

NON-CONFIDENTIAL



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JOINT SCRUTINY (BUDGETS)

23 January 2024

Dear Councillor

A meeting of the Joint Scrutiny (Budgets) will be held in **Town Hall, Market Street, Tamworth on Wednesday, 31st January, 2024 at 6.00 pm**. Members of the Committee are requested to attend.

Yours faithfully

A handwritten signature in black ink, appearing to be 'AJS', followed by a long horizontal line.

Chief Executive

A G E N D A

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- 1 Appointment of Chair**
- 2 Apologies for Absence**
- 3 Minutes of the Previous Meeting (Pages 3 - 4)**

- 4 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.

5 Draft Budget & Medium Term Financial Strategy 2024/25 (Pages 5 - 96) *(The Report of the Leader of the Council)*

Access arrangements

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

Filming of Meetings

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

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

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

FAQs

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

To Councillors: C Adams, M Bailey, C Bain, B Clarke, L Clarke, R Claymore, G Coates, D Cook, S Daniels, C Dean, S Doyle, J Harper, J Jones, R Kingstone, D Maycock, B Price, R Pritchard, L Smith, P Thurgood, P Turner, J Wade, J Wadrup and L Wood.



MINUTES OF A MEETING OF THE JOINT SCRUTINY (BUDGETS) HELD ON 25th JANUARY 2023

PRESENT: Councillors R Claymore, D Cook, M Cook, C Cooke, A Cooper, S Goodall, M J Greatorex, J Harper, T Jay, S Peale, B Price, R Rogers, S Smith, P Thurgood and P Turner

CABINET Councillors M Bailey, T Clements, A Farrell, J Oates, R Pritchard and M Summers

The following officers were present: Andrew Barratt (Chief Executive), Stefan Garner (Executive Director Finance), Joanne Goodfellow (Assistant Director Finance) and Tracey Pointon (Legal Admin & Democratic Services Manager)

26 APPOINTMENT OF CHAIR

RESOLVED: that Councillor T Jay be appointed as Chair.

(Moved by Councillor S Goodall and seconded by Councillor D Cook).

27 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors D Box, J Jones, R Kingstone, D Maycock and J Wade

28 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 26th January 2022 were approved and signed as a correct record.

(Moved by Councillor J Harper and seconded by Councillor S Goodall)

29 DECLARATIONS OF INTEREST

There were no Declarations of Interest.

30 DRAFT BUDGET & MEDIUM TERM FINANCIAL STRATEGY 2023/24

Report of the Cabinet to consider the budget proposals and medium term financial strategy for General Fund (GF) Revenue, the Housing Revenue Account (HRA) and the Capital Programme.

RESOLVED: That the budget proposals as contained within the report were considered.

Chair

JOINT SCRUTINY COMMITTEE (BUDGET)

31 January 2024

Report of the Cabinet

DRAFT BUDGET AND MEDIUM TERM FINANCIAL STRATEGY 2024/25 to 2028/29

Purpose

To consider the budget proposals and medium term financial strategy for General Fund (GF) Revenue, the Housing Revenue Account (HRA) and the Capital Programme.

Recommendations

That Members:

- 1. Consider the budget proposals due to be approved by Cabinet at the meeting on 25th January 2024;**
- 2. Provide views on the budget proposals and council tax strategy, taking into account the prioritisation of resources.**

Executive Summary

At its meeting on 25th January 2024, the Cabinet is due to consider a package of budget proposals for the period 2024/25 to 2028/29 and, as required by the Constitution of the Council, approved that the Scrutiny Committees be asked to consider the budget proposals contained within the report.

A copy of the report detailing the budget proposals is attached at **Annex 1**.

Resource Implications

As contained within the report.

Legal / Risk Implications

As contained within the report.

Report Author

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

| | |
|----------------------------|---|
| Background Papers:- | Corporate Vision, Priorities Plan, Budget & Medium Term Financial Strategy 2023/24, Council 23 February 2023 |
| | Budget and Medium Term Financial Planning Process, Cabinet 31 August 2023 |
| | Leaders Budget Workshop, 29 November 2023 |
| | Draft Base Budget Forecasts 2024/25 to 2028/29, Cabinet 30 November 2023 |

CABINET

25th January 2024

JOINT SCRUTINY COMMITTEE (BUDGET)

31th January 2024

Report of the Leader of the Council

**DRAFT BUDGET AND MEDIUM TERM FINANCIAL STRATEGY 2024/25 to
2028/29**

Purpose

To approve the draft Medium Term Financial Strategy (attached at Appendix 1), to consult with the Joint Scrutiny Committee (Budget) on 31 January 2024 and receive their feedback on the:

- General Fund Revenue (GF) Budget and Council Tax for 2024/25;
- Housing Revenue Account (HRA) Budget for 2024/25;
- Capital Programme – General Fund & HRA;
- Medium Term Financial Strategy (MTFS)

This is a key decision as it affects two or more wards and involves expenditure over £100k.

Recommendations

It is recommended that Cabinet:

- 3. Approve the draft package of budget proposals included in the Medium Term Financial Strategy (as detailed at Appendix 1); and**
- 4. As required by the Constitution of the Council, the Joint Scrutiny Committee (Budget) on 31 January 2024 be requested to consider the budget proposals contained within this report.**

1 Executive Summary

1.1 Based on the draft budget assumptions contained within the report, the headline figures for 2024/25 are:

- A General Fund Net Cost of Services of £8,244,460;
- A transfer of £1,209,314 from General Fund balances;
- The Band D Council Tax would be set at £201.89, an increase of £5 (2.6% - £0.10 per week) on the level from 2023/24 of £196.89;
- A transfer of £1,045,860 to HRA balances;
- General dwelling Rent increases will be increased by 7.7%, being CPI +1%. This will increase average rent from £99.66 in 2023/24 to £107.33.
- A 2024/25 General Fund Capital Programme of £1,858,200 (£6.111m over 5 years);
- A 2024/25 Housing Capital Programme of £11,042,580 (£45.436m over 5 years).

2 Background

2.1 The Medium Term Financial Strategy (MTFS) is attached in full in Appendix 1.

2.2 The MTFS builds on the Draft Base Budget Forecast Report for 2024/25 to 2028/29 considered by Cabinet on 30 November 2023.

2.3 On 5th December 2023, the Secretary of State for Levelling Up, Communities and Local Government published a written ministerial statement on the 2024/25 local government finance settlement. The one year settlement is reflected in the MTFS. Final settlement figures are expected from in early February and will feed into the final budget report being presented to Council on 27 February 2024.

2.4 The budget proposals included in the MTFS reflect the need to compensate for reduced income levels arising from the uncertain political and economic conditions and potential significant medium term reductions in Government funding. This is matched against a desire to continue to address the Council's priorities / issues identified by Members and at the same time to seek continuous improvement in service delivery.

2.5 The increase in Council Tax is limited to the higher of £5 or 3% in order to avoid the need to hold a referendum. Three options for increasing Council Tax have been considered: zero, £5 and 2.99%. The results are summarised in Table 1 below.

Table 1 – Comparison of different Council Tax Options

| Year: | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| £5 Increase in council tax | | | | | | |
| Surplus (-) /Deficit | (204) | 1,209 | 3,286 | 4,773 | 4,889 | 5,116 |
| Balances Remaining (-) / Overdrawn | (9,819) | (8,609) | (5,323) | (551) | 4,338 | 9,454 |
| | | | | | | |
| 2.99% Increase in Council Tax | | | | | | |
| Surplus (-) /Deficit | (204) | 1,188 | 3,240 | 4,697 | 4,777 | 4,964 |
| Balances Remaining (-) / Overdrawn | (9,819) | (8,630) | (5,391) | (694) | 4,083 | 9,048 |
| | | | | | | |
| Zero Increase | | | | | | |
| Surplus (-) /Deficit | (204) | 1,327 | 3,523 | 5,131 | 5,370 | 5,723 |
| Balances Remaining (-) / Overdrawn | (9,819) | (8,492) | (4,969) | 162 | 5,532 | 11,255 |

- 2.6 All options leave the Council facing a deficit in 2024/25 and beyond which requires the use of reserves to balance the budget.
- 2.7 Existing General Fund reserves would be insufficient to cover deficit levels beyond 2025/26 if Council Tax is not increased at all.
- 2.8 Increases of either £5 or 2.99% will ensure that there are sufficient General Fund reserves to cover the deficit and leave the required minimum level (£500k) over the 3 year period to 2026/27. However, for either option, there remains a significant ongoing deficit. Whilst this can be met from General Fund reserves over the short term, savings in the region of £4m per year are required from 2027/28 in order to balance the budget.
- 2.9 The development of a Sustainability Strategy is required in order to avoid significant financial cuts in future years.
- 2.10 A General Fund five year revenue budget summary assuming a £5 increase in Council Tax is shown in Table 2 below.

Table 2 – 5 Year Base Budget forecast assuming £5 increase in Council Tax

| | 2024/25 £'000 | 2025/26 £'000 | 2026/27 £'000 | 2027/28 £'000 | 2027/28 £'000 |
|--|------------------|------------------|------------------|------------------|------------------|
| Estimated Net Cost of Services | 8,083 | 11,878 | 12,118 | 12,469 | 12,914 |
| Proposed Policy Changes / Additional Costs Identified (Detailed at Appendix B) | 162 | (286) | 659 | 645 | 651 |
| <i>Recharge & Inflationary Adjustments (Policy Changes)</i> | - | - | - | - | - |
| | - | - | - | - | - |
| Net Expenditure | 8,244 | 11,592 | 12,777 | 13,114 | 13,566 |
| Financing: | | | | | |
| RSG | 322 | 328 | 335 | 342 | 349 |
| Collection Fund Surplus/(deficit) (Council Tax) | 33 | 33 | 33 | 33 | 33 |
| Collection Fund Surplus/(deficit) (Business Rates) | (1,152) | - | - | - | - |
| Tariff Payable | (11,173) | (12,361) | (13,139) | (13,401) | (13,669) |
| Non Domestic Ratepayers | 14,265 | 15,407 | 15,715 | 16,030 | 16,350 |
| Council Tax Income | 4,740 | 4,899 | 5,060 | 5,222 | 5,387 |
| Gross Financing | 7,035 | 8,306 | 8,004 | 8,225 | 8,449 |
| Surplus(-)/Deficit | 1,209 | 3,286 | 4,773 | 4,889 | 5,116 |
| Balances Remaining (-) / Overdrawn | (8,609) | (5,323) | (551) | 4,337 | 9,453 |

Housing Revenue Account

- 2.11 The HRA budgets have been updated to reflect technical and policy changes (See Section 8 of the MTFs for further details).
- 2.12 Assuming increases in Rent capped CPI+1% (7.7%) allowed by the Government's recent rent setting guidance, the budget position indicates that balances will remain above the approved minimum level of £0.5m over the five year period.

Table 3 Impact on HRA Balances after Policy Changes

| <i>Figures exclude internal recharges which have no bottom line impact.</i> | Base Budget 2023/24 £ | Budget 2024/25 £ | Budget 2025/26 £ | Budget 2026/27 £ | Budget 2027/28 £ | Budget 2028/29 £ |
|---|---------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| HRA Summary | (4,620,760) | (6,216,500) | (6,220,310) | (6,603,410) | (6,970,050) | (6,045,260) |
| ED Communities | 28,060 | 30,470 | 32,810 | 35,360 | 38,000 | 40,660 |
| AD People | 268,240 | 285,230 | 289,080 | 292,680 | 296,380 | 300,200 |
| AD Environment, Culture & Wellbeing | 391,100 | 415,180 | 425,860 | 436,810 | 446,600 | 455,890 |
| AD Assets | 283,660 | 276,380 | 269,040 | 301,870 | 332,780 | 362,740 |
| AD Neighbourhoods | 4,473,180 | 4,163,380 | 4,040,440 | 4,114,070 | 4,193,770 | 4,271,530 |
| Grand Total | 823,480 | (1,045,860) | (1,163,080) | (1,422,620) | (1,662,520) | (614,240) |

| | | | | | | |
|-----------------------|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Balances B/Fwd | | (1,977,004) | (3,022,864) | (4,185,944) | (5,608,564) | (7,271,084) |
| Balances C/Fwd | | (3,022,864) | (4,185,944) | (5,608,564) | (7,271,084) | (7,885,324) |

2.13 Table 3 shows that Housing Revenue Account balances are expected to be £5.6m at the end of 2026/27. Whilst these balances would appear to be significant, they are required to build up reserves in order to meet the long term costs of the capital programme included in the 30 year HRA business plan (see section 8.5 of the MTFs, Appendix 1).

