N0N-CONFIDENTIAL

BOROUGH OF TAMWORTH

CABINET

24 November 2021

A meeting of the CABINET will be held on Thursday, 2nd December, 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 5 - 12)

3 **Declarations of Interest**

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

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

4 **Question Time:**

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

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

6 **Quarter Two 2021/22 Performance Report** (Pages 13 - 92)

(Report of the Leader of the Council)

7 **Budget Consultation 2022/23** (Pages 93 - 138)

(Report of the Leader of the Council)

8 **Draft Base Budget Forecasts 2022/23 to 2026/27** (Pages 139 - 198)

(Report of the Leader of the Council)

9 **Future High Streets Fund Update** (Pages 199 - 202)
(Report of the Leader of the Council)

10 **Review of Temporary Reserves, Retained Funds and Provisions** (Pages 203 - 220)
(Report of the Portfolio Holder for Finance and Customer Services)

11 **Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2021/22** (Pages 221 - 240)
(Report of the Portfolio Holder for Finance and Customer Services)

12 **Council Tax Base 2022/23** (Pages 241 - 244)
(Report of the Portfolio Holder for Finance and Customer Services)

13 **Local Council Tax Reduction Scheme 2022/23** (Pages 245 - 266)
(Report of the Portfolio Holder for Finance and Customer Services)

14 **Write Offs** (Pages 267 - 276)
(Report of the Portfolio Holder for Finance and Customer Services)

15 **Appointment of External Auditor - Re: Accounts Commencing 2023/2024** (Pages 277 - 304)
(Report of the Portfolio Holder for Finance and Customer Services)

16 **Infrastructure Funding Statement 2020/21** (Pages 305 - 320)
(Report of the Portfolio Holder for Regulatory & Community Safety)

17 **Revised Private Sector Housing Enforcement Policy** (Pages 321 - 372)
(Report of the Portfolio Holder for Regulatory & 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.

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MINUTES OF A MEETING OF THE
CABINET
HELD ON 11th NOVEMBER 2021

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

The following officers were present: Anica Goodwin (Executive Director Organisation), Tina Mustafa (Assistant Director Neighbourhoods), Joanne Sands (Assistant Director Partnerships), Gareth Youlden (Head of Technology and Information Services) and Jo Hutchison (Democratic Services, Scrutiny and Elections Officer)

66 APOLOGIES FOR ABSENCE

There were no apologies for absence.

67 MINUTES OF PREVIOUS MEETING

Minutes of the meeting held on 21 October 2021 were approved and signed as a correct record.

(Moved by Councillor A Farrell and seconded by Councillor R Pritchard)

68 DECLARATIONS OF INTEREST

There were no Declarations of Interest.

69 QUESTION TIME:

QUESTIONS FROM MEMBERS OF THE PUBLIC NO. 1 Under Schedule 4, 13, Mr H Loxton asked the Leader of the Council Councillor J Oates, the following question:-

What was the full financial cost to Tamworth Borough Council of hosting the annual fireworks display on Saturday 6th November 2021?

Councillor Jeremy Oates gave the following reply:-

Thank you Mr Loxton.

The total direct cost of the event was £37,153 less income. That was the expenditure for the event. I would like to say I consider that money well spent.

You will be aware that last year families missed out on this annual event as we had to cancel it along with many other things due to the Covid restrictions. So I am really pleased to see that 2021 saw the largest crowd we have ever seen at this free community event. It is estimated 24,000 people in the castle grounds and estimates suggest there were 10,000 people elsewhere in the town centre watching the fireworks, so per head the cost was a little over £1.

With many firework displays cancelled this year, we expected numbers to be high and reports have been received that people travelled across the region from Leicester, Derby, Nuneaton, Lichfield, Coventry, Warwickshire, Birmingham and even London. Which is a phenomenal feat.

Many of the spectators arrived earlier in the day by road, rail and bus, and they enjoyed shopping at our market within the town centre as well as Ventura Park. Local pubs and restaurants reported a very busy day trading beforehand and some after the event in the castle grounds. We also had over 200 visitors to the castle on Saturday which is a significant increase on the average Saturday.

Boosting the economy is paramount and all our community arts events are held in the town and castle grounds, including the annual fireworks display are our contribution to helping the local economy. Tamworth is one of the few places that still has a free fireworks display and it is one of the largest ones in the Midlands. I am proud that we are doing this, we have been doing this for over a decade and our contribution, I think, really is well received.

With every event we learn as we go on, we are constantly evaluating ourselves and our event management. We are currently undertaking a full debrief as we do with all events and that will happen in the next couple of weeks.

I have seen some negative comments on social media. I don’t recognise these as problems, I see larger problems on the motorway network every time the NEC has a large event, every time there is a large football game or there’s a large sporting event, let’s not even start to discuss V fest or Glastonbury and the mess that leaves the M6 or A5 in, or in the case of Glastonbury the M5 too.

I would like to congratulate the organisers and staff who were involved in pulling off this event. My sympathy is also with them. Within minutes of the end of the fireworks display they were taking their phones out of their pockets and seeing negative comments on social media. It’s like a slap in the face. A minority of people eager to pick out the negatives and drag people down. These guys and girls worked really, really hard to put on what was a successful event for tens of thousands of people to enjoy.

As far as I am concerned this was a huge event and we will continue to invest in our outdoor events, we will continue to invest in them because they have wider benefits to the economy and the community.

Mr Loxton asked the following Supplementary Question:

I do have a supplementary and if you'll bear with me it's at the end of what I am going to say.

So we know the financial pressures facing the council, with a £7m shortfall over the next 5 years, we've been told about that. The £37,000 I think you said, that's not going to make a difference to that budget it's not going to be the breaking point to that budget one way or another. It's not a massive amount to spend but if you look at it over a 15 minute display it's about over £2,000 per minute and there's probably not much Tamworth Borough Council spend at £2000 per minute. The outdoor events programme is good, it's fantastic the council should be applauded for keeping the events going especially in the current financial climate and as you've said what we've put up with COVID. The outdoor events is what I have singled out regularly as one of the top things the council does. However with regards to fireworks there are a vast range of opinions. There will be opinions on whether the financial outlay is worth it. I agree with you I think it is. But there is also opinions on what type of display is wanted. We've heard Councillor Brindley mention drone displays. We've had the option of silent fireworks, so there are options around the type of display. On top of the financial spend, there is obviously also the safety aspects. The actual firework display itself no one can argue with that it's a fantastic display year after year but there was safety issues around that display with the way cars were parked and I know that's not your fault but it seemed to me nothing was being done about it. Only 4 tickets were issued that night, 4 tickets. When pavements were blocked, people pushing wheelchairs were having to go in the road, you couldn't get across Town Drive without going onto a 40 mile an hour road. Now you talk about the motorway, people tend not to walk up the motorway to be fair.

People want to engage on this topic. I have asked four questions on social media about the display and I have had nearly 100 responses to those questions, people want to give their views and they are not all negative. There is a fireworks working group on the council, its been on the council for some time now. All I would ask is that you engage with the public on this to see what they want, to see what type of display they want. I am sure that the vast majority of people want it to go ahead and to carry on going ahead but I would just ask you to let the public to get involved with the type of display especially with environmental issues and things like that, just so we get it right for everybody, around the financial cost, as well as the type of display and the safety around it. Little things perhaps that could be done; you could have parking notices up like you have for Food Gusto, directing people, you could perhaps use Lichfield Road Industrial Estate, direct people down there.

Just my question basically is, will you please engage directly with the public on what they want? Thank you.

Councillor J Oates responded

In response to your direct question, will we engage with the public, absolutely, however, there are limits to what we can deliver. We purchase a display from a professional company, we haven't got our own guys popping down Asda and buying a couple of boxes of this, that and the other, so it's also what is available in the market. I've got no issue with engaging with the public in terms of their desires, I've got no issue in listening to the public's feelings.

In terms of the safety issues that you referred to earlier, council's cannot control people's behaviour. I left my house in my car 2 hours before the display. I drove my car for about 3 and a half minutes and went I ain't getting to town in this. I turned my car round, went back home, parked outside my house and walked into town. People that struggled to park or struggled to get into town, created their own issue and in doing so they impacted on other people. I would suggest with a few exceptions everybody had the opportunity to leave earlier, everybody had the opportunity to use a different mode of transport and in doing so they help each other out. Those that leave late or rush and try and find a space immediately before a firework display are creating the problem. The bottom line is with upward of 30,000 people in the town centre, there's only 1000 car parking spaces and we are not going to invest in car parking spaces for the sake of a 3 hour event it's just not going to happen. So I would implore anybody who has the ability to use a different mode of transport, to do so. That said, I appreciate not everybody can make the 40 minute walk that I did. But if those that can, do, those that can't, have got a better chance of being able to get where they need to get to. So this is about everybody looking at themselves and their own behaviour and how that impacts on other people.

I do want to pick up the point on the £37,000 and the suggestion that's £2000 per minute. This is the cost of the whole event. There were other things going on in the castle grounds and other entertainment, there was the fair and there was other elements. The fireworks themselves were not £37,000 this was a 4 hour, a 3 or 4 hour event so I would argue this wasn't about just, as you suggest, the £2000 per minute for a firework display.

In terms of pressures I think you hit the nail on the head. This isn't going to fix the £7m gap in the budget. This is about our contribution.

What would fix the £7m gap in our budget is if this council did not have to spend hundreds of thousands of pounds every year picking up litter because some dirty, disrespectful individuals continue to drop it on our streets, that would make a massive saving to the Borough Council.

In terms of should we do a firework display, I hear what you're saying about the public would support it. Should we do other outdoor events? It's all about, we can do these because we want to invest in our economy and our communities. This is why we have these outdoor events, it's not to feel good, because they're a lot of work and a headache. This is about investing in our communities and we will continue to do that. But in terms of your substantive supplementary question, happy to listen to different people's opinions. The working group you refer to is within a scrutiny committee which I have no influence or involvement in but I will pass the message on to those people on that committee that you have raised these points this evening.

Thank you.

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

None.

71 INVESTMENT IN TOWN HALL ICT INFRASTRUCTURE AND EQUIPMENT

The Report of the Leader of the Council updated Cabinet on progress made with regards to facilitating on-line meetings and informed members of the increase required in Democratic resources to continue to deliver on-line meetings.

RESOLVED that Cabinet:

1. Endorsed the findings within the report and progress to date in relation to work already delivered.
2. Continued to commit to livestreaming of Council meetings.
3. Continued to ensure all committee meetings were recorded and published in order to maximise transparency of decision making and electoral accountability.
4. Supported the policy change to increase the current establishment within Democratic Services.
5. Requested that the Appointments and Staffing Committee consider the staffing resource implications associated with this report.
6. Receive a further report once final costs for ICT investment were received.

(Moved by Councillor J Oates and seconded by Councillor A Farrell)

72 REPLACEMENT BACKUP SYSTEM

The Report of the Portfolio Holder for Finance and Customer Services requested approval for replacement of our current network backup system including the release of £15,000 from capital contingency to part fund the replacement of our current backup system and the re-purposing of existing capital scheme for Mobile Phones of £20,000, which was no longer required to fund the Mobile Phone contract, to part fund the replacement of our current backup system and the addition of a new scheme to the capital programme - Replacement Backup System with a total capital budget of £51k, funded by the two elements above and a contribution from existing ICT capital budgets.

RESOLVED that Cabinet approved the release of £15,000 from the General Fund capital contingency budget to part fund the replacement Backup System.

(Moved by Councillor M Bailey and seconded by Councillor R Pritchard)

73 CORPORATE ENFORCEMENT POLICY

The Report of the Portfolio Holder for Regulatory and Community Safety to approve a revised and updated Corporate Enforcement Policy.

RESOLVED that:

1. The revised Corporate Enforcement Policy attached as Appendix 1 be approved
2. The Assistant Director Partnerships, in conjunction with appropriate Heads of Service, be authorised to make minor editorial changes to the Policy as required that do not materially change the scope or meaning of it
3. A full review of the Policy be undertaken every three years with update to the Audit and Governance Committee.

(Moved by Councillor S Doyle and seconded by Councillor D Cook)

74 TENANCY MANAGEMENT POLICY

The Report of the Portfolio Holder for Social Housing and Homelessness Prevention set out the arrangements for the Tenancy Management Policy for council housing, specifically to deal with fixed term tenancies, following fundamental changes to case law as detailed in the report (shown at Appendix B).

RESOLVED that Cabinet:

1. Approved the revised `Flexible Fixed Term Tenancy Agreement 2021` (Appendix A) which included the required forfeiture clause needed for all **new and renewable flexible fixed term tenancies** and delegated authority to the Portfolio Holder for Social Housing & Homelessness Prevention to approve any final amendments to the tenancy agreement as necessary.

2. Accepted the recent High Court of Appeal decision on flexible tenancies in the case of Croydon London Borough Council V Kalonga (Appendix B), which had forced Councils to review their tenancy management policies.

3. Endorsed consultation on the basis of the tenancy management options for fixed term tenancies, detailed within the report, starting with the Housing & Homelessness Sub Committee and the Tenant Consultative Group.

4. would receive a further report on the future of fixed term tenancies in March 2022, as part of an updated Tenancy Management Policy (2022-2025).

(Moved by Councillor A Farrell and seconded by Councillor M Bailey)

75 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 1, 2 and /or 3 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)

76 HOMELESSNESS WINTER RELIEF 21/22 UPDATE

RESOLVED that the recommendations within the Report be approved.

(Moved by Councillor A Farrell and seconded by Councillor S Doyle)

Leader

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Thursday, 2nd December 2021

Report of the Leader of the Council

Quarter Two 2021/22 Performance Report

Exempt Information
None

Purpose
This report provides the Committee with a performance update and financial health-check. The report was considered by Corporate Scrutiny Committee at their meeting on 18th November 2021.

Recommendations
It is recommended that Cabinet endorse the contents of the report

Executive Summary
The report contains the following sections:

1. Recovery and Reset Programme Summary,
2. Corporate Projects Summary,
3. General fund – Actual Spend Summary,
4. Universal Credit Summary,
5. Corporate Plan Projects and Corporate Risk Register,
6. Regeneration Project Updates
7. Impact of Welfare Benefit Reform on Council services,
8. Medium Term Financial Strategy monitoring,
9. Financial Health-check

Resource Implications
There are no financial or human resource implications

Legal/Risk Implications Background
There are no legal or risk implications

Equalities Implications
There are no equality implications

Sustainability Implications
There are no sustainability implications

Report Author
Zoe Wolicki – Assistant Director People

Appendices
Quarter 2 2021/22 performance report

Quarter 2 Performance Report

This report contains the following sections:

1. Recovery and Reset Programme Summary,
2. Corporate Projects Summary,
3. General fund – Actual Spend Summary,
4. Universal Credit Summary,
5. Corporate Plan Projects and Corporate Risk Register,
6. Regeneration Project Updates
7. Impact of Welfare Benefit Reform on Council services,
8. Medium Term Financial Strategy monitoring,
9. Financial Health-check

Appendices

1. Corporate Project Highlight Reports
2. Corporate Risk Register

A. Budget Variances
B. Capital Programme Monitoring
C. Treasury Management Update
D. Additional Information resulting from Corporate Scrutiny Committee on 18th November 2021

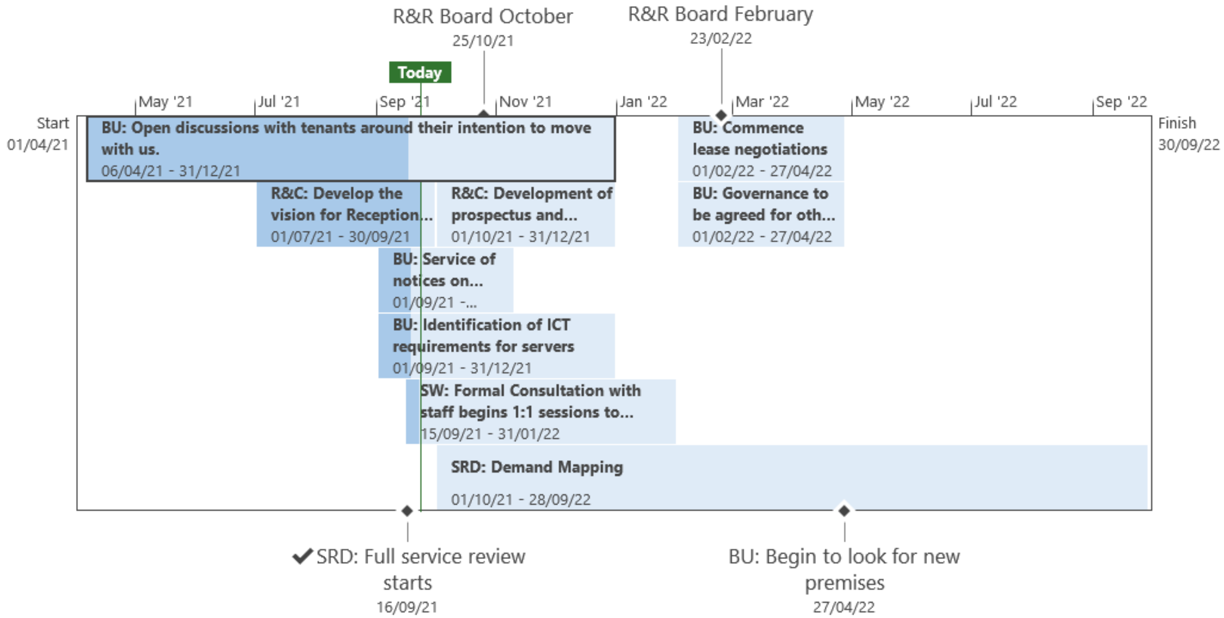
1. Recovery and Reset Programme Summary

Recovery & Reset Programme Highlight Report			
Completed by:	**Tina Mustafa**	**Date Complete:**	**25th October 2021**
Projects	**Project Lead**	**Due Date** *Taken from Critical Path Milestones (see page 2)*	**Highlight**
Economic & Regeneration	**Anna Miller**	**16/03/2023**	Marmion House Options Appraisal – Paper still in development, agreed with CEX to be presented to 25th October Board. Leader having initial discussions with Cabinet on MH Front Reception on the ground floor with flexible housing-led development above. Risks still to be mapped. Economic recovery – Baseline to be commissioned to support Economic intervention by January 2022.
Building Requirements & Utilisation	**Paul Weston**	**30/03/2023**	Legal instructed to prepare lease terminations. Resource planning stage ongoing. As part of the SMART Working staff have been asked to identify storage and space requirements. See risks around MH options.
SMART Working	**Zoe Wolicki**	**29/06/2022**	Smart working consultation approved at Appointments on Staffing on 140921. Discussions TULG underway and wider leadership discussions scheduled to review classifications.
Customer Services Offer (including front of house)	**Zoe Wolicki**	**30/06/2022**	Paper being presented to the 27th September Ops meeting on the citizen engagement and consultation plan. Explanation around the interdependencies with Building Requirements and MH options appraisal so that the critical timeline/path can be mapped.
Service Re-design	**Tina Mustafa**	**Phase 1: 31/03/2022**	ELT support 3-phased approach following base line assessment 2020/2021. Year 1 around efficiency savings to be built into the budget setting review end of October following ELT review on 220921. Proposals around subsequent years to be aligned to the wider corporate planning process. Interdependency with Corporate Mapping which presents a resource risk.
Third Sector & Vulnerability	**Jo Sands**	**28/07/2022**	Vulnerability and voluntary sector offer being mapped and linked to citizen engagement plan. Directory of services being collated to inform wider service mapping.
Financial Management & Commerciality	**Lynne Pugh**	**31/03/2022**	Commerciality strategy shared and feedback received. This is now under internal review.
Comms and Engagement	**Linda Ram**	**-**	Comms successfully launched pre-post cabinet and full council decisions. Clarity now required on Programme Comms vs Project Comms. Comms resourcing to be mapped once wider programme and project comms requirements scoped. Projects lead risks around not identifying comms requirements.

Achievements since last period

- Board arrangements reviewed and implemented.
- Bi monthly meetings scheduled.
- Cabinet approval received 29/07 and 25/08.
- Vlog with key messages from leader went live 30/07, full pre and post member comms.
- SMART Working consultations commenced.
- Service Redesign approaching endorsed by ELT.
- Critical timeline requirements and visuals can now be pulled through for R&R implementation.

Planned Activities for next period



Amber/Red Areas

- As above. These are reflected due to levels of interdependencies and a need to agree all documentation at Ops meeting in September.

Risks including Stakeholder Issues

- As per programme control log and risk management tree

Recovery & Reset Board Issues

- Note Quality Assurance Audit in January 2022.

Resourcing Requirements

- Resourcing funded through COVID LA allocation – current spend on track

Recovery & Reset Critical Path Milestones				
Area	Task	Start date	Planned completion date	Status
Programme	ELT approve programme structure	27/01/2021	27/01/2021	Complete
SW	Research stage for SMART Working	04/01/2021	16/06/2021	Complete
Programme	Outline plan to TULG	09/02/2021	09/02/2021	Complete
Programme	R&R Governance consulting group and board starts	22/03/2021	22/03/2021	Complete
Third Sector	Third Sector continued response to pandemic supporting vulnerable people	16/09/2021	14/03/2023	On track
Service Re-design	ELT agree service redesign plan	20/01/2021	20/01/2021	Complete
Programme	July Cabinet decision t agree options	29/07/2021	29/07/2021	Complete
SmartWorking	SW formal Consultation	30/07/2021	30/12/2021	On track
SmartWorking	Appointments and staffing report	14/09/2021	14/09/2021	Complete
Service Re-design	Service Re-design Phase 1 Financial Stability	05/02/202	31/03/2022	On track
Building Requirements	Begin to look for new premises	31/01/2021	27/04/2022	Not started
Service Re-design	Service Re-design Phase 2 Targeted Service	01/04/2022	31/03/2023	Not started
Econ & Regen	Commence feasibility on Marmion House	26/08/2021	01/04/2022	On track
Finance	Finance start new budget process & include efficiencies	05/07/2021	31/03/2022	On track
SmartWorking	Begin implementation phase of SMART WORKING	01/10/2021	31/03/2022	On track
Reception & Customer	Implementation phase begins for Reception & Customer	01/10/2021	31/03/2022	On track
Third Sector	Third sector deliver commissioning framework	03/01/2022	28/07/2022	Not started
Third Sector	Third Sector: Supplier chosen for Tamworth advice centre	31/03/2022	31/03/2022	Not started
Building Requirements	Possible Earliest Date to move out of Marmion House and into new premises	03/01/2022	31/03/2022	Not started
SmartWorking	SMART Working Go Live	01/04/2022	29/06/2022	Not started
Reception & Customer	Go Live Reception & Customer Meeting rooms	04/04/2021	30/06/2022	Not started
Service Re-design	Service Re-design Phase 3 Root and Branch service review	01/04/2023	31/03/2026	Not started
Building Requirements	Closure of Marmion House	30/03/2023	30/03/2023	Not started

2. Corporate Projects Summary September 2021

Corporate Project	Due Date	RAG Status	Commentary
Review of Corporate Capital Strategy	31st March 2022		Timescales revisited, project on track and in control.
Priority Review - Cleaners	TBA (was 30th April 2020)		Implementation phase of the project delayed due to COVID-19. Further review will be required as part of the COVID-19 recovery phase.
Risk Management Strategy	31st Dec 2021		The parameters of this project completed by the presentation of the new format and Risk policy to the 1st quarter A&G committee. The revised strategic report to be presented to future quarterly A&G meetings. The risk review does not stop at this as the next step below the strategic level has been started with the meeting of the Risk champion. This Multi-disciplinary group will identify and review significant operational risk. They will meet quarterly to identify any operational risks that need to be flagged up to the strategic report.
Implement Customer Portal	3oth Nov 2021		Work is progressing and on track for completion by 30 Nov 21.
Organisational Development Strategy	1 Apr 2022		Training delivery has concluded one to one coaching scheduled for November 21 External consultant appointed to produce the OD & People Strategy

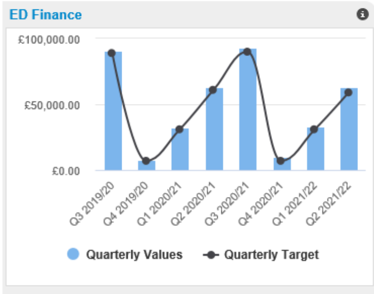
Welfare Reform	31st Mar 2022		Debt management group established Good housekeeping underway on former arrears and debt recover HQN Rent Accreditation submission of evidence prior to final assessment completed Targeted intelligence data gathering of customer insight (financial hardship) at first point of contact now developed and underway
Leisure Strategy	30th December 2022		Report to cabinet July 21. Tender to be published asap.
Leisure Services Review	31st Oct 2022		Swimming review to be more detailed – work on-going Report to Cabinet July 21
Town Centre Programme	31st March 2022		Pre-application submitted for CRF3

RAG Status	Overall Project Status
	Project on track and in control
	Project not on track but in control
	Project not on track

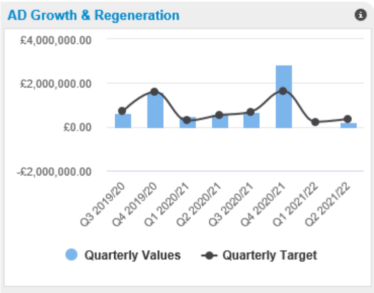
3. General Fund – Actual Spend

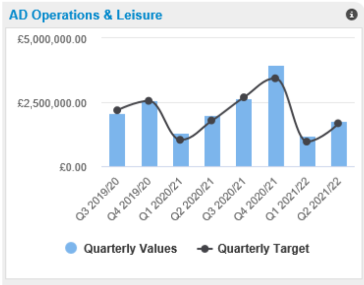
No material variances

No material variances.



No material variances

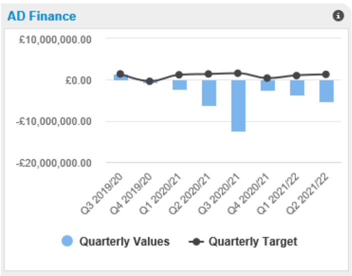


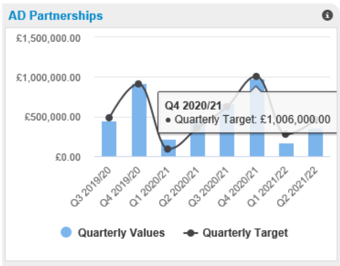


Shortfall in car parking income

Vacancy allowance & application software costs

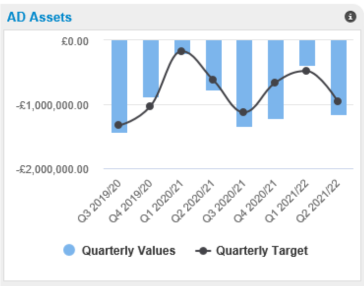
Vacancy allowance & shortfall in Assembly Rooms ticket sales and split profit event income





Government grants re Covid 19; NNDR levy return

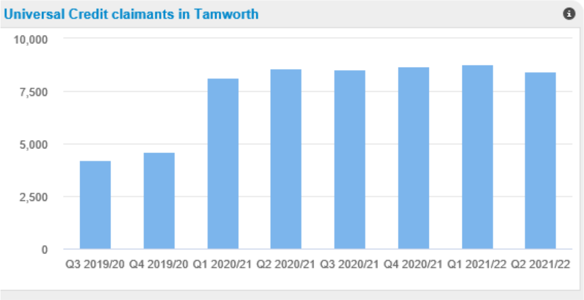
Vacant posts

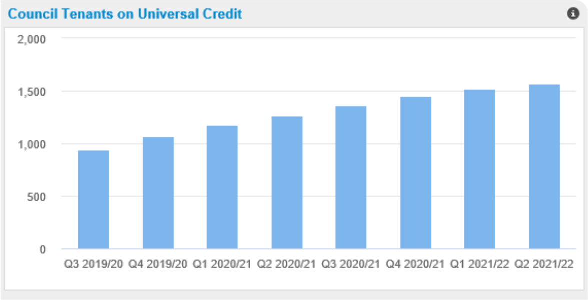


Reduction in bad debt provision plus windfall income

Shortfall in bed & breakfast income

4. Universal Credit Summary





There are 8423 universal credit claimants in Tamworth

There are 1571 council tenants on universal credit

5. Corporate Plan Projects and Corporate Risks

The Executive Leadership Team identified projects from the Corporate Plan, the monitoring of which would form the basis for this section of the quarterly performance report. Project highlight reports for each of these are included at **Appendix 1**.

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

6. Regeneration Project updates

Solway

Progress on this project has been restricted due to a number of other priorities and issues taking precedence including; purchase and master planning of the Gungate site, uncertain financial markets, the Future High Streets Fund process, Internal Corporate restructure and the ongoing COVID-19 pandemic.

Following a previous Report to Corporate Scrutiny Committee on 25th August 2020, and as recommended by the Committee, Jones Lang Lasalle were appointed during 2020 to review and update the assumptions taking into account local and regional market trends to assess continued viability and the impact of the COVID-19 pandemic as far as that could be judged at the time of writing – which it confirmed.

Corporate Scrutiny Committee on 11th March 2021 considered this report and approved exploring in more detail the viability and financial implications of a private rental scheme will allow the Council to make a fully informed decision on how to develop the site.

An update on the progress made on this work is planned for the Corporate Scrutiny Committee in March 2022. This will include updated options for the site based on latest market demand, costing information, projected returns and assessment of the risks involved.

It should be noted that the successful Future High Streets Fund bid (as well as the consultation and continuing work on the options for the Gungate site) will mean officer time will be restricted further. However, officers will benefit from the experience of procuring and managing a significant regeneration project in the coming months and years – which could benefit the future plans for the Solway site depending on the review findings.

Future High Street Fund

Throughout August the tender for the appointment of a multi-disciplinary team to move the project forwards in the enabling phase was `live' on the CCS procurement framework. The tender deadline was 20 August. Given the size and importance of the tender, interviews were held on the 7 September and appointment was immediately made. McBains are the successful construction and consultancy team, supplemented by the College and TBC incumbent architect firms ACG and Purcell.

Various surveys have been undertaken to better understand constraints including utilities, measured building surveys and topographical surveys.

Work continues on heads of Terms for the various partnerships and acquisitions that are necessary for the project to progress.

Discussions are ongoing to achieve vacant possession of Middle Entry and the relocation of Julie Anne Florists.

A communications and engagement strategy has been developed including the new Transforming Tamworth webpages – to show case regeneration across Tamworth town centre and specifically the FHSF programme. This website will be up and running ahead of the 13th October evening meeting with businesses.

Gungate

A red book valuation process is jointly underway between TBC and SCC which seeks to evaluate TBC and SCC landholdings on Spinning School Lane North. The outputs of this should be available in October.

The Police Station owners have meet with TBC planning to outline at a high level, their plans for the site.

Discussions held with Homes England to assist the Borough Council in unlocking the potential of regeneration sites across the town has resulted in a Heads of Terms signed off by Cabinet on the 30th September. The next step is to prepare and agree to a Memorandum of Understanding. Work on a car park demand study is underway, financed by HE, the outputs of which will be available in November.

Amington Local Centre

The site was transferred back to Tamworth Borough Council in June 2021. The Borough Council is now under a Section 106 obligation to develop the site as a local centre within five years.

The ED Team are working up options to determine the best way to market the site for a local centre at the front of the site.

7. Impact of Welfare Benefit Reform on Council services

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

<u>Benefits</u>

A reduction in the number of Discretionary Housing Payments (DHP) claims is reported - DHP claims paid are £62k (£92k at 30th Sep 2020) with 105 successful claims from 157 applications (compared to 118 successful claims from 175 applications at 30th Sep 2020). There is a 3 week backlog (1 week as at 30th Sep 2020) of claims still to be processed.

Local Council Tax Reduction Scheme claims are lower than 2020/21 (5,227 claimants as at 30th Sep 2021 compared to 5,393 at 30th Sep 2020) with a total scheme cost of £4.7m (£4.5m in 2020/21).

Discretionary council tax support totalling £5,272.58 has been granted up to 30th Sep 2021 by working closely with the Citizens Advice Bureau. An additional hardship scheme was in place throughout 2020/21, awarding up to £150 additional council tax support to recipients of less than 100% council tax support. This was in addition to the ongoing discretionary council tax support scheme therefore the total discretionary payments made up to 30th Sep 2020 was significantly higher, £426,342.75.
Central Government has recently announced a Household Support Fund, which is to be distributed by County Councils and Unitary Authorities in England. The funding will be made available from October 2021 to 31st March 2022.
Work and Pensions Secretary Therese Coffey said: "Our targeted Household Support Fund is here to help those vulnerable households with essential costs as we push through the last stages of our recovery from the pandemic."

There is discretion on exactly how this funding is utilised. However, the expectation is that it should primarily be used to support households in the most need with food, energy and water bills. It can also be used to support households with essential costs related to those items and with wider essential costs. In exceptional cases of genuine emergency, it can additionally be used to support housing costs where existing housing support schemes do not meet this exceptional need.
The funding to be provided to Staffordshire County Council is £5,506,547.99. At its Cabinet meeting on 20th October the County Council set out the anticipated spend as detailed in the table below. It is anticipated that they will liaise with ourselves and third sector agencies to formulate a policy for distribution of the £1million District & Borough Council Fund, ensuring that those most in need are provided for. They are seeking to facilitate conversations to further explore the delivery model to support families with Council Tax debt. The allocation for Tamworth is £143,200.

Funding	Anticipated Expenditure
Education Support Fund	£1,945,800
Targeted Support Fund	£206,325
District Assistance Grants	£1,000,000
Winter Warmth Project	£1,062,037
District & Borough Council Fund	£1,000,000
Administration Fees	£292,385.99
Total	£5,506,547.99

Live caseload figures are 161 lower than 2020/21 – currently 5,440 which follows the significant increase to 5,601 by 30th Sep 2020 resulting from the pandemic (following a reducing annual trend – at March 2020 caseload was 5,374 which was 140 lower than the previous year). The average time taken to process new Housing Benefit/Council Tax Benefit claims and change events was 9.5 days to Sep 2021 (7 days to Sep 2020).

<u>Revenues</u>

Due to the pandemic, recovery actions were suspended for Quarters 1-2 of 2020 and so comparative figures relate to 2019 (as a result there was no court action or enforcement agent referrals during quarter 1 of 2020).

<u>NNDR</u>

Reminders (656 at Sep 2021) are at higher levels than 2019/20 levels (465 at June 2019) with summons and liability orders also at higher levels than 2019/20. There has been 158 summons and 90 liability orders (compared to 97 and 64 respectively at Sep 2019). There have been 17 enforcement agent referrals to Sep 2021 (36 referrals to Sep 2019) due to the first court hearing for 2021/22 debts being delayed until 29th June. There has been an increase in cases for 2021/22 as the extended retail relief reduced from 100% to 66% for many businesses from 1st July 2021.

Collection performance is above target - current year collection levels are at 48.2%, above target by 0.1% at 30th Sep (54.4% as at 30th Sep 2019). There has been an impact on collection performance from 1st July following the removal of the 100% retail relief though targets have been revised to take this additional charge into account. Court costs are £5k, above the anticipated level of £1k.

Arrears collected for 2020/21 are 30.0% compared to a target of 1%, however, this is improved due to there being more extended arrangements relating to previous years debt due to the pandemic.

Council Tax

Reminders are over 5% lower than 2019/20 levels (8,738 at Sep 2021 compared to 9,330 at Sep 2019) with summonses and liability orders at higher levels (2,522 summonses compared to 2,378 to Sep 2019 with 2,107 liability orders compared to 1,899 to Sep 2019). Attachment of earnings and enforcement agent referrals are at lower levels (160 attachments compared to 238 in quarters 1-2 of 2019/20 and 260 referrals compared to 1,106 at Sep 2019).

There remains a backlog in processing of correspondence due to additional workload created by the payment of significant levels of grants and reliefs to local businesses arising from the pandemic. The Revenues Billing Team backlog has reduced from 43 working days at the end of June 2021 to 9 working days at the start of October (4 working days in October 2019).

Current year collection levels at 58.1% are higher than the target of 57.9%, however, this is behind the 2019/20 collection performance of 58.5%. Court cost income is ahead of that anticipated by £70k at £129k. Arrears collection for 2020/21 of 30.1% is slightly behind the target of 31.3%.

As at Sep 2021 there were 2,010 live Council Tax universal credit cases. The collection rate for universal credit cases was 48.8% (of a £730k collectable debit) compared to our overall collection rate of 58.1%. The difference shows universal credit collection approximately £67k behind where it would be if it reflected the overall figures.

Direct Debit take up for live universal credit cases is 27.7% compared to 71.3% overall, while roughly 11% are subject to arrangements compared to an overall figure of 4%. In addition, 1,388 reminders have been sent in respect of the 2,010 universal credit cases (8,110 for 33,957 overall liabilities). 23% of live cases have received a summons for non-payment, compared to a figure of 5% overall.

Housing

Universal Credit

Summary information provided below explains the increase in numbers of tenants in receipt of Universal Credit as per 2020-21 and 2021-22.
Tenants in receipt of Universal Credit:

Indicator	Qtr 2 2020/21	Qtr 3 2020/21	Qtr 4 2020/21	Qtr 1 2021/22	Qtr 2 2021/22
Number of Council Tenants on Universal Credit	1,269	1,363	1,449	1519	1571
Number of Council Tenants on Universal Credit in Rent Arrears	877	980	680	954	987
Percentage of Council Tenants on Universal Credit in Rent Arrears	69.1%	71.9%	46.93%	62.8%	62.83%
Number of Council Tenants on Universal Credit not in Rent Arrears	392	383	769	565	584
Percentage of Council Tenants on Universal Credit not in Rent Arrears	30.9%	28.1%	53.07%	37.2%	37.17%

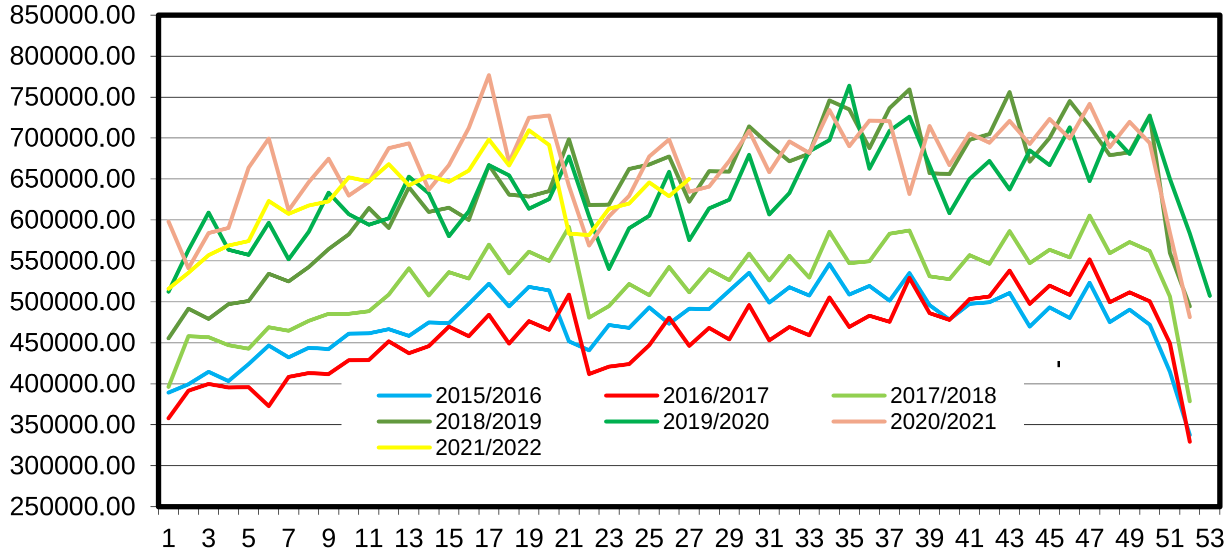
Total ***Rent*** arrears (excluding former tenants) at 30th September 2021 were £628k compared to £481k at 31st March 2021 – an increase of £147k (compared to a £191k increase as at 30th September 2020).
Total arrears (including former tenant arrears, recharges, court costs and garages etc.) are £1.9m at 30th September 2021, compared to £1.8m at 31st March 2021, an increase of £119k (compared to a £178k increase between 31st March 2020 and 30th September 2020).
Total arrears (including former tenant arrears, recharges, court costs and garages etc.) were £1.8m at 31st March 2021, compared to £1.84m at 31st March 2020, a reduction of £64k (compared to an increase of £6k between 31st March 2019 and 31st March 2020).

Rent Arrears

End of **Q1** arrears **2020/21**	£693,688.32	End of **Q1** arrears **2021/22**	£642,298.51	Decrease of £51,389.81 between end of Q1 2020/21 to end of Q1 2021/22
End of **Q2** arrears **2020/21**	£698,096.99	End of **Q2** arrears **2021/22**	£628,819.07	Decrease of £69,277.92 between end of Q2 2020/21 to end of Q2 2021/22

Arrears Comparison Graph year on year performance

Current Tenant Arrears



The comparison chart above clearly illustrates that whilst arrears do generally continue to increase, the general pattern of data across the years' remains consistent and at the current time there is a general reduction in overall rent arrears

LPI_BV66a Rent Collection and Arrears Recovery (Collection as a % of debit inclusive of arrears brought forward) Quarter 2 <u>£9,889,063.83 Payments Total inc arrears bfd</u> £10,228,191.84 September Debit and arrears bf (x 100) = 96.68%	**96.68%**
End of Quarter 2 Arrears	**£628,819.07**
Total Arrears (2020/2021 end of year) £481,375.48	**£481,375.48**
Arrears as a % of debit <u>£628,819.07 </u>End of quarter 2 arrears 2021-22	**3.36%**

£18,732,250 Annual Debit x 100 = 3.36%	
Collection as a % of debit (excludes arrears b/fwd) £9,889,063.83, Payments £9,746,816.36 September Debit x 100 = **101.46%**	**101.46%**
Former tenant arrears - end of Quarter 2 2021-22 2020/2021 FT End of year arrears - £720,102.50	**£721,783.81**
Garage rent arrears 2020-2021 2020-2021 - £1,615.96	**£1615.96**
`Number of Evictions end of Quarter 2 2021-22	**1 Eviction (abandonment)**
Corporate collection figure 2020-21: **100.14%**	

Covid19

The outbreak of COVID19, which hit the UK in March 2020, has had a significant impact nationally and locally. More specifically for the Council's Housing Revenue Account, rent levels have been put at risk. There was minimal impact on rent arrears levels in the first half of the year 2020-21 but this position has been been continually kept under review. Outstanding rents may be reclaimed, but over a significantly longer period because of the commitment the Council made, in accordance with government announcements, not to evict any tenants in which rent arrears could be contributed to COVID19.

Write Offs

The Assistant Directors and Heads of Service are responsible for the regular review of debts and consider the need for write off and authorise where necessary appropriate write offs in line with the Corporate Credit Policy.

The position for the second quarter of the financial year reported to be reported to Cabinet on 2nd December 2021 is shown below.

Type	01/04/21 – 30/09/21
Council Tax	£4,469.48
Business Rates	£0.00
Sundry Income	£802.72
Housing Benefit Overpayments	£9,054.62
Housing	£67,526.64

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. It should also be noted that collection levels for prior year debts have returned close to normal levels.

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). In cases where extreme hardship has been identified discretionary housing payments and additional council tax reductions have been made as noted elsewhere in this report, as well as writing off accumulated previous year 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.

Universal Credit

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

Indicator	Qtr 4 2018/19	Qtr 4 2019/20	Qtr 4 2020/21	Qtr 1 2021/22	Qtr 2 2021/22
live caseload figure	5,514	5,374	5,628	5,575	5,440
Number of Universal Credit claimants in Tamworth	2,682	4,594	8,687	8,788	8,423
Number of Council Tenants on Universal Credit	645	1,072	1,449	1,519	1,571
Number of Council Tenants on Universal Credit and in Rent Arrears	443	663	680	954	987
Percentage of Council Tenants on Universal Credit and in Rent Arrears	68.7%	61.9%	46.9%	62.80%	62.83%
Number of Council Tenants on Universal Credit and not in Rent Arrears	202	409	769	565	584
Percentage of Council Tenants on Universal Credit and not in Rent Arrears	31.3%	38.2%	53.1%	37.20%	37.17%
Number of Council Tax Payers on Universal Credit	745	1,254	1975	2,024	2,010
Number of Council Tax Payers on Universal Credit and in arrears with Council Tax payments	261	388	263	425	458
Percentage of Council Tax Payers on Universal Credit and in arrears with Council Tax payments	35.0%	30.9%	13.3%	21.0%	23.0%
Number of Council Tax Payers on Universal Credit and not in arrears with Council Tax payments	484	866	1712	1,599	1,552
Percentage of Council Tax Payers on Universal Credit and not in arrears with Council Tax payments	65.0%	69.1%	86.7%	79.0%	77.0%
Number of Universal Credit claimants nationally	1,736,431	2,933,218	6,038,764	6,010,269	5,836,961
Discretionary Housing Payments made - Year to date	140,303	135,782	171576	28,083	61,532
Amount of Discretionary Housing Payments made to Universal Credit claimants - Year to date	82,001	102,688	148625	24,317	55,358

8. Medium Term Financial Strategy 2021/22 -2025/26 Monitoring, September 2021

General Fund

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 Governments 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 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.

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

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 want to take time to work with local authorities to make sure that the approach is right following the planned reviews.

Spending Review 2021

For two years, the government has only held single-year Spending Reviews, with 2019 being a single year due to the political turbulence around Brexit, and 2020 being a single year, given the COVID-19 pandemic. However, on 7th September 2021, the Chancellor wrote to Secretaries of State to confirm the government's intention to complete a multi-year Spending Review (SR2021), setting revenue and capital budgets for 2022/23 to 2024/25.

For Local Government, the government has indicated a projected Core Spending Power (CSP) increase of £3.3bn in 2021/22, a real-terms increase of 3.4% (i.e. a cash increase of 6.5%).

Although the spending review document notes that the Department for Levelling Up, Housing and Communities (DLUHC) "will set out full details of the council tax referendum principles", it states that the referendum threshold is expected to remain at 2% per year through the SR period, with an additional 1% per year for social care authorities.

The latest fundamental review of the business rates system has now been completed. The Chancellor's speech highlighted that the government does not intend to abolish business rates, though the review states that the government will launch a consultation on an Online Sales Tax.

There will be adjustments to business rates, including:

- a temporary relief of £1.7bn across 400,000 retail, hospitality and leisure properties in 2022/23 (this time at 50%, lower than the 66% currently applicable, with a cash cap of £110,000, up from the £105,000 cap applicable in 2021/22) - as the multiplier is not changing next year our best estimate will be equivalent to the 2021/22 award (66% relief for 9 months) at c. £1.9m reduced charge;
- a freeze on the business rates multiplier for 2022/23 (following a freeze for 2021/22) - gross business rates using the existing small business multiplier/ RV as at 01/10/2021 adjusted for anticipated developments would be £41.2m, if the multiplier increased by 3.1% it would be £42.3m which would mean a c.£1.1m reduced gross debit. The benefit of multiplier freeze will also increase nationally by inflation each year by c. 2% though the revaluation from 2023 could affect the regional impact.
  The above two factors combined would lead to net collectable debit of £32.2m compared to £35.2m with them not in place so £3m reduced net debit (£1.9M re retail relief, £1.1m re multiplier freeze); and
- a new business rates relief for investment in property improvements from 2023, which will allow businesses to benefit from 100% relief for 12 months from when they make improvements to a hereditament. As implementation of this will be subject to consultation in 2022, then it is too early to forecast any impact .

All of these measures (additional reliefs, multiplier freeze, and revaluations) have historically been implemented with a view to ensuring a neutral impact on local government finance, with s31 grants provided (or top up/tariff adjustments, in the case of revaluation) to cover the costs involved. There is no reason to believe that this would change for the SR21 announcements.

No announcement was made about the government's plans for funding reform or a **reset** of the Business Rates Retention (BRR) system, both of which were originally expected to be implemented in 2019/20, but which have been delayed a number of times.

However, the government has announced that it is expecting the BRR pilots to continue throughout the SR period. It was expected that the pilots would end when there was a reset, so the continuation represents a strong signal that a reset should not be expected during this SR period (and therefore this Parliament).

In addition, the Office for Budget Responsibility (OBR) tables for local government finance show that income from BRR is expected to increase through the SR period. There is only a fall in income expected for local government from BRR in 2025/26, and this fall is fully offset by an unusually large increase in grant funding. This looks like a reset, though the OBR do not specify how these figures were calculated. 2025/26 is expected to be the first year of the next Parliament, and so this could indicate that the OBR have been informed that there will not be a reset during this Parliament.

Updated Forecasts

Modelling contained within this updated forecast at Quarter 2 considers the impact of both scenarios – the central case scenario assumes a full reset from 2022/23 (in line with the previous quarterly projections) while the best case scenario assumes the reset will take place from 2025/26.

When the last update was prepared after quarter 1, still early into the new financial year, it showed a projected a shortfall of £2m by 2024/25 and £5.7m over the 5 years to 2025/26, including the minimum approved level of £0.5m (compared to the 5 year projections within the approved MTFS of £0.5m over 3 years – with a shortfall of £3.3m by 2024/25 and £7m over the 5 years to 2025/26). This would mean having to find savings of around £1.1m per annum – or ongoing year on year savings of £0.4m p.a.

In addition, in light of the ongoing impact of Covid-19 on the Council's Medium Term Financial Strategy, Managers were again asked to review their budgets and identify all non-essential spending for 2021/22 as part of the quarter 1 projections at 30th June 2021 – as part of a managed underspend plan. This has been repeated again for the Quarter 2 projections.

As a result of the updated forecast in October 2021, the Central case projections now identify a shortfall in General Fund balances of £1.7m over 3 years – with a shortfall of £5.4m by 2025/26 and £9.3m over the 5 years to 2026/27, including the minimum approved level of £0.5m (compared to the 5 year projections within the approved MTFS of £0.5m over 3 years – with a shortfall of £3.3m by 2024/25 and £7m over the 5 years to 2025/26). This does include additional policy change proposals of c.£2m over 5 years, however, it should be noted this central case General Fund (GF) forecast does not include:

- Potential unused reserves (including the transformation and other contingency reserves) to support the budget - a review of reserves is planned for December 2021;
- retained Business rates (net of levy payment / s.31 grant income) due to retention of the growth since 2013, which could realise c.£1m in 2022/23 should the reset be deferred again;
- any potential savings from the Phase 1 of the Recovery and Reset programme reviews.

Under the best case scenario, projections now identify General Fund balances of £2.1m over 3 years – with a shortfall of £2.1m by 2025/26 and £6.1m over the 5 years to 2026/27, including the minimum approved level of £0.5m.

Housing Revenue Account

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.

As a result, the updated forecast at quarter 1, over the three year period to 2023/24, projections for the Housing Revenue Account identified balances of £3.9m (compared with forecast balances remaining of £3.1m in the February MTFS) with balances of £3.6m over the four years to 2024/25 reducing to £3.5m in 2025/26 (balances were previously forecast at £2.8m in 2024/25, £2.7m in 2025/26).

This did not include the additional cost pressures of £5.6m over 5 years identified in the proposed HRA policy changes (& it does not include any additional debt financing costs pending finalisation of the 5 year HRA capital programme).

For the HRA, the updated projections at Quarter 2 now identify HRA balances of £1m over 3 years with a shortfall in balances of £0.6m by 2025/26 and £1.2m over the 5 years to 2026/27, including the minimum approved level of £0.5m (compared to the 5 year projections within the approved MTFS of £3.1m over 3 years, £2.8m by 2024/25 and £2.7m over the 5 years to 2025/26).

It would be worth noting that due to the increased cost pressures currently being experienced (although they may be temporary) this will also have an impact on the level of rent increase for 2022/23. The MTFS included a forecast increase of 3% p.a. based on the formula allowed under the Rent Setting Guidance of CPI plus 1%. Given the current level of CPI of 3.1% (September 2021), the forecast increase for 2022/23 will be 4.1% in line with the maximum allowed by the Government's Rent Standard (that social housing rents can increase to include 'up to' a factor of the consumer price index (CPI) measure of inflation (for September of the preceding year) plus 1% for five years from 2020) - in order to support the continued investment in the housing stock. Each 1% increase would equate to additional income of c.£200k p.a. (£1m over 5 years).

Recovery and Reset Programme

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 2 projections at 30th September 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 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.

General Fund

	General Fund						
MTFS Projections 2020/21 - 2025/26	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Projected Balances per MTFS Council February 2021	(6,753)	(6,547)	(3,845)	(526)	2,790	6,544	-
Revised Forecasts:							
Revised Forecast Balances - July 2021	(8,003)	(8,013)	(5,172)	(1,792)	1,469	5,169	-
Central Case Forecast Balances - October 2021	(8,003)	(8,630)	(5,309)	(2,086)	1,182	4,855	8,850
Best Case Forecast Balances - October 2021	(8,003)	(8,630)	(6,365)	(4,220)	(2,051)	1,622	5,617

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

In line with the approved timetable, work on the preparation of the detailed 5 year budget / forecast has progressed in order to inform the Base Budget Forecast for Cabinet on 3rd December.

As a result of the updated forecast in October 2021, the Central case projections now identify a shortfall in General Fund balances of £1.7m over 3 years – with a shortfall of £5.4m by 2025/26 and £9.3m over the 5 years to 2026/27, including the minimum approved level of £0.5m (compared to the 5 year projections within the approved MTFS of £0.5m over 3 years – with a shortfall of £3.3m by 2024/25 and £7m over the 5 years to 2025/26). This does include additional policy change proposals of c.£2m over 5 years, however, it should be noted this central case General Fund (GF) forecast does not include:

- Potential unused reserves (including the transformation and other contingency reserves) to support the budget - a review of reserves is planned for December 2021;
- retained Business rates (net of levy payment / s.31 grant income) due to retention of the growth since 2013, which could realise c.£1m in 2022/23 should the reset be deferred again;
- any potential savings from the Phase 1 of the Recovery and Reset programme reviews.

Under the best case scenario, projections now identify General Fund balances of £2.1m over 3 years – with a shortfall of £2.1m by 2025/26 and £6.1m over the 5 years to 2026/27, including the minimum approved level of £0.5m.

Further savings of around £1.9m p.a. will be required over the next 5 years (based on annual £5 increases in Council Tax). On an annualised basis this would equate to a year on year ongoing saving of £0.6m over 5 years.

The forecast has been updated to include:

Change:	**Budget Impact**
Savings / increased income	
• The projected outturn underspend of £835k for 2021/22 (as at Period 6) as part of the managed underspend plan	£(835)k for 2021/22 only
• A revised Council Taxbase of 22,967 an additional increase of 273 band D properties	£c.(53)k p.a. from 2022/23
• Revised base budget projections including the Recovery and Reset workstream savings considered by Council in August 2021	£(1.1)m over 5 years
Additional costs / reduced income	
• Policy Changes proposals	£2.2m over 5 years

Under the central case scenario, for future years, it has been assumed that the retained growth will be redistributed as part of a business rates reset and therefore business rates received will be equivalent to the tariff payable – meaning the Council will only retain the Government assessed Business Rates Baseline;

Under the best case scenario, should the Government let District Councils keep the accumulated growth in business rates (as they did last year) then that would benefit the MTFS for the 3 years of the spending review – but that would also be subject to the effect of the pandemic on future business rate income.

The previously approved policy changes are included within this forecast – Assistant Directors were issued with the provisional information in August to review, confirm & resubmit by the end of September;

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

Housing Revenue Account

		Housing Revenue Account					
MTFS Projections 2020/21 - 2025/26	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Projected Balances per MTFS Council February 2021	(4,866)	(4,523)	(3,160)	(3,069)	(2,790)	(2,665)	-
Revised Forecasts:							
Revised Forecast Balances - July 2021	(5,610)	(5,257)	(3,921)	(3,859)	(3,609)	(3,512)	-
Revised Forecast Balances - October 2021	(5,610)	(5,581)	(3,152)	(2,178)	(1,046)	88	661

As a result the updated forecast at quarter 1, over the three year period to 2023/24, projections for the Housing Revenue Account identified balances of £3.9m (compared with forecast balances remaining of £3.1m in the February MTFS) with balances of £3.6m over the four years to 2024/25 reducing to £3.5m in 2025/26 (balances were previously forecast at £2.8m in 2024/25, £2.7m in 2025/26).

This did not include the additional cost pressures of £5.6m over 5 years identified in the proposed HRA policy changes (& it does not include any additional debt financing costs pending finalisation of the 5 year HRA capital programme).

For the HRA, the updated projections at Quarter 2 now identify HRA balances of £1m over 3 years with a shortfall in balances of £0.6m by 2025/26 and £1.2m over the 5 years to 2026/27, including the minimum approved level of £0.5m (compared to the 5 year projections within the approved MTFS of £3.1m over 3 years, £2.8m by 2024/25 and £2.7m over the 5 years to 2025/26).

Further savings of around £0.2m p.a. will be required over the next 5 years.

The forecast has been updated to include:

Change:	**Budget Impact**
Savings / increased income	
• The projected outturn underspend of £313k for 2021/22 (as at Period 6) as part of the managed underspend plan	£(313)k for 2021/22 only
• Revised base budget projections including the additional rent income due to the current higher inflation levels	£(1.3)m over 5 years
Additional costs / reduced income	
• Policy Changes proposals	£5.6m over 5 years

9. Financial Healthcheck – Period 6 September 2021

Executive Summary

This section to the report summarises the main issues identified at the end of September 2021

General Fund Revenue

GENERAL FUND	YTD Budget £000	YTD Position £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Comment
Chief Executive	974	948	(26)	1,575	1,569	(6)	No material variances
AD Growth & Regeneration	358	220	(138)	1,339	1,448	109	Shortfall in car parking income
ED Organisation	345	317	(28)	470	466	(4)	No material variances
AD People	1,541	1,596	55	226	313	87	Vacancy allowance & application software costs
AD Operations & Leisure	1,677	1,788	111	3,141	3,404	263	Vacancy allowance & shortfall in Assembly Rooms ticket sales and split profit event income
ED Finance	59	63	4	-	9	9	No material variances
AD Finance	1,293	(5,297)	(6,590)	(7,738)	(8,883)	(1,145)	Government grants re Covid 19; NNDR levy return expected from pool
AD Assets	(957)	(1,160)	(203)	(878)	(1,060)	(182)	Reduction in bad debt provision plus windfall income & additional rent income
AD Neighbourhoods	460	201	(259)	1,142	1,200	58	Shortfall in bed & breakfast income
AD Partnerships	464	357	(107)	982	957	(25)	Vacant posts
Total	**6,214**	**(967)**	**(7,181)**	**259**	**(577)**	**(836)**	

The General Fund has a favourable variance against budget at Period 6 of £7.181m (£6.202m as at Period 5).

The projected full year position identifies a favourable variance against budget of £836k (£316k as at Period 5).

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

A balance of £169k was held in the General Contingency Budget at the end of September 2021 which, as part of the non-essential 'managed underspend' review, is forecast will not be required at present.

Capital

GENERAL FUND	Budget Reprofiled from 2020/21 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2022/23 (memo only) £000	Outturn £000
Chief Executive	718	718	-	(718)	813	813	-	-	813
AD Growth & Regeneration	807	7,736	498	(7,238)	14,665	4,155	(10,510)	10,510	14,665
AD People	151	194	75	(120)	238	212	(26)	26	238
AD Operations & Leisure	669	917	340	(576)	1,164	1,164	-	-	1,164
AD Finance	12,131	12,131	-	(12,131)	12,131	8,131	(4,000)	4,000	12,131
AD Assets	817	1,179	666	(513)	1,542	1,467	(75)	-	1,467
AD Neighbourhoods	-	23	46	23	46	46	-	-	46
AD Partnerships	-	-	-	-	-	-	-	-	-
GF Contingency	255	255	-	(255)	255	120	(135)	135	255
TOTAL GENERAL FUND	**15,548**	**23,154**	**1,625**	**(21,529)**	**30,854**	**16,108**	**(14,746)**	**14,671**	**30,779**

Capital expenditure incurred was £1.625m compared to a profiled budget of £23.154m (£1.243m compared to a profiled budget of £21.886m at Period 5). It is predicted that £16.108m will be spent by the year-end compared to a full year budget of £30.854m, including re-profiled schemes from 2020/21 of £15.548m (£26.097m projection compared to a full year budget of £30.759m at Period 5).

Re-profiling of budgets into 2022/23 is forecast at £14.671m – additional re-profiling with regard to Future High Streets Funds schemes totalling £9.8m is reported this month, in line with the revised spend profile submitted to DLUHC.

A summary of Capital expenditure is shown at **APPENDIX B.**

Treasury Management

At the end of September 2021 the Authority had £79.333m invested in the money markets. The average rate of return on these investments is 0.20% though this may change if market conditions ease.

The Authority also has property fund investments of £1.849m with Schroders UK Real Estate Fund and £2m with Threadneedle Property Unit Trust. The monthly return on these property fund investments for September was 3.11% and 3.12% respectively.

Borrowing by the Authority stood at £63.060m at the end of September 2021, all being long term loans from the Treasury Public Works Loans Board. The average rate payable on these borrowings equates to 4.65%.

A more detailed summary of the Treasury Management situation, detailing our current Lending and Borrowings can be found at **APPENDIX C.**

Balances

Balances on General Fund are projected to be in the region of £8.632m at the year-end from normal revenue operations (£8.112m as at Period 5) compared to £6.548m projected within the 2021/22 budget report– additional balances of £2.084m.

Housing Revenue Account (HRA)
Revenue

HOUSING REVENUE ACCOUNT	YTD Budget £000	YTD Position £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000
HRA Summary	(9,688)	(9,699)	(11)	(9,363)	(9,349)	14
ED Communities	55	60	5	-	9	9
AD Operations & Leisure	63	54	(9)	145	203	58
AD People	84	66	(18)	-	(13)	(13)
AD Assets	394	379	(15)	405	443	38
AD Neighbourhoods	685	645	(40)	3,365	3,445	80
Housing Repairs	2,690	1,538	(1,152)	5,792	5,292	(500)
Total	**(5,717)**	**(6,957)**	**(1,240)**	**344**	**30**	**(314)**

The HRA has a favourable variance against budget at Period 6 of £1.240m (£1.212m favourable as at Period 5).

The projected full year position identifies a favourable variance against budget of £314k (£154k unfavourable as at Period 5). Individual significant budget areas reflecting the variance are detailed at **APPENDIX A**.

Capital

HOUSING REVENUE ACCOUNT	Budget Reprofiled from 2020/21 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2022/23 (memo only) £000	Outturn £000
AD Assets	11,897	16,627	7,372	(9,255)	21,358	12,281	(9,076)	8,484	20,765
HRA Contingency	100	100	-	(100)	100	100	-	-	100
TOTAL HOUSING REVENUE ACCOUNT	**11,997**	**16,727**	**7,372**	**(9,355)**	**21,458**	**12,381**	**(9,076)**	**8,484**	**20,865**

Housing Capital expenditure of £7.372m has been incurred as at the end of Period 6 compared to a profiled budget of £16.727m (£6.986m compared to a profiled budget of £15.939m at Period 5).

It is predicted that £12.381m will be spent by the year-end compared to the full year budget of £21.458m (including £11.997m re-profiled from 2020/21) (£14.384m projection compared to a full year budget of £21.458m as at Period 5).

Re-profiling of budgets into 2022/23 is forecast at £8.484m, including £5m for the Regeneration and Affordable Housing development at Wilnecote, and £1.5m for the Caledonian Depot New Build scheme.

A summary of Capital expenditure is shown at **APPENDIX B.**

Balances

Balances on the Housing Revenue Account are projected to be in the region of £5.582m at the year-end (£5.114m as at Period 5) compared to £4.522m projected within the 2021/22 budget report – additional balances of £1.06m.

Appendix 1

Corporate Plan Project Updates

Town Centre Programme - Monthly ELT project highlight report

Project due date	31st March 2022
Overall Project Status (Indicate by typing **yes** in the appropriately shaded box below)	
3. On track and in control	**Yes**
2. Not on track but in control	
1. Not on track	
Month & Year of update	Sept 2021

(Traffic light - red, amber, green based on progress to date)			
Workstreams	**Due date**	**Lead**	**Workstream RAG status**
Town Centre Strategy	2021/22	MF	
Gungate Masterplan	2020/21	DH	
TIC		ZW	
Place Investment Strategy	2021/22	MF	
Car Parking Strategy	2021/22	MF	
Market re-tender	2020/21	MF	
Communications and Engagement		ZW	
Town Centre Funding Applications	Ongoing	MF	
Future High Streets Fund	Sep 2020	AM	

Key milestones achieved	**Date milestone achieved**
Town Centre Strategy The FHSF bid which has been in preparation since January 2019 has in part provided the strategy. The RHSS and LGA work coupled with the reset and recovery inclusive growth strategy will assist in delivery of the rest. The FHSF included a town centre masterplan which formed part of the bid submission. Awaiting £14K LGA money received – work to be concluded July 2021 £67K RHSS money received - work to be concluded February 2021 Awaiting SEP money from GBSLEP – work to be concluded March 2022 – not successful £67K Welcome back funding – business case submitted to government May 2021 - successful. Awaiting Corporate town centre vision. Working up package of town centre support to assist in delivery.	Not achieved in the form envisaged.
Gungate Masterplan **Masterplan completed** • Member consultation completed. Delay to public consultation for three reasons 1) workload diverted towards Gungate land assembly (PCC, SCC, Buzz Bingo and Atik) 2) workload diverted towards private sector engagement and potential sig. interest from McCarthy and Stone and 3) need to address concerns that Masterplan duplicates FHSF submission particularly around college/Covid 19 has led to re-thinking of the end uses. • Minor amends to Masterplan underway. • Public consultation. Public Consultation completed February 28 2021.	**OCTOBER 2019** June/July 2020 Dec/Jan February 2021 March/April

Consultation findings presented to ISAG on 25th March and a way forwards set out in a Cabinet report on the 8th April.	
Place Investment Strategy • **Place Investment Strategy Completed in draft** • Awaiting consultation	**APRIL 2019**
Car Parking Strategy • Benchmarking and baseline exercise completed. • Further handover meeting with JS. Since the handover of this service in April 2020 the focus has been on understanding the data that underpins the service including the need to address immediate car parking issues around the infrastructure. • Policy change submitted to renew car parking infrastructure. Approved in principle for £50K. • Task and Finish Group established. • Preparation of tender. • Tender out to market to replace car parking machines. • 3 Tenders received • Award of Tender Also agreed at Cabinet – to review fees and charges following 6 months of the new machines in situ – to derive a pricing strategy – workload will fall into 2022/23. Car park demand study underway with Homes England to further support regeneration initiatives.	September 2020 October 2020 October 2020 December 2020 February 2021 May 2021 June 2021 September Cabinet Draft by end of year
Market re-tender • Tender prepared and with procurement. • Tender published. • Contract awarded to LSD Promotions, the incumbent market operator.	October 2020 March 2021 Contract started Mid May.
Town Centre Funding Applications • FHSF: £21,652,555. To structurally transform the town centre through three distinct projects. **ACHIEVED** • RHSS funding: £67,455. To re-open the high street and specifically to prepare a town centre action plan. **ACHIEVED** • Cultural Recovery Fund (Castle): £250K. Castle Team delivering various digital and online improvements to castle activities. **ACHIEVED** • Cultural Recovery Fund (Assembly rooms): £126,150 **ACHIEVED** • LGA funding: £14,000. To better understand 1) barriers to innovation and evolution of small and new businesses in the town centre and 2) empowerment of businesses to drive town centre improvements. ACHIEVED • Bid to GBSLEP: £60K for delivery of an inclusive growth strategy to deliver reset and recovery. This is Borough-wide and not TC focused but will include the town centre. Not Succesful. • Cultural Recovery Fund (Castle): £125K ACHIEVED will support costs and also deliver improvement to support the visitor experience. • • Pre-application form submitted for CRF 3	Dec 2020 May 2020 Nov 2020 Nov 2020 Announcement Jan 2021 Announcement expected December 2020. March 2021. Sept 2021
Future High Streets Fund • Full Business Case sign off and submission to MHCLG • Clarifications around calculations requested by MHCLG and submitted (for all bidders). • Successful award made.	Council 21 July October 2020 December 2020

Potential issues (Include any current or upcoming issues which require action)

Decisions needed (Include any decisions required from ELT)
Consideration be given that any underspend in Town Centre programme budget is retained to support FHSF and other relevant TC activities.

Financial monitoring update
• Retained fund TC programme budget: approx. £117,000.00

Other comments
• Legal services to support regeneration work procured.

