N0N-CONFIDENTIAL

BOROUGH OF TAMWORTH

CABINET

11 August 2021

A meeting of the CABINET will be held on Thursday, 19th August, 2021, 6.00 pm in Council Chamber, Marmion House, Lichfield Street, Tamworth, B79 7BZ

A G E N D A

NON CONFIDENTIAL

1 Apologies for Absence

2 Minutes of Previous Meeting (Pages 3 - 6)

3 Declarations of Interest

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

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

4 Question Time:

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

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

6 Budget and Medium Term Financial Planning Process 2022/23 (Pages 7 - 24)

(Report of the Leader of the Council)

7 Annual Report on the Treasury Management Service and Actual Prudential Indicators 2020/21 (Pages 25 - 50)

(Report of the Portfolio Holder for Finance and Customer Services)

8 Write Offs (Pages 51 - 60)
(Report of the Portfolio Holder for Finance and Customer Services)

9 Lichfield District Local Plan 2040 Regulation 19 Consultation Response (Pages 61 - 72)
(Report of the Portfolio Holder for Regulatory and Community Safety)

Yours faithfully

Chief Executive

Access arrangements

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

Filming of Meetings

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

If a member of the public is particularly concerned about being filmed, please contact a member of Democratic Services before selecting a seat.

FAQs

For further information about the Council's Committee arrangements please see the FAQ page here

To Councillors: J Oates, R Pritchard, M Bailey, D Cook, S Doyle and A Farrell.

MINUTES OF A MEETING OF THE CABINET HELD ON 29th JULY 2021

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

The following officers were present: Andrew Barratt (Chief Executive), Tina Mustafa (Assistant Director Neighbourhoods), Sarah McGrandle (Assistant Director Operations and Leisure) and Jo Hutchison (Democratic Services, Scrutiny and Elections Officer)

24 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor S Doyle.

25 MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 8th July 2021 were approved as a correct record.

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

26 DECLARATIONS OF INTEREST

There were no Declarations of Interest.

27 QUESTION TIME:

None.

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

None.

29 TAMWORTH COMMUNITY GRANTS

The Report of the Portfolio Holder for Economy and Waste to approve a revised criteria and process for Tamworth Community Grants and Start Up Business Grants 2021/22 was presented.

Cabinet thanked the Portfolio Holder and Officers for their work in bringing forward the proposals under consideration.

RESOLVED that:

1. The allocation of £9,000 be made available for Ward members grant funding for community groups delegated for decision by the Portfolio Holder for Economy and Waste and Executive Director Communities
2. An allocation of £18,590 continue to be made available for wider Tamworth community grant funding against existing criteria and agreed through the new Nominations and Grants Committee (subject to approval of revised Constitution)
3. The maximum fund allocations for the Community grants was raised to £1,000 per application
4. The Nominations and Grants Committee approve the award of the existing Tamworth Start up Business Grants
5. Allocations for all grant to be made quarterly commencing September 2021
6. A permanent central Community grants budget be created within the Partnerships directorate incorporating Voluntary/Sports and Arts grants

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

30 LEISURE SERVICES

The Report of the Portfolio for Environment and Leisure outlined the proposed options and plan for the:

1. Update of the Council's Indoor and Outdoor Sports Facilities Assessment, to also include:
   - a review of the playing pitch strategy
   - a new open spaces assessment
   - a feasibility study for the Gungate Leisure facilities offer
2. The refurbishment of the Castle Grounds tennis courts.

RESOLVED that Cabinet:

1. Delegated authority to the Assistant Director Operation and Leisure in consultation with the Portfolio Holder for Environment and Leisure to enter into contract with the most economically viable quotations received for:-

   - the Council's Indoor and Outdoor Sports Facilities Assessment
   - the Council's open space assessment
   - the Gungate leisure facilities feasibility study
   - the refurbishment of the Castle Grounds Tennis Court facilities

2. Endorsed the approach outlined in the report.

3. Approved the release of the allocated Section 106 funds as detailed within the report.

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

31 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED: That members of the press and public be now excluded from the meeting during consideration of the following item on the grounds that the business involves the likely disclosure of exempt information as defined in Paragraphs 3, 4 and 5 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended).

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

32 RECOVERY & RESET PROGRAMME UPDATE

The Report of the Leader of the Council updated Cabinet on progress of the Recovery & Reset Programme.

RESOLVED that Cabinet endorsed the recommendations contained within the Report and referred them to Full Council for approval, set for a meeting on 25 August 2021, including the budgetary requirements (and forecast savings) for inclusion in the budget process for 2022/23.

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

Leader

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CABINET

19th August 2021

REPORT OF THE LEADER OF THE COUNCIL

BUDGET AND MEDIUM TERM FINANCIAL PLANNING PROCESS 2022/23

PURPOSE

To seek agreement to the Proposed Budget and Medium Term Financial Planning Process for General Fund and the Housing Revenue Account for 2022/23.

RECOMMENDATION

That the proposed process for the General Fund and Housing Revenue Account Budget and Medium Term Financial Planning Process for 2022/23 be adopted.

EXECUTIVE SUMMARY

When Council approved the 2021/22 Budget and Medium Term Financial Strategy on 23rd February 2021, the impact of the Covid-19 pandemic on the economy and ultimately the impact for the Council's finances was uncertain - including any lasting effects for individual businesses and their employees. Social distancing measures have continued impacting mainly on the Council's ongoing income receipts.

In addition, future levels of funding for the Council were uncertain pending the Government's planned reforms to Local Government funding. 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 reforms were originally planned to be in place by 2020/21 but were previously deferred until 2021/22.

The Government had previously 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 was announced as part of the Spending Review in 2020 and confirmed as part of the settlement that that there would be no reset for 2021/22 however, no papers were published but the Secretary of State confirmed a commitment to the Fair Funding Review and the business rates reset; but in answering questions from MPs he indicated only that there "may be an opportunity next year" to bring forward proposals for reform and he confirmed that he did not know when reform would be implemented.

It is also the Government's intention to look again at the New Homes Bonus for 2022/23 and explore the most effective way to incentivise housing growth. They are consulting on proposals prior to implementation. In the longer-term, the Government remains committed to reform and wants to take time to work with local authorities to make sure that the approach is right following the planned reviews.

With regard to the Housing Revenue Account, a 5 year MTFS was approved by Council including significant investment in meeting future housing needs to sustain the HRA in the longer term.

In light of the ongoing impact of Covid-19 on the Council's Medium Term Financial Strategy, Managers have again been asked to review their budgets and identify all non-essential spending for 2021/22 as part of the quarter 1 projections at 30 June 2021 – as part of a managed underspend plan.

Cabinet on 22nd 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.

An update including recommendations for the next steps was approved at Cabinet 29th July 2021 including the continuing work on the agreed actions to address the financial position in future years:

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.

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

The overriding goal is to make sure our organisation remains fit for the future, while protecting services to the most vulnerable in our community.

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

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

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

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

Budget Consultation

Consultation has been planned to gauge residents', businesses' and other core stakeholders' views on areas of spending or where targeted savings could potentially be made.

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

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

Planned changes for 2022 - the Residents' Survey ran from February to April this year, however given the usual purdah period and end of the municipal year, better timing for the survey going forward would potentially be over the Summer period from June onwards or a short sharp survey from September, dependent on the time needed to let the survey run, then analyse evidence and prepare report in readiness for a November Cabinet meeting (on the Budget aspect at least).

Therefore, it is proposed that we take advantage of the higher uptake of the Residents' Survey by combining it with the Budget Consultation survey. This presents the opportunity to review & tailor the Budget Consultation questions using evidence from the first Residents Survey to help inform that process.

Timetable

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

a) Consultation process - results to Cabinet 11th November;

b) Base budget and technical adjustments to Cabinet 2nd December;

c) Cabinet to consider Council Taxbase calculation on 2nd December and Business Rates Forecast on 20th January;

d) Cabinet proposals to a Leaders Budget Workshop 1st December;

e) Provisional RSG settlement assessment to Corporate Management Team and EMT in December;

f) Joint Scrutiny Committee (Budget) to be held on 26th January 2022;

g) Final Budget and Medium Term Plan reports to Cabinet 17th February 2022;

h) Budgets set at Council 22nd February 2022.

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

Members are asked to endorse the process to be followed.

OPTIONS CONSIDERED

None

RESOURCE IMPLICATIONS

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

LEGAL/RISK IMPLICATIONS

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

- Provision of information from managers; and

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

There also remains a high degree of uncertainty arising from the most significant changes in Local Government funding for a generation - arising from the Fair Funding Review, review of the Business Rates Retention (BRR) scheme, reset of the Business Rates baseline, Spending Review 2021 and the ongoing uncertainty over the funding for the New Homes Bonus scheme.

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

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

The Key Risks are:

- 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 have continued – impacting mainly on the Council's ongoing income receipts.

- 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.

  There remains 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 2022/23.

- Delivery of the planned 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). Commitments include:

  - Future High Street Fund projects, £3.8m;
  - Lower Gungate site acquisition / development, £4m;
  - Solway Close development, £4m;
  - Investment in property funds with a savings target to return c.4% p.a., £12m (£3.8m invested to date).

- Uncertainty over the ongoing funding for the ***New Homes Bonus scheme***. The Government have confirmed that the 4-year legacy payments for New Homes Bonus (NHB) will continue to be paid to 2022/23 – and that the scheme will continue for a "further year with no new legacy payments", but there still remains uncertainty regarding the future.

  The Government plans to consult again in 2021 on the future of the New Homes Bonus, with a view to implementing reform in 2022/23.

- 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.

- Work is continuing on a number of actions to address the financial position in future years including the Recovery and Reset programme approved by Cabinet 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.

REPORT AUTHOR

Stefan Garner, Executive Director Finance, Telephone: 01827 709242
Lynne Pugh, Assistant Director Finance, Telephone: 01827 709272

LIST OF BACKGROUND PAPERS

Corporate Vision, Priorities Plan, Budget & Medium Term Financial Strategy 2021/22, Council 23rd February 2021.

APPENDICES

Appendix A

Project Plan for the Budget and Medium Term Financial Planning Process for the year 2022/23

Appendix B

Outline of the Budget and Medium Term Financial Planning Process

Appendix C

Flowchart of the Budget & Medium Term Financial Planning Process

Appendix D

2022/23 Budget Consultation

BACKGROUND INFORMATION

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

- ***Spending Review 2021 (SR21)*** – where the total spending allocation for Government Departments will be set – including national control totals for Local Government spending. It will set UK Government departments' resource budgets for the years from 2022/23.

- 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 could mean redistribution of the growth, or a proportion of such, achieved since 2013.

- ***New Homes Bonus scheme -*** review planned on operation of the scheme included local growth in housing numbers and share of the national pool (including the 'deadweight' for which Councils no longer receive grant).

- National ***Business Rates Revaluation*** – latest indications are that the Government will also aim to introduce a ***centralised system for business rate appeals*** at the same time to cover future changes arising from the next valuation list.