Report Author

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

| | |
|----------------------------|---|
| Background Papers:- | Corporate Vision, Priorities Plan, Budget & Medium Term Financial Strategy 2023/24, Council 23 February 2023 |
| | Budget and Medium Term Financial Planning Process, Cabinet 31 August 2023 |
| | Leaders Budget Workshop, 29 November 2023 |
| | Draft Base Budget Forecasts 2024/25 to 2028/29, Cabinet 30 November 2023 |

Tamworth Borough Council Medium Term Financial Strategy 2024/25 to 2028/29

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SECTION 1 – PURPOSE AND OBJECTIVES

- 1.1 The purpose of the Council’s financial strategy is to provide clear and understandable information on actions which are needed to ensure the long-term financial sustainability of the Council. It supports affordable, sustainable service delivery through the use of revenue budgets, capital budgets, reserves and balances.
- 1.2 A medium-term financial strategy (MTFS) sets out how finances are to be managed in such a way as to manage levels of rent, council tax and reserves. In simple terms, it will set out how a stable and robust financial platform can be created such that developments and improvements in services set out in the Corporate Plan can both be achieved and sustained over time.
- 1.3 The Strategy should reflect the priorities outlined in the Corporate Plan and link together with all other strategies of the organisation such as the Capital Strategy, Treasury Management Strategy and Reserves Strategy.
- 1.4 The objectives of the Council’s financial strategy are as follows:
 - a) To provide a stable financial foundation to assist in decision making.
 - b) To enable the Council to be proactive rather than reactive in terms of financing.
 - c) To support the continuance of the Council’s core service strategies.
 - d) To support sustainable service delivery using revenue budgets and reserves.
 - e) To seek to minimise the impacts on the council tax payer and housing rent payers of fluctuations in demand for resources.
 - f) To hold a working balance of cash and reserves sufficient to respond to unexpected events and/or opportunities.
 - g) To be flexible and responsive to changes in needs and legislation.
 - h) To take account of the wider economic climate and local influences.
 - i) To ensure that the capital base of the Council can be maintained within affordable and sustainable limits.
- 1.5 A number of principles have been developed to underpin these objectives:
 - a) Resources will be prioritised to meet the core aims of the Service as set out in the Corporate Plan and other strategies which flow from the Corporate Plan.

- b) Priorities will be reviewed in the light of available resources and financial performance.
- c) Priorities will be influenced by the Corporate Risk Register.
- d) Capital will be financed using the most advantageous method prevailing at the time finance is required, within the requirements of the Prudential Code. A full options appraisal will be carried out before financing decisions are taken.
- e) Investment decisions will be based on a balance of risk and return, remain biased towards low risk activity and follow the CIPFA principles of security, liquidity, and yield in that order.
- f) Council tax rates will be transparent and sustainable. This means that budgets will not be lowered and supported by reserves unless this is part of a long-term sustainable strategy and approved by Members.
- g) Housing rents will increase in accordance with Council's Rent Setting Policy (see section 8)
- h) Charging for services will remain sensitive to the needs of communities and their expectations of the Council.
- i) The Council will apply any year end surpluses / deficits to general fund reserves once any allocations to earmarked reserves have been made.
- j) Longer term financial planning will take account of the possible use of reserves to minimise the effect of reductions in funding as a means of transition, but not of permanent support.

Financial Management

- 1.6 The Council's approach to medium term planning aims to integrate the Council's Corporate and financial planning processes. In accordance with that approach this report contains firm proposals for 2024/25 and provisional proposals for the following years.
- 1.7 It is intended that all aspects of the budget should be agreed by Members and so this report details each amendment which is proposed to the 2023/24 budget to arrive at the starting point for 2024/25.
- 1.8 The Council's medium term financial plan used as the basis for the 2024/25 budget, aims both to deal with a challenging financial position and to find resources to address the Council's corporate priorities and is based upon:
- The need to compensate for reduced income levels arising from the continuing economic uncertainty and increased cost pressures.
 - Injecting additional resources into corporate priorities.

- Increasing income from council tax and fees and charges.
 - Making other savings and efficiencies.
- 1.9 Budget managers are fully involved in developing revenue and capital budgets to ensure that annual budgets accurately reflect demand levels and cost pressures. Inflation is built in where necessary and not necessarily applied at a flat rate across the board.
- 1.10 The external auditors of the Authority have consistently issued unqualified audit reports and positive management letters to the Council in respect of their audit of accounts and their conclusion on the effective arrangements in place to achieve value for money. The External Auditors, Grant Thornton, provided a draft 2022/23 audit opinion to the Audit and Governance Committee on 27 September 2023 which concluded that the Statement of Accounts were free of material misstatements. However, it should be noted that the audit is yet to be completed and the Council has not yet received the final audit opinion or value for money opinion.
- 1.12 The Internal Annual Audit Report for 2022/23 provided the following Annual Internal Audit Opinion:

On the basis of audit work completed, Internal Audit's opinion on the council's framework of governance, risk management and internal control is reasonable in its overall design and effectiveness. Certain weaknesses and exceptions were highlighted by audit work. These matters have been discussed with management, to whom recommendations have been made. All these have been, or are in the process of being addressed.

Financial Background

- 1.13 The prevailing economic climate has caused increased financial pressures to be placed upon all public sector bodies and the Council is no exception. The overall funding position remains uncertain over the next three years.
- 1.14 The challenge to the organisation is not only how to survive in this period of uncertainty but how to continue to both provide and develop high quality services for the communities it serves. Finance is a clear enabler in this context and sound financial management is essential to ensure that maximum value can be achieved with the resources available.
- 1.15 The Council will continue to manage its financial resources to the highest professional standards and back this up with a strong governance framework which will include scrutiny by the Audit and Governance Committee and regular reporting to elected members and the Executive Management Team. In addition, an independent Internal Audit function is maintained to give additional assurances to both Members and Senior Officers. The service follows the Financial Management Code published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

- 1.16 The post of Executive Director of Finance is responsible for developing and maintaining the Medium Term Financial Strategy and this post reports directly to the Chief Executive.

SECTION 2: ECONOMIC CONTEXT OF THE STRATEGY

- 2.1 The current economic climate remains uncertain with many external influences. Local Government is expected to receive a one-year funding settlement for 2024/25. With a general election due to be held in 2024 there remains significant uncertainty around Local Government funding beyond 2024/25.
- 2.2 In November 23, CPI (Consumer Price Index) inflation decreased to 3.9% from 4.6% in October and 6.7% in September. The Bank of England inflation forecast expects inflation to carry on falling to reach the target of 2% by mid-2025.
- 2.3 Bank rate has increased from 0.75% in April 2022 to 5.25% in September 2023, its highest level since February 2008. Interest rates are expected to peak at the current rate before coming down again. This has two impacts on the Council in that expected borrowing rates will reduce over the coming year, but so will investment rates which will impact on investment income for 2024/25.

SECTION 3: ISSUES IMPACTING ON THE BUDGET

Corporate Plan

- 3.1 The Council's [Corporate Plan](#) covers the years 2022-2025 and sets out the priorities for the Council over this period. The MTFs reflects the priorities set out in the Corporate Plan, including major Capital projects related to the Future High Streets project and Gungate development.

Risk / Corporate Risk Register

- 3.2 The corporate risk register is reported quarterly to the Audit and Governance Committee. Corporate risks are identified, managed and monitored by the Corporate Management Team.
- 3.3 The five highest risks facing the Council are listed below:
- Energy supply Crisis
 - Cost of Living Crisis
 - High Inflation
 - Food supply crisis
 - Cyberattacks on critical infrastructure

- 3.4 The financial implications of these risks have been addressed in the capital and revenue proposed budgets.
- 3.5 The medium term financial planning process is being challenged by the uncertain political and economic conditions. The budget forecast is based on a 5 year period, but does contain a number of uncertainties. The forecast grant reductions and uncertainty over future Local Government funding arrangements put significant pressure on the ability of the Council to publish a balanced 5 year MTFs.
- 3.6 It is suggested that, given the uncertainty, there should be no knee jerk reactions – with a clear plan to focus on balancing the next 3 years’ budget position, in compliance with the Prudential Code (minimum balances of £0.5m) by which time the impact should be clearer.
- 3.7 There are a number of challenges affecting the Medium Term Financial Planning process for the period from 2024/25 to 2028/29 which add a high level of uncertainty to budget projections.
- 3.8 The most significant risks to capital and revenue forecasts are set out in Table 1 below:

Table 1 - 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) |
| Potential ‘capping’ of council tax increases by the Government or local Council Tax veto / referendum; (Medium) | Current indications are that increases of 3% or £5 for District Councils risk capping in 2024/25; (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) | An offer of £1,925 for 2023/24 has been agreed. Increases of 2.0% p.a. assumed from 2025/26 following 4% in 2024/25; (High / Medium) |
| 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), with a further freeze to 2025/26 followed by 1% p.a. year on year increases included from 2026/27; (Medium/Low) |

| Risk | Control Measure |
|--|---|
| <p>Assessment of business rates collection levels to inform the forecast / budget (NNDR1) and estimates of appeals, mandatory & discretionary reliefs, cost of collection, bad debts and collection levels;</p> <p>New burdens (Section 31) grant funding for Central Government policy changes – including impact on levy calculation;</p> <p>(High)</p> | <p>Robust estimates included to arrive at collection target. Ongoing proactive management & monitoring will continue;</p> <p>Business Rates Collection Reserve - provision of reserve funding to mitigate impact of any changes in business rate income levels;</p> <p>Monitoring of the situation / regular reporting;(High / Medium)</p> |
| <p>Local Council Tax Reduction scheme potential yield changes and maintenance of collection levels due to increases in unemployment caused by the pandemic;</p> <p>(High)</p> | <p>Robust estimates included. Ongoing proactive management & monitoring (including a quarterly health check on the implications on the organisation – capacity / finance) will continue; (High / Medium)</p> |
| <p>Achievement of income streams in line with targets in light of the economic conditions e.g. treasury management interest, car parking, planning, commercial & industrial rents etc.</p> <p>(High / Medium)</p> | <p>Robust estimates using a zero based budgeting approach have been included;</p> <p>(Medium)</p> |
| <p>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 current cost pressures on economic conditions and uncertainty.</p> <p>(Medium)</p> | <p>Robust monitoring and evaluation of the situation</p> <p>(Medium)</p> |
| <p>Impact of potential conflict in Middle East resulting in volatile financial markets/impact on oil prices and consequential inflation/energy price increases.</p> <p>(High / Medium)</p> | <p>Robust monitoring and evaluation of the situation</p> <p>(Medium)</p> |
| <p>Delivery of the capital programme (GF / HRA – including Regeneration schemes) dependent on funding through capital receipts and grants (including DFG funding through the Better Care Fund);</p> <p>(High / Medium)</p> | <p>Robust monitoring and evaluation – should funds not be available then schemes would not progress;</p> <p>(Medium)</p> |
| <p>Dependency on partner organisation arrangements and contributions e.g. Waste Management - (Staffordshire County Council (LCC) / Lichfield District Council (LDC).</p> <p>(High / Medium)</p> | <p>Memorandum of Understanding in place with LDC.</p> <p>(Medium)</p> |
| <p>Maintenance and repairs backlog for corporate assets – and planned development of long term strategic plan to address such.</p> <p>(High / Medium)</p> | <p>Planned development of long term strategic corporate capital strategy and asset management plan to consider the requirements and associated potential funding streams. (Medium)</p> |

| Risk | Control Measure |
|--|---|
| 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 approximately 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). (High/Medium) | 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. Property Fund investment review carried out 2021. (Medium) |

3.9 In light of these uncertainties and issues arising from the sensitivity analysis (see section 6.9), the budget contains contingency budgets of £100k in the General Fund (£250k for capital) and £130k for the Housing Revenue Account (HRA) (£100k for capital).

Public Consultation

3.10 The results of the annual survey and budget consultation, to inform the decision-making process around council budget and priorities were considered by Cabinet on 25 January 2024.

3.11 737 people chose to take part in this, compared to 712 in 2022.

3.12 There is a clear endorsement from the majority of respondents of our council priorities, agreeing that all are very or fairly important. This would suggest the corporate priorities are, and remain, the right focus for Tamworth Borough Council.