Net Zero Carbon - Monthly ELT project highlight report

Tamworth Borough Council

Project due date	2050
Overall Project Status (Indicate by typing **yes** in the appropriately shaded box below)	
3. On track and in control	**Yes**
2. Not on track but in control	
1. Not on track	
Month & Year of update	September 2021

(Traffic light - red, amber, green based on progress to date)			
Workstreams	**Due date**	**Lead**	**Workstream RAG status**
The following workstreams and targets were approved at Cabinet on the 18th February 2021: **STEP 1: Commission a study and research paper to provide the following initial requirements:** a) Identify TBC's Carbon baseline b) Deliver against bullet points 2, 3 and 4 from the November 2019 climate change declaration recommendations namely to: ○ Provide an approach to ensure that political and chief officer leadership teams embed the climate change agenda into all areas and take responsibility for reducing where practicable, as rapidly as possible, the carbon emissions resulting from the Council's activities; ○ Provide an approach that enables The Council (including the Executive and Scrutiny Committees) to consider the impact of climate change and the environment when adopting and reviewing Council policies and strategies; and ○ Provide supporting information regarding the level of investment in the fossil fuel industry that any of our investments have to facilitate a report to the relevant scrutiny committee; • Preparation of tender underway • Tender Live • Appointment of consultant • Draft report to be available by the end of 21/22 corporate year. • Cabinet/ISAG	Comp. by the end of 2021/2022 July 21 September 21 October 21 Spring 22	AM	
STEP 2: Focussed research to: a) establish the feasibility of the solution(s) b) Provide a cost/benefit analysis assessing financial implications along with the effectiveness of potential solutions to inform future investment strategies. c) A timeline of how the Council will achieve its net-zero carbon status by 2050 indicating key decision milestones necessary to achieve Government Targets; d) Deliver against bullet points 1, 5 and 6 from the November 2019 climate change declaration recommendations namely to: ○ Make the Council's activities net zero carbon by 2050 with an aspiration to achieve 2030 should the council be financially able to do so ○ Provide supporting information that will assist with future budget cycles and the investment strategy to take into account the actions the council will take to address this emergency.	2023/2024 (subject to review)	AM	

Key milestones achieved	Date milestone achieved
Cabinet approved the use of contingency money and appointment of specialist consultants for Step 1.	February 2021

Potential issues (Include any current or upcoming issues which require action)

Decisions needed (Include any decisions required from ELT)

Financial monitoring update

Other comments

Organisational Development Strategy - Monthly ELT project highlight report

Tamworth Borough Council

Project due date	1st April 2022
Overall Project Status (Indicate by typing **yes** in the appropriately shaded box below)	
3. On track and in control	✓
2. Not on track but in control	
1. Not on track	
Month & Year of update	September 2021

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

Work streams	**Due date**	**Lead**	**Workstream RAG status**
Project restarted June 2020			
The service redesign element of the recovery and reset programme will have major impact on the Organisational Development Strategy. Due to current capacity consultant support will be procured to support the development of the OD Strategy, consultant to be appointed by end September 2021	*September 2021*	AG/ ZW	
Development phase October – December 2021	*December 2021*		
Consultation (employee focus group, HOS, TULG, ELT, CMT, Portfolio Holder)	*January/ February 2022*	AG/ ZW	
Approval of Strategy by Cabinet	*March 2022*	AG/ ZW	
Action Plan commence and manage via pentana	*April 2022*	AG/ ZW	

Key milestones achieved	**Date milestone achieved**
Quotes evaluated – preferred supplier identified – IODA	December 2019
Preferred supplier advised of contract award and suggested delay due to COVID-19	February 2020
Feedback provided for the unsuccessful suppliers	March 2020
No challenges received from the unsuccessful suppliers	March 2020
Initial scoping meeting held with Ioda	May 2020
Scoping sessions held with CMT, Heads of Service and some Line Managers	June 2020
Programme Developed and approved to be delivered virtually	September 2020
Delivery commenced	December 2020
Programme comprises 7 cohorts with 73 delegates All 7 module 1 completed 3 module 2 completed 360 feedback questionnaire completed for cohort 1 – 3	January 2021
4 cohorts completed module 2 360 degree feedback questionnaire completed for cohort 4-7 121 coaching completed for cohort 1-3	February 2021
Cohorts 1-5 have completed Modules 1-3 Cohorts 6 and 7 have completed Modules 1 & 2	March 2021
All cohorts (cohort 1-7) completed Modules 1-3. Cohorts 1 and 2 have completed Module 4.	April 2021
All cohorts (cohort 1-7 completed Module 1-3. Cohorts 1 – 5 have completed Module 4	May 2021

All training has been delivered. 121 coaching for CMT and Heads of Service scheduled for November 2021	July 2021
External consultant appointed to produce the OD & People Strategy. Consultant has commenced reading relevant corporate documents as background reading.	September 2021

Potential issues (Include any current or upcoming issues which require action)
No issues identified.

Decisions needed (Include any decisions required from ELT)
None.

Financial monitoring update
Cost of programme met by allocated budgets

Other comments

Implement Customer Portal - Monthly ELT project highlight report

Tamworth Borough Council

Project due date	30th November 2021
Overall Project Status (Indicate by typing **yes** in the appropriately shaded box below)	
3. On track and in control	
2. Not on track but in control	**Yes**
1. Not on track	
Month & Year of update	September 2021

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

Workstreams	**Due date**	**Lead**	**Workstream RAG status**
CRM Activity • Single Person Discount Process User Acceptance Completed by CST • Revenues – tested	COMPLETE	JSh	

Dependency – Digital360 v29 Upgrade
• **Acceptance is a pre-requisite of Portal Go Live**
  • Testing –
    • Housing completed – Issues reported to Civica for resolution
    • Planning – testing completed
    • Benefits –testing completed
    • Revenues – testing completed
    • CST – testing completed as far as possible
	COMPLETE	JSh	

Portal – Portal 360
TBC controlled work
• SPD Portal process UAT to be completed
• LLPG testing in live
• De-Duplication Testing
• New Civica Project Manager – Project completion plan written and received
  • Re-written to reflect Portal Go Live in Stages
    • Stage 1 – Basic Portal
      • Register and authenticate email and Ctax account
      • Raise Report it Service Request
      • Raise Complaint
  • Test registration and authentication process in Live environment
	20/10/21	Jsh	

Portal – Portal 360
Civica controlled work
• Pay360 process to be put into Portal
  • Require support from Capita
• Academy Web Services in Portal
  • Require support from Capita
  • Issues forwarded on to Capita for support
• Complaints in portal testing corrections
• Data work for LLPG synchronisation (Ian)
	26/11/21
	26/11/21
		JSh	

Knowledge Transfer • All sessions delivered • Self-sufficiency achieved in process building • One day training owed to TBC – booked for 2022	COMPLETE	JSh	

Key milestones achieved	Date milestone achieved
• Test Portal created and skinned to fit in with Tamworth.gov.uk website	31/12/19
• Knowledge Transfer Session – System Admin	16/12/19
• Knowledge Transfer Session – Single Person Discount - Process Mapping & Customer Journey – delivered 22/01/2020	22/01/20
• System Admin – Build Elements w/c 3rd Feb	24/02/20
• Customer Journey Build w/c 24th Feb	02/06/20
• Portal user authentication completed	12/05/20
• Outstanding documentation ratified and delivered back to Civica	17/06/20
• Move Process go Live	17/07/20
• Final Single Person Discount process build sessions delivered	15/07/20
• Address synchronisation implemented	17/08/20
• Final knowledge transfer session delivered	19/08/20
• Address synchronisation between Local Land and Property Gazetteer process implemented	31/08/20
• Single Person Discount user acceptance testing started	01/09/20
• Capita provide technical documentation to support development of Academy integration	28/09/20
• V29 Upgrade implemented in Test	02/11/20
• Portal Customer Journey Workshop with Civica consultants delivered	16/12/20
• Styling Workshop completed	31/12/20
• Live Portal Server software installed	26/02/21
• Portal infrastructure installed on Live server	26/02/21
• Service Desk to install certificate, register DNS name mytamworth.gov.uk and install Outlook on scheduler server	12/03/21
• New Civica Project Manager – Project revised completion plan written and received	01/03/21
• Handover of project management from Knowledge Performance & Insight Manager to Digital Customer Experience Manager and Head of Customer Experience	23/03/21
• Revenues & Benefits met testing deadline wc 10th May	10/05/21
• Report It into live	03/06/20
• Complaints into live	24/05/21
• Demo CMT 10th June	10/06/21
• Exploring reporting (Mas)	10/06/21
• Digital360 v29 upgrade implemented	07/07/21
• Updated complaints processes to reflect current structure – testing complete, issues identified and plan in place to rectify	07/07/21
• Post Upgrade Testing complete	23/07/21
• Testing of payments process	24/09/21
• Data work for LLPG synchronisation (Ian)	30/09/21
• Payments facility installed	30/09/21

Potential issues (Include any current or upcoming issues which require action)
• Civica working on a 'bug' in complaints system. Developers at Civica working on this, for mitigation this can be resolved via an upgrade but we are working on avoiding the need for an upgrade
Decisions needed (Include any decisions required from ELT)
N/A at present

Financial monitoring update
On track residual budget available for development of additional processes in portal

Next Activities – by 30/11/21
- LLPG into Live & sign off **- De-duplication into Live & sign off** **- CTax viewers into live & sign off** **- Finalise Layout of Registration Page (based on user feedback) & sign off** **- Moves into Live** **- SPD into Live** **- Complaints into Live**

Corporate Capital Strategy - Monthly ELT project highlight report

Tamworth Borough Council

Project due date	31st March 2022
Overall Project Status (Indicate by typing **yes** in the appropriately shaded box below)	
3. On track and in control	✓
2. Not on track but in control	
1. Not on track	
Month & Year of update	September 2021

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

Workstreams	**Due date**	**Lead**	**Workstream RAG status**
MTFS to include consideration of Capital Expenditure	October 2019	LP	
Monthly Capital Monitoring Reports	From June 2019	LP	
Review Capital Appraisal Process	October 2019	LP	
Review Asset Management Strategy – incorporating revised Stock Condition Survey	December 2021	PW	
Review of Building Repairs Fund (BRF) and planned approach to be developed	December 2021	PW / LP	
Review of Commercial Property – monitoring of performance to be established	March 2022	PW / LP	

Key milestones achieved	**Date milestone achieved**
Capital Strategy included with Budget and MTFS presented to Cabinet 24th January 2019 and Joint Scrutiny Cttee 30th January 2019	January 2019
Feedback received from Link Asset Services and subsequent amendments/updates made to strategy 2019/20	2019/20
ASSG meetings scheduled 1/4ly in diaries starting 28/03/19 – and resumed September 2020 following cancellations due to Covid 19	
ASSG on 26/09/19 reviewed progress for Agreed Capital Programme; considered and agreed report on “Whole Life Costing” and reviewed progress on Capital Strategy Action Plan	September 2019
Draft Capital Budgets for 2020/21 onwards considered by CMT 16/10/19	
Draft Capital Budgets for 2020/21 onwards included in base budget report to Cabinet 28/11/19	November 2019
Initial assessment/baseline position for monitoring BRF and Commercial Property established December 2019	December 2019
2020/21 Draft Capital Strategy included with Budget and MTFS presented to Cabinet 22nd January 2020 and Joint Scrutiny Cttee 29th January 2020	January 2020
2020/21 Final Capital Strategy included with Corporate Vision, Priorities Plan, Budget & MTFS 2020/21 approved by Cabinet 20th February 2020 and Council 25th February 2020	February 2020
2021/22 Final Capital Strategy included with Corporate Vision, Priorities Plan, Budget & MTFS 2021/22 approved by Cabinet 18th February 2021 and Council 23rd February 2021	February 2021

Potential issues (Include any current or upcoming issues which require action)
• It was recognised that a detailed capital strategy meeting all the requirements of the Prudential Code/MHCLG guidance would not be fully completed by the time of initial reporting in Feb 2019, however, an action plan to achieve this with specific timescales is in place, and an updated capital strategy has been reported with the MTFS in Feb 2020 and in Feb 2021.

- Review of Asset Management Strategy incorporating Stock Condition Survey – it was intended that a draft strategy would be available by March 2021 but this has been dependent on access to properties which has been restricted due to ongoing Covid 19 measures. The survey is currently in progress with the contractor out on site (subject to access to properties being made available by tenants). Our existing strategy has been reviewed and a gap analysis produced. The results of the survey will inform the asset management strategy; the review of the BRF and development of a planned approach; and review of commercial property and performance monitoring to be established – completed in part but further work needed.

Decisions needed (Include any decisions required from ELT)

- None at this stage

Financial monitoring update

- £3.5k re Link Asset Services capital strategy support and guidance funded from BRF PM0594 B0101 (2019/20)
- Costs of asset management plan update/condition survey identified (policy change included with MTFS).

Other comments

Timescales revisited and project now on track and in control.

Workstreams originally due to be completed March 2021 have been pushed back due to Covid 19 restrictions impacting on stock condition survey and asset management plan. Capital strategy required on an ongoing annual basis.

Leisure Strategy

Project due date	30th December 2022
Overall Project Status (Indicate by typing **yes** in the appropriately shaded box below)	
3. On track and in control	**Yes**
2. Not on track but in control	
1. Not on track	
Month & Year of update	September 2021

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

Workstreams	**Due date**	**Lead**	**Workstream RAG status**
Review evidence from the Leisure Services priority review in conjunction with Future High Street proposals and Gungate consultation (currently underway) Report to cabinet defining revised scope of the project with timelines for endorsement and delegation of contract award. Report to now include decision to postpone the completion of the leisure strategy at this time (complete)	Aug 2021	AG/SMcG	
Tender for Indoor & Outdoor sports facilities assessment, including a review of the open spaces assessment, together with the feasibility study for Gungate Leisure provision has been delayed but has now been published for consideration by the market. Post covid the 'leisure' requirement may look very different National consultation under way – LGA,CLOA and APSE leading on 'Uniting the Movement' -Sport England's 10 year strategy Local consultation may be required on brief once completed.	Oct 2021	AG/SMcG/AM	
Three phase tender for external consultants • Phase 1 - new Indoor and Outdoor Leisure Facilities Assessment • Phase 2 - new open space assessment • Phase 3 – feasibility study for leisure facilities within the Gungate project Submissions to be returned by mid November 2021	Oct 2021	SMcG SmcG AM	
Appoint external consultants for all three phases combined	Dec2021	AG/SMcG/AM	
Produce Indoor & Outdoor sports facilities assessment - this should inform leisure elements to be included in the new Gungate Development. Produce Gungate Cost analysis for Leisure activities. Produce new open spaces assessment	July 2022 May 2022 July 2022	AG/SMcG/AM	

Key milestones achieved	**Date milestone achieved**
Report to Cabinet complete	July 2021
Tender published	October 2021

Potential issues (Include any current or upcoming issues which require action)
The production of the Leisure Strategy in its entirety has been delayed due to a number of factors including COVID and the Councils major Reset & Recovery as well its regeneration programmes. As a result of which the dates are now as detailed as above. Impact of COVID 19 lockdown has pushed the project back by a further 12 months and may change scope of review in light of new consultations. Results from the tender stage may also impact on the above dates

Decisions needed (Include any decisions required from ELT)
None currently

Financial monitoring update
Section 106 monies have been allocated for external consultants to produce assessments/. Cabinet approval sought in July 2021 to award contract.

Other comments
Decision taken to postpone this for 12 months , staff advised

Welfare Reform - Monthly ELT project highlight report

Tamworth Borough Council

Project due date	End March 2022
Overall Project Status (Indicate by typing **yes** in the appropriately shaded box below)	
3. On track and in control	✓
2. Not on track but in control	
1. Not on track	
Month & Year of update	Sep 21

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

Workstreams	**Due date**	**Lead**	**Workstream RAG status**
Establish Corporate Project group – workstreams mapped as below • Bi monthly meeting planner sent out for all meetings throughout 2021		LB	Completed
Transition of Former Tenant Arrears to Mike Buckland's Team in Finance • Post holder in place from end of September 2021 • Management of housekeeping/write offs in addition to former arrears recovery • Bi monthly review meetings to track progress and to report on performance		MB/LP	Completed
Development of a corporate `Welfare Reform Customer Insight, Impact & Performance Data Intelligence` • Data on all types of welfare benefits across all applicable council departs including UC, HB, DHP, Under Occupation, Council tax reduction, Working tax credit, child tax credit , PIP, benefit cap, state pension, referrals/third sector etc. • Customer Experience – capturing customers intelligence; financial hardship, CRM targeting, mosaic data • Rents Team – end of financial year rent arrears report & welfare reform impact data • Benefits & Council Tax – end of year report for Housing Benefit & Council Tax	Ongoing	ALL	Completed
To identify third sector commission opportunities and update group monthly • Personal budgeting/resident support opportunities with County • Describe/train/promote on service offer and referrals • Opportunities for commissioning – what's offered now and in planning	Ongoing	KC	Completed
HQN Income Management Accreditation & Annual Workplan • Refreshing accreditation action plan and service improvement plan informed by HQN ongoing health check commencing April 2021 • Delivery of annual Income Management Workplan 2021/22	November 2021	LB/LL/JC	On track
Development Corporate Debt Strategy including external supported to be procured Dec 2021 • Quick quote specification to be completed and published on Intend Nov 2021 • First draft Corporate Debt Strategy anticipated Spring 2022	Dec 2021	TMM/ALL	On track

Key milestones achieved	**Date milestone achieved**
Corporate Project Group established	Bi monthly meetings
Key work-streams identified linked to team work plans	Workplans refreshed at the beginning of each new financial year
Policy change agreed to facilitate FTA transfer to MB's team Debt management group established Good housekeeping underway on former arrears and debt recover	Completed Sep 2021
Invitation to quote for the Corporate Debt Strategy drafted and ready to go out on intend Nov 2021	Completed Oct 2021
Third Sector Commissioning; TAC, retendering closing date 25/10/21 Bet the Cold, Winter Relief – funding available and teams trained on how to make referrals. TAM CAM, 84 Families who receive free school meals now identified to have breakfast with Santa Heart of Tamworth, Christmas Day hot meals HomeStart, Christmas present funding Foodbanks & Scared Heart food shop HomeStart, furniture offer	Ongoing
HQN Rent Accreditation submission of evidence prior to final assessment completed	September 2021
Targeted intelligence data gathering of customer insight (financial hardship) at first point of contact now developed and underway	September 2021

Potential issues (Include any current or upcoming issues which require action)

- Please refer to risk assessment – to be discussed at each project group meeting

Decisions needed (Include any decisions required from ELT)

Financia update

The government may be issuing additional funding for families that are financial struggling – Chris Roe to give an update at the next meeting.

Other comments

Group agreed to invite key speakers to each bi monthly meeting; with the aim of sharing valuable updates on key services in Tamworth which can support our customers with multiple debts and/or facing financial difficulties.

Risk Management Strategy - Monthly ELT project highlight report

Tamworth Borough Council

Project due date	December 2021
Overall Project Status (Indicate by typing **yes** in the appropriately shaded box below)	
3. On track and in control	✓
2. Not on track but in control	
1. Not on track	
Month & Year of update	September 2021

(Traffic light - red, amber, green based on progress to date)			
Workstreams	**Due date**	**Lead**	**Workstream RAG status**
Review of current reporting process / format	July 2021	LP	
Rationalize and Co-ordinate mitigating actions	Dec 2021	LP	
Identification of Corporate Risks- ensure all captured, aligned and reported	Dec 2021	LP	

Key milestones achieved	**Date milestone achieved**
Appointment of consultants to assist with undertaking the review and project scoped	March 2019
Review of current risk undertaken and new grouping proposed(reduction to 14 categories) looking to reduce further	April 2019
Appointment of "Service Risk Champions"	September 2019
Collation of potential different reports from the system be considered	TBA
Meetings with Risk champions Scheduled in for November - rescheduled	Suspended
Due to the delay and loss of momentum in the project a revised timetable will be discussed – RB and risk consultant 14/2/20	February 2020
A revised draft of the new report to be presented to CMT in July for approval. If approved, discussions with relevant AD's and ED's will be held and a new report generated in Pentana. This will then be included in a future Risk report to A&G	July 2020
The new report layout is constructed and will be reviewed and refined in October by ED's and AD's ready for reporting to A&G at the 3rd Qtr	Not Achieved
The new report layout is constructed and to be reviewed and refined by mid-December by ED's and AD's ready for reporting to A&G at the 3rd Qtr – update from CMT 7/1/21 reschedule report for A&G 1st Qtr 2021-22	
New layout discussed with ED's 18/11/20 and to be discussed with AD's 10/12/20 The meeting on the 10th will also receive feedback and discussion on the ZM risk Horizon survey	10/12/2020
The new layout discussed ZM Horizon scanning review discussed. CMT members to feedback on the revised layout for the first CMT in the new year. The CMT decided to push back the development of the new reporting layout until 1st Quarter report of 2021-22	08/07/2021
A&G received 2021/22 1st Quarter report in new format in July 2021. The report to committee also included an updated Risk Policy which extended the responsibility for risk to all staff and included a number of findings from the latest Internal Audit review which have been addressed as part of this review.	28/07/2021

Potential issues (Include any current or upcoming issues which require action)

- Limited Knowledge of Pentana
- Resource available during final accounts period
- Time
- Impact of COVID-19 this may lead to a re-think of the risk structure in some areas
- The project due date is unlikely to be achieved
- Lack of feedback from CMT

Decisions needed (Include any decisions required from ELT)
• The revised groupings when ready, the use of targets, and the suggested report layout will need to be approved by CMT when ready. • OA to discuss with each ED and AD • Confirmation from CMT

Financial monitoring update
• None

Other comments
Work had been stalled on this project but being progressed now that Roger is back in the office. Delayed due to set up in Pentana – This still needs work Further Delays due to increase in workloads for key staff due to COVID 19 Apart from one element (exceptional departmental risk escalation to CMT level) the policy is, subject to approval, ready to be released to A&G A revised format is being developed in to a report in Pentana. The revised layout and headline grouping also discussed with ZM for feedback and guidance. Following the Horizon scan workshop presented by ZM a copy of the latest executive briefing of the Global risk report published in January 2021 was circulated to CMT for information. Internal audit have completed a review of the risk arrangements and gives reasonable assurance to management. The recommendations include only low and medium level actions which will be reviewed and where appropriate incorporated in this project moving forward. Work continuing to develop the reporting format to ensure remaining workstreams completed before year-end. The parameters of this project have now been completed by the presentation of the new format and Risk policy to the 1st quarter A&G committee. The revised strategic report will now be presented to future quarterly A&G meetings. The risk review does not stop at this as the next step below the strategic level has been started with the meeting of the Risk champion. This Multi-disciplinary group will identify and review significant operational risk. They will meet quarterly to identify any operational risks that need to be flagged up to the strategic report.

Appendix 2

Corporate Risk Register 2021/22

Risk heading
Finance/Financial stability

Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
To ensure that the Council is financially sustainable as an organisation	08-Oct-2021	3	3	9	

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Risk heading
Modernisation and commercial agenda

Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Failure to Develop and implement Continuous Service improvement and develop employees to perform the right work	05-Oct-2021	2	2	4	

Risk heading
Governance

Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Avoid bad practices and contravention of legislative requirements and ensure the authority is held to account	05-Oct-2021	3	3	9	

Risk heading
Community Focus

Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Safety, health and wellbeing of the citizens of the borough	08-Jul-2021	3	3	9	

Risk heading
Economic Growth and Sustainability

Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Lack of economic growth and sustainability in the Borough at the levels required	08-Oct-2021	3	3	9	

Risk heading
Organisational Resilience

Risk	Date Reviewed	Current Risk Severity	Current Risk Likelihood	Current Risk Rating	Current Risk Status
Failure to provide services or maintain the continued wellbeing and operations within the Borough	08-Jul-2021	3	3	9	

Risk Status	
	High Risk
	Medium Risk
	Low Risk

Appendix A

General Fund – Main Variances

Service Area	Cost Centre	Account Code	Year to Date Position	Year to Date Budget	Year to Date Variance	Full Year Budget	Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment
AD Operations & Leisure	ASSEMBLY ROOMS	SALARIES	93,639	153,912	(60,273)	301,834	0	301,834	Underspend to be used to fund temp staff/new structure. Posts now recruited.
		PRIVATE HIRE TICKET SALES EXP	0	25,020	(25,020)	50,000	(30,000)	20,000	Theatre programme does not reach full capacity until October, shut for Q1 due to Covid guidance
		SPLIT PROFIT EVENT TICKET SALE	14,374	109,860	(95,486)	219,750	(128,855)	90,895	
		TICKET SALES	(25,899)	(67,680)	41,781	(135,300)	101,700	(33,600)	
		SPLIT PROFIT EVENT INCOME	(73,004)	(146,520)	73,516	(293,000)	177,901	(115,099)	
	ASSEMBLY ROOMS BAR	CATERING SALES	(4,846)	(90,540)	85,694	(181,130)	0	(181,130)	
	PLEASURE GROUNDS	SALARIES	0	16,340	(16,340)	31,910	(31,910)	0	Not expecting to recruit - offsetting shortfall against income target.
	COMMUNITY LEISURE	CONT TO RESERVES	0	0	0	0	49,130	49,130	Cont to QBR reserve at year end to fund shows next financial year
	PUBLIC SPACES	SALARIES	586,012	617,160	(31,148)	1,234,330	(33,000)	1,201,330	Accumulation of vacant posts
		VACANCY ALLOWANCE	0	(92,570)	92,570	(92,570)	92,570	0	Vacancy allowance
		CONTRACT PAYMENTS (BASIC)	109,721	70,000	39,721	110,270	0	110,270	Large commitment on system but spend within full year budget

Service Area	Cost Centre	Account Code	Year to Date Position	Year to Date Budget	Year to Date Variance	Full Year Budget	Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment
AD Operations & Leisure	TBC HIGHWAYS MAINTENANCE	MAINTEN HIGHWAY RELATED ASSETS	(23,920)	60,660	(84,580)	121,290	0	121,290	Accruals for works relating to previous financial year, yet to receive invoices
		MAINTENANCE OF WATER COURSES	71,276	20,580	50,696	41,140	0	41,140	Large commitment on system, enough budget on cost centre overall to cover this if overspent at year end
AD People	ICT	APPLICATION SOFTWARE	86,097	50,160	35,937	50,160	36,000	86,160	Overspend offset by software maintenance budget
	CUSTOMER SERVICES	VACANCY ALLOWANCE	0	(19,320)	19,320	(38,680)	38,680	0	Vacancy allowance
AD Assets	COMMERCIAL PROPERTY MANAGEMENT	PROVISION FOR BAD DEBTS	49,443	2,790	46,653	5,580	43,863	49,443	Monthly invoices since May 2020 for National Car Parks not paid
		BAD DEBT PROVISION	(116,914)	0	(116,914)	0	(116,914)	(116,914)	Cancellation of invoice re MARS retail £111k
	INDUSTRIAL PROPERTIES	MISC CONTRIBUTIONS	(55,000)	0	(55,000)	0	(55,000)	(55,000)	Windfall/one off income received for Kingdom Hall and 7A Apollo
		RENTS	(580,161)	(540,000)	(40,161)	(808,780)	(40,000)	(848,780)	Additional income expected
AD Neighbourhoods	HOMELESSNESS	PROVISION FOR BAD DEBTS	(1,094)	71,350	(72,444)	142,700	0	142,700	Write -offs for pre 2018 arrears on B&B, work to clear these will be carried out in September
		BED AND BREAKFAST COST	61,096	108,780	(47,684)	217,550	(95,000)	122,550	Reduction in use of B&B
		BED & BREAKFAST INCOME	(21,035)	(108,760)	87,725	(217,540)	172,000	(45,540)	Reduction in use of B&B, partially offset by underspend above
	HOMELESSNESS STRATEGY	GOVERNMENT GRANTS	(245,757)	(77,450)	(168,307)	(102,900)	0	(102,900)	Homelessness Prevention grant, amount received to date in excess of current budget but anticipated to be spent in full
	COMMUNITY WARDENS	SALARIES	49,688	77,980	(28,292)	161,010	(60,000)	101,010	Two vacant posts

Service Area	Cost Centre	Account Code	Year to Date Position	Year to Date Budget	Year to Date Variance	Full Year Budget	Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment
AD Partnerships	PRIVATE SECTOR LEASING SCHEMES	PRIVATE SECTOR LEASING SCHEME	4,507	33,420	(28,913)	66,780	(62,200)	4,580	No further payments to be made
		PRIVATE SECTOR LEASING	(3,808)	(43,880)	40,072	(87,810)	84,000	(3,810)	Not expecting any tenants from now on. In the process of acquiring properties.
	DDCPP BUSINESS SUPPORT	SALARIES	118,900	151,380	(32,480)	302,750	(36,000)	266,750	Due to vacant posts
	CAR PARKING ENFORCEMENT COSTS	SALARIES	0	31,620	(31,620)	63,260	(63,260)	0	Vacant posts - to be used to fund temp staff
		PAYMENTS FOR TEMPORARY STAFF	28,600	0	28,600	0	63,260	63,260	Temp staff funded from salaries underspend pending review
	STRATEGIC HOUSING	SALARIES	50,023	63,900	(13,877)	128,990	(45,000)	83,990	Vacant posts, under review and some allocated to temp staff
Chief Executive	ELECTORAL PROCESS	CONT TO RESERVES	0	0	0	0	30,000	30,000	Underspends at year end to be transferred to reserve to fund additional costs re electoral legislation changes and potential Covid costs next year
AD Growth & Regeneration	OUTSIDE CAR PARKS	SHORT STAY CAR PARKING	(219,344)	(300,000)	80,656	(600,000)	100,000	(500,000)	Several car parking machines not in use. One car park occupied as Covid testing centre.
	MARKETS & STREET DISPLAYS	STREET TRADERS LICENCE INCOME	(2,433)	(18,240)	15,807	(36,460)	30,000	(6,460)	Budget does not reflect current street trading policy, which is in process of being reviewed
	CASTLE & MUSEUM	SALARIES	66,899	128,588	(61,689)	258,476	(50,000)	208,476	Arts Council funded 1st quarter & accumulation of vacant posts
	ARTS COUNCIL – CASTLE	GOVERNMENT GRANTS	(174,727)	(237,230)	62,503	(237,230)	20,000	(217,230)	Final activity report to be submitted to Arts Council to receive remaining funding
	ENVIRONMENTAL HEALTH	SALARIES	192,325	306,575	(114,250)	613,140	(187,000)	426,140	£230k funding received for Covid 19 costs up to 2023, to carry forward spend to 2022/23
		CONT TO RESERVES	0	0	0	0	187,000	187,000	

Service Area	Cost Centre	Account Code	Year to Date Position	Year to Date Budget	Year to Date Variance	Full Year Budget	Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment
AD Finance	BENEFITS	PROVISION FOR BAD DEBTS	0	0	0	50,000	(50,000)	0	Based on position at end September, bad debt provision budget not likely to be required
		RENT ALLOWANCES	2,307,192	2,799,000	(491,808)	5,952,100	(980,700)	4,971,400	Based on DWP claim at P6
		COUNCIL TENANT RENT REBATES	3,520,341	3,922,750	(402,409)	7,531,900	(840,250)	6,691,650	
		COUNCIL TENANT GRANT	(3,453,239)	(3,882,750)	429,511	(7,454,920)	824,700	(6,630,220)	
		PRIVATE TENANT GRANT	(2,241,306)	(2,740,600)	499,294	(5,811,220)	956,550	(4,854,670)	
		PT OVERPAYMENT RECOVERY	23,929	0	23,929	0	47,860	47,860	Based on position at end September
		CT OVERPAYMENT RECOVERY	15,554	0	15,554	0	31,110	31,110	
	BENEFITS ADMINISTRATION	SALARIES	220,072	246,175	(26,103)	492,340	(35,000)	457,340	Vacant Head of Service post / interim arrangements in place
		VACANCY ALLOWANCE	0	(17,940)	17,940	(35,830)	35,830	0	Vacancy allowance
		GOVERNMENT GRANTS	(55,700)	0	(55,700)	0	(55,700)	(55,700)	Government grant not budgeted
	CORPORATE FINANCE	GENERAL CONTINGENCY	0	0	0	169,000	(169,000)	0	No plans at present, subject to review during the year
		CONT TO RESERVES	0	0	0	150,000	2,227,990	2,377,990	Additional contribution to reserve to fund 2021/22 NNDR collection fund deficit arising from expanded retail reliefs scheme (which will be needed in 2022/23 due to the collection fund deficit being funded in the following financial year, as part of the budget setting process for 2022/23)

Service Area	Cost Centre	Account Code	Year to Date Position	Year to Date Budget	Year to Date Variance	Full Year Budget	Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment
AD Finance	CORPORATE FINANCE	NNDR LEVY PAYMENTS	87,532	0	87,532	687,230	549,120	1,236,350	Additional levy payable due to business rates forecast growth in 2021/22
		GOVERNMENT GRANTS	(6,584,157)	(476,295)	(6,107,862)	(952,590)	(2,777,110)	(3,729,700)	Additional Section 31 grant receivable due to expanded retail relief scheme for 2021/22 of c.£6m (TBC share)
		MISC CONTRIBUTIONS	(3,794)	0	(3,794)	0	(437,590)	(437,590)	2020/21 levy return expected from pool subject to finalisation of NNDR audits
	TREASURY MANAGEMENT	MINIMUM REVENUE PROVISION GF	94,740	94,740	0	189,430	(31,840)	157,590	Reduced MRP due to slippage in 2020/21 capital programme
		MISC INTEREST & DIVIDENDS	(87,279)	(47,340)	(39,939)	(94,710)	(79,880)	(174,590)	Forecast investment interest income due to higher balances arising from capital programme slippage
		PROPERTY FUND DIVIDENDS	(68,635)	(150,000)	81,365	(300,000)	0	(300,000)	Delayed property fund investments
	COVID-19	GOVERNMENT GRANTS	(166,800)	0	(166,800)	0	(166,800)	(166,800)	New burdens grant for Business Grants process
		GOVERNMENT GRANTS	(284,075)	(213,600)	(70,475)	(427,150)	(276,340)	(703,490)	Additional SFC grant for Qtr 1 2021/22 (& balance of £67k from 2020/21)
	RECOVERY AND RESET	CONSULTANTS FEES	102,400	146,300	(43,900)	292,600	0	292,600	Further funds released from reserve, no outturn variance projected

Housing Revenue Account – Main Variances

Service Area	Cost Centre	Account Code	Year to Date Position	Year to Date Budget	Year to Date Variance	Full Year Budget	Predicted Outturn Variance	Full Year Position Predicted Outturn	COMMENT
AD Operations & Leisure	CARETAKERS	SALARIES	40,270	42,120	(1,850)	84,290	50,000	134,290	Extra temp staff as agreed from business case to support housing works
Housing Repairs	REPAIRS CONTRACT	RESPONSIVE REPAIRS	397,735	750,000	(352,265)	1,500,000	(200,000)	1,300,000	Responsive service - outturn based on current forecast
		VOIDS	284,919	700,000	(415,081)	1,400,000	(300,000)	1,100,000	
		GAS HEATING SYSTMS MAINTENANCE	218,809	250,000	(31,191)	500,000	0	500,000	Expected to spend, potentially required for disrepair claims
		MISC. (NON SPECIFIC)	0	100,000	(100,000)	225,000	0	225,000	
		PERIODIC ELECTRICAL TESTING	(11,522)	200,000	(211,522)	400,000	0	400,000	Job cards issued, not yet invoiced
		PLANNED MAINTENANCE	188,267	125,000	63,267	250,000	0	250,000	No outturn variance reported at this stage, expect budget to be spent in full
HRA Summary	H R A SUMMARY	RENTS	(9,751,721)	(9,715,605)	(36,116)	(18,650,700)	0	(18,650,700)	Potential over-recovery but impossible to predict based on the range of variables.

Capital Programme Monitoring

Service Area	Budget Reprofiled from 2020/21 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2022/23 (memo only) £000	Outturn £000	Comments
GENERAL FUND										
Chief Executive										
Gungate Development	718	718	-	(718)	718	718	-	-	718	
Joint Waste Service Additional Bins	-	-	-	-	95	95	-	-	95	
Service Area Total	**718**	**718**	**-**	**(718)**	**813**	**813**	**-**	**-**	**813**	
AD Growth										
Castle Mercian Trail	96	96	61	(35)	96	96	-	-	96	Proposal to be submitted to HLF on final project spend by end of October.
Gateways	424	424	27	(397)	424	27	(397)	397	424	Funds to be spent on Gateways, however unlikely until next year
Cultural Quarter - Carnegie Centre	3	3	2	(1)	3	3	-	-	3	Almost complete. Lease for restaurant now signed.
Repairs to Castle Elevation	244	319	63	(257)	394	144	(250)	250	394	Reviewing estimated costs with architect, tender not issued until review has completed.
Castle Lighting	40	40	40	(0)	40	40	-	-	40	Now Complete
Off Street Car Parking Infrastructure Update	-	25	-	(25)	50	22	(29)	29	50	Cabinet approved preferred tender 9/9/21
FHSF Castle Gateway	-	1,375	59	(1,316)	2,750	267	(2,483)	2,483	2,750	Revised spending profile submitted to DLUHC
FHSF Middle Entry	-	1,062	27	(1,035)	2,125	34	(2,091)	2,091	2,125	Revised spending profile submitted to DLUHC
FHSF College Quarter	-	4,392	220	(4,172)	8,783	3,522	(5,261)	5,261	8,783	Revised spending profile submitted to DLUHC
Service Area Total	**807**	**7,736**	**498**	**(7,238)**	**14,665**	**4,155**	**(10,510)**	**10,510**	**14,665**	

ED Organisation								-		
AD People								-		
Replacement It Technology	26	56	36	(19)	86	86	-	-	86	It's possible that previously planned spend eg on network refresh may be delayed pending R & R/Marmion House de-commissioning.
New Time Recording System 17/18	15	15	-	(15)	15	-	(15)	15	15	Funds to be re-profiled as commencement of project subject to Recovery & Reset

Service Area	Budget Reprofiled from 2020/21 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2022/23 (memo only) £000	Outturn £000	Comments
Self Service Customer Portal	45	45	34	(11)	45	34	(11)	11	45	Portal 'soft launch' planned for later this year, remaining funds to be c/f for further development of portal
Member Device Refresh	3	3	-	(3)	3	3	-	-	3	Remaining budget re-profiled from 20/21 to be used for purchase of replacement kit
Asset Management Database	42	42	-	(42)	42	42	-	-	42	Funds re-profiled for further stages of the project - ongoing and should be completed by the end of the year
Mobile Phone Contract	20	20	-	(20)	20	20	-	-	20	Funds earmarked for back-up system subject to approval, Cabinet report being prepared
V13 Income Management Systems & 3D Secure	-	14	4	(9)	27	27	-	-	27	System upgrade and move to Cloud
Service Area Total	**151**	**194**	**75**	**(120)**	**238**	**212**	**(26)**	**26**	**238**	
AD Operations & Leisure								-		
Wigginton Park Section Section 106	10	10	-	(10)	10	10	-	-	10	Volunteers returning to site, management plans being reviewed, spend anticipated within next 6 months
Broadmeadow Nature Reserve	17	17	6	(10)	17	17	-	-	17	Volunteers returning to site, management plans being reviewed, spend anticipated within next 6 month
Public Open Space Section 106	10	10	-	(10)	10	10	-	-	10	Currently reviewing spend on street furniture for 2022/23
Street Lighting	79	79	41	(38)	79	79	-	-	79	40 year plan, extension to scheme being submitted
Local Nature Reserves	23	23	-	(23)	23	23	-	-	23	Volunteers returning to site, management plans being reviewed, spend anticipated within next 6 month
Community Woodland Cycleway	199	199	10	(189)	199	199	-	-	199	Finishing the design brief
Amington Community Woodland	232	232	20	(212)	232	232	-	-	232	Finishing the design brief
3G Sports Facility	-	-	(23)	(23)	-	-	-	-	-	Waiting to pay final retention payments

Replacement Castle Grounds Play Area	-	188	374	187	375	375	-	-	375	Completed - awaiting invoice
Refurbishment Castle Grounds Tennis Courts	-	60	-	(60)	120	120	-	-	120	Specification final checks before tendering
Assembly Rooms Development	-	-	(88)	(88)	-	-	-	-	-	Waiting for final retention payments and evaluation tender closes 15/10/21 & meeting with NLHF on 19/10/21 to provide update
Indoor and Outdoor Sports Feasability	100	100	-	(100)	100	100	-	-	100	Specification final checks before tendering
Service Area Total	**669**	**917**	**340**	**(576)**	**1,164**	**1,164**	**-**	**-**	**1,164**	

Service Area	Budget Reprofiled from 2020/21 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2022/23 (memo only) £000	Outturn £000	Comments
ED Finance										
AD Finance										
Property Funds	8,131	8,131	-	(8,131)	8,131	8,131	-	-	8,131	Investment delayed until later in 2021 following review, currently planning to invest £4m at the end October
Solway Tamworth LTD LATC	4,000	4,000	-	(4,000)	4,000	-	(4,000)	4,000	4,000	Review underway to confirm viability of scheme post pandemic
Service Area Total	**12,131**	**12,131**	**-**	**(12,131)**	**12,131**	**8,131**	**(4,000)**	**4,000**	**12,131**	
ED Communities										
AD Assets										
Disabled Facilities Grant	817	1,142	666	(476)	1,467	1,467	-	-	1,467	Contractor is starting to catch up on delays incurred through COVID. There is a large pipieline of work that would take up the full budget allocation.
Energy EFF Upgrade Commercial and Industrial Properties	-	38	-	(38)	75	-	(75)	-	-	Dependent on stock condition survey unlikely to be spent at this stage
Service Area Total	**817**	**1,179**	**666**	**(513)**	**1,542**	**1,467**	**(75)**	**-**	**1,467**	
AD Neighbourhoods										
CCTV Infrastructure	-	23	46	23	46	46	-	-	46	-
Service Area Total	**-**	**23**	**46**	**23**	**46**	**46**	**-**	**-**	**46**	
GF Contingency										
Gf Contingency	135	135	-	(135)	135	-	(135)	135	135	Not aware of any planned spend
Cont-Return On Investment	20	20	-	(20)	20	20	-	-	20	-

GF Contingency Plant and Equipment	100	100	-	(100)	100	100	-	-	100	-
Service Area Total	**255**	**255**	**-**	**(255)**	**255**	**120**	**(135)**	**135**	**255**	
GENERAL FUND TOTAL	**15,548**	**23,154**	**1,625**	**(21,529)**	**30,854**	**16,108**	**(14,746)**	**14,671**	**30,779**	

Service Area	**Budget Reprofiled from 2020/21 (memo only) £000**	**YTD Budget £000**	**YTD Actual Spend £000**	**Variance £000**	**Budget £000**	**Predicted Outturn £000**	**Variance £000**	**Reprofile to 2022/23 (memo only) £000**	**Outturn £000**	**Comments**
HOUSING REVENUE ACCOUNT										
ED Communities										
AD Assets										
Structural Works	-	100	170	70	200	235	35	-	235	Predicted overspend, as this is reactive work
Bathroom Renewals	94	203	154	(49)	312	262	(50)	-	262	Underspend based on current predicted workload
Gas Central Heating Upgrades and Renewals	289	631	476	(155)	974	974	-	-	974	Planned works in progress, should be fully spent by year end
Kitchen Renewals	326	720	366	(354)	1,114	994	(120)	-	994	Underspend based on current predicted workload
Major Roofing Overhaul and Renewals	-	556	1,111	556	1,111	1,111	-	-	1,111	Expected to be spent in full
Window and Door Renewals	43	242	324	81	441	441	-	-	441	Expected to be spent in full
Neighbourhood Regeneration	477	727	366	(362)	977	400	(577)	-	400	At this stage spend not likely to exceed £400k for the year
Disabled Facilities Adaptations	298	579	700	121	860	700	(160)	160	700	Expected underspend to be re-profiled into 2022/23
Rewire	-	75	150	75	150	150	-	-	150	Awaiting programme updates
CO2 / Smoke Detectors	60	92	64	(28)	124	124	-	-	124	Awaiting contract start date, it's expected that the budget will be spent in full
Insulation	18	18	-	(18)	18	18	-	-	18	Ad hoc budget to be utilised in line with roof upgrades where required - reactive budget
Renew High Rise Lifts	243	243	181	(62)	243	243	-	-	243	Tender completed and start date for on-site works beginning December
Replace High Rise Soil Stacks	-	875	9	(866)	1,750	350	(1,400)	1,400	350	Contractor lined up to commence soon, but not expected to spend the whole budget, will need reprofiling
Fire Upgrades To Flats 2012	100	100	-	(100)	100	100	-	-	100	Works have commenced, should be invoiced shortly

Sheltered Schemes	84	134	102	(33)	184	154	(30)	-	154	Predicted underspend based on current workload
Energy Efficiency Improvements	-	35	70	35	70	70	-	-	70	Ad hoc budget as works are identified, looking at alternative heating systems and planning spend in December
Install Fire Doors High Rise	1,460	1,460	8	(1,452)	1,460	1,460	-	-	1,460	Wates have now commenced works

Service Area	Budget Reprofiled from 2020/21 (memo only) £000	YTD Budget £000	YTD Actual Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile to 2022/23 (memo only) £000	Outturn £000	Comments
High Rise Ventilation System	-	60	-	(60)	120	120	-	-	120	Project Mgr appointed to draw up specification for tender, spend expected towards the end of the year.
Retention of Garage Sites	-	375	366	(9)	750	366	(384)	384	366	Project to run into 22/23 so any underspend will need to be re-profiled
Capital Salaries	-	100	-	(100)	200	200	-	-	200	-
Software Fire Safety Surveys	90	90	-	(90)	90	90	-	-	90	-
HRA Street Lighting	69	69	59	(10)	69	69	-	-	69	-
Asset Management Software HRA	69	69	42	(28)	69	69	-	-	69	Project ongoing and should be completed by the end of the year
Telecare System Upgrades	-	18	-	(18)	36	36	-	-	36	-
Tinkers Green	-	-	(3)	(3)	-	-	-	-	-	-
Kerria Estate Project	103	103	5	(97)	103	97	(5)	-	97	Final CPO settlements still being negotiated.
Other Acquisitions	599	599	754	155	599	754	155	-	754	Overspend if all commited purchases complete, but will be offset by underspends on other cost centres
Regeneration & Affordable Housing	7,475	7,600	1,897	(5,703)	7,725	2,691	(5,034)	5,034	7,725	Wilnecote scheme submitted to planning but works unlikely to commence until late 21/22 with most spend being in 2022/23.
Caledonian Depot New Build	-	754	2	(752)	1,508	2	(1,506)	1,508	1,510	Project in for planning. Unlikely to commence until late 21/22 with most spend being in 22/23.
Service Area Total	**11,897**	**16,627**	**7,372**	**(9,255)**	**21,358**	**12,281**	**(9,076)**	**8,484**	**20,765**	
HRA Contingency										
HRA Contingency	100	100	-	(100)	100	100	-	-	100	-
Service Area Total	**100**	**100**	**-**	**(100)**	**100**	**100**	**-**	**-**	**100**	
HRA Total	**11,997**	**16,727**	**7,372**	**(9,355)**	**21,458**	**12,381**	**(9,076)**	**8,484**	**20,865**	

Appendix C

Treasury Management Update – Period 6 - 2021/22

Investments held as at 30th September 2021:

Borrower	Deposit £	Rate %	From	To	Notice
Thurrock Council	5,000,000	0.65%	09-Oct-20	07-Oct-22	-
Plymouth City Council	5,000,000	0.35%	30-Oct-20	29-Oct-21	-
Goldman Sachs	5,000,000	0.23%	29-Apr-21	29-Oct-21	-
Thurrock Council	5,000,000	0.20%	15-Jul-21	15-Jul-22	
Standard Chartered	10,000,000	0.13%	13-May-21	15-Nov-21	-
Goldman Sachs	5,000,000	0.16%	12-Aug-21	14-Feb-22	-
Lloyds Bank	8,003,529	0.05%	-	-	95 day
Santander	10,000,000	0.6%	-	-	180 day
MMF – Aberdeen	10,000,000	0.01%*	-	-	On call
MMF – PSDF	10,000,000	0.02%*	-	-	On call
MMF – Federated	6,329,000	0.01%*	-	-	On call
Total	**79,332,529**	**0.20%**	-	-	-
Schroders UK Real Estate Fund	1,848,933	3.08%	-	-	On call
Threadneedle Property Unit Trust	2,000,249	3.83%	-	-	On Call
Total	**83,181,711**	**0.35%**	**-**	**-**	**-**

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

Property Fund Investments held as at 30th September 2021:

Fund	**Initial Investment**	**Fund Value 30/9/21**	**2021/22 Return (to Sept 21)**	
Schroders UK Real Estate Fund	£1,848,933.03	£1,970,286.90	£28,483.26	3.08%
Threadneedle Property Unit Trust	£2,000,248.90	£1,917,789.91	£38,291.88	3.83%
Total	£3,849,181.93	£3,888,076.81	£66,775.14	3.47%

External Borrowing as at 30th September 2021:

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

Appendix D

Corporate Scrutiny Committee

18th November 2021

Quarter Two 2021/22 Quarterly Performance Report

Additional Information requests

1. **In terms of the FHSF project clarification was sought on whether the 10% reduction in the request for funding by the College to the Government had resulted in any additional costs to Tamworth Borough Council. The Leader confirmed that this had not been requested.** Correct – there is no requirement to further increase our funding to the College.

2. **Clarification was sought on whether the appointments to the FHSF Project Officer roles were made internally or from external candidates.**
   They were external candidates.

3. **What was the CRF3 referred to in the report? The Leader confirmed that this referred to the Cultural Recovery Fund 3. The Council had been successful in Rounds 1 and 2 however, round 3 was different. The Leader agreed to circulate further details**
   CRF3 is the Cultural Recovery Fund Round 3. The Castle had previously bid for, and was successful in obtaining, upto £375K from Rounds 1 and 2. The Arts Council changed its approach with Round 3 due to the pot of funding being smaller and therefore sought to target resources more.
   Round 3 required a pre-application stage which, if successful, would allow an applicant to bid for money. A pre-application bid of £49K was submitted to cover operational costs within the required time period. The bid was unsuccessful and the feedback was that further financial information would have strengthened the bid to further demonstrate that the castle was in an unviable trading position.

4. **In terms of the Customer Portal, given the proximity of the planned completion date could an update be provided on whether the project due date of 30 November 2021 was expected to be achieved? An update was to be provided.**
   The Customer Portal is on track for launch on 30th November. Fromm this date customers will be able to:
   - Open a portal account (guidance is included in the registration pages) which allows them to update their personal details as and when changes are made
   - View council tax account
   - Track progress with any enquiries they have made
   - Make changes to their individual council tax circumstances with regard to Single Person Discount and people moving in or out of the property

5. **Staff vacancies – clarification sought on the nature and extent of vacancies and why these appeared particularly to be in the public facing roles.**
   There are currently 54 roles vacant across a range of departments there is no predominance within these roles to public facing positions
   - 11 roles are seasonal,
   - 9 roles are impacted by recovery and reset service redesign workstream

- 24 roles are currently within the recruitment process and
- 10 roles have not yet commenced the recruitment process

6. **Write Offs – Housing – clarity was sought on the figure of £67,000 which was proposed to be written off.**

   Part of the income recovery procedures involves a robust approach to writing off rent arrears that are uneconomical to pursue. Write off reports are presented to cabinet quarterly and cover all relevant income streams. The figure above (£67,000) was the latest write off recommended and related to the total figure, where as a result of detailed investigated it could not be recovered. These reasons are typically due to either statute barring (the legal time limit under which the council can recover); deceased &/or no on ward forwarding addresses can be found. Write off is a last resort and only is recommended when all reasonable attempts to recover have been made. In addition where persons do re-access services then debts are equally written back on to allow recovery where legally appropriate.

7. **There is a reported £313,000 managed underspend recorded, details of what this related to (and what we were not spending money on) were requested. The Leader agreed to provide a list of the areas.**
   See separate report below

8. **Net Zero Carbon – clarification on whether the consultant had been appointed was requested.**
   A consultant has been appointed.

9. **Investments / Treasury Management – clarification over the investment by Tamworth Borough Council in Thurrock Council and whether instead the Council should be looking at alternative funds. An item was added to the Committee's work plan for an Investment Review.**
   The Council has two investments with Thurrock Council:-
   - £5million invested on 9th October 2020 for two years (repayable 7th October 2022) at 0.65%
   - £5million invested on 15th July 2021 for one year (repayable 15th July 2022) at 0.20%

   Both investments were made during the course of normal treasury operations and were made via brokers in line with our investment policy. This is governed by MHCLG statutory guidance, implemented in the Annual Investment Strategy approved by Council 23rd February 2021. The guidance is very clear in stating that local authorities' investments should prioritise security, liquidity and yield…in this order of importance.
   Both Cabinet on 2nd December and Full Council meeting on 14th December 2021 will consider the Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2021/22.

10. **Leisure Strategy – confirmation on whether the tender submissions had been received was sought.**
    No tender submissions have been received a review has commenced to establish the best mechanism to retender.

11. **Solway project – whether this would be an appropriate time to review the Solway project and whether to proceed with it, given that restricted progress had been**

made and limited officer time was available to progress it, and it entailed re-profiling the budget.

While limited progress has been made a planned update to the infrastructure and growth Scrutiny Committee is planned for q4, officers will include matter as this as part of that update

Areas that Corporate Scrutiny Committee felt should be brought to Cabinet's attention

1. **Customer services – the Committee felt that further communications to Tamworth residents of the ability to access Customer Services, face-to-face at the Assembly Rooms was required, including additional signage. It was noted that when the Council's phone lines went down, the demand on the services of local voluntary groups such as Tamworth Together CIC increased significantly.**
   The Head of Customer Experience is working closely with Tamworth Together CIC to assess the correlation between internet outages for TBC and increases in call volumes and ensuring that business continuity plans include communications to the CIC.
   Signage to direct customers to the TIC at the Assembly Rooms is being prepared.

2. **Future High Street Fund - The Committee considered that further consideration of the use that the Middle Entry area of the project would be put to was required.**

   This scheme will remove a corner of Middle Entry, neighbouring the historic Town Hall. This will be replaced by a flexible, programmable building of 290 sqm (GIA). This will provide affordable space for new entrants into the Tamworth retail / leisure sectors. This space will be managed by the Council and will have close ties to the College. There will be a symbiotic relationship between the courses offered at the college and the entrepreneurial activity delivered from this space. This space will also be programmable for a range of evening and holiday events, helping to encourage visitors to the town centre at different times throughout the day and year.

3. **Staff vacancies / managed underspends – The Committee felt consideration could be given to whether there was any interaction between staff vacancies, savings, and managed underspends.**
   Detailed in point 5 above

Corporate Scrutiny Quarter 2 Review

Managed Underspend

As reported in both the Quarter One and Two 2021/22 Quarterly Performance reports budget holders were asked to review their budgets and identify areas where savings / additional income could be made as part of the non-essential ‘managed underspend’.

At the end of August 2021 this “managed underspend” was estimated to be £316k as can be seen from the summary below.

General Fund

Revenue

GENERAL FUND	YTD Budget £000	YTD Position £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000
Chief Executive	672	651	(21)	1,575	1,580	5
AD Growth & Regeneration	317	117	(200)	1,339	1,459	120
ED Organisation	292	247	(45)	478	474	(4)
AD People	1,218	1,232	14	226	318	92
AD Operations & Leisure	1,385	1,761	376	3,141	3,418	277
ED Finance	49	53	4	-	9	9
AD Finance	1,260	(4,618)	(5,878)	(7,738)	(8,584)	(846)
AD Assets	(502)	(598)	(96)	(883)	(934)	(51)
AD Neighbourhoods	406	155	(251)	1,142	1,239	97
AD Partnerships	400	295	(105)	979	964	(15)
Total	**5,497**	**(705)**	**(6,202)**	**259**	**(57)**	**(316)**

This position will be monitored closely for the remainder of the year and included in future performance reports.

The following table highlights the significant areas of variance that are included in the figures above.

General Fund – Main Variances

Service Area	Cost Centre	Account Code	Year to Date Position	Year to Date Budget	Year to Date Variance	Full Year Budget	Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment
AD Operations & Leisure	ASSEMBLY ROOMS	SALARIES	61,339	117,439	(56,100)	265,094	0	265,094	Underspend to be used to fund temp staff/new structure, vacant posts now recruited.
		PRIVATE HIRE TICKET SALES EXP	0	20,850	(20,850)	50,000	(30,000)	20,000	Theatre programme does not reach full capacity until October, shut for Q1 due to Covid guidance
		SPLIT PROFIT EVENT TICKET SALE	750	91,550	(90,800)	219,750	(128,855)	90,895	
		TICKET SALES	(13,723)	(56,400)	42,677	(135,300)	101,700	(33,600)	
		SPLIT PROFIT EVENT INCOME	(49,192)	(122,100)	72,908	(293,000)	177,901	(115,099)	
	ASSEMBLY ROOMS BAR	SALARIES	16,196	59,650	(43,454)	143,180	0	143,180	Underspend to be used to fund temp staff
		CATERING SALES	0	(75,450)	75,450	(181,130)	0	(181,130)	Theatre programme does not reach full capacity until October, shut for Q1 due to Covid guidance
	PLEASURE GROUNDS	SALARIES	0	13,350	(13,350)	34,300	(31,610)	2,690	Not expecting to recruit - offset with income target.
	PEAKS	SPORT DEVELPMT PROJECT FUNDING	74,620	25,890	48,730	103,560	0	103,560	High committed spend which is within full year budget
	COMMUNITY LEISURE	CONT TO RESERVES	0	0	0	0	49,130	49,130	Cont to QBR reserve at year end to fund shows next financial year

Service Area	Cost Centre	Account Code	Year to Date Position	Year to Date Budget	Year to Date Variance	Full Year Budget	Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment
AD Operations & Leisure	PUBLIC SPACES	VACANCY ALLOWANCE	0	(92,570)	92,570	(92,570)	92,570	0	Vacancy allowance removed
		CONTRACT PAYMENTS (BASIC)	110,270	70,000	40,270	110,270	0	110,270	Large commitment on system but spend within full year budget
		CONTRIB FROM STAFFS C C .	(27,495)	(143,690)	116,195	(143,690)	0	(143,690)	Awaiting payment from SCC, to be chased
	TBC HIGHWAYS MAINTENANCE	MAINTEN HIGHWAY RELATED ASSETS	(37,009)	50,550	(87,559)	121,290	0	121,290	Accruals for works relating to previous financial year, yet to receive invoices
		MAINTENANCE OF WATER COURSES	62,726	17,150	45,576	41,140	0	41,140	Large commitment on system, enough budget on cost centre overall to cover this if overspent at year end
AD People	ICT	APPLICATION SOFTWARE	86,097	50,160	35,937	50,160	36,000	86,160	Offset by other underspends within cost centre
	CUSTOMER SERVICES	VACANCY ALLOWANCE	0	(16,100)	16,100	(38,680)	38,680	0	Vacancy allowance
AD Assets	COMMERCIAL PROPERTY MANAGEMENT	PROVISION FOR BAD DEBTS	49,443	2,325	47,118	5,580	0	5,580	Monthly invoices from May 2020 to National Car Parks not paid but expected to be paid by year end
	INDUSTRIAL PROPERTIES	MISC CONTRIBUTIONS	(55,000)	0	(55,000)	0	(55,000)	(55,000)	Windfall/one off income received for Kingdom Hall and 7A Apollo
		RENTS	(417,565)	(385,000)	(32,565)	(808,780)	0	(808,780)	Projected outturn to be reviewed next month.
AD Neighbourhoods	HOMELESSNESS	PROVISION FOR BAD DEBTS	(2,173)	59,458	(61,631)	142,700	0	142,700	Write-offs for pre 2018 arrears on B&B, work to clear these will be carried out in September
		BED AND BREAKFAST COST	57,343	90,650	(33,307)	217,550	(79,940)	137,610	Reduction in use of B&B
		BED & BREAKFAST INCOME	(17,080)	(92,030)	74,950	(217,540)	179,880	(37,660)	Reduction in use of B&B - offset B & B cost underspend

Service Area	Cost Centre	Account Code	Year to Date Position	Year to Date Budget	Year to Date Variance	Full Year Budget	Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment
AD Neighbourhoods	HOMELESSNESS STRATEGY	GOVERNMENT GRANTS	(245,757)	(75,708)	(170,049)	(102,900)	0	(102,900)	Homelessness Prevention grant
	COMMUNITY WARDENS	SALARIES	41,408	64,150	(22,742)	161,010	(46,570)	114,440	Two vacant posts
AD Partnerships	PRIVATE SECTOR LEASING SCHEMES	PRIVATE SECTOR LEASING SCHEME	4,057	27,850	(23,793)	66,780	(62,700)	4,080	Two acquisitions to go through
		PRIVATE SECTOR LEASING	(3,808)	(37,130)	33,322	(87,810)	84,000	(3,810)	Not expecting any tenants from now on. In the process of acquiring properties.
	DDCPP BUSINESS SUPPORT	SALARIES	99,674	126,150	(26,476)	302,750	(30,000)	272,750	Due to accumulation of vacant posts
	CAR PARKING ENFORCEMENT COSTS	SALARIES	0	26,350	(26,350)	63,260	(63,260)	0	Vacant posts - to be used to fund temp staff
		PAYMENTS FOR TEMPORARY STAFF	23,700	0	23,700	0	63,260	63,260	Temp staff funded from salaries underspend pending review
AD Growth & Regeneration	OUTSIDE CAR PARKS	SHORT STAY CAR PARKING	(200,063)	(250,000)	49,937	(600,000)	100,000	(500,000)	Several car parking machines not in use. One car park occupied as Covid testing centre
	MARKETS & STREET DISPLAYS	STREET TRADERS LICENCE INCOME	(1,819)	(15,200)	13,381	(36,460)	30,000	(6,460)	Budget does not reflect current street trading policy, which is in process of being reviewed
	CASTLE & MUSEUM	SALARIES	38,771	106,948	(68,177)	258,476	(70,000)	188,476	Arts council funded 1st quarter & accumulation of vacant posts
	ARTS COUNCIL - CASTLE	GOVERNMENT GRANTS	(174,727)	(237,230)	62,503	(237,230)	25,000	(212,230)	Final activity report to be submitted to Arts Council to receive remaining funding

Service Area	Cost Centre	Account Code	Year to Date Position	Year to Date Budget	Year to Date Variance	Full Year Budget	Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment
AD Growth & Regeneration	ENVIRONMENTAL HEALTH	SALARIES	161,208	255,479	(94,272)	613,140	(187,000)	426,140	£230K funding received for Covid 19 costs up to 2023, to carry forward spend to 2022/23
		CONT TO RESERVES	0	0	0	0	187,000	187,000	
	DEV. PLAN LOCAL & STRATEGIC	LOCAL DEVELOPMENT FRAMEWORK	3,000	44,150	(41,150)	50,000	0	50,000	Works to commence within the next month, budget expected to be spent
AD Finance	BENEFITS	PROVISION FOR BAD DEBTS	0	0	0	50,000	(50,000)	0	Based on position at end August, bad debt provision budget not likely to be required
		RENT ALLOWANCES	1,941,699	2,341,150	(399,451)	5,952,100	(960,190)	4,991,910	Based on DWP claim at P5
		COUNCIL TENANT RENT REBATES	2,975,457	3,295,110	(319,653)	7,531,900	(802,020)	6,729,880	
		COUNCIL TENANT GRANT	(2,915,464)	(3,261,510)	346,046	(7,454,920)	791,000	(6,663,920)	
		PRIVATE TENANT GRANT	(1,873,164)	(2,292,310)	419,146	(5,811,220)	944,740	(4,866,480)	
		DISCRETIONERY HSG PAYMT GRANT	(50,480)	(50,000)	(480)	(150,000)	49,000	(101,000)	DHP Contribution confirmed at £101k
		PT OVERPAYMENT RECOVERY	21,543	0	21,543	0	51,700	51,700	Based on position at end August
		CT OVERPAYMENT RECOVERY	15,192	0	15,192	0	36,460	36,460	
	BENEFITS ADMINISTRATION	SALARIES	184,003	205,146	(21,143)	492,340	(35,000)	457,340	Vacant Head of Service post / interim arrangements in place
		VACANCY ALLOWANCE	0	(14,950)	14,950	(35,830)	35,830	0	Vacancy allowance
		GOVERNMENT GRANTS	(49,777)	0	(49,777)	0	(50,000)	(50,000)	Unbudgeted grants

Service Area	Cost Centre	Account Code	Year to Date Position	Year to Date Budget	Year to Date Variance	Full Year Budget	Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment
AD Finance	CORPORATE FINANCE	GENERAL CONTINGENCY	0	0	0	169,000	(169,000)	0	No plans at present, subject to review during the year
		CONT TO RESERVES	0	0	0	150,000	2,278,840	2,428,840	Additional contribution to reserve to fund 2021/22 NNDR collection fund deficit arising from expanded retail reliefs scheme (which will be needed in 2022/23 due to the collection fund deficit being funded in the following financial year, as part of the budget setting process for 2022/23)
		NNDR LEVY PAYMENTS	74,065	0	74,065	687,230	380,950	1,068,180	Additional levy payable due to business rates forecast growth in 2021/22
		GOVERNMENT GRANTS	(6,157,481)	(396,913)	(5,760,568)	(952,590)	(2,659,790)	(3,612,380)	Additional Section 31 grant receivable due to expanded retail relief scheme for 2021/22 of c.£6m (TBC share)
		MISC CONTRIBUTIONS	(3,794)	0	(3,794)	0	(437,590)	(437,590)	2020/21 levy return expected from pool subject to finalisation of NNDR audits
	TREASURY MANAGEMENT	MINIMUM REVENUE PROVISION GF	78,950	78,950	0	189,430	(31,840)	157,590	Reduced MRP due to slippage in 2020/21 capital programme
		MISC INTEREST & DIVIDENDS	(87,825)	(39,450)	(48,375)	(94,710)	(55,000)	(149,710)	Forecast investment interest income due to higher balances arising from capital programme slippage
		PROPERTY FUND DIVIDENDS	(56,475)	(125,000)	68,525	(300,000)	125,000	(175,000)	Delayed property fund investments
	COVID-19	GOVERNMENT GRANTS	(166,800)	0	(166,800)	0	(166,800)	(166,800)	New burdens grant for Business Grants process
		GOVERNMENT GRANTS	(206,656)	(178,000)	(28,656)	(427,150)	(167,000)	(594,150)	Additional SFC grant for Qtr 1 2021/22 (& balance of £67k from 2020/21)

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Thursday, 2 December 2021

Report of the Leader of the Council

Budget Consultation 2022/23

Exempt Information

None

Purpose

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

Recommendations

It is recommended that:

1. Cabinet endorse the report,
2. Cabinet take account of the findings, along with other sources of information, when setting the 2022/23 Budget.

Executive Summary

A total of 83 responses were received to the consultation and these consisted of:

- 73 residents
- 4 businesses
- 6 community and voluntary organisations.

*Please see Appendix 1 for information on methodology.

The vision

The general consensus from respondents was very much in support of the vision ‘To put Tamworth, its people and the local economy at the heart of everything we do’ and this was reflected in respondents’ comments.

People and place priorities

Support was also evident for the four priorities which come under the heading people and place.

- To meet housing needs through a variety of approaches and interventions – seen as important by 59% of respondents,
- To facilitate sustainable growth and economic prosperity - seen as important by 73% of respondents,
- To work collaboratively and flexibly to meet the needs of our communities - seen as important by 66% of respondents,

- To create a new and developing vision for the continued evolution of Tamworth, including a town centre fit for the 21st century - seen as important by 84% of respondents.

Organisation priorities

Support was also evident for the four priorities which come under the heading organisation.

- To be financially stable - seen as important by 82% of respondents,
- To ensure our employees have the right skills and culture to help our residents, visitors and businesses- seen as important by 73% of respondents,
- To ensure our service delivery is consistent, clear and focussed - seen as important by 76% of respondents,
- To ensure our decisions are driven by evidence and knowledge - seen as important by 80% of respondents.

Spend on services

It was most common for respondents to say they would prefer that current levels of spend remained the same; this was the case in 7 of the 13 major cost areas. Respondents most wanted to see maintained level of spend on 'refuse collection and recycling' (67%).

Two areas where respondents wanted to see more spend were 'improving the economic, physical, social and environmental condition of Tamworth (49%) and 'tackling anti-social behaviour' (53%).

Respondents wanted to see less spend in the following areas 'Commissioning Services from voluntary organisations & charities (39%) and Arts, Assembly Rooms & Events (38%).