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Budget and Medium Term Financial Planning Process for 2022/23			
	Project Plan	**Deadline**	**Responsible Officer/s**
1	Review of the 2021/22 process, formulation of 2022/23 process and report, to Cabinet 19th August, including:	31/07/2021	Executive Director Finance (EDF)
	• Review of potential budget issues;	31/07/2021	EDF / Assistant Director Finance (ADF)
	• The Budget Consultation process.	31/07/2021	EDF / ADP / Public Relations Manager
2	Policy Changes		
	• Circulation to Directors of provisionally approved policy changes for 2021/22 onwards - for confirmation or otherwise;	31/08/2021	Accountants
	• Any unavoidable cost increases arising from, for example, legislative or demand led changes (e.g. reduced income), be identified and included together with completion of 2020/21 outturn review;	30/09/2021	CMT/Accountants
	• Return of responses with Business Cases completed for new proposals, to Corporate Accountancy for collation;	30/09/2021	CMT/Accountants
	• Meeting of CMT to review all Revenue Policy Changes proposals on 21st October;	15/10/2021	EDF / Accountants
	• Responses to be presented to Executive Management Team 15th November for initial consideration.	21/10/2021	EDF / Accountants
3	Corporate Capital Strategy and Capital Programme		
	• Directors to review & confirm the provisionally approved capital schemes already contained within the 5 year capital programme (including a 'block allocation' for Cabinet approval of new schemes during the year);	30/09/2021	CMT/Accountants
	• Impact of any updated Stock Condition data assessed	30/09/2021	Assistant Director Assets
	• Formulation of new 5 year programme including appraisal forms to be submitted to the Asset Strategy Steering Group (ASSG) 6th October, prior to submission to Executive Management Team;	30/09/2021	CMT/Accountants
	• Capital Programme report to CMT 21st October, Executive Management Team 15th November.	15/10/2021	CMT/Accountants

	Project Plan	Deadline	Responsible Officer/s
4	Charges for Services – Updated recharges basis adjusted for any structural issues, proposals to be discussed at CMT 21st October, base recharges to be completed by 15th October to allow consultation period (to December 2021).	15/10/2021	CMT/Accountants
5	Consideration of responses – including an analysis of the impact of such on the overall financial position of the Council at CMT 21st October, Executive Management Team 15th November, Leaders Budget Workshop review 1st December and Cabinet 2nd December, to formulate/consider budget proposals in detail.	15/10/2021	CMT/Accountants
6	Consideration of the adjusted base budget, at CMT 21st October / Executive Management Team 15th November / Cabinet 2nd December.	15/10/2021	EDF/ADF/Accountants
7	Budget Consultation – Cabinet receive 11th November, the results of the consultation process.	25/10/2021	Public Relations Manager
8	Approval of the Council Tax Base Calculation for 2022/23 - to Cabinet 2nd December.	15/11/2021	Head of Revenues
9	Leaders Budget Workshop 1st December.	01/12/2021	Leader
10	A meeting of Cabinet on 2nd December to receive/confirm budget proposals.	02/12/2021	EDF/ADF
11	Local Government Finance Settlement (LGFS) implications - to CMT / Executive Management Team 17th December.	17/12/2021	EDF/Accountants
12	Draft Budget & MTFS Report to Executive Management Team 10th January / Cabinet 20th January and Joint Scrutiny Committee (Budget) 26th January.	07/01/2022	EDF/ADF
13	Final Business Rates forecast for 2022/23 - to Cabinet 20th January.	13/01/2022	EDF/ADF/ Head of Revenues
14	Implications of the final Business Rates forecast & LGFS information to be considered/built into the budget proposals (as soon as available).	January 2022	EDF/ADF/Accountants
15	Final Budget & MTFS Report to CMT on 3rd February / Executive Management Team 7th February.	31/01/2022	EDF/ADF
16	Final budget reports considered by Cabinet on 17th February who would recommend a budget to the Council meeting on 22nd February.	09/02/2022	EDF/ADF

Outline of the Budget and Medium Term Financial Planning Process

Reasons for Producing Budgets

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

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

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

The Budget Process

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

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

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

- **Review / Formulation of Budget Process**

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

- **Consideration of Policy Changes**

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

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

- **Capital Programme**

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

- **Budget Consultation**

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

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

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

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

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

  For 2022/23, the budget process will need to reflect the the consequences of the Covid-19 pandemic, and the measures to contain and mitigate its effects - for years to come. Consideration of the impact on future income levels will be needed including Council Tax, Non domestic (business) rates, fees and charges, rents and investment returns which have, to a greater or lesser extent, been subject to reduction or suspension since April 2020.

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

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

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

- **Compilation of Overall Budget figures**

  Once all the budget working papers have been prepared, an overall net expenditure figure for the Council can be assessed in terms of affordability and whether funding for these levels of expenditure is available. It may be that Managers would be required to

identify savings in their budgets, dependent on guidance from Senior Managers and Members.

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

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

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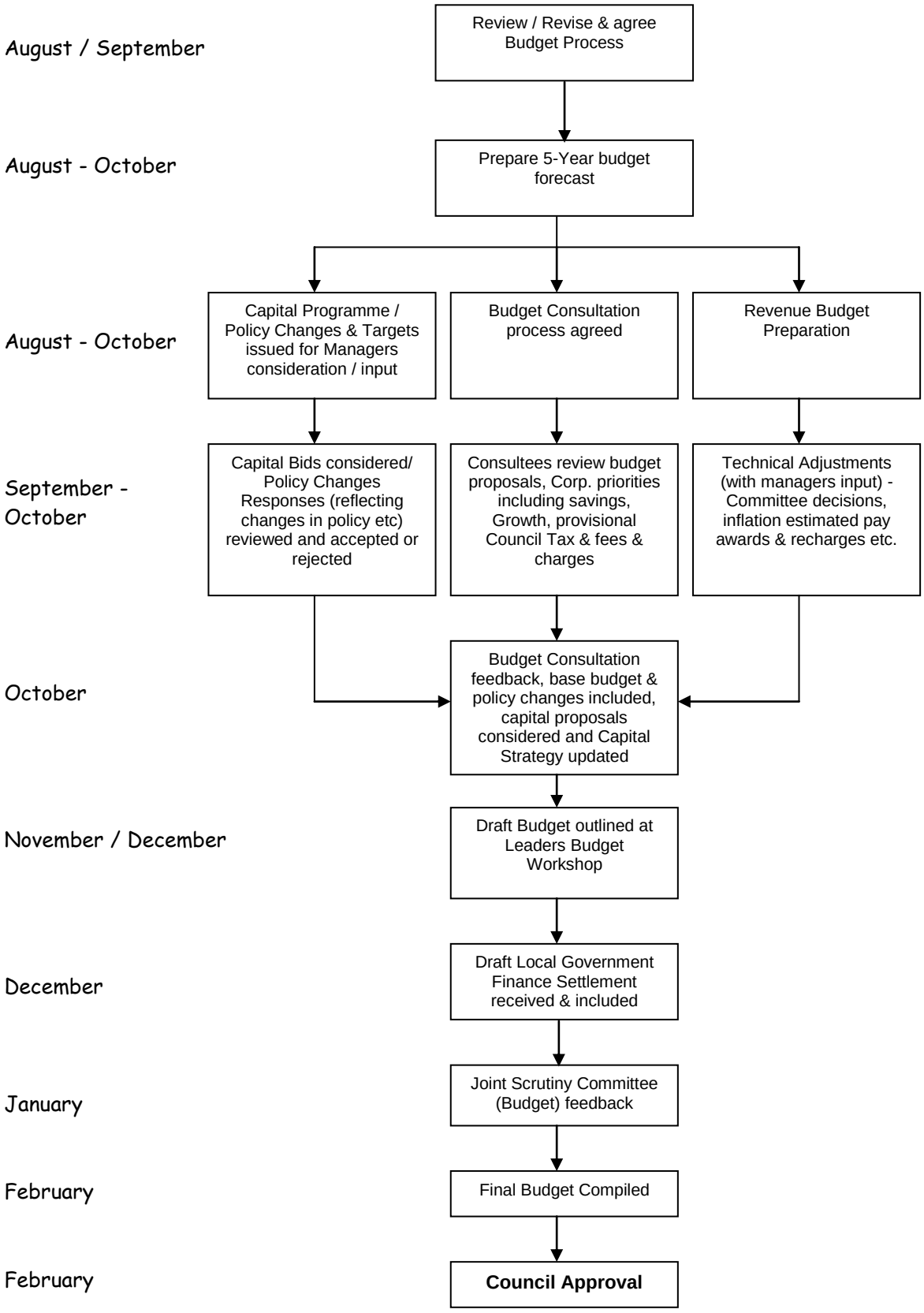
Appendix C

The Budget & Medium Term Financial Planning Process 2022/27



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Appendix D

Tamworth Borough Council 2021 Budget Consultation

Background

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

Overview

Consultation on the key issues affecting the 2022/23 budget consultation will be carried out through three surveys;

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

Timetable

Planning	from July 2021
Postal survey posted (Residents)	launched August 2021
Online survey (Residents)	launched August 2021
Online survey (Businesses)	launched August 2021
Online survey (V&CS)	launched August 2021
Surveys closes and taken offline	September 2021
Budget Consultation Report at CMT	21st October 2021
Budget Consultation report at Cabinet	11th November 2021

Objectives

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

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

Planned Changes for 2022

This year's Residents' Survey was fairly successful, attracting around five times more responses than the average Budget Consultation in recent years (539).

The Residents' Survey ran from February to April, however given the usual purdah period and end of the municipal year, better timing for the survey going forward would potentially be over the Summer period from June onwards or a short sharp survey from September, dependent on the time needed to let the survey run, then analyse evidence and prepare report in readiness for a November Cabinet meeting (on the Budget aspect at least).

As we have the Budget Consultation usually running in the summer, it would not be prudent to have two surveys coming out in quick succession as it is anticipated that this could limit the impact and response rate of both.

Therefore, it is proposed that we take advantage of the higher uptake of the Residents' Survey by combining the Budget Consultation into it.

This presents the opportunity to review & tailor the Budget Consultation questions using evidence from the first Residents Survey to help inform that process.

Timing wise, the new combined survey could help set the agenda for both the new municipal agenda and the budget process.

There may also be an opportunity to link in with a survey promotion leaflet to widen reach as we did this year with the Residents Survey.

CABINET

THURSDAY 19TH AUGUST 2021

COUNCIL

TUESDAY 21st SEPTEMBER 2021

REPORT OF THE PORTFOLIO HOLDER FOR FINANCE AND CUSTOMER SERVICES

ANNUAL REPORT ON THE TREASURY MANAGEMENT SERVICE AND ACTUAL PRUDENTIAL INDICATORS 2020/21

EXEMPT INFORMATION

None

PURPOSE

The Annual Treasury report is a requirement of the Council's reporting procedures. It covers the Treasury activity for 2020/21, and the actual Prudential Indicators for 2020/21.

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

RECOMMENDATIONS

That Cabinet ask Council to;

1. **Approve the actual 2020/21 Prudential and Treasury Indicators within the report and shown at Appendix 1;**

2. **Accept the Annual Treasury Management Report for 2020/21; and**

3. **Approve the continuing investment of c. £8m in property funds before March 2022 as previously planned.**

EXECUTIVE SUMMARY

This report covers Treasury operations for the year ended 31st March 2021 and summarises:

- the Council's Treasury position as at 31st March 2021; and
- Performance Measurement

The key points raised for 2020/21 are

1. The Council's Capital Expenditure and Financing 2020/21

2. The Council's Overall Borrowing Need
3. Treasury Position as at 31st March 2021
4. The Strategy for 2020/21
5. Borrowing Outturn for 2020/21
6. Investment Outturn for 2020/21
7. Performance Measurement
8. The Economy and Interest Rates
9. Property Funds
10. Other Issues

The Treasury Function has achieved the following favourable results:

- The Council has complied with the professional codes, statutes and guidance;
- There are no issues to report regarding non-compliance with the approved prudential indicators;
- The Council maintained an average investment balance externally invested of £60.571m and achieved an average return of 0.62% (budgeted at £34.306m and an average return of 1.0%).
- This result compares favourably with the Council's own Benchmarks of the average 7 day and the 3 month LIBID rates for 2020/21 of -0.0706% and 0.0150%;
- The closing weighted average internal rate on borrowing is 4.05% (4.05% for 2019/20);
- The Treasury Management Function has achieved an outturn investment income of £377k compared to an original budget of £332k. Investment balances were higher than budgeted throughout the year, however average interest rates started to fall.
- We also received £128k in dividends from our property fund investments (£147k in 2019/20), compared to a budget of £300k. However the net value of the investments has fallen by £206k as at 31st March 2021. At the meeting on 16th December 2020, Members considered the Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Review Report 2020/21, including a review of the planned investments in property funds, following consideration by Audit & Governance Committee on 29th October 2020 (as the Committee nominated by Council for the scrutiny of Treasury Management functions). It was resolved 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.

