdles compared to consumers accessing other redress schemes. Residents have to raise their issue with a Member of Parliament, a local councillor or a designated tenant panel who will, if appropriate, refer it to the Housing Ombudsman (a step known as the 'democratic filter'), or wait eight weeks from the landlord's complaint process ending.
41. It is clear that the 'democratic filter' delays formal resolution of complaints and may put people off seeking redress altogether – particularly those who are vulnerable or feel less confident in navigating the process. We heard about the problems this creates for people living in social housing. During 2019/20, only 6.9% of the cases entering the Housing Ombudsman's formal remit were referred to them by a designated person.<sup>14</sup> We want people living in social housing to be able to access swift and effective resolution and not face unnecessary barriers. We have set out in the Building Safety Bill our proposal to remove the requirement for complaints to pass through the 'democratic filter'.

<sup>13</sup> See Page 7, KPI Table

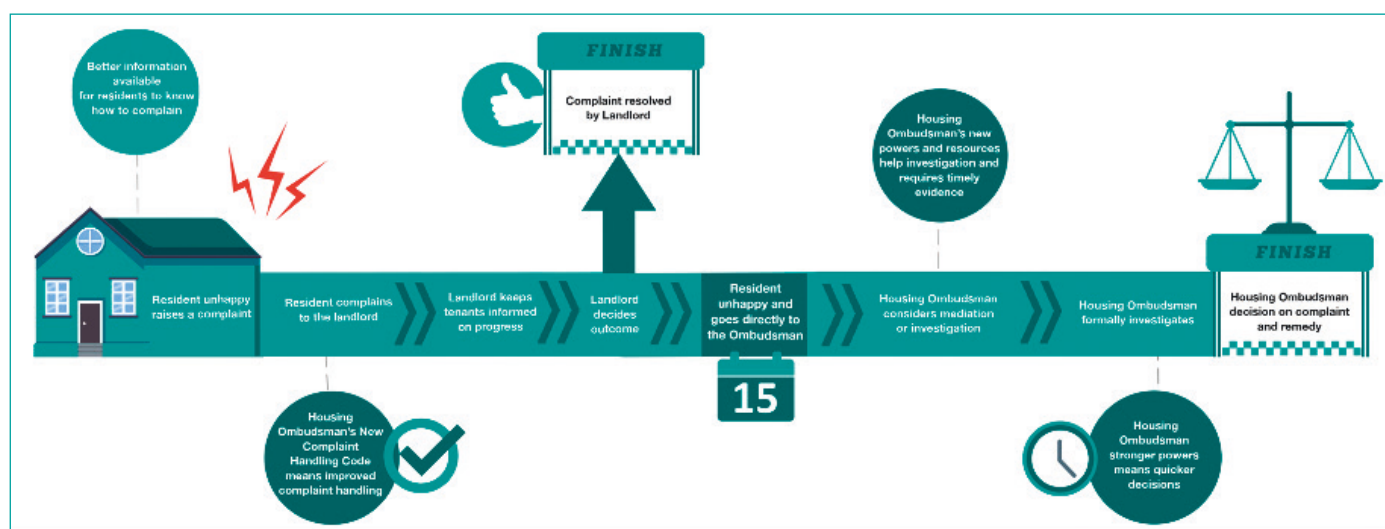
<https://www.housing-ombudsman.org.uk/wp-content/uploads/2019/07/Housing-Ombudsman-ARA-2018-19-Web-Accessible.pdf>

<sup>14</sup> See page 30 [https://www.housing-ombudsman.org.uk/wp-content/uploads/2020/09/CCS207\\_CCS0320285036-001\\_The-Housing-Ombudsman-ARA-2019-20\\_Accessible.pdf](https://www.housing-ombudsman.org.uk/wp-content/uploads/2020/09/CCS207_CCS0320285036-001_The-Housing-Ombudsman-ARA-2019-20_Accessible.pdf)

## The previous social housing complaints process



## The new social housing complaints process



## Co-operation and transparency will ensure landlords are accountable for their performance on resolving complaints

42. The Housing Ombudsman has set higher standards for landlord effectiveness and speed to improve complaints handling for residents by raising the conditions of membership of its scheme. All social landlords must by law be a member of the Housing Ombudsman Scheme. The Scheme sets the standards that landlords must meet in terms of publishing complaints procedures, managing complaints in accordance with procedure or within a reasonable timescale, and providing copies of any information requested by the Housing Ombudsman which it believes is relevant to the complaint.
43. **From March 2021 the Housing Ombudsman will publish the details of cases it has determined on its website**, and data on individual landlords' complaint volumes, categories and outcomes. This will support the

new tenant satisfaction measures the regulator is developing on complaints handling. It will ensure social housing residents can better hold their landlords to account on the way they handle complaints. This information will be used, alongside other data provided by the Housing Ombudsman, to help inform the regulator's assurance of landlords' compliance with its consumer standards, and any actions that may result from a failure to meet these.

44. Effective co-operation and joint working between the Housing Ombudsman and the regulator is vital to hold landlords to account for their performance on resolving complaints. In September 2020 the Memorandum of Understanding<sup>15</sup> between the two organisations was broadened, setting out how this co-operation and joint working takes place.

<sup>15</sup> <https://www.housing-ombudsman.org.uk/wp-content/uploads/2020/09/MOU-Housing-Ombudsman-and-Regulator-20200901.pdf>

45. **We will formalise and further strengthen the relationship between the Regulator of Social Housing and the Housing Ombudsman by introducing a statutory requirement for both bodies to co-operate with each other in undertaking their responsibilities.** This will complement proposals

to ensure effective co-operation between the regulator and the Building Safety Regulator on matters of building safety. **We will also bring forward legislation to require the Regulator of Social Housing and Housing Ombudsman to prepare and regularly review their Memorandum of Understanding.**

## Stronger co-operation between the regulator and Housing Ombudsman.



46. To make best use of the experience and expertise of the Housing Ombudsman and the regulator **we will make the Housing Ombudsman a statutory consultee for any proposal concerning changes to the Regulator of Social Housing’s economic and consumer standards.** This will ensure the Housing Ombudsman has the opportunity to understand and shape future regulatory changes to support joint working. Likewise, **we will make the Regulator of Social Housing a statutory consultee for any changes to the Housing Ombudsman Scheme.**

## The Housing Ombudsman will engage with residents directly

47. The Building Safety Bill sets out that both the regulator and the Housing Ombudsman will have a power for reciprocal information sharing and a reciprocal duty of cooperation with the Building Safety Regulator covering higher-risk residential buildings. This will enable both of these organisations to work together with the Building Safety Regulator on areas of common interest to support each other in the delivery of their relevant functions or in issuing joint guidance to help explain their different but linked roles and responsibilities.

48. It is important that residents can be confident in using the Housing Ombudsman Service when they need to, including those who might be isolated or vulnerable. We welcome the Housing Ombudsman Service’s engagement activity, which includes a feedback group for residents to share their experiences of the Service face to face with the Housing Ombudsman. The Housing Ombudsman Service hosted weekly webinars open to residents and landlords over the summer of 2020 on the new Housing Ombudsman Scheme and Complaint Handling Code. It will organise virtual ‘Meet the Ombudsman’ events to coincide with the publication of quarterly insight reports, providing information on complaints data, learning points and case studies. A new Resident Panel to seek views and obtain feedback is planned from February 2021.

## Chapter 4:

To be treated with respect, backed by a strong consumer regulator for tenants





Regulation has supported the expansion of housing associations since the 1970s, ensuring that they are financially robust. It has been key to the success story of housing associations becoming the main deliverers of new social homes, with the sector currently able to access £100 billion in private finance to support new affordable homes<sup>16</sup>. But it is clear that, unlike the successful economic regulation regime, the current regime of consumer regulation is not strong enough to ensure that social landlords (both local authorities and private registered providers) deliver to the expectations set out in our new Charter. This chapter sets out how we will establish a new consumer regulation function, within the Regulator of Social Housing, that is proactive and holds all landlords to account for the services they deliver. Alongside this, we will maintain the current robust approach to economic regulation that is so important to maintaining a strong and sustainable sector.

#### **We have already:**

- Created a new standalone regulator, separate from the Homes and Communities Agency (now Homes England), with its own Board and Chief Executive.

Through this White Paper and working with the Regulator of Social Housing (“the regulator”), we will introduce a proactive, proportionate, outcome-focused and risk-based approach to consumer regulation.

#### **We will:**

- Transform the Regulator of Social Housing so it proactively monitors and drives landlords’ compliance with its consumer standards.
- Remove the ‘serious detriment test’ and introduce routine inspections for the largest landlords (with over 1,000 homes) every four years.

- Change the Regulator of Social Housing’s objectives to explicitly cover safety and transparency, and work with it to review its consumer standards to ensure they are up to date and deliver its revised objectives.
- Give the Regulator of Social Housing the power to publish a Code of Practice on the consumer standards to be clearer on what landlords are required to deliver.
- Strengthen the Regulator of Social Housing’s enforcement powers to tackle failing landlords and to respond to new challenges facing the sector, by removing the cap on the level of fines it can issue, introducing Performance Improvement Plans for landlords failing to comply, reducing the notice period for surveys on the condition of properties, and introducing a new power to arrange emergency repairs if needed where a survey uncovers evidence of systemic landlord failures.
- Make it explicit that provisions in contracts between local authorities and Arms Length Management Organisations or Tenant Management Organisations would be deemed void if they hindered the Regulator of Social Housing in its exercise of its powers.
- Review the statutory Right to Manage guidance.
- Set out an expectation for all landlords to self-refer breaches with the regulatory standards.
- Strengthen the Regulator of Social Housing’s powers to provide robust economic regulation of private registered providers.
- Require the Regulator of Social Housing to set up an Advisory Committee to provide independent and unbiased advice on discharging its functions.

**49.** These changes will ensure that the needs of tenants are embedded in the culture of all landlords. These reforms are informed by the review of social housing regulation and the Call for Evidence that we published alongside the social housing Green Paper. The findings of the review are set out in **Annex A: Key findings and measures for changing the regulatory regime for social housing.**

**50.** It is vital to ensure that the new consumer regulation regime is carefully designed, to make sure that it can help deliver the culture change set out in this White Paper. Some of the measures set out in this chapter will require primary legislation before they can be implemented, and we will legislate as soon

<sup>16</sup> <https://www.gov.uk/government/publications/quarterly-survey-for-landlords-july-to-june-2020-to-2021>

as parliamentary time allows. We know that delivering the scale of reform set out in this White Paper will involve extensive engagement with the sector to make sure we are getting this right, and we will expect the regulator to consult with landlords and tenants as they design the reformed consumer regime to make sure it delivers the outcomes set out in this chapter.

## Retaining co-regulation

51. The existing regulatory regime works on the basis of co-regulation. This means that it is the responsibility of the boards of housing associations and other private providers of social housing, or of councillors in local authority landlords, to be assured that they comply with the outcome focused standards set by the the regulator. The regulator will seek assurance that boards and councillors have sufficient oversight of compliance with those standards, and any regulatory intervention must be justified and proportionate. Economic regulation is working well, and our review has shown that landlords and investors share that view. **We recommend that the Regulator of Social Housing retains the principle of co-regulation, as it ensures that the focus is on driving good outcomes for existing and future tenants and that the fundamental responsibility for effective service delivery lies with local authorities, housing associations and other private registered providers.**

## There will be a new regime for regulating social housing

52. An earlier review of regulation, in 2010, led to the adoption of a reactive approach to consumer regulation for housing associations, local authorities and other private registered providers.<sup>17</sup> This means that currently the regulator does not proactively scrutinise landlord compliance or routinely monitor performance – it only acts when issues are brought to its attention. This risks serious systemic failures against consumer standards being uncovered at a late stage.

53. At present the regulator can only use its powers to tackle a breach of a consumer standard when it has reasonable grounds to suspect that:

- the failure has resulted in a serious detriment to the landlord’s tenants (or potential tenants);

- there is a significant risk that, if no action is taken by the regulator, the failure will result in a serious detriment to the landlord’s tenants (or potential tenants);
- if a failure occurs, the failure will result in a serious detriment to the landlord’s tenants (or potential tenants); or
- if a failure occurs, there will be a significant risk that, if no action is taken by the regulator, the failure will result in a serious detriment to the landlord’s tenants (or potential tenants).
- This is referred to as the ‘serious detriment test’.<sup>18</sup> The regulator interprets serious detriment as being where there is a risk of, or actual, serious harm to tenants.

54. In contrast, for economic regulation the regulator takes a proactive, proportionate and risk-based approach to regulating its economic standards. It actively monitors all landlords by regularly collecting financial data and it carries out periodic in-depth assessments based on the relative risk profile of landlords.

55. Through consultation following the social housing Green Paper and the Call for Evidence we heard strong support for a more proactive approach to consumer regulation to achieve parity with economic regulation. We agree that the social housing sector would benefit from a more balanced approach which ensures that there is a similar level of regulatory oversight of both the consumer and economic standards. Introducing routine inspections of landlords can and will play an important role in delivering this more balanced approach. This will give tenants confidence that their landlord is being properly scrutinised, and will ensure that tenants know that protecting their interests is at the heart of the regulatory system.