If the Council were to consider changes to the charges it places upon its services, increasing charges for 'leisure and other activities' would be met with least resistance; 53% of respondents would support increased charges for this. Conversely, decreasing charges for 'car parking' would be a popular move; 78% of respondents said that they would like to see these decreased.

The largest proportion of residents (43%) would prefer the lowest level of Council Tax increase (a 0.54% increase). The second lowest level of increase (1.99%) was the next most popular option, selected by 26% of respondents.

Resource Implications

There are no resource implications arising from this report.

Legal/Risk Implications Background

It is a statutory duty to consult before the development of the budget. Budget consultation ensures our compliance with this.

Equalities Implications

There are no equalities implications arising from this report.

Sustainability Implications

There are no sustainability implications arising from this report.

Background Information

As part of an 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, businesses, and local voluntary groups on what these priorities are.

Report Author
Linda Ram – Head of Corporate Communications

List of Background Papers
None

Appendices
Appendix 1: Budget Consultation 2022/23 – Full report
Appendix 2: Budget Consultation 2022/23 – Respondents comments

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Introduction

Tamworth Borough Council reviews its council tax and charges on an annual basis and this assists in developing the Council's budget and ensures funding is put into areas which are of priority.

Residents, businesses and the voluntary sector are always an important part of this process. Therefore, this year as in previous years, these groups were invited to share their views on these priorities for the forthcoming financial year

These groups were also asked to give their views on the vision and corporate priorities, as well as their views on how the council can capitalise on the positives in the voluntary sector response to the Covid-19 pandemic and the ongoing restrictions in the use of Marmion House.

This report summarises the views of those who participated. While this is not fully representative of Tamworth opinion it provides a useful addition to the information that will inform the Council's budgeting decisions for the year ahead.

The report presents the analysis of the combined results from all three respondent groups.

Methodology

The consultation for the 2022/23 budget was open from 6th September until 10th October 2021 and three key groups were encouraged to share their views, predominantly through online surveys, although paper copies could be requested.

All three surveys were promoted via a range of communication channels including press releases in the local newspaper and online business news publications such as the Greater Birmingham Chamber of Commerce, a prominent feature on the Tamworth Borough Council website and through a social media campaign on Tamworth Borough Council Twitter, Facebook and LinkedIn and Tamworth Enterprise Centre Facebook.

It was also shared through business Facebook groups such as Tamworth is Open and Tamworth Business to Business.

Several direct mail-outs were sent to a variety of partners and stakeholders including a database of 850 businesses, 300 Citizens Panel members and 40 Community Champions.

The voluntary sector survey was shared with our network of voluntary sector contacts, including Support Staffordshire, Staffordshire Council of Voluntary Youth Services, Tamworth Community Together CIC, Heart of Tamworth and many more.

Responses

A total of 83 responses were received to the consultation and these consisted of:

- 73 residents
- 4 businesses
- 6 community and voluntary organisations.

For the purpose of analysis, responses from all three groups have been combined. Some caution must be applied when interpreting the results due to the low level of participation.

Views on the vision

The Council's 'To put Tamworth, its people and the local economy at the heart of everything we do'. Views put forwarded included:

Seems to have a good focus.

Good vision for the future.

Great statement, I hope it turns out to be true.

Too wordy. Our focus is the people of Tamworth.

Sounds very good but basically meaningless.

The climate and ecological emergency must be placed at the heart of everything we do as well, otherwise there won't be people or an economy to deal with in the future.

Views on the corporate priorities

Respondents were asked a series of questions about the importance of the priorities under the headings of 'People and place' and 'Organisation'. They were asked to say how important each priority was to them and also invited to make comment on each of those priorities.

People and place priorities

Respondents were asked to rate in terms of importance and give their views on the four priorities under this heading:

- To meet housing needs through a variety of approaches and interventions,
- To facilitate sustainable growth and economic prosperity,

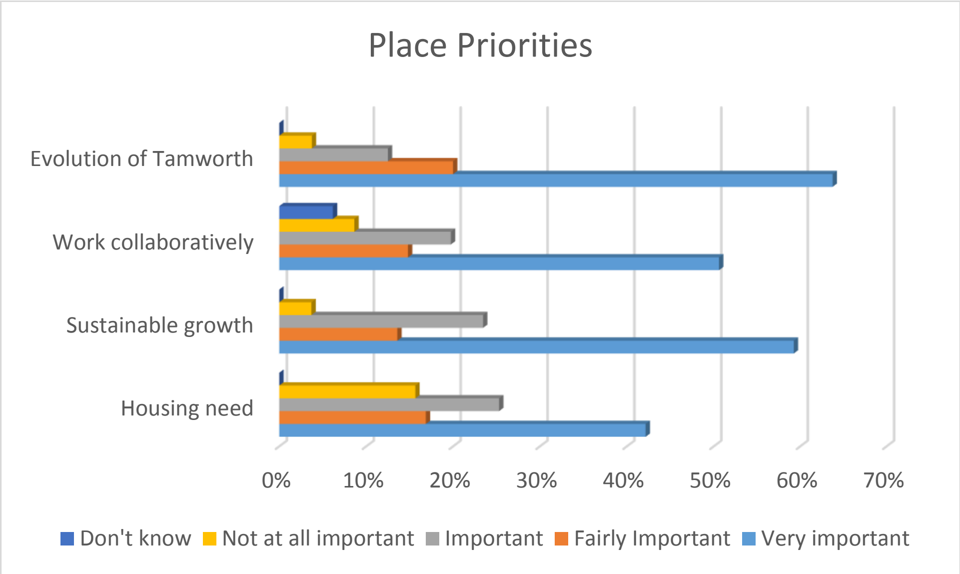
- To work collaboratively and flexibly to meet the needs of our communities,
- To create a new and developing vision for the continued evolution of Tamworth, including a town centre fit for the 21st century.

All priorities were given a high importance rating by over 58% of respondents.

The most important priority was ‘To create a new and developing vision for the continued evolution of Tamworth, including a town centre fit for the 21st century’; with 84 % giving this a high rating.

Considered least important was ‘to meet housing needs through a variety of approaches and interventions’. However, 59% of respondents still gave this a high rating.

Respondents’ views are shown in the figure below



To meet housing needs through a variety of approaches and interventions,

Seen as important by 59% of respondents. Comments received included:

There is an enormous amount of house building in Tamworth, but the infrastructure is being ignored.

The housing application currently in by Cornerstone is a great example of the types of housing that is desperately needed in our town.

There needs to be some mention of sustainable, affordable and quality accommodation here.

What are the council doing about the empty shops and living accommodation dotted around the town centre and beyond? Don't see TBC rushing to accommodate the homeless by using these properties. WHY?

To facilitate sustainable growth and economic prosperity,

Seen as important by 73% of respondents. Comments included:

I would like to see something about facilitating quality employment linked to this.

The town needs revitalising and if successful everyone will benefit.

I love the mix of green space and convenient shopping areas in Tamworth and would like to see this continue in future works. On a side note, I loved seeing wild flowers on the central reservation near the Snowdome.

This should be at the heart of all planning decisions.

To work collaboratively and flexibly to meet the needs of our communities,

Seen as important by 66% of respondents. Comments included:

Engagement and collaboration is important to ensure the funding received through taxes etc are used to the best advantage of the residents.

Then you need to increase the number of mental health services in the town as our most vulnerable are those who struggle with mental illnesses.

The community deserves the council's best efforts….. the council is there to serve and support the community.

To create a new and developing vision for the continued evolution of Tamworth, including a town centre fit for the 21st century

Respondents felt this was the most important priority under 'people and place' (84 % of respondents).

It's an exciting time for our town centre.

Not "build it and they will come". That's a joke. Shrink it and make space for affordable housing with fewer shops/commercial footprint. It's not needed in these days of 38% online and teetering Ventura to boot.

More needs to be made of Tamworth's history and heritage.

This is a wonderful opportunity to showcase town centres of the future.

Organisation priorities

Respondents were asked to rate in terms of importance and give their views on the four priorities under this heading:

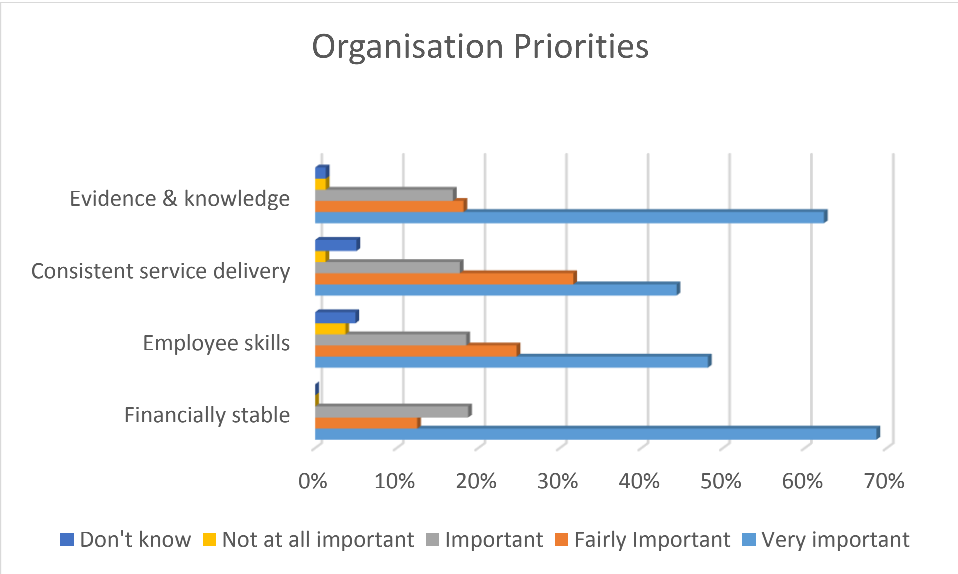
- To be financially stable,
- To ensure our employees have the right skills and culture to help our residents, visitors and businesses,
- To ensure our service delivery is consistent, clear and focussed,
- To ensure our decisions are driven by evidence and knowledge.

All priorities were given a high importance rating by 73% or over of respondents.

The most important priority was ‘to be financially stable’, 82% gave this a high rating.

Considered least important was ‘to ensure our service delivery is consistent, clear and focussed’. However, 76% of respondents gave this a high rating.

Respondents’ views are shown in the figure below



To be financially stable,

This was seen as the most important priority under ‘organisation’ by 82% of respondents.

Comments received included:

Of course this is important and should be one of the council's basic aims.

Increase local taxes and give us the services we need and deserve. Don’t use government cuts as an excuse.

All opportunities should be considered in full & evaluated; however, more direct consultation & opinion of the town’s residents needs addressing. All opinions have a merit in some form so the more the better.

To ensure our employees have the right skills and culture to help our residents, visitors and businesses,

Seen as important by 73% of respondents. Comments received included:

Elected members need to show empathy for local issues and ensure impartiality not based on national political lines.

You really need to bring back opportunities for your staff and elected members to engage with the community face to face. If they aren't accessible they aren't truly accountable.

Whilst training is very important, ensuring the budget isn’t blown on learning ‘how to do something’ rather than ‘actually doing something’ is important.

To ensure our service delivery is consistent, clear and focussed,

Seen as important by 76% of respondents.

Comments received included:

Should be a given and not arise as a 'priority' because again that's a standard, not an added bonus!

Other than getting my bins emptied once a fortnight, (gee, thanks, in exchange for £1500 a year in council tax) you. Haven't delivered me anything.

Again, modern technology offers so many ways you active this.

Don’t presume that everyone has online capacity or capability.

To ensure our decisions are driven by evidence and knowledge.

Seen as important by 80% of respondents.

Comments received included:

This should really include finding out what residents think. We do get asked but very little seems to happen and no feedback on why things are done or not done.

As long as the evidence base is neutral and independent.

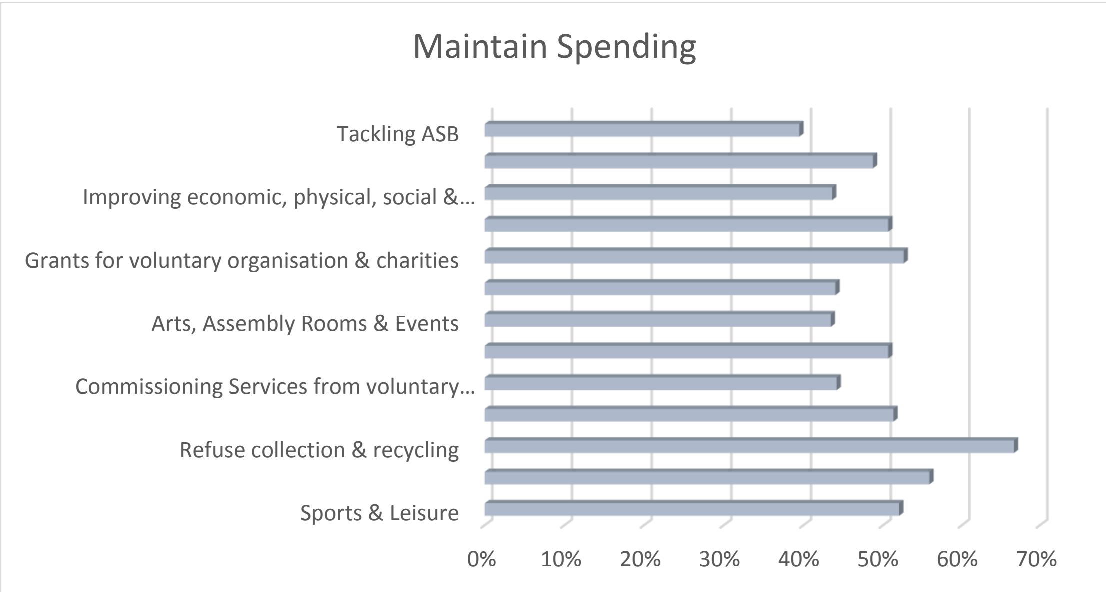
Easier contact methods for the community to use would be a starting point for TBC. A local community workshop ran monthly would be an excellent opportunity to engage with people from all areas of Tamworth to voice their opinions and concerns.

Spending on services

Respondents were provided with planned spend on major cost areas for 2021/22 and were asked whether they felt the Council should increase, decrease or keep spending the same.

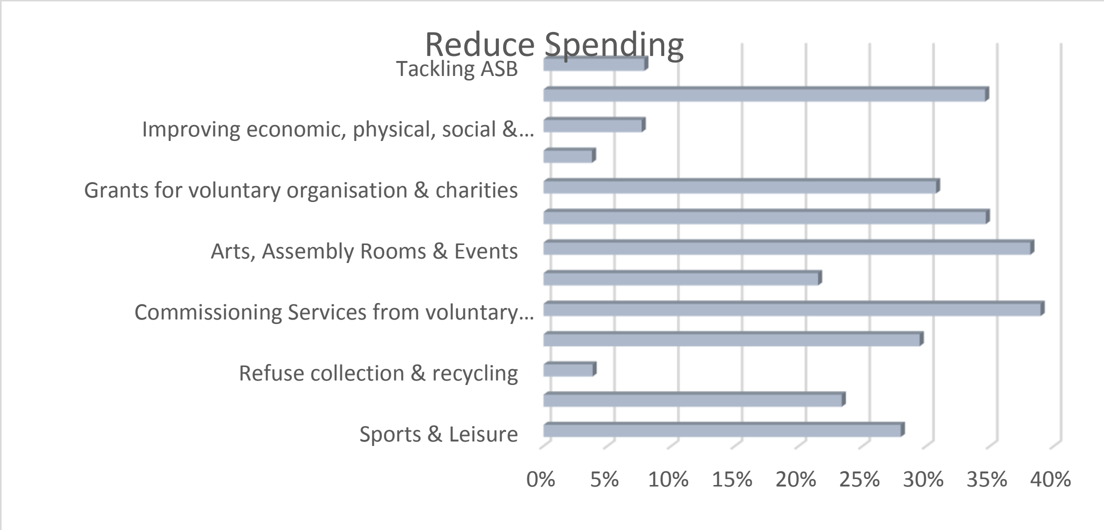
Maintain levels of spending

It was most common for respondents to say they would prefer that current levels of spend remained the same; this was the case in 7 of the 13 major cost areas. Respondents most wanted to see maintained level of spend on 'refuse collection and recycling' (67%).



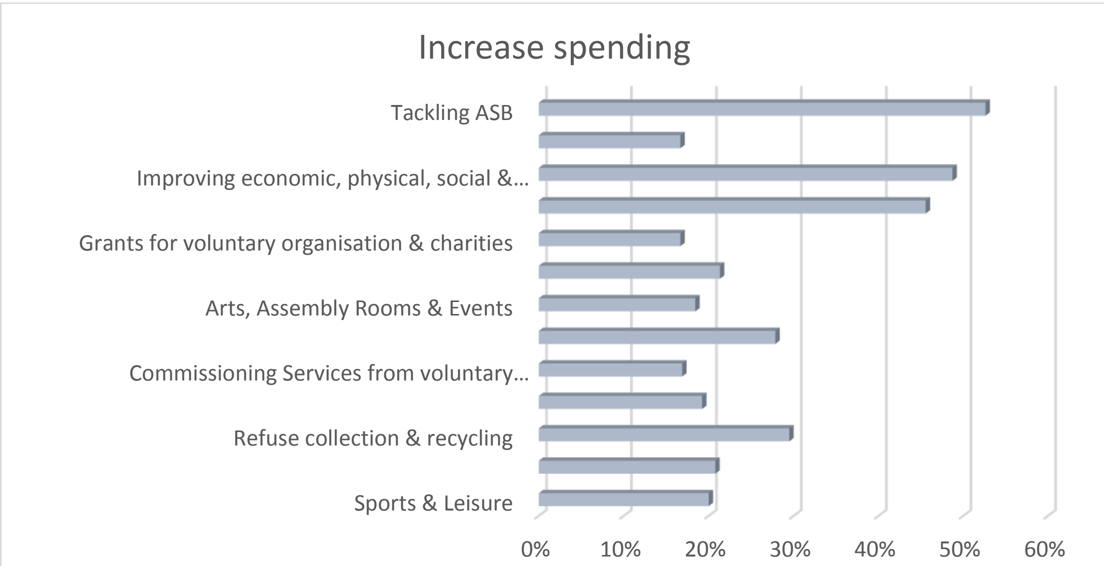
Reduce levels of spending

Respondents wanted to see less spend in the following areas ‘Commissioning Services from voluntary organisations & charities (39%) and Arts, Assembly Rooms & Events (38%).



Increase levels of spending

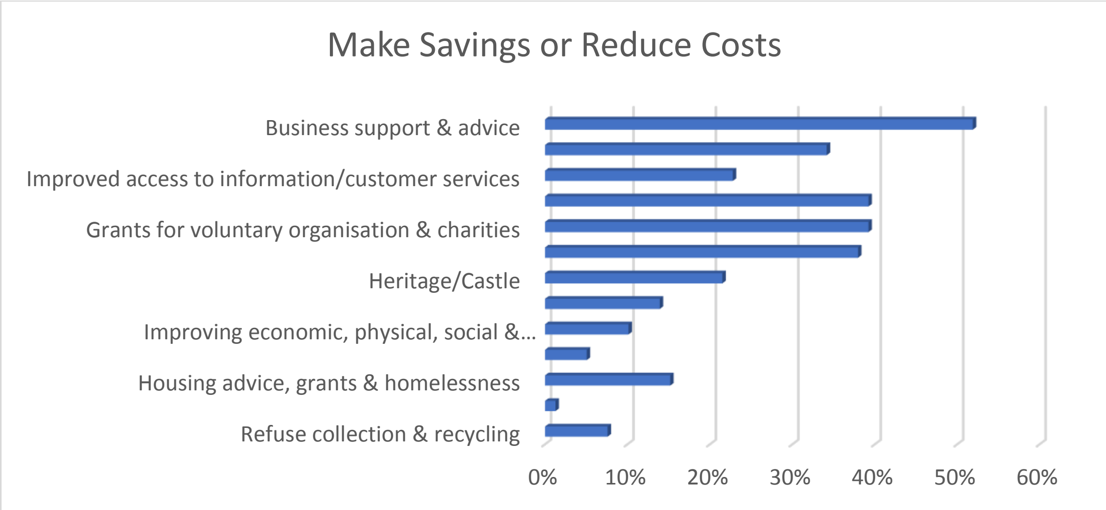
Two areas where respondents wanted to see more spend were ‘improving the economic, physical, social and environmental condition of Tamworth (49%) and ‘tackling anti-social behaviour’ (53%).



Savings and reducing costs

Respondents were provided with a list of services and asked to indicate up to three which could be prioritised for savings or reducing costs.

Respondents wanted to see less spend in the following areas 'business support and advice' (52%); 'grants for voluntary organisations and charities' (39%) and 'sports and leisure' (39%).

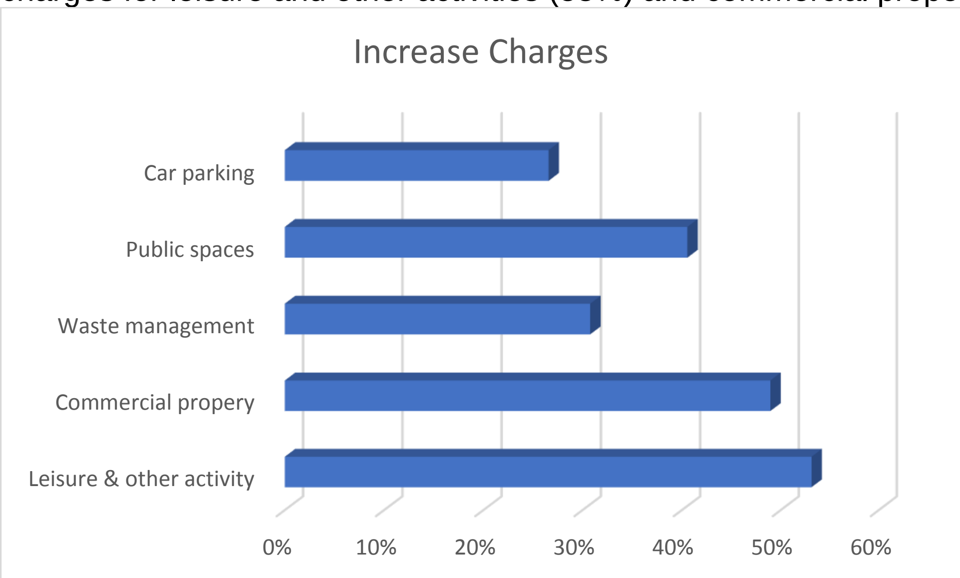


Fees and charges

Respondents were asked in which two areas they would increase charges and in which two areas they would decrease charges.

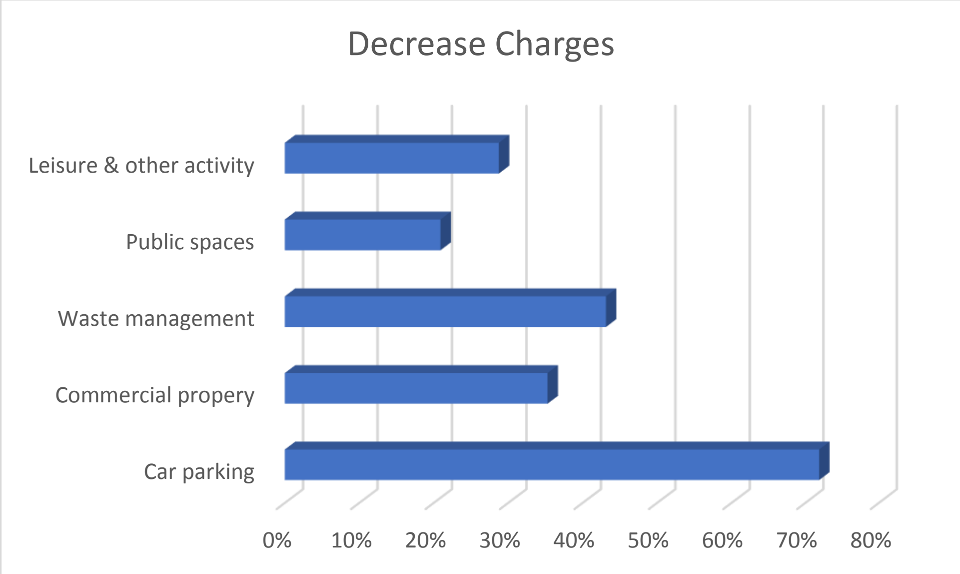
Increase charges

It was most common for respondents to see the need to increase public charges for leisure and other activities (53%) and commercial property (49%).



Decrease charges

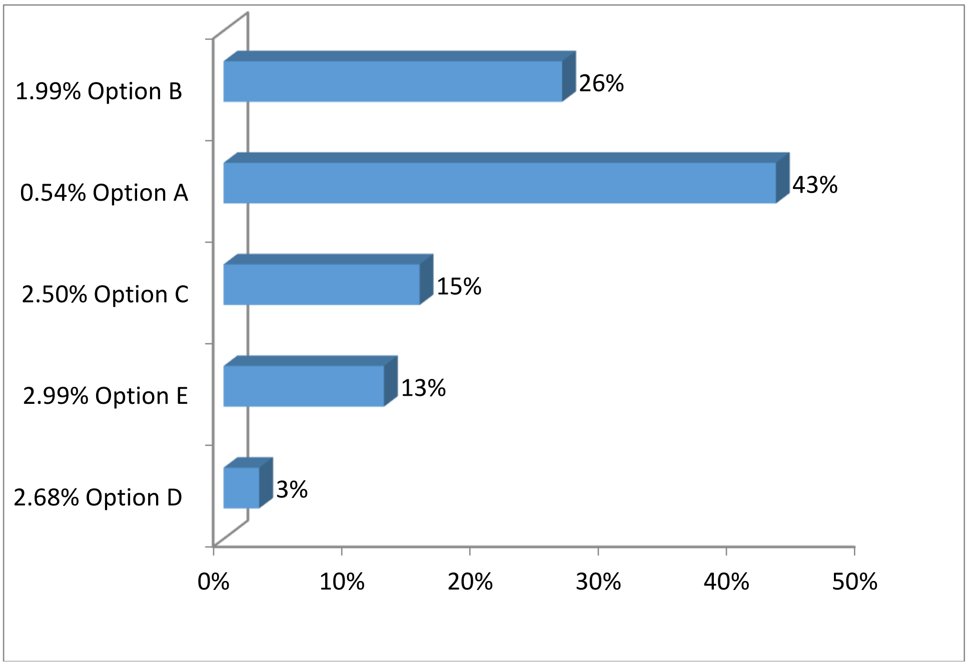
Respondents were most likely to say that they would like to see decreased charges for car parking (72%) and was by far the most popular choice.



Acceptable level of Council Tax increase

Residents were asked what they would consider to be an acceptable Council Tax increase for the 2022/23 budget.

The largest proportion of residents (43%) would prefer the lowest level of Council Tax increase (a 0.54% increase).



Ongoing restrictions in the use of Marmion House and the delivery of services by digital means.

Since the start of the pandemic, Marmion House has been closed to members of the public. There is also an acceptance that services are capable of being delivered differently. Views on this were mixed and included:

Wow, what an admission. It took an epidemic for us to realise that things could be done better if we changed.

Knock it down! Use an empty shop in town as a customer drop in centre and develop hubs around estates for Housing management and work remotely in the community.

Personally I like to speak to people face to face however if I send an email I do expect an acknowledgement and to know what will happen next not just be left wondering if it has been seen or actioned!

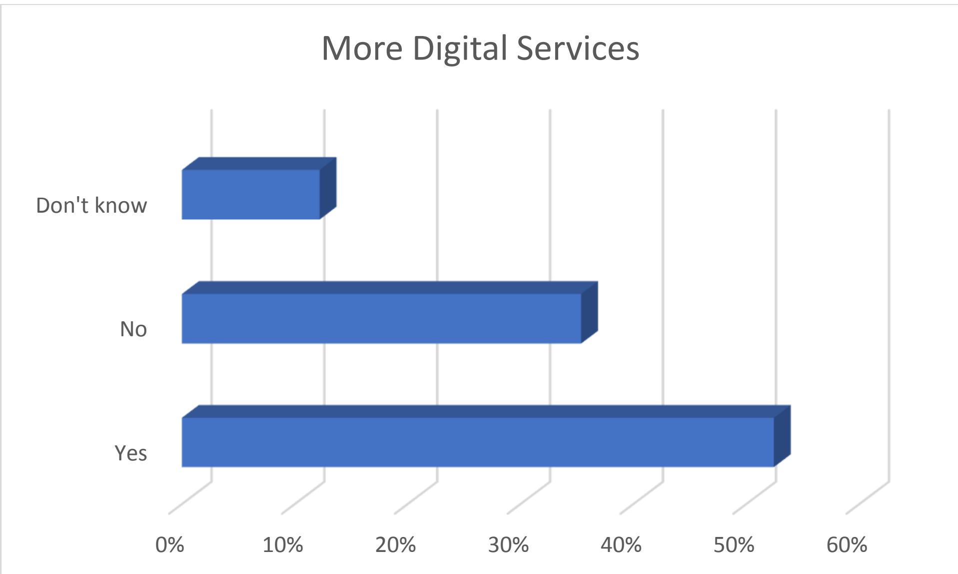
How can anyone learn from others when there is no direct contact. I do not wish to be forced into asking questions online or reporting highway matters "on the portal".

We need to learn and embrace some of the positive changes that the lockdown and restrictions brought to the workplace.

I have only visited the building twice in over 30 years of residency. In a world of online access, a front of house is all that's needed in my opinion.

Digital services

When asked 'would you like to see more services delivered digitally via telephone, webchat or the internet?' 52% of respondents indicated that they would.



Investing in communities and capitalising on the positives in the voluntary sector response

Respondents were asked whether the Council should continue to consider new ways to invest in communities and capitalise on the positives in the voluntary sector response.

Comments received included:

Take all offers from community support.

Almost too many voluntary groups, some overlapping in what they do but very vital not just in the pandemic. What council resources are used to coordinate the work of such groups?

Any support that can be offered to help community efforts is appreciated. Perhaps you can promote these more so that residents can be aware and might encourage more volunteers to step forward.

It's all about using volunteers??? We pay more and more in council tax and are getting less and less.

This is the way forward post Covid.

Respondents’ comments

This section of the report includes all respondents comments received on:

- The vision,
- People and place priorities,
- Organisation priorities,
- Spending,
- Savings and charges,
- The ongoing restrictions in the use of Marmion House,
- How the Council can capitalise on the positives in the voluntary sector response to the pandemic

And the profile of respondents to the residents survey.

Comments about the vision

To wordy...... Our focus is the people of Tamworth

Ok

Does this include environmental issues? There are many areas of Tamworth that look untidy, unkempt and portray a negative image of Tamworth.

We need to ensure that Mental Health is seen as a priority.

People don't just live in the town centre which is where it seems most of the budget is spent.

Trite.

Sounds very good but basically meaningless?

I think this is a fairly meaningless vision - if it was any combination of putting the well-being, prosperity, interests at the heart it would be much more meaningful.

I agree with your vision.

The climate and ecological emergency must be placed at the heart of everything we do as well, otherwise, there won't be a people or an economy to deal with in the future.

Unfortunately putting the people of Tamworth at the heart of everything you do is far from the truth! Take a moment to consider the council's latest decision (08-09-21) to build hundreds of houses on the former golf course at Amington. Our illustrious MP has clearly given a 'vision' of what his priorities are and listening to the people of the town isn't one of them! This has clearly rubbed off onto TBC and its cohorts.

The words are OK, its action that counts.

To make the people and local economy of Tamworth the priority of everything we do.

Good.

What about our environment?

This won't come as big surprise but the town centres role will change over next few years. We can already see that the Ankerside is dying slowly. What will we do with the space and provide the maximum return to the local tax payer. I'll be honest I don't the answer. There has been great work with the space at the assembly rooms and other initiatives like street food to bring people into town.

It is a good vision but I am not sure that it is the case.

That's what it should be but isn't necessarily so.

We need more help for the actual homeless not this mistake of a banding system. The footpaths seriously needs sorting full of more pot holes than the roads. More help should be available from the council for the people living in mentally hard housing that could be resolved by the council but isn't if you're housed in a fine amount of rooms.

Then why keep raising rents prices for businesses in the town making it harder for independent business to work in Tamworth and killing our economy.

A meaningless political soundbite that you lack the ability, imagination and desire to deliver.

Your vision has been to completely kill the town centre by allowing the expansion of Ventura Park. There are now plans to build a college in the town centre. How is this going to regenerate the economy? Students have very little money to spend. Is the town just going to be full of cheap takeaways with rubbish food to cater for them? The history of the town is not widely promoted enough and could generate more income. Also don't make the annual fireworks event free. With the thousands of people that descend on the town even a nominal charge of £4 per head would generate a big income.

Ok with this statement.

Meaningless tosh.

Seems to have a good focus.

Then stop allowing all the building on our boundaries who then use all our much needed facilities, make it a condition that they have to register in Litchfield for all their service s like doctors etc.

This sounds wonderful but I am interested to see how this vision will be enacted in an equitable way.

Pretty basic. That should be obvious. But what exactly does it mean? What do you understand by the words "local economy"? The local ENVIRONMENT should be at the heart of everything.

My visions would be to have a non max tax hike every years for the poor services Tamworth council provide and to see the roads repaired properly not botched every *two years. The recycling done properly and not changed again and have to keep paying sill stealth taxes to cover costs.*

It's a good statement but it's only WORDS. We need to see it put into practice.

Definitely agree.

Money needs to be spent on repairing council housing before they fall into disrepair. Ringing up for repairs and nothing gets done. Money should also be spent on cutting down over grown bushes, hedges and green areas. Tamworth is beginning to look like a jungle!

We need to raise the profile of the town. Just 4 miles away in Lichfield we have a small city that has class, quality, and style and is welcoming to all.

Good vision for the future.

It is a good vision, but isn't that what you are supposed to do anyway?

Platitudes.

Great statement, I hope it turns out to be true.

Hopefully that will cover more than just the town centre.

Simple idea, but how is this actually going to work in practice? Some lofty ambitions but sounds like a typical sound bite. May as well use "build back better".

Trite, that's your day job.

The town centre needs smaller independent boutique style shops to encourage both locals and visitors to spend time there.

Local economy needs pulling back into the town centre and away from Ventura. Too much new house redevelopment down Ashby road and traffic is becoming a problem down Gungate.

Positive vision so long as people are involved.

I agree with the aims and goals.

Never been done before so I don't believe it will happen now.

Great slogan , need to be true to it.

Comments about people and place priorities

To meet housing needs through a variety of approaches and interventions:

Safety and security are two of the basic human needs a good home provides both of these.

There is an enormous amount of house building in Tamworth, but the infra structure is being ignored. The roads are too small for the amount of traffic, medical services not adequate. Having to "suck up" Lichfield housing boom on the borders is putting too much strain on our services and no financial benefit to Tamworth. Much of the housing being built is not affordable, £90k for a 40% shared ownership property is hardly affordable and to obtain Council Housing is near impossible.

The housing application currently in by Cornerstone is a great example of the types of housing that is desperately needed in our town. It would be good to see more developments like this.

Any new builds by private companies should include at least 40% affordable housing.

Maybe consider only giving planning for smaller housing units. It's starting to look like Tamworth only wants "executive" 4/5 bed houses. Surely they want a mix?

There needs to be some mention of sustainable, affordable and quality accommodation here.

Everyone deserves a decent roof over their head.

People deserve houses that are fit for the present and future, which isn't the case yet. The council still allows builders to build massive and non-ecological houses, which are also really expensive, instead of houses that meet the Passivhaus standards which would make those houses more comfortable and affordable to live in.

What are the council doing about the empty shops and living accommodation dotted around the town centre and beyond? Don't see TBC rushing to accommodate the homeless by using these properties. WHY?

There must be a suitable plan for people who need emergency housing, e.g. wives who are desperate to escape from an abusive partner.

Consider improving the movement of traffic around the town e.g. Kettlebrook Road is essentially a one lane road could this not be a one way road from the football club.

Essential priority and we shouldn't be objecting when neighbouring councils also want to prioritise housing.

My partner is homeless and has been for 4 years. It took him over a year to get his bidding number and still is no closer to being moved. Myself and my daughter is in a mentally hostile environment only to be told by the council I'm housed fine despite a letter from my doctors stating my health isn't fine living with my parents.

Tamworth needs more affordable housing for younger people and that includes extending the priority list for council housing beyond just that of single females. I was homeless at 20 and was told I would have to wait years to even be considered for housing.

Until you prioritise this issue in a just and fair manner you will for ever be fighting a losing battle with it. For example when people coming out of British armed forces service cannot get housing, whereas others that have never contributed anything either physically or financially can, the situation will always be seen as nothing but a disgrace.

We don't need any more houses dumped on our boundaries by Lichfield District Council. The town is full to capacity.

As a private home owner the safety of my property is upon myself; however, a few of our employees whom rent council owned buildings had safety issues with unsafe balconies, boilers, bathroom facilities, all of which took considerable time and disruption to get resolved as well as to some cost being put upon themselves from damage to tiling, flooring, etc.

Council houses should not have been sold off at a pittance, tenants should have paid market value regardless of time in the property.

By this you mean you have to build more houses and reduce our green countryside. The houses will be thrown up by speculators after a quick profit, will be unsustainable, and not affordable by local people.

It is my understanding that there are major housing developments in construction on Dunstall Lane near Ventura and the redevelopment of the former golf course off Mercian Way, east of the town. I fully appreciate and understand the need for more housing, however I believe it is equally if not more important to demonstrate how services and infrastructure will also be delivered and implemented to serve these new developments. Tamworth already suffers from over-subscription with GPs and the roads are only getting busier. These large scale developments need to demonstrate how their creation will not negatively impact or strain the current services and infrastructure across the town. I have deep concerns over the rumours regarding Lichfield District Councils local plan to build 900+ houses in the Fazeley area. We don't want another Ashby Road incident where another large scale development for LDC negatively impacts Tamworth. Stay strong and firm with them please!

Think safer roads should be a better concern instead of adding loads of new house sort the roads out.

There are houses out there already. New homes do not need to be built at the current rate. There are plenty of vacant buildings that can be converted into housing.

More cooperation with housing associations should be established to help meet more social needs. Maybe discussion with developers about 'voluntary' increase of property handed over to social housing from 5% to 10%. Private rental properties *should be more affordable and more accessible, for example to those who may have poor credit history.*

Tamworth council need housing inspections. An inspector needs to check all housing for repairs before they fall into disrepair. Also to encourage tenants to care for their homes like no rubbish or dumping grounds.

More social housing needed and stop building on green belt.

Form a citizen’s think tank to brain storm ideas thoughts and actions.

It is also vitally important that we have an infrastructure that can deal with a housing development boom like we are currently seeing. We have no police station, no ambulance station closer than Lichfield, dentists/doctors and the like are already at capacity. The streets have become what can only be described as a mess. Council refuse collections are at an all-time struggle. This needs to be addressed before hundreds more houses are built without any forethought.

More social housing, not expensive developments.

Social housing?

A quicker turn around on empty properties would help some places sit empty for a very long time.

More needs to be done to provide good affordable social housing in the borough. Lichfield district and North Warwickshire seem to be building on Tamworth’s doorstep but not adequately investing in highway improvements and amenities. It’s frustrating as a resident in the town.

Too many "Executive" houses have been built recently. We need more affordable and starter houses.

Empty buildings should be prioritized as should land that's already been built on. Tamworth feels overwhelmed by new builds everywhere I don't understand why new buildings whether homes or warehouses are not made to have solar panels on. Cheaper to install as part of the build, we are trying to become greener aren't we??

Stop building on green space and stop allowing other councils to build on town borders! Ashby was nice, now too busy.

Housing is crucial.

Fewer people on the streets the better.

To facilitate sustainable growth and economic prosperity:

What costs £10 today costs £10.06 tomorrow, Greater prosperity needed just to stand still.

The town centre could easily provide single or couples housing by utilising the empty space above the empty shops. If a property is not used or abandoned the Council has the ability by law to take possession of that property, why are so many buildings in the town falling into disrepair? I am hopeful that the Council will make good use of the recently obtained funding. There are far too many similar shops, I. E. Takeaways, barbers, hairdressers, beauty, and charity. It is time to branch out, be brave and challenge Ventura and get some of that footfall back in the town, car parking charges need serious consideration.

There should be better infrastructure provision if we, not just housing. So far we built 6000 houses and no new roads/infrastructure. Clearly TBC is more welcoming to housing than infrastructure or is not good at getting that investment as a condition of building. Evidenced by the abysmal condition of the Salters Lane and Ashby road. Lots of identical new houses built though.

I would like to see something about facilitating quality employment linked to this

The town needs revitalising and if successful everyone will benefit

The 15 minutes city scheme could be a good inspiration for Tamworth. When you plan new housing, make sure all commodities are accessible within 15min on foot (supermarket, doctors, school, public transport...) so people don't have to rely so much on their individual cars, and that will create more space for cyclists and pedestrians.

My concerns from your statement would be that the Council plays a pivotal role and that you suggest they are able to 'manage', I can assure you they are not capable of either!!

If we meet housing needs then the people who live here should be served well by what the town has to offer over development can cause problems. Growth needs to be managed.

Tamworth is in a good strategic location for business. However, I am concerned that the extended house building/planning applications being submitted by Lichfield Council which sit on the borders of Tamworth have an impact and put severe strain on our town. Whilst these houses might be in the postcode area of Lichfield (and therefore they receive the funding from council tax for those properties), the infrastructure and therefore the costs to support become the burden of Tamworth which is just not manageable long term. We then suffer the knock on effects of lack of services such as GP access, schools and the extra traffic.

Stop raising rents on businesses in the town and we will start to have growth again because nobody wants to open a new business when they won't make profit because you charge too much.

Yet more meaningless words. You as a Council have had many years to promote this policy. What we have ended up with is a town bereft of most of its history, buildings, character and charm. This has done devastating damage to the town's economic prosperity, and it won't change now.

Community Infrastructure: In a world requiring significant change to help with climate temperatures, seeing numerous queues in & around Ventura through poor infrastructure is frustrating & will get worse. Ventura's growth is a success for Tamworth; however, there is a huge responsibility to look at the environmental impact & safety concerns created (cars queuing, jumping lights/crossings). Painting lines on roundabouts at Ventura (hasn't worked) won't reduce our towns CO2 footprint or increase its safety but public transport only zones would. I suggest removing free passage between the two sides of Ventura, making the site a pedestrian only zone allowing access between Asda & Primark for public transport & loading only. Housing Infrastructure: Hearing the living space requirements were not met at a recent Tamworth development & that this would be noted for future developments, is not good enough. Design considerations also seem poor on majority of new estates & need reviewing ASAP.

I love the mix of green space and convenient shopping areas in Tamworth and would like to see this continue in future works. On a side note, I loved seeing wild flowers on the central reservation near the Snowdome.

Too many houses on our borders our town is being swallowed up on all sides into a concrete jungle.

You cannot build more and more houses at the same time as continuing your long-term policy of reducing and ruining local services and facilities. We have no proper hospital, no courts, no police station, fewer & poorer quality shops, poor cultural & educational resources, badly maintained and overcrowded roads.

Made up to cover cost for those who won't work or don't want to so why keep subsidising land lords with cheap to buy and rent out.

Again the council appear to be all talk and very little action. If things are happening behind the scenes tell us rather than us believing nothing is happening.

Tamworth council need to repair and maintain the housing they have already before they fall into disrepair.

Economy only benefits the selected few whilst the majority will remained in poverty.

Again form think tanks so that many ideas can be generated.

As pointed out above. It is hugely important to protect the long standing residents of Tamworth from the monstrosity of warehouses being erected on the border with North Warwickshire. It is also concerning at the amount of land being used for housing around Tamworth. We currently have 5-6 very large developments ongoing.

This should be at the heart of all planning decisions.

We need better infrastructure and amenities where new houses are built, more schools, doctor's surgeries, dentists etc.

All developments need to be sustainable, I don't feel all the social aspects are covered when developments are proposed.

We have a great location, it's a great place to work from home and access major cities as required.

I don't understand why new buildings whether homes or warehouses are not made to have solar panels on. Cheaper to install as part of the build, we are trying to become greener aren't we?? Please protect our green space it's vital.

The lives of the working professionals in Tamworth isn't valued at all in my opinion.

Tamworth should be allowed to grow and prosper and not managed by a council that has no idea about business.

To work collaboratively and flexibly to meet the needs of our communities:

Once again too wordy remember who you are addressing this too. We will work with anybody and everybody in order to get the very best for the people of Tamworth.

Clean the streets or engage with communities to clear / clean their space, the Tamworth Litter Pickers is an outstanding project.

We only have to look back over the pandemic to see just how important it is for organisations to work together.

Keep mental health at the forefront of any new ventures.

It seems that the main area invested in is the town centre and other parts of Tamworth seem to just get ignored.

Ignore the first 100 words of the vision, the last sentence means something.

Fine words but you don't give any examples.

Any plans to bring back the Community Safety Partnership and PACT. There's been precious little community engagement for years now.

I'm not sure many people would really understand what this means - also no mention of diverse communities. Some definition of communities needs would help contextualise this priority.

The community deserves the council's best efforts….. The council is there to serve and support the community.

Needs are not acknowledged very well at the moment. E.g. car parking.

Outside of the elections there is little collaboration with the constituents.

Engagement and collaboration is important to ensure the funding received through taxes etc. are used to the best advantage of the residents.

Then you need to increase the number of mental health services in the town as our most vulnerable are those who struggle with mental illnesses.

Can't comment too much as I have little experience with this subject, but it is obviously the sort of thing that you as a Council should be doing. I have no faith that you will deliver though.

General care & attention in some areas of Tamworth are quite poor compared to others such as Stonydelph, Leyfields whereby the general upkeep & maintenance and aesthetics are poor.   The passageways on Stonydelph estate is one safety concern of a resident / employee whom won't venture out at dusk/dark. Better pathways with clearer site lines, lighting, perhaps?   Likewise, Wigginton Park now has a stigma after unfortunate recent events. Maybe a publicity event or once again better pathways & lighting to change perception.   Key road accesses through and out of the town could be enhanced through better planting strategies (not just roundabouts) to ensure the Tamworth in Bloom is recurrent year after year (architectural grasses, perennials, bulbs, standard trees). Enlisting a designer/ landscape architect would enhance street scenes as we move throughout the town's infrastructure.

And there is the problem in a nutshell - "our communities". There shouldn't be communities, there should be a community.

Our needs are not being met because we cannot access our own facilities.

This part of the consultation needs to be absolutely inclusive and the council need to actively engage with local groups and communities especially for people who fall outside of the White Conservative Heteronormative demographic.

This needs to be explained and defined as it is meaningless jargon.

We need to stop looking in silos and only concentrating on what is built or happens within our boarders. It is naive to think that if something just falls within Lichfield District Council's boundary, but is located on the Tamworth boarder, that the new development would not strain Tamworth's services with little to no impact on Lichfield District Council (Fazeley housing development for example). It is VERY important that we talk with partners from neighbouring councils to ensure all developments are taken as a strategic and holistic approach.

Stop selling areas off to be used as car parks when the companies make promises they don't keep.

Tamworth council need to get their act together just maintaining the basics of housing etc. before it thinks it can take on more hairy fairy future ideas.

You don't or have ever done this. You demean the poor in our society and will continue to do so.

The council has a higher opinion of itself than the residents do. Perhaps you need to remember who you work for and are answerable to Again all internal ideas need to be sounded out on a local think tank.

This statement seems fairly vague on what/whom you are implying the investment is in.

Bring back named Street Wardens for each of the wards. When are we going to get a named police officer for each area? You aren't accountable of you're not accessible.

It needs to cover the whole town not just the town centre.

Vision statement is too Woolley and loses meaning.

No one neighbourhood has been enhanced in the last 10. If you disagree. Name one!

To create a new and developing vision for the continued evolution of Tamworth, including a town centre fit for the 21st century:

What Tamworth has always overlooked is the preservation of its history. The new town centre won't be suitable for the 21st Century as we do not know what will be required. The town centre development needs to include more housing, perhaps above existing shops, then the town won't die at 7pm.

It's an exciting time for our town centre.

Help independent business to come to the town centre to make it a more interesting place to shop.

I only go into the town Centre for specific things like going to the bank occasionally the market, or to buy from specific shops. There are very few shops to browse and there is nothing there to make me think to go into town on a regular basis, or in the evenings.

Not "build it and they will come". That's a joke. Shrink it and make space for affordable housing with fewer shops/commercial footprint. It's not needed in these days of 38% online and teetering Ventura to boot.

More needs to be made of Tamworth's history and heritage.

There should still be retail support in the town centre, where a significant number of more vulnerable people live, financially vulnerable as well as elderly and infirm people, who may not have the opportunity or financial ability to access Ventura Park on a regular basis.

You're not mentioning, the climate and ecological crises a lot in your plan for a town centre fit for the 21st century, yet it's the biggest threat mankind has ever dealt with. The council voted a plan to be carbon neutral in 2050, it's way too late (or maybe councillors think the next generation should deal with it? in which case, it's a criminal decision). The evolution of the town centre is a perfect occasion to show leadership and inspire other councils to get us out of the crises (proper insulation of the buildings, collection of rainwater, solar panel, bike lanes + secured racks, accessibility, fruit trees, edible plants...)

The council is well placed, is it!! Joke of a statement, as TBC has for a generation been devoid of the right ingredient for this and that is clear thinking, Tamworth loving individuals that are in it for the town and not what benefits they get from it.

This is a wonderful opportunity to showcase town centres of the future. In the past development has just been about getting rid of the old and replacing it with modern building. Our town centre should provide more affordable housing, focus on the environment by not increasing parking spaces in the centre but putting them out of town with bus connections, more electric charging points and good leisure facilities.

Not at the expense of destroying our history and heritage. The council are their guardians - not their destroyers as has happened many times since the early 60's.

Use empty shops in town for homes!

It would be lovely to see Tamworth town centre become a place for residents to want to visit. Whilst the Castle Grounds area is really lovely, the actual shopping area leaves a lot to be desired with very few shops that are worthwhile visiting. Given that Ventura provides the usual high street retailers, I think the town centre would be better served by encouraging independent businesses to set up. However, I do think the decision to move the College to the Coop building is the wrong one.

But you gave it all wrong Shops are essential to a thriving town centre not colleges.

Once again. Stop raising rents in Tamworth and the town wouldn't be dying.

Again, based on what you have done before, I find it laughable that you even have the bare faced arrogance to state this as an aim.

Also any regeneration of the town centre should be done sympathetically without the emphasis on modern ugly buildings with no character. The best parts of the town centre are those that have retained their old buildings. None of these should be removed.

After only this week having a day off to spend time in the final sunny days, my wife and I went to Lichfield. It was bustling and lively and we thoroughly enjoyed our few hours there. This makes me sad that we don't have this in Tamworth despite having the historic buildings, architecture, amenities, etc. We urgently need to address the lack of businesses & rental costs to try and replicate the diversity of shops as seen in Lichfield. Eateries, independent shops should be encouraged, supported, initial or continued reduced rates perhaps but using our closest neighbours as an example of how to use the high street correctly we could learn a lot. Links to Ventura are never going to have much impact as people unfortunately get lazier and less willing to walk in all weathers. It has to pull on its own merits, a separate entity to our town. This I feel is critical to our town's history which unfortunately is being forgotten by many.

I think the challenge will be finding the balance between new demands and keeping old character.

The town is dying because of out of town projects and not enough variety. Costas for example we have about 6 within the space of a mile it's overkill.

Tamworth has a lot to offer in its town centre and it will be great to see further investment in it. The castle grounds are amazing and something to be really proud of!

The rates are too high.

Something needs to be done about the town centre urgently. If you go into Lichfield on a Friday or Saturday evening the town is buzzing with people eating and drinking and with tables outside in the street. Conversely, Tamworth town centre is dead on these evenings. I feel so sorry for the pubs and restaurants. Similarly Lichfield town centre is busy on Sunday mornings and afternoons but Tamworth's streets are empty. This is so sad.

So far we have heard about the regeneration process. The college will move into the town to bring more people in but that's it. What other ideas are you putting forward?

I can't see how the move of Tamworth College to town centre will help achieve this. During the lockdown the Buzz Bingo club in town has closed which means there is now no bingo club for Tamworth residents. This was a popular venue for many people, especially the elderly. Anyone wanting to play now has to go to Kingsbury. Will the council do something to help provide entertainment venues that are able to meet many social needs?

As I have said Tamworth council need to maintain the housing they already have, green areas that need de-jungling before spending millions on fantasy ideas. Get the basics right first Tamworth council!

Why don't you stop promoting Ventura and actually focus on the town centre.

Firstly we need to see what we believe will be happening in 2040 . 2060 and 2080 Sustainability and affordable housing for all is a must. All citizens must have a clear living space Blue print and not be crammed in.

Need more small shops in the town centre.

This will be a huge opportunity to regenerate the town centre to the once bustling environment it was. Everyone knows that online e-commerce has ruined the high street, but there is still a demand for it regardless. We need to attract big names into redundant stores such as the ex Dunnes stores in Ankerside.

All town development should enhance the historic architecture of the town centre, with special consideration to the castle and the church environs. So much could be made of these areas.

It's about time!

I only really go in to town for the bank, doctors and optician, personally I find there is very little to attract me to going in to town for any other reason. Of I am going in to town for one of the aforementioned reasons I might wander through town if I happen to need something and am there anyway, but I don't make a special trip to go to the shops otherwise.

We should not plan to keep the same size town centre. It needs to shrink to concentrate the economic activity in a vibrant but smaller centre.

I think the town centre should concentrate on becoming a living space combined with retail. Personally I think Ankerside would be better as living space and keep the retail in the outer older buildings. Get these buildings in use again.

Better more varied shops and places for teenagers to hang out and feel safe.

Traffic needs sorting a new restaurants need to be on offer.

Not sure that moving college to centre will have desired effect.

What enviable leisure offer. ? Yes 21 million but according to a online presentation I saw you only spent £12. Where is the rest going it Who is it going to should I ask?

Comments about organisation priorities

To be financially stable:

Of course this is important and should be one of the council's basic aims. It is expected that you do so get on with it.

Sometimes you have to speculate to accumulate!

Increase local taxes and give us the services we need and deserve. Don't use government cuts as an excuse.

Financially stable could be achieved through high council tax charges etc. - personally I think this objective should be financially sustainable and efficient and effective in all that you do, seeking best value for taxpayers in all your activities.

Financial stability is critical for any town or community to be able to operate successfully.

Again a statement that holds lies! You state 'The council has a proven track record as a trusted custodian of public finances', whoever penned this has a very short memory or an extremely selective one! Let's not get me going on the failings of this council and its loss of £millions in the Iceland investment crash of 2008. Care to answer on this, please?

How do the council do this now?

What about Iceland? Where does that fit with the so called trusted custodian of public finances then?

It is important for any organisation whether it be private or public sector to be stable. However, it cannot be at the expense of ever-increasing tax increases and the assumption that the public have deep pockets. You need to demonstrate that you are providing value for money, using funds sensibly and ensuring that OUR money is not being wasted.

Stop raising rents and the town can start becoming economically stable again.

Obviously a desirable aim, but remind me, how much are you (or more accurately, us taxpayers) paying the incredibly inept council leader again?

Raise money for charging for the fireworks display. The new playground in the castle grounds was not needed. I have a small child and believe this should have been spent on improving the roads instead around the local area.

All opportunities should be considered in full & evaluated; however, more direct consultation & opinion of the town's residents needs addressing. All opinions have a merit in some form so the more the better.

Too much new industrial building going on when they should utilise buildings already there first and stop building on green spaces.

By this you mean continue to cut services after years of local and national government mismanagement.

Stop paying pay rises to high ranking staff and bonus for the poor work they do.

Money is wasted by the council. The budget should be put as one pot not a pot for roads, a pot for flowers, a pot for cleaning. In hard times the budget needs to be adjusted. As lovely as the flowers round the town are, the roads are in a terrible state and the street cleaning has been cut back to the bare bones. Visitors will not come to Tamworth for the flowers alone!

Tamworth is missing professional people. Not everyone wants to work and know people who work in a warehouse.

Run by Tories who cannot be financially stable. Priorities all wrong consistently. Wasting money on free fireworks whilst children are going hungry.

Stop blaming the government and the County Council We need transparency on all assets, liabilities and outgoings.

Clearly this is of major importance.

While economic stability is important, please consider that a large number of people are in financial difficulties due to covid measures reducing income, this is before the painful hike in energy costs.

You have too many highly paid, senior council officers for a town this size. Too many elected members that most of the population don't know or vote for. 20 Councillors would be adequate.

Challenge limits on Council Tax rises. Stop raising stealth taxes (green bin Charge etc.). Charge the proper (higher) council tax to enable the council to achieve its objectives.

I understand the reasoning but please don't let Tamworth lose its personality. Don't let it become glass and concrete with no character.

Need to begin looking after those who pay their way and encourage professional families into the housing in town.

Council will need to work creatively to acquire necessary funding.

Trusted Custodian of public finance. Who writes this stuff? What happened to the £25 million from the sale of the golf course ?

To ensure our employees have the right skills and culture to help our residents, visitors and businesses:

Your teams are at best mediocre. Just look at the services, the roads, oh the list goes on. Tamworth's team main aim is to keep their jobs.

Needs a lot of work, certainly not happening at the moment!

Ensure that employees live within the borough.

Important but don't let the tail wag the dog. Have the right people and maybe you'd need fewer of them.

Elected members need to show empathy for local issues and ensure impartiality not based on national political lines.

You really need to bring back opportunities for your staff and elected members to engage with the community Face to Face. If they aren't accessible they aren't truly accountable.

There should be something here about your staff living the council's values.

Yes I agree.

Standard practice as an employer to give the best to its employees. Surely you wouldn't expect less?

Training and the publicity of the worth and results of that training is never told to us.

Suggest all staff have an evolving training it will help retention

I would expect that all employees are already recruited on the basis that they have the relevant skills although accept that additional training may be required to keep up with technology, legislation etc.

However you need to be meeting residents face to face.

This is important to me but the council workers don't care about the people that live here.

It's very important but the conservatives don't care about people who aren't rich so I can't see this happening.

When you actually start doing something to help anyone other than yourselves it will be a start.

Whilst training is very important, ensuring the budget isn't blown on learning 'how to do something' rather than 'actually doing something' is important. Critical / essential training only in these times.

How will this be achieved?

Stop telling lies to get reflected with false promises.

I cannot comment as I have very little to do with the council generally.

Tamworth needs to smarten up!

You don't like having employees as d just want to privatise everything which results in poverty wages whilst companies make millions.

Publish all job descriptions and remuneration packages Organisation charts and working rotas if you are working for us you have to work the way that we tell you to.

There also needs to be a broader opportunity for jobs at TBC.

They won't be accountable if they aren't accessible. Modern technology offers so many ways for you to make this happen.

To ensure our service delivery is consistent, clear and focussed:

Information on this as published in such a way that shows the council in the most favourable light. Remember Statistics, statistics and damn lies.

Face to face again.

Nothing about quality in your services?

This is to be expected.

Should be a given and not arise as a 'Priority' because again that's a standard, not an added bonus!

But you do not do what you say.

Not that clear.

The Tories and clear is a myth. About as clear as muddy water.

Other than getting my bins emptied once a fortnight, (gee, thanks, in exchange for £1500 a year in council tax) you haven't delivered me anything.

How?

It is important for residents to know what their council tax pays for!

What services these are very poor and been cut back.

The only thing I would say is that confidence comes from the council showing the residents that things are happening not being told things are happening. Actions really do speak louder than words.

You have never managed to do this nor will you in future.

Improves each year offering better value for money Independent citizens set KPI's and measure and report.

Again, modern technology offers so many ways you active this.

Bin collection on Gungate is variable, potholes are a joke! Relay roads rather than repair!

Don't presume that everyone has on line capacity or capability.

To ensure our decisions are driven by evidence and knowledge:

Is someone kidding about this question or are you suggesting that flavours of the month, politically acceptable, or blind guesses would do just as well.

Ensure change is for the benefit of the residents and not big business.

This should really include finding out what residents think. We do get asked but very little seems to happen and no feedback on why things are done or not done.

Quote "build it and they will come". That is not intelligent. We should delay investment in the town centre until we fully understand if it is even needed now, let alone in the future.

What about based in best/leading practice and innovative solutions to the challenges of the borough?

The council needs to be more proactive with all its residents.

Please ensure you do just that then. Support evidence-based decision-making by ensuring the right individuals are in place to make those decisions. Currently lacking in this area though.

By being in evidence around the private and social housing estates and showing an outreach approach.

And not by what one or multiple councillors want or think is a good idea!

How is this collected, and by whom? We are rarely told any in depth results.

Again you need to do what you say.

When told about work needing doing doesn't get done.

Tories and evidence, don't make me laugh.

Believe it when I see it, not holding my breath though.

Not sure the council listen at all. How many more times do they need to do a substandard job in patching the road in Gungate? This should have been properly retarmaced 3 years ago instead of keep patching it only to have the road in a terrible state again 6 months later.

As mentioned above, consultation with residents needs to occur more. Numerous times I have read "we liaised with residents" but had no idea surveys had been produced (town centre development plans for one). Better communication is critical. Sources of information. How are they chosen as relevant when producing these surveys? Are they produced by those directly utilising the services being questioned? Etc etc. Data is great but only if it's relevant.

Too much money spent on the wrong things, paying for surveys.

As long as the evidence base is neutral and independent.

Listen to what the experts in the community tell you.

It's a cover up.

It's good to know the Council do listen to residents but show us that you are implementing what we want. You are supposed to put good ideas into practice for the benefit of all, not just to help the select few.

You don't listen. You think your decision making us correct all the time but it's not.

Verified by independent experts.

Easier contact methods for the community to use would be a starting point for TBC. A local community workshop ran monthly would be an excellent opportunity to engage with people from all areas of Tamworth to voice their opinions and concerns.

Something that has been apparently sadly lacking for some time.

Again, modern technology!

"Build it and they will come" J Oates This is not evidence based. It's amateur and ignoring the facts of changing use and need for town centres.

Stats are rarely used on communication with residents.

Comments on planned level of spending

1. You need to spend more overall. 2, Adopting different methods to improve efficiency and produce cost savings that can be used elsewhere is the way to go. For councils a high degree of home working is feasible then you don't need new offices. Indeed why one big office why not a set of distributed offices,

I would want to see benchmarks about how you're spending compares to comparable communities.

Homelessness needs to be eradicated in the town the Everyone In strategy proves that this section of society can be supported. The good work done through the churches and HOT also supports this.

It's as ambitious and achievable as previous years, so not holding my breath on TBC plans or indeed results!!

Get rid of the Staffordshire Police and crime and Fire and Rescue Commissioners.

Council tax banding needs revised.

Reduce the number of councillors Why do we need three per ward anyway?

The last couple of years have been unprecedented and the finances of both businesses and individuals has taken a hit. Please do not assume that we have bottomless pockets and can afford ridiculous hikes in our council tax. It is very frustrating when we have the maximum increase imposed on us with absolutely no say in the matter. I do not believe that every penny spent is carefully considered and accounted for as, having worked in the public sector, I know how much waste there is. Public sector organisations should treat this money as if they were spending their own funds and ensure that it is used carefully and appropriately.

Put more help in to moving families together or try and get less people on the council list by offering like a mortgage with the council where someone who has been in financial problems can buy a property of sorts from an estate agent via the council funding.

It isn't enough and is going in the wrong places.

It's difficult for someone outside of the council to judge, but I suspect your priorities will be very different from what a majority of taxpayers actually want.

Spending amounts can't be written in words. Knowing what the spend gets you and what impact it has is the key. Telling residents the amounts of ££ available doesn't mean anything until it's tangible and you say 'this is what you get'.

Spending on services is vital.

Planning department need a shake up.

The roads in Tamworth need to be addressed. They are not wide enough in some places and the road surfaces are terrible on most roads. Side roads have been re-tarmacked (the road by the Amington Arches) but not the main roads. People will be *claiming compensation for damage to their vehicles. Put the roads right for all our sakes.*

Does the current location of the college render it ‘broken’? If not, why try to fix it? This will not be a positive legacy from this council.

Tamworth has enough money but spent in the wrong areas. Please invest in housing inspector. Get repairs done before it costs Tamworth council more in the repairs. Also sort out these wild bushes green areas. Open the green areas up before Tamworth turns into a jungle.

I can't see which section comes under cemetery maintenance and assume it's open spaces.

Stop wasting money on fireworks!!!

Produce transparent targets alongside each planned expenditure Monthly reporting in the herald and radio.

Please remember there are many people who are already in the heat or eat situation when setting the level of council tax too much will probably put people out of homes.

Try to bring back the volunteering opportunities that have been destroyed by the Cuts since 2010.

Comments on savings and charges

Probably. Start with the total head count. Compare the wages of clerks to that of front face workers any that exceed should be cut down to size.

Number of councillors it has could be reduced. Pay structure could be looked at. The castle could be looked after by a national trust like company. With the number of people now litter picking could savings be made there? Have they already? If the castle and assembly rooms don’t make money maybe other organisations should look after them or a conversation had, surely they should?

Charge for black bins, but recycling.

Do you really need so many staff now? And do we really need 30 Councillors that hardly anyone can make and bother to vote for. Why is there a Tenant Involvement Team when they don't get involved with your council tenants anymore?

Shared back office with other councils?

Not sure.

You could mow the lawns less often and allow the flowers (dandelions, daisys) to grow more as they attract the bees, or leave more patches of grass to go 'wild'.

Yes. Councillors self-indulgence spending and you know what areas this occurs at the public expense.

I feel that a little saving across each area would bring in the same revenue as just focusing on one or two.

Get rid of some of the councillors. There are too many.

Wages and expenses. These figures should be published.

Reduce the number of councillors and reduce the pay of the officials who earn too much.

Not having the expense of moving the College facility to a building that needs a complete internal restructuring to make it fit to be a place of education. You would be better to spend some of the funds improving the facilities at the current college which is more than acceptable.

Councillor's fees and expenses.

Get rid of Pincher.

Arts, assembly rooms and events.

Let's start with getting rid of the leader of the council. When you accept the pay, perks and privileges of the top job, you should also take the responsibility. Our town is a dirty, run down, unwelcoming awful place to be, with closed shops, dirty streets, and little worth going there for, the council leader should be held to account.

More large scale events where revenue could be made.

Translation services.

Reduce the number of the highest paid council workers.

Turn off street lights & stop light pollution. Remove CCTV cameras.

Sack the top managers this would save a fortune Stop paying bonus Stop wasting money on claims for damage to road users and repair roads properly.

Put the empty council properties to good use. Lower the business tax for the next 6 months to encourage businesses to prosper a little. Remove car parking charges one weekend a month to encourage more people to the town to shop longer and spend more.

Try to involve local voluntary groups into helping achieve some of the targets, for example gardeners who would be happy to trim hedges that cover road signs or local green patches where volunteers might be happy to share responsibility for mowing grass and maintenance.

Planting Tamworth castle grounds.

My following comment concerns cemeteries. Cemetery should be maintained as a dignified resting place at all times. In addition to funding via council tax, families of the deceased pay significant sums for various and numerous grave costs (plot, plot excavation, erection/removal of memorial, deed change etc.). It is therefore upsetting to families when visiting to find graves overgrown.

Fireworks!!!

Employee numbers and remuneration packages Reduce pension commitments. Less council premises. No income areas should face increased charges. I expect the council to perform better or change the accountable personnel.

Clearly by taking a closer look at how many grounds staff the council have working in the castle grounds. It has always been commented that 'this comes from a separate budget' which is probably even worse. Most areas of the town are hideously overgrown and neglected.

A cull of senior management and the number of elected members.

Any public events should be ticketed events not provided FOC so they are self-funding not coming out of the budget e.g. bonfire night should be at least £2 per person or family ticket for 4 of £6 extra members £1 each if you brought back collection of bulky items for free on dustbin day for say a small fee of £5 per item this would save you money on clearing up fly tipping also can you not negotiate with the tip in North Warwickshire re access. we are unable to use it because our private vehicle a 4x4 is not allowed in they class it as commercial which it is NOT.my daughter tried to access the tip to be told only one visit PER HOUSEHOLD every two weeks she needed to go 3x herself straight away it's no wonder people are fly tipping rubbish down every single lane in the area or on public spaces. Anybody should be able to use the local tip for free as much as they need to when they need to.

Increase Council Tax. You cannot cut your way to success, this is not levelling up!

Comments on the ongoing restrictions in the use of Marmion House

Wow, what an admission. It took an epidemic for us to realise that things could be done better if we changed.

Knock it down! Use an empty shop in town as a customer drop in centre and develop hubs around estates for Housing management and work remotely in the community.

It has been very poorly communicated with the public, simply nothing was said for far too long. I don't think anyone would disagree with it going to save money but a help desk with room should be available. Maybe this could be put in the library?