  Section 9 of this report provides details of the outcome of this further review and, while no one can know the after effects of the pandemic in terms of reduced economic activity, 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 (over 80%) for the current quarter payment dates which is positive – however, while it could, it is not expected that the effects of the furlough scheme measures ending over the coming months will seriously impact the wider economy and real estate markets.

On balance, it is therefore recommended that the remaining property fund investments of c.£8m continue as planned before March 2022

During 2020/21 the Council complied with its legislative and regulatory requirements.

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

At 31st March 2021, the Council's external debt was £63.060m (£63.060m at 31st March 2020) and its external investments totalled £57.972m (£55.26m at 31st March 2020).

RESOURCE IMPLICATIONS

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

LEGAL/RISK IMPLICATIONS BACKGROUND

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

EQUALITIES IMPLICATIONS

None

SUSTAINABILITY IMPLICATIONS

None

REPORT AUTHOR

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

LIST OF BACKGROUND PAPERS

- Local Government Act 2003;
- Statutory Instruments: 2003 No 3146 & 2007 No 573;
- CIPFA Code of Practice on Treasury Management in Public Services;
- Treasury Management Strategy 2020/21 (Council 25th February 2020);
- Treasury Management Mid-Year Review 2020/21 (Council 15th December 2020);
- Treasury Outturn Report 2019/20 (Council 15th September 2020).

APPENDICES

Appendix 1 – Prudential and Treasury Indicators

Appendix 2 – Borrowing and Investment Rates

This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2020/21. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

During 2020/21 the minimum reporting requirements were complied with:

- an annual treasury strategy in advance of the year (Council 25th February 2020)
- a mid-year (minimum) treasury update report (Council 15th December 2020)
- an annual review following the end of the year describing the activity compared to the strategy (this report).

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

The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members. This Council confirms that it has complied with the requirement under the Code to provide scrutiny of all of the above Treasury Management Reports to the Audit and Governance Committee. Member training on Treasury Management issues was provided in November 2019 with further training on the Corporate Capital Strategy in February 2020, and will be provided as and when required in order to support members' scrutiny role.

During 2020/21, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows.

Prudential & Treasury Indicators	2019/20 Actual £m	2020/21 Estimate £m	2020/21 Actual £m
Capital Expenditure			
Non HRA	4.734	12.121	**1.133**
HRA	20.462	12.699	**8.396**
Total	25.196	24.820	**9.529**
Capital Financing Requirement			
Non HRA	3.523	2.806	**3.612**
HRA	68.532	75.255	**69.893**
Total	72.055	78.061	**73.506**
Gross Borrowing			
External Debt	63.060	63.060	**63.060**
Investments			
Longer than 1 year	3.720	-	**3.643**
Less than 1 year	55.261	27.197	**57.972**
Total	58.981	27.197	**61.615**
Net Borrowing	4.079	35.863	**1.445**

It should be noted that **£27.5m** of Capital scheme spend has been re-profiled into 2021/22 (also including re-profiling from previous years) which has increased investment balances.

Other prudential and treasury indicators are to be found further in this report. The Executive Director Finance confirms that there was no overall increase in borrowing in year and the statutory borrowing limit (the authorised limit) was not breached.

The financial year 2020/21 continued the challenging investment environment of previous years, namely low investment returns.

1. The Council's Capital Expenditure and Financing 2020/21

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

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

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

General Fund	2019/20 Actual £m	2020/21 Estimate £m	2020/21 Actual £m
Capital Expenditure	4.734	12.121	**1.133**
Financed in year	1.982	11.195	**0.933**
Unfinanced capital expenditure	2.752	0.926	**0.199**
HRA	2019/20 Actual £m	2020/21 Estimate £m	2020/21 Actual £m
Capital Expenditure	20.462	12.699	**8.396**
Financed in year	19.970	10.509	**7.035**
Unfinanced capital expenditure	0.492	2.190	**1.361**

2. The Council's Overall Borrowing Need

The Council's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2020/21 unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

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

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

The total CFR can also be reduced by:

- the application of additional capital financing resources (such as unapplied capital receipts); or
- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

The Council's 2020/21 MRP Policy (as required by MHCLG Guidance) was approved as part of the Treasury Management Strategy Report for 2020/21 on 25th February 2020.

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

CFR: General Fund	31st March 2020 Actual £m	31st March 2021 Budget £m	31st March 2021 Actual £m
Opening balance	0.828	1.986	**3.523**
Add unfinanced capital expenditure (as above)	2.752	0.926	**0.199**
Less MRP/VRP	(0.056)	(0.106)	**(0.110)**
Less PFI & finance lease repayments	-	-	**-**
Closing balance	3.524	2.806	**3.612**

CFR: HRA	31st March 2020 Actual £m	31st March 2021 Budget £m	31st March 2021 Actual £m
Opening balance	68.041	73.065	**68.532**
Add unfinanced capital expenditure (as above)	0.492	2.190	**1.361**
Less MRP/VRP	-	-	**-**
Less PFI & finance lease repayments	-	-	**-**
Closing balance	68.533	75.255	**69.893**

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

Gross borrowing and the CFR - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that

its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2020/21) plus the estimates of any additional capital financing requirement for the current (2021/22) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allowed the Council some flexibility to borrow in advance of its immediate capital needs in 2020/21. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

Gross borrowing and the CFR	31st March 2020 Actual £m	31st March 2021 Budget £m	31st March 2021 Actual £m
Gross borrowing position	63.060	63.060	63.060
CFR	68.532	78.061	73.506

The lower than estimated CFR reflects re-profiling of spend within the capital programme to 2021/22 and lower than forecast borrowing.

The Authorised Limit - the authorised limit is the "affordable borrowing limit" required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2020/21 the Council has maintained gross borrowing within its authorised limit.

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

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

Borrowing Limits	GF £m	HRA £m	Total £m
Authorised limit	5.806	79.407	85.213
Maximum gross borrowing position	-	63.060	63.060
Operational boundary	-	63.060	63.060
Average gross borrowing position	-	63.060	63.060
Budgeted financing costs as a proportion of net revenue stream %	(2.17)	28.24	26.07
Actual financing costs as a proportion of net revenue stream %	(5.44)	28.20	22.75

3. Treasury Position as at 31st March 2021

The Council's debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through member reporting detailed in the summary, and through officer activity detailed in the Council's

Treasury Management Practices. At the beginning and the end of 2020/21 the Council's treasury (excluding borrowing by finance leases) position was as follows:

General Fund	31st March 2020 Principal £m	Rate/ Return %	Average Life yrs	31st March 2021 Principal £m	Rate/ Return %	Average Life yrs
Total debt	**-**	**-**	**-**	**-**	**-**	**-**
CFR	***3.523***	**-**	**-**	***3.612***	**-**	**-**
Over / (under) borrowing	***(3.523)***	**-**	**-**	***(3.612)***	**-**	**-**
Investments:						
- in house	37.525	1.01	-	40.779	0.62	-
Total investments	***37.525***	***1.01***	**-**	***40.779***	***0.62***	**-**

HRA	31st March 2020 Principal £m	Rate/ Return %	Average Life yrs	31st March 2021 Principal £m	Rate/ Return %	Average Life yrs
Fixed rate funding:						
-PWLB	63.060	4.05	34.73	63.060	4.05	33.73
Total debt	***63.060***	***4.05***	***34.73***	***63.060***	***4.05***	***33.73***
CFR	***68.532***	**-**	**-**	***69.893***	**-**	**-**
Over / (under) borrowing	***(5.472)***	**-**	**-**	***(6.833)***	**-**	**-**
Investments:						
- in house	17.736	1.01	-	17.193	0.62	-
Total investments	***17.736***	***0.68***	**-**	***17.193***	***0.62***	**-**

Maturity Structures

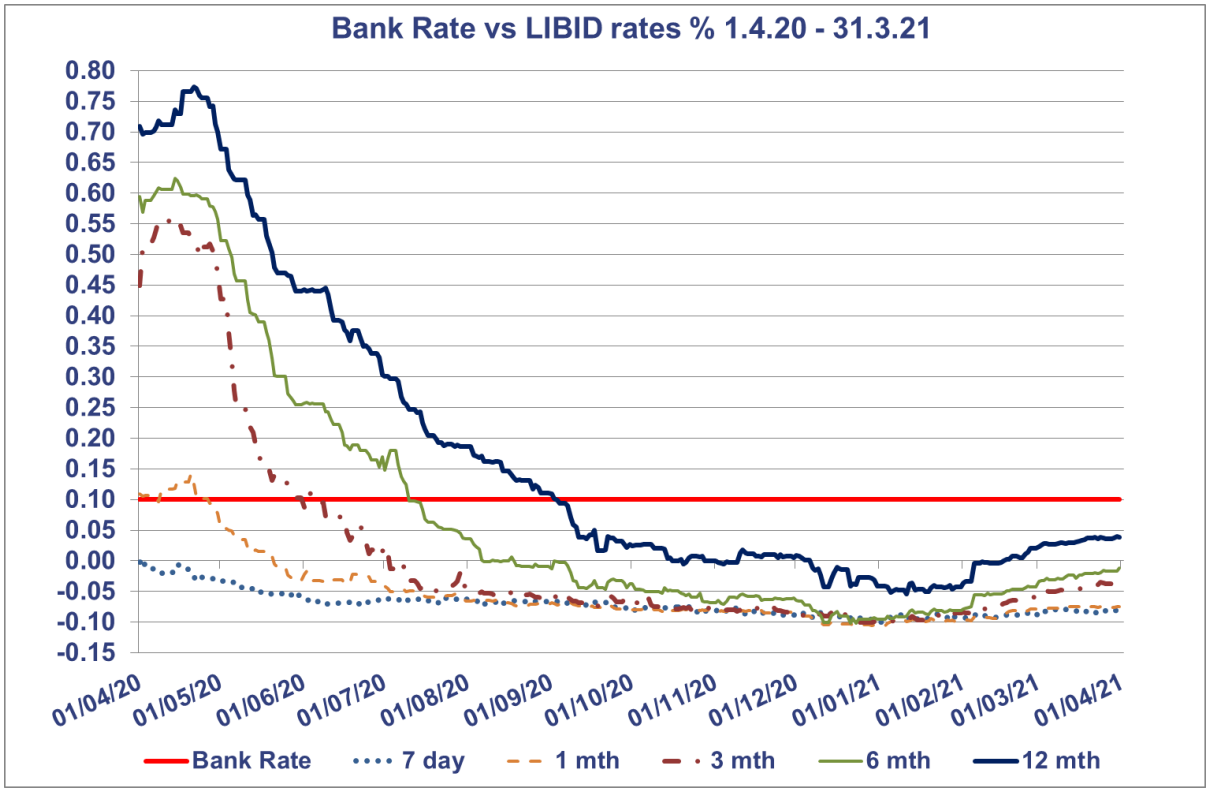
The maturity structure of the debt portfolio was as follows:

Duration	31st March 2020 Actual £m	2020/21 original limits %	31st March 2021 Actual £m
Under 12 months	-	20	**-**
12 months and within 24 months	-	20	**-**
24 months and within 5 years	-	25	**-**
5 years and within 10 years	-	75	**-**
10 years and within 15 years	5	100	**5**
15 years and within 50 years	58	100	**58**

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

4. The Strategy for 2020/21

4.1 Investment strategy and control of interest rate risk



	Bank Rate	7 day	1 mth	3 mth	6 mth	12 mth
High	0.10	0.00	0.14	0.56	0.62	0.77
High Date	01/04/2020	02/04/2020	20/04/2020	08/04/2020	14/04/2020	21/04/2020
Low	0.10	-0.10	-0.11	-0.10	-0.10	-0.05
Low Date	01/04/2020	31/12/2020	29/12/2020	23/12/2020	21/12/2020	11/01/2021
Average	0.10	-0.07	-0.05	0.01	0.07	0.17
Spread	0.00	0.10	0.25	0.66	0.73	0.83

Investment returns, which had been low during 2019/20, plunged during 2020/21 to near zero or even into negative territory. Most local authority lending managed to avoid negative rates and one feature of the year was the growth of inter local authority lending. The expectation for interest rates within the treasury management strategy for 2020/21 was that Bank Rate would continue at the start of the year at 0.75 % before rising to end 2022/23 at 1.25%. This forecast was invalidated by the Covid-19 pandemic bursting onto the scene in March 2020 which caused the Monetary Policy Committee to cut Bank Rate in March, first to 0.25% and then to 0.10%, in order to counter the hugely negative impact of the national lockdown on large swathes of the economy. The Bank of England and the Government also introduced new programmes of supplying the banking system and the economy with massive amounts of cheap credit so that banks could help cash-starved businesses to survive the lockdown. The Government also supplied huge amounts of finance to local authorities to pass on to businesses. This meant that for most of the year there

was much more liquidity in financial markets than there was demand to borrow, with the consequent effect that investment earnings rates plummeted.

While the Council has taken a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.

Investment balances have been kept to a minimum through the agreed strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates as illustrated in the charts shown above and below. Such an approach has also provided benefits in terms of reducing the counterparty risk exposure, by having fewer investments placed in the financial markets.

4.2 Borrowing strategy and control of interest rate risk

During 2020/21, the Council maintained an under-borrowed position. This meant that the capital borrowing need (the Capital Financing Requirement), was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were very low and minimising counterparty risk on placing investments also needed to be considered.

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

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

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

- if it had been felt that there was a significant risk of a sharp FALL in long and short term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings would have been postponed, and potential rescheduling from fixed rate funding into short term borrowing would have been considered.

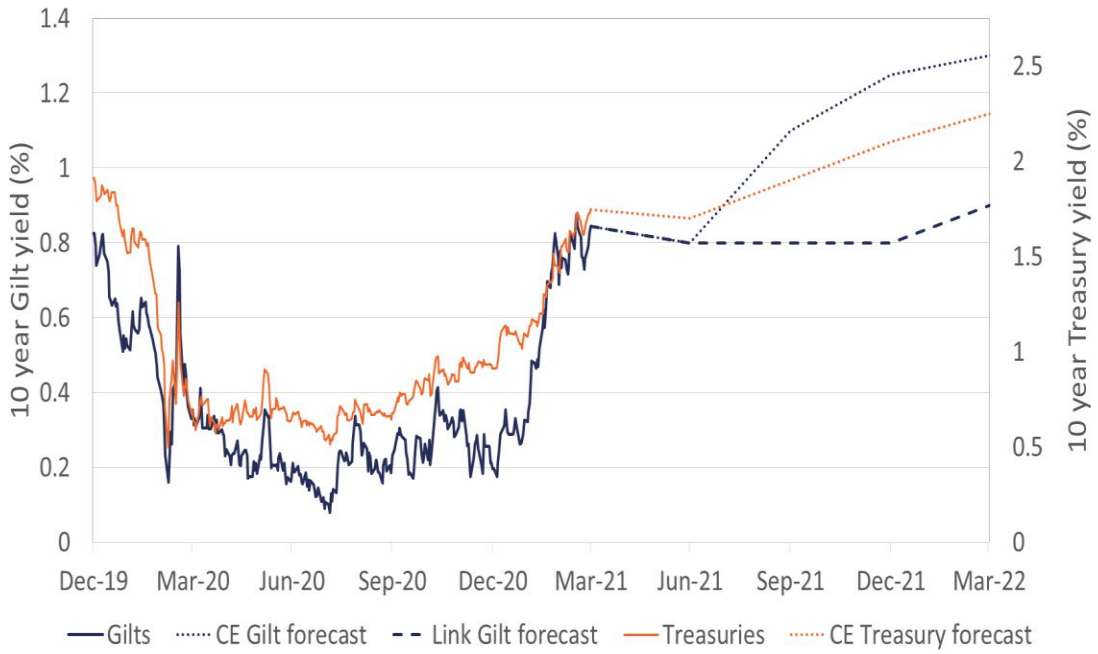
- if it had been felt that there was a significant risk of a much sharper RISE in long and short term rates than initially expected, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.

Interest rate forecasts expected only gradual rises in medium and longer term fixed borrowing rates during 2020/21 and the two subsequent financial years. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period.

PWLB Borrowing Rates

PWLB rates are based on, and are determined by, gilt (UK Government bonds) yields through H.M.Treasury determining a specified margin to add to gilt yields. The main influences on gilt yields are Bank Rate, inflation expectations and movements in US treasury yields. Inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation and the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This has pulled down the overall level of interest rates and bond yields in financial markets over the last 30 years. We have seen over the last two years, many bond yields up to 10 years in the Eurozone turn negative on expectations that the EU would struggle to get growth rates and inflation up from low levels. 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.

Graph of UK gilt yields v. US treasury yields



Gilt yields fell sharply from the start of 2020 and then spiked up during a financial markets melt down in March caused by the pandemic hitting western countries; this was rapidly countered by central banks flooding the markets with liquidity. While US treasury yields do exert influence on UK gilt yields so that the two often move in tandem, they have diverged during the first three quarters of 2020/21 but then converged in the final quarter. Expectations of economic recovery started earlier in the US than the UK but once the UK vaccination programme started making rapid progress in the new year of 2021, gilt yields and PWLB rates started rising sharply as confidence in economic recovery rebounded. Financial markets also expected Bank Rate to rise quicker than in the forecast tables in this report.

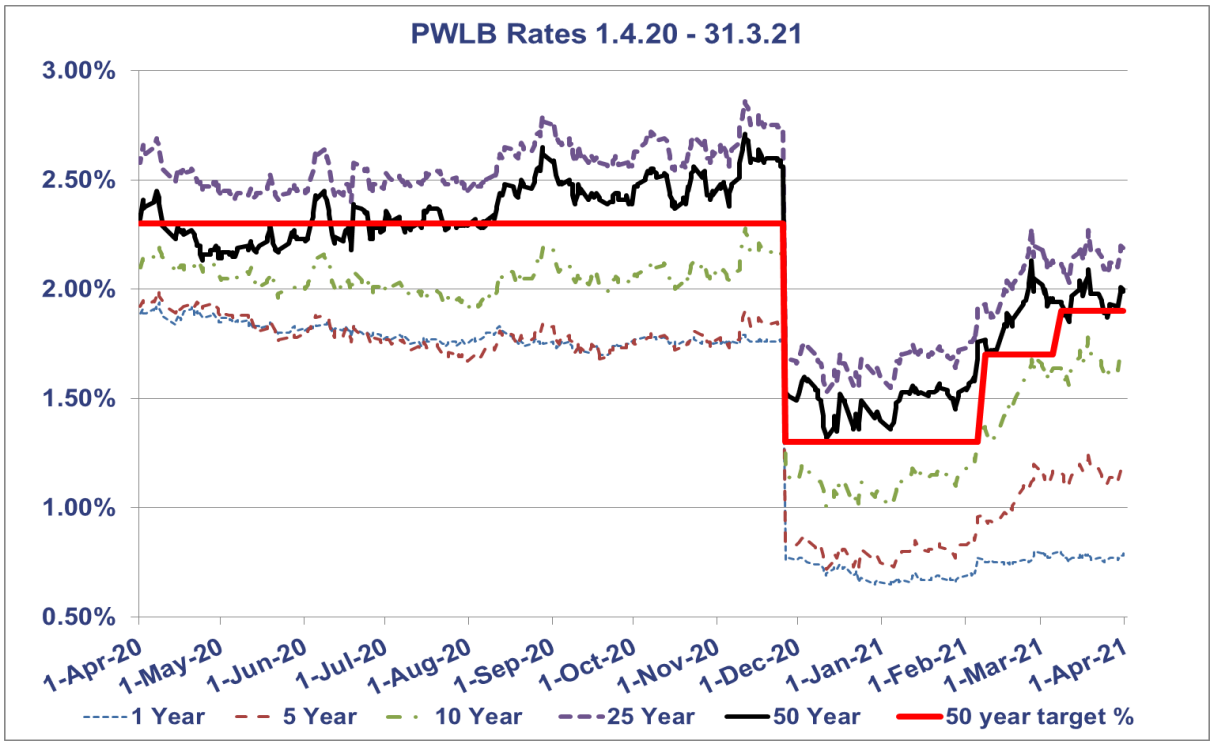
At the close of the day on 31st March 2021, all gilt yields from 1 to 5 years were between 0.19 – 0.58% while the 10-year and 25-year yields were at 1.11% and 1.59%.

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 9th 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 11th March 2020, but not for mainstream non-HRA capital schemes. A consultation was then held with local authorities and **on 25th November 2020, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates;** the standard and certainty margins were reduced by 1% but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three year capital programme. The new margins over gilt yields are as follows: -.

- **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
- **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)

There is likely to be only a gentle rise in gilt yields and PWLB rates over the next three years as Bank Rate is not forecast to rise from 0.10% by March 2024 as the Bank of England has clearly stated that it will not raise rates until inflation is sustainably above its target of 2%; this sets a high bar for Bank Rate to start rising.

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



5. Borrowing Outturn for 2020/21

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

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

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

6. Investment Outturn for 2020/21

Investment Policy – the Council's investment policy is governed by MHCLG guidance, which has been implemented in the annual investment strategy approved by the Council on 25th February 2020. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc).

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

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

Balance Sheet Resources General Fund	31st March 2020 £m	31st March 2021 £m
Balances	6.882	**8.002**
Earmarked Reserves	9.387	**18.108**
Provisions	2.032	**2.637**
Usable Capital Receipts	17.279	**17.307**
Capital Grants Unapplied	0.256	**0.295**
Total GF	35.836	**46.349**

Balance Sheet Resources HRA	31st March 2020 £m	31st March 20121 £m
Balances	6.252	**5.611**
Earmarked Reserves	7.789	**11.251**
Provisions	-	**-**
Usable Capital Receipts	2.896	**2.680**
Total HRA	16.937	**19.542**
Total Authority Resources	52.773	**65.891**

Investments held by the Council – the Council maintained an average balance of £60.571m of internally managed funds. The internally managed funds earned an average rate of return of 0.62%. The comparable performance indicator is the average 7-day LIBID rate which was -0.0706%. This compared with a budget assumption of £34.306m investment balances earning an average rate of 1.0%.