56. **We will work with the Regulator of Social Housing to introduce a proactive, proportionate, outcome focused and risk-based approach to consumer regulation.** To achieve this, we will:

- **Legislate to remove the ‘serious detriment test’** as soon as parliamentary time allows, to eliminate barriers to the Regulator of Social Housing adopting a proactive approach to monitoring and oversight of landlord performance on consumer issues.

<sup>17</sup> <https://www.gov.uk/government/publications/review-of-social-housing-regulation--2>

<sup>18</sup> Sections 198A (2) and (5) of the Housing and Regeneration Act 2008 (<https://www.legislation.gov.uk/ukpga/2008/17/section/198A>)

- **Work with the Regulator of Social Housing to strengthen its oversight by introducing a system of routine inspections to obtain assurance from landlords that they are complying with the consumer standards.** This will be based on a risk profile to ensure that those landlords at greatest risk of failing, or where failure might have the greatest impact on tenants, are subject to greater oversight. As part of this **we expect the Regulator of Social Housing, subject to meeting any wider priorities, to aim to inspect those landlords with over 1,000 homes every 4 years.** It may carry out inspections at more frequent intervals where a routine inspection finds a breach or significant risk of a breach of its standards.
- **Expect the Regulator of Social Housing to undertake specific, reactive investigations and/or inspections where appropriate.** This could be when a serious potential compliance breach has been brought to its attention by tenants (such as systemic failure to act on fire risk assessment recommendations); by the Housing Ombudsman through its new powers to investigate potential systemic issues; or if the regulator wants to carry out bespoke inspections.
- **Expect the Regulator of Social Housing to be transparent where a landlord is found non-compliant with its standards, by publishing its findings** from its inspections and investigations and the details of any enforcement action it will take. We will also expect the regulator to be clear where, following routine inspections, it is assured that a landlord is compliant with the standards.

57. It is for the regulator to decide the most appropriate approach to delivering these requirements, but we will expect it to engage with tenants and landlords in designing the new approach as well as:

- Being clear on how it will determine which landlords to inspect, and how it will meet the aim to routinely inspect those with over 1,000 homes every 4 years.
- Setting out the different approaches to inspections and likely notice periods involved.

#### Box D: Proactive and reactive inspections

Inspections will be an important source of assurance that social landlords (local authorities and private registered providers) are complying with the consumer standards. Subject to consultation with tenants, landlords and other stakeholders, these are likely to involve three key stages:

1. **A desk-top review** to analyse information that the regulator obtains from a number of sources to identify landlords that are at risk of potential systemic non-compliance with the consumer standards. The review will be carried out once a year for all registered landlords. Information may come from a number of sources, including tenant satisfaction measures (about which further detail is set out above in Chapter 2), evidence of systemic issues raised by tenants or others, and information from other regulators and the Housing Ombudsman.

2. **A new risk-based programme of routine inspections.** This will prioritise those providers that the desk top review has identified as high risk and will seek assurance about those landlords' compliance with the consumer standards. The regulator may inspect landlords at any time and could take account of a number of factors in deciding which landlord it will investigate. This might include:

- Concerns highlighted in the desk-top study, or other information which comes to the regulator's attention.
- Any concerns about potential non-compliance with consumer standards arising from the regulator's economic regulation of providers.
- The size of the organisation (given the scale of impacts in the largest providers).
- Providers that house the most vulnerable tenants e.g. registered providers of specialised supported housing.

We expect the regulator to aim to routinely inspect those landlords with over 1,000 homes every four years and make it clear when it is reassured of a landlord's compliance with its standards.

3. **Reactive investigations and/or inspections.**

Such activities could take two forms:

- Where specific issues arise that need to be dealt with at a faster pace and outside the planned programme of inspections.
- Focused inspections to examine assurance of one or more landlord's compliance in delivering a specific service to tenants.

Where there is a clear case of non-compliance following a routine or reactive inspection, the regulator will publish the outcome of its inspection and take appropriate enforcement action. In the case of breaches by housing associations and other private registered providers, the regulator may go further and seek assurance about the adequacy of the governance arrangements.



“Through consultation following the social housing Green Paper and the Call for Evidence we heard strong support for a more proactive approach to consumer regulation to achieve parity with economic regulation.”

58. We also heard from both tenants and landlords that they would like the regulator to be clearer in its expectations of landlords. To deliver this, **we will legislate to give the Regulator of Social Housing a power to publish a Code of Practice on the consumer standards** alongside its existing ability to prepare Codes of Practice for economic standards. **The Regulator of Social Housing will review all its consumer standards to ensure they remain up-to-date and deliver its statutory objectives.** As part of its review we will expect the Regulator of Social Housing to make it clear that landlords should have a policy setting out how they should tackle issues surrounding domestic abuse, working with other agencies as appropriate; and to require landlords to show how they have sought out and considered ways to improve tenant engagement.

## Putting safety at the heart of social housing regulation

59. As we have made clear throughout this White Paper, the safety of tenants is paramount and should be the primary concern of all landlords. Specialist health and safety bodies, such as the Fire and Rescue Services and the Health and Safety Executive, are the main bodies in dealing with any incident and enforcement of an incident caused by a breach of safety legislation. In addition, local authorities have a duty under the Housing Act 2004 to take action if they identify a serious 'category 1' hazard in homes owned by housing associations and other private registered providers. However, the regulator also plays a role in holding landlords to account for meeting health and safety legislation through compliance with its regulatory standards. **We will reinforce this role by strengthening the Regulator of Social Housing's consumer regulation objective to explicitly include safety.**

60. Driving and embedding culture change throughout organisations is the collective responsibility of Boards and, in the case of local authorities, councillors. However, these arrangements are not always visible to tenants. It can be difficult to find out who in a large organisation tenants can hold to account for the safety of their homes. Experience in other sectors demonstrates that regulation is important in building a culture of transparency and accountability within organisations.

For example, in financial services, the introduction of a Senior Managers & Certification Regime has driven a culture change in risk management across the sector.

61. We will require all landlords to have a person within the organisation responsible for compliance with their statutory health and safety responsibilities. This person should be visible and accessible to tenants. **As such, we will legislate to require landlords to identify and make public a nominated person responsible for compliance with their health and safety requirements.** The health and safety responsible person should be sufficiently senior to drive a culture of safety throughout the landlord organisation, and would have specific responsibility for issues such as:

- driving a strong culture across the organisation for prioritising and delivering health and safety requirements;
- ensuring robust health and safety systems are in place; and
- providing assurance that health and safety risks are being managed effectively.

62. These reforms will drive a whole culture change and system transformation, strengthening the relationship between the regulator and the Housing Ombudsman and ensuring effective working between them and the Building Safety Regulator. Through the Building Safety Bill, we are introducing a legal requirement for the regulator and Building Safety Regulator to co-operate with each other on matters of fire and building safety, to help embed a culture of working together. **We will go further by expecting the Regulator of Social Housing to prepare a Memorandum of Understanding with the Health and Safety Executive,** once the Building Safety Regulator is created, to underpin provisions in the Building Safety Bill as necessary to ensure that they can share information effectively.

## Making social landlords more transparent and accountable

63. We have been clear how greater transparency is essential so that tenants are able to hold their landlord to account. The regulatory regime plays a key role in making this happen.

64. Landlords are already required to provide their tenants with certain information. We want to see a culture change that ensures landlords are more open with their tenants. This will enable tenants to hold their landlords to account, and also to monitor and compare their landlord's performance. The failure of some landlords to share information in a clear, consistent way not only deprives tenants of the ability to assess how their landlord is performing. It can also undermine the tenant's trust in what their landlord is saying.

65. **To deliver this outcome, we will make a number of changes through the regulatory regime:**

- **We will legislate to add transparency to the Regulator of Social Housing's consumer regulation objective.**
- **Landlords will be required to report on a number of tenant satisfaction measures on things that matter to tenants** (see paragraphs 15-18 above, and **Box A: Draft Tenant Satisfaction Measures**). We will expect the regulator to develop a process for collecting and publishing these tenant satisfaction measures in a consistent way that is comparable across landlords. The tenant satisfaction measures will give people living in social housing information about how their landlord is performing and support the regulator's monitoring of landlords' performance.
- **We expect the Regulator of Social Housing to require all landlords to identify a 'responsible person' who will ensure that the organisation is complying with consumer standards** so that tenants know who is responsible for ensuring compliance with the regulator's consumer standards (see paragraphs 25).

- **We will ensure the new access to information scheme for social housing tenants of housing associations and other private registered providers is placed on a regulatory footing** (see paragraphs 20-22). This will ensure that tenants can access key information on issues that matter to them in a timely manner, unless there is good reason for this information not to be provided.

## Strengthening the regulator's powers to enforce

66. The regulator currently has a range of powers on enforcement and has published guidance on how it will regulate to ensure landlords comply with its regulatory standards. To date the regulator has used its formal enforcement powers infrequently for breaches of the consumer standards. Often the threat of taking action is sufficient to drive change without needing to take formal action.

67. Removal of the 'serious detriment test', combined with a more proactive approach to consumer regulation, will remove barriers to the regulator making full use of its monitoring, investigation and enforcement powers. **We will go further and also legislate to:**

- **Enable the Regulator of Social Housing to require a Performance Improvement Plan for landlords who fail to comply with a consumer standard.** This approach will enable tenants to be aware of what action their landlords will carry out and when, and challenge the landlord if it fails to meet these requirements.
- **Reduce the notice period that the Regulator of Social Housing must give a landlord to survey the condition of properties from 28 days to 2 days.** The regulator is most likely to use this power in emergency situations when investigating whether tenants are living in unacceptable or unsafe conditions. Reducing the period of notice aligns with the emphasis on protecting tenants, and will enable the regulator to assess properties more quickly and take decisive action if required.

- **Enable the Regulator of Social Housing, following completion of a survey, to arrange repairs of dwellings in an emergency where there is clear systemic failure by the landlord.** We will also legislate so the regulator can recoup the costs from the landlord. This will allow swift action, where other regulatory interventions have not addressed the problem, in the unacceptable situation where tenants are forced to live with the consequences of significant and unwarranted delays to emergency repairs.
- **Remove the requirement for the Regulator of Social Housing to seek approval from the Secretary of State before employing its own staff to carry out inspections for breaches of the consumer standards.** This is unnecessarily bureaucratic and should be removed in light of changes to consumer regulation set out in this White Paper.
- **Remove the cap on the level of fines the Regulator of Social Housing is able to issue.** This will give greater flexibility to determine the appropriate sanction depending on the circumstances, and bring the regulator's power more into line with other regulatory bodies (such as those in the finance or environment sectors).<sup>19</sup>

“We want to see a transformed consumer regulatory regime which holds landlords to account in maintaining good quality homes and services, prioritising safety, treating tenants respectfully and being transparent with information.”

<sup>19</sup> For example, please see under the Regulatory and Enforcement Sanctions Act 2008, the Environment Agency and Financial Conduct Authority have powers to issue a variable penalty fine <https://www.gov.uk/government/publications/environment-agency-enforcement-and-sanctions-policy/environment-agency-enforcement-and-sanctions-policy>

## Local Authorities, Arms Length Management Organisations and Tenant Management Organisations will also be held to account

68. Social tenants should receive the same level of service, regardless of who their landlord is. The regulator currently has limited interaction with local authorities as they are not subject to the governance and viability standard or the value for money standard. The changes set out to deliver proactive oversight of consumer standards will provide the regulator with greater oversight of the performance of local authorities' landlord function.
69. Local authorities sometimes contract out the management of some or all of their homes to Arms Length Management Organisations. Council tenants can also create Tenant Management Organisations to manage the housing themselves. Local authorities remain the landlord for housing managed by such organisations and are responsible for ensuring these homes meet the regulator's consumer standards.
70. Contractual arrangements between local authority landlords and Arms Length Management Organisations should not create barriers to the regulator using its powers. Local authorities that contract out management services to Arms Length Management Organisations should ensure their agreements with arm's length bodies do not prevent the regulator from acting in the event of non-compliance with the consumer standards. **We will legislate to make it explicit that provisions in contracts between local authorities and Arms Length Management Organisations or Tenant Management Organisations would be deemed void if they hindered the Regulator of Social Housing in its exercise of its powers.** Ahead of this, **we will ask all local authorities that contract out social housing management services to review their contracts to ensure they do not hinder the Regulator of Social Housing in its exercise of its powers.**
71. Tenant Management Organisations are formed when council tenants exercise their Right to Manage. The Right to Manage Regulations set the statutory framework to establish a Tenant Management Organisation. The regulations are supported by statutory guidance including

the Modular Management Agreement which sets out the arrangements governing the relationship between local authorities and Tenant Management Organisations.