Personally I like to speak to people face to face however if I send an email I do expect an acknowledgement and to know what will happen next not just be left wondering if it has been seen or actioned!

How can anyone learn from others when there is no direct contact I think it is disgraceful that none of the council information can be dealt with in person? I do not wish to be forced into asking questions online or reporting highway matters "on the portal".

The council should maximise the opportunity of agile/home working and use more local offices for resident facing services. There should be more sharing of facilities with other public sector and voluntary services including agile touchdown spaces for residents who work in other public sector employers - and to be honest any employees - think about the regular London commuters.

We need to learn and embrace some of the positive changes that the lockdown and restrictions brought to the workplace.

First and foremost should be the availability of the services and the access to these. By closing, and now selling, Marmion House these clearly are not being achieved. What are your transparent service standards, can you answer this, please?

I was not aware of any ongoing restrictions.

Implement a 3 day work from home and 2 days in the Office, (Marmion House) work policy.

Marmion House not necessary. Have lovely old council chamber and many empty building in and on the estates where council workers could be placed. There are still many people who do not use the internet or telephone. What is the latest research on these numbers? Home working fine with opportunity to do group training and meetings as people need people!

Building is ok. Nothing wrong with it.

As long as the teams feel included and there is space to meet WHF should work.

I believe that Covid has meant that the ways of working have changed and remote or home working is perfectly acceptable. However, I strongly believe that you need to provide a face to face service (even if it is limited) to allow those people who would prefer to visit and see somebody in person the facility to do so. Not everyone likes to manage things online and sometimes a face to face meeting is the only way to get concerns resolved or questions answered. You should be reinstating a face to face option as soon as possible. For those people who are happy with digital ways of doing things then the facility to offer webchat etc. should be improved.

Home working badly needs to be wound down in order to improve your services.

It's ridiculous as I much prefer to go in and talk to someone about my issues and not have to try and call up possibly not get through or cut off. The person you need to talk to is never available its shambles.

It's a joke. If nightclubs and such can be open then why the restrictions on services that people actually need.

Everyone else is back at work, I have worked all the way through this pandemic, why not you?

No opinion.

I have only visited the building twice in over 30 years of residency. In a world of online access, a front of house is all that's needed in my opinion; however, this *doesn’t mean keeping the building open for this purpose. I would suggest redeveloping the building as modern office rental with a painted brick facade to reduce the red brick block look. The council could be relocated into the town centre / high street in one of the unused buildings.*

No, the council has not responded well to Covid.

You need face to face contact sometimes.

Restrictions everywhere have been abandoned. It would be perfectly easy to offer full service at Marmion House in a safe, socially-distanced way. The public needs access to Marmion House as always.

I have heard you intend to sell the building to make money. I think we all need to accept that the new BAU is going to involve hybrid working going forward and society need to accept that the way we do things are going to change.

Most of it is made up Tamworth second highest in the country lies to scare everyone.

The building is far too big for the staff. It must cost a lot of wasted money to heat and light it. The move to the Town Hall is welcomed. There are plenty of other unused council owned premises in the town if overspill is needed.

Staff who are able to work from home should be allowed to do so, providing adequate support is available if needed. The scale of the council activities at Marmion House should be scaled back as much as possible and perhaps relocated so that Marmion House can be transformed into something of social value to residents.

Just another excuse to reduce services and get rid of staff which impacts on the residents resulting in poor service.

Close it and sell to redevelopers.

Need some face to face options. Staff who are working at home need to be able to do 100% of their job and need to be monitored.

Marmion house is a dinosaur, but at the same time residents need a centre of focus somewhere. Not everyone is capable of using a computer or smart phone.

The building has been a white elephant since the day it was built and would've always been empty if TBC hadn't taken it over. You need to find ways for the public to have (digital) Face to Face contact with staff but this doesn't have to be in a physical building. Get rid of it (but good luck finding a fool to buy it).

Nothing is the same as seeing and talking to a person face to face. people employed should be in an office environment where possible not in their own homes using their broadband their electricity gas space etc. imposing on other members of the family’s time and space and activities. Home life and work should be separate.

Convert most of the space in the "tower" to residential.

Shut it and convert it to housing.

Start working from the council buildings again, and stop using the excuse of it could take longer to answer your inquiry due to employees working from home.

Web services need to be improved.

Sometimes it is easier to speak to a person. Emphasis on line activities isolates some.

Was all ok at the time but should we not be getting back to normal.

Comments on how the Council can capitalise on the positives in the voluntary sector response to the pandemic

The public response was excellent but I feel social media had media than the council...what did you put on Facebook?

Definitely, people should take more responsibility for their communities and work together to enhance their environments and this should include young people.

Yes, all options should be looked at.

Communities working together with support from the council will benefit all so should continue.

The same as above. You are making it a contactless council. Sitting at home.

The voluntary sector should only step in when the public/private sector fails. It is not a good choice to rely on it because it is a signal of failure.

Is there still a voluntary sector? If there are any opportunities to get involved they're not publicised.

Yes, plus more to encourage community activities such as the community litter pickers. We should be supporting developing initiatives such as "adopt a granny" but making sure there are appropriate "vetting" of community volunteers.

I agree.

As an NHS / Royal Voluntary Service volunteer I have first-hand experience of what the voluntary sector has had to endure during the last 18 months. Quite clearly the council should continue to and grow its support in these areas.

Not aware of voluntary sector response.

Take all offers from community support.

Almost too many voluntary groups some overlapping in what they do but very vital not just in the pandemic. What council resources are used to coordinate the work of such groups?

Any support that can be offered to help community efforts is appreciated. Perhaps you can promote these more so that residents can be aware and might encourage more volunteers to step forward.

Yes but you need to stop the system by which you prioritise those close to the councillor.

Help your homeless that work and the mental health suffers.

Yes, they should. I don't think the council did anything to help though as there is no evidence of such happening.

I don't have the knowledge to have an opinion on this.

No opinion.

Considering new things is always a good thing. Just ensure it’s not at the waste of meeting to discuss for the sake of meeting to discuss. Clear action plan once again planned with consultation of those directly involved & affected.

It's all about using volunteers??? We pay more and more in council tax and are getting less and less.

Of course.

I cannot comment.

Yes.

Yes so when people do contact do don't dismiss us!

Webchat and internet have its place...but often Customers can spend a significant time going round in a loop, or getting "bot" generic replies. Webchat/internet not user friendly for older or disabled Customers and might result in you taking away their independence as if telephone contact access declines then they have to depend on third parties to help.

No. Stop getting others to do your work.

Support them and not weigh them down with bureaucracy.

I have seen none of the above, since the start of covid. At my age I was considered vulnerable, but I had to support my wife and myself. So I cannot make any knowledgeable comment.

This is the way forward Post Covid.

Any money used to invest in local communities to help them with more community self-help groups would be a step in the right direction.

Yes you should work in partnership as they probably understand the needs better

I am sure that if more people work from home this means the council is saving some money which could be invested in communities and voluntary sector.

Start helping the vulnerable in the community your selves and stop relying on community and the neighbourly efforts of individuals and groups.

Please consider those who work and are struggling!

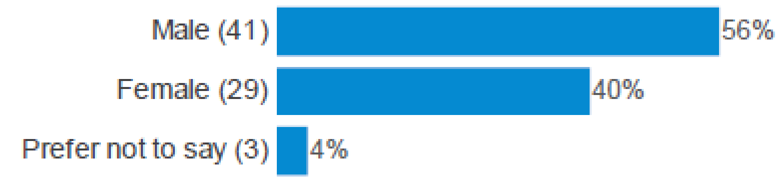
Support of most vulnerable is vital.

Yes they should where possible.

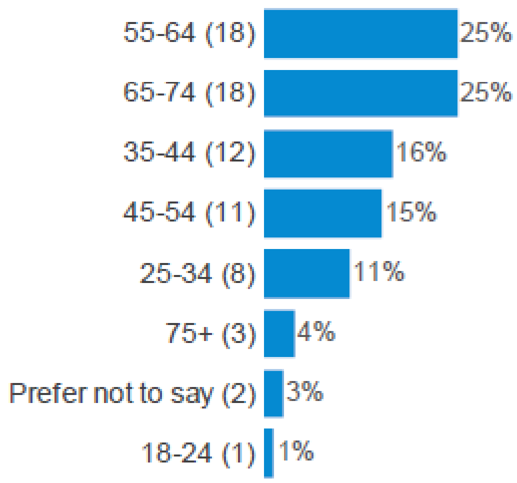
Profile of respondents to the Residents Survey

Gender

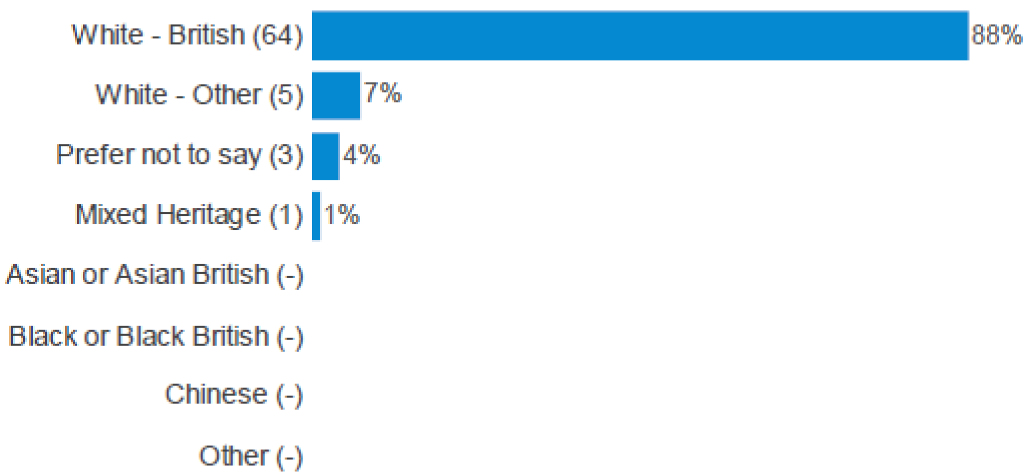
Are you male or female?



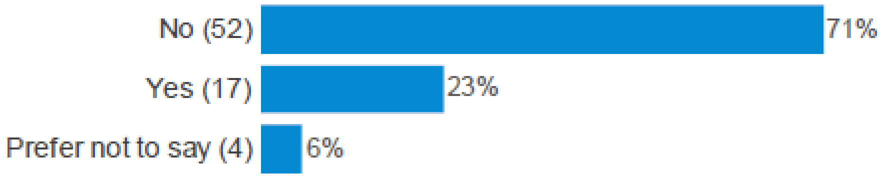
Age



Ethnicity



Disability



CABINET

2nd December 2021

REPORT OF THE LEADER OF THE COUNCIL

DRAFT BASE BUDGET FORECASTS 2022/23 to 2026/27

Purpose

To inform Members of the re-priced base budget for 2022/23, base budget forecasts for the period 2022/23 to 2026/27 (the 5 Year Medium Term Planning Period) and the underlying assumptions and to consider the future strategy to address the financial trends.

Recommendations

That:

1. **the technical adjustments and re-priced base budget figures for 2022/23 and indicative budgets to 2026/27 be approved (as attached at Appendix B, C, D, E, F, G and H);**

2. **consideration be given to the proposed Policy Changes and Capital Programmes, as detailed within the report;**

3. **consideration be given to the planned changes to Council Tax and Housing Rent for 2022/23, as detailed within the report; and**

4. **in compliance with the Constitution of the Council, note that the Leader's Budget Workshop considered the budget proposals contained within this report on 1st December 2021.**

Executive Summary

The following detailed budget information is contained within the report:

- Re-priced base budget information (and the associated technical adjustments) for 2022/23 in respect of the General Fund (GF) and Housing Revenue Account (HRA);

- A five year, medium term financial forecast for the General Fund and HRA;

- The associated strategy to address the financial trends and projection;

- The Provisional Capital Programmes for the General Fund and Housing Revenue Account for the period 2022/23 to 2026/27.

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

As part of the 2021 Spending Review (SR), no announcement was made about the government's plans for funding reform or a **reset** of the Business Rates Retention (BRR) system, both of which were originally expected to be implemented in 2019/20, but which have been delayed a number of times.

However, the government has announced that it is expecting the BRR pilots to continue throughout the SR period. It was expected that the pilots would end when there was a reset, so the continuation represents a strong signal that a reset should not be expected during this SR period (and therefore this Parliament).

In addition, the Office for Budget Responsibility (OBR) tables for local government finance show that income from BRR is expected to increase through the SR period. There is only a fall in income expected for local government from BRR in 2025/26, and this fall is fully offset by an unusually large increase in grant funding. This looks like a reset, though the OBR do not specify how these figures were calculated. 2025/26 is expected to be the first year of the next Parliament, and so this could indicate that the OBR have been informed that there will not be a reset during this Parliament.

Updated Forecasts

Modelling contained within this updated forecast considers the impact of both scenarios – the central case scenario assumes a full reset from 2022/23 (in line with the previous quarterly projections) while the best case scenario assumes the reset will take place from 2025/26.

When the last update was prepared after quarter 1, still early into the new financial year, it showed a projected a shortfall of £2m by 2024/25 and £5.7m over the 5 years to 2025/26, including the minimum approved level of £0.5m (compared to the 5 year projections within the approved MTFS of £0.5m over 3 years – with a shortfall of £3.3m by 2024/25 and £7m over the 5 years to 2025/26). This would mean having to find savings of around £1.1m per annum – or ongoing year on year savings of £0.4m p.a.

In addition, in light of the ongoing impact of Covid-19 on the Council's Medium Term Financial Strategy, Managers were again asked to review their budgets and identify all non-essential spending for 2021/22 as part of the quarter 1 projections at 30th June 2021 – as part of a managed underspend plan. This has been repeated again for the Quarter 2 projections.

As a result of the updated forecast in October 2021, the Central case projections now identify a shortfall in General Fund balances of £1.7m over 3 years – with a shortfall of £5.4m by 2025/26 and £9.3m over the 5 years to 2026/27, including the minimum approved level of £0.5m (compared to the 5 year projections within the approved MTFS of £0.5m over 3 years – with a shortfall of £3.3m by 2024/25 and £7m over the 5 years to 2025/26). This does include additional policy change proposals of c.£2.2m over 5 years, however, it should be noted this central case General Fund (GF) forecast does not include:

- Potential unused reserves (including the transformation and other contingency reserves) to support the budget - a review of reserves is planned for December 2021;
- retained Business rates (net of levy payment / s.31 grant income) due to retention of the growth since 2013, which could realise c.£1m in 2022/23 should the reset be deferred again;

- any potential savings from the Phase 1 of the Recovery and Reset programme reviews.

Under the best case scenario, projections now identify General Fund balances of £2.1m over 3 years – with a shortfall of £2.1m by 2025/26 and £6.1m over the 5 years to 2026/27, including the minimum approved level of £0.5m.

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.

As a result of the updated forecast at quarter 1, over the three year period to 2023/24, projections for the Housing Revenue Account identified balances of £3.9m (compared with forecast balances remaining of £3.1m in the February MTFS) with balances of £3.6m over the four years to 2024/25 reducing to £3.5m in 2025/26 (balances were previously forecast at £2.8m in 2024/25, £2.7m in 2025/26).

This did not include the additional cost pressures of £5.6m over 5 years identified in the proposed HRA policy changes (and it does not include any additional debt financing costs pending finalisation of the 5 year HRA capital programme).

For the HRA, the updated projections at Quarter 2 now identify HRA balances of £1m over 3 years with a shortfall in balances of £0.6m by 2025/26 and £1.2m over the 5 years to 2026/27, including the minimum approved level of £0.5m (compared to the 5 year projections within the approved MTFS of £3.1m over 3 years, £2.8m by 2024/25 and £2.7m over the 5 years to 2025/26).

It would be worth noting that due to the increased cost pressures currently being experienced (although they may be temporary) this will also have an impact on the level of rent increase for 2022/23. The MTFS included a forecast increase of 3% p.a. based on the formula allowed under the Rent Setting Guidance of CPI plus 1%. Given the current level of CPI of 3.1% (September 2021), the forecast increase for 2022/23 will be 4.1% in line with the maximum allowed by the Government's Rent Standard (that social housing rents can increase to include 'up to' a factor of the consumer price index (CPI) measure of inflation (for September of the preceding year) plus 1% for five years from 2020) - in order to support the continued investment in the housing stock. Each 1% increase would equate to additional income of c.£200k p.a. (£1m over 5 years).

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

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

  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 Governments' 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 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.

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

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.

For two years, the government has only held single-year Spending Reviews, with 2019 being a single year due to the political turbulence around Brexit, and 2020 being a single year, given the COVID-19 pandemic. However, on 7th September 2021, the Chancellor wrote to Secretaries of State to confirm the government's intention to complete a multi-year Spending Review (SR2021), setting revenue and capital budgets for 2022/23 to 2024/25.

For Local Government, the government has now indicated a projected Core Spending Power (CSP) increase of £3.3bn in 2021/22, a real-terms increase of 3.4% (i.e. a cash increase of 6.5%). Although the spending review document notes that the Department for Levelling Up, Housing and Communities (DLUHC) "will set out full details of the council tax referendum principles", it states that the referendum threshold is expected to remain at 2% per year through the SR period, with an additional 1% per year for social care authorities.

The latest fundamental review of the business rates system has now been completed. The Chancellor's speech highlighted that the government does not intend to abolish business rates, though the review states that the government will launch a consultation on an Online Sales Tax.

As part of the recent Spending Review, no announcement was made about the government's plans for funding reform or a reset of the Business Rates Retention (BRR) system, both of which were originally expected to be implemented in 2019/20, but which have been delayed a number of times.

However, the government has announced that it is expecting the BRR pilots to continue throughout the SR period. It was expected that the pilots would end when there was a reset, so the continuation represents a strong signal that a reset should not be expected during this SR period (and therefore this Parliament).

In addition, the OBR tables for local government finance show that income from BRR is expected to increase through the SR period. There is only a fall in income expected for local government from BRR in 2025/26, and this fall is fully offset by an unusually large increase in grant funding. This looks like a reset, though the OBR do not specify how these figures were calculated. 2025/26 is expected to be the first year of the next Parliament, and so this could indicate that the OBR have been informed that there will not be a reset during this Parliament.

Modelling contained within this updated forecast considers the impact of both scenarios – the central case scenario assumes a full reset from 2022/23 (in line with the previous quarterly projections) while the best case scenario assumes the reset will take place from 2025/26.

- In 2016/17, at the start of the four-year offer made to local government, the Government introduced a separate council tax referendum principle for shire districts, to address particular pressures on these authorities. This principle meant that districts could increase council tax by the core principle (now announced as 2% for 2022/23) or £5, whichever is greater.
  The Government has continued to grant this flexibility and, while it was not announced, it is likely to continue for 2022/23.

- For 2019/20 a 2% increase in Local Government pay was agreed and included the introduction of a new pay spine on 1st April 2019 based on a bottom rate of £17,364 with additions, deletions and changes to other spinal column points. An offer of a 1.75% increase is subject to union ballot and is still to be agreed for 2021/22 and future years also remain uncertain. A 2.5% p.a. increase from 2022/23 has been assumed.

- The impact of any further uncertainty over future interest rate levels and their impact on investment income / treasury management.

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

- The national shortage of HGV drivers has not had a direct impact on services but it is likely that it could compound the likely price increases for supplies that are required for building or construction/maintenance works – which both the Government and the Bank of England consider to be a temporary issue.

- There are also likely to be price rises for the Council's energy supplies. This will not have an immediate effect as supplies are bought in market price 'baskets' negotiated between Oct and March for units rates charged for the year commencing April. It is likely that the basket rates next year will experience a significant increase unless the current situation changes.

Options Considered

As part of the budget setting process a number of options for the council tax increase levels for 2022/23 and future years have been modelled / considered.

Council Tax	**Option Modelled / Considered**
Model 1	**£5.00 increase in Council tax in 2022/23 (followed by increases of £5.00 p.a.)**
Model 2	2.99% increase in Council tax in 2022/23 (followed by increases of c.2.99% p.a.)
Model 3	£1 increase in Council tax in 2022/23 (followed by increases of £1 p.a.)
Model 4	2.5% increase in Council tax in 2022/23 (followed by increases of 2.5% thereafter)
Model 5	0% increase in Council tax in 2022/23 (followed by increases of 0% thereafter)
Model 6	1.99% increase in Council tax in 2022/23 (followed by increases of 1.99% thereafter)

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

Resource Implications

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

Modelling contained within this updated forecast considers the impact of two scenarios – the central case scenario assumes a full reset from 2022/23 (in line with the previous quarterly projections) while the best case scenario assumes the reset will take place from 2025/26.

When the last update was prepared after quarter 1, still early into the new financial year, it showed a projected a shortfall of £2m by 2024/25 and £5.7m over the 5 years to 2025/26, including the minimum approved level of £0.5m (compared to the 5 year projections within the approved MTFS of £0.5m over 3 years – with a shortfall of £3.3m by 2024/25 and £7m over the 5 years to 2025/26). This would mean having to find savings of around £1.1m per annum – or ongoing year on year savings of £0.4m p.a.

In addition, in light of the ongoing impact of Covid-19 on the Council's Medium Term Financial Strategy, Managers were again asked to review their budgets and identify all non-essential spending for 2021/22 as part of the quarter 1 projections at 30th June 2021 – as part of a managed underspend plan. This has been repeated again for the Quarter 2 projections.

As a result of the updated forecast in October 2021, the Central case projections now identify a shortfall in General Fund balances of £1.7m over 3 years – with a shortfall of £5.4m by 2025/26 and £9.3m over the 5 years to 2026/27, including the minimum approved level of £0.5m (compared to the 5 year projections within the approved MTFS of £0.5m over 3 years – with a shortfall of £3.3m by 2024/25 and £7m over the 5 years to 2025/26). This does include additional policy change proposals of c.£2.2m over 5 years, however, it should be noted this central case General Fund (GF) forecast does not include:

- Potential unused reserves (including the transformation and other contingency reserves) to support the budget - a review of reserves is planned for December 2021;
- retained Business rates (net of levy payment / s.31 grant income) due to retention of the growth since 2013, which could realise c.£1m in 2022/23 should the reset be deferred again;
- any potential savings from the Phase 1 of the Recovery and Reset programme reviews.

Under the best case scenario, projections now identify General Fund balances of £2.1m over 3 years – with a shortfall of £2.1m by 2025/26 and £6.1m over the 5 years to 2026/27, including the minimum approved level of £0.5m.

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.

As a result of the updated forecast at quarter 1, over the three year period to 2023/24, projections for the Housing Revenue Account identified balances of £3.9m (compared with forecast balances remaining of £3.1m in the February MTFS) with balances of £3.6m over the four years to 2024/25 reducing to £3.5m in 2025/26 (balances were previously forecast at £2.8m in 2024/25, £2.7m in 2025/26).

This did not include the additional cost pressures of £5.6m over 5 years identified in the proposed HRA policy changes (and it does not include any additional debt financing costs pending finalisation of the 5 year HRA capital programme).

For the HRA, the updated projections at Quarter 2 now identify HRA balances of £1m over 3 years with a shortfall in balances of £0.6m by 2025/26 and £1.2m over the 5 years to 2026/27, including the minimum approved level of £0.5m (compared to the 5 year projections within the approved MTFS of £3.1m over 3 years, £2.8m by 2024/25 and £2.7m over the 5 years to 2025/26).

It would be worth noting that due to the increased cost pressures currently being experienced (although they may be temporary) this will also have an impact on the level of rent increase for 2022/23. The MTFS included a forecast increase of 3% p.a. based on the formula allowed under the Rent Setting Guidance of CPI plus 1%. Given the current level of CPI of 3.1% (September 2021), the forecast increase for 2022/23 will be 4.1% in line with the maximum allowed by the Government's Rent Standard (that social housing rents can increase to include 'up to' a factor of the consumer price index (CPI) measure of inflation (for September of the preceding year) plus 1% for five years from 2020) - in order to support the continued investment in the housing stock. Each 1% increase would equate to additional income of c.£200k p.a. (£1m over 5 years).

Legal / Risk Implications

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

In line with the constitution a Leaders Budget Workshop has been arranged for 1st December 2021. In order to allow Scrutiny Committees to respond to the Cabinet on the outcome of their deliberations, a meeting of the Scrutiny Committee (Budget) has been arranged for 26th January 2022.

Proposed amendments to the 2021/22 base budget, approved by Council on 23rd February 2021, are detailed within the report.

Key Risks

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

  The national shortage of HGV drivers has not had a direct impact on services but it is likely that it could compound the likely price increases for supplies that are required for building or construction/maintenance works – which both the Government and the Bank of England consider to be a temporary issue.

  There are also likely to be price rises for the Council's energy supplies. This will not have an immediate effect as supplies are bought in market price 'baskets' negotiated between Oct and March for units rates charged for the year commencing April. It is likely that the basket rates next year will experience a significant increase unless the current situation changes.

- For two years, the government has only held single-year Spending Reviews, with 2019 being a single year due to the political turbulence around Brexit, and 2020 being a single year, given the COVID-19 pandemic. However, on 7th September 2021, the Chancellor wrote to Secretaries of State to confirm the government's intention to complete a multi-year Spending Review (SR2021), setting revenue and capital budgets for 2022/23 to 2024/25.

As part of the recent Spending Review, no announcement was made about the government’s plans for funding reform or a reset of the Business Rates Retention (BRR) system, both of which were originally expected to be implemented in 2019/20, but which have been delayed a number of times.

However, the government has announced that it is expecting the BRR pilots to continue throughout the SR period. It was expected that the pilots would end when there was a reset, so the continuation represents a strong signal that a reset should not be expected during this SR period (and therefore this Parliament).

In addition, the OBR tables for local government finance show that income from BRR is expected to increase through the SR period. There is only a fall in income expected for local government from BRR in 2025/26, and this fall is fully offset by an unusually large increase in grant funding. This looks like a reset, though the OBR do not specify how these figures were calculated. 2025/26 is expected to be the first year of the next Parliament, and so this could indicate that the OBR have been informed that there will not be a reset during this Parliament.

Modelling contained within this updated forecast considers the impact of both scenarios – the central case scenario assumes a full reset from 2022/23 (in line with the previous quarterly projections) while the best case scenario assumes the reset will take place from 2025/26.

There is a high risk that these reforms will have a significant effect on the Council’s funding level from 2022/23;

- Uncertainty over the ongoing funding for the ***New Homes Bonus scheme,*** achievement of anticipated growth in new homes within the Borough and the associated dependency on the New Homes Bonus income to address / reduce the funding shortfall for the General Fund. The Government have confirmed that the 4-year legacy payments for New Homes Bonus (NHB) will continue to be paid, but there still remains uncertainty regarding new payments.

  It is the Government’s intention to look again at the New Homes Bonus scheme 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.

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

Risks to Capital and Revenue Forecasts:

Risk	**Control Measure**
Major variances to the level of grant / subsidy from the Government (including specific grants e.g. Benefits administration, Business Rates Section 31 funding); (**High)**	Sensitivity modelling undertaken to assess the potential impact in the estimation of future Government support levels; **(High / Medium)**
New Homes Bonus grant levels lower than estimated; Continuation of the scheme for 2021/22 has been confirmed – doubt over its continuation in future years; **(High/Medium)**	Future levels included based on legacy payments only; **(Medium/Low)**
Potential 'capping' of council tax increases by the Government or local Council Tax veto / referendum; **(Medium)**	Current indications are that increases of 2% risk 'capping' (2% or £5 for District Councils in 2021/22); **(Low)**
The achievement / delivery of substantial savings / efficiencies will be needed to ensure sufficient resources will be available to deliver the Council's objectives through years 4 to 5. Ongoing; **(High)**	A robust & critical review of savings proposals will be required / undertaken before inclusion within the forecast; **(High/Medium)**
Pay awards greater than forecast; **(Medium)**	Public sector pay cap was lifted from 2018/19 with pay awards of 2% p.a. for 2 years & 2.75% in 2020/21. An offer of 1.75% for 2021/22 has not yet been agreed. Increases of 2.5% p.a. assumed from 2022/23; **(Medium / Low)**
Pension costs higher than planned / adverse performance of pension fund; **(Medium)**	Regular update meetings with Actuary; Following an option to 'freeze' the 'lump sum' element for the 3 years from 2020/21 (after the triennial review during 2019), 2% p.a. year on year increases have been included from 2023/24; **(Medium/Low)**
Assessment of business rates collection levels to inform the forecast / budget (NNDR1) and estimates of appeals, mandatory & discretionary reliefs, cost of collection, bad debts and collection levels; New burdens (Section 31) grant funding for Central Government policy changes – including impact on levy calculation; Potential changes to the Business Rates Retention system following the announcement for Councils to keep 75% (previously up to 100%) of the business rates collected; **(High)**	Robust estimates included to arrive at collection target. Ongoing proactive management & monitoring will continue; Business Rates Collection Reserve - provision of reserve funding to mitigate impact of any changes in business rate income levels; Monitoring of the situation / regular reporting; **(High / Medium)**

Risk	Control Measure
Local Council Tax Reduction scheme potential yield changes and maintenance of collection levels due to increases in unemployment caused by the pandemic; **(High)**	Robust estimates included. Ongoing proactive management & monitoring (including a quarterly healthcheck on the implications on the organisation – capacity / finance) will continue; **(High / Medium)**
Achievement of income streams in line with targets in light of the economic conditions e.g. treasury management interest, car parking, planning, commercial & industrial rents etc.; **(High / Medium)**	Robust estimates using a zero based budgeting approach have been included; **(Medium)**
Delivery of the capital programme (GF / HRA – including Regeneration schemes) dependent on funding through capital receipts and grants (including DFG funding through the Better Care Fund); **(High / Medium)**	Robust monitoring and evaluation – should funds not be available then schemes would not progress; **(Medium)**
Dependency on partner organisation arrangements and contributions e.g. Waste Management (SCC/LDC). **(High / Medium)**	Memorandum of Understanding in place with LDC. **(Medium)**
Delivery of the planned Commercial Investment Strategy actions - recent review of the Treasury Management Investment Guidance / Minimum Revenue Provision Guidance carried out - with a potential restriction of investments by Councils given increased risk exposure. **(High/Medium)**	The main issue seems to be the increased risks associated with those Councils who are borrowing large sums to invest in commercial property activities. Property Fund investment review carried out 2021. **(Medium)**
Maintenance and repairs backlog for corporate assets – and planned development of long term strategic plan to address such. **(High / Medium)**	Planned development of long term strategic corporate capital strategy and asset management plan to consider the requirements and associated potential funding streams. **(Medium)**
Significant financial penalties arising from the implementation of the General Data Protection Regulations (GDPR). **(High / Medium)**	Implementation plan in place with corporate commitment and good progress. **(Medium)**
Property funds are not risk free - as such a risk based approach will need to be adopted – to balance risk against potential yield or return. Based on past performance there is the potential for returns of c.4% p.a. but this is not guaranteed. The value of the funds are also subject to fluctuation – which could mean a capital loss in one year (as well as expected gains).	Any investment in funds which are deemed as capital expenditure will require the necessary capital programme budgets to be approved by full Council. Risk is inherent in Treasury Management and as such a risk based approach will need to be adopted – to balance risk against potential yield or return. It is suggested that risk be mitigated (although not eliminated) through investment in a diversified portfolio using a range of property funds.

Risk	Control Measure
The initial cost associated with the purchase of the investment in the funds is expected to be in the region of 5% - which would have to be recovered over the life of the investment (either from annual returns or capital appreciation). There is a real risk of a revenue loss therefore in the first year. **(High/Medium)**	The Council used the secondary market for purchases to potentially gain access to a fund at a lower level of cost than via the primary route. Mitigation regulations are in place to defer any potential principal loss for 5 years. Property Fund investment review carried out 2021. **(Medium)**

Report Author

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

Background Papers:-	Corporate Vision, Priorities Plan, Budget & Medium Term Financial Strategy 2021/22, Council 23rd February 2021
	Budget and Medium Term Financial Planning Process, Cabinet 19th August 2021
	Budget Consultation Report, Cabinet 2nd December 2021

Base Budget Forecast 2022/23 to 2026/27

Revisions / updates have been made to the 2021/22 base budget in order to produce an adjusted base for 2022/23 and forecast base for 2023/24 onwards.

General Fund Revenue

Forecast – When the budget for 2021/22, and indicative budgets for 2022/23 to 2023/24, were approved by Council in February 2021 it was anticipated that balances would remain above the minimum approved level of £0.5m for the 3 year period.

As a result of the updated forecast in October 2021, the Central case projections now identify a shortfall in General Fund balances of £1.7m over 3 years – with a shortfall of £5.4m by 2025/26 and £9.3m over the 5 years to 2026/27, including the minimum approved level of £0.5m (compared to the 5 year projections within the approved MTFS of £0.5m over 3 years – with a shortfall of £3.3m by 2024/25 and £7m over the 5 years to 2025/26).

The forecast has been updated to include:

Change:	Budget Impact
Savings / increased income	
• The projected outturn underspend of £835k for 2021/22 (as at Period 6) as part of the managed underspend plan	£(835)k for 2021/22 only
• A revised Council Taxbase of 22,967 an additional increase of 273 band D properties	£c.(53)k p.a. from 2022/23
• Revised base budget projections including the Recovery and Reset workstream savings considered by Council in August 2021	£(1.1)m over 5 years
Additional costs / reduced income	
• Policy Changes proposals	£2.2m over 5 years

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

- The previously approved policy changes are included within this forecast – Assistant Directors were issued with the provisional information in August to review, confirm & resubmit by the end of September.

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

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

Implications & Options

Further savings of around £1.9m p.a. will be required over the next 5 years (£0.6m p.a. over 3 years), based on annual £5 increases in Council Tax. On an annualised basis this would equate to a year on year ongoing saving of £0.6m over 5 years (£0.3m year on year over 3 years).

Recovery and Reset Programme

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 2 projections at 30th September 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 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.

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

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

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

Housing Revenue Account

Forecast – When the budget for 2021/22, and indicative budgets for 2022/23 to 2026/27, were approved by Council in February 2021 it was anticipated that balances would remain above the minimum approved level of £0.5m for the 5-year period, with significant planned contributions to a regeneration reserve.

The forecast projects HRA balances of £1m over 3 years with a shortfall in balances of £1.2m over the 5 years to 2026/27 (balances were previously forecast at £2.7m in 2025/26) including the minimum recommended balances of £0.5m.

The forecast has been updated to include:

Change:	**Budget Impact**
Savings / increased income	
• The projected outturn underspend of £313k for 2021/22 (as at Period 6) as part of the managed underspend plan	£(313)k for 2021/22 only
• Revised base budget projections including the additional rent income due to the current higher inflation levels	£(1.3)m over 5 years
Additional costs / reduced income	
• Policy Changes proposals	£5.6m over 5 years

Detailed Considerations

Base Budget Forecasts 2022/23 to 2026/27

Revisions / updates have been made to the 2021/22 base budget in order to produce an adjusted base for 2022/23 and forecast base for 2023/24 onwards. These changes, known as technical adjustments, have been informed by feedback from budget managers and calculated to take account of:

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

General Fund – Technical Adjustments Summary

Technical Adjustments	**2022/23 £’000**	**2023/24 £’000**	**2024/25 £’000**	**2025/26 £’000**	**2026/27 £’000**
Base Budget B/Fwd	258	9,024	9,604	10,191	10,809
Committee Decisions	8,788	(88)	2	59	0
Inflation	25	19	18	20	21
Other	(295)	340	267	255	230
Pay Adjustments (Including pay award / 7.5% reduction for vacancy allowance)	248	309	300	284	282
Revised charges for non-general fund activities	-	-	-	-	-
Virements	-	-	-	-	-
Total / Revised Base Budget	9,024	9,604	10,191	10,809	11,342

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

Future Revenue Support Grant & Business Rate Income

On 4th February 2021, the Secretary of State for the Ministry for Housing, Communities and Local Government, Rt. Hon. Robert Jenrick MP, made a written statement to Parliament confirming publication of the Final Local Government Finance Settlement (LGFS) 2021/22.

The updated National Core Spending Power figures are detailed below and include the Settlement Funding Assessment (SFA); Council Tax; the Improved Better Care Fund; New Homes Bonus (NHB); Transitional Grant; Rural Services Delivery Grant; the new Lower Tier Services Grant and the Adult Social Care Support Grant. The table shows the national changes to Core Spending Power between 2015/16 and 2021/22. It shows an increase of 4.6% for 2021/22 and an overall increase for the period 2015/16 to 2021/22 of 14.8%.

Core Spending Power	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2019/20**	**2020/21**	**2021/22**
National Position	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Settlement Funding Assessment	21,250	18,602	16,633	15,574	14,560	14,797	14,810
Under-indexing business rates multiplier	165	165	175	275	400	500	650
Council Tax	22,036	23,247	24,666	26,332	27,768	29,227	31,192
Improved Better Care Fund	-	-	1,115	1,499	1,837	2,077	2,077
New Homes Bonus	1,200	1,485	1,252	947	918	907	622
Rural Services Delivery Grant	16	81	65	81	81	81	85
Lower Tier Services Grant	-	-	-	-	-	-	111
Transition Grant	-	150	150	-	-	-	-
Adult Social Care Support Grant	-	-	241	150	-	-	-
Winter pressures Grant	-	-	-	240	240	-	-
Social Care Support Grant	-	-	-	-	410	1,410	1,710
Core Spending Power	**44,666**	**43,730**	**44,296**	**45,098**	**46,213**	**48,999**	**51,257**
Change %		**(2.1)%**	**1.3%**	**1.8%**	**2.5%**	**6.0%**	**4.6%**
Cumulative change %		**(2.1)%**	**(0.8)%**	**1.0%**	**3.5%**	**9.7%**	**14.8%**

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

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

As announced at SR20, the business rates multiplier was frozen for 2021/22. Therefore the three elements of the Business Rates Retention system (Baseline Need, NNDR Baseline and Tariff/Top Up amounts) remained at 2020/21 levels. However, the under-indexing multiplier grant has been increased, in order that local authorities do not lose what would have been the increase to the multiplier (as per previous years when a cap was applied) – reflected in additional section 31 grant **(with the caveat that the effect of the pandemic on future business rates income is unknown).** The business rates tariff for Tamworth was left unchanged at £10.4m – which means that due to the retention of business rates growth since 2013 of £1.9m, the Council benefited from net additional funds for 2021/22.

As part of the 2021 Spending Review, no announcement was made about the government's plans for funding reform or a **reset** of the Business Rates Retention (BRR) system, both of which were originally expected to be implemented in 2019/20, but which have been delayed a number of times.

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

BASE BUDGET	**2020/21 £**	**2021/22 £**	**2022/23 £**	**2023/24 £**	**2024/25 £**	**2025/26 £**	**2026/27 £**
Revenue Support Grant	187,335	188,572	-	-	-	-	-
% Reduction	1.7%	0.7%	(100)%	-	-	-	-

Business Rates

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

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

The Council received additional business rates during 2013/14 (above forecast / baseline) and had to pay a levy of £356k to the Greater Birmingham & Solihull Local Enterprise Partnership (GBSLEP). No levy was payable for 2014/15 due to the significant increase in appeals during March 2015 – which meant an increase in the provision from £1m to almost £4m. The Council received additional business rates during 2015/16, 2016/17, 2017/18 and 2018/19 (above forecast / baseline) and had to pay a levy of £534k, £612k, £1.17m and £992k respectively. For 2019/20, due to the pilot arrangement, no levy was payable although growth over baseline was £1.97m. For 2020/21 a levy of c.£1m was payable.

The latest estimates for 2021/22 indicate additional business rates receivable above the baseline – of which the Council will receive 40% less the Government set tariff payment of c.£10m (plus an agreed share of the surplus from the Staffordshire pool arrangement - after deduction of the 25% Central Share, 9% County & 1% Fire & Rescue Authority shares). It should be noted that c.£4m in additional relief has been granted in 2021/22 due to the pandemic for retail, leisure and hospitality businesses.

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

This will not be known until late December when the settlement is published. Should the Government let District Councils keep the accumulated growth in business rates (as they did last year) then that would benefit the MTFS – but that would be subject to the effect of the pandemic on future business rate income.

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

BASELINE	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**
	£	**£**	**£**	**£**	**£**	**£**
February 2021 MTFS:						
Retained Business Rates	12,744,348	14,918,867	15,217,244	15,521,589	15,832,021	16,148,661
Less: Tariff payable	(10,405,841)	(12,518,660)	(12,769,033)	(13,024,414)	(13,284,902)	(13,550,600)
Total SFA	2,338,507	2,400,207	2,448,211	2,497,175	2,547,119	2,598,061
% Reduction	**0.0%**	**2.6%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**
Base Budget Forecast (November 2021):						
Retained Business Rates	12,744,348	14,918,867	15,217,244	15,521,589	15,832,021	16,148,661
Less: Tariff payable	(10,405,841)	(12,518,660)	(12,769,033)	(13,024,414)	(13,284,902)	(13,550,600)
Total SFA	2,338,507	2,400,207	2,448,211	2,497,175	2,547,119	2,598,061
% Reduction	**0.0%**	**2.6%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**
Increase / (Decrease)	**-**	**-**	**-**	**-**	**-**	**-**

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

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

BASE BUDGET	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**
	£	**£**	**£**	**£**	**£**	**£**
February 2021 MTFS:						
Retained Business Rates	13,166,215	14,918,867	15,217,244	15,521,589	15,832,021	16,148,661
Less: Tariff payable	(10,405,841)	(12,518,660)	(12,769,033)	(13,024,414)	(13,284,902)	(13,550,600)
Total	2,760,374	2,400,207	2,448,211	2,497,175	2,547,119	2,598,061
% Reduction*	**(23.5)%**	**(13.0)%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**
Base Budget Forecast (November 2021):						
Retained Business Rates	13,166,215	14,918,867	15,217,244	15,521,589	15,832,021	16,148,661
Less: Tariff payable	(10,405,841)	(12,518,660)	(12,769,033)	(13,024,414)	(13,284,902)	(13,550,600)
Total	2,760,374	2,400,207	2,448,211	2,497,175	2,547,119	2,598,061
% Reduction	**(23.5)%**	**(13.0)%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**
Increase / (Decrease)	**-**	**-**	**-**	**-**	**-**	**-**

* The reduction in retained business rates for the base budget reflects the assumed re-distribution of accumulated growth with retained business rates falling to baseline from 2022/23 (previously £3.6m for 2020/21).

Based on this Government financial support is shown below:

DRAFT MTFS	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**
	£	**£**	**£**	**£**	**£**
February 2021 MTFS:					
Revenue Support Grant	188,572	-	-	-	-
Retained Business Rates	13,166,215	14,918,867	15,217,244	15,521,589	15,832,021
Less: Tariff payable	(10,405,841)	(12,518,660)	(12,769,033)	(13,024,414)	(13,284,902)
Total	2,948,946	2,400,207	2,448,211	2,497,175	2,547,119
% Reduction	(18.3)%	**(18.6)%**	**2.0%**	**2.0%**	**2.0%**
Base Budget Forecast (November 2021):					
Revenue Support Grant	188,572	-	-	-	-
Retained Business Rates	13,166,215	14,918,867	15,217,244	15,521,589	15,832,021
Less: Tariff payable	(10,405,841)	(12,518,660)	(12,769,033)	(13,024,414)	(13,284,902)
Total	2,948,946	2,400,207	2,448,211	2,497,175	2,547,119
% Reduction	**(18.3)%**	**(18.6)%**	**2.0%**	**2.0%**	**2.0%**
Increase / (Decrease)	**-**	**-**	**-**	**-**	**-**

New Homes Bonus (NHB)

There remains significant uncertainty over the future operation of the scheme with the Government setting out its intention to hold a consultation on the future of the New Homes Bonus, with a view to implementing reform in 2022/23.

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” for 2021/22.

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

BASE BUDGET NHB	**2021/22 £**	**2022/23 £**	**2023/24 £**
MTFS Forecast (February 2021)	678,530	212,700	-
Base Budget Forecast (November 2021)	678,530	212,700	-
Increased / (Reduced) income	**-**	**-**	**-**

The national baseline for housing growth below which New Homes Bonus will not be paid was unchanged at 0.4% (reflecting a percentage of housing that would have been built anyway).

Forecast

Using the funding forecast and assuming increases in Council Tax of £5 per annum for 2022/23 onwards, the five year base budget forecast is as follows:

Summary	**2022/23 £'000**	**2023/24 £'000**	**2024/25 £'000**	**2025/26 £'000**	**2026/27 £'000**
Estimated Net Cost of Services	**9,024**	**9,604**	**10,191**	**10,809**	**11,342**
Proposed Policy Changes / Additional Costs Identified	**813**	**353**	**340**	**337**	**337**
Net Expenditure	9,837	9,957	10,531	11,146	11,679
Financing: RSG	-	-	-	-	-
Collection Fund Surplus/(Deficit) - CTAX	(30)	(30)	33	33	33
Collection Fund Surplus/(Deficit) - NNDR	(261)	(261)	-	-	-
Tariff Payable	(12,519)	(12,769)	(13,024)	(13,285)	(13,551)
Non Domestic Ratepayers	14,919	15,217	15,522	15,832	16,149
Council Tax Income (Model 1)	4,407	4,577	4,734	4,892	5,053
Gross Financing	6,516	6,734	7,265	7,472	7,684
Surplus(-) /Deficit	3,321	3,223	3,266	3,674	3,995
Balances Remaining (-) / Overdrawn	(5,310)	(2,087)	1,179	4,853	8,848

Per Council, 23rd February 2021	(3,845)	(526)	-	-	-

Band D Equivalents	22,967	23,247	23,447	23,647	23,847

When the last update was prepared after quarter 1, still early into the new financial year, it showed a projected a shortfall of £2m by 2024/25 and £5.7m over the 5 years to 2025/26, including the minimum approved level of £0.5m (compared to the 5 year projections within the approved MTFS of £0.5m over 3 years – with a shortfall of £3.3m by 2024/25 and £7m over the 5 years to 2025/26). This would mean having to find savings of around £1.1m per annum – or ongoing year on year savings of £0.4m p.a.

As a result of the updated forecast in October 2021, the Central case projections now identify a shortfall in General Fund balances of £1.7m over 3 years – with a shortfall of £5.4m by 2025/26 and £9.3m over the 5 years to 2026/27, including the minimum approved level of £0.5m (compared to the 5 year projections within the approved MTFS of £0.5m over 3 years – with a shortfall of £3.3m by 2024/25 and £7m over the 5 years to 2025/26). This does include additional policy change proposals of c.£2.2m over 5 years, however, it should be noted this central case General Fund (GF) forecast does not include:

- Potential unused reserves (including the transformation and other contingency reserves) to support the budget - a review of reserves is planned for December 2021;
- retained Business rates (net of levy payment / s.31 grant income) due to retention of the growth since 2013, which could realise c.£1m in 2022/23 should the reset be deferred again;
- any potential savings from the Phase 1 of the Recovery and Reset programme reviews.

Under the best case scenario, projections now identify General Fund balances of £2.1m over 3 years – with a shortfall of £2.1m by 2025/26 and £6.1m over the 5 years to 2026/27, including the minimum approved level of £0.5m.

Balances are forecast to be £8.6m at 31st March 2022.

A detailed summary of the budget for 2022/23 is attached at **Appendix F** with 5 years attached at **Appendix G**.

Future Strategy

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

1) Variations to Council Tax Policy/Strategy

For future years potential ‘capping’ of the increase by the Government or a proposed local council tax referendum/veto needs to be considered when setting future Council Tax increases. The Council’s Council Tax is currently £186.89.

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

Model 1 Impact of £5 increase in Council Tax in 2022/23 (followed by £5 p.a.)

Year:	2022/23	2023/24	2024/25	2025/26	2026/27
Forecast:	£’000	£’000	£’000	£’000	£’000
Surplus (-) /Deficit	3,321	3,223	3,266	3,674	3,995
Balances Remaining (-) / Overdrawn	**(5,310)**	**(2,087)**	**1,179**	**4,853**	**8,848**
£ Increase	5.00	5.00	5.00	5.00	5.00
% Increase	2.68%	2.61%	2.54%	2.48%	2.42%
Note: Resulting Band D Council Tax	191.89	196.89	201.89	206.89	211.89

Indicating a potential shortfall in General fund balances of approx. £1.7m over 3 years (with a shortfall of £5.4m over 4 years & £9.3m over the 5 year period) - including the minimum approved level of £0.5m. Further savings of approx. £1.9m per annum over 5 years would have to be identified.

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

Model 2 Impact of 2.99% increase in Council Tax in 2022/23 (followed by increases of 2.99% p.a. thereafter)

Year:	2022/23	2023/24	2024/25	2025/26	2026/27
Forecast:	£'000	£'000	£'000	£'000	£'000
(Increase) in Council Tax £	(14)	(32)	(54)	(80)	(111)
Revised Surplus (-) /Deficit	3,307	3,192	3,212	3,594	3,884
Balances Remaining (-) / Overdrawn	**(5,324)**	**(2,132)**	**1,080**	**4,674**	**8,558**
£ Increase	5.59	5.76	5.93	6.11	6.28
% Increase	2.99%	2.99%	2.99%	2.99%	2.99%
Note: Resulting Band D Council Tax	192.48	198.24	204.17	210.28	216.56

Indicating a potential shortfall in General fund balances of approx. £1.6m over 3 years (with a shortfall of £5.2m over 4 years & £9.1m over the 5 year period) - including the minimum approved level of £0.5m. Further savings of approx. £1.8m per annum over 5 years would have to be identified.

Model 3 Impact of £1 increase in Council Tax in 2022/23 (followed by increases of £1 p.a. thereafter)

Year:	2022/23	2023/24	2024/25	2025/26	2026/27
Forecast:	£'000	£'000	£'000	£'000	£'000
Reduction in Council Tax £	92	185	279	374	469
Revised Surplus (-) /Deficit	3,413	3,409	3,545	4,048	4,464
Balances Remaining (-) / Overdrawn	**(5,218)**	**(1,809)**	**1,736**	**5,784**	**10,248**
£ Increase	1.00	1.00	1.00	1.00	1.00
% Increase	0.54%	0.53%	0.53%	0.53%	0.52%
Note: Resulting Band D Council Tax	187.89	188.89	189.89	190.89	191.89

Indicating a potential shortfall in General fund balances of approx. £2.2m over 3 years (with a shortfall of £6.3m over 4 years & £10.7m over the 5 year period) - including the minimum approved level of £0.5m. Further savings of approx. £2.1m per annum over 5 years would have to be identified.

Model 4 Impact of 2.5% increase in Council Tax in 2022/23 (followed by increases of 2.5% p.a. thereafter)

Year:	2022/23	2023/24	2024/25	2025/26	2026/27
Forecast:	£'000	£'000	£'000	£'000	£'000
Reduction in Council Tax £	7	12	14	13	9
Revised Surplus (-) /Deficit	3,328	3,236	3,280	3,687	4,004
Balances Remaining (-) / Overdrawn	**(5,303)**	**(2,067)**	**1,213**	**4,900**	**8,904**
£ Increase	4.68	4.79	4.90	5.03	5.16
% Increase	2.5%	2.5%	2.5%	2.5%	2.5%
Note: Resulting Band D Council Tax	191.57	196.36	201.26	206.29	211.45

Indicating a potential shortfall in General fund balances of approx. £1.7m over 3 years (with a shortfall of £5.4m over 4 years & £9.4m over the 5 year period) - including the minimum approved level of £0.5m. Further savings of approx. £1.9m per annum over 5 years would have to be identified.

Model 5 Impact of 0% increase in Council Tax in 2022/23 (followed by increases of 0% thereafter)

Year:	2022/23	2023/24	2024/25	2025/26	2026/27
Forecast:	£'000	£'000	£'000	£'000	£'000
Reduction in Council Tax £	115	231	348	466	585
Revised Surplus (-) /Deficit	3,436	3,455	3,614	4,140	4,580
Balances Remaining (-) / Overdrawn	**(5,195)**	**(1,740)**	**1,874**	**6,014**	**10,594**
£ Increase	0.00	0.00	0.00	0.00	0.00
% Increase	0.00%	0.00%	0.00%	0.00%	0.00%
Note: Resulting Band D Council Tax	186.89	186.89	186.89	186.89	186.89

Indicating a potential shortfall in General fund balances of approx. £2.4m over 3 years (with a shortfall of £6.5m over 4 years & £11.1m over the 5 year period) - including the minimum approved level of £0.5m. Further savings of approx. £2.2m per annum over 5 years would have to be identified.

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

Year:	2022/23	2023/24	2024/25	2025/26	2026/27
Forecast:	£'000	£'000	£'000	£'000	£'000
Reduction in Council Tax £	29	57	84	109	132
Revised Surplus (-) /Deficit	3,350	3,281	3,350	3,783	4,127
Balances Remaining (-) / Overdrawn	**(5,281)**	**(2,000)**	**1,350**	**5,133**	**9,260**
£ Increase	3.72	3.79	3.86	3.94	4.02
% Increase	1.99%	1.99%	1.99%	1.99%	1.99%
Note: Resulting Band D Council Tax	190.61	194.40	198.26	202.20	206.22

Indicating a potential shortfall in General fund balances of approx. £1.9m over 3 years (with a shortfall of £5.6m over 4 years & £9.8m over the 5 year period) - including the minimum approved level of £0.5m. Further savings of approx. £2m per annum over 5 years would have to be identified.

2) *Potential Savings / additional costs*

Potential revenue policy changes are highlighted below:

Item No	Policy Changes Identified – General Fund	22/23 £'000	23/24 £'000	24/25 £'000	25/26 £'000	26/27 £'000
OR1	Increased cost Legal Shared Service (less ongoing underspend on current budget plus use of retained funds in years 1 and 2)	-	8.5	11.0	-	-
PE1	HR - Increase in long service award budget to meet profiled expenditure for the next three years	4.9	(1.3)	2.6	(3.9)	-
PE2	Customer Services - Extension of temporary contracts for CSA staff due to finish 31st March 2022 for a further year	74.4	(74.4)	-	-	-
PE3	Move of iTrent to MHR Cloud services. The current iTrent on premise environment requires a complete reinstall due to end of life version of Windows and SQL server.	15.0	-	-	-	-
PE4	Customer Services - Hire of Security - extension of contract to December 2022 (also impact on HRA)	12.2	(12.2)	-	-	-
PE5	Communications & Marketing – Make temporary contract post permanent	19.1	-	-	-	-
OPS1	Pleasure Grounds - remove income streams from the activity centre	27.0	-	(25.8)	-	-
OPS2	To reinstate the full budget of £30k for the purchase of flowers for Tamworth. The budget was reduced to £15k during the pandemic as only selected sites were planted. A further £10k is requested for 2022/23 so as to enable additional floral displays to enhance the Queens Platinum Jubilee celebrations and the Queens Baton Relay throughout the town	25.0	(10.0)	-	-	-
OPS3	A budget of £15k be created to provide each member with £500 per annum to use to aid environmental improvements in their ward.	15.0	-	-	-	-
OPS4	An additional £50k for the revenue budget for the purchase of vehicles and mechanical sweepers for the authority (An additional £14k may be required if a different supplier is selected due to extended delivery times)	64.0	-	-	-	-
OPS5	Assembly Rooms - costed maintenance plan for 2022/23 is £35k, however with the current supply chain and market forces it is recommended that this be increased by 20% to ensure all costs are covered, bringing the figure to £42k. (Existing budget is £10k)	33.0	-	-	-	-
OPS6	The reopening of the Assembly Rooms in 2021 commenced in July and phased the return of staff building as the Covid restrictions lifted. In the report that went to Cabinet and Appointments and Staffing, (6th April 2021) it was identified that £98k would be need to fully support this structure from 2022/23.	101.0	(101.0)	-	-	-

Item No	Policy Changes Identified – General Fund	22/23 £'000	23/24 £'000	24/25 £'000	25/26 £'000	26/27 £'000
OPS7	Reduced income - the Council have undertaken 8 annual cuts of SCC grass verges and associated green spaces for many years. In 2018 they indicated that the funding for the service was to be reduced and it was agreed that the fee would now relate to 6 annual cuts plus some new developments.	28.3	-	-	-	-
PAR1	To maintain the level of potential income on car park enforcement at agreed pandemic level	57.8	(57.8)			
AST1	Valuation of General Fund Assets - auditors have identified some key areas of improvement which will require additional investment	50.0	-	-	-	-
AST2	Increase in BRF to reflect market cost changes - Upward price pressures from the construction market has forced an increase in contractor costs	65.6	-	-	-	-
AST3	Servicing of castle grounds toilet facilities - reflects the increase ongoing cost of servicing and cleansing	1.5	-	-	-	-
G&R1	A c.30% drop in planned revenue in car parking revenue for financial year 2022/23 compared to 2019/20	256.6	(256.6)	-	-	-
G&R2	Providing additional salary to budget to underpin the costs of a new post Heritage and Facilities Officer, approved earlier in the year. The Castle is required to provide 25% of the costs.	10.0	(10.0)	-	-	-
G&R3	The proposal is to permanently extend the hours of our Public Health Officer post from 30 hours per week to 37 hours per week. This change is currently being funded through reserve budgets and it is requested that a Policy change be agreed to make this permanent.	7.1	-	-	-	-
G&R4	The proposal is to remove the predicted reduction in general admission income at the castle as we emerge from pandemic restrictions. Given the positive indications in 21/22 it is recommended that the full budget be reinstated for 22/23.	(54.6)	54.6	-	-	-
	Total New Items / Amendments	**812.9**	**(460.2)**	**(12.2)**	**(3.9)**	**-**
	Cumulative	**812.9**	**352.7**	**340.5**	**336.6**	**336.6**
	Cumulative 5 years					**2,179.3**

As part of the planned review & scrutiny process leading up to formal presentation of the budget, Executive Management Team will consider feedback received from the Budget Consultation process, the Joint Scrutiny Budget workshop and the Joint Budget Scrutiny Committee (planned for 26th January 2022) in order to inform the next stages of the budget process:

- a review of the proposals including:
  - Reference to the Council's corporate priorities together with the feedback & issues raised by the budget consultation exercise, and
  - Consideration of how the limited resources can be 'rationed' (& whether service improvements in a priority area should be met from service reductions elsewhere).
- Inclusion of any further potential savings in order to mitigate the forecast budget shortfall. This process is ongoing and will be reported as policy changes in the next phase of the budget process in order to formulate a balanced medium term financial strategy for approval by Cabinet and Council in February 2022.

Housing Revenue Account – Technical Adjustments Summary

Technical Adjustments	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Base Budget B/Fwd	343	1,212	(133)	51	(122)
Committee Decisions	1,198	(1,121)	335	0	0
Inflation	201	178	181	187	193
Other	(605)	(493)	(421)	(444)	(487)
Pay Adjustments (Including pay award / reduction of 7.5% for vacancy allowance)	75	91	89	84	84
Revised charges for non-general fund activities	0	0	0	0	0
Virements	0	0	0	0	0
Total / Revised Base Budget	1,212	(133)	51	(122)	(332)

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

Summary	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Estimated Net (Surplus) / Deficit	1,212	(133)	51	(122)	(332)
Proposed Policy Changes / Additional Costs Identified	1,217	1,107	1,081	1,081	1,080
Surplus (-) / Deficit	2,429	974	1,132	959	748
Balances Remaining (-) / Overdrawn	(3,152)	(2,178)	(1,046)	(87)	661

Per Council, 23rd February 2021	(3,160)	(3,069)	(2,790)	(2,665)	-

As a result the updated forecast at quarter 1, over the three year period to 2023/24, projections for the Housing Revenue Account identified balances of £3.9m (compared with forecast balances remaining of £3.1m in the February MTFS) with balances of £3.6m over the four years to 2024/25 reducing to £3.5m in 2025/26 (balances were previously forecast at £2.8m in 2024/25, £2.7m in 2025/26).

This did not include the additional cost pressures of £5.6m over 5 years identified in the proposed HRA policy changes (& it does not include any additional debt financing costs pending finalisation of the 5 year HRA capital programme).

For the HRA, the updated projections at Quarter 2 now identify HRA balances of £1m over 3 years with a shortfall in balances of £0.6m by 2025/26 and £1.2m over the 5 years to 2026/27, including the minimum approved level of £0.5m (compared to the 5 year projections within the approved MTFS of £3.1m over 3 years, £2.8m by 2024/25 and £2.7m over the 5 years to 2025/26).

A summary of the HRA over the 5 year period is shown at **Appendix H**. Potential HRA revenue policy changes are highlighted below:

Item No	Policy Changes Identified – Housing Revenue Account	22/23 £'000	23/24 £'000	24/25 £'000	25/26 £'000	26/27 £'000
HRA1	Increase in response repairs budget to reflect upward price pressures from the construction market	903.5	-	-	-	-
HRA2	Add cost of cleaners van to HRA Estates budget - used across the HRA estates	22.0	-	-	-	-
HRA3	Valuation of Housing Revenue Account Assets - auditors have identified some key areas of improvement which will require additional investment	25.0	-	-	-	-
HRA4	Servicing of specialist disabled equipment installed as part of Disabled Facilities Adaptation - Failure to service and maintain equipment installed as party of a DFA will result in increased costs of renewals	15.0	-	-	-	-
NEI1	Former Tenancy Arrears Officer - extending the temporary full-time post `Former Tenancy Arrears Officer` to address the recovery of HRA's wide range of former arrears until March 2023	14.6	(14.6)	-	-	-
NEI2	Resident Support Worker – Eringden Block - extending the temporary post `Resident Support Worker` for a further year until March 2023	34.4	(34.4)	-	-	-
NEI3	Budget provision to cover the cost of a wide range of neighbourhood works required; eviction storage of items, contaminated rubbish removals, clean following estate incidents etc.	15.0	(15.0)	-	-	-
NEI4	Customer Services - Hire of Security - extension of contract to December 2022	12.3	(12.3)	-	-	-
NEI5	Extending the temporary post `Housing Regulatory & High Rise Co-ordinator` a further year until March 2023	33.7	(33.7)	-	-	-
NEI6	Required annually to provide ongoing additional waste collections to HRA flatted areas, to be facilitated by the Councils waste provider	20	-	-	-	-
HOPS1	Create 3.5 FTE positions within housing maintenance operatives	95.0	-	-	-	-
HPE1	Customer Services Housing Repairs - Extension of temporary contract for temporary member of staff due to finish 31st March 2022 for a further 2 years	27.0	-	(27.0)	-	-
	Total New Items / Amendments	**1,217.5**	**(110.0)**	**(27.0)**	**-**	**-**
	Cumulative	**1,217.5**	**1,107.5**	**1,080.5**	**1,080.5**	**1,080.5**
	Cumulative 5 years					**5,566.5**

Rent Setting Policy

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

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

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

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

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

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

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

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

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

For 2022/23 (and in the medium term), rents will be set in line with the approved policy including a general increase of the consumer price index (CPI) measure of inflation of plus 1% - equating to a 4.1% increase (followed by forecast increases of 3% p.a.), due to the increased cost pressures currently being experienced (although they may be temporary). The MTFS included a forecast increase of 3% p.a. based on the formula allowed under the Rent Setting Guidance of CPI plus 1%. Given the current level of CPI of 3.1% (September 2021), the forecast increase for 2022/23 will be 4.1% in line with the maximum allowed by the Government's Rent Standard (that social housing rents can increase to include 'up to' a factor of the consumer price index (CPI) measure of inflation (for September of the preceding year) plus 1% for five years from 2020) - in order to support the continued investment in the housing stock. Each 1% increase would equate to additional income of c.£200k p.a. (£1m over 5 years).

The following options have been modelled:

	2021/22 **£**	***2022/23*** **£**	***2023/24*** **£**	***2024/25*** **£**	***2025/26*** **£**	***2026/27*** **£**
Option 1: CPI + 1%						
Rent (52 Weeks)	82.35	85.72	88.30	91.09	93.67	96.48
Rent (48 Weeks)	89.21	92.87	95.65	98.52	101.48	104.52
% Increase	1.5%	4.1%	3.0%	3.0%	3.0%	3.0%
	0	0	0	0	0	0
Option 2: CPI						
Rent (52 Weeks)	82.35	84.90	86.60	88.47	90.10	91.90
Rent (48 Weeks)	89.21	91.98	93.82	95.69	97.61	99.56
% Increase	1.5%	3.1%	2.0%	2.0%	2.0%	2.0%
Reduced Rent compared to Option 1	**-**	**187,670**	**384,780**	**601,910**	**802,380**	**1,023,300**
		5 year impact				**3,000,040**
Option 3: No increase						
Rent (52 Weeks)	82.35	82.35	82.35	82.48	82.35	82.35
Rent (48 Weeks)	89.21	89.21	89.21	89.21	89.21	89.21
% Increase	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Reduced Rent compared to Option 1	**-**	**769,400**	**1,348,520**	**431,640**	**2,541,280**	**3,155,410**
		5 year impact				**8,246,250**
Inflation at CPI + 1%	1.5%	4.1%	3.0%	3.0%	3.0%	3.0%

Corporate Capital Strategy

The Council has an ongoing capital programme of over £52m for 2021/22 and an asset base valued at £252m (as at 31st March 2021).

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

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

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

The Capital Strategy will:

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

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

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

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

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

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

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

- the contribution its delivery makes towards the achievement of the Council's Corporate Priorities;

- the achievement of Government priorities and grant or other funding availability;

- the benefits in terms of the contribution to the Council's Corporate Objectives and compliance with the Corporate Capital Strategy requirements of:

    1. Invest to save
    2. Maintenance of services and assets
    3. Protection of income streams
    4. Avoidance of cost.

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

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

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

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

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

Following a review of the Capital Programme approved by Council on 23rd February 2021, a revised programme has been formulated including additional schemes which have been put forward for inclusion.

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

The minimum approved level of GF capital balances is £0.5million and, should the programme progress without amendment, would mean additional borrowing of £0.2m over the next 5 years (£60k over 3 years). There has been an increase of £3m over 5 years since the provisional programme was approved (including new year 5 costs of c.£0.77m, Balancing Ponds £0.85m, ICT £0.15m and Recovery & Reset costs of £1.27m). The current GF Capital Financing Requirement (CFR) stands at £3.6m with planned borrowing in 2021/22 of £1.5m.

There has been some significant changes in the Housing capital programme from that provisionally approved – with a number of new schemes proposed. It has also been updated to include the new year 5 costs for 2026/27.

Work is progressing on the updated forecast resources but given the significant changes in spend over the 4 years of c.£12.3m then there will be a significant funding gap for the HRA capital programme of c.£5m.

It should be noted that there are no debt repayment costs for the HRA and the Government has now lifted the previous debt cap (of £79.407m). The current HRA Capital Financing Requirement (CFR) stands at £69.893m with planned borrowing in 2021/22 of £703k.

With regard to the contingency schemes/allocation **£235k** remains in current year contingency funds (£135k GF/ £100k HRA) - which will be re-profiled into 2022/23 to provide General Contingency funding.

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

General Fund

1) Balancing ponds and sustainable drainage systems

Project Score: 63

A new appraisal form has been prepared – together with a 30 year rolling programme of works identified for inclusion in the capital programme, with an annual spend required from 2023/24, for the 8 ponds at Stonydelph, Belgrave, Lakeside, Peelers Way.

When the A5 bypass was constructed, a network of balancing ponds and reedbeds were also constructed alongside it to take excess water from the surface of the road and prevent this water being discharged as either groundwater or surface water, hence creating a risk of flooding and also to reduce the effects of certain pollutants on the environment from the carriageway. Over time these balancing ponds which flow from Kettlebrook through to Tamworth centre become 'silted' up and have to be cleansed. A survey of the ponds has highlighted the fact that the original commuted sum set aside to maintain these ponds was insufficient and further funding is required in order to support the proposed ongoing year maintenance plan. In addition the Council is required to maintain both Stonydelph dam that connect to this watercourse and the new sustainable drainage system to support the golf course development, currently under construction in Amington. At handover the management plan will indicate the maintenance regime and indicative costs which will be added at a later date - it is not envisaged that this will be in the short term but will need to be accommodated within the 30 year life proposal].

The total cost of the programme over 30 years is £4.68m partially financed by existing reserves of £604k.

The capital appraisal details the proposed part financing from existing reserves/retained fund (£200k) and Section 106 commuted sums (£404k).