7. Performance Measurement

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

This service has set the following local performance indicator:

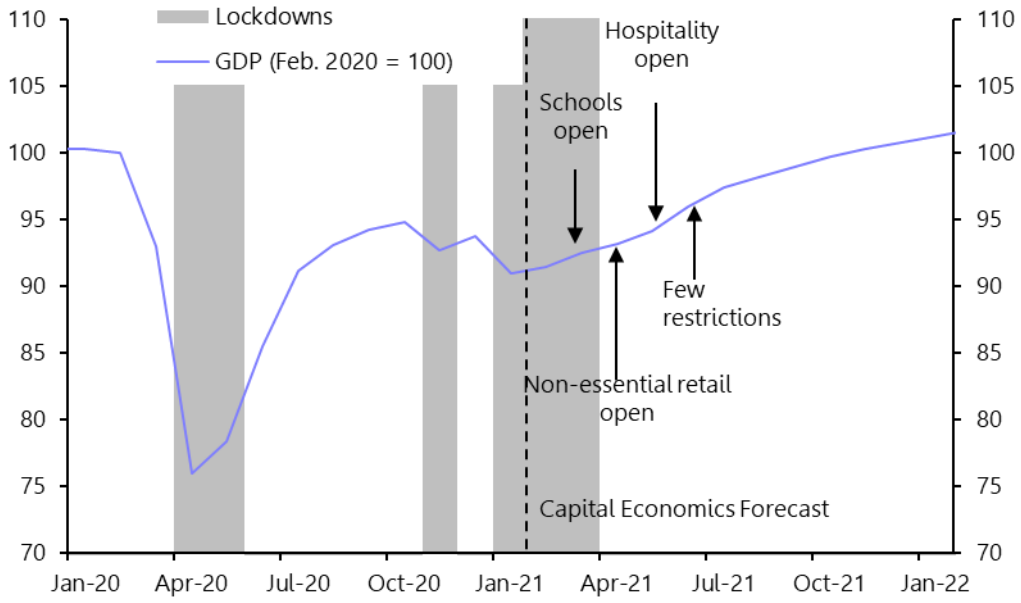
- *Average external interest receivable in excess of 3 month LIBID rate;*

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

  The actual return of 0.62% compared to the average 3 month LIBID of 0.0150% (0.605% above target).

8. The Economy and Interest Rates

UK. Coronavirus. The financial year 2020/21 will go down in history as being the year of the pandemic. The first national lockdown in late March 2020 did huge damage to an economy that was unprepared for such an eventuality. This caused an economic downturn that exceeded the one caused by the financial crisis of 2008/09. A short second lockdown in November did relatively little damage but by the time of the third lockdown in January 2021, businesses and individuals had become more resilient in adapting to working in new ways during a three month lockdown, so much less damage than was caused than in the first one. The advent of vaccines starting in November 2020 was a game changer. The way in which the UK and US have led the world in implementing a fast programme of vaccination which promises to lead to a return to something approaching normal life during the second half of 2021, has been instrumental in speeding economic recovery and the reopening of the economy. In addition, the household saving rate has been exceptionally high since the first lockdown in March 2020 and so there is plenty of pent-up demand and purchasing power stored up for services in the still-depressed sectors like restaurants, travel and hotels as soon as they reopen. It is therefore expected that the UK economy could recover its pre-pandemic level of economic activity during quarter 1 of 2022.



Both the Government and the Bank of England took rapid action in March 2020 at the height of the crisis to provide support to financial markets to ensure their proper functioning, and to support the economy and to protect jobs.

The **Monetary Policy Committee** cut Bank Rate from 0.75% to 0.25% and then to 0.10% in March 2020 and embarked on a £200bn programme of quantitative easing QE (purchase of gilts so as to reduce borrowing costs throughout the economy by lowering gilt yields). The MPC increased QE by £100bn in June and by £150bn in November to a total of £895bn. While Bank Rate remained unchanged for the rest of the year, financial markets were concerned that the MPC could cut Bank Rate to a negative rate; this was firmly discounted at the February 2021 MPC meeting when it was established that commercial banks would be unable to implement negative rates for at least six months – by which time the economy was expected to be making a strong recovery and negative rates would no longer be needed.

Average inflation targeting. This was the major change adopted by the Bank of England in terms of implementing its inflation target of 2%. The key addition to the Bank's forward guidance in August 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. This sets a high bar for raising Bank Rate and no increase is expected by March 2024, and possibly for as long as five years. Inflation has been well under 2% during 2020/21; it is expected to briefly peak at just over 2% towards the end of 2021, but this is a temporary short lived factor and so not a concern to the MPC.

Government support. The Chancellor has implemented repeated rounds of support to businesses by way of cheap loans and other measures, and has protected jobs by paying for workers to be placed on furlough. This support has come at a huge cost in terms of the Government's budget deficit ballooning in 20/21 and 21/22 so that the Debt to GDP ratio reaches around 100%. The Budget on 3rd March 2021 increased fiscal support to the economy and employment during 2021 and 2022 followed by substantial tax rises in the following three years to help to pay the cost for the pandemic. This will help further to strengthen the economic recovery from the

pandemic and to return the government's finances to a balanced budget on a current expenditure and income basis in 2025/26. This will stop the Debt to GDP ratio rising further from 100%. An area of concern, though, is that the government's debt is now twice as sensitive to interest rate rises as before the pandemic due to QE operations substituting fixed long-term debt for floating rate debt; there is, therefore, much incentive for the Government to promote Bank Rate staying low e.g. by using fiscal policy in conjunction with the monetary policy action by the Bank of England to keep inflation from rising too high, and / or by amending the Bank's policy mandate to allow for a higher target for inflation.

BREXIT. The final agreement on 24th December 2020 eliminated a significant downside risk for the UK economy. The initial agreement only covered trade so there is further work to be done on the services sector where temporary equivalence has been granted in both directions between the UK and EU; that now needs to be formalised on a permanent basis. There was much disruption to trade in January as form filling has proved to be a formidable barrier to trade. This appears to have eased somewhat since then but is an area that needs further work to ease difficulties, which are still acute in some areas.

USA. The US economy did not suffer as much damage as the UK economy due to the pandemic. The Democrats won the presidential election in November 2020 and have control of both Congress and the Senate, although power is more limited in the latter. This enabled the Democrats to pass a $1.9trn (8.8% of GDP) stimulus package in March on top of the $900bn fiscal stimulus deal passed by Congress in late December. These, together with the vaccine rollout proceeding swiftly to hit the target of giving a first jab to over half of the population within the President's first 100 days, will promote a rapid easing of restrictions and strong economic recovery during 2021. The Democrats are also planning to pass a $2trn fiscal stimulus package aimed at renewing infrastructure over the next decade. Although this package is longer-term, if passed, it would also help economic recovery in the near-term.

After Chair Jerome Powell spoke on the **Fed's adoption of a flexible average inflation target** in his Jackson Hole speech in late August 2020, the mid-September meeting of the Fed agreed a new inflation target - that *"it would likely be appropriate to maintain the current target range until labour market conditions were judged to be consistent with the Committee's assessments of maximum employment and inflation had risen to 2% and was on track to moderately exceed 2% for some time."* This change was 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, (and this year), 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. There is now some expectation that where the Fed has led in changing its policy towards implementing its inflation and full employment mandate, other major central banks will follow, as indeed the Bank of England has done so already. The Fed expects strong economic growth during 2021 to have only a transitory impact on inflation, which explains why the majority of Fed officials project US interest rates to remain near-zero through to the end of 2023. The key message is still that policy will remain unusually accommodative – with near-zero rates and asset purchases – continuing for several more years. This is likely to result in keeping treasury yields at historically low levels. However, financial markets in 2021 have been concerned that the sheer amount of fiscal stimulus, on top of highly accommodative monetary policy, could be over-kill leading to a rapid elimination of spare capacity in the economy and generating higher inflation much quicker than the Fed expects. They have also been concerned as to how and when the Fed will

eventually wind down its programme of monthly QE purchases of treasuries. These concerns have pushed treasury yields sharply up in the US in 2021 and is likely to have also exerted some upward pressure on gilt yields in the UK.

EU. Both the roll out and take up of vaccines has been disappointingly slow in the EU in 2021, at a time when many countries are experiencing a sharp rise in cases which are threatening to overwhelm hospitals in some major countries; this has led to renewed severe restrictions or lockdowns during March. This will inevitably put back economic recovery after the economy had staged a rapid rebound from the first lockdowns in Q3 of 2020 but contracted slightly in Q4 to end 2020 only 4.9% below its pre-pandemic level. Recovery will now be delayed until Q3 of 2021 and a return to pre-pandemic levels is expected in the second half of 2022.

Inflation was well under 2% during 2020/21. **The ECB** did not cut its main rate of -0.5% further into negative territory during 2020/21. It embarked on a major expansion of its QE operations (PEPP) in March 2020 and added further to that in its December 2020 meeting when it also greatly expanded its programme of providing cheap loans to banks. The total PEPP scheme of €1,850bn is providing protection to the sovereign bond yields of weaker countries like Italy. There is, therefore, **unlikely to be a euro crisis** while the ECB is able to maintain this level of support.

China. After a concerted effort to get on top of the virus outbreak in Q1 of 2020, economic recovery was strong in the rest of the year; this has enabled China to recover all of the contraction in Q1. Policy makers have both quashed the virus and implemented a programme of monetary and fiscal support that has been particularly effective at stimulating short-term growth.

Japan. Three rounds of government fiscal support in 2020 together with Japan's relative success in containing the virus without draconian measures so far, and the roll out of vaccines gathering momentum in 2021, should help to ensure a strong recovery in 2021 and to get back to pre-virus levels by Q3.

World growth. World growth was in recession in 2020. Inflation is unlikely to be a problem in most countries for some years due to the creation of excess production capacity and depressed demand caused by the coronavirus crisis.

Deglobalisation. Until recent years, world growth has been boosted by increasing globalisation i.e. countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth, and, by lowering costs, has also depressed inflation. However, the rise of China as an economic superpower over the last 30 years, which now accounts for nearly 20% of total world GDP, has unbalanced the world economy. In March 2021, western democracies implemented limited sanctions against a few officials in charge of government policy on the Uighurs in Xinjiang; this led to a much bigger retaliation by China and is likely to mean that the China / EU investment deal then being negotiated, will be torn up. After the pandemic exposed how frail extended supply lines were around the world, both factors are now likely to lead to a sharp retrenchment of economies into two blocs of western democracies v. autocracies. It is, therefore, likely that we are heading into a period where there will be a reversal of world globalisation and a decoupling of western countries from dependence on China to supply products and vice versa. This is likely to reduce world growth rates.

Central banks' monetary policy. During the pandemic, the governments of western countries have provided massive fiscal support to their economies which has resulted in a big increase in total government debt in each country. It is therefore very important that bond yields stay low while debt to GDP ratios slowly subside under the impact of economic growth. This provides governments with a good reason to amend

the mandates given to central banks to allow higher average levels of inflation than we have generally seen over the last couple of decades. Both the Fed and Bank of England have already changed their policy towards implementing their existing mandates on inflation, (and full employment), to hitting an average level of inflation. Greater emphasis could also be placed on hitting subsidiary targets e.g. full employment before raising rates. Higher average rates of inflation would also help to erode the real value of government debt more quickly.

9. Investment in Property Funds

Investment in property funds was included within the Commercial Investment Strategy, with the aim of generating improved returns of c.4-5% p.a. (plus asset growth) being long term investments of between 5 – 10 years (minimum) in order to make the necessary returns (after set up costs). Utilising the capital receipt proceeds of the sale of the Golf Course, a budget of £12m was allocated to long-term investment in a number of property funds. 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.

At the meeting on 16th December 2020, Members considered the Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Review Report 2020/21, including a review of the planned investments in property funds, following consideration by Audit & Governance Committee on 29th October 2020 (as the Committee nominated by Council for the scrutiny of Treasury Management functions). It was resolved 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.