72. We heard of good work that some Tenant Management Organisations do in delivering services and additional benefits to their communities. We also heard that the guidance could be clearer on the responsibilities of Tenant Management Organisations and local authorities. In order to ensure good management across the whole sector and to ensure oversight of Tenant Management Organisations is effective and transparent, **we will review the statutory Right to Manage guidance.** We will work with an expert steering group of those with knowledge of the sector to support this work.
73. There is a requirement in the regulator's governance standard for housing associations and other private providers of social housing to self-refer non-compliance with all the regulatory standards. This does not currently apply to local authorities as they are not subject to the regulator's governance standard. **We will work with the Regulator of Social Housing to set out an expectation for local authorities to self-refer breaches of the consumer standards to ensure that issues of concern to tenants are dealt with as quickly as possible.**

## The regulator will have the right leadership for its new role

74. We have heard that many tenants' trust in the regulatory regime has been shaken, particularly following the tragedy at Grenfell Tower. The way the regulator was set up meant that it is currently not empowered to proactively monitor compliance with consumer standards, and therefore it has not been easily visible to tenants.
75. We want to see a transformed consumer regulatory regime which holds landlords to account in maintaining good quality homes and services, prioritising safety, treating tenants respectfully and being transparent with information. It will build the links between economic and consumer regulation – giving the regulator a full, rather than partial view of the landlord.
76. We believe that creating a new consumer regulation function within the existing regulator is the best approach to deliver this change for tenants. Creating a separate regulator would



not be as effective, preventing failures on the consumer standards feeding into wider governance standards and creating a more complex system. This complexity could mean that tenants would not know where to raise evidence of organisational failure and breaches of the consumer standards, and would increase the risk that issues would fall through the cracks between regulators.

77. In order to deliver transformative change in consumer regulation the regulator not only has to have the right powers, but also needs people with the right skills to deliver it, while retaining wider capability to deliver across all its activities. A strong team will still be needed to deliver the economic regulation regime. **We will enable an entirely new function within the Regulator of Social Housing to be set up, with senior leadership and staff with the right expertise in consumer regulation, customer service and tenant engagement** to effectively deliver the new proactive consumer regulation regime.
78. Rebuilding trust will take time and we have already taken steps. On 1 October 2018 the Government created a new standalone regulator, separate from the Homes and Communities Agency (now Homes England) with its own Board and Chief Executive. The regulator now presents its own annual report to Parliament. The regulator's Chief Executive, as the accounting officer, is required, when called, to give evidence before the Parliamentary Public Accounts Committee and the relevant Select Committee. As a standalone regulator it has greater transparency and clearer accountability.
79. The changes being proposed will transform the way in which consumer regulation is conducted and **we will expect the Regulator of Social Housing to develop a strategy for appropriate and ongoing publicity** to make tenants aware of what it does and how to get in touch. We will also expect the regulator to be more transparent in how it works and to have greater engagement with tenants.

80. It is important that the regulator has the right level of oversight to embed the enhanced consumer regulation role in its organisation. It is also important that the people providing this oversight bring a diversity of thought, background and experience, to better reflect the diverse needs and views of social tenants. To facilitate this, we will:

- **Broaden the skills mix and diversity of Board Members**, ensuring that more Board Members have consumer regulation experience.
- **Work with the Regulator of Social Housing to make sure it is resourced and able to recruit the right new staff** with diverse backgrounds and skills, including at senior levels.
- **Legislate to require the Regulator of Social Housing to set up an Advisory Committee to provide independent and unbiased advice to the regulator on discharging its functions.** This committee will not be a decision-making body, but the regulator will be expected to seek its views on specific regulatory matters – such as on any changes to its consumer or economic standards or making the regulator a more transparent organisation. These changes will support the transformative change needed and build trust with tenants and social landlords across England.

## Robust economic regulation will be maintained

81. With an increasing consumer regulatory focus, it is important that we retain the current robust focus on economic regulation. Economic regulation ensures landlords are well-run and financially sound, to be sure that tenants' homes are secure for the long term and that landlords can fund repairs and deliver effective services. Robust economic regulation has also reassured investors and given them confidence to invest considerable sums to help build new homes.
82. Through the Call for Evidence we heard that the economic regulatory framework is working effectively. Some respondents (particularly landlords) expressed concern about how changes to consumer regulation could dilute the strong economic focus. They were concerned that the skills and resources of the regulator would be stretched to deliver an expanded regulatory remit, weakening the economic regime and

undermining the new consumer regime. By ensuring the resources the regulator needs to deliver proactive consumer regulation are additional and that the people doing it have the appropriate skills, we will ensure that robust economic regulation is maintained.

## Adapting to new challenges

**83.** The Call for Evidence specifically asked about areas of economic regulation that might not be working or may face future challenges. Most respondents did not specify areas in which regulation should change. Rather, they identified potential risks to its effectiveness. These aligned with the regulator's own assessment of sector risk and where the greatest challenges were likely to be going forward. These are:

- Sector diversity and development risk;
- New business models (for example lease-based providers of supported housing);
- The impact of for-profit providers on the sector and tenants;
- The potential impact on economic regulation of changes to consumer regulation.

**84.** The social housing sector has changed significantly over recent years. The regulator has adapted its approach to keep ahead of these changes. Its annual Sector Risk Profile<sup>20</sup> which sets out the range of strategic and financial challenges facing the social housing sector is valued by providers.

**85.** In terms of sector diversity and development risk, the regulator actively highlights areas where it believes risks are increasing. The regulator is using its oversight and regulatory powers to assess the risks associated with lease-based models. It has set out the challenges commonly associated with this business model in its addendum to its *Sector Risk Profile* and signalled clearly that it will continue to do all it can to protect tenants' homes and, where possible, keep them in the social rented sector.<sup>21</sup>

**86.** For-profit providers have existed in the social housing sector for some time, and their presence has increased significantly in the last two years. There are clearly opportunities brought by new and increased sources of investment to fund social housing. These providers can bring with them new ideas and ways of working that could present opportunities for specialisation, operating

or financial efficiencies, and improved quality for tenants. In response to the Call for Evidence we heard some concerns that profit maximisation could result in a poor service to tenants. As the for-profit sector continues to grow, we will continue work to ensure we understand its impact properly. However, the reforms to consumer regulation set out above will address the risk of poor service delivery for all providers, with new tenant satisfaction measures and a new inspection regime driving landlords to deliver high quality services to tenants.

**87.** We have concluded it is not necessary to make significant changes to the economic regulation regime at this time. However, we will continue to consider whether there are any further refinements to the existing regulatory framework that are necessary to retain robust economic regulation.

**88. There are some changes that can be made to the legislation to improve the ability of the Regulator of Social Housing to monitor all housing associations and other private registered providers. We will:**

- **Tighten the definition of 'non-profit'** in relation to the registration of private registered providers to ensure landlords are properly classified and treated – for example, to ensure that the regulator properly designates providers, and that bodies really operating for profit do not attract the more favourable housing benefit status for supported housing.
- **Require landlords to notify the Regulator of Social Housing when there is a change in control of a housing association.**
- **Introduce a 'look-through' power** that would enable the regulator to follow money paid to bodies outside of the regulated sector and who are therefore not directly regulated. The power would, for example, enable the regulator to investigate potential fraud by examining the financial accounts of organisations thought to be financially benefiting from a registered provider. We will consider further the checks and safeguards needed so that there is no misuse of the power on organisations or individuals that are not part of the regulated sector.

<sup>20</sup> <https://www.gov.uk/government/collections/sector-risk-profiles>

<sup>21</sup> Lease-based providers of specialised supported housing – Addendum to the Social Risk Profile 2018, April 2019



## Chapter 5:

# To have your voice heard by your landlord



The best landlords engage well with their residents and listen to them with respect. We have recently seen many examples of effective engagement with residents on how their homes are managed and run. This includes the Right to Manage initiative and important work done by tenant led organisations such as the Tenant Participation Advisory Service and the See the Person campaign. It also includes work many landlords did during COVID-19. But performance across the sector is not consistent. We heard from residents how important it was their landlords really listened to them. And we heard examples of residents feeling patronised, ignored or treated with disrespect. We want to change this. This chapter explains how we will ensure residents are heard.

**We will:**

- Expect the Regulator of Social Housing to require landlords to seek out best practice and consider how they can continually improve the way they engage with social housing tenants.
- Deliver a new opportunities and empowerment programme for social housing residents, to support more effective engagement between landlords and residents, and to give residents tools to influence their landlords and hold them to account.
- Review professional training and development to ensure residents receive a high standard of customer service.

## Improving landlord engagement

89. Engagement can take many forms, but the crucial factor is that it is tailored appropriately. There will be tenants who want to proactively engage with the policies of their landlord, and others who simply want to know that their landlord is thinking of them in the way it implements change and is keeping them informed. We expect all landlords to tailor their engagement in the future.

90. We want to see landlords inform and engage tenants in an effective way. Many landlords do this well already, but this is not the case for all landlords. Engagement opportunities can range from involvement in surveys, focus groups and local events to membership of the organisation's Board or scrutiny panel. Important sector-led initiatives, such as the National Housing Federation's 'Together with Tenants' campaign, are also playing a key role in making organisations more transparent and accessible. We want to build on this and embed a culture of continuous improvement in landlords' approach to tenant engagement. We want to ensure that they do more to draw on and learn from best practice on engagement, including from other sectors. **We will expect the Regulator of Social Housing to require landlords to show how they have sought out and considered ways to improve tenant engagement.**

## Resident Empowerment

91. The conversations we have had with residents in creating this White Paper have been fundamental to our understanding of what is important to people living in social housing. **We will commit to ongoing ministerial engagement to continue to listen to residents and enable them to have their voices heard.** This will ensure residents are kept at the heart of future policymaking and can continue to shape social housing.
92. **To support residents to engage effectively, we will deliver a new opportunities and empowerment programme open to all social housing residents, to support their effective engagement with landlords.** The programme will deliver a range of learning and support activities, as well as providing information for residents on ways to get involved, including their opportunities and rights to do this. Through this work, residents will be given the tools to better influence and hold landlords to account and drive delivery of higher quality services that are focused on their needs. We will work with tenant led national bodies to set out a plan for how best we can support residents to take part in scrutiny activities which are so important in holding their landlord to account.



## Tackling Loneliness

93. Engagement is more than just resident involvement with landlords. It is also about engaging with your neighbours and community. Tackling loneliness and supporting people to have meaningful social relationships is crucial to people's physical and mental health. Social housing residents have a similar age profile to all households but are more likely to be living alone, or to be lone parents, than those in other tenures. They may face more challenges in combating loneliness.<sup>22</sup>
94. In response to COVID-19, the Government launched a major effort to ensure that no one feels lonely. This included the latest #LetsTalkLoneliness public campaign, including new public guidance offering useful tips and advice, and a £5 million fund for national loneliness organisations. A 'Tackling Loneliness Network' of over 65 high-profile private, public and voluntary sector organisations was formed to bring together expertise and develop innovative actions.
95. Many landlords also responded quickly to COVID-19 by setting up teams focused on communicating with and supporting their most vulnerable residents. Although the impact of COVID-19 has paused some services as landlords have focused on the immediate challenges of the pandemic, many landlords have found ways to continue engagement through a mix of virtual meetings and telephone calls. Residents too have played an important role by being open to new ways of communication to enable them to engage with their landlord and other residents. We have seen resident led initiatives spring up, offering support to other residents and helping to tackle the loneliness that some were feeling as a result of COVID-19.

## Strengthening professional development

96. Alongside giving residents the right tools and opportunities, landlords themselves will need to have the right skills and approach for engagement to really work. For most people living in social housing, their experience of dealing with landlords is with frontline staff – whether through a phone call to a customer service centre, visiting their local housing office, or engaging with contractors making repairs. When residents interact with landlords they should expect and receive a professional service from competent and empathetic staff.
97. We have heard positive experiences of landlord staff who treated residents with care and respect. But we also heard that this is not always the case, and there were incidences where people felt talked down to or ignored by staff and contractors. We want all landlord staff to act professionally, listen to their residents and, at all times, treat them with courtesy and respect.
98. To support this, **we will establish a review of professional training and development to consider the appropriate qualifications and standards for social housing staff in different roles, including senior staff.** Senior leaders must be able to manage their organisations effectively and drive forward cultural changes to ensure that all residents are treated with courtesy and respect. The review will be informed by a Working Group made up of residents, landlords, professional bodies and academics, which will explore the relevance and value of professional qualifications. As well as assessing professional requirements more broadly, including any specific customer service focused requirements, the review will consider best practice for delivering support on mental health<sup>23</sup> to ensure staff maintain their skills and knowledge and, if required, set out proposals for new qualifications.

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<sup>22</sup> English Housing Survey, social rented sector 2017-18  
<https://www.gov.uk/government/statistics/english-housing-survey-2017-to-2018-social-rented-sector>

<sup>23</sup> See CIPD website for more information <https://www.cipd.co.uk/learn/insights>



“The conversations we have had with residents in creating this White Paper have been fundamental to our understanding of what is important to people living in social housing.”





## Chapter 6:

To have a good quality home and neighbourhood to live in



Creating well designed, decent homes and good neighbourhoods has been at the heart of developing social housing from the outset. Early local authority home building prioritised space and facilities, and today landlords are expected to provide decent, well-maintained homes and do their bit in keeping neighbourhoods safe and clean. We heard from our discussions with residents and the responses to the social housing Green Paper how important it was that the areas where they lived were decent and well maintained. People talked to us of their pride in their community, but how sometimes this was let down by poor neighbourhood management, upkeep of buildings and the quality of shared spaces. Some of these issues have been magnified by COVID-19; some residents have struggled to find green spaces to exercise and others have experienced isolation, loneliness and the challenge of dealing with anti-social behaviour. We want to change this and ensure that all social housing residents can enjoy good neighbourhoods and access to green space. This chapter sets out how we will ensure good quality, decent homes and neighbourhoods, including access to green space and support for wellbeing.