3.13 There is a clear appetite for more spending on many of our very visible services:

- Tackling anti-social behaviour
- Improving the economic, physical, social and environmental condition of Tamworth
- Parks and open spaces

3.14 This is wholly consistent with the other findings in this survey, views around Tamworth as a place to live, responsiveness of the council and dissatisfaction

match these same areas where people would like to see increases in spending.

3.15 Beyond increases, it is more difficult to make clear conclusions. There is however appetite to reduce spending on:

- Arts, Assembly Rooms and Events
- Support to local businesses
- Tackling climate change

3.16 Like in 2022, reducing spending for Arts, Assembly Rooms and events remains the top choice of local people. This is also reflected in the question where we ask where people think we should make savings. It should however be noted the expenditure figures shown for Assembly Rooms and Castle are before any income generation.

3.17 As in 2022, respondents chose to increase charges for leisure and commercial property and opted for the lowest increase in council tax.

Capital Strategy

3.18 The Capital Strategy for each year is approved by Council alongside the MTFS. The updated Capital Strategy for 2024/25 is attached at Appendix A. The Strategy sits alongside the Medium Term Financial Strategy (MTFS), Asset Management Plan and HRA business plan. This 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.

3.19 The Authority has considered the sustainability of its capital plans which have been mapped out over future years to assist in the revenue budget planning process. The 2024/25 to 2028/29 capital programme is attached at Appendix B (General Fund) and C (HRA) and will be considered alongside revenue budgets by Council February 2024. The revenue implications of the capital expenditure have been built into the revenue budgets for these years. The borrowing costs and long term affordability of the programme are considered as part of the Prudential Indicators set each year and are judged to be affordable (see section 3.24 – 3.25).

3.20 The draft General Fund capital programme totals £1.9m for 2024/25 and will require borrowing of £1.4m over the next 5 years subject to the exploration and availability of alternative funding. There is likely to be slippage from the 2023/24 capital programme which will be transferred into 2024/25.

3.21 Key Schemes include:

- Disabled Facilities Grants, £650k p.a. (including £547k p.a. BCF grant);
- Balancing Ponds, £100k (£700k over the 5 years);
- Refurbishment of Anker Valley changing rooms of £100k;
- Capital repairs programme at the Castle £250k
- Energy Efficiency Upgrades-Commercial and Industrial Units, £75k p.a.

- Street lighting, £171k;
- Technology upgrades including replacement hardware £300k; and system upgrades/renewals £245k
- Play area refurbishment, £200k;
- CCTV upgrades, £137k.

3.22 The draft HRA capital programme totals £11m in 2024/25 and will require borrowing of £2.8m over the next 5 years subject to the exploration and availability of alternative funding.

3.23 Key HRA Schemes include:

- HRA Business plan works to dwellings, £23.1m;
- Neighbourhoods £1.0m;
- Disabled Facilities Adaptations £3.5m;
- High Rise works £3.89m;
- Retained Garage Sites, £930k;
- Regeneration & Affordable Housing, £7.25m;
- Fire Risk mitigation works, £300k;
- Damp & Mould works, £500k;
- Decarbonisation works to achieve Zero Carbon, £3.0m.

The Prudential Code

3.24 The Authority's Prudential Code will be approved alongside the MTFs on 27 February 2024. It will set out the prudential indicators for 2024/25. The freedoms provided by the Prudential Code for Capital Accounting are to be fully used to make the best possible investment decisions in relation to capital spending in order that meaningful choices can be made between borrowing, leasing, and the use of capital receipts. Nevertheless, it is still considered important that the Authority should not expose itself to unduly high levels of debt and it is necessary for a view to be taken as to how much debt is sustainable in the longer term.

3.25 The Authority predominantly funds its capital investments through capital receipts, grants and borrowing. The overall strategy for borrowing is set out in the Treasury Management Strategy document and in the Prudential Code Report. In the longer term there is still an exposure from the loan charges on new capital being greater than anticipated due to the unpredictability in borrowing rates. This may require some revision to future years' capital plans.

Technical Adjustments

3.26 Revisions / updates have been made to the 2023/24 base budget in order to produce an adjusted base for 2024/25 and forecast base for 2025/26 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.

3.27 The technical changes have not changed since the Draft Base Budget Forecast report considered by Cabinet on 30 November 2023. Any new changes have been incorporated into the Policy Changes and are detailed in section 3.29.

Table 2 - General Fund Technical Adjustments Summary

| Technical Adjustments | 2024/25 £'000 | 2025/26 £'000 | 2026/27 £'000 | 2027/28 £'000 | 2028/29 £'000 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Base Budget B/Fwd | 8,806 | 8,083 | 11,878 | 12,117 | 12,469 |
| Committee Decisions | (183) | 1,866 | (57) | 25 | 0 |
| Inflation | 21 | 35 | 30 | 45 | 46 |
| Other | (812) | 1,412 | (37) | 2 | 134 |
| Pay Adjustments | 251 | 482 | 303 | 280 | 265 |
| Revised charges for non-general fund activities | 0 | 0 | 0 | 0 | 0 |
| Virements | 0 | 0 | 0 | 0 | 0 |
| Total / Revised Base Budget | 8,083 | 11,878 | 12,117 | 12,469 | 12,914 |

3.28 A breakdown of the technical adjustments can be found in Appendix D1, with HRA technical adjustments in Appendix D2.

Policy Changes

3.29 Further updates to the budgets have been made to reflect changes in policy or developments that were not included in the 2023/24 MTFS or Technical Changes approved by Cabinet on 30 November 23. The main budget assumptions behind the changes to the budgets are shown in Appendix E. A full list of Policy Changes is attached at Appendix F. Policy Changes in excess of £50k are shown in Table 3 below:

Table 3 - Policy Changes exceeding £50k

| Proposal | Budget Change 2024/25 £'000 | Budget Change 2024/25 £'000 | Budget Change 2024/25 £'000 | Budget Change 2024/25 £'000 | Budget Change 2024/25 £'000 |
|---|--|--|--|--|--|
| People | | | | | |
| Retain Customer Service Advisor staff provision and make permanent 1.7 FTE posts to meet continuing demand re enquiries and service requests | 51.5 | | | | |
| Revenue implications of capital projects - £26k Civica Electronic Document Management; £50k Customer Relationship Management and customer portal; £38k contact centre / telephony | 104.0 | | | | |
| Realignment of Salaries Budgets following latest Pay Award | 80.93 | (38.61) | 1.06 | 1.05 | 0.95 |
| Environment, Culture & Wellbeing | | | | | |
| Realignment of Salaries Budgets following latest Pay Award | 110.6 | (52.66) | 1.56 | 1.37 | 1.18 |
| Funding to subsidise public swimming at Snowdome (contract to be re-negotiated) – Approved Cabinet 30 Nov 23 | 110.0 | | | | |
| Creation of 3-person multi-skilled reactive maintenance team - 2 EMOs £60k; 1 Chargehand £35.53k annual vehicle rental £6.4k, fuel £3k, machinery and tools £7k | 111.95 | | | | |
| Increased budget for salaries at the Assembly Rooms for 2 yrs, to sustain the Arts & Events Team yearly programme and activity, and ensure the department remains operational. | 138.76 | | (138.76) | | |
| Finance | | | | | |
| Removal of ongoing consultancy fees budget | (50.0) | | | | |
| Reduced Local Government Services Grant (Section 5.21) | 79.58 | (79.58) | | | |
| New Homes Bonus extension (see 5.21) | (503.0) | 503.0 | | | |
| Realignment of Salaries Budgets following latest Pay Award | 70.22 | (33.89) | 0.98 | 0.94 | 0.89 |
| Minimum funding Guarantee (see 5.21) | 96.38 | (96.38) | | | |
| Growth and Regeneration | | | | | |
| Additional car parking income following price increases (approved Cabinet 1 Nov 23) | (157.0) | | | | |

3.30 The revised 2024/25 Net Cost of Services after Technical Adjustments and Policy Changes is £8,244k as detailed in Table 4 below. This is a reduction from 2023/24 mostly due to the extension of the New Homes Bonus for another year and an increase in income from investments due to assumed higher interest rates.

Table 4 – 2024/25 Net cost of Services

| <i>Figures exclude internal recharges which have no bottom line impact.</i> | Base Budget 2023/24 £ | Technical Adjustments £ | Policy Changes £ | Budget 2024/25 £ |
|---|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Chief Executive | 1,890,420 | (930) | 13,580 | 1,903,070 |
| AD Growth & Regeneration | 945,870 | (90,790) | (70,420) | 784,660 |
| ED Organisation | 610,280 | 53,190 | 33,710 | 697,180 |
| AD People | 2,445,180 | (79,750) | 447,260 | 2,812,690 |
| AD Environment, Culture & Wellbeing | 3,824,980 | (283,330) | 529,790 | 4,071,440 |
| ED Finance | 90,630 | (2,760) | 5,090 | 92,960 |
| AD Finance | (2,638,720) | (445,390) | (863,230) | (3,947,340) |
| ED Communities | - | 0 | - | 0 |
| AD Assets | (125,610) | 86,250 | 19,440 | (19,920) |
| AD Neighbourhoods | 875,250 | (90,430) | 19,220 | 804,040 |
| AD Partnerships | 887,800 | 130,740 | 27,140 | 1,045,680 |
| Recharges | - | 0 | - | 0 |
| Total Cost of Services | 8,806,080 | (723,200) | 161,580 | 8,244,460 |
| Transfer from Business Rates Reserve | | - | - | 0 |
| Net Cost | 8,806,080 | (723,200) | 161,580 | 8,244,460 |
| Transfer to / (from) Balances | (1,207,869) | (1,445) | - | (1,209,314) |
| Revenue Support Grant | (302,008) | (20,004) | - | (322,012) |
| Retained Business Rates | (13,581,271) | (683,280) | - | (14,264,551) |
| Less: Tariff payable | 10,686,850 | 486,112 | - | 11,172,962 |
| Business Rates Levy | | - | - | |
| Collection Fund Surplus (Council Tax) | (59,581) | 26,581 | - | (33,000) |
| Collection Fund Surplus (Business Rates) | 260,300 | 891,330 | - | 1,151,630 |
| Council Tax Requirement | (4,602,501) | 23,906 | (161,580) | (4,740,175) |

3.31 The revised Net Cost of Services for 2023/24 to 2027/28 is included in Appendix G.

SECTION 4: RESERVES AND BALANCES

- 4.1 The Local Government Finance Act 1992 requires billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. The Treasurers' duty to report on the robustness of estimates and adequacy of reserves when the authority is considering its budget requirement is set out under section 25 of the Local Government Act 2003.
- 4.2 CIPFA sets out that reserves can be held for three main purposes:
- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves.
 - A contingency to cushion the impact of unexpected events or emergencies - this also forms part of general reserves.
 - A means of building up funds, often referred to as earmarked reserves, to meet known or predicted requirements; earmarked reserves are accounted for separately but legally remain part of the General Fund.
- 4.3 The Authority reviews the levels of reserves it requires as part of the Reserves Report considered by Cabinet on 14 December 2023. At 31st March 2024 General Fund Reserves are expected to total £9.8m and HRA general reserves £2.0m as detailed in the table below:

Table 5 Summary of Reserve Levels

| Reserve | Opening Balance 1 April 2023 £'000 | Closing Balance 31 March 2024 £'000 |
|-------------------------|---|--|
| General Fund Balances | 9,615 | 9,820 |
| Housing Revenue Account | 2,761 | 1,977 |

- 4.4 At the Council meeting on 23rd February 2016 Members approved a minimum working level of General Fund balances of £0.5m. The minimum level of balances for planning purposes will remain at £0.5m.

SECTION 5: FUTURE YEARS FUNDING STREAMS

Income

- 5.1 The 2024/25 local government finance settlement has again been announced for one year only. For 2025/26 and beyond, the potential for a multi year settlement will depend on the timing of the General Election. There remains a high degree of uncertainty arising from the planned Fair Funding Review and Business Rates Reset which are the most significant changes in Local

Government funding for a generation. The main funding streams determined by the settlement are detailed in the paragraphs below.

5.2 The Council receives funding from 4 main funding streams –

- Revenue Support Grant (see sections 5.3 – 5.4)
- Business Rates (sections 5.5 to 5.20)
- Specific Grants (sections 5.21 to 5.22)
- Council Tax (sections 5.23 to 5.28)

Revenue Support Grant (RSG)

5.3 Tamworth BC receives only a small proportion of its income through Revenue Support Grant - £322k in 2024/25 (£302k in 2023/24). In line with the Local Government Funding Policy Statement this has increased by September 23 inflation (6.7%). Future years RSG is expected to increase in line with inflation.