2)	**With regard to the provisional programme:**
a)	**Technology Replacement – Infrastructure upgrade/Network Security/Refresh of Thin Clients**
	Project Score: 72
	An updated capital submission **has now** been prepared for £60k for 3 years followed by £40k for 2 years (previously £60k in 2022/23 followed by £30k p.a.) Significantly increased reliance on ICT has resulted in a commitment to *ongoing, large scale upgrade and maintenance to the TBC infrastructure, in line with technology lifecycles. The Council is also on a journey towards digital transformation and self service for customers, demand for flexible resilient and available ICT services to support this requires continued investment into the authorities hardware and associated software.* The organisation is also establishing new, more flexible and agile ways of working which requires investment into technology to support ongoing effectiveness. *External factors including legislative requirements from central government in the guise of the Public Sector Network (PSN) Code of Connection, and the increase in required investment into cyber security to keep the councils network secure and available means continued investment is essential. It should be noted that corporate applications are excluded from this schedule of planned work.*
	A £60k budget was approved for 2021/22 with an expectation that budgets from 2022/23 onwards would be informed by the conclusions of the priority review and ICT Strategy (including a detailed breakdown of the proposed spend). No savings / payback from the investment have been identified.
b)	**Endpoint Protection and Web-Email Filter**
	Project Score: 60
	An updated appraisal has now been prepared for spend of £40k in 2022/23 (previously 2023/24) & every 3 years thereafter, following the 3 year contracts for Endpoint Protection (covering Anti Virus,Anti Malware and Encryption and the contract for Web and Email filtering).
c)	**Street Lighting**
	An updated appraisal has been prepared – following inclusion of a rolling programme with an annual spend required from 2016/17. The Council has its own stock of street lighting across the borough, mainly in housing areas and other communal parts such as play areas and car parks. The street lighting assets are inspected and maintained by Eon on behalf of the Council under the terms of Staffordshire County Council PFI contract with Eon. Eon have produced a replacement street lighting programme which spans 40 years and include the replacement of all the lighting columns based on 'their life expectancy' and a lighting head replacement programmed based on providing more efficient low energy lighting heads. This appraisal is based on years 5-10 years of the replacement programme. The 40 year programme costed programme has been submitted as a whole life cost document.
	The profile has been adjusted to reflect the HRA related element of the costs.

d)	**Disabled Facilities Grants (DFG)**
	The provisional programme included £650k p.a. part funded by redistributed Better Care Fund (BCF) grant of £400k.
	The £250k p.a. net funding is be funded via capital receipts (with an associated revenue loss of investment interest), borrowing (with revenue interest/debt repayment costs) or a revenue contribution.
e)	**Energy Efficiency Upgrades to Commercial & Industrial Units**
	An updated appraisal has not been prepared following inclusion of a rolling programme with an annual spend of £75k required from 2017/18 for 5 years.
	To fund a degree of improvement to industrial units when they become vacant in order to be able to re-let them – as, with effect from April 2018, it will not be possible to enter into long term lease agreements for commercial and industrial units with and EPC rating of 'E' or less.
	Depending on void levels, we could expect to lose around £20k p.a. increasing by £20k p.a. for the next 5 years (c.£300k over 5 years).
	If we are able to let on License or Tenancy at Will arrangements we may be able to maintain a level of income but there will be an increase in other costs such as NNDR payments, repair costs, security costs and the like.
	Investment in enveloping works to improve energy efficiency will prolong the life of the estate at the current rent levels but ultimately Sandy Way phase 2 will require a more significant investment project to give a long life expectancy.
f)	**CCTV Upgrades**
	Following approval of the Shared Service, Capital budgets of £45,714 p.a. have been included – part funded by OPCC grant of £24k p.a.
3)	**General Fund Capital Contingency Budget**
	The remaining 2021/22 contingency budget of £135k will be rolled forward to 2022/23.
4)	**Recovery and Reset**
	As approved by Council in August 2021, budgets totaling £1.273m have been included – for ICT and office related costs.

Housing

There has been some significant changes in the Housing capital programme from that provisionally approved – with a number of new schemes proposed. It has also been updated to include the new year 5 costs for 2026/27.

Work is progressing on the updated forecast resources but given the significant changes in spend over the 4 years of c.£12.3m then there will be a significant funding gap for the HRA capital programme of c.£5m.

It should be noted that there are no debt repayment costs for the HRA and the Government has now lifted the previous debt cap (of £79.407m). The current HRA Capital Financing Requirement (CFR) stands at £69.893m with planned borrowing in 2021/22 of £703k.

	Housing Revenue Account
The provisional capital programme has been reviewed and updated:	
a)	**Structural Works, Bathroom Renewals, Major Roofing Renewals and Disabled Facilities Adaptations**
	Structural works budgets have been increases by £75k p.a. to £275k p.a.
	Bathroom renewals budgets have been increased by £7k p.a. to £575k p.a.
	Major Roofing Renewals budgets have been increased by £589k p.a. to £1.5m p.a.
	Disabled Facilities Adaptations budgets have been increased by £37.5k p.a. to £250k p.a.
b)	**Kitchen Renewals**
	The budget has been reduced by £337.5k p.a. to £700k p.a.

Detailed Programme Changes:

Housing Revenue Account Capital Programme	**2022/23 £**	**2023/24 £**	**2024/25 £**	**2025/26 £**	**2026/27 £**
Structural Works	75,000	75,000	75,000	75,000	275,000
Bathroom Renewals	7,200	7,200	7,200	7,200	575,000
Gas Central Heating Upgrades and Renewals	-	-	-	-	685,500
Kitchen Renewals	(337,500)	(337,500)	(337,500)	(337,500)	700,000
Major Roofing Overhaul and Renewals	588,600	588,600	588,600	588,600	1,500,000
Window and Door Renewals	-	-	-	-	400,000
Neighbourhood Regeneration	-	-	-	-	500,000
Disabled Facilities Adaptations	37,500	37,500	37,500	37,500	250,000
Rewire	-	-	-	-	150,000
CO2 / Smoke Detectors	-	-	-	-	64,000
Sheltered Schemes	-	-	-	-	100,000
Energy Efficiency Improvements	-	-	-	-	70,000
Fire Risk Mitigation Works	300,000	300,000	300,000	-	-
Damp and Mould Works	100,000	100,000	100,000	100,000	100,000
Decarbonisation	3,200,000	-	-	-	-
High Rise Refuse Chute Renewals	150,000	150,000	150,000	-	-
Works to Achieve Zero Carbon	-	-	2,500,000	2,500,000	2,500,000
Sheltered Lifts and Stairlift Renewals	360,000	250,000	50,000	50,000	50,000
Fire Alarm Panel Renewals	50,000	-	-	-	-
Scooter Storage at High Rise	30,000	30,000	-	-	-
Upgrade Pump Rooms at High Rise	25,000	25,000	-	-	-
Retention of Garage Sites	-	-	-	-	-
Capital Salaries	-	-	-	-	200,000
Street Lighting	-	70	90	20	-
Telecare System Upgrades	-	-	-	-	-
Regeneration & Affordable Housing	-	-	-	-	1,750,000
Total HRA Capital	4,585,800	1,225,870	3,470,890	3,020,820	9,869,500

(green)	New Scheme Bids
(cream)	Existing Schemes

Housing Revenue Account Capital Programme	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £
Proposed Financing:					
Major Repairs Reserve	1,311,830	128,700	129,200	127,700	2,933,500
HRA Capital Receipts	(180,000)	(174,930)	1,075,000	-	-
Regeneration Revenue Reserves	461,070	1,481,100	841,600	215,680	3,886,000
Capital Receipts from Additional Council House Sales (1-4-1)	25,000	25,000	25,000	101,000	550,000
Regeneration Reserve	1,967,900	(234,000)	90	76,440	-
Affordable Housing Reserve	-	-	1,400,000	-	-
Other	1,000,000	-	-	-	-
Unsupported Borrowing	-	-	-	2,500,000	2,500,000
	-	-	-	-	-
Total	**4,585,800**	**1,225,870**	**3,470,890**	**3,020,820**	**9,869,500**

Existing Capital schemes have continued in line with the provisional programme (including capital salaries recharge of £200k p.a. for management of the programme):

1) Improvements to Retained Garage Sites

A new capital submission had been prepared in 2020 for spend of £750k in 2021/22 and 2022/23 for Improvements to garage sites identified for retention following completion of survey work during 2020.

2) Street Lighting

HRA share has been included in line with the approved 30 year programme.

3) Telecare system upgrades

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

3) Regeneration & Affordable Housing

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

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

Main Assumptions

Inflationary Factors	2022/23	2023/24	2024/25	2025/26	2026/27
Inflation Rate - Pay Awards	2.50%	2.50%	2.50%	2.50%	2.50%
National Insurance	10.25%	10.25%	10.25%	10.25%	10.25%
Superannuation	16.50%	16.50%	16.50%	16.50%	16.50%
Inflation Rate (RPI)	2.50%	2.50%	2.50%	2.50%	2.50%
Inflation Rate (CPI)	2.25%	2.10%	2.08%	2.00%	2.00%
Investment Rates	0.25%	0.50%	0.50%	1.00%	2.00%
Base Interest Rates	0.20%	0.40%	0.60%	1.00%	1.00%

1. For 2019/20 a 2% increase in Local Government pay was agreed and included the introduction of a new pay spine on 1st April 2019 based on a bottom rate of £17,364 with additions, deletions and changes to other spinal column points. An offer of a 1.75% increase is subject to union ballot and is still to be agreed for 2021/22 and future years also remain uncertain. A 2.5% p.a. increase from 2022/23 has been assumed.

2. Overall Fees and Charges will rise generally by 2.5% annually except where a proposal has otherwise been made (car parking charges, corporate & industrial property rental income, statutory set planning fees, leisure fees);

3. Revised estimates for rent allowance / rent rebate subsidy levels have been included;

4. At this stage no changes to the level of recharges between funds has been included;

5. A reduction in Revenue Support Grant levels to zero from 2022/23 after an inflationary increase for 2021/22, following the deferral of the funding reforms. The impact for the Council will be confirmed by MHCLG as part of the *Local Government Finance Settlement* with a provisional announcement in December 2021.

6. Only continuation of the New Homes Bonus scheme legacy payments relating to 2017/18 and 2018/19 pending consultation on the future of the scheme;

7. An increase of £5 p.a. in Council Tax - current indications are that increases of 2% or £5 and above risk ‘capping’ (still to be confirmed £5 for District Councils for 2022/23);

8. The major changes to the previously approved policy changes are included within this forecast – Assistant Directors were issued with the provisional information in August to review, confirm & resubmit by the end of September;

9. Future Pension contribution levels – following an option to ‘freeze’ the ‘lump sum’ element for the 3 years from 2020/21 (after the triennial review during 2019), 2% p.a. year on year increases have been included from 2023/24;

10. Increase in rent levels by CPI plus 1% - the Government has confirmed that social housing annual rent increases can rise by up to the consumer price index (CPI) measure of inflation plus 1% for five years from 2020, following the conclusion of a consultation on the new rent standard. Current indications that sales of council houses will be approximately 30 per annum.

11. Forecasts have been informed by the Bank of England Inflation report (August 2021), HM Treasury – Forecasts for the UK Economy (August 2021), Office for Budget Responsibility Economic & Fiscal Outlook (March 2021). Any significant variances will be considered later in the budget setting process.

APPENDIX B

Technical Adjustments Analysis – General Fund 2022/23

	£	£	£
Chief Executive			
Virements		-	
Committee Decisions			
2019/20 Policy Change CEXEC 1 Revised Waste Management Costs	17,140		
2020/21 Policy Change WM1 Potential Waste Management Cost Increases	324,950		
2020/21 Policy Change A&G1 Elections	63,000		
2021/22 Policy Change A&G1 Elections	(7,300)		
Cabinet 09/09/21 Dry Recycling Update	53,000	450,790	
Inflation		(22,250)	
Other			
2022/23 BWP 002 Vacancy Allowance	830		
2022/23 BWP 010 TBC NNDR Properties	10		
2022/23 BWP 020 Bank Charges & Cash Security	10		
2022/23 BWP 033 Gas & Electricity	(40)		
2022/23 BWP 043 Insurance	(6,670)	(5,860)	
Pay Adjustments		13,440	
Changes in Recharges		-	
			436,120
Assistant Director Growth and Regeneration			
Virements		-	
Committee Decisions			
2018/19 Policy Change AE 11 Vacant Posts Review	(1,420)		
2018/19 Policy Changes AE 4 Tamworth Enterprise Centre	1,500		
2021/22 Policy Change G&R1 Car Park Income re Pandemic	(213,130)		
Cabinet 18/02/21 Castle Review	32,950	(180,100)	
Inflation		(4,370)	
Other			
2020/21 BWP 035 Income	7,000		
2022/23 BWP 002 Vacancy Allowance	(8,370)		
2022/23 BWP 004 Depreciation	(32,500)		
2022/23 BWP 010 TBC NNDR Properties	5,740		
2022/23 BWP 020 Bank Charges & Cash Security	60		
2022/23 BWP 027 AD Growth Income Review	(17,980)		
2022/23 BWP 033 Gas & Electricity	8,010		
2022/23 BWP 041 Castle Review	(29,810)		
2022/23 BWP 043 Insurance	(14,710)	(82,560)	
Pay Adjustments		67,480	
Changes in Recharges		-	
			(199,550)
Executive Director Organisation			

Virements		(3,000)	
Committee Decisions			
2018/19 Policy Change SOL 1 Democratic Services Restructure		1,100	
Inflation		12,100	
Other			
2022/23 BWP 002 Vacancy Allowance	(590)		
2022/23 BWP 006 Members Allowances	(920)		
2022/23 BWP 007 Mayoral Allowance	(50)		
2022/23 BWP 008 Land Charges	(14,000)		
2022/23 BWP 016 Conveyancing & Right to Buy	2,800		
2022/23 BWP 043 Insurance	(4,720)	(17,480)	
Pay Adjustments		6,860	
Changes in Recharges		-	
			(420)
Assistant Director People			
Virements		-	
Committee Decisions			
2020/21 Policy Change PE 2 Removal of Temp Customer Services Assistant Posts	(106,430)		
2020/21 Policy Change PE 3 Removal of Temp Customer Services Assistant Posts TIC	(40,970)	(147,400)	
Inflation		15,250	
Other			
2021/22 BWP 037 Q1 Savings	113,970		
2022/23 BWP 002 Vacancy Allowance	(40)		
2022/23 BWP 004 Depreciation	(54,500)		
2022/23 BWP 020 Bank Charges & Cash Security	(890)		
2022/23 BWP 022 Healthshield Staff Health Insurance	(2,940)		
2022/23 BWP 043 Insurance	(16,890)	38,710	
Pay Adjustments		33,660	
Changes in Recharges		-	
			(59,780)
Assistant Director Operations and Leisure			
Virements		(21,390)	
Committee Decisions			
2018/19 Policy Change AE 8 Revised Assembly Rooms Budgets	(230)		
2020/21 Policy Change OPS3 Assembly Rooms	(31,000)	(31,230)	
Inflation		4,390	
Other			
2022/23 BWP 002 Vacancy Allowance	(4,860)		
2022/23 BWP 004 Depreciation	6,300		
2022/23 BWP 010 TBC NNDR Properties	390		
2022/23 BWP 020 Bank Charges & Cash Security	(3,880)		
2022/23 BWP 033 Gas & Electricity	9,680		
2022/23 BWP 043 Insurance	(30,750)	(23,120)	
Pay Adjustments		68,640	
Changes in Recharges		-	
			(2,710)
Executive Director Finance			

Committee Decisions		-	
Inflation		110	
Other			
2022/23 BWP 002 Vacancy Allowance	(210)		
2022/23 BWP 043 Insurance	(2,400)	(2,610)	
Pay Adjustments		2,770	
Changes in Recharges		-	
			270

Assistant Director Finance

Committee Decisions			
2018/19 Policy Change DF 8 New Homes Bonus	(35,100)		
2018/19 Policy Change DF 9 Business Rates Levy	52,220		
2018/19 Policy Change DF 10 Business Rates S31 Grant Income	(7,710)		
2019/20 Policy Change FIN 5 Revenue Implications of Capital Programme	4,000		
2019/20 Policy Change FIN 6 Revenue Implications of Capital Programme	7,000		
2020/21 Policy Change FIN 2 New Homes Bonus	630		
2021/22 Policy Change FIN 1 New Homes Bonus	446,040		
2021/22 Policy Changes FIN 2 Business Rates Levy Payments	(687,230)		
2021/22 Policy Change FIN 3 Lower Tier Grant	99,590		
2021/22 Policy Change FIN 3 Revenue Implications of Capital Programme	6,000		
2021/22 Policy Change FIN 4 BRR Section 31 Grant	952,590		
2021/22 Policy Change FIN 4 Local Government Covid Support Grant	427,150		
2021/22 Policy Change FIN 4 Revenue Implications of Capital Programme	10,000		
2021/22 Policy Change FIN 5 Pension Costs	(2,540)		
2021/22 Policy Change FIN 6 Business Rates Equalisation Reserve	7,463,240	8,735,880	
Inflation		5,730	
Other			
2020/21 BWP 005 Pensions Lump Sum	(27,360)		
2020/21 BWP 006 New Homes Bonus	54,260		
2020/21 BWP 007 NNDR Forecast - Levy payment	(52,220)		
2020/21 BWP 007 NNDR Forecast - Section 31 Grants	7,710		
2021/22 BWP 015 Treasury Mgt	180		
2022/23 BWP 002 Vacancy Allowance	(1,790)		
2022/23 BWP 004 Depreciation	80,750		
2022/23 BWP 005 Benefits Estimates	58,970		
2022/23 BWP 009 NNDR Cost of Collection	940		
2022/23 BWP 011 Revenues Court Costs Income	(7,500)		
2022/23 BWP 017 Superannuation Allowances	(1,240)		
2022/23 BWP 019 Audit Fee	18,160		
2022/23 BWP 020 Bank Charges & Cash Security	7,880		
2022/23 BWP 021 Apprenticeship Levy	930		
2022/23 BWP 023 Treasury Management	(116,850)		
2022/23 BWP 036 Interest SOCH/HAA	(380)		
2022/23 BWP 043 Insurance	(17,260)	5,180	
Pay Adjustments		34,490	
Changes in Recharges		-	
			8,781,280

Assistant Director Assets			
Virements		-	
Committee Decisions			
2021/22 Policy Change AST 7 Marmion House Accommodation		900	
Inflation		15,070	
Other			
2022/23 BWP 002 Vacancy Allowance	(450)		
2022/23 BWP 004 Depreciation	(5,350)		
2022/23 BWP 010 TBC NNDR Properties	13,710		
2022/23 BWP 033 Gas & Electricity	10,470		
2022/23 BWP 040 Industrial and Commercial rents	(108,000)		
2022/23 BWP 043 Insurance	(11,830)	(101,450)	
Pay Adjustments		6,350	
Changes in Recharges		-	
			(79,130)
Assistant Director Neighbourhoods			
Virements		-	
Committee Decisions		-	
Inflation		1,650	
Other			
2022/23 BWP 002 Vacancy Allowance	(1,110)		
2022/23 BWP 004 Depreciation	5,300		
2022/23 BWP 024 HRA Alarm Call Contract	210		
2022/23 BWP 033 Gas & Electricity	2,000		
2022/23 BWP 039 Housing Bad Debt Provisions	(102,900)		
2022/23 BWP 043 Insurance	(2,200)	(98,700)	
Pay Adjustments		14,870	
Changes in Recharges		-	
			(82,180)
Assistant Director Partnerships			
Virements		24,390	
Committee Decisions			
2018/19 Policy Change AE 11 Vacant Posts Review	(2,980)		
2021/22 Policy Change PAR1 CPE Changes in predictions due to Pandemic	(39,000)	(41,980)	
Inflation		(2,810)	
Other			
2022/23 BWP 002 Vacancy Allowance	2,200		
2022/23 BWP 020 Bank Charges & Cash Security	(80)		
2022/23 BWP 033 Gas & Electricity	(10)		
2022/23 BWP 042 Private Sector Leasing Scheme	1,300		
2022/23 BWP 043 Insurance	(10,510)	(7,100)	
Pay Adjustments		(310)	
Changes in Recharges		-	
			(27,810)
Total			**8,766,090**

( ) denotes saving

Technical Adjustments Analysis – Housing Revenue Account 2022/23

		£	£	£
HRA Summary				
Virements			-	
Committee Decisions				
	2019/20 Policy Change HRA 1 Brickwork (spalling)	284,800		
	2019/20 Policy Change HRA 2 Wall Finish & Lintels	941,500		
	2021/22 Policy Change HRA 11 Fire Safety Officer	(36,670)		
	2020/21 Policy Change HRA 19 Pensions	(780)	1,188,850	
Inflation			158,350	
Other				
	2018/19 BWP 027 Debt Management	400		
	2020/21 BWP 005 Pensions Lump Sum	(8,360)		
	2022/23 BWP 003 Garage Rents	28,190		
	2022/23 BWP 004 Depreciation	73,200		
	2022/23 BWP 021 Apprenticeship Levy	270		
	2022/23 BWP 023 Treasury Management	131,310		
	2022/23 BWP 032 HRA Service Charges	(4,100)		
	2022/23 BWP 037 Housing Rent	(784,130)		
	2022/23 BWP 039 Housing Bad Debt Provisions	(7,800)	(571,020)	
Pay Adjustments			-	
Changes in Recharges			-	
				776,180
ED Communities				
Virements			-	
Committee Decisions			-	
Inflation			50	
Other				
	2022/23 BWP 002 Vacancy Allowance		(210)	
Pay Adjustments			2,770	
Changes in Recharges			-	
				2,610
AD People				
Virements			-	
Committee Decisions				
	2020/21 Policy Change HRA 12 Repairs Call Handling		(27,310)	
Inflation			220	
Other				
	2022/23 BWP 002 Vacancy Allowance	1,560		
	2022/23 BWP 043 Insurance	1,110	2,670	
Pay Adjustments			6,530	
Changes in Recharges			-	
				(17,890)

AD Operations & Leisure			
Virements		-	
Committee Decisions		-	
Inflation		310	
Other			
2022/23 BWP 002 Vacancy Allowance	1,760		
2022/23 BWP 033 Gas & Electricity	(340)		
2022/23 BWP 043 Insurance	(660)	760	
Pay Adjustments		2,540	
Changes in Recharges		-	
			3,610
AD Assets			
Virements		-	
Committee Decisions			
2021/22 Policy Change HRA 11 Building Fire Safety Manager		36,670	
Inflation		2,980	
Other			
2022/23 BWP 002 Vacancy Allowance	(4,360)		
2022/23 BWP 024 HRA Alarm Call Contract	(110)		
2022/23 BWP 033 Gas & Electricity	2,710		
2022/23 BWP 043 Insurance	(7,990)	(9,750)	
Pay Adjustments		21,660	
Changes in Recharges		-	
			51,560
AD Neighbourhoods			
Virements		-	
Committee Decisions			
2018/19 Policy Change HRA 7 Removal of Vacant Admin Post		(500)	
Inflation		39,370	
Other			
2022/23 BWP 002 Vacancy Allowance	(3,060)		
2022/23 BWP 010 TBC NNDR Properties	3,510		
2022/23 BWP 017 Superannuation Allowances	(60)		
2022/23 BWP 019 Audit Fee	5,780		
2022/23 BWP 020 Bank Charges & Cash Security	2,120		
2022/23 BWP 022 Healthshield Staff Health Insurance	(2,135)		
2022/23 BWP 024 HRA Alarm Call Contract	3,520		
2022/23 BWP 026 Enhanced Housing Management Charges	(8,250)		
2022/23 BWP 032 HRA Service Charges	19,200		
2022/23 BWP 033 Gas & Electricity	21,890		
2022/23 BWP 043 Insurance	(70,045)	(27,530)	
Pay Adjustments		41,520	
Changes in Recharges		-	
			52,860
Total			**868,930**

( ) denotes saving

General Fund – Technical Adjustments 2022/23

	Budget 2021/22	Technical Adjustments: Virements £	Committee Decisions £	Inflation £	Other £	Pay Adjustments £	Changes in Recharges £	Total Adjustments £	Total Adjusted Base 2022/23
Chief Executive	1,716,140	-	450,790	(22,250)	(5,860)	13,440	-	436,120	**2,152,260**
AD Growth & Regeneration	765,070	-	(180,100)	(4,370)	(82,560)	67,480	-	(199,550)	**565,520**
ED Organisation	474,480	(3,000)	1,100	12,100	(17,480)	6,860	-	(420)	**474,060**
AD People	1,866,050	-	(147,400)	15,250	38,710	33,660	-	(59,780)	**1,806,270**
AD Operations & Leisure	2,708,480	(21,390)	(31,230)	4,390	(23,120)	68,640	-	(2,710)	**2,705,770**
ED Finance	86,670	-	-	110	(2,610)	2,770	-	270	**86,940**
AD Finance	(8,697,820)	-	8,735,880	5,730	5,180	34,490	-	8,781,280	**83,460**
ED Communities	-	-	-	-	-	-	-	-	**-**
AD Assets	(588,150)	-	900	15,070	(101,450)	6,350	-	(79,130)	**(667,280)**
AD Neighbourhoods	968,580	-	-	1,650	(98,700)	14,870	-	(82,180)	**886,400**
AD Partnerships	958,770	24,390	(41,980)	(2,810)	(7,100)	(310)	-	(27,810)	**930,960**
Grand Total	**258,270**	**-**	**8,787,960**	**24,870**	**(294,990)**	**248,250**	**-**	**8,766,090**	**9,024,360**

Housing Revenue Account – Technical Adjustments 2022/23

		Technical Adjustments							
	Budget 2021/22	Virements £	Committee Decisions £	Inflation £	Other £	Pay Adjustments £	Changes in Recharges £	Total Adjustments £	Total Adjusted Base 2022/23
HRA Summary	(3,619,920)	-	1,188,850	158,350	(571,020)	-	-	776,180	**(2,843,740)**
ED Communities	72,720	-	-	50	(210)	2,770	-	2,610	**75,330**
AD People	232,950	-	(27,310)	220	2,670	6,530	-	(17,890)	**215,060**
AD Operations & Leisure	144,630	-	-	310	760	2,540	-	3,610	**148,240**
AD Assets	68,030	-	36,670	2,980	(9,750)	21,660	-	51,560	**119,590**
AD Neighbourhoods	3,444,200	-	(500)	39,370	(27,530)	41,520	-	52,860	**3,497,060**
Housing Repairs	-	-	-	-	-	-	-	-	**-**
Grand Total	**342,610**	**-**	**1,197,710**	**201,280**	**(605,080)**	**75,020**	**-**	**868,930**	**1,211,540**

Appendix F

General Fund Summary Budgets – 2022/23

Figures exclude internal recharges which have no bottom line impact.	**Base Budget 2021/22 £**	**Technical Adjustments £**	**Policy Changes £**	**Budget 2022/23 £**
Chief Executive	1,716,140	436,120	-	2,152,260
AD Growth & Regeneration	765,070	(199,550)	219,060	784,580
ED Organisation	474,480	(420)	-	474,060
AD People	1,866,050	(59,780)	125,640	1,931,910
AD Operations & Leisure	2,708,480	(2,710)	293,260	2,999,030
ED Finance	86,670	270	-	86,940
AD Finance	(1,821,470)	1,904,930	-	83,460
ED Communities	-	-	-	-
AD Assets	(588,150)	(79,130)	117,100	(550,180)
AD Neighbourhoods	968,580	(82,180)	-	886,400
AD Partnerships	958,770	(27,810)	57,820	988,780
Total Cost of Services	**7,134,620**	**1,889,740**	**812,880**	**9,837,240**
Transfer from Business Rates Reserve	(6,876,350)	6,876,350	-	-
Net Cost	**258,270**	**8,766,090**	**812,880**	**9,837,240**
Transfer to / (from) Balances	(206,157)	(3,114,765)	-	(3,320,922)
Revenue Support Grant	(188,572)	188,572	-	-
Retained Business Rates	(13,166,215)	(1,752,651)	-	(14,918,867)
Less: Tariff payable	10,405,841	2,112,819	-	12,518,660
Collection Fund Surplus (Council Tax)	(60,376)	90,564	-	30,188
Collection Fund Surplus (Business Rates)	7,137,191	(6,876,352)	-	260,839
Council Tax Requirement	(4,179,982)	585,723	(812,880)	(4,407,138)

General Fund Summary Budgets – 2021/22 to 2026/27

Figures exclude internal recharges which have no bottom line impact.	**Budget 2021/22 £**	**Budget 2022/23 £**	**Budget 2023/24 £**	**Budget 2024/25 £**	**Budget 2025/26 £**	**Budget 2026/27 £**
Chief Executive	1,716,140	2,152,260	2,171,800	2,134,690	2,180,060	2,166,180
AD Growth & Regeneration	765,070	784,580	431,450	467,320	500,790	531,400
ED Organisation	474,480	474,060	501,350	531,710	550,610	570,030
AD People	1,866,050	1,931,910	1,909,810	1,976,610	2,034,630	2,096,610
AD Operations & Leisure	2,708,480	2,999,030	2,983,070	3,034,300	3,108,030	3,182,160
ED Finance	86,670	86,940	89,840	92,820	95,860	98,990
AD Finance	(1,821,470)	83,460	741,700	1,102,380	1,421,980	1,716,890
ED Communities	-	-	-	-	-	-
AD Assets	(588,150)	(550,180)	(730,780)	(711,160)	(691,010)	(670,430)
AD Neighbourhoods	968,580	886,400	903,710	924,760	944,150	964,380
AD Partnerships	958,770	988,780	954,920	978,240	1,000,720	1,022,670
Total Cost of Services	**7,134,620**	**9,837,240**	**9,956,870**	**10,531,670**	**11,145,820**	**11,678,880**
Transfer from Business Rates Reserve	(6,876,350)	-	-	-	-	-
Net Cost	**258,270**	**9,837,240**	**9,956,870**	**10,531,670**	**11,145,820**	**11,678,880**
Transfer to / (from) Balances	(206,157)	(3,320,922)	(3,222,584)	(3,267,780)	(3,673,373)	(3,994,878)
Revenue Support Grant	(188,572)	-	-	-	-	-
Retained Business Rates	(13,166,215)	(14,918,867)	(15,217,244)	(15,521,589)	(15,832,021)	(16,148,661)
Less: Tariff payable	10,405,841	12,518,660	12,769,033	13,024,414	13,284,902	13,550,600
Collection Fund Surplus (Council Tax)	(60,376)	30,188	30,188	(33,000)	(33,000)	(33,000)
Collection Fund Surplus (Business Rates)	7,137,191	260,839	260,839	-	-	-
Council Tax Requirement	(4,179,982)	(4,407,138)	(4,577,102)	(4,733,715)	(4,892,328)	(5,052,941)

* Figures include proposed Policy Changes

Housing Revenue Account 2021/22 to 2026/27

Figures exclude internal recharges which have no bottom line impact.	**Budget 2021/22 £**	**Budget 2022/23 £**	**Budget 2023/24 £**	**Budget 2024/25 £**	**Budget 2025/26 £**	**Budget 2026/27 £**
HRA Summary	(3,619,920)	(2,843,740)	(4,301,470)	(4,236,230)	(4,525,930)	(4,855,730)
ED Communities	72,720	75,330	78,180	81,100	84,080	87,150
AD People	232,950	242,060	246,260	223,620	227,420	230,750
AD Operations & Leisure	144,630	148,240	151,100	154,060	156,550	159,110
AD Assets	68,030	1,085,110	1,110,250	1,136,400	1,162,890	1,189,120
AD Neighbourhoods	3,444,200	3,722,040	3,690,000	3,772,690	3,853,920	3,937,880
Housing Repairs	-	-	-	-	-	-
Grand Total	**342,610**	**2,429,040**	**974,320**	**1,131,640**	**958,930**	**748,280**

* Figures include proposed Policy Changes

Appendix I

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

General Fund Capital Programme	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	Total £
Future High Streets Fund	9,994,600	1,848,810	-	-	-	**11,843,410**
Replacement PC's, Servers and Printers	60,000	60,000	60,000	40,000	40,000	**260,000**
Endpoint Protection and Web-Email Filter	40,000	-	-	40,000	-	**80,000**
Recovery & Reset ICT requirements	523,000	-	-	-	-	**523,000**
Street Lighting	-	233,600	120,000	50,960	-	**404,560**
Balancing Ponds	-	230,000	100,000	300,000	220,000	**850,000**
Disabled Facilities Grant	650,000	650,000	650,000	650,000	650,000	**3,250,000**
Energy Efficiency Upgrades to Commercial and Industrial Units	75,000	75,000	75,000	75,000	75,000	**375,000**
Recovery and Reset Programme	150,000	150,000	150,000	150,000	150,000	**750,000**
CCTV Upgrades	45,710	45,710	45,710	45,710	45,710	**228,550**
Total General Fund Capital	**11,538,310**	**3,293,120**	**1,200,710**	**1,351,670**	**1,180,710**	**18,564,520**
Proposed Financing:						
Grants - Disabled Facilities	546,890	546,890	546,890	546,890	546,890	**2,734,450**
Capital Grants	156,710	30,000	-	-	-	**186,710**
General Fund Capital Receipts	4,400	204,400	4,400	4,400	59,400	**277,000**
Golf Course Receipts	-	1,848,810	-	-	-	**1,848,810**
Sale of Council House Receipts	138,710	229,020	225,420	251,420	280,420	**1,124,990**
General Fund Capital Reserve	673,000	380,000	370,000	474,960	170,000	**2,067,960**
Other Contributions	10,018,600	24,000	24,000	24,000	24,000	**10,114,600**
Unsupported Borrowing	-	30,000	30,000	50,000	100,000	**210,000**
Total	**11,538,310**	**3,293,120**	**1,200,710**	**1,351,670**	**1,180,710**	**18,564,520**

Appendix J

Draft Housing Revenue Account Capital Programme 2022/23 to 2026/27

Housing Revenue Account Capital Programme	**2022/23 £**	**2023/24 £**	**2024/25 £**	**2025/26 £**	**2026/27 £**	**TOTAL £**
Structural Works	275,000	275,000	275,000	275,000	275,000	**1,375,000**
Bathroom Renewals	575,000	575,000	575,000	575,000	575,000	**2,875,000**
Gas Central Heating Upgrades and Renewals	685,500	685,500	685,500	685,500	685,500	**3,427,500**
Kitchen Renewals	700,000	700,000	700,000	700,000	700,000	**3,500,000**
Major Roofing Overhaul and Renewals	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	**7,500,000**
Window and Door Renewals	400,000	400,000	400,000	400,000	400,000	**2,000,000**
Neighbourhood Regeneration	500,000	500,000	500,000	500,000	500,000	**2,500,000**
Disabled Facilities Adaptations	250,000	250,000	250,000	250,000	250,000	**1,250,000**
Rewire	150,000	150,000	150,000	150,000	150,000	**750,000**
CO2 / Smoke Detectors	64,000	64,000	64,000	64,000	64,000	**320,000**
Sheltered Schemes	100,000	100,000	100,000	100,000	100,000	**500,000**
Energy Efficiency Improvements	70,000	70,000	70,000	70,000	70,000	**350,000**
Fire Risk Mitigation Works	300,000	300,000	300,000	-	-	**900,000**
Damp and Mould Works	100,000	100,000	100,000	100,000	100,000	**500,000**
Decarbonisation	3,200,000	-	-	-	-	**3,200,000**
High Rise Refuse Chute Renewals	150,000	150,000	150,000	-	-	**450,000**
Works to Achieve Zero Carbon	-	-	2,500,000	2,500,000	2,500,000	**7,500,000**
Sheltered Lifts and Stairlift Renewals	360,000	250,000	50,000	50,000	50,000	**760,000**
Fire Alarm Panel Renewals	50,000	-	-	-	-	**50,000**
Scooter Storage at High Rise	30,000	30,000	-	-	-	**60,000**
Upgrade Pump Rooms at High Rise	25,000	25,000	-	-	-	**50,000**
Retention of Garage Sites	750,000	-	-	-	-	**750,000**
Capital Salaries	200,000	200,000	200,000	200,000	200,000	**1,000,000**
Street Lighting	-	350,400	180,000	76,440	-	**606,840**
Telecare System Upgrades	30,000	-	-	-	-	**30,000**
Regeneration & Affordable Housing	250,000	250,000	250,000	1,750,000	1,750,000	**4,250,000**
Total HRA Capital	**10,714,500**	**6,924,900**	**8,999,500**	**9,945,940**	**9,869,500**	**46,454,340**

	Revised Bids Part 1
	Revised Bids Part 2
	New Scheme Bids
	Existing programme

Housing Revenue Account Capital Programme	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	TOTAL £
Proposed Financing:						
Major Repairs Reserve	4,116,500	2,933,500	2,933,500	2,932,500	2,933,500	**15,849,500**
HRA Capital Receipts	420,000	350,400	1,250,000	-	-	**2,020,400**
Regeneration Revenue Reserves	2,648,000	3,341,000	3,136,000	3,811,000	3,886,000	**16,822,000**
Capital Receipts from Additional Council House Sales (1-4-1)	100,000	100,000	100,000	626,000	550,000	**1,476,000**
Regeneration Reserve	2,430,000	200,000	180,000	76,440	-	**2,886,440**
Affordable Housing Reserve	-	-	1,400,000	-	-	**1,400,000**
Other	1,000,000	-	-	-	-	**1,000,000**
Unsupported Borrowing	-	-	-	2,500,000	2,500,000	**5,000,000**
Total	**10,714,500**	**6,924,900**	**8,999,500**	**9,945,940**	**9,869,500**	**46,454,340**

Contingencies 2022/23 - 2026/27

Revenue	2022/23	2023/24	2024/25	2025/26	2026/27
Specific Earmarked &	£'000	£'000	£'000	£'000	£'000
General					
General Fund					
General Contingency re Income Targets	169	169	169	169	169
Total General Contingency	169	169	169	169	169
Total GF Revenue	169	169	169	169	169
Housing Revenue Account					
HRA - General Contingency	130	130	130	130	130
Total HRA Revenue	**130**	**130**	**130**	**130**	**130**

Capital	2022/23	2023/24	2024/25	2025/26	2026/27
Specific Earmarked &	£'000	£'000	£'000	£'000	£'000
General					
General Fund					
General Contingency	**135**	**-**	**-**	**-**	**-**
Return on Investment	20	-	-	-	-
Plant & Equipment	100	-	-	-	-
Total GF Capital	**255**	**-**	**-**	**-**	**-**
Housing Revenue Account					
General Contingency	**100**	**-**	**-**	**-**	**-**
Total HRA Capital	**100**	**-**	**-**	**-**	**-**

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Thursday 2 December 2021

Report of the Leader of the Council

Future High Streets Fund Update

Not Exempt

Purpose

To Update Cabinet on the progress of the Future High Streets Fund programme

Recommendations

It is recommended that:

1. To note the report

Executive Summary

The Programme has progressed well since the previous report to the committee on 15th September 2021.

Procurement

McBains have been appointed as the lead consultant and an initial kick off meeting was held on the 7th October. Further to this an initial design team meeting took place on the 27th October. Immediate work has focussed on the programme timeline to ensure that momentum is kept up and the project continues to deliver. At the time of writing a revised programme timeline is almost agreed which has clear milestones setting out RIBA Stage completions to ensure the March 2024 deadline is complied with.

Handover

There is a project hand over stage to get the McBains team quickly up to speed, have the programme reviewed and establish working relationships and administrative tasks so that we can all work as one efficient team. For example, McBains have established a Sharepoint so that everyone in the team can upload and review documents on it, making it quicker and easier to access information and move the project forwards. These back office tasks are important and critical to successful delivery. Putting these new structures in place is taking time but will ultimately support the project.

Upto this point the project has been very linear in its progress moving from project inception to recruitment of a team, procure of resources to support the project including the multi-disciplinary team, survey work and other specialist support such as a legal team to assist.

Now that the procurement of McBains is completed and their multidisciplinary team are actively working on the programme there are multiple workstreams, including design, planning, legals, achieving vacant possession, engagement and dealing with specific town centre individuals/businesses who may be affected by proposals – and this relates not just to the programme as a whole but all of the individual projects within it.

The number of meetings and site visits have increased to reflect this workload.

Projects

College Quarter: The first round of FECTF (DfE) funding has been secured with the second round submitted on the 7th October ahead of the deadline. The outcome of the funding will be announced in the New Year. A legal agreement has been reached between the Borough Council and the college to cover the initial funding draw down to support ongoing work and ahead of funding confirmation.

It is confirmed that the Chief Executive will be attending the College Board meetings in future, which are held monthly. The Borough Council's Programme Manager already attends the South Staffordshire College Exec Team meeting, which is the equivalent to the Borough Council's delivery team meetings.

The College Board have confirmed their appointment of McBains and a kick off meeting was held on the 4th November with their architectural team ACG in attendance. Discussions are already underway regarding contractor procurement.

Heads of Terms have been agreed with the Coop and a final legal agreement is almost at the point of completion. Vacant possession of the Coop building will be in Q4 21/22 and work on Coleshill with the refurbishment of new premises for the Coop is underway.

Survey work is completed on the Coop building which is feeding into the new college design work with stage 2 at an advanced stage. The timeline is Spring for a planning submission.

Design work has begun on the new enterprise centre to be located in the refurbished part of the Coop building. Submission of a planning application is expected next Spring.

Middle Entry: Discussions are ongoing with the owners of Middle Entry, the Peer Group. The Peer Group have identified some slight problems regarding achieving vacant possession and there remains a couple of outstanding agreements that need to be agreed and signed. A meeting has been recently held with the Peer Group to accelerate this area of work to allow for the development programme to remain on track. Vacant possession is required by Q1 next year to allow for enabling and demolition works to begin. The timeline is Spring for a planning submission.

The Heads of Terms agreement between Tamworth Borough Council and the Peer Group are in abeyance until the Vacant Possession timelines can be resolved. The risks relating to this have been reflected in the risk register.

Measured Building surveys have been completed for these buildings and an onsite review of the bridge link demolitions has been undertaken with McBains.

Castle Gateway: Positive discussions continue with businesses affected by proposals. An agreement with Nationwide in relation to the Peel Café is well progressed and awaiting the resolution of a legal issue before being concluded. Heads of Terms have been agreed with the Nationwide.

Surveys are ongoing in the vacant market street properties.

Peel Café works are targeted for a planning application as soon as possible to unlock this key element of the programmes critical pathway. Design and planning meetings have been increased to allow this component to be fast tracked. At the latest an application will be submitted in February however the team are working to achieve this at the earliest opportunity.

Engagement and Communications
An initial business engagement event was held on the 13th October at the Assembly Rooms. There was a presentation about the FHSF programme and more generally the other regeneration schemes in the town centre, to demonstrate how the FHSF fits in with other aspirations. It was well attended by about 40 individuals and there was a Q and A session and the opportunity to talk 1:1 with officers. Attendees received a pack of information including details of how to access the New Transforming Tamworth website, the Borough Councils new regeneration website and crucially a portal for the FHSF where regular updates will be posted to keep people informed.

To keep up engagement momentum monthly drop in sessions will be delivered every 2nd Wednesday of the month at the business lounge in the TEC. These will run from 2-7 and businesses can drop in to discuss any issues that they have with officers. The economic development team will be engaging with market stall holders separately and with the support from operator LSD promotions. Other engagement is in development following the preparation of an engagement and communications plan, which was discussed at the Programme Board at their September meeting.

Budget and Timescales
Since the kick off meeting held with McBains the Borough Council is in a project handover phase whereby the work undertaken to date is handed over to the McBains team. As such individual project timelines are being revised, project costs are being looked at along with other project parameters including reporting mechanisms, roles and responsibilities and project risk.

Based upon the current budget and programme timelines the project is on track.

Whilst McBains will be reviewing the programme as a whole and organising the coordination of the individual projects slightly differently, the overall programme timeline remains the same, which is fund spend by the end of March 2024.

We are however awaiting the college funding announcement due in the New Year.

Indicative timescales for planning application submissions outlined in this report reflect work undertaken as part of the handover process.

In terms of budget there has been engagement with McBains on project costings. A high level review has flagged initial costing concerns. A detailed RIBA Stage 1 cost plan is targeted for the end of November 2021 to identify the scale of the issue. The Borough Council's Programme Board will be discussing the RIBA Stage 1 cost plan in more detail at their December meeting.

Based upon the current budget the programme is still on track however as set out in this report there are concerns but further design work is required to quantify if there is an issue.

Resource Implications
The Borough Councils project officer Tom Hobbs is leaving the authority on the 30th November to take up a post at another local authority.

At the Appointments and Staffing Committee in April 2021 a report was approved that sought to resource the FHSF workload with two project officers. One post was for 3 years and a second post was for two years. Tom was successful in being appointed to the three year post. The second post was designed to be appointed into and start in the Spring 2022 and cover the last two years of the project.

Following a recruitment process there were two very good candidates who had project management experience. Following approval from the Head of Paid Service and Chief Executive the decision was taken to appoint both candidates into the two project officer roles. One post will be in situ until the end of the project (March 2024) and the second post is for two years. Therefore there are no budget implications as a result of this decision. Both candidates will be starting their roles on the 29th November leaving the current post holder an opportunity to handover the projects.

Legal/Risk Implications Background

There are no legal implications.

Equalities Implications

There are no equalities issues.

Sustainability Implications

The impact of the Future High Streets Fund programme on sustainability is to be taken into account by the consultant team when designing and implementing the projects

Background Information
None

Report Author
Anna Miller – Assistant Director – Growth & Regeneration

List of Background Papers

Appendices

CABINET

2ND DECEMBER 2021

REPORT OF THE PORTFOLIO HOLDER FOR FINANCE AND CUSTOMER SERVICES

TEMPORARY RESERVES, RETAINED FUNDS AND PROVISIONS

EXEMPT INFORMATION
None

PURPOSE

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

RECOMMENDATIONS

Cabinet is asked to

1) **Approve the transfer of the reserves, totalling £155,370, as detailed in Appendix A, including £145,370 to General Fund Balances and £10,000 to Housing Revenue Account Balances (HRA); and**

2) **Note the current levels of reserves remaining.**

EXECUTIVE SUMMARY

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

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

The review has now identified unspent reserves in the sum of £145,370 for General Fund and £10,000 for Housing Revenue Account.

OPTIONS CONSIDERED

None

RESOURCE IMPLICATIONS

A summary of the current levels of reserves is provided at **Appendix A** which identifies that £155,370 can be re-purposed, of which £145,370 relates to the General Fund and £10,000 to the HRA.

LEGAL / RISK IMPLICATIONS

None

EQUALITIES IMPLICATIONS

None

SUSTAINABILITY IMPLICATIONS

None

BACKGROUND INFORMATION

None

REPORT AUTHOR

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

APPENDICES

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

Appendix A

NARRATIVE	OPENING BALANCE	MOVEMENT IN YEAR	CURRENT BALANCE	AMOUNT TO BE JOURNALED FOLLOWING SEPT REVIEW	UPDATED PROVISIONAL BALANCE 31/03/22	DATE FUND TO BE SPENT	RELEASED AUTHORISED BY	ED AND AD FINANCE REVIEW SEPT 2021	REASON FOR RETENTION MARCH 2021 REVIEW
FUTURE CAPITAL EXPENDITURE									
HOUSING CAPITAL RESERVE	(7,981,012.98)	0.00	(7,981,012.98)	0.00	(7,981,012.98)			Ok	To finance capital works on council housing, the balance being included in future capital resource projections
AFFORDABLE HOUSING DEVELOPMENT	(331,584.06)	0.00	(331,584.06)	0.00	(331,584.06)			Ok	To finance general capital works, the balance being included in future capital resource projections
CAPITAL FUND	(922,581.87)	0.00	(922,581.87)	0.00	(922,581.87)			Ok	To finance general capital works, the balance being included in future capital resource projections
TEMPORARY RESERVES									
HOUSING CONDITION SURVEY	(209,000.00)	0.00	(209,000.00)	0.00	(209,000.00)	31/03/2022	P WESTON	We have now had some prices in for the surveys and hope they can be completed before year-end. Details being finalised but could be some savings based to be released back to balances at the year end.	Relates to a one year policy change approved for carrying out various Stock Conditions but due to Covid restrictions these are now unlikely to commence until Summer 2021 and therefore a reserve is required to carry the funding forward to the new financial year

NARRATIVE	OPENING BALANCE	MOVEMENT IN YEAR	CURRENT BALANCE	AMOUNT TO BE JOURNALED FOLLOWING SEPT REVIEW	UPDATED PROVISIONAL BALANCE 31/03/22	DATE FUND TO BE SPENT	RELEASED AUTHORISED BY	ED AND AD FINANCE REVIEW SEPT 2021	REASON FOR RETENTION MARCH 2021 REVIEW
FORMER TENANT ARREARS POST	(30,000.00)	0.00	(30,000.00)	0.00	(30,000.00)	31/03/2022	T MUSTAFA	£15k released in Oct 2021 to meet cost of staff however now resigned so may need to return some funds to meet cost in 2022/23 of staff.	Former tenant Arrears post ¿ 2020/21 Policy change for 1 year to recruit a post within Revenues to deal with FT arrears. Mike Buckland plans to recruit shortly so the money needs to be carried forward. Original policy change was £26K but costs will have increased in the interim so £30K now requested as a max. figure
EXTEND INCOME TEAM TEMP STAFF	(10,000.00)	0.00	(10,000.00)	10,000.00	0.00	30/09/2021	T MUSTAFA	No longer required - release back to balances	Income Team temporary agency cover. Requested to fund an extension to a temp who is currently covering sick leave and vacant hours. Costs approx. £2K pm and will be reviewed monthly as member of staff doing a RTW over 4-6 weeks and will also be requesting approval to recruit to the vacant hours
EXTEND RESIDENT SUPPORT POST	(33,600.00)	33,600.00	0.00	0.00	0.00	31/03/2022	T MUSTAFA	All released	Extension to temporary post of Resident Support Officer at Eringden for a further year. Due to the delay in recruiting to this post followed by the impact of Covid lockdowns it hasn't been possible to do a report to review the success of this initiative and the extension will allow for the impact assessment to be completed by March 2022
FIRE SAFETY RE HIGH RISE BUILD	(275,000.00)	0.00	(275,000.00)	0.00	(275,000.00)	31/03/2022	P WESTON	Legislation still hasn't been formalised and we are now in the process of deciphering the outcomes of the initial survey work which will steer the next phase of the project.	20/21 Policy changes HRA 8,9, and 10 not yet spent but surveys, fire risk assessments and fire safety manuals are to be completed in 21/22 as required by legislation

NARRATIVE	OPENING BALANCE	MOVEMENT IN YEAR	CURRENT BALANCE	AMOUNT TO BE JOURNALED FOLLOWING SEPT REVIEW	UPDATED PROVISIONAL BALANCE 31/03/22	DATE FUND TO BE SPENT	RELEASED AUTHORISED BY	ED AND AD FINANCE REVIEW SEPT 2021	REASON FOR RETENTION MARCH 2021 REVIEW
HRA HIRE OF SECURITY	(15,000.00)	15,000.00	0.00	0.00	0.00	31/03/2022	Z WOLICKI	All released	The budget for Hire of Security was for a three year period ending 20/21, however, this service is currently still required pending finalisation of options for Marmion House.
ICT CYBER SECURITY TRAINING	(6,000.00)	0.00	(6,000.00)	0.00	(6,000.00)	31/03/2022	Z WOLICKI	All released Oct 2021	Gov't grant received for IT training - two places required and funding for second place identified from underspent budget
CLIMATE CHANGE	(105,000.00)	0.00	(105,000.00)	0.00	(105,000.00)	31/03/2022	S GARNER	OK	Budget established in 21/22 to tackle climate change but unspent
TRAINING	(42,110.00)	10,000.00	(32,110.00)	17,110.00	(15,000.00)	31/03/2022	Z WOLICKI	£10k released Oct 2021 a further £15K required to meet commitments till the year end	Includes £30k earmarked for Leadership Development Programme plus funds for other training put on hold pending organisational change/post pandemic
FLEXI HOMELESS SUPPORT GRANT	(218,405.00)	0.00	(218,405.00)	0.00	(218,405.00)		T MUSTAFA	£84k proposed quick win saving from R&R Phase 1 for 2022/23. To be used to meet cost from Homelessness Prevention spend plan.	No budget for Homelessness Prevention for 2021/22 onwards, therefore the spend plan identified in the Nov 2020 report will need to be met from this reserve and any future grant provision. £100k to be needed for TAC contract
CUSTOMER PORTAL APIS	(30,000.00)	0.00	(30,000.00)	30,000.00	0.00		L PUGH	To be returned to Balances as costs met from budget within year	Unspent government grant re welfare reform to be utilised in development of customer portal and specifically to fund cost of APIs - customer portal project has been delayed so these funds have not been spent yet but are still required
PEER CHALLENGE	(53,000.00)	0.00	(53,000.00)	53,000.00	0.00		S GARNER	To be returned to Balances as costs met from budget within year	To meet costs of peer challenge in 2021
LEISURE STRATEGY	(41,000.00)	0.00	(41,000.00)	0.00	(41,000.00)	31/03/2022	S McGRANDLE	OK	Review of Leisure Services and Strategy postponed but will still need to fund work.

NARRATIVE	OPENING BALANCE	MOVEMENT IN YEAR	CURRENT BALANCE	AMOUNT TO BE JOURNALED FOLLOWING SEPT REVIEW	UPDATED PROVISIONAL BALANCE 31/03/22	DATE FUND TO BE SPENT	RELEASED AUTHORISED BY	ED AND AD FINANCE REVIEW SEPT 2021	REASON FOR RETENTION MARCH 2021 REVIEW
INNOVATIVE GRANTS	(15,000.00)	0.00	(15,000.00)	0.00	(15,000.00)	31/03/2022	J SANDS	OK	Retained LDF underspent due to COVID. Spend working with Support Staffordshire to retain volunteers/Covid response
CCTV RESIDUAL COSTS	(6,000.00)	0.00	(6,000.00)	6,000.00	0.00	31/03/2022	T MUSTAFA	No longer required - release back to balances	CCTV unforeseen costs following transfer of service to WMCA. Invoices still being received for CCTV office at Ankerside as it has not yet been de-commissioned
HEART OF TAMWORTH SUMMER SCHEM	(5,000.00)	0.00	(5,000.00)	0.00	(5,000.00)		J SANDS	All released Oct 2021	To be discussed with SCC due to no Oct activities. Retain for activities in 21/22. This is SCC money
CYBER SECURITY IMPROVEMENTS	(5,000.00)	0.00	(5,000.00)	0.00	(5,000.00)		Z WOLICKI	OK	LGA grant re improvements to cyber security - will be spent later in the year
GUNGATE CONSULTANTS FEES	(17,860.00)	0.00	(17,860.00)	17,860.00	0.00	31/03/2021	S GARNER	Costs paid from CIS budget so can be returned to balances	Remaining unspent funds to be c/f as work continuing Gungate, Solway & Amington
SCC SPORT COM. DIVERSION ACTIV	(9,900.00)	9,900.00	0.00	0.00	0.00		J SANDS	All released	For release to GY1603 for diversionary activity by 31 March 2021
SCANNING ENV. HEALTH	(15,500.00)	0.00	(15,500.00)	0.00	(15,500.00)	31/03/2022	A MILLER	OK	To scan all paperwork team carried over to Marmion House, 12 months to go paperless. This workload has been delayed due to Covid and the workload of the environmental health team.

NARRATIVE	OPENING BALANCE	MOVEMENT IN YEAR	CURRENT BALANCE	AMOUNT TO BE JOURNALED FOLLOWING SEPT REVIEW	UPDATED PROVISIONAL BALANCE 31/03/22	DATE FUND TO BE SPENT	RELEASED AUTHORISED BY	ED AND AD FINANCE REVIEW SEPT 2021	REASON FOR RETENTION MARCH 2021 REVIEW
CASTLE PROPOSALS	(47,108.00)	47,108.00	0.00	0.00	0.00	31/03/2022	A MILLER	All released	Fund to be used to improve and upgrade numerous areas of the castle. This work has been delayed due to Covid and the Castle's closure. In addition it is proving difficult to get the necessary consent from Historic England - they have not been undertaking site visits since the first lockdown in March.
HSG GEN FUND WORKS IN DEFAULT	(5,000.00)	0.00	(5,000.00)	0.00	(5,000.00)	31/03/2022	J SANDS	OK	Subject to consideration as part of corporate enforcement policy - ongoing
HSG STRATEGY TEMP. COVER	(9,800.00)	0.00	(9,800.00)	9,800.00	0.00	31/03/2022	J SANDS	No longer required - release back to balances	To be spent by 31 March 2022 - ongoing support required by temp staff due to sickness absence
OUTDOOR/COMMUNITY EVENTS	(35,000.00)	0.00	(35,000.00)	0.00	(35,000.00)		S McGRANDLE	OK	To provide community and outdoor events as the Assembly Rooms may be out of action for a while. Will enable events to switch to outside and fund additional staging & set up costs
COMMUNITY PROJECTS	(26,000.00)	0.00	(26,000.00)	0.00	(26,000.00)		S McGRANDLE	OK	To engage in community projects instead of the usual Britain in Bloom/flower planting in the summer. To be reviewed at end of year
ASSESSABLE FUNDING	(15,000.00)	0.00	(15,000.00)	0.00	(15,000.00)	31/03/2022	P WESTON	OK	AccessAble 2020/21 Policy change requested by A Barratt & Leader to fund AccessAble disability access audits on open spaces and buildings. Work not commenced due to Covid so funding needs to be carried forward to next year

NARRATIVE	OPENING BALANCE	MOVEMENT IN YEAR	CURRENT BALANCE	AMOUNT TO BE JOURNALED FOLLOWING SEPT REVIEW	UPDATED PROVISIONAL BALANCE 31/03/22	DATE FUND TO BE SPENT	RELEASED AUTHORISED BY	ED AND AD FINANCE REVIEW SEPT 2021	REASON FOR RETENTION MARCH 2021 REVIEW
CONDITIONS SURVEYS	(60,000.00)	60,000.00	0.00	0.00	0.00	31/03/2022	P WESTON	All released	Condition Surveys ¿ 2020/21 Policy change for £50K on each cost centre. £20K committed on each for work already tendered but further work still to be done and remaining budget will need to be carried forward to new financial year
PROPERTY INSURANCE VALUATION	(110,000.00)	0.00	(110,000.00)	0.00	(110,000.00)		L PUGH	OK	A review of the insurance valuation for the property portfolio is required, this will start with the General fund property, industrial commercial, leasehold and then council houses. If the reserve is insufficient for all additional funds will need to be identified.
REVENUES TEMP STAFF/SUPPORT	(28,040.00)	0.00	(28,040.00)	0.00	(28,040.00)		L PUGH	OK - required to cover LT sickness	The intention is to use these funds towards Temporary Staff cost that will be required in 2021/22 to support the Revenue Team.
ELECTION PRINTING & POSTAGE	(11,600.00)	0.00	(11,600.00)	11,600.00	0.00		Z WOLICKI	No longer required - release back to balances	Due to the significantly increased uptake in postal voting, it is expected that additional funds will be required to help cover additional cost of printing and postage
E-FINANCIALS UPGRADE	(41,000.00)	41,000.00	0.00	0.00	0.00	31/03/2022	S GARNER	All released	Funds identified from 20/21 budgets for e-Fins upgrade which will not now go ahead until September 2021
TEMP TSA MATERNITY COVER	(6,000.00)	6,000.00	0.00	0.00	0.00	31/03/2022	L PUGH	All released	
GF HIRE OF SECURITY	(15,000.00)	15,000.00	0.00	0.00	0.00	31/03/2022	Z WOLICKI	All released	The budget for Hire of Security was for a three year period ending 20/21, however, this service is currently still required pending finalisation of options for Marmion House.

NARRATIVE	OPENING BALANCE	MOVEMENT IN YEAR	CURRENT BALANCE	AMOUNT TO BE JOURNALED FOLLOWING SEPT REVIEW	UPDATED PROVISIONAL BALANCE 31/03/22	DATE FUND TO BE SPENT	RELEASED AUTHORISED BY	ED AND AD FINANCE REVIEW SEPT 2021	REASON FOR RETENTION MARCH 2021 REVIEW
TEMP COMMS ASST POST	(28,000.00)	28,000.00	0.00	0.00	0.00	31/03/2022	Z WOLICKI	All released	Per business case, to fund temp Communications Assistant post for 1 year
VEHICLE HIRE - CLEANING REVIEW	(16,160.00)	16,160.00	0.00	0.00	0.00	31/03/2022	P WESTON	All released	Budget not spent in 2020/21 financial year due to delay with implementing Cleaning Service Review due to Covid. Issue with upload of Policy Changes resulted in a credit budget being created on this code. To rectify this an adjustment was done from GP030111010 (Marmion House Electricity) as a large underspend has occurred on this code in 2020/21 due to reduced running costs for Marmion House. Trevor Wylie has advised there is still a requirement to hire vehicles in new financial year 2021/22 to carry out Cleaning Services.
EMA TEMP STAFF	(9,000.00)	0.00	(9,000.00)	0.00	(9,000.00)	31/03/2022	S McGRANDLE	OK	Budget not spent in FY 20/21 due to probation service suspended. To fund temp EMA staff in 21/22. Funded from GW1801 probation service underspend and salaries.
LEGAL FEES ASSEMBLY ROOMS	(15,000.00)	15,000.00	0.00	0.00	0.00	31/03/2022	S McGRANDLE	All released	Agreed at Cabinet 18/12/20 to fund forensic examination of KOK - from GX0604
FOLLOWSPOT PURCHASE	(5,000.00)	5,000.00	0.00	0.00	0.00	31/03/2022	S McGRANDLE	All released	To continue to fund Followspot as not enough funding from cultural recovery fund to cover this. Rec'd Apr 21
STREET LIGHTING MAINTENANCE	(6,700.00)	6,700.00	0.00	0.00	0.00	31/03/2022	S McGRANDLE	All released	Eon repairs delayed start-due to Brexxit and pandemic- for completion May 21

NARRATIVE	OPENING BALANCE	MOVEMENT IN YEAR	CURRENT BALANCE	AMOUNT TO BE JOURNALED FOLLOWING SEPT REVIEW	UPDATED PROVISIONAL BALANCE 31/03/22	DATE FUND TO BE SPENT	RELEASED AUTHORISED BY	ED AND AD FINANCE REVIEW SEPT 2021	REASON FOR RETENTION MARCH 2021 REVIEW
PICNIC BENCHES CASTLE GROUNDS	(6,082.00)	6,082.00	0.00	0.00	0.00	31/03/2022	S McGRANDLE	All released	Goods delayed due to Brexxit and pandemic- due early April , order number EM06190
RAMORA DEEP CLEANSING	(9,500.00)	9,500.00	0.00	0.00	0.00	31/03/2022	S McGRANDLE	All released	EM05883 GW1801 -delays due to staff illnesses from Covid. To do work in 21/22
TEC DOOR SYSTEM	(8,000.00)	8,000.00	0.00	0.00	0.00	31/03/2022	A MILLER	All released	Delays in procuring the system due to effects of the pandemic but work to be done April 21
PLANNING TEMP STAFF	(22,000.00)	22,000.00	0.00	0.00	0.00	31/03/2022	A MILLER	All released	Business case singed off to fund temp staff in 21/22 to cover workload of planning department
ENV HEALTH TEMP STAFF	(85,000.00)	15,000.00	(70,000.00)	0.00	(70,000.00)	31/03/2022	A MILLER	ok	Covid pandemic response funding from SCC to help backfill posts and respond to backlogs of EH work
PROTECTIVE FLOOR CASTLE GRDS	(5,000.00)	5,000.00	0.00	0.00	0.00	31/03/2022	S McGRANDLE	All released	GW1801 as contractor failed to meet order due to Council failing a credit check.
HARDSHIP FUNDING 2020/21	(76,067.11)	0.00	(76,067.11)	0.00	(76,067.11)	31/03/2022	L PUGH	OK - grant funding for ctax hardship payments	Hardship funding from DWP
CASTLE GROUNDS TARMAC WRKS SCC	(7,471.00)	7,471.00	0.00	0.00	0.00	31/03/2022	S McGRANDLE	All released	Delayed due to pandemic, order Number EM05890 - GW1801 works commencing 7th April
RETAINED FUNDS									
HSG PROPERTY INSURANCE EXCESS	(129,616.16)	0.00	(129,616.16)	0.00	(129,616.16)		L PUGH	ok	Prudential accounting for potential liabilities

NARRATIVE	OPENING BALANCE	MOVEMENT IN YEAR	CURRENT BALANCE	AMOUNT TO BE JOURNALED FOLLOWING SEPT REVIEW	UPDATED PROVISIONAL BALANCE 31/03/22	DATE FUND TO BE SPENT	RELEASED AUTHORISED BY	ED AND AD FINANCE REVIEW SEPT 2021	REASON FOR RETENTION MARCH 2021 REVIEW
IMPS ORCHARD-FUNDING HOME & TT	(84,040.00)	15,000.00	(69,040.00)	0.00	(69,040.00)		Z WOLICKI	ok	Several projects still outstanding, including costs for implementation of Customer Portal
MAINTENANCE & SECURITY UPGRADE	(60,285.00)	0.00	(60,285.00)	0.00	(60,285.00)		T MUSTAFA	Still required for the digital upgrades across all Schemes plus High Rise Blocks & the Life Line upgrade at Thomas Hardy Court.	Still required for the digital upgrades across all Schemes plus High Rise Blocks & the Life Line upgrade at Thomas Hardy Court. Paul Weston also informed this budget is available to cover the associated costs (understood that Barry Curtis is leading on the project)
HRA LEGAL FEES	(20,000.00)	0.00	(20,000.00)	0.00	(20,000.00)		T MUSTAFA	Needed to fund additional costs to South Staffs as agreed in Cabinet report	Retained fund required for potential additional legal fees outside of those provided by the Legal shared service agreement (agreed as part of Cabinet report)
CASTLE ACESSION FUND	(7,430.00)	6,774.00	(656.00)	0.00	(656.00)		A MILLER	ok	£1500 from the Accessions budget is transferred to the reserves each year if it is not spent but then the retained fund was capped at £10,000. This was so that if we needed to make a large collection purchase we could do that. There is never any more than £1500 so we will never be able to build up this fund again. So Again the purpose for this fund was as follows ¿To support the castle collections, either by enabling the purchase of equipment to support the storage and care of the collections, or to purchase one-off pieces with relevant provenance to supplement the collections¿.
INSURANCE-THIRD PARTY EXCESS	(137,942.74)	7,798.34	(130,144.40)	0.00	(130,144.40)		L PUGH	ok	Prudential accounting for potential liabilities

NARRATIVE	OPENING BALANCE	MOVEMENT IN YEAR	CURRENT BALANCE	AMOUNT TO BE JOURNALED FOLLOWING SEPT REVIEW	UPDATED PROVISIONAL BALANCE 31/03/22	DATE FUND TO BE SPENT	RELEASED AUTHORISED BY	ED AND AD FINANCE REVIEW SEPT 2021	REASON FOR RETENTION MARCH 2021 REVIEW
4 FUTURE MEMORIAL INSP/MAINT	(50,000.00)	0.00	(50,000.00)	0.00	(50,000.00)		S McGRANDLE	ok	Funding for ongoing inspection, testing & maintenance of memorials, capped at £50,000 Cabinet 30
CAR PARKS MAINTENANCE	(66,729.00)	0.00	(66,729.00)	0.00	(66,729.00)		A MILLER	ok	This fund will be fully used as per capital bid, for new car park machines by end of Q2 21/22.
TREE MAINTENANCE BOROUGH WIDE	(12,755.00)	0.00	(12,755.00)	0.00	(12,755.00)		S McGRANDLE	ok	To provide funding for further felling, removal and replanting of trees across the borough as necessary
TOWN CENTRE STRATEGY	(109,289.00)	20,000.00	(89,289.00)	0.00	(89,289.00)		A MILLER	ok	Consolidated reserve to support The Town Centre Strategy as reported to Cabinet on 8th November 2018. Will be used over a 5 year period.
EXTERNAL SUPPORT	(31,505.00)	0.00	(31,505.00)	0.00	(31,505.00)		S GARNER	ok	As Internal Audit is not hosted as a permanent resource in-house, these funds are required in the event that additional external support is needed eg for a special investigation or specialist audits, particularly during shared service arrangements with Lichfield DC. Request for additional funds of £3,900 to be added towards audit of the Castle and Assembly Rooms which could not be completed in 2020/21 and will be carried out in 2021/22 in addition to the already set up audit plan

NARRATIVE	OPENING BALANCE	MOVEMENT IN YEAR	CURRENT BALANCE	AMOUNT TO BE JOURNALED FOLLOWING SEPT REVIEW	UPDATED PROVISIONAL BALANCE 31/03/22	DATE FUND TO BE SPENT	RELEASED AUTHORISED BY	ED AND AD FINANCE REVIEW SEPT 2021	REASON FOR RETENTION MARCH 2021 REVIEW
LSPA LOCALITY WORKING RESERVE	(85,905.86)	0.00	(85,905.86)	0.00	(85,905.86)		J SANDS	ok	To be retained as per Cabinet agreement as part of community development review in 2017 - funding for commissioning for VCSE. Connecting Communities grant funding which has not been made available this year. Consideration as part of Corporate R&R project - vulnerabilities
LPSA2 GRANT ASB	(43,506.50)	0.00	(43,506.50)	0.00	(43,506.50)		J SANDS	ok	No plans for expenditure at this time
DWP UC/NEW BURDENS GRANT	(102,356.00)	42,670.00	(59,686.00)	0.00	(59,686.00)		L PUGH	ok	Contribution from additional Gov't grants, including test and trace support costs
GF PROPERTY INSURANCE EXCESS	(31,034.00)	0.00	(31,034.00)	0.00	(31,034.00)		L PUGH	ok	Prudential accounting for potential liabilities
gf MOTOR INSURANCE EXCESS	1,191.00	0.00	1,191.00	0.00	1,191.00		L PUGH	ok	Prudential accounting for potential liabilities
TOWN HALL IMPROVEMENTS	(27,400.00)	4,710.00	(22,690.00)	0.00	(22,690.00)		Z WOLICKI	ok	Required to fund redecoration & improvements to Town Hall (no other budgetary funding available)
LEGAL FEES	(11,000.00)	0.00	(11,000.00)	0.00	(11,000.00)		A GOODWIN	ok	Underspent legal fees budget to retained fund re potential future legal costs in excess of base budget provision/outside scope of Legal shared service

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INDIVIDUAL VOTER REGISTRATION	(17,170.00)	0.00	(17,170.00)	0.00	(17,170.00)		Z WOLICKI	ok	Retained fund established from New Burdens grant to meet the requirements of IVR and additional staffing, printing, postage and equipment/systems costs. It is also required to bolster funds available for additional unbudgeted elections.
MAINT. OF A5 BALANCING PONDS	(200,965.45)	0.00	(200,965.45)	0.00	(200,965.45)		S McGRANDLE	ok	When the A5 bypass was constructed, a network of 8 balancing ponds and reedbeds were also constructed alongside it to take excess water from the surface of the road and prevent this water being discharged as either groundwater or surface water, and also to reduce the effects of certain pollutants from the carriageway. Over time these balancing ponds which flow from Kettlebrook through to Tamworth centre become 'silted' up and have to be cleansed. A recent survey of the ponds has highlighted the fact that the original commuted sum set aside to maintain these ponds is insufficient and further funding is required in order to support the proposed 10 year maintenance plan. Therefore it is proposed that the surplus revenue from the Highway Maintenance budget be retained to assist in the delivery of this cleansing and maintenance programme.
BUSINESS RATES COLLECTION	(8,674,286.00)	0.00	(8,674,286.00)	0.00	(8,674,286.00)		S GARNER	ok	Annual Budgeted contribution £150k for business rates equalisation & potential need for £215.45k Staffs Pilot Contingency

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SPORTS GRANT	(2,400.00)	0.00	(2,400.00)	0.00	(2,400.00)		S McGRANDLE	ok	Required for Tamworth BMX club to draw against for track maintenance.
ECONOMIC DEVELOPMENT SHARED SE	(9,052.50)	0.00	(9,052.50)	0.00	(9,052.50)		A MILLER	ok	to contibute to temp post to support income generation for 18 months across car parks and street trading
CONSERVATION GRANTS	(27,557.00)	0.00	(27,557.00)	0.00	(27,557.00)		A MILLER	£5k released Nov 2021	£25k of this fund has already been used to support the Town Centre Strategy over a period of 5 years, as previously reported to Cabinet. It is requested the remainder be retained to provide Conservation Grants as £6k of the annual revenue budget for Conservation Grants has been earmarked for virement to an annual revenue budget for Town Centre Strategy.
LOCAL PLAN	(251,969.00)	40,000.00	(211,969.00)	0.00	(211,969.00)		A MILLER	ok	A Local Plan Review will be initiated in 2021. A report will go to cabinet setting out the timetable in July.
EXPAND BILDING CONT PARTNSHIP	(12,420.00)	0.00	(12,420.00)	0.00	(12,420.00)		A MILLER	ok	This is Tamworth's share of the returned earmarked reserve from the Southern Staffs Building Control Partnership, and is required to be retained for future in line with the agreement.
PLANNING INVEST FROM FEE INC	(36,190.00)	0.00	(36,190.00)	0.00	(36,190.00)		A MILLER	ok	The Government increased nationally set planning fees by 20% on 17th January 2018 on the understanding that the increase would be re-invested into the planning service. It is requested that this fund is created to make improvements and efficiencies to the service and provide transparency.