**We have already:**

- Announced the Green Homes Grant for 2020/21, which social landlords are eligible to bid for, which will fund up to two thirds of the cost of hiring tradespeople to upgrade the energy performance of homes.
- Announced a £50 million demonstrator project to support the decarbonisation of social housing over 2020/21.

- Published our 25 Year Environment Plan committing to connect people with the environment to improve health and wellbeing.
- Encouraged developments that promote health and wellbeing through the National Planning Policy Framework and National Design Guide.
- Announced a consultation through the Planning for the Future White Paper on proposals to enable more and better green space in development.
- Committed to expanding access to mental health services through the NHS Long Term Plan. Our investment of a further £2.3 billion a year by 2023/24 will ensure that the NHS provides high quality, evidence-based mental health services to an additional 2 million people.
- Acted to tackle segregation and stigmatisation through the planning system.

**We will:**

- Review the Decent Homes Standard to consider if it should be updated, including how it can better support the decarbonisation and energy efficiency of social homes, and improve communal and green spaces.
- Continue to engage with the latest evidence on the impact of housing conditions on health, including COVID-19 transmission, and actively consider options to mitigate these impacts.
- Review professionalisation to consider how well housing staff are equipped to work with people with mental health needs and encourage best practice for landlords working with those with mental health needs.
- Clarify the roles of agencies involved in tackling anti-social behaviour and signpost tenants to those agencies who can give them the most appropriate support and assistance when faced with anti-social behaviour.
- Consider the results of the allocations evidence collection exercise findings to ensure that housing is allocated in the fairest way possible and achieves the best outcomes for local places and communities.

# The Decent Homes Standard

99. Since 2001 the Decent Homes Standard<sup>24</sup> has played a key role in setting the minimum quality that social homes should be. The Decent Homes Standard sets out four criteria for evaluating decency – it requires that homes are free of serious hazards, are in a reasonable state of repair, have reasonably modern facilities and services such as kitchens and bathrooms, and have efficient heating and effective insulation.

100. In line with those areas directed by Government, the Regulator of Social Housing (“the regulator”) requires that social rented homes are maintained by landlords to at least the quality set out by the Government’s Decent Homes Standard. Good progress has been made on ensuring homes meet the Standard. The number of social homes classified as non-decent reduced from 20% in 2010 to 12% in 2018.<sup>25</sup> The social sector has a lower proportion of homes that do not meet the Standard than the private rented and owner-occupied sectors.

101. During our consultation events, we heard that the Decent Homes Standard is no longer fully effective and does not reflect present day concerns, including on energy efficiency or safety. Some respondents told us they would like to see more investment in the locality and green spaces surrounding their home, including measures to combat crime and anti-social behaviour. The design of buildings and their surroundings can help provide safe places to live and work. We are mindful that the design of a neighbourhood or estate, and the homes within them, can also be a factor in local levels of crime and anti-social behaviour.

102. Landlords are expected to keep homes secure and protected from entry by intruders. But we recognise that we can go further. Physical measures such as CCTV, alley-gating and good quality lighting can all be effective in keeping neighbourhoods safe and secure. We want to explore how we can go further in using the Decent Homes Standard to keep residents secure and help tackle anti-social behaviour.

103. We will review the Decent Homes Standard and consider whether it needs to be updated to ensure it is delivering what is needed for safety and decency now.

As a first step the review will consider the case for change. We aim to complete this part of the Review by Autumn 2021. If the evidence demonstrates that we need to revise the Standard, we will consider the strategic, economic and management case for new criteria as a second stage of the review. It is important that any changes to the Standard are affordable and deliverable. We will convene a sounding board of residents, experts, landlords and sector representatives that will review the evidence and support this work.

## Box E: Review of the Decent Homes Standard

The aim of the first stage of the Decent Homes Review is to understand whether the current Decent Homes Standard is the right ask of the social housing sector today.

The review will:

- Consider the fit with wider government objectives such as ensuring buildings and neighbourhoods are safe; and responding and being resilient to climate change.
- Consider whether the Standard reflects present-day expectations and concerns.
- Assess how far aspects of the Standard have overall had a positive impact.
- Identify any unintended and undesirable consequences precipitated by the Standard.
- Consider whether the Standard is practical for the sector to deliver.

## Energy efficiency

104. We are committed to decarbonising our homes. Climate change is a critical global issue, and homes contribute 14% of all UK greenhouse emissions<sup>26</sup>. Working to address the impact of social homes will contribute to the United Kingdom’s commitment to net-zero carbon emissions by 2050 and help to reduce residents’ energy bills. It will also contribute to our legally binding fuel poverty target and the Energy Performance Certificate Band C aspiration set out in the Clean Growth Strategy.

<sup>24</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/7812/138355.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/7812/138355.pdf)

<sup>25</sup> English Housing Survey Headline Report 2018-19, Table 2.2 [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/860076/2018-19\\_EHS\\_Headline\\_Report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/860076/2018-19_EHS_Headline_Report.pdf)

<sup>26</sup> <https://www.theccc.org.uk/2019/02/21/uk-homes-unfit-for-the-climate-change-ccc-says/>

**105.** We will ensure that the Decent Homes review considers how it can work to support better energy efficiency and the decarbonisation of social homes. We recently announced the Green Homes Grant for 2020/21<sup>27</sup> which social landlords are eligible to bid for, which will fund up to two thirds of the cost of hiring tradespeople to upgrade the energy performance of homes – up to a maximum contribution of £5,000. At the Chancellor’s summer economic update, the Government announced a £50m demonstrator project<sup>28</sup> to start the decarbonisation of social housing over 2020/21. This will encourage innovation and help inform the design of the future Social Housing Decarbonisation Fund.

## Provision of green spaces

**106.** In addition to the responses to the social housing Green Paper’s question on decent homes, COVID-19 is also showing the importance of access to safe, open and green spaces for people’s wellbeing. The importance of access to green spaces for exercise and mental wellbeing is especially important for those without private gardens. In our manifesto, we set an ambition for all new streets to be lined with trees. Street trees can bring a wide range of benefits that can lead to long-term improvements in people’s health, including environmental improvements related to biodiversity and climate change, and social benefits, such as encouraging increased levels of walking, improved mental health and decreased incidences of crime.

**107.** The Government’s 25 Year Environment Plan, published in January 2018, makes commitments to connect people with the environment to improve health and wellbeing. It includes a commitment to develop a National Framework of Green Infrastructure Standards, recognising the vital role that good green infrastructure can play in health and wellbeing, as well as wider benefits such as helping in nature’s recovery, supporting local economies and adapting to climate change. We are bringing forward a new Framework of Green Infrastructure Standards to show what good green infrastructure looks like and to help local authorities, developers and communities to improve green infrastructure, including greenspace provision in their area.

This includes providing adequate access to high quality green space for their local communities.

**108.** The 25 Year Environment Plan also sets out that spending time in the natural environment can improve our mental health and feelings of wellbeing. It can reduce stress, fatigue, anxiety and depression. In support of these commitments, we will begin a project to explore how to scale up green social prescribing services in England in order to improve mental health outcomes, reduce health inequalities and reduce demand on the health and social care system.

**109.** We will invest over £4 million<sup>29</sup> to bring together multiple partners to co-design and co-deliver this work, including the Department of Health and Social Care, the Department for Environment, Food and Rural Affairs, Natural England, NHS England, Public Health England and the Ministry of Housing, Communities and Local Government. We will develop four local pilots across England, which will establish what is required to scale up green social prescribing at a local level and take steps to increase patient referrals to nature-based activities. We will conduct experimental work at the national level to understand where and why there is potential for rapid growth and what interventions can support and enable scaling up.

**110.** The Decent Homes Standard review will also consider how improvements to communal space around social homes could make places more liveable, safe and comfortable. This will build on the regulator’s existing Neighbourhood and Community consumer standard requiring landlords, working with other agencies, to keep the neighbourhood and communal areas associated with the homes they own clean and safe, and to promote social and environmental wellbeing.

**111.** It is crucial for all communities, including those in social housing, and for all age groups to have access to a range of open and green spaces for leisure, recreation and play. These spaces should be well defined, easily accessible and safe with high quality landscaping including trees where appropriate, to support the physical health and wellbeing for all.

<sup>27</sup> <https://greenhomesgrant.campaign.gov.uk/>

<sup>28</sup> <https://www.gov.uk/government/publications/social-housing-decarbonisation-fund-demonstrator/social-housing-decarbonisation-fund-demonstrator-programme-overview>

<sup>29</sup> <https://www.gov.uk/government/speeches/george-eustice-speech-on-the-25-year-environmental-recovery-20-july-2020>



## Supporting positive mental and physical health

- 112.** The importance of including open space in development is clear from our planning policy and guidance. The National Planning Policy Framework encourages housing developments that promote health and wellbeing, with a high standard of amenity for existing and future users. It states that planning policies should assess the need for different types of open space in each area, and then seek to accommodate it. In their report the Building Better, Building Beautiful Commission made nature one of their priority themes and noted that green spaces should be integral to the urban fabric. We welcome their recommendations and look forward to responding to their report in due course.
- 113.** The supporting National Design Guide shows how access to high quality and attractive green infrastructure, including open spaces, can be integral to new development, to encourage physical activity and to promote health, wellbeing and social inclusion. We are working to reflect the principles of the forthcoming Framework of Green Infrastructure Standards in national planning guidance, and the Government's forthcoming guidance on producing local design codes will set out more detailed parameters for development in different types of location including the arrangement and proportions of streets and urban blocks, positioning and hierarchy of public and green spaces, placement of street trees, private amenity space such as gardens and balconies, and high quality cycling and walking provision. This guidance will apply to new development, including social housing. Guidance on producing local design codes will form part of the Government's planning practice guidance on design quality to support the National Planning Policy Framework and can be used to guide decisions for planning applications.
- 114.** The *Planning for the Future* White Paper also includes a proposal by Government to enable more and better green space in development. The consultation closed on 29 October. Following consideration of the consultation responses, the Government will publish a response in due course.
- 115.** We know that around 24% of working age disabled people live in social housing<sup>30</sup>. It is therefore vital that these people get the support they need. In 2020/21 we have provided a total of £505 million for the Disabled Facilities Grant (DFG)<sup>31</sup>. This capital grant, administered by local authorities in England, can contribute to the cost of adapting an eligible disabled person's home. Eligible applicants can include older people, mentally or physically disabled people, as well as those with autism and learning difficulties. The DFG supports the installation of adaptations such as stair-lifts, level access showers and ramps; all things which can help enable people to live safely and independently at home. People of all ages can apply to their local authority for a DFG. In 2016/17 over 33% of recipients of the funding were housing association tenants, which equates to over 15,000 homes being improved. Local authorities are under a statutory duty<sup>32</sup> to provide home adaptations to those who qualify for the grant, which the individual local authority funds.
- 116.** Approximately one in four people report living with a mental health issue.<sup>33</sup> This is why, in addition to boosting green spaces, we are committed to expanding provision on mental health. This Government is committed to expanding access to mental health services through the NHS Long Term Plan. Investment of at least a further £2.3 billion a year by 2023/24 will ensure that the NHS provides high quality, evidence-based mental health services to an additional 2 million people. Alongside this expansion, we also want to make sure that wider public services support people to stay mentally well, recover from mental ill-health and live well with mental illness. Secure, safe and decent housing can support positive mental health.

<sup>30</sup> <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/disability/bulletins/disabilityandhousinguk/2019>

<sup>31</sup> [https://www.housinglin.org.uk/assets/Resources/Housing/Policy\\_documents/505-million-for-Disabled-Facilities-Grants-in-2020-21.pdf](https://www.housinglin.org.uk/assets/Resources/Housing/Policy_documents/505-million-for-Disabled-Facilities-Grants-in-2020-21.pdf)

<sup>32</sup> <https://www.legislation.gov.uk/ukpga/1996/53/contents>

<sup>33</sup> NHS Digital (2015) *Health Survey for England 2014*. The *2014 Adult Psychiatric Morbidity Survey* further shows that 1 in 6 adults had a common mental disorder.



“We recognise that domestic pets also bring joy, happiness and comfort to people’s lives, helping their owners through difficult times and improving their mental and physical wellbeing.”



- 117.** We recognise that domestic pets also bring joy, happiness and comfort to people's lives, helping their owners through difficult times and improving their mental and physical wellbeing. We know many social landlords normally give permission for tenants to keep pets depending on the location, provided they are well looked after and do not adversely affect the lives of neighbours and those living nearby. We encourage all social landlords to adopt similar policies.
- 118.** We have heard how, in social housing, people's experience, including stigma, can be shaped by their interactions with frontline staff. Going forward, we want to ensure that frontline social housing staff have the right knowledge and skills to work sensitively with people who have or are at risk of developing mental health problems, building on examples of good practice in the sector. **Our review of professionalisation will consider how well housing staff are equipped to work with people with mental health needs and we will encourage best practice for landlords working with those with mental health needs.**
- 119.** We are aware of emerging evidence about the relationship between housing and health, including about housing's role in the transmission of COVID-19. We will continue to engage with the latest evidence on the impact of housing conditions on health, including COVID-19 transmission, and are actively considering options to mitigate these impacts.