5.4 Future year's RSG will be affected by the Fair Funding Review, will update the formulas used for distributing RSG between Authorities in an attempt to make it more equitable by reviewing relative needs and resources. The Draft Budget report presented to Cabinet on 30 November 23 assumed the reforms would come into place in 2025/26 but indications following the 2024/25 Draft Local Government Finance Settlement (published on 5 December 23) are that it is now unlikely to be before 2026/27. An inflationary increase to RSG has been applied for future years.

Business Rate income

5.5 Total Business Rate income consists of 3 elements:

- Business Rate Income
- Tariff Payment
- Section 31 grants to compensate for Central Government decisions around Business Rate relief and adjustments to the multiplier.

Outline of Business Rate Scheme

5.6 The 2013/14 Business Rates Retention (BRR) scheme set out the mechanism for operating Business Rate collection. The scheme determines both the Business Rate Baseline (BRB) which identifies the amount of Business Rates that the Council is expected to collect each year and the Baseline Funding Level (BFL) which is based on an assessment of the authority's relative funding need and its assumed ability to generate council tax revenue.

5.7 Where the Baseline Funding Level exceeds the Business Rate Baseline (ie the Council collects more than what the government judge that it requires), as in Tamworth, the authority is required to pay a tariff into the central pool which

is then distributed to other Local Authorities whose collection levels fall short of their baseline need assessment. In 2023/24, the tariff payment was set at £10,686,850. An analysis of the estimated Baseline Funding Levels for future years following the Local Government Provisional Finance Settlement is shown in Table 6 below.

Table 6 – Analysis of Baseline Funding Level

| BASELINE FUNDING LEVEL | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Base Budget Forecast (November 23) | | | | | | |
| Business Rate Baseline | 13,113 | 13,386 | 15,407 | 15,715 | 16,030 | 16,350 |
| Less: Tariff payable | -10,687 | -10,909 | -12,881 | -13,139 | -13,401 | -13,669 |
| Baseline Funding Level | 2,426 | 2,476 | 2,526 | 2,577 | 2,628 | 2,681 |
| MTFS Forecast (Provisional Settlement) | | | | | | |
| Business Rate Baseline | 13,113 | 13,682 | 13,886 | 16,186 | 16,418 | 16,670 |
| Less: Tariff payable | -10,687 | -11,137 | -11,303 | -13,566 | -13,760 | -13,971 |
| Technical adjustment following NNDR3 return | 36 | -36 | | | | |
| Baseline Funding Level | 2,462 | 2,509 | 2,583 | 2,621 | 2,658 | 2,699 |
| Increase / (Decrease) | 36 | 32 | 57 | 44 | 30 | 18 |

5.8 The Government’s assessed Business Rates Baseline for the authority is only based on an adjusted average income figure going back to 2013/14. The actual income received is higher than this due to growth, which means that the provisional settlement no longer provides the real funding level for authorities.

5.9 If the actual amount of income received from business rate collection (due to growth), exceeds the Baseline Funding Level, the difference is split as follows:

Table 7 – Split of Business Rates Growth

| | % |
|--------------------------------------|------------|
| Tamworth BC | 40 |
| Central Pool | 25 |
| Staffordshire BR Pool (Section 5.11) | 25 |
| County Council | 9 |
| Fire | 1 |
| Total | 100 |

5.10 New Burdens (Section 31) Grant is receivable from the Government to compensate the Council for business rate reliefs that form part of government policy (such as Small Business Rate Relief). Any section 31 grant that relates to growth will be split 50% to the Council and 50% to the Staffordshire Business Rate Pool.

- 5.11 The Council has been member of the Staffordshire and Stoke on Trent Business Rates pool since its inception in 2013/14. The pool charges a levy to its members equivalent to 25% of growth (as set out in table 7 above) plus 50% of Section 31 relief compensation grant. The levies are held in a reserve to pay out member authorities should their Business Rate income fall below the floor level set by the Government. Any excess funding can be distributed back to its member authorities by agreement with Members.
- 5.12 Business Rate charges usually increase annually in line with September Consumer Price Inflation (CPI) - 6.7% for September 23. This is achieved by increasing the Business Rate multiplier which is then multiplied with the rateable value of a property to determine the level of Business Rates to be paid to the Council.
- 5.13 For several years now the business rates multiplier has been frozen to minimise the impact of business rate increases on businesses during and since Covid-19. The Government has compensated the Council for loss of income by way of additional Section 31 grant.
- 5.14 In November's Autumn Statement it was announced that the 2024/25 business rates multiplier will be frozen again for small businesses at 49.9p, but the standard multiplier, which is used for other businesses, will increase in line with CPI. Whilst financially it should not affect the income that the Council receives as any changes will be reflected in the level of compensation grant received, it will be difficult to administer in the first instance due to changes being required to the BR software. The government has promised New Burdens funding to cover additional costs.

Business Rates Reset

- 5.15 The Business Rate Reset will see the national redistribution of business rates so that any retained growth (since 2013/14) will be consumed into the national pot for redistribution. It is expected that Tamworth BC will lose significant growth.
- 5.16 These reforms were originally due to be in place by 2019/20 but have been deferred several times. The Draft Budget report presented to Cabinet on 30 November 23 assumed the reforms would come into place in 2025/26 but indications following the 2024/25 Draft Local Government Finance Settlement (published on 5 December 23) are that it is not going to be before 2026/27. This means that the Council will be able to retain its business rate growth for an additional year. However, the uncertainty continues and the Council still faces losing this growth in the future and needs to plan accordingly.
- 5.17 The business rates forecast income is subject to confirmation / finalisation over the next few weeks – the latest estimates are detailed below:

Table 8 Business Rate Income Forecast

| BASE BUDGET | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | £ | £ | £ | £ | £ | £ |
| Base Budget Forecast (November 2023) | | | | | | |
| Retained Business Rates | 13,581,271 | 15,104,982 | 15,407,081 | 15,715,223 | 16,029,527 | 16,350,118 |
| Less: Tariff payable | - | - | - | - | - | - |
| | <u>10,686,850</u> | <u>10,909,136</u> | <u>12,881,072</u> | <u>13,138,694</u> | <u>13,401,467</u> | <u>13,669,497</u> |
| Total | 2,894,421 | 4,195,846 | 2,526,009 | 2,576,529 | 2,628,060 | 2,680,621 |
| MTFS Forecast Provisional Settlement | | | | | | |
| Retained Business Rates | 13,581,271 | 14,264,551 | 15,407,081 | 15,715,223 | 16,029,527 | 16,350,118 |
| Less: Tariff payable | - | - | - | - | - | - |
| | <u>10,686,850</u> | <u>11,172,962</u> | <u>12,361,073</u> | <u>13,138,694</u> | <u>13,401,467</u> | <u>13,669,497</u> |
| Total | 2,894,421 | 3,091,589 | 3,046,008 | 2,576,529 | 2,628,060 | 2,680,621 |

- 5.18 The reduction in 2024/25 estimates are due to an increase in the collection fund deficit from 2023/24 due to an increase in the allowance for revaluation appeals. The retained Business Rates forecast will be updated in the February budget report based on the NNDR1 return which is still being finalised.
- 5.19 There are still significant uncertainties around Business Rate funding - specifically the treatment of:
- Forecast levels of growth / contraction in business rates – including the level of void properties and unpaid business rates for 2024/25;
 - The estimated level of mandatory and discretionary reliefs;
 - The estimated level of refunds of Business Rates following the Appeal process – especially following the planned changes in rateable values arising from the Business Rates Revaluation from April 2023;
 - the treatment of Section 31 grant funding (including Small Business Rate Relief Grant) – which could affect the calculation of any levy payment and thereby reduce retained Business Rate income; and
 - The impact of the Business Rates Retention scheme review, Baseline reset (the Council’s baseline need level), the Fair Funding Review and the Spending Review on the likely tariff levels for future years.
- 5.20 The revised estimates for Business Rates arising from NNDR1 will feed into the next stage of the budget process.

Specific Grants

5.21 Specific Grants received by Tamworth BC are detailed below:

- **Increased:** New Homes Bonus (NHB) - £503k. NHB is a grant paid to local councils to reflect and incentivise housing growth in their areas. The future of NHB has been very uncertain and it was expected that 2023/24 might be the last year that it was paid. However, further grant has been released for 2024/25 with an amended distribution formula which has seen Tamworth's grant increase from £347k to £503k. It is not certain whether the grant will be extended beyond 2024/25 and no income has been assumed for 2025/26 onwards.
- **Reduced:** Services Grant - This grant has been reduced from £95k to £15k. This reduction is due to the national pot being reduced to cover increases in other grants. The methodology for the grant remains unchanged.
- **Reduced:** Minimum Funding Guarantee – from £636k in 2023/24 to £540k in 2024/25 . This grant is intended to provide a funding floor for all local authorities, so that no local authority would see an increase in Core Spending Power that is lower than 3% (before assumptions on council tax rate increases). The grant has reduced significantly for 2024/25, largely due to the gain in New Homes Bonus (see above).

Extended Producer Responsibility funding

5.22 Local authorities were expecting to receive additional income from the Extended Producer Responsibility for packaging (EPR) scheme for 2024/25. The scheme would also require the submission of data relevant to their waste collection services. The scheme has been delayed and it is too early to know the impact for the Council as the Government still plan to review and identify the position on funding for lower tier authorities particularly given the possible interactions with the EPR scheme. No funding has been built into future year's budgets at this point.

Council Tax

5.23 In the past, the Government had the power under the Local Government Act 1999 to require councils to set a lower budget requirement if it considered the budget requirement and council tax had gone up by too much. The Localism Act 2011 abolished the capping regime but introduced new requirements on a Council to hold a local referendum if it increases its council tax by an amount exceeding the principles determined by the Secretary of State and agreed by the House of Commons (expected to be the higher of £5 or 3% for 2024/25).

5.24 Consideration of the likely level of Council Tax increases over the 5-year period is needed to avoid the potential costs of holding a referendum and to ensure that balances are maintained at the minimum approved level of £500k.

- 5.25 Last year's medium term financial strategy assumed ongoing increases of £5 per annum from 2024/25. The indication in the Provisional Funding Settlement is that the 'capping' threshold for District Councils will remain the higher of £5 or 3%.
- 5.26 The Council Tax Base of 23,479 was approved by Cabinet on 14 December 2023.
- 5.27 The draft Budget and Medium Term Financial Strategy is based on a council tax increase of £5 (2.6%) for 2024/25 followed by increases at £5 p.a. thereafter.
- 5.28 Each £1 increase in the band D Council Tax would raise approximately £23k per annum. For each 1% increase in Council Tax, the Council will receive £47k in additional income per annum.

SECTION 6 - OUTLOOK FOR 2024/25 TO 2027/28

- 6.1 The Council is required to set the Council Tax precept at its meeting on 27 February 2024. The Draft Base Budget Forecasts 2024/25 to 2028/29 report considered by Cabinet on 30 November 2023 identified six options for increasing Council Tax levels for 2024/25:
- £5.00 – 2.54%
 - £10.00 – 5.1%
 - £1.00 – 0.5%
 - £14.00 - 7.1%
 - £0.00 – 0%
 - £5.89 – 2.99%
- 6.2 Given the referendum limit identified in the provisional finance settlement is the highest of £5 or 3%, the options considered in this report have been reduced to a nil increase, £5 and 2.99%. The impact on Council Tax Band D levels are shown in Table 9 below.

Table 9 – Council Tax Options Analysis

| | Amount £ | Increase £ | Additional Income £'000 |
|----------------------------|---------------------|-----------------------|--|
| Current Band D Council Tax | 196.89 | | |
| £5 Increase | 201.89 | 5.00 | 117 |
| 2.99% Increase | 202.77 | 5.88 | 138 |
| Zero increase | 196.89 | 0.00 | 0 |

- 6.3 The impact of the different options on the budget deficit position is considered in the tables below.