During March 2020, the majority of property valuation firms in the UK concluded unanimously that they were faced with an unprecedented set of circumstances on which to base a valuation judgement and thus were required to include a 'Material Valuation Uncertainty' clause to their valuations. The result was that the majority of UK property funds suspended dealing.

As time has progressed and more transactional evidence post the lockdown became available the Material Valuation Uncertainty clause was lifted. This in turn means the Managers approved the lifting of the suspension of the Funds with dealing in the Funds resuming during October 2020.

The latest Investment Property Forum (IPF) Consensus Forecasts were revised down over the forecast horizon, with notable downgrades to the outlook for 2021. The Investment Property Forum Consensus Forecasts Spring 2021 Survey of Independent Forecasts for UK Commercial Property Investment in May 2021 has subsequently demonstrated, over the second quarter, the 2021 All Property average growth rate rose almost 1%, to -1.7% (still below May 2020's projection of -1.3%).

For 2022, the expectation for the All Property average is stronger than three months ago – now 0.9% from 0.4% previously. Other than Offices, all sector ranges increased over the quarter, with Retail Warehouses recording the greatest improvement of over 1% to average -0.9%.

Sector rental growth forecasts for the remaining three years of the survey have broadly strengthened, with All Property averages of 1.7% in 2023 and 2024 and 1.6% in 2025. The All Property forecast now lies at 4.4% (from 2.1% in February).

Mirroring capital value expectations, total return forecasts are likely to peak in 2022. The average All Property total return forecast now stands at 6.9% (6.6% previously), with sector forecasts ranging between 2.3% (Shopping Centres) to 9.2% (Industrials).

In each of the three remaining survey years, most sector averages weaken, resulting in the All Property averages falling from 6.4% in 2023 to 5.6% by 2025, when the best-performing sector may prove to be Retail Warehouses, currently predicted to deliver a total return of 6.9%.

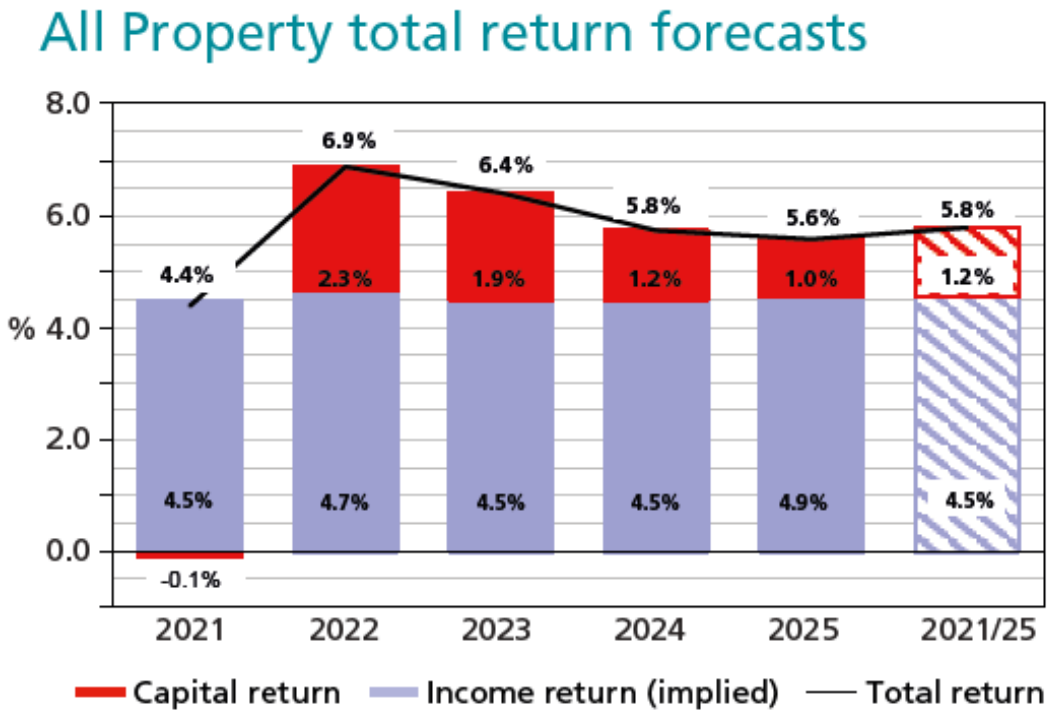
The following table illustrates the evolution of the average All Property forecasts for the current year and 2022, as well as over five years, from February 2020:

All Property Average by Forecast Month

Month of forecast (no. contributors)		Rental value growth (%)				Capital value growth (%)				Total return (%)			
		2021	2022	2023	2021/25	2021	2022	2023	2021/25	2021	2022	2023	2021/25
March	(5)	-2.2	0.5	1.5	0.5	-1.3	0.6	0.8	0.3	3.2	5.2	5.3	4.8
April	(4)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
May	(12)	-1.7	0.9	1.8	0.8	0.0	2.1	2.2	1.3	4.4	6.8	6.6	5.9
All Forecasters	**(21)**	**-1.7**	**0.9**	**1.7**	**0.8**	**-0.1**	**2.3**	**1.9**	**1.2**	**4.4**	**6.9**	**6.4**	**5.8**

Source: IPF Survey of Independent Forecasts for UK Commercial Property Investment Spring 2021

The 2021 total return averages rose by 2.25% over the quarter (from February's average of 2.1%) and next year's average also showed an increase, of 0.29% (previously averaging 6.6%). However, the following three years' projections have weakened, down 0.25%, 0.59% and 0.72% lower for 2023, 2024 and 2025 respectively (from 6.7%, 6.3% and 6.3% last quarter). Despite weaker forecasts for these later years, improved projections for 2021 and 2022 support a modest improvement in the five-year average (from 5.6% pa previously).



Source: IPF Survey of Independent Forecasts for UK Commercial Property Investment Spring 2021

While no one can know the after effects of the pandemic in terms of reduced economic activity, we are seeing signs of recovery and resilience in certain parts of the economy, and consequently the Funds real estate portfolio. For most funds, the strategic position, resilient tenant base and the Fund Management Teams' efforts, has maximised rent collection during this challenging period being able to report relatively high collection rates (over 80%) for quarter is positive.

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 had fallen by £291k to 30th September 2020, mainly since 31st March 2020 (£163k), but have since recovered, through capital growth since then, to £126k at 30th June 2021. 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. As can be seen from the following table, fund valuations have improved significantly since the falls during 2020.

Fund Valuations	Investment	Valuation 31/03/2019	Valuation 31/03/2020	Valuation 31/03/2021	Valuation 30/06/2021
Schroders UK Real Estate Fund	1,848,933	1,897,716	1,884,412	1,848,933	1,873,930
Valuation Increase / (reduction)		48,783	35,479	0	24,996
Threadneedle Property Unit Trust	2,000,249	1,921,884	1,836,032	1,794,439	1,849,290
Valuation Increase / (reduction)		(78,365)	(164,216)	(205,810)	(150,958)
Total	3,849,182	3,819,601	3,720,444	3,643,372	3,723,220
Valuation Increase / (reduction)		(29,581)	(128,738)	(205,810)	(125,962)

Fund reductions also need to be balanced against the dividends received (which support the revenue budget). The Council received £128k in dividends from its property fund investments in 2020/21 (£147k in 2019/20), £383k in total compared to the valuation reduction of £206k over the same period.

Fund Valuations	Dividend Returns 31/03/2019	Dividend Returns 31/03/2020	Dividend Returns 31/03/2021	Dividend Returns 30/06/2021	Estimated Return p.a.	
Schroders UK Real Estate Fund	48,118	56,638	52,898	19,167	2.8%	for 2021/22 - First Qtr only to 30/06/21
Cumulative return	48,118	104,756	157,654	176,821		
Threadneedle Property Unit Trust	60,056	90,274	75,452	19,947	4.2%	
Cumulative return	60,056	150,329	225,781	245,728		
Total	108,174	146,911	128,350	39,115		
Cumulative return	108,174	255,085	383,435	422,550		
Annual Revenue % Return	2.8%	3.8%	3.3%	1.0%	3.6%	
Annual Overall % Return	2.0%	1.2%	1.3%	3.1%		
Cumulative Gain / (loss)	78,593	126,348	177,625	296,588		

Internal Treasury Return Achieved %	0.9%	1.0%	0.8%	0.6%	0.5%	

The funds achieved a return of 3.3% in 2020/21, 3.8% during 2019/20 and 2.8% in 2018/19 compared to internal investments with banks and other Councils of less than 1%.

The MTFS includes budgeted income of £300k for 2021/22 (£480k pa from 2022/23) 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.

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.

While no one can know the after effects of the pandemic in terms of reduced economic activity, 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 (over 80%) for the current quarter payment dates which is positive – however, while it could, it is not expected that the effects of the furlough scheme measures ending over the coming months will seriously impact the wider economy and real estate markets.

There will be secondary market investment opportunities available with a potential discount of up to 5% on purchase costs, which needs to be considered with the potential for capital gains in the coming months.

On balance, it is therefore suggested that the remaining property fund investments of c.£8m continue as planned before March 2022.

10. Other Issues

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

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

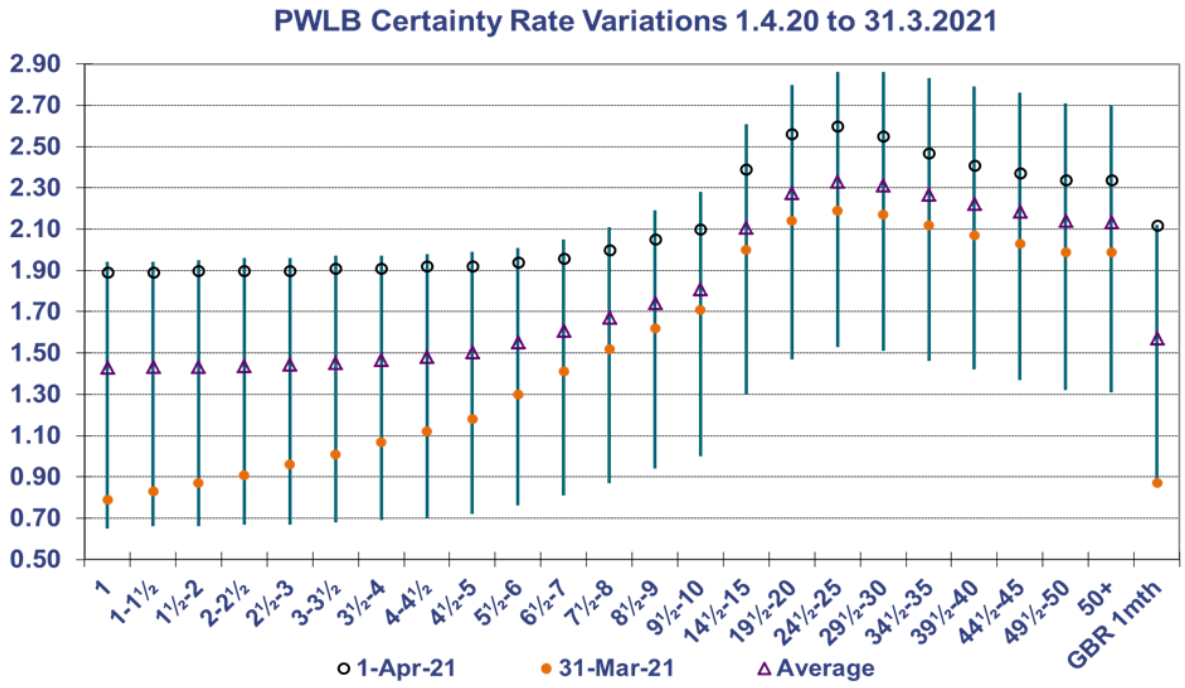
- Expected credit loss model. Whilst not material for vanilla treasury investments such as bank deposits, this does impact our investment in property funds
- The valuation of investments previously valued under the available for sale category e.g. equity related to the "commercialism" agenda, property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