## Supporting tenants facing anti-social behaviour and crime

- 120.** Tenants in social housing are more likely to be victims of crime and experience anti-social behaviour (ASB). These are corrosive behaviours, and this Government has been clear that they are unacceptable in all forms. Tenants have a right to feel safe in their homes, without the stress, fear and tensions that anti-social behaviour and crime can cause. The Government is committed to keeping our streets safe and cutting crime, including through ensuring that homes and communities are secure. We passed the Anti-social Behaviour, Crime and Policing Act in 2014 to give landlords a wide range of tools to tackle ASB. We also published statutory guidance in 2019 to support local areas to make effective use of these powers, which sets out the importance of focusing on

the impact of anti-social behaviour on victims and on their needs. The guidance gives police, local authorities and others greater clarity on how best to use the powers appropriately and proportionately. However, we heard that in some cases social housing tenants feel their landlord is not taking their concerns seriously or seeking to tackle the issues they face. **Our new social housing tenant satisfaction measures** (see **Box A: Draft Tenant Satisfaction Measures**) **will include measures on responsible neighbourhood management, including tackling anti-social behaviour**, so landlords will have to be transparent and report on how they are performing in this area. Tenants and the regulator will then be able to use this information to hold landlords to account and drive better performance. **We will work with the Home Office and other partners to develop our understanding on how crime, and tenants' perception of crime, can be measured and reported on, and what scope there may be to include them in tenant satisfaction measures.**

- 121.** We also heard that it is not always clear to tenants who is responsible for responding to anti-social behaviour when they raise concerns. People do not know who to turn to, and what help and support to expect when they do. This has led to tenants feeling frustrated and voicing understandable concerns that some landlords fail to help or simply try to 'pass the buck'. To help tenants and landlords **we will clarify the different responsibilities that police, local authorities and their landlords have** in tackling anti-social behaviour. We will make it clear to tenants who can give them the most appropriate support and assistance. This will include information on the Community Trigger arrangements (also known as the ASB Case Review). This gives victims of persistent anti-social behaviour reported to any of the main responsible agencies (such as local authorities, police or a landlord) the right to request a multi-agency case review of their case where a local threshold is met. Information about this process is published on GOV.UK. **We will work with the National Housing Federation and Local Government Association to encourage social landlords to inform residents of their right to make a community trigger application, and where appropriate, that they act as an advocate in supporting tenants to take an application forward with the relevant authority.**



- 122.** We recognise from discussions with agencies involved in tackling anti-social behaviour and from recent research studies that, in some cases, the perpetrators of anti-social suffer from mental health problems or have issues involving alcohol and drug use. In those cases, providing the right support and interventions can have a positive outcome in terms of preventing further offending behaviour. **We will bring together a working group to shape our approaches to tackling this issue.** For social landlords, linked to our proposals to review professional development, we will be looking at the training given to housing staff to increase their awareness and understanding of mental health issues.
- 123.** We also know we need to do more to prevent acquisitive crime in social housing, such as burglary and theft. The £25m Safer Streets Fund<sup>34</sup> aims to prevent such crimes from happening in the first place. The fund is investing in crime prevention plans in 52 communities across England and Wales many of which include social housing, and also include activity to tackle anti-social behaviour.
- 124.** In addition, our National Design Guide, published in 2019, refers to the importance of designing out crime when developing new homes, and Government's forthcoming guidance on producing local design codes will set out how homes and neighbourhoods must be designed with safety and security in mind by applying the principles of Secured by Design<sup>35</sup>. This includes using passive design measures, such as 'eyes on the street' and appropriate layouts for homes.
- 125.** Finally, we know there are other serious issues affecting some vulnerable tenants and we want to stamp these out. One such example is "county lines" which, in some areas, has resulted in gangs using young people and vulnerable adults to spread drugs across the country. Gangs will use a vulnerable person's home to sell the drugs from. This "cuckooing" is a key part of the gangs' strategy. We want to see all housing associations and local authority landlords using their knowledge of vulnerable tenants to monitor and support those tenants who may be at risk. We know that there have been examples where landlord intervention with other agencies has resulted in preventing vulnerable people from being exploited by these gangs. It is vital

that they work together with bodies, such as the police, to maximise this impact.

- 126.** We will continue to identify opportunities to reduce crime and anti-social behaviour including encouraging landlords to develop practical solutions to tackle crime and anti-social behaviour in their areas.

## Integrating social housing in communities

- 127.** Social homes are a vital part of diverse communities across the country. Yet residents told us they often felt stigmatised, and that a shift was needed in the way residents are perceived and treated. Some said that they were made to feel like 'second class citizens'. We heard examples of social housing residents being denied access to certain shared facilities or spaces, leading to segregation from their neighbours and wider communities.
- 128.** It is vital that social housing is treated as an integral and valued part of our housing system, rather than being separated or segregated from other forms of housing. That aspiration is reflected in the National Planning Policy Framework which states that planning policies and decisions should aim to achieve healthy, inclusive and safe places. It also emphasises the need for planning policies and decisions to promote social interaction and provide shared spaces and facilities. It is supported by our planning practice guidance on Design: Process and Tools, published in October 2019, which includes guidance on the effective engagement of communities in shaping the design of their neighbourhoods.

<sup>34</sup> <https://www.gov.uk/government/news/safer-streets-fund-to-tackle-burglary-and-theft>

<sup>35</sup> <https://www.securedbydesign.com/>

**129.** One significant way in which the planning system supports the creation of mixed communities is through developer contributions (via planning obligations – also known as Section 106 agreements). Developer contributions currently deliver around half of all new affordable housing, most of which is delivered on-site. This has played an important role in securing affordable housing as part of mixed-tenure development.

**130.** Under the Government's proposals to reform the planning system, set out in the *Planning for the Future White Paper*, the current system of developer contributions would be replaced with a new Infrastructure Levy which would be charged as a fixed proportion of the development value. These reforms aim to provide greater certainty and transparency. The White Paper includes a clear commitment to ensure that, under the Infrastructure Levy, affordable housing provision supported through developer contributions is kept at least at current levels – and that it is still delivered on-site to ensure that new development continues to support mixed communities. We will continue to work with the social housing sector to ensure that our planning reforms achieve these objectives.

**131.** It is unacceptable that social tenants should be denied access to shared spaces and facilities and we want to see housing designed in a way that prevents this. We have published the National Design Guide which promotes social interaction through encouraging well-integrated housing and other facilities that are designed to be tenure neutral and socially inclusive, with spaces that can be shared by all residents. Local planning authorities will be expected to develop their own design codes or guides, taking into consideration the Government's forthcoming guidance on producing local design codes. These will set out clear parameters for what good quality design looks like in their area, following appropriate local consultation.

**132.** In 2018, we published an Integrated Communities Strategy Action Plan setting out cross-government measures to build integrated communities and challenge segregation. Integration Areas were announced in the Integrated Communities Strategy Green Paper with the aim that government would work with local authorities and other partners to co-design integration strategies to take tailored actions to address the challenges specific to their place. We have worked with three of our five existing integration areas to consider

how to maximise the use of levers in housing and planning policy locally to tackle social and residential segregation. We would aim to build on the results of their work to embed innovative approaches to housing.

## Considering how to ensure social housing is allocated fairly

**133.** Local authorities' allocation schemes are the primary system through which people access social housing. These schemes must be set in line with legislation, regulations and statutory guidance. In the social housing Green Paper, we announced an evidence collection exercise to help us understand how the system is playing out in local areas.

**134.** The exercise has brought together evidence from a survey of a number of local housing authorities, case studies, interviews and focus groups with representatives from across the sector. **The results will be published shortly and we will consider the findings to ensure that housing is allocated in the fairest way possible and achieves the best outcomes for local places and communities.** This will include considering:

- how to improve joint working between local authorities and housing associations to ensure that social housing is being allocated efficiently;
- how to remove barriers to access to social housing for homeless households; and
- how to ensure vulnerable households are able to navigate local authorities' allocation systems.

**135.** While the allocation legislation ensures that people with disabilities are prioritised for social housing, we heard that that allocation systems sometimes fail to match adapted (or adaptable) homes to the people who need them, often because of a lack of data about the accessible social housing stock in the area. **Accordingly, we will also look at how we can improve access to suitable homes for disabled people.**

## Supporting tenants facing domestic abuse

- 136.** Landlords have a role to play in supporting the victims of domestic abuse. They are well-placed to identify early signs of abuse and through allocations policies can offer an escape to safe housing. Many are already committed to taking action in support of this through sector-led initiatives such as the 'Making a Stand' pledge<sup>36</sup>.
- 137.** The Domestic Abuse Bill will place a statutory duty on county and unitary councils in England (excluding London Boroughs), as well as the Greater London Authority and the Isles of Scilly Council, to work with other bodies to develop a strategy for, and commission services to provide support for victims of domestic abuse and their children within safe accommodation. Landlords must work with local authorities to deliver this requirement, and it is important that this expectation is reflected in the regulatory standards. **We will expect the Regulator of Social Housing to review and amend its regulatory standards to make it clear that landlords should have a policy setting out how they should tackle issues surrounding domestic abuse,** working with other agencies as appropriate.

## Supporting the Armed Forces community

- 138.** We are committed to ensuring that those who have put their life on the line for their country, and those who give up so much to support them to do so, get the priority for social housing they deserve.
- 139.** Delivering on the Armed Forces Covenant the Government changed the law in 2012 so that seriously injured, ill or disabled Service personnel, and former members of the Armed Forces, with urgent housing needs are always given high priority for social housing. We also introduced regulations to ensure that serving personnel and those who are recently discharged do not lose their qualification rights because of the necessity to move from base to base. Both of these changes apply also to bereaved spouses or civil partners who have to leave Ministry of Defence provided accommodation, and to serving and former members of the Reserve Armed Forces who have been seriously injured or disabled in service.

- 140.** In June this year, delivering on a commitment in the Government's response to the Veterans Strategy consultation, we published statutory guidance for local authorities to improve access to social housing for members of the Armed Forces, veterans, and their families. The guidance will ensure that service personnel and veterans suffering from mental health are prioritised for social housing; that those who separate from their partners in the Armed Forces are exempted from any local connection test; and that local authorities can identify applications from members of the Armed Forces community to ensure they are considered appropriately.

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<sup>36</sup> <https://www.cih.org/policy/make-a-stand>

## Chapter 7:

To be supported to take your first step to ownership



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**We are determined to increase the supply of new and beautiful social homes – and to ensure that as many social tenants as possible have the opportunity to buy a home of their own.**

**To increase the supply of social homes, we have:**

- Built over 486,600 new affordable homes since 2010, including 142,400 for social rent.
- Announced our new £11.5 billion Affordable Homes Programme – the largest single investment in social housing for a decade – that will deliver up to 180,000 new homes.
- Announced a new £3 billion Affordable Homes Guarantee Scheme which aims to provide long-term, low cost and fixed rate debt finance to registered providers.
- Removed the cap on local authority borrowing to fund housebuilding.
- Consulted on whether greater flexibilities can be offered around how local authorities can use receipts from Right to Buy sales.
- Supported community-led housebuilding through the community housing fund.
- Announced we will consult on further guidance to provide clarity on rural exception sites policy, to ensure they are used to their full potential.

**To ensure that more social tenants have the opportunity to buy a home, we have:**

- Introduced a new shared ownership model that will be fairer, more consumer-friendly and more accessible.
- Announced that around half of the homes delivered by the new Affordable Homes Programme will be for affordable home ownership.
- Announced a new Right to Shared Ownership, meaning that most new grant-funded housing association homes for rent will give residents the opportunity to purchase a 10% (or more) stake in their home and to purchase further shares in future.

- Launched a pilot of Voluntary Right to Buy in the Midlands, giving thousands of housing association residents the opportunity to own their home.

We are firmly committed to ensuring that new social housing supply is well-designed and beautiful. Local councils and housing associations have long delivered some beautiful and innovative affordable homes, epitomised by the award of the country's top architecture and design award - the Stirling Prize – to the Goldsmith Street development by Norwich Council last year<sup>37</sup>. We heard from residents of the importance of building more affordable homes, and the importance of good design in preventing poor perceptions and stigma. So we want to encourage more Goldsmith Street developments and support better design everywhere, building on the long tradition created by the Victorian housing philanthropists that have given us model designs such as the Rowntree village at New Earswick, which is now pioneering new energy efficient homes. We have:

- Amended the National Planning Policy Framework and published a new national design guide to emphasise the importance of beauty and good design.
- Emphasised through our new National Design Guide the importance of building beautiful and well-designed social homes.