Table 10: Option 1 - £5 increase in Council Tax 2024/25 to 2028/29

| Year: | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Forecast: | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Net Cost of Services | 8,806 | 8,244 | 11,592 | 12,777 | 13,114 | 13,566 |
| Projected underspend 2023/24 | (1,412) | | | | | |
| RSG | (302) | (322) | (328) | (335) | (342) | (349) |
| Business Rates net income | (2,634) | (1,940) | (3,046) | (2,577) | (2,628) | (2,681) |
| Council Tax | (4,662) | (4,773) | (4,932) | (5,093) | (5,255) | (5,420) |
| Surplus (-) /Deficit | (204) | 1,209 | 3,286 | 4,773 | 4,889 | 5,116 |
| Balances Remaining (-) / Overdrawn | (9,819) | (8,609) | (5,323) | (551) | 4,338 | 9,454 |
| | | | | | | |
| £ Increase | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| % Increase | 2.61% | 2.54% | 2.48% | 2.42% | 2.36% | 2.31% |
| Note: Resulting Band D Council Tax | 196.89 | 201.89 | 206.89 | 211.89 | 216.89 | 221.89 |

6.4 If a £5 council tax increase is approved in 2024/25, there would be a deficit of £1.2m in 2026/27, £3.3m in 2025/26 and £4.8m in 2026/27. In the short term, these can be met from General fund reserves whilst leaving balances of £551k at the end of 2026/27 which is above minimum approved level of £500k. However, it should be noted that expenditure at this level is unsustainable in the long term with £9.5m needing to be saved by the end of 2028/29 and a Sustainability Strategy needs to be developed in the medium term to ensure the long term viability of the Council.

Table 11: Option 2 – 2.99% (£5.89) increase in Council Tax 2024/25 to 2028/29

| Year: | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Forecast: | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Net Cost of Services | 8,806 | 8,244 | 11,592 | 12,777 | 13,114 | 13,566 |
| Projected underspend 2023/24 | (1,412) | - | - | - | - | - |
| RSG | (302) | (322) | (328) | (335) | (342) | (349) |
| Business Rates net income | (2,634) | (1,940) | (3,046) | (2,577) | (2,628) | (2,681) |
| Council Tax | (4,662) | (4,794) | (4,978) | (5,169) | (5,367) | (5,572) |
| Surplus (-) /Deficit | (204) | 1,188 | 3,240 | 4,697 | 4,777 | 4,964 |
| Balances Remaining (-) / Overdrawn | (9,819) | (8,630) | (5,391) | (694) | 4,083 | 9,048 |
| | | | | | | |
| £ Increase | 5.00 | 5.89 | 6.06 | 6.24 | 6.44 | 6.62 |
| % Increase | 2.61% | 2.99% | 2.99% | 2.99% | 2.99% | 2.99% |
| Note: Resulting Band D Council Tax | 196.89 | 202.78 | 208.84 | 215.08 | 221.52 | 228.14 |

6.5 If a 2.99% maximum council tax increase is approved in 2024/25, there would be a deficit of £1.2m in 2026/27, £3.2m in 2025/26 and £4.7m in 2026/27. These can be met from General Fund reserves until the end of 2026/27 whilst leaving £694k in balances which is above the minimum approved level of balances (£500k) at the end of the three year term. However, it should be noted that expenditure at this level remains unsustainable in the long term with £9.0m needing to be saved by the end of 2028/29. A Sustainability Strategy would still need to be developed in the medium term to ensure the long term viability of the Council, even with the maximum available increase in Council Tax.

Table 12: Option 3 – Nil increase in Council Tax 2024/25 to 2028/29

| Year: | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Forecast: | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Net Cost of Services | 8,806 | 8,244 | 11,592 | 12,777 | 13,114 | 13,566 |
| Projected underspend 2023/24 | (1,412) | 0 | 0 | 0 | 0 | 0 |
| RSG | (302) | (322) | (328) | (335) | (342) | (349) |
| Business Rates net income | (2,634) | (1,940) | (3,046) | (2,577) | (2,628) | (2,681) |
| Council Tax | (4,662) | (4,656) | (4,695) | (4,735) | (4,774) | (4,813) |
| Surplus (-) /Deficit | (204) | 1,327 | 3,523 | 5,131 | 5,370 | 5,723 |
| Balances Remaining (-) / Overdrawn | (9,819) | (8,492) | (4,969) | 162 | 5,532 | 11,255 |
| £ Increase | 5.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| % Increase | 2.61% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Note: Resulting Band D Council Tax | 196.89 | 196.89 | 196.89 | 196.89 | 196.89 | 196.89 |

6.6 If no Council Tax increase is approved in 2024/25, there would be a deficit of £1.3m in 2026/27, £3.5m in 2025/26 and £5.1m in 2026/27. Existing General Fund reserves would be insufficient to cover deficit levels beyond 2025/26 as balances would fall below the minimum approved level of balances (£500k). Major cuts to services would need to be considered as part of a Sustainability Strategy to ensure the long term viability of the Council due to the expected shortfall in funding being in excess of £11m by 2028/29.

6.7 Each £1 increase in the band D Council Tax would raise approximately £23k per annum. For each 1% increase in Council Tax, the Council will receive £47k in additional income per annum.

6.8 It should be noted that Tamworth Borough Council, as the billing authority, also collect Council Tax on behalf of the County Council, Office of the Police and Crime Commissioner (OPCC) and Fire & Rescue Authority who are due to finalise their budgets for 2024/25 during February 2023. Indications of the potential impact of the Borough Council Tax proposals is shown for each Council Tax Band in Appendix H.

Sensitivity Analysis

6.9 A review has been undertaken regarding the sensitivity of the factors within the forecasts, pay award & inflation, interest rate movements together with changes in Government Grant support. Details can be found in Appendix I and a summary is shown in the table below:

Table 13: Sensitivity analysis of assumptions underlying the budget.

| Effect of x% movement: | % + / - | Impact over 1 year +/- £'000 | Impact over 3 years +/- £'000 | Impact over 5 years + / - £'000 | Risk |
|-------------------------------------|------------|------------------------------------|-------------------------------------|--|------|
| Pay Award / National Insurance (GF) | 1.0% | 215 | 988 | 1,552 | H |
| Pension Costs | 1.0% | - | 154 | 465 | L |
| Council Tax | 0.5% | 19 | 139 | 243 | L |
| Inflation / CPI | 1.0% | 279 | 566 | 1,144 | H |
| Government Grant (inc NHB) | 1.0% | 116 | 345 | 504 | L |
| Investment Interest | 1.0% | 487 | 1,834 | 2,700 | H |
| Key Income Streams | 10% | 342 | 1,565 | 2,455 | H |
| Business Rates | 1.0% | 278 | 1,301 | 2,051 | H |

7 GENERAL FUND SUMMARY AND CONCLUSIONS

- 7.1 The budget proposals reflect the need to compensate for reduced income levels arising from the uncertain political and economic conditions and potential medium term significant reductions in Government funding. This is set against a desire to continue to address the Council's priorities / issues identified by Members and at the same time to seek continuous improvement in service delivery.
- 7.2 The increase in Council Tax is limited to the highest of £5 or 3% in order to avoid the need to hold a referendum. Three options for increasing Council Tax have been considered: zero, £5 and 2.99%. The results are summarised in Table 14 below.

Table 14 – Comparison of different Council Tax Options

| Year: | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| £5 Increase in council tax | | | | | | |
| Surplus (-) /Deficit | (204) | 1,209 | 3,286 | 4,773 | 4,889 | 5,116 |
| Balances Remaining (-) / Overdrawn | (9,819) | (8,609) | (5,323) | (551) | 4,338 | 9,454 |
| | | | | | | |
| 2.99% Increase in Council Tax | | | | | | |
| Surplus (-) /Deficit | (204) | 1,188 | 3,240 | 4,697 | 4,777 | 4,964 |
| Balances Remaining (-) / Overdrawn | (9,819) | (8,630) | (5,391) | (694) | 4,083 | 9,048 |
| | | | | | | |
| Zero Increase | | | | | | |
| Surplus (-) /Deficit | (204) | 1,327 | 3,523 | 5,131 | 5,370 | 5,723 |
| Balances Remaining (-) / Overdrawn | (9,819) | (8,492) | (4,969) | 162 | 5,532 | 11,255 |

- 7.3 All options leave the Council in a deficit position in 2024/25 and beyond.
- 7.4 Existing General Fund reserves would be insufficient to cover deficit levels beyond 2025/26 if Council Tax is not increased at all.
- 7.5 Increases of either £5 or 2.99% will ensure that there are sufficient General Fund reserves to cover the deficit and leave the required minimum level (£500k) over the 3 year period to 2026/27. However, for either option, there remains a significant ongoing deficit. Whilst this can be met from General Fund reserves over the short term, savings in the region of £4m per year are required from 2027/28 in order to balance the budget.
- 7.6 The development of a Sustainability Strategy is required in order to avoid significant financial cuts in future years.
- 7.7 A General Fund five year revenue budget summary assuming a £5 increase in Council Tax is shown in Appendix G and summarised in Table 15 below.
- 7.8 Using the funding forecast and assuming increases in Council Tax of £5 per annum for 2024/25 onwards, the five year base budget forecast is as follows:

Table 15 – 5 Year Base Budget forecast assuming £5 increase in Council Tax

| | 2024/25 £'000 | 2025/26 £'000 | 2026/27 £'000 | 2027/28 £'000 | 2027/28 £'000 |
|--|------------------|------------------|------------------|------------------|------------------|
| Estimated Net Cost of Services | 8,083 | 11,878 | 12,118 | 12,469 | 12,914 |
| Proposed Policy Changes / Additional Costs Identified (Detailed at Appendix B) | 162 | (286) | 659 | 645 | 651 |
| <i>Recharge & Inflationary Adjustments (Policy Changes)</i> | - | - | - | - | - |
| | - | - | - | - | - |
| Net Expenditure | 8,244 | 11,592 | 12,777 | 13,114 | 13,566 |
| Financing: | | | | | |
| RSG | 322 | 328 | 335 | 342 | 349 |
| Collection Fund Surplus/(deficit) (Council Tax) | 33 | 33 | 33 | 33 | 33 |
| Collection Fund Surplus/(deficit) (Business Rates) | (1,152) | - | - | - | - |
| Tariff Payable | (11,173) | (12,361) | (13,139) | (13,401) | (13,669) |
| Non Domestic Ratepayers | 14,265 | 15,407 | 15,715 | 16,030 | 16,350 |
| Council Tax Income | 4,740 | 4,899 | 5,060 | 5,222 | 5,387 |
| Gross Financing | 7,035 | 8,306 | 8,004 | 8,225 | 8,449 |
| Surplus(-)/Deficit | 1,209 | 3,286 | 4,773 | 4,889 | 5,116 |
| Balances Remaining (-) / Overdrawn | (8,609) | (5,323) | (551) | 4,337 | 9,453 |

8 HOUSING REVENUE ACCOUNT

HRA Technical Adjustments

8.1 Revisions / updates have been made to the 2023/24 base budget in order to produce an adjusted base for 2024/25 and forecast base for 2025/26 onwards. These changes, known as technical adjustments, have been informed by feedback from budget managers and calculated to take account of:

- The assumed increase in rent of 7.7% in line with the latest rent standard guidance.
- 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.

8.2 These have not changed since the Draft Base Budget Forecast report considered by Cabinet on 30 November 2023 and are detailed in Appendix D2. Any new changes have been incorporated into the updated Policy Changes.

8.3 The following table illustrates the current position before the effect of policy changes:

Table 16 – Housing Revenue Account Technical Adjustments Summary

| Technical Adjustments | 2024/25 £'000 | 2025/26 £'000 | 2026/27 £'000 | 2027/28 £'000 | 2028/29 £'000 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Base Budget B/Fwd | 823 | (1,315) | (1,278) | (1,540) | (1,782) |
| Committee Decisions | 87 | (74) | 97 | 49 | 0 |
| Inflation | 253 | 190 | 195 | 235 | 242 |
| Other | (2,582) | (254) | (654) | (620) | 715 |
| Pay Adjustments (Including pay award / reduction of 7.5% for vacancy allowance) | 104 | 175 | 100 | 94 | 90 |
| Revised charges for non-general fund activities | 0 | 0 | 0 | 0 | 0 |
| Virements | 0 | 0 | 0 | 0 | 0 |
| Total / Revised Base Budget | (1,315) | (1,278) | (1,540) | (1,782) | (735) |

Policy Changes

8.4 Further updates to the budgets have been made to reflect changes in policy or developments that were not included in the 2023/24 MTFS or Technical Changes approved by Cabinet on 30 November 23. A full list of Policy Changes is attached at Appendix F. There is only one Policy Change in

excess of £50k which related to the realignment of salary budgets following the latest pay awards (£87k in 2024/25).