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PROPERTY FUND INVESTMENT COSTS	(600,000.00)	0.00	(600,000.00)	0.00	(600,000.00)		S GARNER	ok	Contribution to reserve for potential cost of property fund investment purchases (stamp duty, valuation changes etc.) and changes in valuation not covered by mitigation regulations
FINANCIAL & DEBT ADVICE	(72,850.00)	0.00	(72,850.00)	0.00	(72,850.00)		T MUSTAFA	There is a new 5 year contract for Financial & Debt Advice and we are committed to contribute £20k each year toward the Services. In 2021/22 there was sufficient HPG to contribute towards this contract, therefore this reserve was not used but need top be retained for future years.	No ongoing budget to fund contract for Financial & Debt Advice, crucial to the prevention of homelessness, to be funded from unspent Flexible Homelessness Support grant
GROWTH HUB	(6,793.92)	0.00	(6,793.92)	0.00	(6,793.92)		A MILLER	ok	to contribute to temp post to support income generation for 18 months across car parks and street trading policy
BELGRAVE 3G PITCH MAINTENANCE	(19,325.00)	12,644.00	(6,681.00)	0.00	(6,681.00)		S McGRANDLE	ok	Sinking fund required at £25k per year as per agreement with football foundation for maintenance costs.
COVID 19 RESPONSE	(100,000.00)	87,510.00	(12,490.00)	0.00	(12,490.00)		S GARNER	ok	COVID 19 costs
LANDSCAPE UPPER LAWN CASTLE GR	(49,302.00)	0.00	(49,302.00)	0.00	(49,302.00)		S McGRANDLE	ok	Landscaping of upper lawn at castle grounds as part of FHSF work. Essential to improving entrance and visual of castle
SKILLS OFFICER GRANT	(10,400.00)	10,400.00	0.00	0.00	0.00		A MILLER	All released	underspend on a GBSLEP funded project. Agreed to be retained with top up from GBSLEP for future project

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ECONOMIC DEVELOPMENT SKILLS	(20,000.00)	5,000.00	(15,000.00)	0.00	(15,000.00)		A MILLER	ok	To fund business support activities x4yrs. spend on events, communication, marketing with agreed business plan
ED ARG ASSISTANT	(15,000.00)	0.00	(15,000.00)	0.00	(15,000.00)		A MILLER	ok	To use to fund economic Development Assistant for financial year 2022 / 2023 as per approved business case.
SECTION 106 CAPITAL CONTRIBUTIONS									
CAPITAL FUND	(372,290.16)	0.00	(372,290.16)	0.00	(372,290.16)			ok	
COMMUTED SUMS RESERVES									
OPEN SPACE MAINTENANCE	(459,831.73)	459,831.73	0.00	0.00	0.00			ok	
OPEN SPACE ENHANCEMENT	(186,691.44)	320,924.00	134,232.56	0.00	134,232.56			ok	
LEISURE CENTRE CONTRIB	(146,670.86)	146,670.86	0.00	0.00	0.00			ok	
STORM WATER DRAINAGE MAINT.	(427,108.74)	427,108.74	0.00	0.00	0.00			ok	
OPEN SPACE PURCHASE	(119,683.10)	119,683.10	0.00	0.00	0.00			ok	
RECREATION/LEISURE FACILITIES	(770,493.05)	943,002.44	172,509.39	0.00	172,509.39			ok	
AGREEMENT MONITORING	(8,767.00)	8,767.00	0.00	0.00	0.00			ok	
C I L ADMIN 5%	(13,191.60)	13,191.60	0.00	0.00	0.00			ok	
C I L COMMUNITY 15%	(575.00)	39,576.83	39,001.83	0.00	39,001.83			ok	

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C I L STRATEGIC 80%	(3,066.00)	211,075.68	208,009.68	0.00	208,009.68			ok	
OTHER RESERVES									
HOUSING TRANSFORMATION RESERVE	(62,104.00)	0.00	(62,104.00)	0.00	(62,104.00)		S GARNER	Ok - will need to consider additional transfer to HRA transformation funding from 2021/22 underspends	To be released to HRA to fund transformation projects
CONTROL ACCOUNT	(87,529.11)	0.00	(87,529.11)	0.00	(87,529.11)		S GARNER	ok	
TRANSFORMATION RESERVE	(2,469,383.00)	100,100.00	(2,369,283.00)	0.00	(2,369,283.00)		S GARNER	ok - £1.273m to be used for R&R capital programme financing 2022/23 onwards & £250k for R&R programme management & other costs	Held for Transformation projects associated with Recovery and Reset Programme and / or to fund the MTFS requirement in the Medium Term.
TOTAL RESERVES	**(27,348,750.94)**	**3,423,959.32**	**(23,924,791.62)**	**155,370.00**	**(23,769,421.62)**				

CABINET

THURSDAY 2ND DECEMBER 2021

COUNCIL

TUESDAY 14th DECEMBER 2021

REPORT OF THE PORTFOLIO HOLDER FOR FINANCE AND CUSTOMER SERVICES

TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY MID-YEAR REVIEW REPORT 2021/22

EXEMPT INFORMATION

None

PURPOSE

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

RECOMMENDATIONS

That Council be requested to approve the Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2021/22.

EXECUTIVE SUMMARY

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

- An economic update for the half of the 2021/22 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's Capital expenditure as set out in the Capital Strategy, and Prudential Indicators;
- A review of the Council's investment portfolio for 2021/22;
- A review of the Council's borrowing strategy for 2021/22;
- A review of any debt rescheduling undertaken during 2021/22;
- A review of compliance with Treasury and Prudential Limits for 2021/22.

The main issues for Members to note are:

1. The Council has complied with the professional codes, statutes and guidance.

2. There are no issues to report regarding non-compliance with the approved prudential indicators.
3. The investment portfolio yield, excluding property fund returns, for the first six months of the year is 0.26% (0.77% for the same period in 2020/21) compared to the 3 Month LIBID benchmark rate of -0.043% (0.11% for the same period in 2020/21).

The aim of this report is to inform Members of the treasury and investment management issues to enable all Members to have ownership and understanding when making decisions on Treasury Management matters. In order to facilitate this, training on Treasury Management issues was most recently delivered for Members in November 2019 with further training on the Corporate Capital Strategy in February 2020, and will be provided as and when required. Further training is planned in February 2022.

RESOURCE IMPLICATIONS

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

LEGAL/RISK IMPLICATIONS BACKGROUND

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

SUSTAINABILITY IMPLICATIONS

None

BACKGROUND INFORMATION

In December 2017, the Chartered Institute of Public Finance and Accountancy (CIPFA) issued revised Prudential and Treasury Management Codes. These require all local authorities to prepare a Capital Strategy which is to provide the following:-

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

A report setting out our updated Capital Strategy will be included with the Budget and Medium Term Financial Strategy report presented to Cabinet and Council in February 2022.

The CIPFA Code of Practice on Treasury Management (revised 2017) suggests that Members should be informed of Treasury Management activities at least twice a year, but preferably quarterly. This is the second monitoring report for 2021/22 presented to Members this year and therefore ensures the Council is embracing best practice. Cabinet also receives regular monitoring reports as part of the quarterly healthcheck on

Treasury Management activities and risks.

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

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

Accordingly, Treasury Management is defined as:

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

Introduction

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

The primary requirements of the Code are as follows:

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

1. Economic Update and Interest Rates

1.1 MPC meeting 24.9.21

The Monetary Policy Committee (MPC) voted unanimously to leave Bank Rate unchanged at 0.10% and made no changes to its programme of quantitative easing purchases due to finish by the end of this year at a total of £895bn; two MPC members voted to stop the last £35bn of purchases as they were concerned that this would add to inflationary pressures.

There was a major shift in the tone of the MPC's minutes at this meeting from the previous meeting in August which had majored on indicating that some tightening in monetary policy was now on the horizon, but also not wanting to stifle economic recovery by too early an increase in Bank Rate. In his press conference after the August MPC meeting, Governor Andrew Bailey said, "the challenge of avoiding a steep rise in unemployment has been replaced by that of ensuring a flow of labour into jobs" and that "the Committee will be monitoring closely the incoming evidence regarding developments in the labour market, and particularly unemployment, wider measures of slack, and underlying wage pressures." In other words, it was flagging up a potential danger that labour shortages could push up wage growth by more than it expects and that, as a result, CPI inflation would stay above the 2% target for longer. It also discounted sharp increases in monthly inflation figures in the pipeline in late 2021 which were largely propelled by events a year ago e.g., the cut in VAT in August 2020 for the hospitality industry, and by temporary shortages which would eventually work their way out of the system: in other words, **the MPC had been prepared to look through a temporary spike in inflation.**

So, in August the country was just put on alert. However, this time the MPC's words indicated there had been a marked increase in concern that more recent increases in prices, particularly the increases in gas and electricity prices in October and due again next April, are, indeed, likely to lead to **faster and higher inflation expectations and underlying wage growth, which would in turn increase the risk that price pressures would prove more persistent next year than previously expected. Indeed, to emphasise its concern about inflationary pressures, the MPC pointedly chose to reaffirm its commitment to the 2% inflation target in its statement;** this suggested that it was now willing to look through the flagging economic recovery during the summer to prioritise bringing inflation down next year. This is a reversal of its priorities in August and a long way from words at earlier MPC meetings which indicated a willingness to look through inflation overshooting the target for limited periods to ensure that inflation was 'sustainably over 2%'. Indeed, whereas in August the MPC's focus was on getting through a winter of temporarily high energy prices and supply shortages, believing that inflation would return to just under the 2% target after reaching a high around 4% in late 2021, now its primary concern is that underlying price pressures in the economy are likely to get embedded over the next year and elevate future inflation to stay significantly above its 2% target and for longer.

Financial markets are now pricing in a first increase in Bank Rate from 0.10% to 0.25% in February 2022, but this looks ambitious as the MPC has stated that it wants to see what happens to the economy, and particularly to employment once furlough ends at the end of September. At the MPC's meeting in February it will only have available the employment figures for November: to get a clearer picture of employment trends, it would need to wait until the May meeting when it would have data up until February. At its May meeting, it will also have a clearer understanding of the likely peak of inflation.

The MPC's forward guidance on its intended monetary policy on raising Bank Rate versus selling (quantitative easing) holdings of bonds is as follows: -

1. Placing the focus on raising Bank Rate as "the active instrument in most circumstances".
2. Raising Bank Rate to 0.50% before starting on reducing its holdings.
3. Once Bank Rate is at 0.50% it would stop reinvesting maturing gilts.
4. Once Bank Rate had risen to at least 1%, it would start selling its holdings.

COVID-19 vaccines. These have been the game changer which have enormously boosted confidence that **life in the UK could largely return to normal during the summer** after a third wave of the virus threatened to overwhelm hospitals in the spring. With the household saving rate having been exceptionally high since the first lockdown in March 2020, there is plenty of pent-up demand and purchasing power stored up for services in hard hit sectors like restaurants, travel and hotels. The big question is whether mutations of the virus could develop which render current vaccines ineffective, as opposed to how quickly vaccines can be modified to deal with them and enhanced testing programmes be implemented to contain their spread.

US. See comments below on US treasury yields.

EU. The slow role out of vaccines initially delayed economic recovery in early 2021 but the vaccination rate has picked up sharply since then. After a contraction in GDP of -0.3% in Q1, Q2 came in with strong growth of 2%, which is likely to continue into Q3, though some countries more dependent on tourism may struggle. Recent sharp increases in gas and electricity prices have increased overall inflationary pressures but the ECB is likely to see these as being only transitory after an initial burst through to around 4%, so is unlikely to be raising rates for a considerable time.
German general election. With the CDU/CSU and SDP both having won around 24-26% of the vote in the September general election, the composition of Germany's next coalition government may not be agreed by the end of 2021. An SDP-led coalition would probably pursue a slightly less restrictive fiscal policy, but any change of direction from a CDU/CSU led coalition government is likely to be small. However, with Angela Merkel standing down as Chancellor as soon as a coalition is formed, there will be a hole in overall EU leadership which will be difficult to fill.

China. After a concerted effort to get on top of the virus outbreak in Q1 2020, economic recovery was strong in the rest of the year; this enabled China to recover all the initial contraction. During 2020, policy makers both quashed the virus and implemented a programme of monetary and fiscal support that was particularly effective at stimulating short-term growth. At the same time, China's economy benefited from the shift towards online spending by consumers in developed markets. These factors helped to explain its comparative outperformance compared to western economies during 2020 and earlier in 2021. However, the pace of economic growth has now fallen back after this initial surge of recovery from the pandemic and China is now struggling to contain the spread of the Delta variant through sharp local lockdowns - which will also depress economic growth. There are also questions as to how effective Chinese vaccines are proving. In addition, recent regulatory actions motivated by a political agenda to channel activities into officially approved directions, are also likely to reduce the dynamism and long-term growth of the

Chinese economy.

Japan. 2021 has been a patchy year in combating Covid. However, after a slow start, nearly 50% of the population are now vaccinated and Covid case numbers are falling. After a weak Q3 there is likely to be a strong recovery in Q4. The Bank of Japan is continuing its very loose monetary policy but with little prospect of getting inflation back above 1% towards its target of 2%, any time soon: indeed, inflation was negative in July. New Prime Minister Kishida has promised a large fiscal stimulus package after the November general election – which his party is likely to win.

World growth. World growth was in recession in 2020 but recovered during 2021 until starting to lose momentum more recently. Inflation has been rising due to increases in gas and electricity prices, shipping costs and supply shortages, although these should subside during 2022. It is 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 from those in prior decades.

Supply shortages. The pandemic and extreme weather events have been highly disruptive of extended worldwide supply chains. At the current time there are major queues of ships unable to unload their goods at ports in New York, California and China. Such issues have led to mis-distribution of shipping containers around the world and have contributed to a huge increase in the cost of shipping. Combined with a shortage of semi-conductors, these issues have had a disruptive impact on production in many countries. Many western countries are also hitting up against a difficulty in filling job vacancies. It is expected that these issues will be gradually sorted out, but they are currently contributing to a spike upwards in inflation and shortages of materials and goods on shelves.

1.2 Interest rate forecasts

The Council's treasury advisor, Link Group, provided the following forecasts on 29th September 2021 (PWLB rates are certainty rates, gilt yields plus 80bps):

Link Group Interest Rate View	29.9.21									
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.75
3 month ave earnings	0.10	0.10	0.20	0.20	0.30	0.40	0.50	0.50	0.60	0.70
6 month ave earnings	0.20	0.20	0.30	0.30	0.40	0.50	0.60	0.60	0.70	0.80
12 month ave earnings	0.30	0.40	0.50	0.50	0.50	0.60	0.70	0.80	0.90	1.00
5 yr PWLB	1.40	1.40	1.50	1.50	1.60	1.60	1.60	1.70	1.70	1.70
10 yr PWLB	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10
25 yr PWLB	2.20	2.20	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.60
50 yr PWLB	2.00	2.00	2.10	2.20	2.20	2.20	2.20	2.30	2.30	2.40

LIBOR and LIBID rates will cease from the end of 2021. Work is currently progressing to replace LIBOR with a rate based on SONIA (Sterling Overnight Index Average). In the meantime, forecasts are based on expected average earnings by local authorities for 3 to 12 months.

Forecasts for average earnings are averages i.e., rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short term cash at any one point in time.

The coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings.

As shown in the forecast table above, one increase in Bank Rate from 0.10% to 0.25% has now been included in quarter 2 of 2022/23, a second increase to 0.50% in quarter 2 of 23/24 and a third one to 0.75% in quarter 4 of 23/24.

Significant risks to the forecasts

- COVID vaccines do not work to combat new mutations and/or new vaccines take longer than anticipated to be developed for successful implementation.
- The pandemic causes major long-term scarring of the economy.
- The Government implements an austerity programme that supresses GDP growth.
- The MPC tightens monetary policy too early – by raising Bank Rate or unwinding QE.
- The MPC tightens monetary policy too late to ward off building inflationary pressures.
- Major stock markets e.g. in the US, become increasingly judged as being over-valued and susceptible to major price corrections. Central banks become increasingly exposed to the "moral hazard" risks of having to buy shares and corporate bonds to reduce the impact of major financial market sell-offs on the general economy.
- Geo-political risks are widespread e.g. German general election in September 2021 produces an unstable coalition or minority government and a void in high-profile leadership in the EU when Angela Merkel steps down as Chancellor of Germany; on-going global power influence struggles between Russia/China/US.

The balance of risks to the UK economy: -

The overall balance of risks to economic growth in the UK is now to the downside, including residual risks from Covid and its variants - both domestically and their potential effects worldwide.

Forecasts for Bank Rate

Bank Rate is not expected to go up fast after the initial rate rise as the supply potential of the economy has not generally taken a major hit during the pandemic, so should be able to cope well with meeting demand without causing inflation to remain elevated in the medium-term, or to inhibit inflation from falling back towards the MPC's 2% target after the surge to around 4% towards the end of 2021. Three increases in Bank rate are forecast in the period to March 2024, ending at 0.75%. However, these forecasts may well need changing within a relatively short time frame for the following reasons: -

- There are increasing grounds for viewing the economic recovery as running out of steam during the summer and now into the autumn. This could lead into stagflation which would create a dilemma for the MPC as to which way to face.

- Will some current key supply shortages e.g., petrol and diesel, spill over into causing economic activity in some sectors to take a significant hit?
- Rising gas and electricity prices in October and next April and increases in other prices caused by supply shortages and increases in taxation next April, are already going to deflate consumer spending power without the MPC having to take any action on Bank Rate to cool inflation. Then we have the Government's budget in October, which could also end up in reducing consumer spending power.
- On the other hand, consumers are sitting on around £200bn of excess savings left over from the pandemic so when will they spend this sum, in part or in total?
- There are 1.6 million people coming off furlough at the end of September; how many of those will not have jobs on 1st October and will, therefore, be available to fill labour shortages in many sectors of the economy? So, supply shortages which have been driving up both wages and costs, could reduce significantly within the next six months or so and alleviate the MPC's current concerns.
- There is a risk that there could be further nasty surprises on the Covid front, on top of the flu season this winter, which could depress economic activity.

In summary, with the high level of uncertainty prevailing on several different fronts, it is likely that these forecasts will need to be revised again soon - in line with what the new news is.

It also needs to be borne in mind that Bank Rate being cut to 0.10% was an emergency measure to deal with the Covid crisis hitting the UK in March 2020. At any time, the MPC could decide to simply take away that final emergency cut from 0.25% to 0.10% on the grounds of it no longer being warranted and as a step forward in the return to normalisation. In addition, any Bank Rate under 1% is both highly unusual and highly supportive of economic growth.

Forecasts for PWLB rates and gilt and treasury yields
As the interest forecast table for PWLB certainty rates above shows, there is likely to be a steady rise over the forecast period, with some degree of uplift due to rising treasury yields in the US.

There is likely to be **exceptional volatility and unpredictability in respect of gilt yields and PWLB rates** due to the following factors: -

- How strongly will changes in gilt yields be correlated to changes in US treasury yields?
- Will the Fed take action to counter increasing treasury yields if they rise beyond a yet unspecified level?
- Would the MPC act to counter increasing gilt yields if they rise beyond a yet unspecified level?
- How strong will inflationary pressures turn out to be in both the US and the UK and so impact treasury and gilt yields?
- How will central banks implement their new average or sustainable level inflation monetary policies?
- How well will central banks manage the withdrawal of QE purchases of their national

bonds i.e., without causing a panic reaction in financial markets as happened in the "taper tantrums" in the US in 2013?

- Will exceptional volatility be focused on the short or long-end of the yield curve, or both?

The forecasts are also predicated on an assumption that there is no break-up of the Eurozone or EU within our forecasting period, despite the major challenges that are looming up, and that there are no major ructions in international relations, especially between the US and China/North Korea and Iran, which have a major impact on international trade and world GDP growth.

Gilt and treasury yields

Since the start of 2021, there has been a lot of volatility in gilt yields, and hence PWLB rates. During the first part of the year, US President Biden's, and the Democratic party's determination to push through a $1.9trn (equivalent to 8.8% of GDP) fiscal boost for the US economy as a recovery package from the Covid pandemic was what unsettled financial markets. However, this was in addition to the $900bn support package already passed in December 2020 under President Trump. This was then followed by additional Democratic ambition to spend further huge sums on infrastructure and an American families plan over the next decade which are caught up in Democrat / Republican haggling. Financial markets were alarmed that all this stimulus, which is much bigger than in other western economies, was happening at a time in the US when: -

1. A fast vaccination programme has enabled a rapid opening up of the economy;
2. The economy had already been growing strongly during 2021;
3. It started from a position of little spare capacity due to less severe lockdown measures than in many other countries. A combination of shortage of labour and supply bottle necks is likely to stoke inflationary pressures more in the US than in other countries; and
4. The Fed was still providing monetary stimulus through monthly QE purchases.

These factors could cause an excess of demand in the economy which could then unleash stronger and more sustained inflationary pressures in the US than in other western countries. This could then force the Fed to take much earlier action to start tapering monthly QE purchases and/or increasing the Fed rate from near zero, despite their stated policy being to target average inflation. It is notable that some Fed members have moved forward their expectation of when the first increases in the Fed rate will occur in recent Fed meetings. In addition, more recently, shortages of workers appear to be stoking underlying wage inflationary pressures which are likely to feed through into CPI inflation. A run of strong monthly jobs growth figures could be enough to meet the threshold set by the Fed of "substantial further progress towards the goal of reaching full employment". However, the weak growth in August, (announced 3.9.21), has spiked anticipation that tapering of monthly QE purchases could start by the end of 2021. These purchases are currently acting as downward pressure on treasury yields. As the US financial markets are, by far, the biggest financial markets in the world, any trend upwards in the US will invariably impact and influence financial markets in other countries. However, during June and July, longer term yields fell sharply; even the large non-farm payroll increase in the first week of August seemed to cause the markets little concern, which is somewhat puzzling, particularly in the context of the concerns of many commentators that inflation may not be as transitory as the Fed is expecting it to be. Indeed, inflation pressures and erosion of surplus economic capacity look much stronger in the US than in the UK. **As an average since 2011, there has been a 75% correlation between movements in 10 year treasury yields and 10 year gilt yields. This is a significant UPWARD RISK exposure to our forecasts for longer term PWLB rates. However, gilt yields and treasury yields do not always move in unison.**

There are also possible **DOWNSIDE RISKS** from the huge sums of cash that the UK populace have saved during the pandemic; when savings accounts earn little interest, it is likely that some of this cash mountain could end up being invested in bonds and so push up demand for bonds and support their prices i.e., this would help to keep their yields down. How this will interplay with the Bank of England eventually getting round to not reinvesting maturing gilts and then later selling gilts, will be interesting to keep an eye on.

The balance of risks to medium to long term PWLB rates: -

There is a balance of upside risks to forecasts for medium to long term PWLB rates.

A new era – a fundamental shift in central bank monetary policy

One of the key results of the pandemic has been a fundamental rethinking and shift in monetary policy by major central banks like the Fed, the Bank of England and the ECB, to tolerate a higher level of inflation than in the previous two decades when inflation was the prime target to bear down on so as to stop it going <u>above</u> a target rate. There is now also a greater emphasis on other targets for monetary policy than just inflation, especially on 'achieving broad and inclusive "maximum" employment in its entirety' in the US before consideration would be given to increasing rates.

- The Fed in America has gone furthest in adopting a monetary policy based on a clear goal of allowing the inflation target to be symmetrical, (rather than a ceiling to keep under), so that inflation averages out the dips down and surges above the target rate, over an unspecified period of time.
- The Bank of England has also amended its target for monetary policy so that inflation should be 'sustainably over 2%' and the ECB now has a similar policy.
- ***<u>For local authorities, this means that investment interest rates and very short term PWLB rates will not be rising as quickly or as high as in previous decades when the economy recovers from a downturn and the recovery eventually runs out of spare capacity to fuel continuing expansion.</u>***
- Labour market liberalisation since the 1970s has helped to break the wage-price spirals that fuelled high levels of inflation and has now set inflation on a lower path which makes this shift in monetary policy practicable. In addition, recent changes in flexible employment practices, the rise of the gig economy and technological changes, will all help to lower inflationary pressures.
- Governments will also be concerned to see interest rates stay lower as every rise in central rates will add to the cost of vastly expanded levels of national debt; (in the UK this is £21bn for each 1% rise in rates). On the other hand, higher levels of inflation will help to erode the real value of total public debt.

2. Treasury Management Strategy Statement and Annual Investment Strategy Update

The Treasury Management Strategy Statement (TMSS) for 2021/22 was approved by Council on 23rd February 2021.

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

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

This part of the report is structured to update:

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

3.1 Prudential Indicator for Capital Expenditure

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

Capital Expenditure	2021/22 Original Programme	Budget B'fwd from 2020/21	Virements in Year	Total 2021/22 Budget	Actual Spend @ Period 6	Predicted Outturn	2021/22 Revised Estimate*
	£m	£m	£m	£m	£m	£m	£m
General Fund	15.211	15.548	0.095	30.854	1.625	16.108	30.779
HRA	9.461	11.997	-	21.458	7.372	12.381	20.865
Total	**24.672**	**27.545**	**0.095**	**52.312**	**8.997**	**28.489**	**51.644**

* Includes potential expenditure slippage into 2022/23 of £23.155m

3.2 Changes to the Financing of the Capital Programme

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

Capital Expenditure	**2021/22 Capital Programme £m**	**2021/22 Predicted Outturn £m**	**2021/22 Budget * £m**
Unsupported	0.666	1.317	2.242
Supported	24.006	27.172	50.070
Total spend	**24.672**	**28.489**	**52.312**
Financed by:			
Grants - Disabled Facilities	0.481	0.922	0.922
Section 106's	0.120	0.737	0.890
GF Receipts	2.050	9.219	14.968
GF Reserve	-	0.032	0.152
Sale of Council House Receipts	0.212	0.271	0.510
HRA Receipts	0.600	0.633	0.712
HLF/Donation - Castle Mercian Trail	-	0.066	0.066
Community Infrastructure Levy (CIL)	-	-	0.030
Other Grants/Contributions	11.682	3.641	11.777
MRR	2.809	3.625	3.760
HRA 1-4-1 Replacements Receipts	0.527	2.623	3.175
HRA Reserve	3.960	4.912	10.528
HRA Regeneration Fund	1.564	0.367	2.456
HRA Affordable Housing Reserve	-	0.124	0.124
Total Financing	**24.006**	**27.172**	**50.070**
Borrowing need	**0.666**	**1.317**	**2.242**

* includes schemes re-profiled from 2020/21 of £27.545m

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

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

Prudential Indicator – Capital Financing Requirement

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

Prudential Indicator – the Operational Boundary for External Debt

	2020/21 Outturn £m	2021/22 Capital Programme £m	2021/22 Projected Outturn £m	2021/22 Budget £m
CFR – Non Housing	3.612	4.736	4.674	4.963
CFR – Housing	69.893	70.396	69.991	70.596
Total CFR	73.506	75.132	74.665	75.559
Net movement in CFR	**1.450**	**0.871**	**1.160**	**2.053**
Operational Boundary				
Expected Borrowing	63.060	63.060	63.060	63.060
Other long term liabilities	-	-	-	-
Total Debt 31st March	**63.060**	**63.060**	**63.060**	**63.060**

3.4 Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2021/22 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

	2020/21 Outturn £m	2021/22 Original Estimate £m	2021/22 Projected Outturn £m	2021/22 Budget £m
Gross borrowing	63.060	63.060	63.060	63.060
Less investments	61.615	27.197	59.666	58.740
Net borrowing	1.445	35.863	3.395	4.320
CFR (year end position)	73.506	75.132	74.665	75.559

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

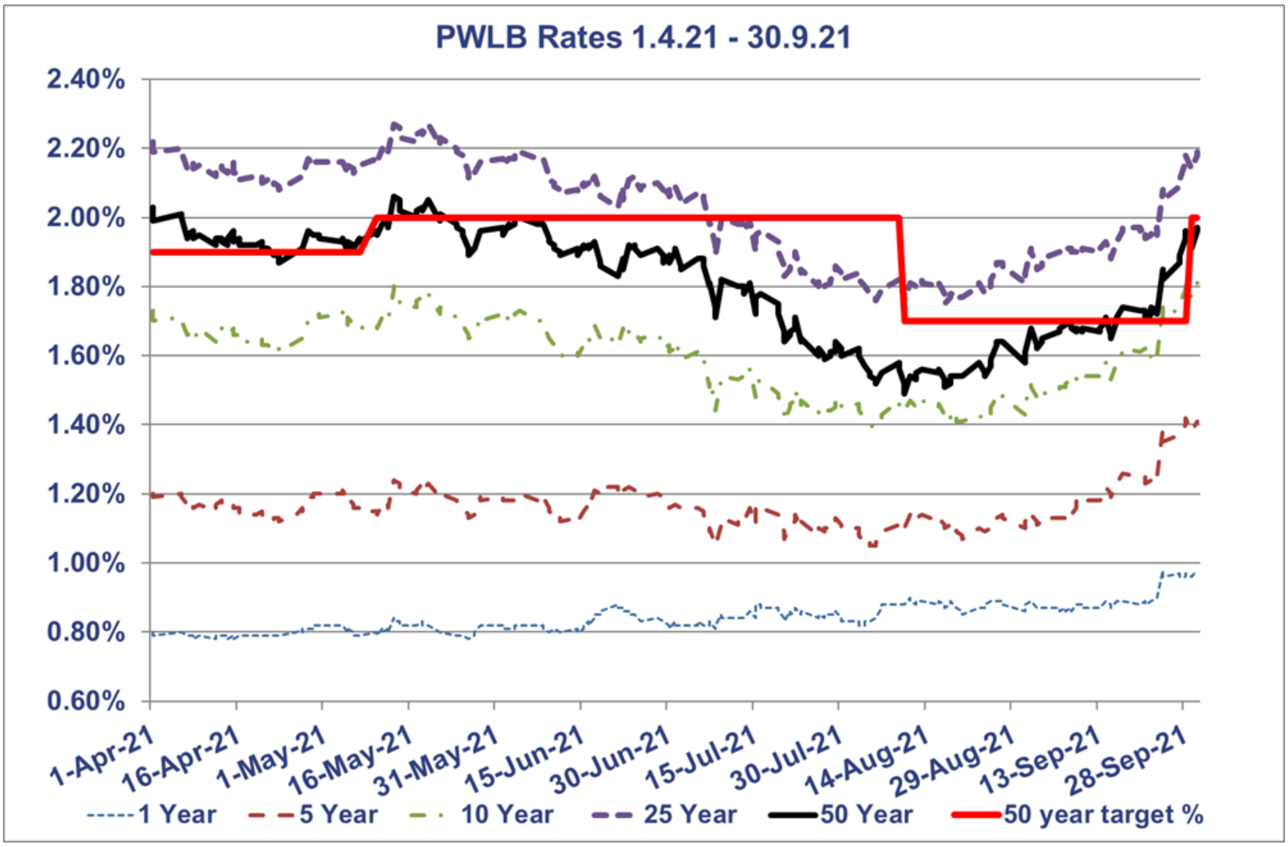
Authorised Limit for External Debt	2021/22 Original Indicator	Current Position	2021/22 Revised Indicator
Borrowing	87.143	87.143	87.143
Total	87.143	87.143	87.143

4. Borrowing

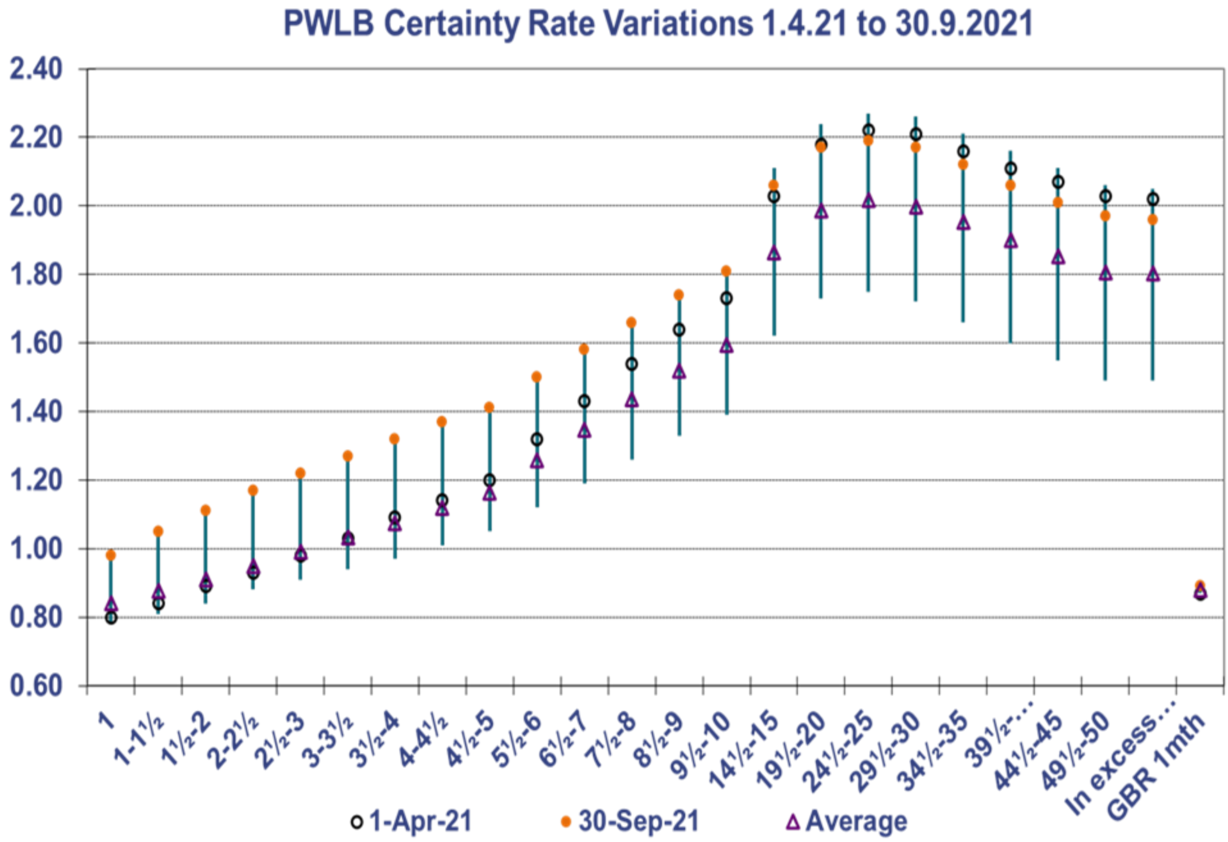
The Council's estimated revised capital financing requirement (CFR) for 2021/22 is £74.665m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. Table 3.4 shows the Council has borrowings of £63.060m and plans to utilise £11.605m of cash flow funds in lieu of borrowing. This is a prudent and cost effective approach in the current economic climate but will require ongoing monitoring in the event that upside risk to gilt yields prevails.

It is not anticipated that any additional borrowing will be undertaken during 2021/22.

PWLB maturity certainty rates (gilts plus 80bps) year to date to 30th September 2021



	1 Year	5 Year	10 Year	25 Year	50 Year
Low	0.78%	1.05%	1.39%	1.75%	1.49%
Date	08/04/2021	08/07/2021	05/08/2021	17/08/2021	10/08/2021
High	0.98%	1.42%	1.81%	2.27%	2.06%
Date	24/09/2021	28/09/2021	28/09/2021	13/05/2021	13/05/2021
Average	0.84%	1.16%	1.60%	2.02%	1.81%
Spread	0.20%	0.37%	0.42%	0.52%	0.57%



Gilt yields and PWLB rates were on a falling trend between May and August. However, they rose sharply towards the end of September.
The 50 year PWLB target certainty rate for new long-term borrowing started 2021/22 at 1.90%, rose to 2.00% in May, fell to 1.70% in August and returned to 2.00% at the end of September after the MPC meeting of 23rd September.

- The current PWLB rates are set as margins over gilt yields 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)

5. Debt Rescheduling

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

6. Compliance with Treasury and Prudential Limits

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the half year ended 30th September 2021, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2021/22. The Executive Director Finance reports that no difficulties are envisaged for the current or future years in complying with these indicators.

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

7. Annual Investment Strategy

The Treasury Management Strategy Statement (TMSS) for 2021/22, which includes the Annual Investment Strategy, was approved by the Council on 23rd February 2021. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Council's investment priorities as being:

- Security of capital
- Liquidity
- Yield

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

As shown by the interest rate forecasts in section 1.2, it is now impossible to earn the level of interest rates commonly seen in previous decades as all short-term money market investment rates have only risen weakly since Bank Rate was cut to 0.10% in March 2020 until the MPC meeting on 24th September 2021 when 6 and 12 month rates rose in anticipation of Bank Rate going up in 2022. Given this environment and the fact that Bank Rate may only rise marginally, or not at all, before mid-2023, investment returns are expected to remain low.

Creditworthiness

Significant levels of downgrades to Short and Long Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, as economies are beginning to reopen, there have been some instances of previous lowering of Outlooks being reversed.

Investment Counterparty criteria

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

CDS prices

Although CDS prices, (these are market indicators of credit risk), for banks (including those from the UK) spiked at the outset of the pandemic in 2020, they have subsequently returned to near pre-pandemic levels. However, sentiment can easily shift, so it remains important to undertake continual monitoring of all aspects of risk and return in the current circumstances.

Investment balances

The Council held £79.333m of investments as at 30th September 2021, excluding investments in property funds (£57.972m at 31st March 2021) and the investment portfolio yield for the first six months of the year is 0.26% against a benchmark of the 3 months LIBID of -0.043%. A full list of investments held as at 30th September 2021 is detailed in **APPENDIX 1**.

The Executive Director Finance confirms that the approved limits within the Annual Investment Strategy were not breached during the first six months of 2021/22.

The Council's budgeted investment return for 2021/22 is £94.7k.

Investment Counterparty Criteria

The current investment counterparty criteria selection approved in the TMSS and as approved by Council on 23rd February 2021 meets the requirements of the Treasury Management function.

8.Changes in risk appetite

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

9. Property Funds

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. Although the capital values of the funds did initially fall, mainly since 31st March 2020, they have since recovered and as at 30th September 2021 there is an overall gain of £39k. It should be noted that investments in property are subject to fluctuations in value over the economic cycle and should yield capital growth in the longer term as the economy grows.

Table 1: Fund Valuations	Investment	Valuation 31/03/2021	Valuation 30/09/2021
Schroders UK Real Estate Fund	1,848,933	1,848,933	1,970,287
Valuation Increase / (reduction)		0	121,354
Threadneedle Property Unit Trust	2,000,249	1,794,439	1,917,790
Valuation Increase / (reduction)		(205,810)	(82,459)
Total	3,849,182	3,643,372	3,888,077
Gain / (loss)		(205,810)	38,895

The following table details the dividend returns achieved from the property fund investments, which support the revenue budget. The Council received £128k in dividends from its property fund investments in 2020/21 (£147k in 2019/20), and has received £67k for the current financial year as at 30th September 2021.

Investment Returns	Dividend Returns 31/03/2021	Dividend Returns 30/09/2021	Estimated Return p.a. %	
Schroders UK Real Estate Fund	52,898	28,483	3.1%	Half year only to 30/9/21 for 2021/22
Cumulative Return	157,654	186,137		
Threadneedle Property Unit Trust	75,452	38,292	3.8%	
Cumulative Return	225,781	264,073		
Total	128,350	66,775		
Cumulative Return	383,435	450,210		
Annual % Return	3.3%	3.5%	3.5%	

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

The MTFS includes budgeted income of £300k for 2021/22 (£420k pa from 2022/23) arising from investment of the full £12m budgeted. Following a review of the further investment in property funds (due to uncertainty around arrangements for Brexit and the associated impact on the economy, and then further uncertainty over the impact of the coronavirus on future property fund returns), Council approved the investment of the remaining £8.131m on 21st September 2021.

Further property fund investments totalling £8.113m were therefore made at the end October 2021 – an additional £4.057m with Threadneedle Property Unit Trust and £4.056m with Hermes Federated Property Unit. Both property funds are diverse across the industrial/office/warehouse/other sectors, with relatively low exposure to retail. Threadneedle's forecast revenue return is 4.2% and Hermes is 3.98%.

REPORT AUTHOR

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

LIST OF BACKGROUND PAPERS

Background Papers -	*Local Government Act 2003*
	CIPFA Code of Practice on Treasury Management in Public Services 2017
	Annual Report on the Treasury Management Service and Actual Prudential Indicators 2020/21 – Council 21st September 2021
	Treasury Management Strategy & Prudential Indicators Report 2021/22 - Council 23rd February 2021
	Budget & Medium Term Financial Strategy 2021/22 - Council 23rd February 2021
	Financial Healthcheck Period 6, September 2021

APPENDIX 1

Investments held as at 30th September 2021:

Borrower	Deposit £	Rate %	From	To	Notice
Thurrock Council	5,000,000	0.65%	09-Oct-20	07-Oct-22	-
Plymouth City Council	5,000,000	0.35%	30-Oct-20	29-Oct-21	-
Goldman Sachs	5,000,000	0.23%	29-Apr-21	29-Oct-21	-
Thurrock Council	5,000,000	0.20%	15-Jul-21	15-Jul-22	
Standard Chartered	10,000,000	0.13%	13-May-21	15-Nov-21	-
Goldman Sachs	5,000,000	0.16%	12-Aug-21	14-Feb-22	-
Lloyds Bank	8,003,529	0.05%	-	-	95 day
Santander	10,000,000	0.6%	-	-	180 day
MMF – Aberdeen	10,000,000	0.01%*	-	-	On call
MMF – PSDF	10,000,000	0.02%*	-	-	On call
MMF – Federated	6,329,000	0.01%*	-	-	On call
Total	**79,332,529**	**0.20%**	-	-	-
Schroders UK Real Estate Fund	1,848,933	3.08%	-	-	On call
Threadneedle Property Unit Trust	2,000,249	3.83%	-	-	On Call
Total	**83,181,711**	**0.35%**	**-**	**-**	**-**

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

Property Fund Investments held as at 30th September 2021:

Fund	**Initial Investment**	**Fund Value 30/9/21**	**2021/22 Return (to Sept 21)**	
Schroders UK Real Estate Fund	£1,848,933.03	£1,970,286.90	£28,483.26	3.08%
Threadneedle Property Unit Trust	£2,000,248.90	£1,917,789.91	£38,291.88	3.83%
Total	£3,849,181.93	£3,888,076.81	£66,775.14	3.47%

2 December 2021

Report of the Portfolio Holder for Finance and Customer Services

Council Tax Base 2022/23

Exempt Information

None

Purpose

To report the Council Tax Base for the Borough Council for 2022/23.

Recommendations

That Tamworth Borough Council resolves its calculation of the Council Tax Base for the year 2022/23 to be 22,968 (2021/22 – 22,366).

Executive Summary

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

The Authority is required to approve the Council Tax Base.

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

The Tax Base calculation has included an element for the Council Tax Reduction Scheme (the replacement for Council Tax Benefit). The estimated amount of Council Tax Support payable for 2022/23 is converted into the equivalent number of whole properties which are deducted from the total. Local Council Tax Reduction Scheme claims have reduced slightly since the start of financial year from £4.8m to £4.7m.The potential longer-term consequences of the pandemic and unemployment and demand for the scheme have still yet to be fully experienced. It will be many months before we have a clearer idea on how the economy has responded to the recovery process including any lasting effects for individual businesses and their employees.

Options Considered

Not applicable

Resource Implications

The figure for 2022/23 Council Tax Base is calculated at 22,968 which represents an increase of 602 or 2.7%.

Legal/Risk Implications Background

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

Equalities Implications

Not applicable.

Sustainability Implications

None

Background Information

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

In accordance with the Local Authority (Calculation of Council Tax Base) Regulations 1992 as amended, the Tax Base for the year 2022/23 is calculated by applying a formula A x B.

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

B is the Authority's estimate of its collection rate for that year. It is recommended that this should be 97.9%.(The current year collection rate dropped to 97.4% last year due to the effects of the pandemic. However current levels indicate that collection should be back to anticipated pre-pandemic levels)

Applying the collection rate to A gives a Council Tax Base of 22,968 (23,460.7 x 97.9%).

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

List of Background Papers

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

Appendices

Appendix A – Council Tax Base Calculation 2022/23

Appendix A

Band		Band D Equivalent Properties	LCTS adjustment	*Total*
A		5,451.1	-1373.2	*4,077.9*
B		8,533.5	-808.8	*7,724.7*
C		4,940.3	-221.8	*4,718.5*
D		3,625.2	-61.6	*3,563.6*
E		2,462.3	-26.3	*2,436.0*
F		754.6	-7.9	*746.7*
G		188.9	-0.6	*188.3*
H		5.0	0.0	*5.0*
Total		25,960.9	-2,500.2	*23,460.7*
x	97.90%	25,415.7	-2,447.7	*22,968.0*
Council Tax Base				**22,968**

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THURSDAY, 2ND DECEMBER 2021

COUNCIL

TUESDAY, 14TH DECEMBER 2021

REPORT OF THE PORTFOLIO HOLDER FOR FINANCE AND CUSTOMER SERVICES

LOCAL COUNCIL TAX REDUCTION SCHEMES 2022/23

Exempt Information

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

Purpose

To advise members that the Local Council Tax Reduction Scheme for working age customers for 2022/23 should include continued alignment to Applicable Amounts with those of Housing Benefit.

Recommendations

1. **That Council consider and endorse or otherwise the proposed recommended changes detailed below:**

2. **That the planned review for the introduction of a banding scheme for Council Tax Reduction be deferred until 2022 and that the current scheme for working age customers continues to be aligned to Applicable Amounts with those of Housing Benefit for 2022/23.**

Executive Summary

This report updates Members on the proposal to review the Local Council Tax Reduction Scheme for implementation on 1 April 2022.

Proposals have been submitted previously to Corporate Scrutiny committee on 14 November 2019 in order to review the current Council Tax Reduction Scheme along with three modelled options with the aim to finalise a new scheme for consultation in the autumn.

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

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

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

However, in light of the unprecedented situation following the COVID-19 Pandemic, the review was postponed. It is suggested that this be extended until 2022 when the situation will become clearer. It is just too soon to forecast the potential longer-term consequences on demand for the scheme yet to be experienced. It requires further time before we have a clearer idea on how the economy has responded to the recovery process including any lasting effects for individual businesses and their employees.

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

Options Considered

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

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

Members at both Cabinet and Corporate Scrutiny Committee meetings had previously reviewed proposals to introduce a Banded Scheme, for implementation in 2021/22, starting on 1 April 2021, which would remove much of the complexity associated with the current scheme, whilst at the same time maintaining fairness and equality in the way in which awards are distributed amongst Council Tax payers.

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

The current 'means tested scheme' was largely unaffected by the changes to the Welfare system as announced by the government in response to the outbreak of COVID19. The current scheme continues to be able to react quite quickly to the changes in claimants' income, therefore ensuring that they have not lost any Council Tax Reduction.

In addition, there has been and still is much uncertainty, of the effects of the Furlough scheme which at the end of September 2021. There may be further impact on the welfare system yet to come, and around the uncertainty of how the economy recovers and when.

In light of the proposals contained within this report, there are no proposed changes to the scheme for 2022/23 other than the usual alignment with Housing benefit which is a minor change and did not require a formal consultation.

Resource Implications

Latest figures confirm that £4.66m has so far been awarded in Local Council Tax Reduction (LCTR) for 2021/22, to both working age and pensioner customers of which £2.5m relates to working age claimants. The live caseload has reduced over the past 12 months by 3% (5,353 claims as at 31 October 2020 to 5,187 as at 31 October 2021) Appendix 4 illustrates caseload figures.

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

The impact of grant funding and expenditure is closely monitored on a regular basis to identify whether the scheme is achieving its objectives but also not increasing cost burdens to the Medium Term Financial Strategy. The current maximum level of award under the existing scheme is 75% for working age claimants. Current financial modelling indicates that although grant levels are reducing the scheme maxima should not be changed for the 2022/23 scheme as it would add further potential hardship to claimants. This position is under regular review. Members should be aware of the impact of the Central Government Grant reductions when formulating the scheme for 2022/23 as any subsequent changes to the scheme governance arrangements, would require a consultation exercise.

Legal/Risk Implications Background

Department for Levelling Up, Housing and Communities (DLUHC) have confirmed that consultation on the scheme is not required annually if it is not amended. Other than the early alignment of applicable amounts to those of Housing Benefit, there are no other proposed changes to the LCTR Scheme for 2022/23 and therefore no consultation has been required.

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

The current scheme is performing well and continues to provide support to the most vulnerable Council Tax payers.

Equalities Implications

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

Sustainability Implications

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

Background Information

The Welfare Reform Act 2012
http://www.legislation.gov.uk/ukpga/2012/5/pdfs/ukpga_20120005_en.pdf

The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Regulations) 2012
http://www.legislation.gov.uk/uksi/2012/2885/pdfs/uksi_20122885_en.pdf

Report Author
Michael Buckland – Interim Head of Revenues and Benefits, Telephone 01827 709523
e-mail michael-buckland@tamworth.gov.uk

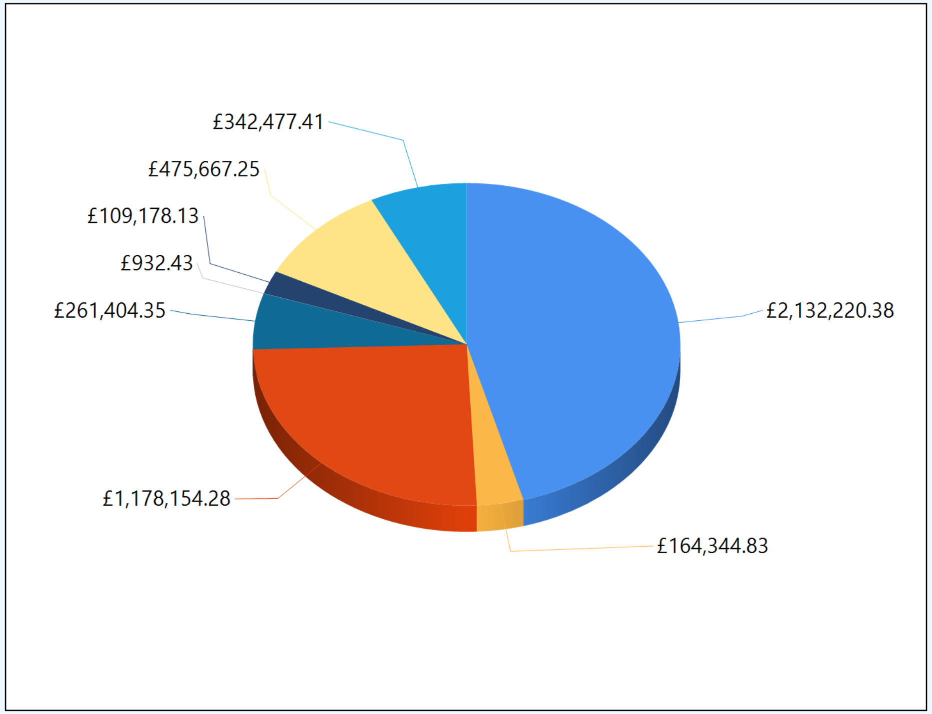
List of Background Papers

Local Council Tax Reduction Scheme 2020/21, Corporate Scrutiny Committee 25 August 2020 & Cabinet 10 September 2020.
Local Council Tax Reduction Scheme 2020/21 Onwards and Consultation Results, Council 10th December 2019
Local Council Tax Reduction Scheme 2021/22, Corporate Scrutiny Committee, 14 November 2019
Local Council Tax Reduction Scheme 2021/22, Cabinet 26 September 2019 & 3 December 2020

Appendices

Appendix 1 Local Council Tax Reduction Working Age Expenditure Summary
Appendix 2 Local Council Tax Reduction Caseload Summary
Appendix 3 Equality Impact Assessment Pensioners & Severely Disabled
Appendix 4 Local Council Tax Reduction Caseload Graph

CTS Expenditure as of 2021-2022



Group Description

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

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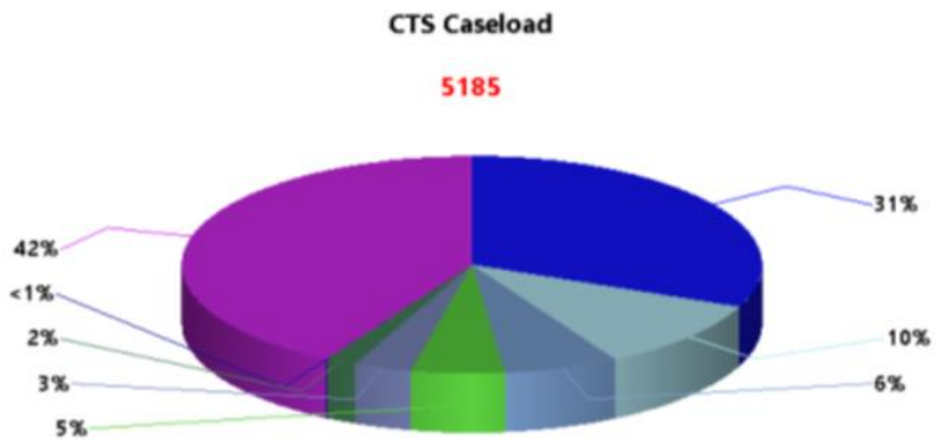
Colour	Description	Value
	Elderly	2162
	Working Age Non-Passported Other	1623
	Working Age Passported Other	541
	Working Age Passported Severe Disability	333
	Working Age Non-Passported Severe Disability	269
	Working Age Non-Passported Disabled Child Premium	167
	Working Age Passported Disabled Child Premium	89
	Working Age Non-Passported War Pensioners	1



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

<table>
<tr><td colspan="2">Name of policy/ procedure/ practice to be assessed</td><td colspan="3">Introduction of Localised Council Tax Support (Council Tax Reduction)</td><td>Date of Assessment</td><td>Nov 2021</td></tr>
<tr><td>Is this a new or existing policy/ procedure/ practice?</td><td>New</td><td colspan="2">Officer responsible for the Assessment</td><td>Michael Buckland (Interim Head of Revenues & Benefits)</td><td>Department</td><td>Benefits</td></tr>
<tr><td colspan="3">1. Briefly describe the aims, objectives and purpose of the policy/ procedure/ practice?</td><td colspan="4">The national Council Tax Benefit (CTB) scheme came to an end on 1st April 2013 and was replaced by a locally determined system of Council Tax Reduction (CTR). The funding available for the new scheme is limited. The aim of the local scheme is to provide financial assistance to council taxpayers who have low incomes.

Persons who are of state pension age (a minimum 60 years or greater) are protected under the scheme in that the calculation of the support they are to receive has been set by Central Government.

For working age applicants however the support they receive is to be determined by the local authority.

This equality impact assessment looks at the potential for not only protecting pensioners (as required under the legislation) but also providing full support to all working age claimants who are considered severely disabled within the current Council Tax Benefit scheme. The definition of severely disabled is where the claimant or partner is in receipt of a severe disability premium, within either their Council Tax Benefit, Housing Benefit or other means tested benefit;

The objective in adopting this policy would be to protect a specific section of the existing claimant group deemed to be highly vulnerable and independently verified as being the most seriously sick and not likely to be able to obtain work.</td></tr>
</table>

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

4. What are the desired outcomes from this policy/ procedure/ practice?	The desired outcomes are as follows; **Pension Age Claimants** • That existing pensioner claimants for Council Tax Benefit (up until 31st March 2013) are successfully transferred to the new Council Tax Support scheme; • That all pensioners receive the level of support required by regulations set by Central Government (Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012); • That all new pensioner claimants or existing working age claimants who rise to pension age are able to receive Council Tax support in line with the regulations; and • That all pensioner claimants continue to receive the correct level of support at all times. **Severely Disabled Working Age Claimants** • That existing severely disabled working age claimants (as defined earlier in this assessment) for Council Tax Benefit (up until 31st March 2013) are successfully transferred to the new Council Tax Support scheme; • That all working age severely disabled claimants receive the level of support currently provided under the existing Council Tax Benefit scheme • That all new working age severely disabled claimants or existing working age claimants who become severely disabled are able to receive Council Tax support in line with current Council Tax Benefit scheme; and • That all working age severely disabled claimants continue to receive the correct level of support at all times.
5. What factors/ forces could contribute/ detract from the outcomes?	There are a number of factors which contribute to the outcomes of the new process namely; • That the new Council Tax Support scheme broadly replicates the existing Council Tax Benefit scheme for pension age and working age disabled claimants; • That management and staff are experienced in delivering means tested support / benefit schemes; and • That there is a comprehensive project plan, which ensures that delivery of the new scheme, will be on time and in line with legislative requirements.

	The factors / forces that could detract from these outcomes are as follows; • The failure of Central Government to approve the necessary legislation on time; • The failure of the Council's software suppliers to deliver the necessary changes to existing software systems to enable the correct processing of the new support; and • The failure to deliver these significant changes to the welfare benefit system on time.
6. Who are the main stakeholders in relation to the policy/ procedure/ practice?	In respect of the pension age and working age severely disabled claimants for Council Tax Support, the main stakeholders are as follows; **External Stakeholders** • Major Precepting authorities – County Council, Police Authority and Fire and Rescue Authority; • Parish Councils (local precepting authorities); • Pension Age claimants; • Working age severely disabled claimants • Potential pension age claimants; • Potential working age severely disabled claimants • Interested Groups such as Citizens Advice Bureau, Age Concern and Help the Aged, Disabled Persons Groups, RNIB, Action on hearing loss etc. • Council Taxpayers generally **Internal Stakeholders** • Staff;

7. Which individuals/ groups have been/ will be consulted with on this policy/ procedure/ practice?	All major precepting authorities have been consulted on the implementation of the new Council Tax Support scheme. The Department for Levelling Up, Housing and Communities have confirmed that consultation on the scheme is not required annually if it is not amended and therefore no consultation has been carried out as the scheme will continue to be aligned to Housing Benefit Applicable Amounts. For future consultations as pension age claimants are protected, the authority will still, as part of the consultation process, look to pension age claimants and pensioners generally to respond to the consultation itself. In respect of working age severely disabled claimants, it will be essential to consult with the group as, being of working age, they will be directly affected by any changes decided by the Council. For working age claimants who are not classified as severely disabled within this policy, it will be essential that extensive consultation is undertaken to obtain their views given that the level of support they receive will be reduced significantly where additional groups are protected. The consultation process will be comprehensive and encourage a full response to the new support scheme itself (notwithstanding the fact that the authority is obliged to implement the scheme determined by Central Government for pension age claimants). Groups representing the disabled or chronically sick will be directly consulted as part of the process.		
8. Are there concerns that the policy/ procedure/ practice could have a differential impact on racial groups?		**N**	This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants and there would be **no** differential impact due to race

9. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to gender?		**N**	This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants and there would be **no** differential impact due to gender
10. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to them being transgender or transsexual?		**N**	This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants and there would be **no** differential impact due to a person being transgender or transsexual
11. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to disability?	**Y**		This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants – and - where there is a severely disability, this would maintain the level of support given to working age claimants due to the following; • The award of additional premiums for severe disablement; • Disregarding higher levels of income where a claimant is in remunerative work and is severely disabled; and • There is no requirement to have non dependant deductions where a claimant is severely disabled Likewise any working age claimants who are not considered to be severely disabled would not benefit from the policy and would receive a reduction in support.
12. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to sexual orientation?		**N**	This proposed change to Council Tax Support should not affect the overall level of support to pension age or working age severely disabled claimants and there would be **no** differential impact due to sexual orientation

13. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to age?	**Y**		This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants – **however there is a differential impact due to age;** For working age applicants the support they receive is to be determined by the local authority. To provide financial assistance for the scheme, Central Government is to provide funding to each billing authority in England, however the level of funding provided is to be less than the amount currently provided to support the existing Council Tax Benefit scheme. If working age severely disabled claimants are to be protected in full, along with pension age claimants (as required by Central Government) there would be an increase in the level of support available to all other working age claimants although this would be a large group over which the reduction could be spread. In the case of the Borough Council, the shortfall to be borne by working age claimants not deemed to be severely disabled would amount to 25% per annum of Council Tax liability.
14. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to religious belief?		**N**	This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants and there would be **no** differential impact due to religious belief
15. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact on Gypsies/ Travellers?		**N**	This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants and there would be **no** differential impact to gypsies or travellers

16. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to dependant/caring responsibilities?	**Y**		This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants – however where any claimant has dependants or have caring responsibilities, this could potentially increase the level of support given due to the following; • The award of additional allowances for dependants within the household; • Disregarding higher levels of income where a claimant is in remunerative work and also has to pay for child care; and • Where there is a caring responsibility that results in the claimant of partner receiving carers' allowance, additional premiums can be given – it should be noted however that where a carers' allowance is in payment to another person (not the claimant) this might remove the claimants right to receive a sever disability premium.
17. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to them having an offending past?		**N**	This change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants and there would be **no** differential impact due having an offending past
18. Are there concerns that the policy/ procedure/ practice could have an impact on children or vulnerable adults?		**N**	This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants and where there are children or vulnerable adults, the overall level of support **will not** change and all protections built into the Council Tax Benefit scheme that has been in place since 1993 remain under the new scheme. It is likely that by including the severely disabled, the most vulnerable groups of claimants will be protected

19. Does any of the differential impact identified cut across the equality strands (e.g. elder BME groups)?		**N**	This proposed change to Council Tax Support should not affect the overall level of support to pension age claimants or working age severely disabled claimants and there would be **no** differential impact identified that cut across equality strands
20. Could the differential impact identified in 8 – 19 amount to there being the potential for adverse impact in this policy/ procedure/ practice?		**N**	The adoption of this policy would, for pension age groups and working age severely disabled claimants, have no adverse impacts whatsoever. However the Council will continue to encourage pensioners and working age disabled persons to make claims for assistance.
21. Can this adverse impact be justified: • **on the grounds of promoting equality of opportunity for one group?** • **For any other reason?**	**Y**		The inclusion of **just** working age severely disabled claimants, as a protected group would provide significant additional protection **without** overburdening the remaining working age claimant base
22. As a result of carrying out the equality impact assessment is there a requirement for further consultation?		**N**	There will be no requirement to undertake further consultation
23. As a result of this EIA should this policy/ procedure/ practice be recommended for implementation in it's current state?	**Y**		**It is the Council's opinion that this policy to protect both pension age and all working age severely disabled claimants would be equitable and would ensure protection to the most vulnerable within the Borough**

PLEASE COMPLETE THE FOLLOWING ACTION PLAN FOR ALL IMPACT ASSESSMENTS

Equality Impact Assessment Action Plan

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

ACTION/ ACTIVITY	RESPONSIBILITY	TARGET	PROGRESS
Introduction of the Council Tax Support scheme for pensioners as prescribed by the Local Government Finance Act 2012 and defined within the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012	M Buckland	1 April 2022	Ongoing
Monitoring arrangements:		**Data collected quarterly**	
Full monitoring of scheme implementation on a monthly basis in line with the accepted project plan	M Buckland	Monthly and quarterly collection of data to be undertaken by the Benefits Service	Ongoing
Publication:			
The revised Council Tax Reduction scheme is to be published by the Council by April 2022, after consideration at Cabinet and then full Council in December 2021.	M Buckland		Ongoing
Review Period:		**Reviewed 12 monthly unless otherwise stated**	
The scheme will be reviewed annually by both Central Government and the Borough	M Buckland		Ongoing

Council			

Expand as appropriate

Signed
(Completing Officer)…………………………... **Date ……………………….**

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

Signed
Corporate Diversity/ Equality ………………………. **Date ……………………….**

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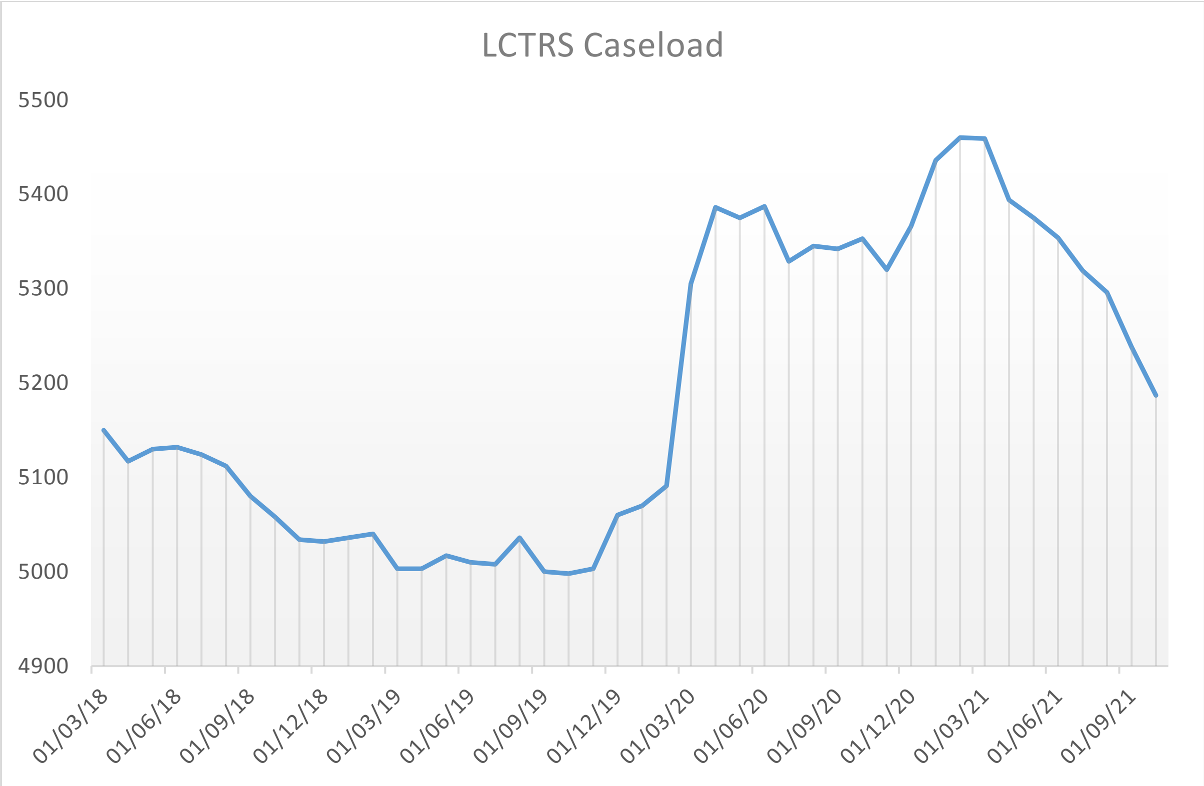
LCTRS Caseload
5500
5400
5300
5200
5100
5000
4900
01/03/18
01/06/18
01/09/18
01/12/18
01/03/19
01/06/19
01/09/19
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01/09/20
01/12/20
01/03/21
01/06/21
01/09/21

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CABINET

2 December 2021

REPORT OF THE PORTFOLIO HOLDER FOR FINANCE AND CUSTOMER SERVICES

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

EXEMPT INFORMATION

None

PURPOSE

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

RECOMMENDATIONS

It is recommended that Members endorse the amount of debt written off for the period of 1st April 2021 to 30th September 2021 – **Appendix A-E.**

EXECUTIVE SUMMARY

The Assistant Directors and Heads of Service are responsible for the regular review of debts and consider the need for write off and authorise where necessary appropriate write offs in line with the Corporate Credit Policy.