## **Building more affordable homes**

**141.** Since 2010, over 486,600 new affordable homes have been built, including 346,100 for rent, of which 142,400 have been for social rent.<sup>38</sup> But we know that we must do more. In September 2020 we announced the details of our new £11.5bn Affordable Homes Programme<sup>39</sup>, which represents the highest single funding commitment to affordable housing in a decade. The new Affordable Homes Programme will deliver up to 180,000 homes, with half the homes available for Social and Affordable Rent, and the remainder for affordable home ownership through our new shared ownership model. To support our ambition to level up the country, affordable housing providers will be able to develop homes for Social Rent anywhere in England.

<sup>37</sup> <https://www.architecture.com/awards-and-competitions-landing-page/awards/riba-stirling-prize>

<sup>38</sup> Live Table 1000 and Live Table 1012 – covers period from 2010-11 and includes provisional data from 2019-20 from Live Table 1012 <https://www.gov.uk/government/statistical-data-sets/live-tables-on-affordable-housing-supply>

<sup>39</sup> <https://www.gov.uk/government/news/jenrick-unveils-huge-12-billion-cost-for-affordable-homes>

- 142.** The social housing Green Paper explored what difference providing long-term certainty on funding for new affordable housing would make to the ambitions of housing associations and other private registered providers. The new Affordable Homes Programme includes £2bn for long-term partnerships delivering homes up to 2028/29, giving housing associations the long-term certainty they have asked for in order to build more homes. This new investment builds on the existing £9bn Affordable Homes Programme which will deliver around 250,000 new affordable homes by 2023.
- 143.** The social housing Green Paper also trailed the role of guarantees in supporting housing associations to build more homes. At Spring Statement 2019 a new £3bn Affordable Homes Guarantee Scheme was announced, building on the success of the previous £3.24bn scheme. This aims to provide long-term, low cost and fixed rate debt finance to registered providers to increase the supply of additional new build affordable homes. We estimate that the new scheme will support the delivery of around 17,000 affordable homes and that the scheme will be open for business by the end of the year.
- 144.** Around half of all new affordable homes are delivered through developer contributions, which are negotiated as part of the planning system (in the form of Section 106 planning obligations). Under our proposals to reform the planning system, set out in the *Planning for the Future* White Paper, the current system of developer contributions would be replaced with a new Infrastructure Levy, which would be charged as a fixed proportion of the development value. These reforms aim to provide greater certainty and transparency. We would ensure that, under the Infrastructure Levy, affordable housing provision supported through developer contributions is kept at least at current levels, and that it is still delivered on-site to ensure that new development continues to support mixed communities.
- 145.** Rural Exception Sites are small rural sites not normally used for housing but allowed to be used for Affordable Housing to accommodate households who are either current residents in the local area or have an existing family or employment connection. We also recognise that Rural Exception Sites are important for the delivery of Affordable Homes in rural areas and will consult on further guidance to provide clarity on this policy, with the aim of ensuring that they are used to their full potential.

## Building more council homes

- 146.** Between April 2010 and March 2019, local authorities built over 26,100 new affordable homes<sup>40</sup> but have the potential to build many more. We want to see a step change in local authority delivery. In October 2018 the cap on local authority borrowing to fund housebuilding was removed<sup>41</sup>.
- 147.** We want to see local authorities make the most of borrowing flexibilities and innovate to deliver homes for the future. We are keen for local authorities to take advantage of funding available through the Affordable Homes Programme. We want to see local authorities share experiences and good practice in housebuilding so they are well placed to build the next generation of council homes.
- 148.** To further support local authority house building, we are looking at whether greater flexibilities can be offered around how local authorities can use receipts from Right to Buy sales. A consultation exploring the possibility of this was published alongside the social housing Green Paper and we are considering the policy response.

<sup>40</sup> Affordable Housing Supply open data: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-affordable-housing-supply#open-data>

<sup>41</sup> <https://www.gov.uk/guidance/housing-revenue-account>



## Community Led Housing

**149.** Housing built by community-led groups, including community land trusts and housing co-operatives, can deliver high quality affordable housing that cannot be delivered by the mainstream market. Particularly in urban areas, community-led housing can be delivered through the conversion and refurbishment of existing buildings. Because the management bodies of community-led housing are typically drawn from the local and residential community, they are uniquely well placed to respond to the needs and aspirations of residents.

**150.** An important feature of community-led housing developments is the strong sense of pride and belonging that they engender among their residents, and the associated benefits in terms of health and wellbeing. We have supported community-led housebuilding through the Community Housing Fund<sup>42</sup> and we will consider how best to maintain that support going forward.



<sup>42</sup> <https://www.gov.uk/government/collections/community-housing-fund> Page 449

## Building beautiful

- 151.** We are committed to developing more beautiful homes and communities. It should be an aspiration for all new developments. It helps to create a sense of place and foster a sense of community. The 'Building Better, Building Beautiful' Commission was established in November 2018, to advise the Government on how to promote high quality design for new build homes and neighbourhoods, making them more likely to be welcomed by existing communities. The recommendations apply to all new homes, regardless of tenure. The final report of the 'Building Better, Building Beautiful' Commission was published on 30 January 2020. We welcome the report and will provide a formal response in due course.
- 152.** In the meantime, in 2019, we amended the National Planning Policy Framework and published a new National Design Guide to emphasise the importance of beauty and good design.

## Helping people into home ownership

- 153.** We are committed to supporting people that want to own a home to do so. We are delivering more new homes of all types, delivering 241,000 in the last year alone, the highest in over 30 years; and we have committed to delivering at least a million more over this parliament. Approximately 50% of the homes delivered through the new Affordable Homes Programme will be for affordable home ownership, supporting aspiring homeowners to take their first step on to the housing ladder. Over 649,000 households<sup>43</sup> have been helped to purchase a home since spring 2010 through Government backed schemes including 'Help to Buy' and 'Right to Buy', and we have cut stamp-duty for the majority of first-time buyers, helping over 540,000 people.<sup>44</sup> These schemes are working and in 2018/19 the number of first-time buyers reached a 12-year annual high, and increased by over 87% since 2010/11<sup>45</sup>. However, we need to do more to support people to realise their dreams of home ownership.

## A new shared ownership model

- 154.** Shared Ownership has a vital role to play in offering a route into homeownership to those who would otherwise struggle to buy a home. We know that there is more we can do to make Shared Ownership work better for those who need it most. This is why in September 2020 we introduced a new Shared Ownership model that will be more consumer-friendly and more accessible. The new Shared Ownership model will reduce the minimum initial ownership stake from 25% to 10% and will enable purchasers to then buy further shares in smaller instalments of as little as 1%.
- 155.** Shared owners, like other homeowners, are currently responsible for the full cost of any repairs from day one. This means that those starting off with a small stake can be left with large bills. This is why we have also introduced a 10-year "repair-free" period during which the landlord will cover the costs of major repairs for new homes. For most people entering into Shared Ownership, the scheme serves as a first step on their journey as homeowners. The new repairs model will help make the transition from renting to homeownership almost frictionless. The changes will prevent new shared owners being hit with repairs and maintenance bills and better support them to put money aside towards buying more of their home.
- 156.** Together these measures will ensure Shared Ownership supports those who need it most by making it easier for hard working people and families to access and progress to full ownership. We are committed to continued investment in the delivery of Shared Ownership homes and will fund the new model through the new Affordable Homes Programme.

<sup>43</sup> MHCLG Calculation of Help to Buy and Right to Buy (24 September 2020) The figure of 649,996 households comprises of 96,420 Right to Buy local authority sales, 29,826 Right to Buy PRP sales, 272,852 Help to Buy: Equity Loan sales, 104,763 Help to Buy: Mortgage Guarantee sales (the Help to Buy: Mortgage Guarantee scheme operates across the UK, whereas all others in this note only operate in England), 5,694 Help to Buy: New Buy sales and 140,411 Affordable home ownership sales

<sup>44</sup> Quarterly Stamp Duty Land Tax Statistics [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/904092/Quarterly SDLT 2020Q2\\_Main.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/904092/Quarterly SDLT 2020Q2_Main.pdf)

<sup>45</sup> UK Finance (previously Council of Mortgage Lenders), First-time buyers: new mortgages and affordability (18 February 2020)



“We are committed to developing more beautiful homes and communities. It should be an aspiration for all new developments. It helps to create a sense of place and foster a sense of community.”



“We are reinvigorating the home ownership offer for housing association tenants by introducing a new Right to Shared Ownership.”

## Supporting residents' Right to Buy

- 157.** Over 60% of social tenants have said they would prefer to be owner-occupiers if they had a free choice,<sup>46</sup> yet only a quarter currently believe they will ever be able to do so.<sup>47</sup> This gap between ambition and expectation is not right.
- 158.** We remain committed to the Right to Buy, which has helped nearly two million residents to become homeowners since 1980<sup>48</sup>. In August 2018 a pilot of the Voluntary Right to Buy was launched in the Midlands. This pilot has given thousands of housing association residents in the East and West Midlands the opportunity to own their own home.
- 159.** The pilot is assessing how the Voluntary Right to Buy works in practice for residents and for housing associations. It is also testing that housing associations are able to replace the homes sold under the pilot and the portable discount, which enables a resident to use their discount to buy another housing association property where their home is not for sale. We will publish the full evaluation of the Midlands pilot.

## Right to Shared Ownership

- 160. We are reinvigorating the home ownership offer for housing association tenants by introducing a new Right to Shared Ownership.** The Right to Shared Ownership will be attached to the vast majority of new grant funded homes for rent grant funded through the new £11.5bn Affordable Homes Programme. It will give many housing association residents the opportunity to purchase a stake in their home of 10% or more and to purchase further shares in future when they can afford to do so. Tenants taking up this offer will benefit from the new Shared Ownership model that is more consumer-friendly and makes it more manageable for shared owners to increase the stake in their homes.

## Supporting leaseholders in social housing

- 161.** The Government is committed to promoting fairness and transparency for all leaseholders, both in the social and private sectors, and ensuring that consumers are protected from abuse and poor service. That is why we are reforming the leasehold market by restricting ground rents on future leases to zero, banning new leasehold houses, strengthening redress, making it easier, quicker and cheaper to extend a lease or buy a freehold and reinvigorating commonhold and Right to Manage. Our White Paper reforms will also benefit leaseholders with social landlords, for example by increasing transparency on overall spend and performance by landlords, a stronger focus on managing neighbourhoods and communal spaces, and better engagement so that the concerns of leaseholders can be heard. Many leaseholders have told us that service charges can often be unclear, and it is hard to tell whether costs are reasonable. We are clear that service charges should be transparent and communicated effectively, and that there should be a route to challenge or redress if things go wrong. An independent working group, chaired by Lord Best, examined how to raise standards across the housing sector, which considered how fees such as service charges should be presented to consumers. The group also considered issues such as the consultation process for major works, how to mitigate the risk of large and unexpected bills, as well as the reasonableness of other fees and charges faced by leaseholders. The working group has published its final report to Government; we are considering the report's recommendations and will announce next steps through our leasehold reform programme.

<sup>46</sup> Public attitudes to house building, October 2019 [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/841815/BSA\\_House\\_building\\_report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/841815/BSA_House_building_report.pdf)

<sup>47</sup> English Housing Survey, Headline Report 2018- 19 <https://www.gov.uk/government/statistics/english-housing-survey-2018-to-2019-headline-report>

<sup>48</sup> Live tables on Social Housing Sales – table 678 <https://www.gov.uk/government/statistical-data-sets/live-tables-on-social-housing-sales>

# Glossary

**Affordable housing:** housing for sale or rent, including social housing, for those whose needs are not met by the market.

**Affordable Rent:** social housing provided as part of an agreement with Homes England, the Greater London Authority or the Secretary of State where the rent is set up to 80% of market rent.

**Aluminium Composite Materials:** Aluminium composite material (ACM) is a flat panel made from two thin aluminium sheets bonded to a non-aluminium core, between three and seven mm thick. ACM becomes 'unsafe ACM' when it has a polyethylene (PE) filler, which is highly combustible.

**Anti-social behaviour:** conduct that has caused, or is likely to cause, harassment, alarm or distress to a person, or conduct capable of causing housing-related nuisance or annoyance to any person.

**Arms Length Management Organisation:** an organisation that provides and/or manages housing on behalf of a local authority on a not-for-profit basis.

**Borrowing Cap:** the limit set by Government that local authorities can borrow up to.

**Decent Homes Standard:** the Government's definition of what is a decent home and is set out in the publication *A Decent Home: Definition and Guidance for Implementation* It sets out that a decent home meets four criteria (a) it meets the current statutory minimum standard for housing (b) it is in a reasonable state of repair (c) it has reasonably modern facilities and services and (d) it provides a reasonable degree of thermal comfort.

**English Housing Survey:** a continuous national survey commissioned by the Ministry of Housing, Communities and Local Government (MHCLG). It collects information about people's housing circumstances and the condition and energy efficiency of housing in England.

**Green Paper:** a consultation document produced by the government. The aim of this document is to allow people both inside and outside Parliament to give the department feedback on its policy or legislative proposals.

**Homes England:** the national housing delivery agency.

**Housing association:** a non-profit organisation set up to provide affordable homes for those in need.

**Housing Revenue Account:** a local authority account in which all income and spending arising from its social housing stock is managed.