- 8.5 It should be noted that the Policy Changes do not reflect the anticipated cost pressures for the HRA capital programme arising from the ongoing work in updating the 30 year HRA business plan. Early indications from the modelling are a potential shortfall over 30 years of £35m plus a significant and unsustainable increase in HRA debt levels arising from the capital programme pressures (of over £387m over 30 years).

Rent Setting Policy

- 8.6 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.
- 8.7 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.
- 8.8 For 2024/25 (and in the medium term), should rents be set in line with the approved policy including a general increase of the consumer price index (CPI) measure of inflation of plus 1% - this would equate to a 7.7% increase (followed by forecast increases of 3% p.a.), due to the increased cost pressures currently being experienced. The 2023/24 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 6.7% (September 2023), the forecast increase for 2024/25 will be 7.7% 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).
- 8.9 Assuming increases in Rent capped CPI+1% (7.7%) allowed by the Government's recent rent setting guidance, the proposals will mean that balances will remain above the approved minimum level of £0.5m over the five year period.

Table 17 Impact on HRA Balances after Policy Changes

| <i>Figures exclude internal recharges which have no bottom line impact.</i> | Base Budget 2023/24 £ | Budget 2024/25 £ | Budget 2025/26 £ | Budget 2026/27 £ | Budget 2027/28 £ | Budget 2028/29 £ |
|---|---------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| HRA Summary | (4,620,760) | (6,216,500) | (6,220,310) | (6,603,410) | (6,970,050) | (6,045,260) |
| ED Communities | 28,060 | 30,470 | 32,810 | 35,360 | 38,000 | 40,660 |
| AD People | 268,240 | 285,230 | 289,080 | 292,680 | 296,380 | 300,200 |
| AD Environment, Culture & Wellbeing | 391,100 | 415,180 | 425,860 | 436,810 | 446,600 | 455,890 |
| AD Assets | 283,660 | 276,380 | 269,040 | 301,870 | 332,780 | 362,740 |
| AD Neighbourhoods | 4,473,180 | 4,163,380 | 4,040,440 | 4,114,070 | 4,193,770 | 4,271,530 |
| Grand Total | 823,480 | (1,045,860) | (1,163,080) | (1,422,620) | (1,662,520) | (614,240) |

| | | | | | | |
|-----------------------|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Balances B/Fwd | | (1,977,004) | (3,022,864) | (4,185,944) | (5,608,564) | (7,271,084) |
| Balances C/Fwd | | (3,022,864) | (4,185,944) | (5,608,564) | (7,271,084) | (7,885,324) |

8.10 Table 17 shows that Housing Revenue Account (HRA) balances are expected to be £5.6m at the end of 2026/27. Whilst these balances would appear to be significant, they are required to build up reserves in order to meet the long term costs of the capital programme included in the 30 year HRA business plan (see section 8.5).

Other Options Considered

8.11 The impact of 2 further options for setting rent at CPI and no increase have been modelled and the impact is detailed in the table below for information.

Table 18 impact of alternative rent setting models

| | 2023/24 £ | 2024/25 £ | 2025/26 £ | 2026/27 £ | 2026/27 £ | 2027/28 £ |
|--|--------------|----------------------|------------------|------------------|------------------|-------------------|
| Option 1: CPI + 1% | | | | | | |
| Rent (52 Weeks) | 92.13 | 99.23 | 102.20 | 105.27 | 108.43 | 111.68 |
| Rent (48 Weeks) | 99.81 | 107.50 | 110.72 | 114.04 | 117.46 | 120.99 |
| % Increase | 7% | 7.7% | 3.0% | 3.0% | 3.0% | 3.0% |
| | - | - | - | - | - | - |
| | | 5 year impact | | | | 0 |
| Option 2: CPI | | | | | | |
| Rent (52 Weeks) | 92.13 | 98.31 | 100.27 | 102.28 | 104.32 | 106.41 |
| Rent (48 Weeks) | 99.81 | 106.50 | 108.63 | 110.80 | 113.02 | 115.28 |
| % Increase | | 0.067 | 0.02 | 0.02 | 0.02 | 0.02 |
| Reduced Rent compared to Option 1 | | 213,950 | 438,230 | 676,830 | 925,760 | 1,185,330 |
| | | 5 year impact | | | | 3,440,100 |
| Option 3: No increase | | | | | | |
| Rent (52 Weeks) | 92.13 | 92.13 | 92.13 | 92.13 | 92.13 | 92.13 |
| Rent (48 Weeks) | 99.81 | 99.81 | 99.81 | 99.81 | 99.81 | 99.81 |
| % Increase | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Reduced Rent compared to Option 1 | | 1,681,550 | 2,284,330 | 2,971,150 | 3,674,690 | 4,395,380 |
| | | 5 year impact | | | | 15,007,100 |
| Inflation at CPI + 1% | | 7.7% | 3.0% | 3.0% | 3.0% | 3.0% |

8.12 Table 18 shows that the 5 year impact of increasing by CPI rather than CPI + 1% is £3.4m. If no rent increase were applied, the 5 year impact would be £15m. Either of these options would have a significant impact on the long term funding of the HRA account leaving it with a significant funding deficit. This would require significant cuts, most likely in the capital programme which would affect the ability to maintain the current standard of housing stock.

CORPORATE CAPITAL STRATEGY

1 INTRODUCTION

- 1.1 This Capital Strategy is a key corporate document that outlines how the Council intends to optimise the use of available capital resources to help achieve its objectives. Capital expenditure is a major cost to the Council and as a result it is necessary to ensure that key programmes of work requiring capital expenditure have been properly identified, evaluated and prioritised.
- 1.2 The Strategy sits alongside the Medium Term Financial Strategy (MTFS), Asset Management Plan and HRA business plan. This 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.
- 1.3 As part of the Council's business planning process, managers and Assistant Directors are required to consider the capital resources needed to deliver their services now and into the future (5 year timeframe).

Summary Capital Investment Plan

- 1.4 The draft General Fund capital programme will require borrowing of £1.4m over the next 5 years subject to the exploration and availability of alternative funding.
- 1.5 Key Schemes include:
- Disabled Facilities Grants, £650k p.a. (including £547k p.a. BCF grant);
 - Balancing Ponds, £700k;
 - Refurbishment of Anker Valley changing rooms of £100k;
 - Capital repairs programme at the Castle £250k
 - Energy Efficiency Upgrades-Commercial and Industrial Units, £75k p.a.
 - Street lighting, £171k;
 - Technology upgrades including replacement hardware £300k; and system upgrades/renewals £245k
 - Play area refurbishment, £200k;
 - CCTV upgrades, £137k.
- 1.6 The draft HRA capital programme will require borrowing of £2.8m over the next 5 years subject to the exploration and availability of alternative funding.
- 1.7 Key HRA Schemes include:
- HRA Business plan works to dwellings, £23.1m;
 - Neighbourhoods £1.0m;
 - Disabled Facilities Adaptations £3.5m;
 - High Rise works £3.89m;

- Retained Garage Sites, £930k;
- Regeneration & Affordable Housing, £7.25m;
- Fire Risk mitigation works, £300k;
- Damp & Mould works, £500k;
- Decarbonisation works to achieve Zero Carbon, £3.0m.

Impact on Medium Term Financial Plan

- 1.8 The General Fund capital programme will require unsupported borrowing of £1.4m over the next 5 years which will be funded through internal borrowing (with an associated loss of investment interest) and will require provision for debt repayment.
- 1.9 Should the draft HRA capital programme proceed without amendment, there will be a significant funding gap for the HRA capital programme, requiring unsupported borrowing of £2.8m. 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 £69.981m with planned borrowing in 2023/24 of £1.159m. However it should be noted that the additional borrowing associated with unsupported costs will mean higher debt interest costs for the HRA.

Summary of Risk Assessment

- 1.10 Risks specific to the capital programme and the capital strategy are managed in accordance with the Council's Risk Management Policy and are recorded and monitored through the Pentana Performance Management system. Risks are monitored on an ongoing basis as part of routine risk management practices and are reviewed and updated where appropriate as part of the refresh of the Capital Strategy. Risks specific to the capital strategy are included in a table at **Annex C**. They align with other corporate risk registers and are informed by project/ programme level risks to ensure risks are monitored and managed from operational through to strategic level.

THE CAPITAL STRATEGY

- 2.1 The Capital Strategy is a 'live' and dynamic document, which will update and evolve as strategic influences and priorities change. The Corporate Capital Strategy will be reviewed annually and an update presented to Council in February each year as part of the MTFs report. However, should a significant situation arise, whether it be a policy matter, an investment opportunity or a new risk for example, an update to the Capital Strategy will be presented to Members as part of the quarterly performance report.
- 2.2 The Capital Strategy will:
- Reflect Members' priorities as set out in the Corporate Plan including the approach to the allocation of its capital resources and how this links to its priorities at a corporate and service level;

- 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 through working with regional/County partners;
- 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.

2.3 The capital strategy informs the strategic direction of capital investment through consideration of strategic priorities and objectives. It 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.

2.4 The Strategy is supported by the leadership of the Council, including the Chief Executive and the Leader of the Council. The CIPFA Prudential Code requires that ‘the chief finance officer should report explicitly on the affordability and risk associated with the capital strategy and where appropriate have access to specialised advice to enable them to reach their conclusions.’ The statement below is the response of the Executive Director Finance:

Affordability and risk are key considerations within this capital strategy. The key principles articulated are that the strategy must support the financial viability of the Council, and that payback should be a key consideration of the strategy.

The capital investments detailed within the strategy provide for several regeneration opportunities. Robust risk management is also a requirement of our strategy. Business cases for new schemes are required to ensure that risks are adequately considered. The most significant risks are currently the potential for increased costs due to the impact of inflationary pressures in the current economic climate; capacity to deliver individual projects; and adequately identifying resources required at the commencement of projects.

Over the next five years the strategy is expected to see in the region of £51.5m of capital expenditure (both General Fund and HRA). The HRA capital programme is a key element of the 30 year HRA Business Plan. Within this financial context and considering the Council’s balance sheet and asset base, and its track record in acquiring, managing and disposing of assets where required to support its objectives, the capital strategy as a whole is proportionate to the Council’s overall activities and financial position.

Specialised external advice is obtained where required with regard to specific schemes, for example to support commercial acquisitions or in considering the financial implications of major schemes included within the strategy. The Council also utilises our treasury management advisors, Link Asset Services, to consider the implications of the Prudential Code and the impact on the treasury management strategy.

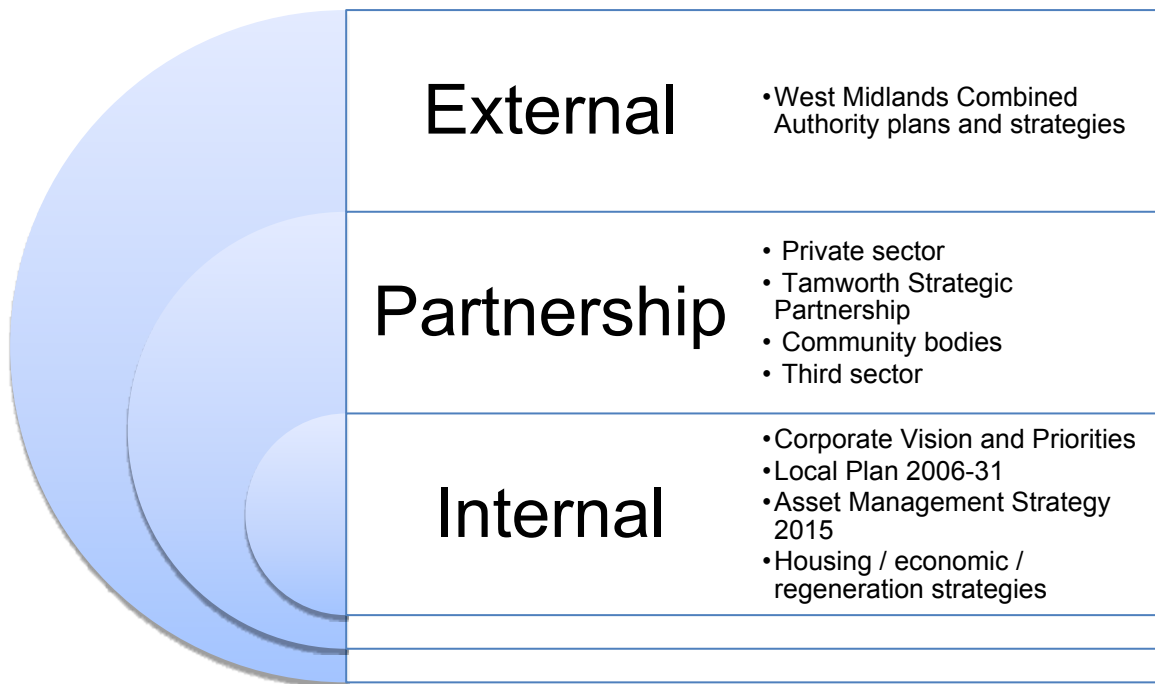
The strategy articulates a wide range of new and existing activities. This includes regeneration ambitions, new infrastructure and significant investment in Housing as well as smaller schemes. The strategy also leaves space for consideration of new income streams that fit with our ambitions as a Council and support areas in which we already have skills and knowledge.