Type	**01/04/21 – 30/09/21 £ p**
Council Tax	£4,469.68
Business Rates	£0.00
Sundry Income	£802.72
Housing Benefit Overpayments	£9,054.62
Housing	£67,526.64

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 – 30/09/21 £ p**
Bad Debt provision as per NNDR 3	(£686,306.00)
Amount written off to date	£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. It should also be noted that collection levels for prior year debts have returned close to normal levels.

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). In cases where extreme hardship has been identified discretionary housing payments and additional council tax reductions have been made as noted elsewhere in this report, as well as writing off accumulated previous year debt.

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.

<u>Debt Write Off</u>

Authorisations are needed to write off debt:

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

These limits apply to each transaction.

<u>Bad Debt Provision</u>

The level of the provision must be reviewed jointly by the unit and Accountancy on at least a quarterly basis as part of the management performance review, and the table below gives the mandatory calculation. Where the debt is less than 6 months old it will be written back to the service unit.

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

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

REPORT AUTHOR

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

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 September 2021.

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Appendix A

Summary of Council Tax Write Offs 01/04/2021-30/09/2021

Date of Write Off	Head of Revenues			Assistant Director of Finance	Executive Director of Finance		Remitted	Credit Write Off	Reversed Write Off	Total	No. of Accounts (Write Off Only)	Reason(s)
	(£0.00-£75.00)	(£75.01-£500.00)	(£500.01-£2,000.00)	(£2,000.01-£5,000)	(£5,000.01-£10,000.00)	(£10,000.01 and Over)						
Q2 of 2021/22									(£1,959.11)	(£1,959.11)		IVA terminated
Q2 of 2021/22									(£168.76)	(£168.76)		Dividens received
21/07/2021			£1,745.20							£1,745.20	1	Hardship
16/09/2021		£473.96								£473.96	1	Hardship
23/09/2021				£2,826.88						£2,826.88	1	Absconded
Q2 Totals	**£0.00**	**£473.96**	**£1,745.20**	**£2,826.88**	**£0.00**	**£0.00**	**£0.00**	**£0.00**	**(£2,127.87)**	**£2,918.17**	**3**	
Q1 Totals (B/F)	£0.00	£0.00	£1,665.82	£0.00	£0.00	£0.00	£0.00	£0.00	(£114.31)	£1,551.51	1	
Overall Total	**£0.00**	**£473.96**	**£3,411.02**	**£2,826.88**	**£0.00**	**£0.00**	**£0.00**	**£0.00**	**(£2,242.18)**	**£4,469.68**	**4**	

Appendix B

Summary of NNDR Write Offs 01/04/2021-30/09/2021

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)
Q2 Totals	**£0.00**	**£0.00**	**£0.00**	**£0.00**	**£0.00**	**£0.00**	**£0.00**	**£0.00**	**£0.00**	**£0.00**	**0**	
No NNDR write offs in Q2 of 2021/22												
Q1 Totals (B/F)	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0	
Overall Total	**£0.00**	**£0.00**	**£0.00**	**£0.00**	**£0.00**	**£0.00**	**£0.00**	**£0.00**	**£0.00**	**£0.00**	**0**	

Appendix C

Summary of Sundry Income Write Offs 01/04/2021-30/09/2021													
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)
Q2 Totals	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	0	
No Sundry Income write offs in Q2 of 2021/22													
Q1 Totals (B/F)	£240.72	£0.00	£0.00	£562.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£802.72	0	
Overall Total	£240.72	£0.00	£0.00	£562.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£802.72	0	

Appendix D

Summary of Benefit Overpayment Write Offs 01/04/2021-30/09/2021

Date of Write Off	Head of Benefits (£0.00-£75.00)	Head of Benefits (£75.01-£500.00)	Head of Benefits (£500.01-£1,000.00)	Head of Benefits (£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)
31/07/2021	£16.72							£16.72	2	Not financially viable
31/08/2021		£449.95						£449.95	4	Deceased, <2 weeks outstanding
"	£53.41							£53.41	1	Not financially viable
30/09/2021	£5.62							£5.62	2	Uneconomic to pursue
"		£396.16						£396.16	2	Deceased, <2 weeks outstanding
"		£389.44						£389.44	1	Deceased
Q1-2 overall	£47.87	£278.92						£326.79	4	Non recoverable debt Reg100
Q2 Totals	**£123.62**	**£1,514.47**	**£0.00**	**£0.00**	**£0.00**	**£0.00**	**£0.00**	**£1,638.09**	**16**	
Q1 Totals (B/F)	£367.98	£590.25	£0.00	£0.00	£6,458.30	£0.00	£0.00	£7,416.53	14	
Overall Total	**£491.60**	**£2,104.72**	**£0.00**	**£0.00**	**£6,458.30**	**£0.00**	**£0.00**	**£9,054.62**	**30**	

Appendix E

Summary of Housing Write Offs 01/04/2021-30/09/2021

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 (Write Off Only)	Reason(s)
06/08/2021				£4,860.01						£4,860.01	1	Bankrupt
"	£123.35	£1,089.11	£532.62							£1,745.08	10	Deceased
"	£10.97									£10.97	1	LA Error
"		£256.61								£256.61	1	Management Request
"	£21.25	£1,188.86	£901.01	£7,901.46						£10,012.58	12	Statute Barred
"								(£729.97)		(£729.97)		Former tenant garage rent under £50 up to 31/12/2009 (29)
"								(£500.19)		(£500.19)		Former tenant garage rent under £50 01/01/2000 to 31/03/2015 (17)
16/08/2021								(£81.35)		(£81.35)		System error (1)
26/08/2021								(£51.02)		(£51.02)		Former tenant court costs under £50.00 over 6 years old (3)
27/08/2021								(£15.77)		(£15.77)		Former tenant recharge under £50.00 over 6 years old (5)
16/09/2021									(£7.04)	(£7.04)		Garage account credited after write off
"									(£856.06)	(£856.06)		Rent account credited after write off
Q2 Totals	**£155.57**	**£2,534.58**	**£1,433.63**	**£12,761.47**	**£0.00**	**£0.00**	**£0.00**	**(£1,378.30)**	**(£863.10)**	**£14,643.85**	**25**	
Q1 Totals (B/F)	£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	
Overall Total	**£570.05**	**£8,298.84**	**£23,965.23**	**£43,872.01**	**£0.00**	**£0.00**	**£0.00**	**(£8,245.29)**	**(£934.20)**	**£67,526.64**	**97**	

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Cabinet

Thursday, 2 December 2021

Council

Tuesday, 14 December 2021

Report of the Portfolio Holder for Finance and Customer Services

Appointment of External Auditor - Re: Accounts Commencing 2023/2024

Exempt Information

None.

Purpose

To advise Members of the options, process and legislative requirement to appoint External Auditors for the Accounting Periods from 2023/24 and to seek Member endorsement of the recommended option for Council approval.

Recommendations

That Cabinet endorse:

1. **That Council approve that the Authority opts into the appointing person arrangements made by the Public Sector Audit Appointments (PSAA) for the appointment of External Auditors, and**

2. **That the Executive Director Finance confirms our interest in undertaking the opt in process following ratification by Council and has delegated powers in relation to the appointment process.**

Executive Summary

Local Authorities are required under legislation to appoint their own External Auditors for the Accounts 2023/24 (when the current contract expires). The Local Audit and Accountability Act 2014 requires Local Authorities to decide between opting from one of the following two options available, namely

1. Utilising the Public Sector Audit Appointments (PSAA), under the appointing persons regime, Local Audit (Appointing Person) Regulations 2015, or
2. Running our own procurement exercise.

Regulation 19 of the Local Audit (Appointing Person) Regulations 2015 requires that a decision to opt-in must be made by Full Council.

The Audit & Governance Committee at the meeting on 28th October 2021 endorsed this approach.

Options Considered

Option 1: Sector led Procurement Exercise Utilising PSAA

This is the least resource demanding of the two options available to the Authority. The use of PSAA provides for a procurement exercise undertaken on a larger scale than an Authority led procurement exercise and will ensure that the most competitive rates are obtained. This will result in a larger interest from the Audit Sector Partners and result in a reduced cost for undertaking the procurement exercise (establishing an audit panel, advertising and interview costs) as procurement exercise costs will be shared by the number of Authorities opting for this option.

Option 2: Running our own procurement exercise

This would require the establishment of an auditor panel and conduct our own procurement exercise. Undertaking our own procurement exercise will involve disproportionate use of resources (cost and management time) and would not deliver economies of scale/bulk buying power which the sector led procurement process would deliver. In light of the benefits that the sector led procurement option undertaking our own procurement exercise is not recommended.

For the reasons stated above Option 1 is recommended option as it provides the best opportunity to deliver Value for Money.

Resource Implications

Option 1 provides the most cost effective procurement option. Cost of undertaking our own procurement process would be higher that the PSAA route and offers greater opportunity in achieving a lower audit base fee due to economies of scale and buying power available under joint procurement.

Until the procurement exercise is completed it is not possible to identify the financial impact of the process and Audit Fees for 2023/2024. However, as stated the PSAA option should deliver a reduced cost that Option 2 as there is greater opportunity through using PSAA than any increase will be minimised with better quality options.

Legal/Risk Implications Background

The principal risks are that the Authority:

- fails to appoint an auditor in accordance with the requirements and timing specified in local audit legislation; or
- does not achieve value for money in the appointment process.

These risks are considered best mitigated by opting into the sector-led approach through PSAA.

The process as set out above and the recommendation should ensure compliance with the Local Audit and Accountability Act 2014.

Equalities Implications

None.

Sustainability Implications

None.

Background Information

The Council opted-in to the last procurement exercise undertaken by PSAA in 2017, as agreed by Full Council on 13th December 2016 and under this agreement External Audit services have been supplied through the PSAA procurement route for the accounts since 2018/19. This arrangement will end for the accounts for 2022/23 and PSAA is undertaking the next procurement exercise for the external audit of the accounts from 2023/2024 for a period of 5 years. The PSAA invitation letter is attached as **Appendix 1**.

A decision to become an opted-in authority must be taken in accordance with the Regulations, that is by the members of an authority meeting as a whole, i.e. in Full Council. An eligible body that has decided to join the scheme must inform PSAA by returning the Form of Acceptance Notice (issued with the opt-in invitation) no later than midnight on Friday 11th March 2022.

The PSAA has provided further information in the form of a Prospectus which is attached at **Appendix 2.**

The LGA has also provided further information with links to the PSAA website containing the procurement strategy and FAQs) in relation to procuring External Auditor services through PSAA and a number of the same arguments apply as at the time of the last procurement:

- A council procuring its own auditor or procuring through a joint arrangement means setting up an Audit Panel with an independent chair to oversee the procurement and running of the contract.
- The procurement process is an administrative burden on council staff already struggling for capacity. Contract management is an ongoing burden.
- Procuring through the appointing person (PSAA) makes it easier for councils to demonstrate independence of process.
- it is the best opportunity to secure the appointment of a qualified, registered auditor - there are only nine accredited local audit firms, and a local procurement would be drawing from the same limited supply of auditor resources as PSAA's national procurement
- Procuring for yourself provides no obvious benefits:
    - The service being procured is defined by statute and by accounting and auditing codes
    - Possible suppliers are limited to the small pool of registered firms with accredited Key Audit Partners (KAP).
    - Since the last procurement it is now more obvious than ever that we are in a 'suppliers' market' in which the audit firms hold most of the levers.
- PSAA has now built up considerable expertise and has been working hard to address the issue that have arisen with the contracts over the last couple of years:
    - PSAA has the experience of the first national contract. The Government's selection of PSAA as the appointing person for a second cycle reflects MHCLG's confidence in them as an organisation.
    - PSAA has commissioned high quality research to understand the nature of the audit market.
    - It has worked very closely with MHCLG to enable the government to consult on changes to the fees setting arrangements to deal better with variations at

national and local level, hopefully resulting in more flexible and appropriate Regulations later this year.

Report Author
Stefan Garner, Andrew Wood – Executive Director Finance, Audit Manager

List of Background Papers

Appendices

Tamworth Borough Council PSAA Invitation – Appendix 1
PSAA Prospectus – Appendix 2

Appendix 1

22 September 2021

To: Mr Barratt, Chief Executive
Tamworth Borough Council

Copied to: Mr Garner, S151 Officer
Councillor Summers, Chair of Audit Committee or equivilent

Dear Mr Barratt,

Invitation to opt into the national scheme for auditor appointments from April 2023

I want to ensure that you are aware the external auditor for the audit of your accounts for 2023/24 has to be appointed before the end of December 2022. That may seem a long way away but, as your organisation has a choice about how to make that appointment, your decision-making process needs to begin soon.

We are pleased that the Secretary of State has confirmed PSAA in the role of the appointing person for eligible principal bodies for the period commencing April 2023. Joining PSAA's national scheme for auditor appointments is one of the choices available to your organisation.

In June 2021 we issued a draft prospectus and invited your views and comments on our early thinking on the development of the national scheme for the next period. Feedback from the sector has been extremely helpful and has enabled us to refine our proposals which are now set out in the scheme prospectus and our procurement strategy. Both documents can be downloaded from our website which also contains a range of useful information that you may find helpful.

The national scheme timetable for appointing auditors from 2023/24 means we now need to issue a formal invitation to you to opt into these arrangements. In order to meet the requirements of the relevant regulations, we also attach a form of acceptance of our invitation which you must use if your organisation decides to join the national scheme. We have specified the five consecutive financial years beginning 1 April 2023 as the compulsory appointing period for the purposes of the regulations which govern the national scheme.

Given the very challenging local audit market, we believe that eligible bodies will be best served by opting to join the scheme and have attached a short summary of why we believe that is the best solution both for individual bodies and the sector as a whole.

I would like to highlight three matters to you:

1. if you opt to join the national scheme, we need to receive your formal acceptance of this invitation by Friday 11 March 2022;

18 Smith Square, London, SW1P 3HZ

2. the relevant regulations require that, except for a body that is a corporation sole (e.g. a police and crime commissioner), the decision to accept our invitation and to opt in must be made by the members of the authority meeting as a whole e.g. Full Council or equivalent. We appreciate this will need to be built into your decision-making timetable. We have deliberately set a generous timescale for bodies to make opt in decisions (24 weeks compared to the statutory minimum of 8 weeks) to ensure that all eligible bodies have sufficient time to comply with this requirement; and

3. if you decide not to accept the invitation to opt in by the closing date, you may subsequently make a request to opt in, but only after 1 April 2023. We are required to consider such requests and agree to them unless there are reasonable grounds for their refusal. PSAA must consider a request as the appointing person in accordance with the Regulations. The Regulations allow us to recover our reasonable costs for making arrangements to appoint a local auditor in these circumstances, for example if we need to embark on a further procurement or enter into further discussions with our contracted firms.

If you have any other questions not covered by our information, do not hesitate to contact us by email at ap2@psaa.co.uk. We also publish answers to frequently asked questions on our website.

If you would like to discuss a particular issue with us, please send an email also to ap2@psaa.co.uk, and we will respond to you.

Yours sincerely

Tony Crawley
Chief Executive

Encl: Summary of the national scheme

Why accepting the national scheme opt-in invitation is the best solution

Public Sector Audit Appointments Limited (PSAA)

We are a not-for-profit, independent company limited by guarantee incorporated by the Local Government Association in August 2014.

We have the support of the LGA, which in 2014 worked to secure the option for principal local government and police bodies to appoint auditors through a dedicated sector-led national body.

We have the support of Government; MHCLG's Spring statement confirmed our appointment because of our "strong technical expertise and the proactive work they have done to help to identify improvements that can be made to the process".

We are an active member of the new Local Audit Liaison Committee, chaired by MHCLG and attended by key local audit stakeholders, enabling us to feed in body and audit perspectives to decisions about changes to the local audit framework, and the need to address timeliness through actions across the system.

We conduct research to raise awareness of local audit issues, and work with MHCLG and other stakeholders to enable changes arising from Sir Tony Redmond's review, such as more flexible fee setting and a timelier basis to set scale fees.

We have established an advisory panel, which meets three times per year. Its membership is drawn from relevant representative groups of local government and police bodies, to act as a sounding board for our scheme and to enable us to hear your views on the design and operation of the scheme.

The national scheme for appointing local auditors

In July 2016, the Secretary of State specified PSAA as an appointing person for principal local government and police bodies for audits from 2018/19, under the provisions of the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015. Acting in accordance with this role PSAA is responsible for appointing an auditor and setting scales of fees for relevant principal authorities that have chosen to opt into its national scheme. 98% of eligible bodies made the choice to opt-in for the five-year period commencing in April 2018.

We will appoint an auditor for all opted-in bodies for each of the five financial years beginning from 1 April 2023.

We aim for all opted-in bodies to receive an audit service of the required quality at a realistic market price and to support the drive towards a long term competitive and more sustainable market for local audit. The focus of our quality assessment will include resourcing capacity and capability including sector knowledge, and client relationship management and communication.

What the appointing person scheme from 2023 will offer

We believe that a sector-led, collaborative, national scheme stands out as the best option for all eligible bodies, offering the best value for money and assuring the independence of the auditor appointment.

The national scheme from 2023 will build on the range of benefits already available for members:

- transparent and independent auditor appointment via a third party;
- the best opportunity to secure the appointment of a qualified, registered auditor;
- appointment, if possible, of the same auditors to bodies involved in significant collaboration/joint working initiatives, if the parties believe that it will enhance efficiency;
- on-going management of any independence issues which may arise;
- access to a specialist PSAA team with significant experience of working within the context of the relevant regulations to appoint auditors, managing contracts with audit firms, and setting and determining audit fees;
- a value for money offer based on minimising PSAA costs and distribution of any surpluses to scheme members - in 2019 we returned a total £3.5million to relevant bodies and more recently we announced a further distribution of £5.6m in August 2021;
- collective efficiency savings for the sector through undertaking one major procurement as opposed to a multiplicity of smaller procurements;
- avoids the necessity for local bodies to establish an auditor panel and undertake an auditor procurement, enabling time and resources to be deployed on other pressing priorities;
- updates from PSAA to Section 151 officers and Audit Committee Chairs on a range of local audit related matters to inform and support effective auditor-audited body relationships; and
- concerted efforts to work with other stakeholders to develop a more sustainable local audit market.

We are committed to keep developing our scheme, taking into account feedback from scheme members, suppliers and other stakeholders, and learning from the collective post-2018 experience. This work is ongoing, and we have taken a number of initiatives to improve the operation of the scheme for the benefit of all parties.

Importantly we have listened to your feedback to our recent consultation, and our response is reflected in the scheme prospectus.

Opting in

The closing date for opting in is 11 March 2022. We have allowed more than the minimum eight-week notice period required, because the formal approval process for most eligible bodies is a decision made by the members of the authority meeting as a whole [Full Council or equivalent], except police and crime commissioners who are able to make their own decision.

We will confirm receipt of all opt-in notices. A full list of eligible bodies that opt in will be published on our website. Once we have received an opt-in notice, we will write to you to request information on any joint working arrangements relevant to your auditor appointment, and any potential independence matters which may need to be taken into consideration when appointing your auditor.

Local Government Reorganisation

We are aware that reorganisations in the local government areas of Cumbria, Somerset, and North Yorkshire were announced in July 2021. Subject to parliamentary approval shadow elections will take place in May 2022 for the new Councils to become established from 1 April 2023. Newly established local government bodies have the right to opt into PSAA's scheme under Regulation 10 of the Appointing Person Regulations 2015. These Regulations also set out that a local government body that ceases to exist is automatically removed from the scheme.

If for any reason there is any uncertainty that reorganisations will take place or meet the current timetable, we would suggest that the current eligible bodies confirm their acceptance to opt in to avoid the requirement to have to make local arrangements should the reorganisation be delayed.

Next Steps

We expect to formally commence the procurement of audit services in early February 2022. At that time our procurement documentation will be available for opted-in bodies to view through our e-tendering platform.

Our recent webinars to support our consultation proved to be popular, and we will be running a series of webinars covering specific areas of our work and our progress to prepare for the second appointing period. Details can be found on our website and in the scheme prospectus.

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Public Sector
Audit Appointments

PROSPECTUS

The national scheme for local auditor appointments

All eligible bodies

September 2021 **www.psaa.co.uk**

About PSAA

Public Sector Audit Appointments Limited (PSAA) is an independent company limited by guarantee incorporated by the Local Government Association in August 2014.

In July 2016, the Secretary of State specified PSAA as an appointing person for principal local government and police bodies for audits from 2018/19, under the provisions of the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015. Acting in accordance with this role PSAA is responsible for appointing auditors and setting scales of fees for relevant principal authorities that have chosen to opt into its national scheme, overseeing issues of auditor independence and monitoring compliance by the auditor with the contracts we enter into with the audit firms.

Contents

Introduction

PSAA has issued its formal invitation to all eligible bodies to opt into the national scheme for local auditor appointments for the second appointing period, which will provide external audit arrangements for the period commencing from the financial year 2023/24.

This prospectus is published to provide details of the national scheme and to assist eligible bodies in deciding whether or not to accept PSAA's invitation. The scheme has been shaped by your feedback to the June 2021 consultation on our draft prospectus. The key areas of our approach that have been refined in response to consultation feedback are set out later in this prospectus.

In relation to appointing auditors, eligible bodies have options to arrange their own procurement and make the appointment themselves or in conjunction with other bodies, or they can join and take advantage of the national collective scheme administered by PSAA.

A decision to become an opted-in authority must be taken in accordance with the Regulations, that is by the members of an authority meeting as a whole, i.e. in Full Council, except where the authority is a corporation sole, such as a police and crime commissioner, in which case this decision must be taken by the holder of that office.

An eligible body that has decided to join the scheme must inform PSAA by returning the Form of Acceptance Notice (issued with the opt-in invitation) **no later than midnight on Friday 11 March 2022**.

An eligible body that does not accept the opt-in invitation but subsequently wishes to join the scheme may apply to opt in only after the appointing period has commenced, that is on or after 1 April 2023. In accordance with the regulations, as the appointing person, PSAA must: consider a request to join its scheme; agree to the request unless it has reasonable grounds for refusing it; and notify the eligible body within four weeks of its decision with an explanation if the request is refused. Where the request is accepted, PSAA may recover its reasonable costs for making arrangements to appoint a local auditor from the opted-in body.

Audit does matter

The purpose of audit is to provide an independent opinion on the truth and fairness of the financial statements, whether they have been properly prepared and to report on certain other requirements. In relation to local audit the auditor has a number of distinctive duties including assessing the arrangements in place to deliver value for money, and dealing with electors' objections and issuing public interest reports.

Good quality independent audit is one of the cornerstones of public accountability. It gives assurance that taxpayers' money has been well managed and properly expended. It helps to inspire trust and confidence in the organisations and people responsible for managing public money.

"The LGA set up PSAA to provide a way for councils to meet the legislative requirements of audit procurement without unnecessary bureaucracy and to provide leverage for councils by collaborating in a difficult market. It is now more important than ever that councils work together to ensure we get what we need from the audit market."

James Jamieson. Chairman of the Local Government Association

Context: changes in the audit market

In 2014 when the Local Audit and Accountability Act received Royal Assent the audit market was relatively stable. In 2017 PSAA benefitted from that continuing stability. Our initial procurement on behalf of more than 480 bodies (98% of those eligible to join the national scheme) was very successful, attracting very competitive bids from firms. As a result, we were able to enter into long term contracts with five experienced and respected firms and to make auditor appointments to all bodies. However, although we did not know it at the time, this was the calm before the storm.

2018 proved to be a very significant turning point for the audit industry. A series of financial crises and failures in the private sector gave rise to questioning about the role of auditors and the focus and value of their work. In rapid succession the Government commissioned four independent reviews, all of which have subsequently reported:

- Sir John Kingman's review of the Financial Reporting Council (FRC), the audit regulator;
- the Competition and Markets Authority review of the audit market;
- Sir Donald Brydon's review of the quality and effectiveness of audit; and
- Sir Tony Redmond's review of local authority financial reporting and external audit.

Public Sector
Audit Appointments

In total the four reviews set out more than 170 recommendations which are now at various stages of consideration by Government with the clear implication that a series of significant reforms could follow. Indeed, in some cases where new legislation is not required, significant change is already underway. A particular case in point concerns the FRC, where the Kingman Review has inspired an urgent drive to deliver rapid, measurable improvements in audit quality. This has already created a major pressure for firms and an imperative to ensure full compliance with regulatory requirements and expectations in every audit they undertake.

By the time firms were conducting 2018/19 local audits, the measures which they were putting in place were clearly visible in response to a more focused regulator that was determined to achieve change. In order to deliver the necessary improvements in audit quality, firms were requiring their audit teams to undertake additional work to gain higher levels of assurance. However, additional work requires more time, posing a threat to firms' ability to complete all of their audits by the target date for publication of audited accounts (then 31 July) - a threat accentuated by growing recruitment and retention challenges, the complexity of local government financial statements, and increasing levels of technical challenges as bodies explored innovative ways of developing new or enhanced income streams to help fund services for local people.

This risk to the delivery of timely audit opinions first emerged in April 2019 when one of PSAA's contracted firms flagged the possible delayed completion of approximately 20 audits. Less than four months later, all firms were reporting similar difficulties, resulting in more than 200 delayed audit opinions.

2019/20 audits have presented even greater challenges. With Covid-19 in the mix both finance and audit teams have found themselves in uncharted waters. Even with the benefit of an extended timetable targeting publication of audited accounts by 30 November, more than 260 opinions remained outstanding. The timeliness problem is extremely troubling. It creates disruption and reputational damage for affected parties. There are no easy solutions, and so it is vital that co-ordinated action is taken across the system by all involved in the accounts and audit process to address the current position and achieve sustainable improvement without compromising audit quality. PSAA is fully committed to do all it can to contribute to achieving that goal.

Delayed opinions are not the only consequence of the regulatory drive to improve audit quality. Additional audit work must also be paid for. As a result, many more fee variation claims have been received than in prior years and audit costs have increased.

None of these problems are unique to local government audit. Similar challenges have played out throughout other sectors where, for example, increased fees and disappointing responses to tender invitations have been experienced during the past two years.

All of this paints a picture of an audit industry under enormous pressure, and of a local audit system which is experiencing its share of the strain and instability as impacts cascade down to the frontline of individual audits. We highlight some of the initiatives which we have taken to try to manage through this troubled post-2018 audit era in this prospectus.

We look forward to the challenge of getting beyond managing serial problems within a fragile system and working with other local audit stakeholders to help design and implement a system which is more stable, more resilient, and more sustainable.

Responding to the post-2018 pressures

MHCLG's[1] Spring statement proposes changes to the current arrangements. At the time of writing, a formal consultation on the proposals in the Spring statement is underway and is due to close on 22 September 2021. The significant work to reform audit in the wake of the four independent reviews is underway. Further wide-ranging change is almost certain to occur during the next few years, and is very likely to have an impact during the appointing period that will commence in April 2023. Organisations attempting to procure audit services of an appropriate quality during this period are likely to experience markedly greater challenges than pre-2018.

Local government audit will not be immune from these difficulties. However, we do believe that PSAA's national scheme will be the best option to enable local bodies to secure audit services in a very challenging market. Firms are more likely to make positive decisions to bid for larger, long term contracts, offering secure income streams, than they are to invest in bidding for a multitude of individual opportunities.

We believe that the national scheme already offers a range of benefits for its members:

- transparent and independent auditor appointment via a third party;
- the best opportunity to secure the appointment of a qualified, registered auditor;
- appointment, if possible, of the same auditors to bodies involved in significant collaboration/joint working initiatives, if the parties believe that it will enhance efficiency and value for money;
- on-going management of any independence issues which may arise;
- access to a dedicated team with significant experience of working within the context of the relevant regulations to appoint auditors, managing contracts with audit firms, and setting and determining audit fees;
- a value for money offer based on minimising PSAA costs and distribution of any surpluses to scheme members;
- collective savings for the sector through undertaking one major procurement as opposed to a multiplicity of smaller procurements;
- a sector-led collaborative scheme supported by an established advisory panel of sector representatives to help inform the design and operation of the scheme;

[1] Immediately prior to the publication of this document it was announced that MHCLG has been renamed to Department for Levelling Up, Housing and Communities (DLUHC). The document refers to the department as MHCLG.

- avoiding the necessity for local bodies to establish an auditor panel and undertake an auditor procurement, enabling time and resources to be deployed on other pressing priorities;
- providing regular updates to Section 151 officers on a range of local audit related matters and our work, to inform and support effective auditor-audited body relationships; and
- concerted efforts to develop a more sustainable local audit market.

The national scheme from 2023/24 will build on the current scheme having listened to the feedback from scheme members, suppliers and other stakeholders and learning from the collective post-2018 experience.

Since 2018 we have taken a number of initiatives to improve the operation of the scheme for the benefit of all parties including:

- commissioning an independent review undertaken by Cardiff Business School of the design of the scheme and implementation of our appointing person role to help shape our thinking about future arrangements;
- commissioning an independent review by consultancy firm Touchstone Renard of the sustainability of the local government audit market, which identified a number of distinctive challenges in the current local audit market. We published the report to inform debate and support ongoing work to strengthen the system and help to deliver long term sustainability;
- proactively and constructively engaging with the various independent reviews, including the significant Redmond Review into Local Authority Financial Reporting and External Audit;
- working with MHCLG to identify ways to address concerns about fees by developing a new approach to fee variations which would seek wherever possible to determine additional fees at a national level where changes in audit work apply to all or most opted-in bodies;
- establishing the Local Audit Quality Forum, which has to date held five well attended events on relevant topics, to strengthen engagement with Audit Committee Chairs and Chief Finance Officers;
- using our advisory panel and attending meetings of the various Treasurers' Societies and S151 officer meetings to share updates on our work, discuss audit-related developments, and listen to feedback;
- maintaining contact with those registered audit firms that are not currently contracted with us, to build relationships and understand their thinking on working within the local audit market;
- undertaking research to enable a better understanding of the outcomes of electors' objections and statements of reasons issued since our establishment in April 2015; and
- sharing our experiences with and learning from other organisations that commission local audit services such as Audit Scotland, the NAO, and Crown Commercial Services.

As a member of the newly formed Local Audit Liaison Committee (established by MHCLG as outlined in its Spring statement), we are working closely with a range of local audit stakeholders including MHCLG, FRC, NAO, ICAEW, CIPFA and the LGA to help identify and develop further initiatives to strengthen local audit. In many cases desirable improvements are not within PSAA's sole gift and, accordingly, it is essential that this work is undertaken collaboratively with a common aim to ensure that local bodies continue to be served by an audit market which is able to meet the sector's needs and which is attractive to a range of well-equipped suppliers.

One of PSAA's most important obligations is to make an appropriate auditor appointment to each and every opted-in body. Prior to making appointments for the second appointing period, commencing on 1 April 2023, we plan to undertake a major procurement enabling suppliers to enter into new long term contracts with PSAA.

In the event that the procurement fails to attract sufficient capacity to enable auditor appointments to every opted-in body or realistic market prices, we have fallback options to extend one or more existing contracts for 2023/24 and also 2024/25.

We are very conscious of the value represented by these contract extension options, particularly given the current challenging market conditions. However, rather than simply extending existing contracts for two years (with significant uncertainty attaching to the likely success of a further procurement to take effect from 1 April 2025), we believe that it is preferable, if possible, to enter into new long term contracts with suppliers at realistic market prices to coincide with the commencement of the next appointing period.

MHCLG has recently undertaken a consultation proposing amendments to the Appointing Person Regulations. We have set the length of the next compulsory appointing period to cover the audits of the five consecutive financial years commencing 1 April 2023.

PSAA is well placed to lead the national scheme

As outlined earlier, the past few years have posed unprecedented challenges for the UK audit market. Alongside other stakeholders PSAA has learned a great deal as we have tried to address the difficulties and problems arising and mitigate risks. It has been a steep learning curve but nevertheless one which places us in a strong position to continue to lead the national scheme going forward. MHCLG's Spring statement confirmed Government's confidence in us to continue as appointing person, citing our strong technical expertise and the proactive work we have done to help to identify improvements that can be made to the process.

The company is staffed by a team with significant experience of working within the context of the regulations to appoint auditors, managing contracts with audit firms, and setting and determining audit fees. All of these roles are undertaken with a detailed, ongoing, and up-to-date understanding of the distinctive context and challenges facing both the sector and a highly regulated service and profession which is subject to dynamic pressures for change. Where appropriate we have worked with MHCLG to change our regulations where they are preventing efficiency.

We believe that the national collective, sector-led scheme stands out as the best option for all eligible bodies - especially in the current challenging market conditions. It offers excellent value for money and assures the independence of the auditor appointment.

Membership of the scheme will save time and resources for local bodies - time and resources which can be deployed to address other pressing priorities. Bodies can avoid the necessity to establish an auditor panel (required by the Local Audit & Accountability Act, 2014) and the need to manage their own auditor procurement. Assuming a high level of participation, the scheme can make a significant contribution to supporting market sustainability and encouraging realistic prices in a challenging market.

The scope of a local audit is fixed. It is determined by the Code of Audit Practice (currently published by the NAO[2]), the format of the financial statements (specified by CIPFA/LASAAC) and the application of auditing standards regulated by the FRC. These factors apply to all local audits irrespective of whether an eligible body decides to opt into PSAA's national scheme or chooses to make its own separate arrangements.

The scope of public audit is wider than for private sector organisations. For example, for 2020/21 onwards it involves providing a new commentary on the body's arrangements for securing value for money, as well as dealing with electors' enquiries and objections, and in some circumstances issuing public interest reports.

Auditors must be independent of the bodies they audit to enable them to carry out their work with objectivity and credibility, and to do so in a way that commands public confidence. We will continue to make every effort to ensure that auditors meet the relevant independence criteria at the point at which they are appointed, and to address any identified threats to independence which arise from time to time. We will also monitor any significant proposals for auditors to carry out consultancy or other non-audit work with the aim of ensuring that these do not undermine independence and public confidence.

The scheme will also endeavour to appoint the same auditor to bodies involved in formal collaboration/joint working initiatives, if the parties consider that a common auditor will enhance efficiency and value for money.

[2] MHCLG's Spring statement proposes that overarching responsibility for the Code will in due course transfer to the system leader, namely ARGA, the new regulator being established to replace the FRC.

PSAA's commitments

PSAA will contract with appropriately qualified suppliers

In accordance with the 2014 Act, audit firms must be registered with one of the chartered accountancy institutes - currently the Institute of Chartered Accountants in England and Wales (ICAEW) - acting in the capacity of a Recognised Supervisory Body (RSB). The quality of their work will then be subject to inspection by either or potentially both the RSB and the FRC. Currently there are fewer than ten firms registered to carry out local audit work.

We will take a close interest in the results of RSB and FRC inspections and the subsequent plans that firms develop to address any areas in which inspectors highlight the need for improvement. We will also focus on the rigour and effectiveness of firms' own internal quality assurance arrangements, recognising that these represent some of the earliest and most important safety nets for identifying and remedying any problems arising. To help inform our scrutiny of both external inspections and internal quality assurance processes, we will invite regular feedback from both audit committee chairs and chief finance officers of audited bodies.

PSAA will support market sustainability

We are very conscious that our next procurement will take place at a very difficult time given all of the fragility and uncertainties within the external audit market.

Throughout our work we will be alert to new and relevant developments that may emerge from the Government's response to the Kingman, CMA and Brydon Reviews, as well as its response to the issues relating specifically to local audit highlighted by the Redmond Review. We will adjust or tailor our approach as necessary to maximise the achievement of our procurement objectives.

A top priority must be to encourage market sustainability. Firms will be able to bid for a variety of differently sized contracts so that they can match their available resources and risk appetite to the contract for which they bid. They will be required to meet appropriate quality standards and to reflect realistic market prices in their tenders, informed by the scale fees and the supporting information provided about each audit. Where regulatory changes are in train which affect the amount of audit work which suppliers must undertake, firms will be informed as to which developments should be priced into their bids. Other regulatory changes will be addressed through the fee variation process, where appropriate in the form of national variations.

PSAA will offer value for money

Audit fees must ultimately be met by individual audited bodies. The prices submitted by bidders through the procurement will be the key determinant of the value of audit fees paid by opted-in bodies.

We believe that the most likely way to secure competitive arrangements in a suppliers' market is to work collectively together as a sector.

We will seek to encourage realistic fee levels and to benefit from the economies of scale associated with procuring on behalf of a significant number of bodies. We will also continue to seek to minimise our own costs (which represent approximately 4% of overall scheme costs). We are a not-for-profit company and any surplus funds will be returned to scheme members. For example, in 2019 we returned a total £3.5million to relevant bodies and, more recently, we announced a further distribution of £5.6m in August 2021.

We will continue to pool scheme costs and charge fees to opted-in bodies in accordance with our published fee scale as amended from time to time following consultations with scheme members and other interested parties. Pooling is a key tenet of the national collective scheme.

Additional fees (fee variations) are part of the statutory framework. They only occur if auditors are required to do substantially more work than anticipated, for example, if local circumstances or the Code of Audit Practice change or the regulator (the FRC) increases its requirement on auditors.

Audit developments since 2018 have focused considerable attention on audit fees. The drive to improve audit quality has created significant fee pressures as auditors have needed to extend their work to ensure compliance with increased regulatory requirements. Changes in audit scope and technical standards, such as the requirement in the new Code of Audit Practice 2020 for the auditor to provide a VFM arrangements commentary, have also had an impact. Fees are rising in response to the volume of additional audit work now required.

The outcome is awaited of MHCLG's recent consultation on changes to the regulations, designed to provide the appointing person with greater flexibility to allow a fee scale to be set during the audit year (rather than before it starts). If implemented, these changes will enable approved recurring fee variations to be baked into the scale fee at an earlier date so the scale fees are more accurate and the volume of fee variations is reduced.

It is important to emphasise that by opting into the national scheme you have the reassurance that we review and robustly assess each fee variation proposal in line with statutory requirements. We draw on our technical knowledge and extensive experience in order to assess each submission, comparing with similar submissions in respect of other bodies/auditors before reaching a decision.

Procurement Strategy

Our procurement strategy sets out the detail and scope of the procurement to deliver contracts from which the auditor appointments will be made for eligible bodies that decide to accept the invitation to opt into PSAA's scheme.

Our primary aim is to secure the delivery of an audit service of the required quality for every opted-in body at a realistic market price and to support the drive towards a long term competitive and more sustainable market for local public audit services.

We expect to initiate a new procurement for audit services in February 2022 and, subject to a satisfactory outcome, to award contracts in August 2022. Subject to consultations with opted-in bodies and audit firms, we plan to make auditor appointments by 31 December 2022 (as required by the regulations).

Response to consultation feedback

PSAA consulted with eligible bodies and other stakeholders on our draft prospectus for the national scheme for local auditor arrangements from April 2023, and with the audit services market on important features of its procurement strategy. The insight provided from both these important consultations has helped to shape the arrangements that PSAA will implement from 2023/24. Key areas are highlighted below.

Evolution of the Local Audit Framework

The consultation responses highlight the need for system-wide change. In many areas it is not within PSAA's remit to effect the significant change required.

The newly formed Local Audit Liaison Committee (as outlined in MHCLG's Spring statement), has enabled PSAA to highlight the need for a range of actions to tackle the identified issues that are essential to support a more stable, more resilient, and more sustainable local audit system. Sometimes the actions can be taken by individual organisations, but more frequently responsibility lies collectively across the system. The Liaison Committee and its members are now taking actions forward, including:

- All stakeholders to communicate the importance of audit timeliness as a consistent message to audit firms;
- PSAA to work with the FRC to develop the approach to quality evaluation of tenders;
- MHCLG and other stakeholders to understand the extent of potential increased audit costs for all eligible bodies and to consider how these might be met;
- All stakeholders to consider ways in which to attract new entrants (firms and Key Audit Partners) into the market;
- Central government departments to provide clarity on the direction of local audit policy to inform firms' consideration ahead of next procurement;
- The NAO and FRC to work together to consider how they can provide clarity about the future direction of the Code of Audit Practice to firms ahead of the next procurement; and
- MHCLG, CIPFA and the LGA to consider how to support finance departments with accounting and audit requirements.

In the vast majority of the areas consulted on which were within PSAA's remit, responses were supportive of our proposals for the national scheme from 2023/24 which is very encouraging. Areas where we have revisited and evolved our approach are highlighted below.

Minimum Audit Fees

Audit fees are rising in all sectors in response to increased regulatory requirements for audit quality and changes in audit scope and technical standards. Striving to ensure realistic fee levels is a vital prerequisite to achieving a more sustainable and stable local audit market.

Where individual audits currently attract scale fees that do not cover the basic costs of the audit work needed for a Code-compliant audit, we propose to implement a minimum fee level at the start of the next appointing period, for the audit of the 2023/24 accounts. Our independent research indicates a minimum fee level of £31,000 should apply, based on the 2020/21 scope of audit work, to any opted-in body (a police and crime commissioner and a chief constable constitute one body for this purpose).

We cannot anticipate scale fees for the next appointing period at this stage, because they will depend on the prices achieved in the procurement and any changes in audit requirements. Where any price increase means that the scale fee for a body does not reach the floor set by the minimum fee, the fee for that body would increase to reach the minimum level. It is likely, given current expectations, that the introduction of a minimum fee specifically would lead to an increase in fees for a relatively small number of local bodies. PSAA consults each year on the fee scale and will consult in 2023 on the 2023/24 fee scale.

Introducing a minimum fee is a one-off exercise designed to improve the accuracy of the fee scale for the next appointing period. Fee variations would continue to apply where the local circumstances of an audited body require additional audit work that was not expected at the time the fee scale was set.

Standardised fee variations

Current local audit regulations allow PSAA to approve fee variation requests only at individual bodies, for additional audit requirements that become apparent during the course of an audit year. MHCLG has announced the intention to amend the regulations, following a consultation, to provide more flexibility. This would include the ability for PSAA to approve standardised fee variations to apply to all or groupings of bodies where it may be possible to determine additional fees for some new requirements nationally rather than for each opted-in body individually. Where it is possible to do this, it would have the effect of reducing the need for local fee variations.

Approach to social value in the evaluation of tenders

We plan to retain our original proposal of a 5% weighting but to broaden the criteria by asking bidders to describe the additional social value they will deliver from the contract, which could include the creation of audit apprenticeships and meaningful training opportunities. Bidders will also be asked to describe how their delivery of social value will be measured and evidenced.

Contract Management

The quality of the audit services received by opted-in bodies is very important to both the bodies themselves and to PSAA. Our intention is therefore to focus a significant majority of the quality assessment of tender submissions on resourcing, capacity and capability (including sector knowledge) and on client relationship management and communication. Correspondingly, we intend to apply a lesser weighting to those criteria that are regularly assessed by the regulator. We will seek the views of the regulator in developing the detail of our approach.

We will also review the contract terms used in 2017 ahead of the next procurement of audit services. In particular we will consider the potential to introduce enhanced performance management arrangements aligned to the greater emphasis on quality within the tender evaluation process. Any such revision must ensure continued compliance with the FRC's Ethical Standard which prevents audit fees from being "*calculated on a predetermined basis relating to the outcome or result of a transaction, or other event, or the result of the work performed*".

Information and Communication

Following the success of the webinars held to support the recent consultation, PSAA will be running a series of webinars starting in October 2021. The webinars will provide eligible bodies with the opportunity to hear and ask questions about specific areas of scheme arrangements and PSAA's work, and our progress to prepare for the second appointing period. Details of the webinar series can be found on our website.

Eligible Principal Bodies in England

The following bodies are eligible to join the proposed national scheme for appointment of auditors to local bodies:

- county councils
- metropolitan borough councils
- London borough councils
- unitary councils
- combined authorities
- passenger transport executives
- police and crime commissioners for a police area
- chief constables for an area
- national park authorities for a national park
- conservation boards
- fire and rescue authorities
- waste authorities
- the Greater London Authority and its functional bodies
- any smaller bodies whose expenditure in any year exceeds £6.5m (e.g. Internal Drainage Boards) or who have chosen to be a full audit authority (Regulation 8 of Local Audit (Smaller Authorities) Regulations 2015).

Board Members

Steve Freer (Chairman)

Keith House

Caroline Gardner CBE

Marta Phillips OBE

Stephen Sellers

PSAA Board members bring a wealth of executive and non-executive experience to the company. Areas of particularly relevant expertise include public governance, management and leadership; local government and contract law; and public audit and financial management.

Further information about PSAA's Board can be found at
https://www.psaa.co.uk/about-us/who-we-are/board-members/

Senior Executive Team

Tony Crawley, Chief Executive

Sandy Parbhoo, Chief Finance Officer

Andrew Chappell, Senior Quality Manager

Julie Schofield, Senior Manager Business & Procurement

Within the PSAA senior executive team there is extensive and detailed knowledge and experience of public audit, developed through long standing careers either as auditors or in senior finance and business management roles in relevant organisations.

Further information about PSAA's senior team can be found at
https://www.psaa.co.uk/about-us/who-we-are/executive-team/

Annex - Procurement Options

Our Preferred Option

A 5 year contract with the fallback of the right to extend one or more of the current contracts if there are insufficient or unaffordable bids.

Other Options Considered and Rejected

Option 1

Extending the existing contracts for 2 years and deferring the procurement. We want to secure 5 year contracts if we can because we believe this option is more attractive to the market.

Option 2

A 5 year contract with a commitment not to extend the existing contracts. We need the back stop of the right to extend the existing contracts if there are insufficient bids to allow us to make auditor appointments to all opted in bodies or if any of the bids received propose unacceptable prices.

Option 3

A 5 year contract with pre-determined prices for years 1 and 2 thereby avoiding the need for firms to price in the value of the right to extend the existing contracts. We believe such an arrangement will be unattractive to the market. Firms should be able to offer their own prices for years 1 and 2.

Thursday, 02 December 2021

Report of the Portfolio Holder for Regulatory & Community Safety

Infrastructure Funding Statement 2020/21

Exempt Information
None.

Purpose
The purpose of this report is to seek Cabinet approval for the recommendations in relation to the spending of Community Infrastructure Levy income and the publication of the Infrastructure Funding Statement.

Recommendations

It is recommended that:

1. Regeneration projects within Tamworth remains the priority for spending the strategic element of CIL;
2. A further £6,208.10 be added to the neighbourhood projects budget for 2022/23; and
3. The draft Infrastructure Funding Statement at Appendix A be approved for publication on the Council's website.

Executive Summary
The Council is required to produce an annual Infrastructure Funding Statement (IFS) in order to give communities a better understanding of how developer contributions have been used to deliver infrastructure in their area. A copy of the draft IFS for 2020/21 is included at Appendix A.

It is recommended that the spending priority for the strategic element of Community Infrastructure Levy income remains as 'regeneration projects within Tamworth' and that Cabinet approve the publication of the IFS.

An additional £6,208.10, forming the neighbourhood element of CIL income, is available to be spent in line the relevant regulations and guidance. It is recommended that these funds be added to the existing neighbourhood project budget, set up at the Cabinet meeting of 18 February 2021, for Cabinet to spend on a neighbourhood project basis.

Options Considered
The Council is required to publish an Infrastructure Funding Statement (IFS) by the end of 2021 and the majority of the content is factual and are prescribed by guidance published by Government. Therefore no alternative options have been considered for this element.

Part of the required IFS is a section setting out the Council's priorities for spending the strategic element of CIL income. At the Cabinet meeting of 08 April 2021, which approved the 19/20 IFS, the strategic priority was set as 'regeneration projects within Tamworth'. Alternative priorities could be set, provided that they are within the framework set out in the relevant regulations. However, as no specific projects have been identified at this time and the current strategic priority is sufficiently broad to allow a number of projects to come forward, retaining the existing strategic priority is considered to be the best option.

Resource Implications

There are no resource implications associated with the retention of the current CIL spending priorities. CIL income to date amounts to £260,012.12 of which 80% (£208,009.69) forms the strategic element. This income is available to the Council for funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of Tamworth Borough. The money is available to be spent at the Council's discretion so long as the spending is in accordance with the regulatory framework as set out in the following section of this report.

15% of CIL income per year forms the neighbourhood element, which is to be spent in consultation with the public. At the Cabinet meeting of 18 February 2021 it was resolved to form a budget in 2021/22 of £35,000 (from the neighbourhood portion of CIL income at that point) for Cabinet to allocate on a neighbourhood project basis. Additional CIL income of £41,387.36 was received during 2020/21, of which £6,208.10 forms the neighbourhood element. This brings the balance to £39,577 that remains unspent for Cabinet to spend on neighbourhood projects.

There are no resource implications associated with the publication of the Infrastructure Funding Statement.

Legal/Risk Implications Background

The relevant legal basis for the collecting and spending of CIL is the Planning Act 2008 (the act) and the Community Infrastructure Levy Regulations 2010 (as amended) (the regulations). The regulations allow a charging authority (in this case the Council) to apply CIL to administrative expenses incurred by it in connection with CIL.

As regards the strategic element, the regulations state that a charging authority must apply CIL to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area and the act sets out the types of infrastructure to which this element of CIL can be applied. These are:
(a) roads and other transport facilities,
(b) flood defences,
(c) schools and other educational facilities,
(d) medical facilities,
(e) sporting and recreational facilities,
(f) open spaces

At this point, no specific projects have been identified on which to spend the strategic element of CIL. Any project within the proposed broad strategic priority of regeneration would need to fit within one of the categories listed above in order to comply with the regulations.

Equalities Implications

None.

Sustainability Implications

The proposals set out relate to the delivery of infrastructure to support the sustainable development of Tamworth in line with the objectives of the Local Plan. There are no additional sustainability implications as a result of the proposals set out in this report.

Background Information

In 2019 the CIL regulations were amended to include a requirement for councils to produce an annual Infrastructure Funding Statement (IFS) in order to give communities a better understanding of how developer contributions have been used to deliver infrastructure in their area. The statement should include details of the money received through s106 and CIL during the previous financial year and information on what projects that money has been allocated to and/or spent on. The statement should also set out the infrastructure projects or types of infrastructure that the authority intends to fund wholly or partly through CIL.

The IFS sets out income and expenditure of both CIL and s106 income each year along with the Council's spending priorities for the strategic element of CIL. At the Cabinet meeting of 08 April 2021, it was resolved that 'regeneration projects within Tamworth' should be set as the Council's spending priority for CIL. As no specific infrastructure projects have been identified as an alternative, it is recommended that 'regeneration projects within Tamworth' remains the Council's strategic CIL spending priority until such time as specific regeneration projects, or alternative infrastructure projects, are identified.

At the Cabinet meeting of 18 February 2021 it was resolved to form a budget in 2021/22 for Cabinet to allocate the neighbourhood portion of CIL on a neighbourhood project basis. CIL income for the year 2020/21 totalled £41,387.36 means that an additional £6,208.10 was added to the neighbourhood portion. It is therefore recommended that the additional £6,208.10 be added to the neighbourhood project budget for 2022/23.

A draft of the latest Infrastructure Funding Statement, covering the period 01 April 2020 to 30 March 2021, is included at Appendix A and it is recommended that Cabinet approve the publication of this document.

Report Author
Richard Powell – Planning Policy and Delivery Team Leader

List of Background Papers
Report of the Portfolio Holder for Heritage and Growth – Community Infrastructure Levy – Council meeting - 17 July 2018;
Minute of the meeting of Cabinet – 18 February 2021;
Report of the Portfolio Holder for Regulatory & Community Safety – CIL Spending – Cabinet – 08 April 2021.

Appendices
Appendix A – Draft 2020/21 Infrastructure Funding Statement

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Infrastructure Funding Statement

Tamworth Borough Council

Reporting Period

2020/21

Published December 2021

Contents

1.0. Introduction

1.1. The Infrastructure Funding Statement (IFS) provides an overview of all financial and non-financial developer contributions relating to Section 106 Agreements (S106) and the Community Infrastructure Levy (CIL) within Tamworth Borough for a given year. Such contributions are sought from developers to provide infrastructure which supports the wider economic and social development of the Borough.

1.2. This report offers a summary of how contributions are collected, allocated and spent by Tamworth Borough, including further reference to the Council's future expenditure priorities in relation to CIL income.

Regulation Requirements

1.3. This IFS has been prepared in accordance with the requirements of The Community Infrastructure Levy (Amendment) (England) (No.2) Regulations 2019. In line with government guidance, the information included in this report will be updated annually and subsequently published on the Tamworth Borough Council website.

Monitoring Period

1.4. Unless otherwise specifically stated, the monitoring period for this report is 1st April 2020 to 31st March 2021.

2.0. Developer Contributions

Section 106 Planning Obligations (S106)

2.1. A Section 106 Agreement (S106) is a legal agreement, typically between an applicant seeking planning permission and the local planning authority, which is used to mitigate the impact of new development upon the local area.

2.2. Obligations can only be sought in instances where they are directly related to the development, to which they are reasonably related in both scale and kind, and necessary to ensure an acceptable development in planning terms.

2.3. S106 contributions can either be provided on-site, for example through the provision of affordable housing, or off-site in the alternative form of financial payments. Such monies may contribute towards the provision or improvement of infrastructure, such as schools and leisure facilities.

2.4. Tamworth Borough Council's requirements for S106 planning obligations are published in the Planning Obligations Supplementary Planning Document (2018), which can be accessed online at https://www.tamworth.gov.uk/supplementary-planning-documents.

Community Infrastructure Levy (CIL)

2.5. CIL is a levy mechanism used to secure financial contributions from developers on viable developments. Monies levied and collected through CIL charging can be used to fund the provision, enhancement, maintenance or replacement of infrastructure intended to support the growth and development of Tamworth Borough.

2.6. Not all development is liable to financially contribute under CIL. Different forms and scales of development may encounter different charging rates.

2.7. The Borough's CIL rates are set out via a published Charging Schedule, which was adopted in August 2018. Further information regarding both CIL liability and charging rates can be found on the following Council webpage: https://www.tamworth.gov.uk/cil.

Infrastructure

2.8. S106 and CIL can be used to fund a wide range of infrastructure. For the purposes of this report, examples of infrastructure may be defined as:

- Roads and other transport facilities;
- Flood defences;
- Educational, health and social care facilities;
- Sporting and recreational facilities; and
- Open spaces

3.0. CIL and S106 Headline Figures 2020/21

The following summaries have been provided in relation to the collection, allocation and expenditure of both CIL and S106 monies during 2020/21. Further detail can be found in the individual reports included in the following section.

CIL Headline Figures 2020/21

- A total of **£79,657.83** was invoiced during the 2020/21 period through the issue of Demand Notices.
- A total of **£41,387.36** was collected during the financial year from **three liable developments.**
- **£2,069.37** was retained towards the costs of monitoring and administration of CIL. This equates to **5%** of the income received during the year.
- Regulations 59E and 59F apply to a total of **£6,208.10**. Tamworth Borough does not contain any neighbourhood or parish localities, and as such these monies are to be retained for spending in line with Cabinet priorities.
- No CIL income was **allocated** to infrastructure projects during 2020/21.
- No CIL income was **spent** during the given monitoring period.

S106 Headline Figures 2020/21

- Agreements were entered into during the year totaling **£656,322.11**. This includes **£653,622.11** which relates to infrastructure that is the responsibility of Staffordshire County Council, such as highways and education.
- A total sum of **£43,273.80** was collected during the year from **five** liable developments.
- Income from **five** obligations totaling **£72,733.00** was allocated to infrastructural projects during 2020/21.
- A total of **£285,000** was spent on infrastructural projects during 2020/21.
- A total of **£1,513,168.83** was retained at the end of the year. This includes commuted sums of **£166,645.03**, which are intended to fund long term maintenance of infrastructure. A significant proportion of retained income has also been collected towards large scale projects which will take a number of years to deliver.
- A total of **29 affordable dwellings** have been provided from **one** liable development.
- **£2,638.68** was spent on monitoring compliance with S106 Agreements.

4.0. Community Infrastructure Levy Report 2020/21

The table below sets out CIL income, allocation and spending during the period 2020/21.

Detail	Value (£)	Additional Information
The total value of CIL set out in all demand notices issued in the reported year.	**£79,647.83**	This is the amount of CIL that became due during the year and where a demand notice was issued requesting payment.
The total amount of CIL receipts for the reported year.	**£41,387.36**	The total amount was collected from three liable developments.
The total amount of CIL receipts, collected by the authority, or by another person on its behalf, before the reported year but which have not been allocated.	**£ 218,624.75**	No CIL funds were allocated prior to the period 2020/21.
The total amount of CIL receipts, collected by the authority, or by another person on its behalf, before the reported year and which have been allocated in the reported year.	**£ Nil**	No CIL funds have been allocated during 2020/21.
The total amount of CIL expenditure for the reported year.	**£ Nil**	No CIL income was spent during 2020/21.
The total amount of CIL receipts, whenever collected, which were allocated but not spent during the reported year.	**£ Nil**	No CIL income was allocated during 2020/21.
In relation to CIL expenditure for the reported year, summary details of:		
(i) The items of infrastructure on which CIL (including land payments) has been spent, and the amount of CIL spent on each item.	**N/A**	No CIL income was spent during 2020/21.
(ii) The amount of CIL spent on repaying money borrowed, including any interest, with details of the items of infrastructure which that money was used to provide (wholly or in part).	**£ Nil**	No CIL income was spent during 2020/21.
(iii) The amount of CIL spent on administrative expenses pursuant to Regulation 61, and that amount expressed as a percentage of CIL collected in that year in accordance with that regulation.	**£2,069.37**	This contributes towards the cost of the software used for the CIL monitoring and administration, equating to 5% of CIL income for the year.

Detail	Value (£)	Additional Information
In relation to CIL receipts, whenever collected, which were allocated but not spent during the reported year, summary details of the items of infrastructure on which CIL (including land payments) has been allocated, and the amount of CIL allocated to each item.	**£ Nil**	No CIL income was allocated during 2020/21
The amount of CIL passed to:		
(i) Any parish council under regulation 59A or 59B	**£ Nil**	There are no parish councils within the administrative area of Tamworth.
(ii) Any person under regulation 59(4)	**£ Nil**	No CIL income was transferred to any other party during 2020/21.
Summary details of the receipt and expenditure of CIL to which regulation 59E or 59F applied during the reported year including:		
(i) the total CIL receipts that regulations 59E and 59F applied to	**£6,208.10**	
(ii) the items of infrastructure to which the CIL receipts to which regulations 59E and 59F applied have been allocated or spent, and the amount of expenditure allocated or spent on each item	**None**	
Summary details of any notices served in accordance with regulation 59E, including:		
(i) the total value of CIL receipts requested from each parish council	**N/A**	
(ii) any funds not yet recovered from each parish council at the end of the reported year	**N/A**	
The total amount of:		
(i) CIL receipts for the reported year retained at the end of the reported year other than those to which regulation 59E or 59F applied	**£33,109.89**	
(ii) CIL receipts from previous years retained at the end of the reported year other than those to which regulation 59E or 59F applied	**£174,899.80**	
(iii) CIL receipts for the reported year to which regulation 59E or 59F applied retained at the end of the reported year;	**£6,208.10**	
(iv) CIL receipts from previous years to which regulation 59E or 59F applied retained at the end of the reported year	**£ 32,793.71**	

Table 1 Community Infrastructure Levy Report 2020/21

Notes

Demand Notices

A demand notice is issued when a development commences, showing the total amount of CIL that is due to be paid in respect of a liable development. The payment of CIL is typically due within 60 days of commencement. Tamworth Borough Council have an installments policy, which means that CIL can be paid across a number of stages, with the number of installments dependent on the total amount of CIL payable. As such, there is a delay between a demand notice being issued and the full payment being received in some cases over 18 months.

Regulation 59(4)

Part of the CIL regulations covering the passing of any CIL income to any other person for that person to use for the provision, improvement, replacement, operation or maintenance of infrastructure.

Regulations 59A and 59B

Part of the CIL regulations relating to the payment of CIL income to local councils (such as town or parish councils). As there are no parish councils in Tamworth, these regulations don't apply.

Regulation 59E

Part of the CIL regulations covering the return of income passed to local councils (see regulations 59A and 59B) where it has not been used or has not been used appropriately.

Regulation 59F

Part of the CIL regulations covering the CIL income that would've been passed to a local council (see regulations 59A and 59B) but where there are no local councils.

5.0. S106 Report 2020/21

The table below provides details of the income, allocation and spending of money provided under planning obligations during 2019/20. The table also contains information on non-monetary contributions where applicable.

Detail	Value (£)	Additional Information
The total amount of money to be provided under any planning obligations which were entered into during the reported year.	**£2,700.00**	An additional £653,622.11 was secured for Staffordshire County Council to be collected by them directly. The total amount to be provided to both councils is £656,322.11.
The total amount of money under any planning obligations which was received during the reported year.	**£43,273.80**	£43,273.80 was collected from five developments.
The total amount of money under any planning obligations which was received before the reported year which has not been allocated by the authority.	**£1,757,533.71**	A number of significant sums have been received towards large infrastructure projects which will take a number of years to deliver.
Summary details of any non-monetary contributions to be provided under planning obligations which were entered into during the reported year, including details of:		
(ii) in relation to educational facilities, the number of school places for pupils which will be provided, and the category of school at which they will be provided	**29**	All 29 dwellings were provided on one development (permission ref: 0020/2019)
(i) in relation to affordable housing, the total number of units which will be provided	**N/A**	Staffordshire County Council are party to all agreements where education related obligations are administered by them directly.
The total amount of money (received under any planning obligations) which was allocated but not spent during the reported year for funding infrastructure.	**£ 72,733.00**	Income from five obligations totaling £72,733.00 was allocated to projects during the year.
The total amount of money (received under any planning obligations) which was spent by the authority (including transferring it to another person to spend)	**£ 285,000.00**	A proportion of S106 funds were spent on one project totaling £285,000.

Detail	Value (£)	Additional Information
In relation to money (received under planning obligations) which was allocated by the authority but not spent during the reported year, summary details of the items of infrastructure on which the money has been allocated, and the amount of money allocated to each item.	**N/A**	Please see Table 3 for further detail.
In relation to money (received under planning obligations) which was spent by the authority during the reported year (including transferring it to another person to spend), summary details of:		
(i) the items of infrastructure on which that money (received under planning obligations) was spent, and the amount spent on each item	**N/A**	Please see Table 4 for further detail.
(ii) the amount of money (received under planning obligations) spent on repaying money borrowed, including any interest, with details of the items of infrastructure which that money was used to provide (wholly or in part)	**£ Nil**	
(iii) the amount of money (received under planning obligations) spent in respect of monitoring (including reporting under regulation 121A) in relation to the delivery of planning obligations	**£2,638.68**	This is a proportion of the sums paid by the developers on a number of the larger developments specifically towards the cost of monitoring compliance with S106 agreements.
The total amount of money (received under any planning obligations) during any year which was retained at the end of the reported year	**£1,513,168.83**	Total amount retained at the end of the year.
Retained money which has been allocated for the purposes of longer term maintenance (commuted sums).	**£166,645.03**	Amount of retained funds that are commuted sums for longer term maintenance.

Table 2 S106 Report 2020/21

Table 3: S106 Funds Allocated but not Spent in 2020/21

Permission Reference	Infrastructure Description	S106 Funds
0464/2018	Biodiversity and Ecology Improvements at Kettlebrook Local Nature Reserve	£60,605.00
0539/2017	Tree Works in Kettlebrook Local Nature Reserve	£2,020.00
0311/2017	Facility Improvement within Wigginton Park	£1,068.00
0197/2017	Tree Works in Kettlebrook Local Nature Reserve	£2,133.00
0156/2017	Tree Works in Kettlebrook Local Nature Reserve	£6,907.00
	Total S106 Allocated in 2020/21	**£72,733.00**

Table 4: S106 Funds Spent in 2020/21

Infrastructure Description	S106 Funds
3G Artificial Grass Pitch, New LED Floodlighting System and New Changing Rooms	£285,000.00
Total S106 Spent in 2020/21	**£285,000.00**

Further Notes

Staffordshire County Council is a signatory to any S106 Agreement that contains obligations for which they have responsibility, such as education and highways.

6.0. Tamworth Borough Council's Priorities towards Future CIL Expenditure

6.1. The Borough's Regulation 123 List was published in 2018, and details a series of infrastructure projects which the Council currently intends to be wholly or partly funded by CIL. This document can be found on our website at https://www.tamworth.gov.uk/cil.

6.2. Following a review of this list, it has been determined that Tamworth Borough Council's priorities towards future CIL spending remains unchanged from the previous IFS publication (2019/20). As such, regeneration projects will continue to form the priority for future strategic CIL expenditure, in order to support growth and development across the Borough. Notwithstanding, there are no specific infrastructural projects identified at this moment in time.

Thursday, 2 December 2021

Report of the Portfolio Holder for Regulatory & Community Safety

Revised Private Sector Housing Enforcement, Fees and Charging Policy

Exempt Information
N/A

Purpose
To approve an updated and combined Private Sector Housing Enforcement, Fees and Charging Policy

Recommendations

It is recommended that Cabinet:

1. Approve the update Private Sector Housing Enforcement, Fees and Charging Policy
2. Endorse annual reporting to the Housing and Homeless Sub-Committee on the use of appropriate powers and outcomes for private sector tenants in Tamworth

Executive Summary
The updated and revised Private Sector Housing Enforcement, Fees and Charging Policy has updated our approach to some areas of work and incorporated into one document and replaces the previous Enforcement, Houses in Multiple Occupation and the Housing and Planning Act 2016 policies.

The primary enforcement role of the Strategic Housing Team is to maintain and improve the housing conditions in Tamworth. (This excludes properties owned by the Council.)

The Team endeavour to achieve this through advice, information and assistance. Where this approach fails or is not appropriate and it is necessary to protect the health, safety and welfare of persons then the team will take the appropriate enforcement action.