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

PRUDENTIAL AND TREASURY INDICATORS APPENDIX 1

1. PRUDENTIAL INDICATORS	2019/20	2020/21	2020/21
Extract from budget and rent setting report	**Actual**	**Original**	**Actual**
Capital Expenditure	**£m**	**£m**	**£m**
Non - HRA	4.734	12.121	1.133
HRA	20.462	12.699	8.396
TOTAL	25.196	24.820	9.529
Ratio of financing costs to net revenue stream	**%**	**%**	**%**
Non - HRA	(9.39)	(2.17)	(5.44)
HRA	27.44	28.24	28.20
Gross borrowing requirement General Fund	**£m**	**£m**	**£m**
brought forward 1 April	0.828	1.986	3.523
carried forward 31 March	3.580	2.912	3.723
in year borrowing requirement	2.752	0.926	0.199
Gross borrowing requirement HRA	**£m**	**£m**	**£m**
brought forward 1 April	68.041	73.065	68.532
carried forward 31 March	68.533	75.255	69.893
in year borrowing requirement	0.492	2.190	1.361
	£m	**£m**	**£m**
Gross debt	63.060	63.060	63.060
Capital Financing Requirement	**£m**	**£m**	**£m**
Non – HRA	3.524	2.806	3.612
HRA	68.533	75.255	69.893
TOTAL	72.057	78.061	73.506
Annual change in Capital Financing Requirement	**£m**	**£m**	**£m**
Non – HRA	2.696	0.820	0.089
HRA	0.492	2.190	1.361
TOTAL	3.188	3.010	1.450

2. TREASURY MANAGEMENT INDICATORS	2019/20	2020/21	2020/21
	Actual	**Original**	**Actual**
	£m	**£m**	**£m**
Authorised Limit for external debt - General Fund			
borrowing	5.235	5.806	5.806
other long term liabilities	-	-	-
TOTAL	5.235	5.806	5.806
Authorised Limit for external debt - HRA			
borrowing	79.407	79.407	79.407
other long term liabilities	-	-	-
TOTAL	79.407	79.407	79.407
Operational Boundary for external debt - General Fund	**£m**	**£m**	**£m**
borrowing	-	-	-
other long term liabilities	-	-	-
TOTAL	-	-	-
Operational Boundary for external debt - HRA	**£m**	**£m**	**£m**
borrowing	63.060	63.060	63.060
other long term liabilities	-	-	-
TOTAL	63.060	63.060	63.060
Actual external debt	**£m**	**£m**	**£m**
	63.060	63.060	63.060



	1 Year	5 Year	10 Year	25 Year	50 Year
Low	0.65%	0.72%	1.00%	1.53%	1.32%
Date	04/01/2021	11/12/2020	11/12/2020	11/12/2020	11/12/2020
High	1.94%	1.99%	2.28%	2.86%	2.71%
Date	08/04/2020	08/04/2020	11/11/2020	11/11/2020	11/11/2020
Average	1.43%	1.50%	1.81%	2.33%	2.14%
Spread	1.29%	1.27%	1.28%	1.33%	1.39%

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19 August 2021

Report of the Portfolio Holder for Finance and Customer Services

WRITE OFFS - 1ST APRIL 2021 - 30TH JUNE 2021

Exempt Information

None

Purpose

That Members endorse the amount of debt written off for the period 1st April 2021 to 30th June 2021.

Recommendations

It is recommended that Members:

1) Endorse the amount of debt written off for the period of 1st April 2021 to 30th June 2021 – **Appendix A-E**.

Executive Summary

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

Type	**01/04/21 – 30/06/21 £ p**
Council Tax	£1,551.51
Business Rates	£0.00
Sundry Income	£802.72
Housing Benefit Overpayments	£7,416.53
Housing	£52,882.79

Options Considered

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

Business Rates	**01/04/21 – 30/06/21 £ p**
Bad Debt provision	(£686,306.00)
Amount written off to date under delegated powers	£0.00
Amount remaining	(£686,306.00)

Whilst reported collection rates are marginally ahead of target at the moment, it is too early to know what effect the pandemic will ultimately have on the economy and residents ability to pay in the future.

The pandemic has affected people in a number of ways and many of our residents/customers continue to be financially impacted by the crisis but 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).

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

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 2021 to 30 June 2021.

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Appendix A

Summary of Council Tax Write Offs 01/04/2021-30/06/2021

Date of Write Off	Head of Revenues (£0.00-£75.00)	Head of Revenues (£75.01-£500.00)	Head of Revenues (£500.01-£2,000.00)	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)
Q1 of 2021/22									(£53.71)	(£53.71)		Dividend
Q1 of 2021/22									(£24.16)	(£24.16)		CTR
Q1 of 2021/22									(£36.44)	(£36.44)		Payment received
10/06/2021			£1,665.82							£1,665.82	1	Hardship
Q1 Totals	**£0.00**	**£0.00**	**£1,665.82**	**£0.00**	**£0.00**	**£0.00**	**£0.00**	**£0.00**	**(£114.31)**	**£1,551.51**	**1**	

Appendix B

Summary of NNDR Write Offs 01/04/2021-30/06/2021

Date of Write Off	Head of Revenues (£0.00-£75.00)	Head of Revenues (£75.01-£500.00)	Head of Revenues (£500.01-£2,000.00)	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)
Q1 Totals	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0	

Appendix C

Summary of Sundry Income Write Offs 01/04/2021-30/06/2021

Date of Write Off	Assistant Director of Assets (up to £5,000.00)	Assistant Director Growth & Regeneration (up to £5,000.00)	Assistant Director People (up to £5,000.00	Assistant Director Operations & Leisure (up to £5,000.00)	Assistant Director Neighbourhoods (up to £5,000.00)	Head of Revenues (£0.00-£2,000.00)	Assistant Director of Finance (£2,000.01 -£5,000.00)	Assistant Director Partnerships (up to £5,000.00)	Executive Director of Finance (£5,000.01-£10,000.00)	Cabinet (£10,000.01 +)	Total	No. of Accounts	Reason(s)
17/06/2021				£562.00							£562.00	1	Age of debt
28/05/2021	£188.66										£188.66	1	Insurance element of a ground rent invoice
29/06/2021	£52.06										£52.06	1	Deceased
Totals	£240.72	£0.00	£0.00	£562.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£802.72	3	

Appendix D

Summary of Benefit Overpayment Write Offs 01/04/2021-30/06/2021

Date of Write Off	Head of Benefits (£0.00-£75.00)	(£75.01-£500.00)	(£500.01-£1,000.00)	(£1,000.01-£2,000)	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)
30/04/2021	£0.66							£0.66	1	uneconomical to pursue
"	£27.79							£27.79	1	not financially viable
"	£74.83							£74.83	2	deceased < 2 wks o/s
"		£417.83						£417.83	1	deceased
31/05/2021	£1.56							£1.56	1	uneconomical to pursue
"	£91.40							£91.40	3	not financially viable
"	£97.31							£97.31	1	deceased
30/06/2021	£74.43	£172.42						£246.85	3	deceased <2 wks o/s
"					£6,458.30			£6,458.30	1	deceased
Q1 Totals	**£367.98**	**£590.25**	**£0.00**	**£0.00**	**£6,458.30**	**£0.00**	**£0.00**	**£7,416.53**	**14**	

Appendix E

Summary of Housing Write Offs 01/04/2021-30/06/2021

Date of Write Off	Assistant Director - Neighbourhoods (£0.00-£75.00)	(£75.01-£500.00)	(£500.01-£2,000.00)	(£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 (Write On)	Total	No. of Accounts (dr Write Off Only)	Reason(s)
11/05/2021		£100.20								£100.20	1	Bankrupt
"	£71.65	£498.20	£1,967.86	£5,498.94						£8,036.65	10	Deceased. No estate or under £250
"		£100.33								£100.33	1	Traced to various addresses. Now moved on or no known address
"		£893.40								£893.40	2	Management Request
"	£342.83	£4,172.13	£20,563.74	£25,611.60						£50,690.30	58	Over 6 years old Statute Barred, no contact during at least last 6 years
11/05/2021								(£3,975.72)		(£3,975.72)		Former TNT rent accounts below £50.00 – 1/1/00 to 31/12/09
"								(£1,806.01)		(£1,806.01)		Former TNT rent accounts below £50.00 up to 31/12/99
"								(£295.27)		(£295.27)		Former TNT garage accounts below £25.00 – 1/10/10 to 31/12/14
22/06/2021								(£594.31)		(£594.31)		Former TNT rent accounts below £50.00 – 1/1/10 to 31/12/15
22/06/2021									(£71.10)	(£71.10)		Garage Write Ons
23/06/2021								(£87.40)		(£87.40)		Former TNT garage accounts below £50.00 to 31/12/99
24/06/2021								(£108.28)		(£108.28)		Garage & rent - over £50
Q1 Totals	**£414.48**	**£5,764.26**	**£22,531.60**	**£31,110.54**	**£0.00**	**£0.00**	**£0.00**	**(£6,866.99)**	**(£71.10)**	**£52,882.79**	**72**	

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Thursday, 19 August 2021

Report of the Portfolio Holder for Regulatory & Community Safety

Lichfield District Local Plan 2040 Regulation 19 Consultation Response

Exempt Information
None

Purpose
To seek Cabinet approval for the submission of Tamworth Borough Council's response to the Lichfield District Council Local Plan 2040 Regulation 19 Consultation.

Recommendations

It is recommended that:
1. Cabinet endorse the response set out in Appendix A as the response of Tamworth Borough Council;
2. Authority is delegated to the Assistant Director – Growth and Regeneration to make any final amendments prior to submission; and
3. Authority is delegated to the Assistant Director – Growth and Regeneration, in consultation with the Portfolio Holder for Regulatory & Community Safety to prepare and submit any appropriate proofs of evidence to Lichfield's local plan examination.

Executive Summary
Lichfield District Council is in the final stages of preparing a new local plan for the Borough up to 2040 and is currently consulting on the version of the plan that it proposes to submit to the Planning Inspectorate for examination.

Appendix A contains a draft response to the consultation which raises concerns over Lichfield's proposed approach due to the lack of highways evidence to support the proposed housing allocation at Fazeley, Mile Oak and Bonehill. The response also seeks the inclusion of a mechanism that would allow for financial obligations to provide appropriate mitigation for any impact on Tamworth infrastructure arising from development on or near the border.

Options Considered
The Council could choose to submit a different response to that set out within Appendix A, however, the proposed response set out in Appendix A was drafted by officers in consultation with members and is considered to appropriately represent the views of Tamworth Borough Council. Delegating authority to make amendments to the response prior to submission would allow for any issues raised by Cabinet to be included if appropriate in the final submission.

The Council could also choose not to respond to the consultation, however this would result in the Council's views not being taken into account during the examination of Lichfield's proposed plan.

Resource Implications

During the public inquiry on the Arkall Farm development, the issue of financial obligations to mitigate the impact on sport and leisure infrastructure within Tamworth was left for LDC to resolve. So far this has not been the case, and so the response to this consultation seeks the inclusion within the new local plan of a mechanism by which appropriate contributions can be agreed more easily in the future where development would impact on infrastructure with Tamworth.

Legal/Risk Implications Background
There are no legal/risk implications associated with responding to this consultation.

The consultation is being carried out in accordance with regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended).

Equalities Implications
There are no equalities implications associated with responding to this consultation.