Background

- 2.5 The Council has an ongoing capital programme of over £44m for 2023/24 and an asset base valued at £300m (as at 31st March 2023).
- 2.6 Traditionally the Council's capital programme has been set and approved for a five year period, with a 30 year HRA business plan setting out future plans for the Council's housing stock. In order to improve longer term strategic planning, so that the Council can better prioritise spending and align with local, regional and national priorities, it is recognised that the current capital programme needs to have a longer-term focus for the purposes of the capital strategy, ideally looking to a 20-30 year timeframe.
- 2.7 The process for the consideration of capital expenditure within the MTFs process has been reviewed and refined to ensure that there are provisional plans for expenditure out to a 10 year timeframe, with an indication of requirements out to 20-30 years.
- 2.8 A number of actions/improvements have been identified throughout this capital strategy, and they are summarised in an action plan, with target completion dates and responsible officers, at **Annex B**.

Influences

- 2.9 The following diagram illustrates some of the main internal and external influences on the Council's capital strategy, including our partners. Consideration of these plans and strategies in the context of our own capital ambitions is important because it may provide new opportunities for investment or funding.



2.10 The Council’s corporate priorities are an integral influence in informing the Capital Strategy and set the scene for how capital projects and individual proposals are assessed.

2.11 The Council is committed to working with its public, peers and partners in order to:

- a) Sustain essential services at agreed standards for those in greatest need;
- b) Deliver a programme of projects, planned initiatives and work streams designed to achieve outcomes against the Corporate Priorities;
- c) Adopt a commercial approach to growth and investment designed to generate a sustainable income to support a) and b); and
- d) Continue its excellent performance in financial planning, management and investment. By being ‘Risk Aware’ rather than ‘Risk Averse’, the Council will consider all opportunities to improve and/or sustain services.

The Capital Appraisal Process

2.12 The capital appraisal process is important as it helps to prioritise schemes in order to target spending in a challenging funding climate, and to ensure that the Council is spending on projects which help to deliver its strategic priorities.

2.13 As part of the Council’s business planning process, managers and Assistant Directors are required to consider the capital resources needed to deliver their services now and into the future (5 year timeframe). The asset management plan and HRA business plan also inform the capital strategy.

- 2.14 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 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.
- 2.15 The current de-minimis for capital expenditure is £10k per capital scheme.
- 2.16 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.
- 2.17 All proposed schemes requiring capital investment should have as a minimum the following information:
- A description of the scheme;
 - The expected outputs, outcomes and contribution to corporate objectives;
 - The estimated financial implications, both capital and revenue;
 - Any impacts on efficiency and value for money;
 - The nature and outcome of consultation with stakeholders and customers (as applicable);
 - Risk assessment implications and potential mitigations; and
 - Any urgency considerations (e.g. statutory requirements or health and safety issues).
- 2.18 Corporate Management Team and Service Managers identify the potential need for capital investment, in light of external influences, internal strategies and plans, service delivery plans and, in particular, the Asset Management plan. This is seen as a core influence on the Capital Strategy, and informs the priorities and schemes considered as it takes account of issues such as the condition of council owned assets and future maintenance requirements. Other key considerations are health and safety requirements, statutory obligations of the council, operational considerations and emerging opportunities for investment including possible sources of external financing.
- 2.19 The Asset Strategy Steering Group (ASSG) review capital bids prior to consideration by Members. Once capital bids have been prioritised, Executive Management Team will review the outcome of the deliberations of the ASSG

and will make recommendations to Cabinet through an updated Medium Term Financial Strategy (MTFS) report on a proposed budget package which will include capital budget proposals. The MTFS report (including capital budget proposals) will ultimately be considered by Budget Setting Council each year.

- 2.20 It was previously recognised that further action is required to fully embed the capital appraisal process, including proper consideration of options and risk, into the capital strategy and planning processes at Tamworth, and ensure that this is not just a 'tick-box' exercise. Consideration of service units' capital requirements should now form part of the business planning process. The capital appraisal process and associated documentation has been reviewed and updated to ensure proper consideration is given to whole life costs of scheme. Further work is needed to further improve the consideration of alternative options; risk management, etc, and to address the concerns outlined on completion of the CIPFA Property Capital Strategy Self-Assessment Checklist.

Monitoring of Approved Capital Schemes

- 2.21 Each capital scheme has a budget holder/project manager who is responsible for ensuring progress against scheme in line with agreed timescales and for ensuring adherence to the approved budget. The Collaborative Planning (CP) system is used to monitor spend against budget and to inform the projected outturn position. The budget holder/project manager will hold monthly meetings with his/her Accountant to update budget monitoring information on the system and provide a brief commentary as to the progress of each project. Projected capital slippage and potential re-profiling of associated budgets is also reported. The monitoring of progress on individual schemes is reported to Corporate Management Team on a monthly basis and to Cabinet quarterly as part of Financial and Performance Healthcheck reports.
- 2.22 An annual Capital Outturn report is prepared for Cabinet in June each year which details the final outturn for the year, the latest project update from the Service Manager and any proposals to re-profile spend to future financial years for Cabinet approval.
- 2.23 A post implementation review is not appropriate or necessary for all capital projects. They should be prepared where learning is identified which could assist future projects or where there is a significant financial or political impact. Directors should encourage the collation of data during the project and identify any lessons learned which will assist in improving the process in the future.
- 2.24 As part of the approved Strategy, the following action plan tasks have been implemented:
- a) A post implementation review is completed for each scheme where learning is identified which could assist future projects or where there is a significant financial or political impact;

- b) The Asset Strategy Steering Group meet on a Quarterly basis to scrutinise the completed post implementation reports and review the management and monitoring of the capital programme with appropriate feedback and challenge – identifying improvements to the future management of the capital programme.

2.25 The full capital appraisal and monitoring process and guidance for managers can be found on the intranet at this link:-

[Financial guidance | Infozone \(tamworth.gov.uk\)](#)

Review of Asset Management Plan

2.26 The Council’s Asset Management Plan will be reviewed on an ongoing basis. This will identify any assets held by the Council that are no longer either required or fit for purpose and appropriate recommendations made regarding retention for alternative use or disposal.

2.27 During 2021/22, the Council contracted Michael Dyson Associates to undertake a review of our Corporate Asset Management Strategy, which had previously been updated in 2015, in order to identify potential areas for improvement. Their subsequent report found that we had a robust asset management strategy in place in 2015 with a relatively small number of improvements required to meet the general conditions of good practice as outlined by CIPFA. The main areas identified for improvement were evidence based policies and procedures to underwrite a new asset management strategy. As a result, an overarching draft asset strategy, draft acquisitions policy, draft disposals policy, and draft asset management plan were considered by Corporate Scrutiny Committee in December 2022. These are currently being developed following feedback and will be presented to Cabinet for approval in due course.

2.28 The draft Corporate Asset Management Strategy identifies the following non-Housing assets:

| Asset Description | Value (31/03/22) |
|--------------------------|-----------------------------|
| Heritage & Leisure | £3.7m |
| Land and Buildings | £23.5m |
| Total | £27.2m |

2.29 The updated survey carried out by Michael Dyson Associates during 2021 determined the current condition and extent of repair and maintenance required. The overall planned maintenance cost for the assets in the next 30-year period amounts to £5,611,576, an average of £37,916 per surveyed asset (over the portfolio of 178 non-HRA properties which include a mix of commercial premises, shops and corporate properties).

2.30 It has been identified that the Council, through this strategy and through the development of a long term strategic plan, needs to take a longer-term view of

the assets required to deliver its Corporate Plan priorities and to support its Medium Term Financial Strategy (MTFS), including spend required (and associated potential funding streams) to address the identified maintenance and repairs backlog for corporate assets. This could include the option to invest in or dispose of current asset holdings or make further acquisitions.

- 2.31 Significant work has been undertaken in this area in order to deliver a robust capital strategy, and the following action is to be completed by March 2024:-

The Asset Management Plan is to be reviewed and updated, with an up to date stock condition survey. This should set out the detailed capital resources/expenditure required to maintain assets, together with the associated timeframe, to inform options appraisal and feed into the capital strategy for ASSG/CMT review of potential schemes.

HRA BUSINESS PLAN

- 2.32 The Local Plan to 2031 has a target of 177 units of new housing, of which only 40 units per year are likely to be delivered by private developers. This represents only 21% of the total required number of new affordable homes – leaving 79% of need unmet.
- 2.33 The HRA Business Plan has the potential to address some of this unmet need. However the extent to which it can make up a shortfall depends on the resources available within the HRA.
- 2.34 The current draft Asset Management strategy identifies HRA housing stock and garages with a value of £243m as at 31st March 2023. The latest stock condition survey report received from Michael Dyson Associates as at April 2019 surveyed 850 properties and identified overall planned maintenance costs over the 30 year period of £27.5m, equating to an average of £32k per surveyed property. When this was extrapolated across the entire housing stock, the planned maintenance profile increased to a total estimated cost of £128m over the 30 year period.
- 2.35 The 30 year HRA business plan is currently under review following the decision by the Government to cap social housing rent increases at 7% for 2023/24, and in light of the net zero/carbon reduction agenda which would require significant capital spend on the housing stock. The latest modelling indicates a potential shortfall over 30 years of £37m plus a significant and unsustainable increase in HRA debt levels arising from the capital programme pressures (of over £387m over 30 years).
- 2.36 This deterioration in the long term financial position for the HRA is common across other local authorities and has been caused by a combination of:
- High levels of inflation. This has particularly impacted on building costs, which have risen by more than the recent high rates of general inflation.
 - Inclusion in the projected capital programme of significant levels of additional investment in decarbonisation works. These add £113m (plus inflation) to the investment requirement over 30 years.

- The government imposed a 7% cap on rent increases for existing tenants in 2023/24, which was less than would have been permitted if it had continued with its previously stated policy (CPI +1%). This meant that rents increased by less than the authority's costs in 2023/24, placing additional pressure on HRA balances
 - Expectations for the interest rates chargeable on new borrowing have increased.
- 2.37 The baseline shows the HRA to be financially sustainable and affordable over the medium term. However, underlying cost pressures and a reliance on borrowing to deliver the capital programme cause the HRA to become unaffordable over the long term. The Council needs to take corrective action over the medium term to correct this situation and secure an HRA that is able to manage and maintain the existing housing stock sustainably over the long term.
- 2.38 We know that resources within the Business Plan are unlikely to allow the Council to achieve all that it wants to do. However, over the course of the next thirty years opportunities may arise and there may be scope to progress these if the Business Plan has capacity at the time.

DEBT AND BORROWING AND TREASURY MANAGEMENT

- 2.39 Details of the Council's borrowing need (Capital Financing Requirement – CFR), current and forecast debt, and other prudential indicators, as required by the CIPFA Prudential Code for Capital Finance, will be set out in the Treasury Management Strategy Statement, Treasury Management Policy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2024/25.

Capital Funding Streams

- 2.40 Decisions on capital investment should be made in the context of limited resources. The capital programme is currently reliant on funding from capital receipts and third party contributions/external grants. Other potential funding opportunities for future consideration include external borrowing and direct revenue funding (from other sources such as revenue contribution).
- 2.41 **External Grants** – external grant allocations are received from central government, for example Disabled Facilities Grant, and also other organisations such as the Heritage Lottery Fund (which part-funded the Assembly Rooms project).
- 2.42 **Section 106, CIL and External Contributions** – S106 contributions from developers can support Leisure and open space programmes in the Borough.
- 2.43 **Capital Receipts** – the Council is able to generate capital receipts through the sale of surplus assets such as land and buildings and has benefitted from £24m as a result of the sale of the Golf Course at Amington, which is

earmarked for investment under the Council's Commercial Strategy. The potential for future sales will be determined as part of the Council's Asset Management Strategy, to be refreshed as per the action plan detailed previously. Any further capital receipts generated will be reinvested in the capital programme.