**Leasehold:** Leasehold is a form of ownership normally used for flats (but occasionally for houses) that is a long tenancy, providing the right to occupation and use of the property for a long period – the 'term' of the lease. The lease can be assigned during this term by the owner of the long lease.

**Leaseholder:** A person who buys a leasehold property on a long lease.

**Memorandum of Understanding:** a framework that sets out how two parties will work together on a particular issue.

**National Planning Policy Framework:** a framework that sets out the Government's planning policies for England and how these are expected to be applied.

**Private Registered Provider:** a registered provider of social housing that is not a local authority. Most are housing associations.

**Private Rented Sector:** homes for rent that are owned and managed by private landlords.

**Registered provider of social housing:** a social housing landlord that is registered with the Regulator of Social Housing. This includes local authority landlords and private registered providers (such as housing associations and housing co-operatives).

**Right to Buy:** this scheme allows tenants of local authorities and some housing associations, with a secure tenancy, to purchase their home, with a discount.

**Right to Buy Receipts:** money arising from the sale of local authority homes sold either under the Right to Buy legislation or sold voluntarily to secure tenants at less than market value.

**Right to Shared Ownership:** is a new right introduced in 2020, which will give the vast majority of social tenants, living in new rented homes delivered by the Affordable Homes Programme 2021/26, the opportunity to purchase a stake in their home and then purchase further shares when they can afford to do so.

**Shared ownership:** an affordable home ownership scheme that allows residents to purchase 25%-75% of a home and then pay a subsidised rent on the remaining share. Residents are able to buy further shares in their homes in minimum 10% instalments, and in most circumstances, up to full ownership.

**Social Housing:** housing to rent below the market rent or to buy through shared ownership or equity percentage arrangements, that is made available to people whose needs are not adequately served by the housing market.

**Social Rent:** low cost rent set in accordance with a government formula.

**Social Rented Sector:** homes for rent that are owned and managed by local authorities and private registered providers.

**Tenant Management Organisation:** local authority tenant led (by volunteers) groups who take responsibility for managing the homes they live in.

**Tenant Satisfaction Measures:** a measurable value that demonstrates how effectively main objectives are achieved

**The Housing Ombudsman:** Appointed by the Secretary of State for Housing, Communities and Local Government in accordance with the Code of Practice published by the Commissioner for Public Appointments. The Housing Ombudsman Service is an executive non-departmental public body, sponsored by the Ministry for Housing, Communities and Local Government.

**The Housing Ombudsman Scheme:** Approved by the Secretary of State under Section 51 of, and Schedule 2 to, the Housing Act 1996. Membership of the Scheme is compulsory for social landlords (other than local housing authorities). A number of managing agents and private landlords are voluntary members.

**The Regulator of Social Housing (“the regulator”):** an independent regulator which regulates providers of social housing (including local authorities, housing associations and other registered providers). Its principal role is to promote a viable, efficient and well-governed social housing sector able to deliver homes that meet a range of needs.

**Voluntary Right to Buy:** In October 2015, the National Housing Federation, on behalf of the housing association sector, made an agreement with Government to extend Right to Buy level discounts to eligible housing association tenants through a voluntary rather than statutory approach. An initial pilot ran during 2016/17 with five housing associations, and a larger scale Midlands pilot of the scheme was launched in summer 2018.

**White Paper:** policy document produced by the government that sets out proposals for future legislation.

# Annex A:

## Key measures for changing the regulatory regime for social housing

### Changes to the regulatory regime

The White Paper sets out wide-ranging proposals to transform and strengthen the regulatory regime to ensure it holds all landlords to account for the services they deliver, drives good service for tenants and protects economic regulation. A list of all the changes to the regulatory regime we intend to make is set out below. Many of these changes will require legislation. Government will:

- Work with the regulator to establish a proactive consumer regulation regime with active oversight of landlord performance, whilst maintaining the principle of co-regulation. This will include:
  - Introducing routine inspections for the largest landlords (with over 1,000 homes) with the aim of doing so every four years, to obtain assurance from landlords that they are complying with the consumer standards;
  - Specific, reactive inspections and/or investigations where systemic issues of concern are brought to the regulator by tenants or their representatives, the Housing Ombudsman or others;
  - Published findings from these investigations and inspections where a landlord is found non-compliant with the regulator's standards.
- Legislate to remove the 'serious detriment test' as soon as Parliamentary time allows, to eliminate barriers to the regulator adopting a proactive approach to monitoring and oversight of landlord performance on consumer issues.
- Change the regulator's objectives to explicitly cover safety and transparency, and expect the regulator to review its consumer standards to ensure they are up to date and deliver its revised objectives.
- Legislate to give the regulator a power to publish a code of practice on the consumer standards to be clearer on what landlords are required to deliver.
- Expect the regulator to bring in a set of tenant satisfaction measures for all landlords on the things that matter to tenants, and expect landlords to report to every tenant on such matters at least once a year, if not continuously using technology.
- Legislate to place an obligation on landlords to identify and publicise a senior named person in their organisation who is responsible for ensuring compliance with their health and safety obligations.
- Expect the regulator to require landlords to identify a 'responsible person' for consumer standards compliance, as part of a wider requirement to provide greater clarity on the roles and responsibilities of senior staff.
- Introduce a new access to information scheme for social housing tenants of housing associations and other private registered providers of social housing so that information relating to landlords is easily accessible to tenants.



- Expect the regulator to require landlords to evidence how they have sought out and considered ways to improve engagement with tenants.
  - Legislate to strengthen the regulator's enforcement powers to tackle failing landlords and to respond to new challenges, including:
    - Giving the regulator the power to require a Performance Improvement Plan;
    - Reducing the notice period to survey homes;
    - Giving the regulator the power to arrange emergency repair work and recoup costs from the landlord where, following a survey, there is evidence of systemic landlord failure and other regulatory measures have not worked;
    - Removing the requirement to ask the Secretary of State's approval to use its own staff to carry out inspections; and
    - Removing the cap on the level of fines the regulator may charge.
  - Ensure that local authorities are held to account for the performance of service provided by an Arms Length Management Organisation or Tenant Management Organisation, by:
    - Asking stockholding local authorities that contract out management services to Arms Length Management Organisations to review their contracts to ensure they do not prevent the regulator from taking action in the event of non-compliance with its standards;
    - Making it explicit that provisions in contracts between ALMOs or TMOs would be deemed void if they hindered the regulation in its exercise of its powers; and
    - Working with the regulator to set out an expectation for local authorities to self-refer to ensure that issues of concern to tenants are dealt with as quickly as possible.
  - Expect the regulator to review and amend its regulatory standards to make it clear that landlords should have a policy setting out how they should tackle issues surrounding domestic abuse, working with other agencies as appropriate.
  - Legislate to strengthen the relationship between the Housing Ombudsman and the regulator, building on the current Memorandum of Understanding to ensure that they can exchange information quickly and effectively to provide better protection for tenants.
  - Maintain the robust economic regulation regime that is already working well and make sure the whole system is cohesive and balanced. This will include ensuring that changes to consumer regulation do not undermine economic regulation.
  - Refine the regulator's powers to ensure it has the right tools to deliver its economic regulation function effectively with an evolving sector. This includes:
    - Requiring landlords to notify the regulator of any change in control and refining the definition of 'non-profit' providers; and
    - Introducing a 'look-through' power so the regulator can follow money paid outside of the regulated sector to ensure probity.
- Delivering these changes is essential to ensuring that the needs of tenants are embedded in the culture of all landlords, and will require significant change to the structure and expertise of the regulator, from senior leadership level downwards. To ensure that the regulator is equipped to deliver a proactive regulatory regime effectively, we will:
- Enable the regulator to set up an entirely new function, and make sure it is resourced and able to recruit the right new staff, including at senior leadership level, that have the right expertise in consumer regulation, customer service and tenant engagement to effectively deliver the new consumer regulation regime.
  - Expect the regulator to develop a strategy for appropriate and ongoing publicity to make tenants aware of what it does and how to get in touch – both so they can understand and help shape consumer regulation.
  - Broaden the skills mix and diversity of Board Members and increase the number of Members with consumer regulation experience.
  - Work with the regulator to make sure that the regulator is resourced and able to recruit the right new staff with diverse background and skills, including at senior levels.
  - Require the regulator to set up a statutory Advisory Committee to provide independent and unbiased advice on discharging its functions. This will not be a decision-making body.



## CABINET

THURSDAY 3 DECEMBER 2020

### REPORT OF THE PORTFOLIO HOLDER FOR NEIGHBOURHOODS TAMWORTH BOROUGH COUNCIL PRIVATE SECTOR LEASING SCHEME

#### EXEMPT INFORMATION

None

#### PURPOSE

To consider the future of the Private Sector Leasing scheme and provision of temporary accommodation

#### RECOMMENDATIONS

It is recommended that Cabinet:

- Approve the phased ending of the Private Sector Leasing (PSL) temporary accommodation Scheme
- Approve the allocation of 10 floating Council stock properties (based on flexible need) for a permanent Council stock temporary accommodation scheme
- Approve the use of a **minimum** further 10 council properties dispersed across the Borough as temporary accommodation for homeless people allocated on a needs basis as a result of cessation of the PSL scheme

#### EXECUTIVE SUMMARY

The strategic priority of the Council to try and ensure that people who approach as homeless are, where possible, housed in temporary accommodation rather than using bed and breakfast.

For the families involved the benefits of being accommodated in the accommodation provided by the provision of temporary accommodation are wider than just the finances. They provide self - contained accommodation where they can take their possessions and have normal family routines which can include having the facility to prepare meals. To the outside world it is also not so obvious that the household is homeless and so avoids some of the stigma. For families that will not be in receipt of full housing benefit it is a much more affordable option.

The current Private Sector Leasing (PSL) scheme is based on the principle of privately owned properties being leased from the owners and then let to TBC homeless applicants as temporary accommodation whilst their applications are being considered. TBC pay a fixed monthly amount to the owners of the properties regardless of occupation and charge rent from the occupants. This is based on the Local Housing Allowance rates for Private (non-Housing Association) Tenants in Tamworth - for April 2015 to March 2021.

The Council currently rents twelve properties under the Private Sector Leasing Scheme from private landlords in many parts of the Borough and help meet statutory requirements to

house homeless households. The provision of the accommodation has reduced the need for B&B accommodation in the town.

Changes in national homeless legislation, uncertainty around the future of the Flexible Homeless Support grant, a successful pilot of providing temporary accommodation through our internal stock rather than it being necessary to externally source properties and the successful provision of temporary accommodation during the Covid 19 pandemic has provided an opportunity for the authority to seek to review the offer of the Private Sector Leasing (PSL) Scheme.

### **Current PSL Situation**

- Operation of the PSL Scheme requires a recharge from the Flexible Homeless Support grant of £37440.00 in 2019/20 and predicted £34,000.00 this year
- The void turnarounds on PSL properties are not subject to the contracted agreed rate of the Council repairs contractor
- There is naturally a high churn rate of emergency housing so void costs are regular and an added addition to other associated costs.
- Properties are not covered by the standard Council repairs contract conditions meaning some delays for repair, maintenance and replacement of carpets/ floor coverings.
- Gas and electrical works have to be administered manually.
- Properties require separate management processes and administration for sign ups and exits and repairs
- The day to day operational management of the leases and communication with landlords is resource intensive
- Administration is required for rent processes, purchases and owner payments
- The void criteria for PSL properties is not the same as the Council stock
- Private Sector staff have to deal with complaints from landlords reported to them by the owners of neighbouring properties as the scheme sits outside of the corporate ASB model and tenancy management
- There is duplication of arrears recovery processes as PSL properties aren't supported by the Income team and managed across the Private Sector team and temporary accommodation officer
- Properties are static and unable to effectively respond to the ebb and flow of the demand and have had some negative impacts on the wider community and Neighbourhood where there have been tenants with complex needs placed in them for long periods of time.
- Repairs contractors are not able to respond to the PSL addresses for emergency housing
- There is limited availability of property types with no stock suitable to meet the needs of people with mobility issues or for present COVID situation when the turn on and test (TOAT) for gas supply is sometimes not possible in case of a lock down and there are no PSL properties with full electric heating and cooking facilities
- The use of PSL properties can be conflicting and confusing to tenants as they are aware it is owned by a private landlord and tenancy enforcement/rent payments are difficult to enforce

## **Scheme Cessation**

All properties are currently subject to annual leases which have a 60-day cancellation clause. It is intended that the cancellation of the leases will be done on a phased basis up of up to two per month until 31 March 2021 to ensure:

- continuity of services for those currently in accommodation
- identified repair work is undertaken
- constructive discussions and negotiation with landlords
- the identification a minimum of 10 initial Council properties which are suitable for use as the Council Temporary Accommodation (TA) Scheme (based on flexible need)
- opportunity to discuss acquisitions from the PSL scheme where suitable

Any rectification work will be completed before return to the property owners and from current budgets.

Bad debt provision on former tenant arrears will be proactively managed within the current process to reduce ongoing liability.

## **Council Temporary Accommodation (TA) Project**

The pilot scheme to use council properties as temporary and emergency accommodation commenced in April 2018 and has continued to run with the aim to support the council in its statutory function to provide interim housing for homeless households and the COVID emergency.