The aim of the updated policy is to:

- Set out the criteria and priorities the team will use when enforcing relevant legislation, so it is transparent and clear to all
- Set out our policy in respect of charges that may be imposed for enforcement and regulation
- Ensure our enforcement is consistent, fair, proportionate, and targeted.
- Ensure it is consistent with the aims and objectives contained in the Corporate Enforcement Policy and good practice guidance.

The enforcement policy covers the following functional areas:

- Licensing of eligible Houses in Multiple Occupation (HMOs)
- Management regulations and inspection of non-licensable HMOs
- Enforcing minimum Housing standards (HHSRS) to prevent injury and ill health

- Ensuring private rented accommodation is maintained to keep tenants safe from hazards
- The redress scheme for letting agency and management work
- Empty homes
- Licensing of and enforcement of caravan sites and mobile homes
- Harassment and Illegal eviction of tenants
- Filthy and Verminous properties
- Owner occupier properties (statutory nuisance)
- Immigration inspections (partnership working)

Further, the policy outlines the charges and fees relevant to the private sector licensing, regulation, checks and penalty charges. These are imposed in line with guidance to cover the cost of the service provision and provide reassurance to the Tamworth communities that standards can be maintained for tenants in the private sector and ensure landlords are able to understand their duties.

It is proposed that actions taken arising from application of this policy are reported to the Housing and Homeless Sub Committee annually to ensure that the Council is meeting its obligation under the Housing Strategy to make best use of existing housing and related assets by:

- Improving conditions in the private sector
- Continuing to tackle empty homes; consider options for creating homes in other empty or under-utilised spaces.

Options Considered

DO NOTHING	Policy is not fully compliant with current legislation and updated to reflect corporate enforcement policy
UPDATE EXISTING POLICIES	Current approach joins up and updates all existing policies into one overarching document

Resource Implications

The policy will be followed by existing staff resource

The budgets for income as a results of enforcement, fees and charges are held with GR0301 General Fund Housing.

GR0301 82323 – Works in Default Recharge
GR0301 83226 – Fees and Charges
GR0301 83318 - Licences

The budgeted income 2021/22 is £22,600 and is monitored through regular budget management process to reflect proportionate actions and licence charging. To date this financial year £5.2k has been received for licences and fees and charges.

Fees and charging levels are set as per the policy and used to offset staffing activity as outlined within the policy.

Legal/Risk Implications Background

RISK	MITIGATION
Failure to take proportionate action to ensure standards in the private rented sector	Policy outlines all legal actions the Council can take to reduce risk to tenants Policy outlines sanctions for landlords
Failure to maintain appropriate fee charging structure	Policy outlines guidance on appropriate and legal fees that can be charged for licencing and enforcement notices/penalties to ensure standards can be maintained and provide deterrent
Policy does not follow the guidance outlined in the Corporate Enforcement Policy	The policy outlines the transparent, proportionate and clear options for enforcement
Failure to review and update policy in line with legislative or other amendment requirements	Policy outlines review period and options for reporting

Equalities Implications
Covered through the EIA undertaken for the Corporate Enforcement Policy

Sustainability Implications
Policy to be reviewed routinely bi-annually and actions and outcomes reported to the Housing and Homeless Sub-Committee annually.

Background Information
The Private Sector team are statutorily required to ensure standards are met in the private rented housing sector in order to ensure that housing conditions are maintained.

Previous policies were agreed in 2017 and have been subject to full review

Report Author
Joanne Sands – Assistant Director Partnerships

List of Background Papers

Appendices
Appendix 1 – Private Sector Housing Enforcement, Fees and Charging Policy

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STRATEGIC HOUSING ENFORCEMENT, FEES AND CHARGING POLICY

DOCUMENT HIERACHY: POLICY

DOCUMENT STATUS: FINAL

Originator: J Sands

Owner: Assistant Director Partnerships

Version: 1.1

Date: November 2021

Classification: SEC1 - Routine

Document Location

This document is held by Tamworth Borough Council, and the document owner is Jo Sands, Assistant Director Partnerships

Printed documents may be obsolete.

Revision History

Revision Date	Version Control	Summary of changes
November 2021	1.1	Final draft

Approvals

Name	Approved
Cabinet	2nd December 2021

Document Review Plans

This document is subject to a scheduled annual review or as future statute and practices dictate. Updates shall be made in accordance with business requirements and changes and will be with the agreement of the document owner.

Distribution

The document will be available on the Intranet and publicly accessible on the Tamworth Borough Council website

Contents

1. Aim

The primary enforcement role of the Strategic Housing Team is to maintain and improve the housing conditions in Tamworth. (This excludes properties owned by the Council.)
The Team endeavour to achieve this through advice, information and assistance. Where this approach fails or is not appropriate and it is necessary to protect the health safety and welfare of persons then the team will take the appropriate enforcement action.

The aim of this policy is to:

- Set out the criteria and priorities we will use when enforcing legislation, so it is transparent and clear to all
- Sets out our policy in respect of charges that may be imposed for enforcement and regulation
- Ensure our enforcement is consistent, fair, proportionate, and targeted.
- Ensure it is consistent with the aims and objectives contained in the Corporate Enforcement Policy and good practice guidance.

This policy has updated our approach to some areas of work and incorporated into one document and replaces the previous Enforcement, Houses in Multiple Occupation and the Housing and Planning Act 2016 policies which were agreed by Cabinet in 2017.

2. Scope

This enforcement policy covers the following functional areas:

- Licensing of eligible Houses in Multiple Occupation (HMOs)
- Management regulations and inspection of non-licensable HMOs
- Enforcing minimum Housing standards (HHSRS) to prevent injury and ill health,
- Ensuring private rented accommodation is maintained to keep tenants safe from hazards
- The redress scheme for letting agency and management work
- Empty homes
- Licensing of and enforcement of caravan sites and mobile homes
- Harassment and Illegal eviction of tenants
- Filthy and Verminous properties
- Owner occupier properties (statutory nuisance)
- Immigration inspections (partnership working)

3. Authorisations

Authority to exercise executive functions in relation to Private Sector Housing has been delegated to the Strategic Housing Team by The Executive Director Communities (in accordance with the Councils constitution).

Officers will use their powers of entry appropriately and proportionately.

Where legislation permits the use of a warrant and it becomes necessary, the powers will be used after due consideration of the case and likely outcomes.

An officer may enter a property at invitation of the tenant, without giving notice to the landlord, to advise and assist.

4. General Principles

When carrying out enforcement action it is important that the Council works within the statutory framework set out and that it follows best practice and procedure.

Whilst this policy cannot cover every situation encountered, the Council is committed to acting in a fair and consistent manner and has adopted this enforcement policy as part of this commitment. When exercising its enforcement functions, the Strategic Housing Team will act in such a way that is:

- Transparent
- Accountable
- Proportionate
- Consistent
- Targeted at cases where action is needed
- Timely

Relevant advice/guidance and legislation underpinning this policy includes, but may not be limited to:

- Tamworth Borough Council Corporate Enforcement Policy
- DCLG document “Housing Health and safety Rating System; Enforcement Guidance”.
- The Regulator’s Code
- Human Rights Act 1998
- Police and Criminal Evidence Act 1984
- Criminal Procedure and Investigations Act 1996
- Regulation of Investigatory Powers Act 2000
- Data Protection Act 2018
- Freedom of Information Act 2000
- The Protection of Freedoms Act 2012
- The Housing Acts 2004 and 1985

- Local Government Miscellaneous Provisions Act 1976
- Public Health Act 1936/61
- Prevention of Damage by Pests Act 1949
- The Building Act 1984
- The Environmental Protection Act 1990
- The Caravan Site and Control of Development Act 1960
- The Caravan Sites Act 1968
- Mobile Homes Act 1983 and 2013,
- The FPPA Regulations,2020
- Protection from Eviction Act 1977
- The Smoke and Carbon Monoxide Alarm (England) Regulations 2015
- The Redress Schemes for Lettings Agency Work and Property Management Work (Requirement to Belong to a Scheme etc.) (England) Order 2014
- Housing and Planning Act 2016
- The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 as amended 2019
- The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020
- Various Government (MHCLG) guidance for Local Housing Authorities but in particular “Civil Penalties under the Housing and Planning Act 2016” and “Rent repayment orders under the Housing and Planning Act 2016”
- Other legislation may be used occasionally in partnership with the Tamworth Community Safety Partnership

5. Interventions and Enforcement

After considering all relevant information one or more of the following courses of action shall be taken: -

a) Informal action

b) Formal action such as:

- Statutory notice
- Simple caution
- Prosecution
- Works in default
- Prohibition Order
- Penalty Charge Notice
- Rent Repayment Order
- Banning Order
- Register landlord on Rogue Landlord Database

Not all these options are available in every case. The need to consider powers available under each piece of legislation will be done on a case by case problem solving approach.

In making any decision on enforcement, officers will consider the following criteria: -

- The legal duties placed on the Local Authority to take enforcement action
- The potential risk of harm
- The seriousness of any offence
- The owner/landlord's history
- Consequences of non-compliance
- The known or likely public benefit of the chosen enforcement action
- The willingness of the owner/landlord to carry out works and the confidence in them
- The likely ability of any witnesses to give evidence and their willingness to co-operate
- The Crown Prosecution Service's Code for Crown Prosecutors
- Any relevant guidance or case law

The primary legislation used by Strategic Housing Team is the **Housing Act 2004 as amended by the Housing and Planning Act 2016** and is mainly used to remove hazards in a property that puts occupiers at risk of injury or ill health.

This legal provision applies to all property and tenures including owner-occupiers.

Hazards are subject to a statutory risk assessment that determines whether the hazards are classified as a Category 1 or 2. A category 2 hazard is less serious than a Category 1 hazard.

There may also be occasion and be more appropriate to use the Environmental Protection Act 1990 where disrepair at one property is causing damage and/or nuisance to another. 'Statutory Nuisance.' This would involve the service of an abatement notice.

The Council are under a legal duty to take formal action in the case of a category 1 hazard.

The Council do not have a duty to take action with category 2 hazards, but they do have the power to take action where necessary and proportionate.

The decision in deciding which type of notice or order to serve will depend upon several factors. These factors are contained in DCLG document "Housing Health and safety Rating System; Enforcement Guidance" and is summarised in section 5.3.

In deciding on the most appropriate action the following matters will be taken into account: -

- Whether there are high scoring hazards
- Where there are multiple hazards;
- Whether the occupants are in the high-risk group in relation to any hazards present
- The wishes of the occupier
- Whether it is reasonably practicable to remedy the hazard
- Whether the defects have a significant effect on the occupants well - being
- Whether the landlord had a record of poor maintenance
- Whether the landlord has agreed to remedy the defect
- Whether the hazard is likely to become more serious if not dealt with, for example, damp can often lead to the property fabric deteriorating.

The Council may take enforcement action for category 2 hazards and will do so where it is felt appropriate and taking the above factors into account. Generally, a Category 2 hazard scoring more than 600 points under the HHSRS statutory assessment will be considered a high scoring category 2 hazard.

5.1. Informal action

In the first instance, the Council will try to deal with concerns in an informal manner. The matter will be brought to the attention of the owner, landlord, or responsible person in the form of a letter, e-mail or telephone. This letter will normally list any concerns or deficiencies found and arrange for a follow up visit to discuss the matter with the owner, manager, and occupiers.

If this informal approach does not result in enough progress being made, or the concerns are considered more serious, or information requested is not supplied then the Council will treat the matter in a more formal way.

Informal action is appropriate where;

- The act or omission is trivial in nature and it can be simply remedied.
- Confidence in the individual/businesses management is high.
- There is good co-operation of the landlord in responding to any hazard(s)
- Any hazards pose a minimal risk to health.
- There is insufficient evidence for formal action at the time (although formal action may follow later).
- The views or circumstances of the occupiers or owners provide compelling reasons why formal action should not be taken.
- There are no concerns that the tenant may be subject to retaliatory eviction.

5.2. Formal action

In some cases, the Council are under a legal duty to take formal action such as when there is a category 1 hazard under the Housing Act 2004.

Formal action will be taken when:

- The Council is legally required to take formal action,
- Informal action has not resulted in compliance or progress. See Appendix 1 detailing the service standards.
- There is a serious risk to an occupier or member of the public.
- An owner or landlord is known to have a history of non-compliance with statutory requirements.
- There is a belief that the tenant may be subject to retaliatory eviction.
- A serious offence has been committed.
- The consequences of non-compliance are significant.
- The likely ability of any witnesses to give evidence and their willingness to co-operate in the case of a prosecution.
- Where an empty property is a priority for action e.g. negative impact on the local community

5.3. Statutory Notices under the Housing Act 2004

Although notices are made under a variety of legislation, most notices and orders made by the Strategic Housing Team are issued under the Housing Act 2004. They are used in both single family dwellings and HMOs. The main ones used under this Act are:

- Improvement Notice (sections 11 and 12)
- Prohibition Order (sections 20 and 21)
- Emergency Remedial Action (sections 40 and 41)
- Emergency Prohibition Order (sections 43)
- Hazard Awareness Notice (sections 28 and 29)
- Suspended Improvement or Prohibition notice/order

The table below provides a guide to the likely action the Council will take under the Housing Act 2004. However, each case will be considered individually.

Notices will be registered as local land charges until complied with.

5.4. Houses in Multiple Occupation (HMO's)

Failure to licence a relevant HMO,* disrepair issues and any failures of the standards or Management Regulations are dealt with under the provisions of the Housing Act 2004/HPA 2016 and fall within the scope and approach of this policy.

The Council will also use provisions under anti-social behaviour law to regulate HMOs.

Both local and national standards need to be complied with.

Only mandatory licencing of HMOs in undertaken in Tamworth - see* ***Appendix 3 for Charges*

Guide to the application of Housing Act 2004 notices

Notice type	**Category 1 Hazard**	**Category 2 Hazard**
Improvement Notice	Most common notice used. It's mainly used for rented accommodation but can also be used for owner-occupied properties with where there is a concern for the health of the occupants. An example would be in the case of a fire hazard in a multiple occupied property (HMO)	This notice will often be used to require works to deal with both category I and 2 hazards. The notice may also be used where there are high scoring category 2 hazards, more than 1 category 2 hazard that may affect the health of the occupants or are likely to lead to a category 1 hazard in the future if the works are not carried out.
Suspended Improvement Notice	This may be used occasionally. For example, where the occupier refuses to have works carried out or the work is not practical with the current occupiers.	This may be used occasionally. For example, where the occupier refuses to have works carried out.
Hazard Awareness Notice	Not normally used for serious hazards except where the owner occupies the property. In this situation the owner is in full control to remedy the hazard and simply notifying the owner of the hazard is believed to be the most appropriate action.	This notice is mainly used where there are recommended works to be carried out, but they are not serious enough to warrant an Improvement Notice. May also be used for a high scoring hazard if an owner occupies the property.
Prohibition Order	Used where there are significant hazard/s and improvements are not practical. Used for overcrowding; to prohibit the use of	This order is not normally used for Category 2 hazards.

Notice type	Category 1 Hazard	Category 2 Hazard
	unsuitable parts of a property such as basements or rooms that have no adequate means of escape in case of fire.	
Suspended Prohibition Order	A Suspended Prohibition Order may commonly be used where it's not appropriate to require the current occupier to vacate the premises immediately.	This order is not normally used for Category 2 hazards.
Emergency Prohibition Order	An Emergency Prohibition order will be served where there is an imminent risk to health or injury and prohibiting the use of part or all the premises is believed to be the best solution.	This order is not normally used for Category 2 hazards.
Emergency Remedial Action	This will only be used in exceptional cases. There must be an imminent risk to health or injury of a person. The Council can carry out works immediately and recover their costs from the owner.	This action is not normally used for Category 2 hazards.

5.5. Works in default

Under certain pieces of legislation, the Council is empowered to carry out works in default and recover the costs. Works in default may be carried out where:

- A notice has not been complied with within the specified time
- There is no prospect of the person responsible carrying out the work, e.g. the person is absent or infirm
- Speedy abatement is required, e.g. where there is an imminent risk of injury or ill health

- The circumstances are such that works in default are a more appropriate or effective remedy than other action
- The problem persists after prosecution.
- Where the Council is legally required to carry out such works; such as under the Smoke and Carbon Monoxide Alarm (England) Regulations 2015.

A maximum 20% charge of the cost of the works will be made on works in default to cover the Councils administration costs, which will be fully recorded

5.6. Prosecution

Prosecuting someone is a serious matter and will be considered carefully on a case-by-case basis. When considering prosecution officers must follow the guidance in the Code for Crown Prosecutors .

For offences under the Housing Act 2004 the decision whether to prosecute will be subject to **Appendix 5** attached – ***Determining the Penalty for Offences under the Housing Act 2004*.**

Where there are offences that have been committed not covered by A**ppendix 5**, officers may consider that prosecution is an appropriate way of dealing with the matter when:

- A simple caution is not appropriate, or the person accused has refused to accept the offer of a simple caution; or
- There is a risk to public health and safety or of environmental damage because of the breach; or
- The breach was because of a deliberate act or following recklessness or neglect; or
- The approach of the offender warrants it, e.g. repeated breaches, persistent poor standards; or
- A legal notice or order has not been complied with or no reasonable progress made in relation to its requirements; or
- An officer has been obstructed in the course of their duty; or
- When a person continues to commit offences despite previous actions and warnings
- The refusal or provision of false information.

Please note this is not an exhaustive list and each case will be considered on its individual merits.

The initial decision to prosecute will normally be taken by the Strategic Housing Manager in consultation with the Assistant Director of Partnerships and following legal advice.

6. Penalty Charges

Under some legislation, the Council can serve a Penalty Charge Notice.

The Strategic Housing Team will use statutory powers and issue/ recover penalty charges when breaches of the relevant Regulations are discovered. These include:

- The Redress Schemes for lettings Agency work and Property management Work (Requirement to Belong to a Scheme etc.) (England) Order 2014
- The Smoke and Carbon Monoxide Alarm (England) Regulations 2015
- The Housing Act 2004 as amended by the Housing and Planning Act 2016
- The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015
- The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020

An offender can demonstrate an early acceptance of guilt by paying the financial penalty within 28 days of the date the Final Notice was served.

If cleared payment is made within this time period, the offender can benefit from a 25% reduction in the amount of financial penalty payable.

A Final Notice will set out the finalised financial penalty amount determined having regard to this policy and an amount equal to 75% of that sum, which would be accepted if received within the 28-day period.

No reduction is available for cases subject to an appeal to the First-tier Tribunal if the appeal is unsuccessful. If an offender makes an early payment at the reduced rate, but then decides to appeal later and the appeal is unsuccessful the council will seek the full finalised amount after the appeal proceedings are completed.

6.1. The Redress Schemes for lettings Agency work and Property management Work (requirement to belong to a scheme etc.) England Order 2014

Since October 2014 lettings and managing agents have been required to be a member of a redress scheme. This gives both landlords and tenants the right and access to independent redress.

There are 2 schemes (as of August 2018)

- The Property Ombudsman
- Property Redress Scheme

Under the redress scheme the penalty charge will normally levy will be £5,000 for any contravention but on representation this charge may be reduced or in exceptional cases quashed. Some brief guidance has been provided on reasons to reduce the penalty charge which includes taking account of turnover of the business or other extenuating circumstances. This charge issued is in accordance with "Guidance on the Redress Scheme Improving Rented Sector" issued in March 2015 by DCLG.

The landlord can request the local authority to review the penalty charge. Normally any representations that are made will be considered jointly by any two of the following officers; the Strategic Housing Manager, the Assistant Director Partnerships, the Executive Director Communities.
A final appeal can be made by the landlord to the First Tier Tribunal.

Trading Standards also have powers under this Order and consideration will be given to work in conjunction with them as necessary.

6.2. The Smoke and Carbon Monoxide Alarm (England) Regulations 2015

Since October 2015 private sector landlords have been required to have at least 1 working smoke alarm on each storey of their property.

Under these regulations, a penalty charge of up to £5,000 can be made. The Strategic Team will exercise these powers. Regulation 13 requires a local Housing Authority to prepare and publish a statement of principles which it proposes to follow in determining the amount of penalty charge. **Appendix 4** details the Councils Statement of Principles in this matter.

Where the Council undertake remedial action, the type of smoke detection fitted will if reasonable and practical will meet the standards contained in British Standard 5839- part 6:2019

6.3. Housing Act 2004 as amended by the Housing and Planning Act 2016

The Housing and Planning Act 2016 introduced new powers for local authorities to tackle rogue landlords which will be considered. These new powers include;

- Civil penalties of up to £30,000
- Extension of Rent Repayment Order
- Banning orders for the most prolific offenders
- A database of rogue landlords/property agents

The Strategic Housing Team will seek to use all these powers. Full details are found at A**ppendix 5; D*etermining the Penalty for Offences under the Housing Act 2004***.

This policy clarifies;

- when to issue a penalty notice and the amount of penalty to be charged,
- when to apply for a Rent Repayment Order,
- when to put a landlord the database of rogue landlords,
- when to prosecute and when to apply for a banning order.

6.4. The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020

These regulations have been made under the Housing Act 2004 and the Housing and Planning Act 2016. The regulations give legal responsibilities to landlords to ensure their property(s) electrical system are safe. This includes providing an electrical inspection report every 5 years. The regulations allow for a Penalty Charge (and no other form of penalty) of up to £30,000 for a breach of duties of a private landlord. The policy for determining the penalty will be the same process as **D*etermining the Penalty for Offences under the Housing Act 2004***, **found at Appendix 5**. A landlord can make written representation to the Council within 28 days, regarding a penalty charge.

6.5. The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015

These Regulations established the Minimum Energy Efficiency Standard (MEES)

The regulations provide that, subject to prescribed exceptions, a landlord of a domestic private rented property must not continue to let the property after 1st April 2020, where the energy performance of the property is below the minimum level.

The current requirement (post April 2020) is that any relevant property should have an EPC rating of at least an E. There are legal exemptions which must be registered under The National PRS Exception Register.

Where the Council is satisfied that a landlord is in breach, it may issue a penalty notice imposing a financial penalty.

The details can be found at **Appendix 6; D*etermining the Penalty for Offences under The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015.***

Trading Standards may also be informed around breaches of the Regulations as they have separate powers to enforce on non- compliance.

7. Overcrowding

Wherever possible the Council will resist taking action that would lead to homelessness but will seek to reduce overcrowding using suspended notices that relies on a voluntary reduction in the occupation of the dwelling. Working with the Council's Housing Solutions team where enforcement action may lead to a family moving out of their accommodation the following will be considered:

- The impact of the overcrowding upon the health and safety of vulnerable adults and children's living conditions
- Whether the occupants are being exploited (requiring work with other statutory partners)
- The wishes of the occupier

Where there is a serious hazard of overcrowding, a suspended prohibition notice will normally be served. This will require the occupation of the property to be reduced by the occupiers leaving the property when they choose to. The Notice will then become fully operative once the property is no longer overcrowded and it would be an offence if the property became overcrowded by new occupiers.

8. Priorities for Enforcement

Normally the Council will not take enforcement action against owner-occupiers as these homes are normally safer, and the owner has far greater control and power to remedy any hazards in the property.

A private tenant would not have this control or power. However, where the Council knows there is a serious hazard in an owner-occupied property, it may become necessary to take formal action in accordance with our statutory duty.

In most cases this will simply be a Hazard Awareness Notice, but an Improvement or Prohibition Notice may be served if this is needed to protect existing or future occupants.

To ensure that the Council meet their policy and enforcement objectives effectively, they will from time to time need to target their enforcement activity to specific subjects. For example, this may be:

- Concentrating our action on specific areas of the Borough where there are specific concerns
- On individuals or organisations who persistently commit offences, or their activities result in the need for us to work proactively to meet our objectives or;
- On specific types of properties for example Houses in Multiple Occupation or empty homes;

- The need to work with partners on specific enforcement activities.

9. Charging Policy for Taking Enforcement action

The Housing Act 2004 allows Councils to charge for taking enforcement action that results in service of a notice under the Act.

The Council will recover our costs when statutory action is taken including the full costs of an officer's time, overheads, and any relevant expenses such as specialist reports. Current charges are attached as **Appendix 2**.

There will be discretion to waive the charge when it is not reasonable to expect a person to pay for charges for the enforcement action taken i.e. where it is very clear that the owner is not at fault or that the reason for serving the notice was outside the control of the owner.

Where a charge for enforcement action is levied, it will be registered as a legal charge on the property until paid.

10. Mobile Homes Parks.

The Strategic Housing Team undertake a number of functions in relation to local sites.

Under the requirements of the Caravan and Control of Development Act 1960, it it is a legal requirement for local authorities to licence caravan and mobile homes sites within their own district, unless they fall into the category of exempted sites (as covered by the First Schedule of the Act). Local Authorities can prosecute for a breach of the law.

The introduction of The Mobile Homes Act 2013 now provides greater protection to occupiers of residential park homes and caravans.

Local Authorities can now issue compliance notices and undertake emergency works on sites. Failures to cooperate with a compliance attracts an unlimited fine.

The 2013 Act introduced important changes to the Caravan Sites and Control of Development Act 1960. The changes directly affect the way the Council licenses permanent residential sites (known as relevant protected sites).

For legal purposes, sites are separated into 3 main types: - Touring, Static Holiday and Static Residential. Following the introduction of the Mobile Homes Act 2013, local authorities can charge fees to licence Static Residential sites also known as Park Homes and Relevant Protected Sites.

The definition of a relevant protected site is defined in the Mobile Homes Act 2013. A protected site is a mobile home park which has planning permission to have residents living there as their main residence throughout the year. A holiday park isn't a protected site. An exemption from the protected sites description and annual licensing fee requirement applies on any site/s available for the sole use of the owner and their families. A single family permanent residential site is a relevant protected site, but the Council may choose to exempt these sites from the annual licence condition monitoring fee.

The council is able to charge for certain different licence fees and annual monitoring fees for mobile home sites. These licences are:

- Application for the grant of a site licence
- Application for the transfer of a site licence
- Application to alter the conditions of an existing site licence, and
- The application of annual site monitoring fees
- Application to register as a 'fit and proper person' (new fee from 1 July 2021)

10.1. Mobile Homes (Requirement for Manager of Site to be Fit and Proper Person) (England) Regulations 2020

The regulations prohibit the use of land as a residential mobile home site unless the local authority is satisfied that the owner or manager of the site is a fit and proper person to manage the site.

The purpose of the fit and proper person test is to improve the standards of park (mobile) home site management. If necessary, the council can appoint a person to manage the site.

An **occupier** means a person who is entitled to the possession of the land as under section 1(3) of the Caravan Sites and Control of Development Act 1960.

Single family site owners that are not operating as a commercial business are exempt from the requirement to be a fit and proper person test.

The council must establish and maintain a register of persons they are satisfied are fit and proper to manage a relevant protected site in their area.

The council is not required to consider an application for entry on the register unless that application is accompanied by the correct fee. If the correct fee is not paid, the application will not be valid and the site owner could be in breach of the Regulations

If the council decides not to approve an application the applicant is not entitled to a refund of the fee paid.

Where an application for a Fit & Proper Person test has been successful the applicants will be included on the public register for a period of 5 years

Breaches of the Regulations include an unlimited fine and potential revocation of the operator's licence.

See Appendix 7 for fees in relation to Mobile Homes Parks

*** charges for the service of compliance notices and emergency works are charged along the same principles as those under the Housing Act 2004, officer time and resources involved.*

11. Harassment and unlawful eviction

The law protects people living in residential properties against illegal eviction and/or harassment through two ways:

- by making illegal eviction and/or harassment a criminal offence; and
- by enabling someone who is being illegally evicted and/or harassed to claim damages through the civil courts.

The only way a landlord or Agent can force a tenant to leave a property is by following the relevant legislation and procedures set in law. For example, for assured shorthold tenants this means the relevant notice must be served and then a possession order and warrant obtained. Only a court bailiff can evict an assured short hold tenant. Assured shorthold tenancies are the most common tenants encountered.

Local Authorities have the power to take criminal proceedings for offences of illegal eviction and/or harassment, under the provision of the Protection from Eviction Act 1977. If the evidence justifies it, they can carry out investigations and prosecute if they believe an offence has been committed. Harassment includes the landlord letting themselves into a property without giving notice, disrupting the supplies of utilities. Where the harassment takes the form of the landlord/agent not undertaking necessary repairs, and the property is in poor condition, a local authority also has powers under the Housing Act 2004 (as amended by the Deregulation Act 2015), through the Housing Health and Safety Ratings System (HHSRS), to take enforcement action to secure improvements to the condition of the property.

The Strategic Housing Team will take a proactive stance and investigate any allegation it receives regarding harassment and/or illegal eviction.

If a conviction is secured, consideration will be given to applying for a banning order and the landlord will be added to the Rogue landlord database.

12. Filthy and Verminous Properties

The Strategic Housing Team have powers to deal with properties that are filthy and verminous e.g. contain rotting food, human or animal excrement or verminous e.g. infested with rats, mice, fleas, larvae.

This is not about dealing with properties which are cluttered or just have an overgrown garden.

Complaints may come from neighbours or referrals from other agencies. It's common that the occupiers of these properties have additional needs and it is best practice to take a collaborative approach working with both the occupier and other statutory and 3rd sector agencies to try and resolve all the concerns. Where this fails, powers under the Public Health Act 1936 (+1961) can be initiated and notices served requiring a clean-up, destruction of contents and other works. A warrant under the Public Health Act, may be sought if access cannot be gained to a property in any other way.

Where necessary works in default will be undertaken and costs recovered.

Where the condition of the property is causing issues to neighbours it may be treated as a 'statutory nuisance' and dealt with under the Environmental Protection Act 1990.

13. Empty Properties

The Strategic Housing Team deal with empty properties in the Borough.

Empty properties are a wasted resource, fall into disrepair, attract vandalism and fly-tipping and can blight the surrounding community.

When complaints are received about empty properties, attempts will be made to work with the owner to support them to undertake necessary works to remedy the concerns and advise and support to bring the property back into use.

Where working informally does not solve the problems, or when it is an urgent situation, e.g. a dangerous structure, formal action will be taken.

Formal action/ notices may be taken under several pieces of legislation including:

- The Housing Act 2004 (1985)
- The Building Act 1984
- The Environmental Protection Act 1990
- The Prevention of Damage by pests Act 1949
- Local Government (Miscellaneous Provision) Act 1982

- Town and Country Planning Act 1990 (in conjunction with Planning colleagues)

Where legislations permits, charges will be made for service of notices.

Cost charge will reflect officer time, costs of any works and /or specialist reports undertaken.

Many formal notices, as well as unpaid charges can be registered as a local land charge or may be recovered via the Courts and will be considered on a case by case basis.

Unpaid charges against a property can ultimately lead to an Enforced Sale or the Compulsory Purchase of the property.

14. Monitoring and Review of This Policy

To ensure compliance with this policy, the enforcement activities of the Strategic Housing Team will be monitored regularly by the Strategic Housing Manager in conjunction with the Assistant Director Partnerships.

This policy will be reviewed bi-annually or in line with changes in relevant legislation which would require urgent review.

Reporting on the use of enforcement powers and outcomes will be subject to report to the Housing and Homeless Sub-committee. Major changes will be approved by Cabinet.

15. Training and Development

Officer will undergo appropriate training and review to enable them to successfully carry out their duties within this policy

All officers will have recognised relevant qualifications and completed training on the Housing, Health and Safety Rating System.

16. Equality impact Assessment

Consideration has been taken to ensure that application of this policy will not result in discrimination against any of the protected groups. This document is covered by the Equalities Impact Assessment (EIA) for the overarching Corporate Enforcement Strategy.

17. Comments, Compliments and Complaints

Our Tell Us Scheme details how to make a comment, compliment or complaint and helps us to learn from public views and improve our services. However, for more serious matters it may be appropriate to make a formal complaint.

To ensure that customer feedback is received, either positive or negative, please use our on-line form that can be found here: http://www.tamworth.gov.uk/making-complaint or call us on our mainline number: 01827 709709 email: enquiries@tamworth.gov.uk

All appeals in relation to enforcement action taken should be via the statutory appeals process outlined in the relevant legislation in the first instance.

18. How to Contact us

In the first instance please member of the public can telephone the number given on any correspondence received and speak to the officer dealing with the matter or contact; housingconditions@tamworth.gov.uk

APPENDIX 1 – Service Standards

Requests for service

1. All non- urgent requests for service to be **acknowledged** within 5 working days by telephone or e-mail or letter where this is a last resort. A case record will be set up within 2 working days of this acknowledgment.

2. Where a request for service is deemed very urgent with an imminent risk to health or injury, a visit to the premises should be made within 24 hours. If upon inspection it is confirmed there are hazards giving rise to a serious imminent risk to health the landlord or owner are to be informed as soon as practical and action taken within 4 working days. If the situation warrants it formal action may be actioned with immediate effect. A case record will be set up with immediate effect.

3. For all service requests the complainant will be required to give details of their problems and their landlord to either the officer they talk to or via the email they send. The receiving officer will contact for more details as necessary.
   If the complainant does not keep in contact with us the case will be closed after 28 days.
   The officer will try at least twice during this time to re-engage with the complainant.

4. In most disrepair cases the complainant will be advised in the first instance to write to their landlord detailing the issues and asking for them to be sorted, allowing 14 days for an appropriate response, e.g. for the landlord to acknowledge there is a problem and advise on a course of action. A copy of this letter/ email will be requested for the file. The complainant will be advised to re-contact us a necessary.

5. If issues are not resolved as above and the complainant gets back in touch. The landlord will be contacted by the Team within 5 working days, by phone or email in most circumstances to discuss how the issues can be resolved informally. The officer will decide if an inspection of the property is needed E.g. it may still not be clear what the issues are, they may be deteriorating, could be in dispute or the officer may feel that an inspection is the best way to get the landlord (or the tenant to co-operate,) This inspection should be undertaken within 10 working days of the tenant getting back in touch to advise no/little progress. An informal visit as ‘invited’ in by the tenant may be useful to establish facts in some cases e,g. a vulnerable tenant is struggling to get the relevant information to us.

6. Formal inspection- (I.e. where the likely outcome will be service of a notice) A section 239 (HA 2004) 24hrs notice , letter- 1st class proof of postage, or copy to recognised email address with read receipt, must be sent advising of the

inspection needs to be sent to both the landlord and the tenant. This is not required if the issue now represents an urgent risk or if attending a HMO to establish if a suspected offence is being committed.

7. Where no action is necessary or can be taken the complainant and landlord will be advised ideally at the time of inspection (a note made on the inspection sheet) but within 3 working days of the inspection if not at the time of the inspection.

8. If action if needed or an officer determines that works may be required, the council will write to the landlord and tenant within 10 working days of the inspection advising what these are. Progress on these 'informal cases' will be reviewed every 3 weeks.

9. If a formal notice is required it will be issued as above - 10 working days. (unless it is an Emergency Prohibition Order or Emergency Remedial Action Notice.) Copies of formal notices will be sent tenants and other interested parties.

   Where there is a concern that the tenant may be subjected to retaliatory eviction, the service of an Improvement Notice will be served as soon as possible, **if it is the appropriate notice to serve.**

10. Where a formal notice has been served, reviews will take place within 5 working days of any start date and completion date contained in the notice. The results of any review will normally be informed to the landlord in writing within 5 working days.

11. Where the notice has not been complied without reasonable excuse, then a penalty will be considered in accordance with Appendix 5. If action is deemed to be necessary, this would normally be instigated within 6 weeks of the contravention. Any such action is subject to legal considerations, being proportional and in the public interest so timescales cannot be overly prescriptive.

APPENDIX 2 - Charges for Housing Act Notices

Under section 49 of the Housing Act 2004 charges can be made for work undertaken in respect of the Housing Act 2004 for the service of statutory notices and the licensing of Houses in Multiple Occupation. These charges can include the costs for officer time; specialist reports such as electrical or structural reports and legal costs.

The Council will only seek to receive costs that have been reasonably incurred in administering the service and cannot be used to make profit or used as a penalty. Charges may be reduced or waived in exceptional circumstances, but this is at the discretion of the Strategic Housing Manager. Any request must be put in writing.

Charges for service of Statutory Notices under the Housing Act 2004

These charges are INDICATIVE – as linked to officer time etc.- set in 2021 and may be subject to change

Notice Type	Officer time costs*	Specialist reports costs	Possible Reduction
Hazard Awareness	No cost	Charge made for all costs	None
Improvement, Prohibition,	£ 300 for standard notice; £ 400 for more complicated notice	Charge made for all costs and there is no reduction.	Charge may be waived or reduced at discretion of Strategic Housing Manager.
Suspended Notices	Same charges apply as for Improvement and Prohibition Notices above. Plus annual charge of £50 for annual review.	Charge made for all costs and there is no reduction,	The charge is waived if works completed within 12 months of notice.
Emergency Remedial Action	£500	Charge made for all costs	None
Demolition order	£500	Charge made for all costs	None

* A standard notice would typically be a two or three bed house or a number of hazards; a complicated notice would typically be a House in Multiple Occupation, a property with more than three bedrooms or a property with more than four hazards.

APPENDIX 3 – Charges for Licensing of HMOs under the Housing Act 2003

These charges are for current for 2021/22 and may be subject to review

License Type	Current Fee
Initial application fee to licence an HMO.	£574.80 for 5 residents **plus** £37.79for each resident above 5 This fee includes the annual monitoring activity
Fee for Licence renewal	As above (assuming every 5 year)

APPENDIX 4 – Statement of Principles for Determining the Amount of Civil Penalty Charges under Regulation 13 of the Smoke and Carbon Monoxide Alarm (England) Regulations 2015

1. Introduction

The Smoke and Carbon Monoxide Alarm (England) Regulations 2015 came into force on 1 October 2015. The regulations require private sector landlords from that date to have a working smoke alarm installed on every storey of their rented properties and a carbon monoxide alarm in any room containing a solid fuel burning appliance (e.g. a coal fire, wood burning stove). After that, the landlord must make sure the alarms are in working order at the start of each new tenancy.

2. Purpose of Statement of Principle

Under these regulations, Tamworth Borough Council as an enforcing authority may impose a civil penalty of up to £5,000 on landlords who do not comply with a remedial notice that has been served on them regarding meeting the requirements of the legislation.

The Council is required under these Regulations to prepare and publish a statement of principles and it must follow this guide when determining the amount of a penalty charge.

The civil penalty scheme is designed to encourage a landlord to comply with their duties under the legislation and to reimburse the Council in arranging remedial action in default of the landlord. The civil penalties we impose are intended to be proportionate to the level of non-compliant behaviour, the potential harm outcome, to consider any mitigating circumstances and are therefore calculated on a sliding scale.

3. Overview of the penalty process

The Regulations place a duty on landlords, which include freeholders or leaseholders who have created a tenancy, lease, licence, sub-lease or sub-licence. The Regulations exclude registered providers of social housing.

The duty requires that landlords ensure that:

- a smoke alarm is installed on each storey of premises where there is living accommodation.

- a carbon monoxide alarm is installed in any room of premises used as living accommodation, which contained a solid fuel burning appliance.

AND for tenancies starting from 1 October 2015

- that checks are made by the landlord, or someone acting on his behalf, that the alarm (s) is/are in proper working order on the day the tenancy starts.

Where the Council believe that a landlord is in breach of one or more of the above duties, the Council must serve a remedial notice on the landlord. The remedial notice is a notice served under Regulation 5 of these Regulations.

If the landlord fails to take the remedial action specified in the notice within specified timescale, the Council can require a landlord to pay a penalty charge.

A landlord will not be in breach of their duty to comply with the remedial notice, if they can demonstrate they have taken all reasonable steps to comply. This can be done by making written representations to the Council at the address given at the bottom of this document within 28 days of when the remedial notice is served.

Tamworth Borough Council will impose a penalty charge where it is satisfied, on the balance of probabilities, that the landlord has not complied with the action specified in the remedial notice within the required timescale.

Each stage of the civil penalty process

Breach

The landlord has 28 days to comply with the remedial notice. The civil penalty process starts when TBC is satisfied, on the balance of probabilities that a landlord on whom it has served a remedial notice has failed to comply with the terms of that notice (regulation 6(1)).

Decision

A decision with respect to determining the liability and calculating the penalty amount will be based on the following Consideration Framework.

Table 1: Consideration Framework

Stage 1: Determining the level of breach		
Breach	Is there a history of noncompliance within the last 5 years?	**Yes**: Apply the Level 2 Civil Penalty Calculator **No**: Apply the Level 1 Civil Penalty Calculator

Stage 2: Aggravating Factors	
Aggravating factor 1	Seriousness of offence. Does the premises have any working alarms, the length of time the property has lacked working detectors, has the tenant asked the landlord for working detectors, has the landlord refused to co-operate.
Aggravating factor 2	Is the property overcrowded, is it occupied by vulnerable persons, are there other fire hazards such as poor escape, height of premises above ground level or poor electrics?
Aggravating factor 3	Did TBC have to carry out works in default?

Stage 3: **Determining the penalty amount.**
Penalties are determined using the Civil Penalty Calculator. This calculator sets out a sliding scale of penalty amounts for each incidence of non-compliance The actual penalty amount will depend on the landlord’s history of compliance and the seriousness of the offence. It will also look at any aggravating factors that should justify a higher penalty. For example, if aggravating factors 1 and 2 apply the penalty charge will be increased by £500. If only aggravating factor 1 applies, then the penalty charge will be increased by £250.

Civil Penalty Calculator

The Civil Penalty Calculator comprises two levels:

- The **Level 1** table should be used where there is no history of non-compliance during the last five years. The starting point for the calculation of the civil penalty is £2,000 before any additions are applied.
- The **Level 2** table should be used where you have been found to a history of non-compliance within the previous five years. The starting point for the calculation of the civil penalty is £4,000 before any additions are applied.

Where a civil penalty notice has been cancelled following a review or appeal and has not been replaced by a warning notice, it shall not be considered when calculating any subsequent penalty.

Level 1: First breach				
Starting penalty amount £2000				
Aggravating factor 1:		**Aggravating factor 2:**		**Aggravating factor 3:**
Penalty increased by £250		Penalty increased by £250		Penalty increased by £500

Level 2: Second or subsequent breach				
Starting penalty amount £4000				
Aggravating factor 1:		**Aggravating factor 2:**		**Aggravating factor 3:**
Penalty increased by £250		Penalty increased by £250		Penalty increased by £500

Payment

Penalty charges are to be paid in full within the period specified in the penalty charge notice (this will be not less than 28 days) unless within that specified period the landlord has given written notice to TBC that the penalty charge notice be reviewed.

TBC may reduce the specified charge under an early payment option which reduces the amount of your civil penalty by 25% if we receive payment in full within 28 days of the civil penalty notice being served. The reduced penalty amount and the final date by which you must pay it will be clearly shown on your civil penalty notice.

If you lodge an objection to your penalty before the deadline specified in your civil penalty notice, you will continue to be eligible for the early payment option. If you are still required to pay a penalty following the review of your notice, you will be given a fresh notice which specifies a new date by which you may pay your penalty at the lower amount.

Review

Once proper notice having been given, the Council will consider any representations made by the landlord, decide whether to confirm, vary or withdraw the penalty charge notice and serve notice of its decision to the landlord. Any mitigation factors will be considered, and the penalty charge notice may be reduced. The review will be carried out by the Assistant Director Partnerships.

Appeal

The Council will be bound by the outcome of the Tribunal decision.

Enforcement

If a penalty notice is not paid in full a review requested or an appeal has been lodged by the specified due dates, enforcement action will commence. This includes action in the civil court to recover the unpaid penalty. This action may have an adverse impact on the ability of a landlord to obtain future credit and act in the capacity of a company director.

4. Multiple properties

A landlord within the Tamworth Borough Council area with more than one property found to be in non-compliance with the requirements of the legislation within the previous five years, will be subject to a penalty calculation using Level 2 of the Civil Penalty Calculator if the noncompliance is encountered at other of those properties, and the non-compliance can be attributed to a general failure of the landlord's overall approach to the legislation.

5. Information regarding this statement

The Council has prepared and published this statement in accordance with its duties under regulation 13 of the Smoke and Carbon Monoxide Alarm (England) Regulations 2015. This statement may be revised, and where this happens any revised statement will also be published. When determining the amount of a penalty charge, the Council will have regard to any updated guidance/ relevant appeal decisions published at the time when the breach in question occurred.

APPENDIX 5 – Determining the penalty for offences under the Housing Act 2004

(Including: The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020)
Housing Act 2004 as amended by the Housing and Planning Act 2016

Introduction

Financial Penalty (FP)

The new powers to issue a Financial Penalty came into force on April 6, 2017 under Chapter 4 and schedule 9 of the Housing and Planning Act 2016 ("2016 Act"). Section 249A of the Housing Act 2004 ("2004 Act") allows the Local Housing Authority (LHA) to issue a Financial penalties (FP) limiting the maximum penalty at £30,000. A FP can be issued to a landlord (includes other responsible persons) who commits one of the following Housing Act 2004 ("2004 Act") offences.

- Section 30 – not comply with an improvement notice
- Section 72 (1) – not licence a house in multiple occupation
- Section 72 (2) – licensed HMO that is overcrowded
- Section 72 (3) – not comply with HMO licence conditions
- Section 95 (1) – not licence a private rented property (e.g selective licencing)
- Section 95 (2) – not comply with a private rented property licence condition. Section 139 – overcrowding notice for HMO
- Section 234 – non-compliance a HMO Management Regulation

These powers were amended by the Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020 (ESSPRS) which provided penalty charges of up to £30,000 in respect of electrical safety in rented accommodation and some minor amendments Management regulations and HMO licencing.

Penalties for a breach under the ESSPRS will be calculated using the same methodology as use for other Housing Act 2004 offences.

Rent Repayment Orders (RRO)

Rent Repayment Orders can be applied for by an LHA or tenant under sections 73 and 96 of the 2004 Act. Part 2, Chapter 4 of the 2016 Act widened the option to make an application to the First Tier Tribunal (FTT) for an RRO. An application for a RRO can be made, within 12 month period, by a LHA or tenant against a landlord who commits one of the following Housing Act 2004 (“2004 Act”) offences (whether or not convicted)

- Offence of failing to license an HMO under section 72 (1) of the 2004 Act;
- Offence of failing to license a licensable house under section 95(1), Part 3 of the 2004 Act.
- Failure to comply with an Improvement Notice under section 30*,
- Failure to comply with a Prohibition Order under section 32(1),
- Using violence to secure entry to a property under section 6 of the Criminal Law Act 1977; and
- Illegal eviction or harassment of the occupiers of a property under section 1 of the Protection from Eviction Act 1977 A tenant can only make an application where the LHA had either secured a conviction *or* following a successful RRO award.

Financial Penalties as an alternative to taking a prosecution.

The Government introduced the FP as part of its campaign to clamp down heavily on criminal landlords. Ministers have made it very clear that they expected this power to be used robustly and they are not a lighter option to a prosecution. LHA have been given the authority to both determine whether to prosecute and the level of FP to impose; at up to £30,000. The level of penalty in the Magistrates Court is now unlimited for all offences where a FP could also be issued. All monies collected following the issue of a FP can be retained by the LHA to further its statutory functions in relation to private housing enforcement work.

The 2016 Act has also introduced the “Landlord Banning Order” (LBO) for the most serious and prolific offenders and the “Rogue Landlord Database (RLD) of rogue landlords and property agents convicted of certain offences. Whilst a landlord issued with a FP can be placed on the RLD (* requiring two FP within a 12 month period) a FP will not be a “Banning Order Offence” and so the issuing of a FP will preclude a LHA from seeking to apply to a FTT for a LBO. The legislation does not permit LHA to issue both a FP and prosecute for the same offence. If a person has been convicted or is currently being prosecuted, the LHA cannot also impose a FP in respect of the same offence. Similarly, if a FP has been imposed, a person cannot then be prosecuted of an offence for the same conduct.

The Statutory Guidance says that a prosecution may be the most appropriate option where an offence is particularly serious or where the offender has committed similar offences in the past. The first of five stages of ‘Setting the

Penalty' offers a means of Banding the Offence based on the seriousness of the offence, culpability of the landlord and impact on tenant and community. The five stages allow a wide consideration of the appropriateness of the penalty chosen including the means, and the table below acts as a guide. As part of reviewing whether to prosecute the LHA should consider the scope for working together with other LHA where a landlord has committed breaches in more than one local authority area.

The decision whether to prosecute will be considered for each offence, but the Council will regard prosecution as the preferred option for the higher banded offences and offences that the LHA determine fall at the threshold where it is proportionate to look to seek further redress, ultimately through the RLD and BO procedures. This approach will meet the Government's aim of clamping down heavily on a criminal landlord or letting agents.

Banding the Offence to Determining the most appropriate Action (using scoring matrix)

Band 1				Band 2				Band 3				Band 4			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Caution															
Financial Penalty – Rent Repayment Order optional															
			Financial Penalty and Rent Repayment Order												
			Register on Rogue Landlord Database (2 FP within 12M period)												
								Prosecution and Rent Repayment Order							
								Banning Order Offence – register on Database							
										Consider - application to Ban Landlord					

Setting the Financial Penalty (FP) for a Landlord.

A Local Authority must determine the level of FP that can be awarded against a landlord. Tamworth Borough Council has agreed this five-stage process to provide a framework to assist with "*determining the level of fine*" which will ensure consistency, transparency and a fair assessment for all parties.

The process has considered the following documents;

1. The statutory guidance issued by the Secretary of State under Schedule 9 of the Housing & Planning Act 2016,

   - Section 41 (4) of the 2016 Act relating to making applications for Rent Repayment Orders.

   - Article 12 of schedule 13A in the 2004 Act.

2. The Code for Crown Prosecutors which gives guidance to prosecutors on the general principles to be applied when making decisions about prosecutions.

3. Non statutory guidance issued by the Ministry of Housing, Communities and Local Government

4. Tamworth Borough Council's Corporate Enforcement Policy

Principles in the Statutory Guidance for Financial Penalties.

This explains that the FP should; reflect the severity of the offence, the culpability and track record of the offender, the harm caused to the tenant, the punishment of the offender, to deter the offender from repeating the offence, to deter others from committing similar offences and to remove any financial benefit the offender has from offending.

The five Stages in 'Determining the Level of Financial Penalty'.

Stage 1: Banding the offence. The initial FP band is decided following the assessment of two factors;

- Culpability of the landlord; and

- The level of harm that the offence has had.

The scores are multiplied to give a penalty score which sits in one of four penalty bands;

Stage 2: Amending the penalty band based on aggravating factors.

Stage 3: Amending the penalty band based on mitigating factors.

Stage 4: A Penalty Review. To review the penalty to ensure it is proportionate and reflects the landlord's ability to pay.

Stage 5: Totality Principle. A consideration of whether the enforcement action is against one or multiple offences, whether recent related offences have been committed and ensuring the total penalties are just and proportionate to the offending behaviour

Stage1: Banding the level of Offence, (there are two factors to assess)

Banding the Offence	
Factor 1. **Culpability of Landlord (seriousness of offence and culpability)**	**Assessment:** The landlord is to be assessed against four levels (low, moderate, high or significant) of culpability:
To be considered as part of the assessment: • Is the landlord experienced or has a number of properties within their portfolio? • what length of time did the offence continue for or repeat over? • to what extent was the offence premeditated or planned, • whether the landlord knew, or ought to have known, that they were not complying with the law, the steps taken to ensure compliance. • whether the landlord has previous relevant unspent • housing offence related convictions (source National Landlord database), • the likelihood of the offence being continued, repeated or escalated. • the responsibilities the landlord had with ensuring compliance in comparison with other parties	**Significant** - Where the offender deliberately or intentionally breached, or flagrantly disregarded, the law. **High** – Landlord had actual foresight of, or wilful blindness to, risk of offending but risk nevertheless taken. **Moderate** - Offence committed through act or omission which a landlord exercising reasonable care would not commit **Low** - Offence committed with little fault, for example, because: a. Significant efforts were made to address the risk although they were inadequate on this occasion b. There was no warning/circumstance indicating a risk c. Failings were minor and occurred as an isolated incident
Factor 2 **Level of Harm (for tenant, community)**	**Assessment:** The landlord is to be assessed against four levels (low, moderate, high or significant) of harm or consequence:

To consider as part of assessment • Circumstances or vulnerabilities or actual discrimination against the tenant or tenants. (age, illness, language, ability to communicate, young children, disabilities or in relation to any protected characteristic (Equalities Act 2010) • Tenant's views about the impact that the offence has had on them. • The extent to which other people in the community have been affected, for example, because of anti-social behaviour, excessive noise and damage to adjoining properties. • was more than one other household affected, • The level of actual or potential physiological or physical impact on tenant(s) and third parties? • What regulation, legislation, statutory guidance or industry practice governed the circumstances of the offence? has the level of trust been breached and have landlord actions impacted on sector?	**Significant.** ✦ Serious adverse effect(s) on individual(s) and/or having a widespread impact ✦ Significant risk of an adverse effect on individual(s) – including where persons are vulnerable Significant disregard of Regulator or legitimate industry role with significant deceit **High** ✦ Adverse effect on individual(s) (not amounting to significant) ✦ High risk of an adverse effect on individual(s) or high risk of serious adverse effect, some vulnerabilities. ✦ Regulator and/or legitimate industry substantially undermined by offender's activities Consumer/tenant misled **Moderate** Moderate risk of an adverse effect on individual(s) (not amounting to low risk) ✦ Public misled but little or no risk of actual adverse effect on individual(s) **Low** ✦ Low risk of an adverse effect on individual(s) Public misled but little or no risk of actual adverse effect on individual(s)

Scoring Matrix to Determine level of fine

Scoring Matrix for Financial Penalty					
FACTORS					
Level of Culpability (seriousness of offence)	**Significant**	**4**	**8**	**12**	**16**
	High	**3**	**6**	**9**	**12**
	Moderate	**2**	**4**	**6**	**8**
	Low	**1**	**2**	**3**	**4**
Level of Harm		**Low**	**Moderate**	**High**	**Significant**

Financial Penalty Banding and Penalty Scores

Band	Band 1				Band 2				Band 3				Band 4			
score	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
penalty	£250	£500	£750	£1000	£2000	£4000	£6000	£8000	£10,000	£12,000	£15,000	£18,000	£20,000	£23,000	£26,000	£30,000

Stage 2: Amending the penalty band based on aggravating factors.

Objective: to consider aggravating factors of the offence that may influence the FP. **A significant aggravating factor may allow the FP to be increased by a FP point**.

<u>Example aggravating factors:</u>

- Previous convictions, having regard to;

a) The nature of the offence to which the conviction relates and its relevance to the current offence; and

b) The time that has elapsed since the conviction (is conviction spent)?

- Motivated by financial gain, profited from activities.
- Deliberate planned concealment of activity resulting in offence and obstructive nature of landlord towards investigation

- Established evidence of longer-term impact on the (wider) community as a consequence of activities.
- Role within the private rented sector and familiarity with responsibilities and current level of responsibility with managing and letting private rented properties.
- Refusal to accept offer of, or respond to LHA advice regarding responsibilities, warnings of breach or learned experience from past action or involvement of LHA or other Regulatory Body.
- Any further factor that can be deemed of sufficiently aggravating nature that is not covered above or within the culpability and harm banding factors.

Stage 3: Amending the penalty band based on mitigating factors

Objective: to consider any mitigating factors and whether they are relevant to the offence**. A significant mitigating factor may allow the FP to be decreased by a FP point.**

Example mitigating factors:

- No evidence of previous convictions or no relevant/recent convictions
- Voluntarily steps taken to remedy problem
- High level of co-operation with the investigation, beyond that which will always be expected
- Good record of maintaining property and compliance with legislation, statutory standards and industry standards
- Self-reporting, co-operation and acceptance of responsibility
- Mental disorder or learning disability, where linked to the commission of the offence
- Serious medical conditions requiring urgent, intensive or long-term treatment where linked to the commission of the offence.
- Age and/or lack of maturity where it affects the responsibility of the offender
- Any further factor that can be deemed of sufficiently mitigating nature that is not covered above or within the culpability and harm banding factors.

Stage 4: A review of the financial penalty to ensure that the case can be made and that the chosen approach is proportionate:

Step 1: to check that the provisional assessment of the proposed FP meets the aims of the Crown Prosecutions sentencing code:

- Punishment of offender
- Reduction of/stopping crime
- Deterrent offender or for other potential offenders
- Reform of offender
- Protection of public
- Reparation by offender to victim(s)
- Reparation by offender to community
- Remove any financial benefit the offender may have obtained as a result of committing the offence.

Step 2: to check that the proposed FP is proportionate and will have an appropriate impact.

Local authorities should use their existing powers to, as far as possible, assess a landlord's assets and any income (not just rental income) they receive when determining an appropriate penalty by making an adjustment to the financial penalty band. The general presumption should be that a FP should not be revised downwards simply because an offender has (or claims to have) a low income. Similarly, if a landlord with a large portfolio was assessed to warrant a low FP, the FP might require adjustment to have sufficient impact, and to conform to sentencing principles.

Part 6 of Schedule 16 of the Crime and Courts Act 2013 permits the value of any assets owned by the landlords, e.g. rental property portfolio, to be considered when making an assessment and setting the level of penalty. The FP is meant to have an economic impact on the landlord, removing reward for criminal activities and acting as a deterrent to bad practice.
In setting a financial penalty, the LHA may conclude that the offender is able to pay any financial penalty imposed unless the offender has supplied any financial information to the contrary. It is for the offender to disclose to the LHA such data relevant to his financial position as will enable it to assess what he can reasonably afford to pay. Where the LHA is not satisfied that it has been given sufficient reliable information, the LHA will be entitled to draw reasonable inferences as to the offender's means from evidence it has heard and from all the circumstances of the case which may include the inference that the offender can pay any financial penalty.

Process**:** The offender will be asked to submit relevant information as part of the process and the request for financial information will be incorporated into the notes on the "notice of intended action", the first step with issuing a FP notice.

Stage Five: Totality principle

Objective: Where the consideration is being given to issue more than one financial penalty, the LHA should consider the Sentencing Council guidance "Offences Taken into Consideration and Totality - Definitive Guideline". Where separate financial penalties are imposed the LHA must be careful to ensure that there is no double-counting. Section 249A of the 2004 Act (amended) states that 'only one financial penalty under this section may be imposed on a person in respect of the same conduct'. The 2016 Act **does** permit the LHA to issue a FP and also apply for a RRO. Where the FP is issued the FTT must award the maximum RRO.

"The total financial penalty is inevitably cumulative". The LHA should determine the financial penalty for each individual offence based on the seriousness of the offence and taking into account the circumstances of the case including the financial circumstances of the offender so far as they are known, or appear, to the LHA. The LHA should add up the financial penalties for each offence and consider if they are just and proportionate.

If the aggregate total is not just and proportionate the LHA should consider how to reach just and proportionate financial penalties. There are a number of ways in which this can be achieved.

Examples:

- where an offender is to be penalised for two or more offences that arose out of the same incident or where there are multiple offences of a repetitive kind (management offences or breach of conditions), especially when committed against the same person, it will often be appropriate to impose for the most serious offence a financial penalty which reflects the totality of the offending where this can be achieved within the maximum penalty for that offence. No separate penalty should be imposed for the other offences;

- Where an offender is to be penalised for two or more offences that arose out of different incidents, it will often be appropriate to impose a separate financial penalty for each of the offences. The LHA should add up the financial penalties for each offence and consider if they are just and proportionate. If the aggregate amount is not just and proportionate the LHA should consider whether all of the financial penalties can be proportionately reduced. Separate financial penalties should then be passed.

- Where an LHA has determined that it will apply for a RRO within the 12 month deadline the FP should be reviewed to ensure the total penalty is proportionate as guided by Stage 4. The FP may be adjusted accordingly knowing that, *if successful*, the RRO award will be the maximum.

Reduction in Penalty Charge for Early Repayment

As with criminal prosecutions, the council is of the opinion that an early acceptance of guilt is in the public interest. It saves public time and money.

An offender can demonstrate an early acceptance of guilt by paying the financial penalty within 28 days of the date the Final Notice was served. If cleared payment is made within this time period, the offender can benefit from a 25% reduction in the amount of financial penalty payable.

A Final Notice will set out the finalised financial penalty amount determined having regard to this policy and an amount equal to 75% of that sum, which would be accepted if received within the 28-day period.

If the council is required to defend its decision at the First-tier Tribunal, there will inevitably be additional costs in officer time and expenses. As such, no reduction is available for cases subject to an appeal to the First-tier Tribunal if the appeal is unsuccessful. If an offender makes an early payment at the reduced rate, but then decides to appeal later and the appeal is unsuccessful the council will seek the full finalised amount after the appeal proceedings are completed.

Setting the Rent Repayment Order (RRO) for a Landlord.

A tenant or an LHA may individually apply to a FTT for a RRO award in respect of their rent payments within 12 months of an offence. Under section 73 (7)(iii) and section 96 (7)(iii) of the 2004 Act and section 42 (2)(b) of the 2016 Act; the LHA is required to stipulate, in the notice of intended proceedings, how much the order for repayment of rent is. The level or rent relates to a defined period of 12 months in the period leading up to the offence or during the 12-month period whilst the offence was being committed. The local investigation will determine the levels of rent paid. An LHA has no control over the level of rent a tenant may apply for.

The Government have advised that the RRO should ensure it addresses the following factors; punishment of the offender, the recipient of any recovered rent, deter the offender from repeating the offence, deter others from committing similar offences and remove any financial benefit the offender may have obtained as a result of committing the offence. LHA must have regard to the statutory guidance issued under section 41(4) of the 2016 Act when exercising their functions in respect of RRO.

Where a conviction has been achieved the LHA will apply to the FTT for the maximum rent repayment, within a 12 month period. Section 46 of the 2016 Act states this is the level that must be awarded to either a tenant (except for section 72(1) or 95(1) offences) or a LHA where the landlord has been convicted or a FP issued in relation to that offence. In these cases there is no discretion within "Determining the Penalty".

If there is no conviction or a FP is not issued then the Council will apply to the FTT for the maximum rent repayment when a RRO is applied for.

If a FP is to be issued, the penalty point/ banding first determined will be reviewed under Stage 5 to ensure that the Totality Principle is met. This aims to ensure that the total penalties are just and proportionate to the offending behaviour.

The legislation places the ultimate decision for determining the financial award under a Rent Repayment Order with the FTT in line with section 74 and 97 of the 2004 Act and sections 44 and 45 of the 2016 Act. The FTT must take into account; the conduct of the landlord, the financial circumstances of the landlord, and whether the landlord has at any time been convicted of an offence to which this Chapter (Part 2 Chapter 4 of the 2016 Act) applies. It is felt that not making the application for the maximum award would undermine the discretion of the FTT.

Appeals

A person issued with a FP has a right of appeal to the First Tier Tribunal (Para 10 of Schedule 13A of the 2016 Act)

A person placed on the DRL has a right of appeal to the First Tier Tribunal (Section 32 of the 2016 Act).

A person aggrieved by the decision of the FTT in relation to the making of a rent repayment order may appeal under the provisions of Part 2 Chapter 5 of the 2016 Act.

NOTE

Financial Penalty Process and Right for Person to make Representations.

Before imposing a financial penalty on a person under section 249A of the 2004 Act the LHA must, within 6 months of the date of the offence, give the person notice of the authority's proposal to do so (a "notice of intent"); incorporating why and the level of fine. A person in receipt of the notice of intent can make written representations within 28 days. Subsequently the LHA must decide whether to issue a financial penalty and the amount and to do so must issue a final notice.

Similarly, section 42 of the 2016 Act requires that the LHA must first serve a notice of intended proceedings on the landlord. He can then make written representations within 28 days of the date of service to the LHA about the proposed RRO

The landlord has the right to make representations and any representation must be duly considered. The LHA will provide a response within 21 days (no statutory time period) with a decision notice stating whether the penalty will be withdrawn, varied or upheld.

All communications for representations made against the intended FP or RRO are to be written and sent to: Assistant Director Partnerships, Tamworth Borough Council

APPENDIX 6 - Determining the Penalty for Offences under The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015. (amended 2019*)

Introduction

The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 (as amended) (the Regulations) are designed to tackle the least energy-efficient properties in England and Wales – those rated F or G on their Energy Performance Certificate (EPC). The Regulations establish a minimum standard for privately rented property.

The Department for Business Energy and Industrial Strategy have produced guidance published in 2017 and updated in June 2018.

Guidance for landlords and Local Authorities on the minimum level of energy efficiency required to let domestic property under the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015.

The council have had regard to this guidance in formulating this policy

Purpose of this policy

In accordance with Regulation 34 Local Authorities are responsible for enforcing the minimum level of energy provisions within their area. In the first instance the council will notify Landlords who rent properties with an EPC of F or G that they do not meet the minimum energy efficiency standard. The Council will offer advice on how the standards can be met and request Landlords to register an exemption if appropriate. Unless the landlord has reasonable excuse for not complying with these regulations, the council will normally take formal action without giving an informal opportunity for the landlord to comply where a contravention exists.

The Council has discretion to serve Compliance Notices to request information from the landlord that will help them to decide whether there has been a breach. The Strategic Housing Team will serve Compliance Notices where the additional information is required. The Team will serve a Penalty Notices where a landlord fails to comply with the Compliance Notice.

The Team will check on the National PRS Exemptions Register and if it believes a landlord has registered false or misleading information it will consider serving a financial penalty

If offences under these regulations are committed the Team will normally serve a Penalty Notice. This policy is a framework for officers to follow in how to determine the appropriate penalty.

Under regulation 39 the Local Authority may publish some details of the landlord's breach on a publicly accessible part of the PRS Exemptions Register. The Team will place the information on the register at the appropriate time, for a minimum of 12 months.

The Landlord has the right to ask for a Penalty Notice to be reviewed under Regulation 42. Any request for review must be submitted to the Council within one calendar month of the Penalty Notice being served. Requests for review after the prescribed time will be considered at the Council's discretion

Penalties for non-compliance with the Minimum Energy Efficiency Regulations

Breaching the ban on letting a property with an EPC Rating of F or G for less than 3 months (statutory maximum £2000)	
First offence - £1000 (or £750 if paid within 28 days)	All other offences - £2000 (or £1500 if paid within 21 days)

Breaching the ban on letting a property with an EPC Rating of F or G for more than three months (Statutory maximum: £4,000)	
First offence: £2,000 (or £1,500 if paid within 28 days)	All other offences: £4,000 (or £3,000 if paid within 21 days)

Registering false or misleading information on the PRS Exemptions Register (Statutory maximum: £1,000)	
First offence: £500 (or £375 if paid within 28 days)	All other offences: £1,000 (or £750 if paid within 21 days)

Failing to provide information to the council demanded by a Compliance Notice (statutory maximum £2,000)	
First offence: £1,000 (or £750 if paid within 28 days)	All other offences: £2,000 (or £1,500 if paid within 21 days)

APPENDIX 7 - Fees in connection with Mobile Home Parks

A - Licencing

Sites are 'banded' from 1 to 5 according to their size in terms of the number of pitches. The fees structure recognises that larger sites are more complex and take more time in terms of site inspections than smaller sites.

Band	Number of pitches
1	1-10
2	11-40
3	41-99
4	100-199
5	200+

New site licence, transfer and amendments

The following fees are applicable if a site owner wishes to apply for a new licence or transfers or amends a site licence. The charge for these functions **cannot** be passed on by the site owner to the site residents.

An invoice will be raised upon receipt of the application/ transfer/ amendment request. Payment will be due within 30 days.

	Band 5	Band 4	. Band 3	Band 2	Band 1
New site licence application					
	£ 537.46	£502.95	£406.49	£296.17	£ 230.69
Application to transfer a site licence					
	£ 92.93	£ 72.28	£ 72.28	£ 61.95	£ 61.95
Application to amend a site licence					
	£ 165.20	£123.90	£ 123.90	£ 103.25	£ 92.93

Checking and registering site rules

A fee is applicable for the checking and registering of site rules. The charge for this function cannot be passed on by the site owner to the site residents
This assumes an average of 2 hours admin and correspondence work.

Band 5	Band 4	Band 3	Band 2	Band 1
£ 41.30	£ 41.30	£ 41.30	£ 41.30	£41.30

An invoice will be raised upon receipt of the rules. Payment will be due within 30 days.

Annual licence monitoring fee

	Band 5	Band 4	Band 3	Band 2	Band 1
	£516.81	£420.35	£323.89	£203.25	Exempt

Invoices will be sent to the Licence holders of the relevant protected sites at the start of each financial year. Payment will be due within 30 days.

If an annual fee remains unpaid Tamworth Council can apply the 1st Tier Property Tribunal requiring it to be paid. Ultimately if it remains unpaid the Licence can be revoked. A charge may also be placed against the land.

Costs Associated with Fit & Proper Person Assessment

Tamworth Borough Council will charge a one off fee of £128.26 per person to be assessed.

There is no annual monitoring fee.