Sustainability Implications
There are no sustainability implications associated with responding to this consultation.

Development within Lichfield District has the potential to generate adverse impacts within Tamworth and the consultation provides an opportunity for the Council to raise these issues and highlight potential measures to mitigate adverse impacts in order to achieve sustainable development.

Background Information
Lichfield District Council (LDC) is currently in the process of developing a new local plan that will guide the development of the district up to 2040. The process involves a number of different stages and rounds of public consultation, and the Council was most recently consulted at the preferred options stage in 2019.

The current stage represents the final round of consultation prior to LDC submitting their proposed plan for examination by the Planning Inspectorate. The proposed plan provides for the delivery of at least 9,727 new dwellings including a contribution of 2,665 towards the unmet needs of other councils in the wider Housing Market Area including Tamworth.

Along with the existing approved development at Arkall Farm to the north of Tamworth, LDC intends for a proportion of this growth (924 dwellings) to be delivered in the area of Fazeley, Mile Oak, and Bonehill including a new strategic allocation for 800 dwellings.

The draft response to the consultation set out at Appendix A raises concerns with the proposed approach on the basis that the highways evidence required to support the strategic allocation is not yet available. The response also seeks assurances that the potential impacts on Tamworth of the proposed allocation, and any additional development on or near to the border, can be mitigated.

During the public inquiry on the Arkall Farm development, the issue of financial obligations to mitigate the impact on sport and leisure infrastructure within Tamworth was left for LDC to resolve. So far this has not been the case, and so the response to this consultation seeks the inclusion within the new local plan of a mechanism by which appropriate contributions can be agreed more easily in the future where development would impact on infrastructure with Tamworth.

Report Author
Richard Powell – Planning Policy and Delivery Team leader

List of Background Papers
Lichfield District Council Local Plan 2040 and accompanying Policies Map available online at: https://lichfielddc-consult.objective.co.uk/portal/planning/local_plan_review/lp2040

Appendices
Appendix A – Draft response to the Lichfield District Council Local Plan 2040 Regulation 19 Consultation

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For Official Use
Respondent No:
Representation Number:
Received:

Lichfield District Local Plan 2040

Please return to Lichfield District Council by 5pm on 30th August 2021, by:

- Email: **developmentplans@lichfielddc.gov.uk**
- Post: **Spatial Policy and Delivery, Lichfield District Council, District Council House, Frog Lane, Lichfield, WS13 6YZ.**

This form can also be completed on line using our consultation portal: https://lichfielddc-consult.objective.co.uk/portal

PLEASE NOTE: This form has two parts:

- Part A: Personal details.
- Part B: Your representation(s).

Part A: Personal details

	1.Personal details[1] [2]	**2. Agent's details (if applicable)**
Title		
First name		
Last name		
Job title (where relevant)		
Organisation (where relevant)	Tamworth Borough Council	
House No./Street		
Town		
Postcode		
Telephone number		
Email address (where relevant)	developmentplan@tamworth.gov.uk	

[1] If an agent is being used only the title, name and organisation boxes are necessary but please don't forget to complete all the Agent's details.

[2] Please note that copies of all comments received will be made available for the public to view, including your address and therefore cannot be treated as confidential. Lichfield District Council will process your personal data in accordance with the Data Protection Act 1998. Our Privacy Notice is at the end of this form.

Part B: Your representation

Where in the document does your comment relate:

	Section					
Document	**Whole Document**	**Page Number**	**Paragraph Number**	**Policy Number**	**Appendix**	**Proposals Map**
Lichfield District Local Plan 2040	**X**					
Sustainability Appraisal Report						
Other						

Question 1

Do you consider that the Local Plan 2040 complies with the Duty to Co-operate?

Yes		No	X

The Council acknowledges that regular Duty to Co-operate meetings occur at officer level, where strategic cross-boundary issues are discussed, and that there is an existing Memorandum of Understanding and Statement of Common Ground in which it is agreed that Lichfield will seek to provide a proportion of Tamworth's unmet housing and employment needs. Both of these documents are now a number of years old and may require updating. The Council would be happy to discuss revising these documents if it is considered necessary.

Within the Statement of Common Ground it states that work will continue to provide appropriate infrastructure to support developments with cross border impacts. The Council consider that further work is required to ensure appropriate mitigation measures are in place for the existing permitted developments on the border before any further development on the border is considered.

Q1a Please specify the reasons below:[3]

[3] Continue on a separate sheet/expand box if necessary. Mark any additional pages with your contact details

Question 2

Do you consider that the Local Plan 2040 meets the legal and procedural requirements?

Yes	X	No	

The Council has no specific comments to make on this point.

Q2a Please specify the reasons below[4]:

Question 3

Do you consider that the Local Plan 2040 is positively prepared?

Yes	X	No	

[4] Continue on a separate sheet/expand box if necessary. Mark any additional pages with your contact details

The proposed plan provides a strategy to meet the needs of Lichfield District and takes into account needs of neighbouring areas in terms of providing a contribution towards the unmet housing need of Tamworth and the wider Housing Market Area. In respect of Tamworth, this is secured through an existing memorandum of understanding and a separate statement of common ground. As stated above, the Council would be happy to discuss revising these documents if it is considered necessary.

The Council does have some concerns over the sustainability of the proposed development on the border with Tamworth which are set out elsewhere in this response.

Q3a Please specify the reasons below[4]:

Question 4

Do you consider that the Local Plan 2040 is justified?

Yes		No	X

Q4a Please specify the reasons below[5]:

The highways evidence to support the proposed allocations is not currently available, and this is of particular importance for the sites adjacent to the Tamworth border where highways capacity is already a concern.

The Council notes that the reasons for the delay are beyond the control of Lichfield District Council, relating as they do to the ongoing global pandemic and the reluctance of Staffordshire County Council to carry out traffic survey work at this time. However, until such time as the highways evidence is available, the Council cannot agree that the proposals are based on proportionate evidence and therefore fully justified.

[5] Continue on a separate sheet/expand box if necessary. Mark any additional pages with your contact details

Question 5

Do you consider that the Local Plan 2040 is effective[5]?

Yes		No	X

The NPPF defines an effective plan as being "deliverable over the plan period, and based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground".

The Council acknowledges that Lichfield has agreed to provide for a proportion of Tamworth's unmet need as well as providing for a proportion of the unmet need of the wider Housing Market Area. However the Council considers that more work is needed to ensure that cross-boundary issues are dealt with at the plan making stage and are not deferred until a planning application is submitted.

The experience of the Arkall Farm inquiry clearly demonstrated the issues that arise when cross-boundary issues are not dealt with at an early stage as the issue of mitigating the impact of the development within Tamworth was left to the two councils to agree and has still not been resolved. In order to avoid a repeat of this situation, the Council considers that it should be addressed in the plan rather than deferred until later.

Q5a Please specify the reasons below:

Question 6

Do you consider that the Local Plan 2040 is consistent with the National Planning Policy Framework?

Yes	X	No	

The Council has no specific comments to make on this point

Q6a Please specify the reasons below[6]:

Question 7. Please set out what modification(s) you consider necessary to address your representations. You will need to say how this change will address the concerns and it would be helpful if you could put forward your suggested revised wording to any policy or text. Please be as precise as possible[6].

The Council is seeking assurances that appropriate infrastructure will be provided to mitigate potential impacts on Tamworth, not only highways but such things as sport and leisure facilities too. As has become evident from the situation at Arkall Farm, securing appropriate mitigation for cross-boundary issues through the application process is difficult, and so the Council would expect to see an appropriate mechanism secured up front through including it in the local plan. Seeking to secure mitigation solely through inclusion in an Infrastructure Delivery Plan and/or Infrastructure Funding Statement would not be appropriate as these subject to regular changes so would not provide assurances in the long-term. The Council would seek any solution to apply to the whole plan, not just the proposed allocation at Fazeley, in order to allow it to apply to any other future development on or near the border.

Please note your representation should cover succinctly all the information, evidence and supporting information necessary to support/justify the representation and suggested modification, as there will not normally be a subsequent opportunity to make further representation at the publication stage.

After this stage, further submissions will be only at the request of the Inspector, based on the matters and issues they identify for examination.

Question 8. If your representation is seeking a modification, do you consider it necessary to participate at the oral part of the examination?

No, I do not wish to participate at the oral	

[6] Continue on a separate sheet/expand box if necessary. Mark any additional pages with your contact details

examination	
Yes, I wish to participate at the oral examination	**X**

Question 9. If you wish to participate at the oral part of the examination, please outline why you consider this to be necessary:

The Council would like to resolve the issues raised prior to the examination if possible and would welcome discussions with Lichfield in order to achieve this. If the issues are unable to be resolved prior to examination, the Council would like the opportunity to participate as the issues raised are of strategic important to Tamworth.

Please note the Inspector will determine the most appropriate procedure to adopt to hear those who have indicated that they wish to participate at the oral part of the examination.

Signature[7]:	
Date:	

If you require this form in an alternative format please contact Spatial Policy and Delivery team on 01543 308192 or developmentplans@lichfielddc.gov.uk

Representation forms can be downloaded from the Council's website at www.lichfielddc.gov.uk/localplan2040. A paper copy can be provided by calling 01543 308192 or emailing developmentplans@lichfielddc.gov.uk

All responses received by 5pm on 30th August 2021 will be considered, late responses will not be accepted under any circumstances. Individual acknowledgement of receipt will not be possible.

Please note that copies of all comments received and the names of who submitted them will be made available for the public to view and therefore cannot be treated as confidential. Lichfield District Council will process your personal data in accordance with the Data Protection Act 1998. Our Privacy Notice can be viewed at https://www.lichfielddc.gov.uk/privacy or contact us for a copy to be sent to you.

Representations may be accompanied by a request to be notified at a specified email address or postal address of the following:

- The submission of the Plan for independent examination under Section 20 of the Planning and Compulsory Purchase Act 2004.
- The publication of the recommendation of the person appointed to carry out the independent examination
- The adoption of the Plan.

Lichfield District Council ('the Council') will process your personal data in accordance with the Data Protection Act 1998 and (when in force) the General Data Protection Regulation ('GDPR').

We are required to provide certain information to you:

Data Controller

[7] Please sign the box if you are filling in a paper copy. The box can be left blank if you are filling in an electronic copy

The Council is the Data Controller. Our address is Frog Lane, Lichfield, Staffs, WS13 6YY, telephone 01543 308000 and email developmentplans@lichfielddc.gov.uk

We are represented by a Data Protection officer who can be contacted by emailing dpo@lichfielddc.gov.uk.

Why do we process your information?

To fulfil our statutory duty.

What entitles us to process your personal information?

Processing is necessary for the performance of a task (general development management) carried out in the public interest or in the exercise of official authority vested in the Council.

Who might see your personal data (recipients)?

We may share your information with officers of the Council employed to work in other service areas.

How long do we store your data for?

It is impossible to state a definite retention period. The Council will have received and recorded your personal data for a particular purpose(s). When the Council no longer needs your data for these purposes it will either be destroyed or deleted.

Your rights

- Access - you have a right to know if we are processing your data. We will tell you either way. If we are processing your data you have further rights such as to be provided with a copy of it.
- Rectification – if we are holding inaccurate information you can ask us to correct it.
- Erasure- in certain circumstances you can ask us to destroy or delete your information
- Restriction – in certain circumstances you can ask us to put a hold on the processing of your information
- Objection – again you can ask us to stop processing your personal data.

Complaints

If you are unhappy with the way we process your personal data then please speak to us in the first instance. Notwithstanding this you have the right to complain to the Information Commissioner. Their contact details can be accessed by clicking here: https://ico.org.uk/