As part of our ongoing drive for improvement, the Council has assessed the impact that this scheme has had on the take up of providing temporary accommodation.

It is proposed that this scheme should become the permanent approach to temporary accommodation. The properties are not static and allocation is dependent on need and availability, retaining a minimum of 10 properties at any one time around the borough.

Using council stock (in addition to the PSL scheme) as short-stay emergency interim temporary accommodation (TA), ultimately removed the need for 31 households to be placed in unsuitable and costly Bed and Breakfast accommodation. The approach has ensured the council has a readily available supply of temporary accommodation and the following findings have been identified:

- The number of properties required has plateaued at 10 during this time (excluding PSL), providing a much-needed resource for homeless people.
- If the decision is made to end the PSL scheme, this will require the flexible provision of a minimum 20 properties.
- Further to the success of the TA scheme and use of further additional properties used during the response to the Covid pandemic sufficient capacity has been identified within Council stock to provide TA units to clients without the need for the PSL scheme
- The TA Council scheme is demand lead and dynamic and managed directly by the Housing Solutions team and has proved its proof of concept.
- TA Council properties are not static and if there are any problems/complaints they can be returned back into general stock thereby reducing the impact on the wider Community

- Should demand significantly reduce the flexibility of using council housing stock means that properties can easily resort back to general housing without incurring any additional cost and / or resource.
- There sufficient flexibility to increase stock if demand increases
- As the Council scheme is for homeless households, where there is the need to provide a basic furnishing pack this has been arranged via local charities, suppliers and other voluntary organisations. The goods supplied can be used by clients whilst in temporary accommodation and are retained by the Council for the next clients. Should a property need returning to stock, items are stored for future use.
- There is further potential to recover any furnishing costs through service charges as the rent charge is social housing formula, there is considerable gap between current the rent charges to LHA rates and this would still make the property affordable to the individual (to be considered)
- Recovery of tenant arrears is a single managed process in line with standardised licence agreements with rent accounts created and transferred over with the tenant increasing ability to manage rental income in the Housing Revenue Account and reduce bad debt provision in the general fund.
- Void times on the TA properties will be minimised as most only require basic Health and safety checks and clean
- An element of the basic rent charge covers an average void cost and are met within the repair void budget minimising rental loss
- Where current PSL properties are acquired, this will increase rental income to the Housing Revenue Account
- The Council's TA scheme provides an opportunity for homeless clients to begin to understand the process of tenancy sustainability with daily licences attached to each property from occupation and managed through the Council Portal
- The seamless approach to TA provision will improve service to the most vulnerable and provide efficiency for officers
- Properties would be subject to the Council corporate ASB approach and be more seamless with using Council recording system on the housing management system.

### **Impact of the availability of stock**

As a housing stock retained authority the council can use its own stock for temporary emergency accommodation. Whilst at the same time recognising the need to house people from the housing register, both have been successfully achieved by careful planning.

During the pilot, properties have been sourced over time, as well as using acquisitions. The availability of council house and housing associations new build properties becoming ready for occupation has ensured removing 10 properties from the general housing supply has had no adverse impact.

This has further enabled a variety of property types and locations to be sourced ensuring the Council can provide temporary accommodation to meet a diverse range of individual need for example:

- Two properties have a level access approach with level access showers to meet the needs of people with mobility difficulties.
- The accommodation is dispersed across various locations, meaning that families aren't faced with the added upheaval of the need to change schooling for their children and/ or to lose support networks whilst faced with the difficulties of homelessness.

- One acquisition property has been used as temporary accommodation and is an option to target future acquisitions for this use.

### Advantages of the Council Stock Proposal

Permanent implementation of the use of the Council stock as TA, will provide the following advantages and recommendations:

- The designation of the properties as temporary accommodation with the implementation of the use of daily licences
- Support, in principle, the introduction of service charges
- The introduction of standardised licence agreements and a review of procedures
- Assurance that the repair contractor has the capacity to prioritise void works to ensure the use of B&B accommodation is kept to a minimum
- Consider the option of the acquisition scheme to purchase suitable PSL properties, especially for those where the Council is the leaseholder and there is the added business interest to do so. These properties would be added to the housing stock portfolio
- Ability to explore a more flexible use of the Homeless Support grant funding for further homeless prevention and support to people with complex needs
- The ability to absorb the number of PSL units to replace them with council housing stock.
- Opportunity to enhance support via voluntary sector organisations

### OPTIONS CONSIDERED

	Benefits	Risks
Option 1 – Do nothing	Supports the use of properties that may otherwise be empty – the Housing Strategy has a specific action point on this to look at working with landlords to bring empty properties into circulation.	Removal of Flexible Homeless Support Grant  Rent arrears are difficult to chase and manage
Option 2 – Maintain PSL and operate with TBC temporary scheme	Maintained supply of 12 units	Duplication of effort Increasing subsidy to GF The scheme runs under different Directorate/AD's which is causing problems within teams and on frontline management  Lack of flexibility

### RESOURCE IMPLICATIONS

Further to the job evaluation process, there are no material staffing resource implications as a result of the cessation of the PSL scheme.

It is anticipated the £34,000 Flexible Homeless Support Grant will be available to support other homelessness prevention activity.

The Council TA scheme will be managed and run within current staffing resources within the Housing Solutions Team who currently manage all aspects of temporary accommodation allocation for vulnerable people.

## **LEGAL/RISK IMPLICATIONS**

There is a risk of identification of Housing Stock to maintain TA mitigated by careful management and flexibility of stock

Mitigation within 2021/22 PSL budgets will be determined and costed should there be any delays to the notice periods to private landlords, unforeseen property damage or costs and tenancy concerns.

Rental income will be managed by one streamlined process improving ability to collect and manage any arrears and take enforcement action

Reputational risk will be managed through landlord negotiation and following due process in the licence termination agreements

There are no legal implications a result of this report

## **EQUALITIES INFORMATION**

A full EIA has been undertaken and the proposals are likely to have a more positive impact on more vulnerable persons with complex needs and disability

## **SUSTAINABILITY IMPLICATIONS**

It is considered that the use of the Council stock will provide a much more sustainable approach the ongoing provision of temporary accommodation

## **BACKGROUND INFORMATION**

The Private Sector Leasing Scheme (PSL) was first adopted by Cabinet in 2004 and was initially funded by a shift of £50,000 from the bed and breakfast budget.

The scheme was adopted following the implementation of The Homelessness (suitability of accommodation) (England) Order 2003. This outlines that B&B is not suitable temporary accommodation for families with children or expectant mothers unless there is no alternative accommodation available, and then only for a maximum of six weeks. Where B&B accommodation has been used in an emergency situation, applicants should be moved to more suitable self – contained accommodation as soon as possible. Extensive use of B&B leaves a Local Authority open to legal challenge via judicial review and compensation claims. There are currently twelve properties participating in the PSL scheme.

Currently the scheme operates on a basis whereby rents to tenants are set at 90% of local housing allowance (LHA). The flexible Homeless Grant funds the additional £60 per week to meet the cost of the rent which was adopted by the Council following the removal of the Temporary Accommodation management fee in 2019.

Landlords are paid the full LHA rate and the remaining income is utilised to support the management of the scheme such as gas safety checks, cleaning and repairs



The Code of Guidance- Homelessness (1996) requires accommodation to be affordable. If the accommodation offered is not affordable a suitability review can be requested. If court action is taken there is a considerable cost to the Authority in terms of both resources and financial cost

Rents to tenants are set at 90% of LHA rate to ensure that:

- The accommodation would be affordable.
- Rent arrears will remain at current sustainable levels.
- Officer time would be reduced by not having to chase rent arrears from tenants whose benefits wouldn't cover the full rent cost.

## **REPORT AUTHOR**

Jo Sands, Assistant Director Partnerships

## **LIST OF BACKGROUND PAPERS**

Homelessness Strategy

Housing Strategy 2020-2025

## **APPENDICES**

Equality Impact Assessment

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# Community Impact Assessment

Part 1 – Details		
What Policy/ Procedure/ Strategy/Project/Service is being assessed?	Cessation of the Private Sector Leasing Scheme and adoption of Council stock temporary accommodation scheme	
Date Conducted	December 2020	
Name of Lead Officer and Service Area	Jo Sands, Assistant Director Partnerships	
Commissioning Team (if applicable)		
Director Responsible for project/service area	Rob Barnes, Executive Director Communities	
Who are the main stakeholders	People at risk of homelessness and vulnerable people with urgent housing need	
Describe what consultation has been undertaken. Who was involved and what was the outcome	Internal staff consultation and Portfolio Holder. Successful TA pilot scheme	
Outline the wider research that has taken place (E.G. commissioners, partners, other providers etc)	Outcomes from a review of the service and lessons learnt from the COVID epidemic, adoption of Acquisitions Policy, Housing Allocations Policy and Homelessness Strategy	
What are you assessing? Indicate with an 'x' which applies	A decision to review or change a service	<input checked="" type="checkbox"/>
	A function, service or project	
What kind of assessment is it? Indicate with an 'x' which applies	New	<input checked="" type="checkbox"/>
	Existing	<input type="checkbox"/>
	Being reviewed	<input type="checkbox"/>
	Being reviewed as a result of budget constraints / End of Contract	<input type="checkbox"/>

## Part 2 – Summary of Assessment

Give a summary of your proposal and set out the aims/ objectives/ purposes/ and outcomes of the area you are impact assessing.

Who will be affected and how? Homeless persons seeking temporary accommodation no longer able to access PSL scheme

Are there any other functions, policies or services linked to this impact assessment?

Yes X No

If you answered 'Yes', please indicate what they are?

A new strategy for preventing and tackling homelessness and rough sleeping is being developed alongside the housing strategy. Key findings have already been included. A separate impact assessment is being carried out for the homelessness strategy.

The temporary accommodation will be delivered by the Neighbourhoods Team using Council stock as the pilot scheme becomes mainstream

## Part 3 – Impact on the Community

Thinking about each of the Areas below, does or could the Policy function, or service have a direct impact on them?

Impact Area	Yes	No	Reason (provide brief explanation )
Age	<input type="checkbox"/> X	<input type="checkbox"/>	Adoption of new TA scheme will offer a wider range of property scope
Disability	<input type="checkbox"/> X	<input type="checkbox"/>	Scheme will increase possibility of housing for people with a physical disability; also aims to improve existing housing including meeting the needs of those with a physical disability and/or long-term limiting illness
Gender Reassignment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	It is recognised that those undergoing gender reassignment need stable and secure accommodation which is one of the aims of the scheme
Marriage & Civil Partnership	<input type="checkbox"/>	<input type="checkbox"/> X	
Pregnancy & Maternity	<input type="checkbox"/>	<input type="checkbox"/> X	
Race	<input type="checkbox"/>	<input type="checkbox"/> X	
Religion or belief	<input type="checkbox"/>	<input type="checkbox"/> X	
Sexual orientation	<input type="checkbox"/>	<input type="checkbox"/> X	
Sex	<input type="checkbox"/>	<input type="checkbox"/> X	

Gypsy/Travelling Community	<input type="checkbox"/>	<input type="checkbox"/> X	
Those with Caring/Dependent responsibilities	<input type="checkbox"/>	<input type="checkbox"/> X	
Those having an offending past	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Any specific needs will be picked up in the homelessness prevention strategy with flexibility in the TA scheme
Children	<input type="checkbox"/>	<input type="checkbox"/> X	
Vulnerable Adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	More suitable needs can be identified
Families	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Utilising wider Council stock could offer more opportunities for families to secure a decent home in a more stable environment
Those who are homeless	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Direct impact of preventing the need to use B&B and to provide stable accommodation
Those on low income	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Houses secured at social housing rent
Those with Drug or Alcohol problems	<input type="checkbox"/>	<input type="checkbox"/> X	Any specific needs will be picked up in the homelessness prevention strategy
Those with Mental Health issues	<input type="checkbox"/>	<input type="checkbox"/> X	Any specific needs will be picked up in the homelessness prevention strategy
Those with Physical Health issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	See comments under disability above. Other physical health issues such as respiratory problems could be helped by improvements to existing properties
Other (Please Detail)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

#### Part 4 – Risk Assessment

From evidence given from previous question, please detail what measures or changes will be put in place to mitigate adverse implications

Impact Area	Details of the Impact	Action to reduce risk
All	Failure to implement actions	Ongoing assessment and business plans
Homeless people	Failure to provide accommodation	Assess and maintain a list of suitable accommodation for TA  Staggered cessation of PSL properties

## Part 5 - Action Plan and Review

Detail in the plan below, actions that you have identified in your CIA, which will eliminate discrimination, advance equality of opportunity and/or foster good relations.

**If you are unable to eliminate or reduce negative impact on any of the impact areas, you should explain why**

Impact (positive or negative) identified	Action	Person(s) responsible	Target date	Required outcome
Positive impact	<b>Make permanent the use of Council stock for TA with more flexibility to meet the needs of the vulnerable person</b>	Housing Solutions Team	31 March 2021	Scheme in place

Date of Review (If applicable) .....