- 2.44 **Reserves** – the Council has a level of reserves which are earmarked to be used to support delivery of the Corporate Plan or Invest to Save projects.
- 2.45 **Revenue Funding** – the Council can use revenue resources to fund capital projects by making a 'revenue contribution to capital,' however continuing revenue budgetary constraints mean this option is limited.
- 2.46 **Prudential Borrowing** – the introduction of the Prudential Code in 2004 allows Councils to undertake unsupported borrowing which is subject to the requirements of the Prudential Code for Capital Expenditure. The Council must ensure that unsupported borrowing is affordable, prudent and cost effective. This type of borrowing has revenue implications for the Council in the form of financing costs.

APPROACH TO RISK MANAGEMENT

- 2.47 The Council is committed to the culture of Risk Management ensuring that its reputation is not tarnished by an unforeseen event nor is it financially or operationally affected by the occurrence. The risks considered in the capital strategy are considered with reference to the corporate risk management policy and practices. The Risk Management Strategy and further information can be accessed at the following link:-

[Risk Management | Infozone \(tamworth.gov.uk\)](http://tamworth.gov.uk/Infozone/Risk%20Management)

Risk Appetite

- 2.48 The risk appetite is “the amount of risk that an organisation is prepared to accept, tolerate, or be exposed to at any point in time” (CIPFA). The Council will manage the risks by reducing, preventing, transferring, eliminating or accepting the risk.
- 2.49 Whilst the Council acknowledges that it will have “severe” (red) risks from time to time, it will endeavour to reduce those to an acceptable level either through controls or ceasing the activity (if applicable). Sometimes risks are identified and even though managed, may still remain “severe” (red risk).

Risk Management Roles and Responsibilities

- 2.50 The importance of establishing roles and responsibilities within the risk management framework is pivotal to successful delivery. Considering risks must be embedded into corporate policy approval and operational service delivery.

2.51 The agreed roles and responsibilities within the risk management framework are outlined in the table below:

| Group /Individual | Role |
|---------------------------------|---|
| Corporate Management Team | <ul style="list-style-type: none"> • Provide leadership for the process to manage risks effectively. • Review and revise the Risk Management Policy and Strategy in accordance with the review period. • Monitor and review the Corporate Risk Register on a quarterly basis including the identification of trends, upcoming events and potential new corporate risks. |
| Audit & Governance Committee | <ul style="list-style-type: none"> • Monitor the effectiveness of the Authority's risk management arrangements, including the actions taken to manage risks and to receive regular reports on risk management. • To monitor the actions being taken to mitigate the impact of potentially serious risks |
| Cabinet | <ul style="list-style-type: none"> • To provide strategic direction with regard to risk management. |
| Directors / Assistant Directors | <ul style="list-style-type: none"> • To provide leadership for the process of managing risks. • To ensure that risk management methodology is applied to all service plans, projects, partnerships and proposals. • To identify and manage business /operational risks. • To ensure that the management of risk is monitored as part of the performance management process. |
| Directors / Assistant Directors | <ul style="list-style-type: none"> • To ensure that all risks are identified, recorded and effectively managed in their area or responsibility. • To review and update their risk register on at least a quarterly basis but appropriate to the risk. • To determine the method of controlling the risk. • To delegate responsibility if appropriate for the control of the risk. • To notify the Director of new risks identified for consideration for inclusion on the corporate risk register. |
| All staff | <ul style="list-style-type: none"> • To ensure that risk is effectively managed in their areas. • To ensure that they notify their managers of new and emerging risks. |
| Assistant Director – Finance | <ul style="list-style-type: none"> • To ensure that the risk management strategy is regularly reviewed and updated. • Promote and support the risk management process throughout the Authority. • Advise and assist managers in the identification of risks. |

2.52 The Audit & Governance Committee will regularly review the Risk Management Policy and Strategy to ensure their continued relevance to the Borough. They will also assess performance against the aims and objectives.

2.53 Specific capital risks are contained within a register at **Annex C** to the Capital Strategy, alongside mitigating actions.

COMMERCIAL ACTIVITY

2.54 The Council's Commercial Investment Strategy set out a number of alternative investment options to generate improved returns of around 4% p.a. (plus asset growth) including:

- Set up of trading company to develop new income streams;
- Local investment options – Lower Gungate development including the potential to drawdown funding from the Local Growth Fund/ Local Enterprise Partnerships (GBS and Staffordshire);
- Investments in Diversified Property Funds – a savings target to return c.4% p.a.

2.55 Note: these would represent long term investments of between 5 – 10 years (minimum) in order to make the necessary returns (after set up costs).

2.56 CIPFA defines commercial investments as those which are taken for mainly financial reasons. These may include investments arising as part of business structures, such as loans in subsidiaries or other outsourcing structures; or investments explicitly taken with the aim of making a financial surplus for the organisation. Commercial investments also include non-financial assets which are held primarily for financial benefit, such as investment properties.

2.57 The Code requires that such investments are proportional to the level of resources available, and that the same robust procedures for the consideration of risk and return are applied to investment decisions. All such investments are therefore included within the capital strategy/investment strategy, setting out the risk appetite and including specific policies and arrangements for such investments, and details of existing material investments and risk exposure.

Investment in Property Funds

2.58 As part of the Capital Programme, the Council has since 2018/19 invested in Commercial Property Funds to establish a portfolio which is managed to generate a revenue return to the Council to support financial sustainability and to protect the provision of services to residents, along with maintaining and growing the capital value of the investment. A capital scheme of £12m was included within the 2018/19 capital programme to generate a target net additional income of c. £300k per annum, financed from part of the capital receipt from the sale of the former Golf Course.

2.59 To date, the Council has invested £1.85m with Schrodgers UK Real Estate Fund, £6.057m with Threadneedle Property Unit Trust, and £4.057m with Hermes Federated Property Unit Trust, total investment £11.962m. Although the capital values of the funds did initially fall, mainly since 31st March 2020, they then recovered and as at 31st March 2022 there was an overall gain of

£1.32m. However, since then capital values have fallen again, and as at 30th September the valuation stands at £10.62m, with an overall loss of £1.35m. 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.

| Fund Valuations | Investment | Valuation 31/03/2019 | Valuation 31/03/2020 | Valuation 31/03/2021 | Valuation 31/03/2022 | Valuation 31/03/2023 | Valuation 30/09/2023 |
|--------------------------------------|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Schroders UK Real Estate Fund | 1,848,933 | 1,897,716 | 1,884,412 | 1,848,933 | 2,139,618 | 1,727,176 | 1,638,076 |
| Valuation Increase / (reduction) | | 48,783 | (13,305) | (35,479) | 290,685 | (412,442) | (32,656) |
| Threadneedle Property Unit Trust | 2,000,249 | 1,921,884 | 1,836,032 | 1,794,439 | 2,097,097 | 1,732,373 | 1,727,499 |
| Valuation Increase / (reduction) | | (78,365) | (85,852) | (41,594) | 302,658 | (364,724) | (7,604) |
| Threadneedle Property Unit Trust | 4,056,536 | - | - | - | 4,407,163 | 3,640,676 | 3,630,433 |
| Valuation Increase / (reduction) | | | | | 350,627 | (766,487) | (15,980) |
| Hermes Federated Property Unit Trust | 4,056,500 | - | - | - | 4,450,808 | 3,741,712 | 3,620,146 |
| Valuation Increase / (reduction) | | | | | 394,308 | (709,096) | (119,174) |
| Total | 11,962,218 | 3,819,601 | 3,720,444 | 3,643,372 | 13,094,687 | 10,841,937 | 10,616,154 |
| Valuation Increase / (reduction) | | (29,581) | (99,156) | (77,072) | 1,338,279 | (2,252,750) | (175,414) |

2.60 The following table details the dividend returns achieved from the property fund investments, which support the revenue budget. The Council received £458k in dividends from its property fund investments in 2022/23 (£269k in 2021/22), and has received £214k for the current financial year as at 30th September 2023 (Q2 returns not yet received in respect of Hermes).

| Fund Valuations | Investment | Dividend Returns 31/03/2019 | Dividend Returns 31/03/2020 | Dividend Returns 31/03/2021 | Dividend Returns 31/03/2022 | Dividend Returns 31/03/2023 | Dividend Returns 30/09/2023 |
|--------------------------------------|------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Schroders UK Real Estate Fund | 1,848,933 | 48,118 | 56,638 | 52,898 | 61,655 | 71,962 | 33,974 |
| Threadneedle Property Unit Trust | 2,000,249 | 60,056 | 90,274 | 75,452 | 79,231 | 83,373 | 46,086 |
| Threadneedle Property Unit Trust | 4,056,536 | - | - | - | 70,417 | 175,213 | 96,851 |
| Hermes Federated Property Unit Trust | 4,056,500 | - | - | - | 57,352 | 127,182 | 36,671 |
| Total | | 108,174 | 146,911 | 128,350 | 268,655 | 457,730 | 213,582 |
| Annual Revenue % Return | | 2.8% | 3.8% | 3.3% | 2.2% | 4.2% | 4.7% |

2.61 Performance information is received from each fund on a monthly/quarterly basis and a monitoring spreadsheet has been established to track income received and growth in the funds. Income generated is reported to CMT monthly and to Members quarterly as part of regular financial healthcheck reports, as well as in the regular Treasury Management reports presented to Cabinet and Council (three each year). Performance management/monitoring is also undertaken with reference to the financial press and Link Asset Services advice.

2.62 The annual revenue return is dependent on the property fund achieving rental income returns on the commercial property portfolio which has been relatively stable in the past due to the quality of the commercial property owned by the funds. With regard to the growth (or contraction) in the overall asset value – during the past 12 months there has been significant volatility within financial markets due to the tumultuous geopolitical and macroeconomic events, such as the Truss Government’s mini-budget and resultant gilts crisis and market correction (losses) in the short term. However, it has been recognised that the funds will be a long term investment for 10-15 years and would not be redeemed to realise a loss. A budget / reserve of £1.12m is also available to mitigate any losses.

Regeneration of Town Centre and Purchase of Gungate site

2.63 Council on 11th April 2018 approved the purchase of the Gungate site within Tamworth town centre, incorporating the site of the former Gungate shopping precinct; a private pay and display car park currently leased to NCP for a term of 26 years; and a Council run pay and display car park leased to the Council on a peppercorn lease until 2062. This was funded from a £4million capital

budget financed from capital receipts from the sale of the Golf Course. Following the purchase of this site, the Council is now in receipt of an additional income stream in respect of the area leased to NCP.

- 2.64 The Council is entitled to purchase land to hold as an investment and regeneration opportunity under the Local Government Act 1972; and the Local Government Act 2003 gives the Council the power to invest for any purpose relevant to its functions under any enactment, or for the purposes of the prudent management of its financial affairs.
- 2.65 As part of this report, Members also approved the development of a regeneration opportunity including further site acquisition should this be beneficial; including formal negotiations with Staffordshire County Council and Staffordshire Police to look at the inclusion of land bordering the site; and to commence master planning works to bring the site to a commercially viable development opportunity. The report to Council recognised that any return from future redevelopment is not guaranteed, and that it could take several years to get a major regeneration project up and running. Initial plans are for a mixed housing/leisure development.
- 2.66 The Council worked with Aspinall Verdi and Altair to develop options for the site, and resources were secured from the Local Government Association (LGA) to pay for 40 days' consultancy; and an £80k grant was received from the Greater Birmingham and Solihull Local Enterprise Partnership. This resulted in the development of a masterplan for the Gungate North site and following the Government announcement of a further round of bidding for funds under their Levelling Up Fund Round 2 programme, a business case and bid was submitted for a scheme to regenerate the Gungate North site. The scheme comprised a high quality, net zero, sustainable office development, a convenience store, multi-storey car park and a college facility for students with high support needs. The bid for Government Levelling Up Funds was for £19.7m, with £6.3m Council funding, of which £4m is re-purposed from the Solway capital allocation, and including £1.4m expected capital receipt from the sale of land at Solway Close. Unfortunately, we were not successful in our bid for Levelling Up Funds, although work is progressing to conclude land ownership and assembly in order to mobilise the Gungate regeneration project, as approved by Council in July 2023.
- 2.67 With regard to the Gungate South site, discussions held with Homes England to assist the Borough Council in unlocking the potential of regeneration sites across the town resulted in a Heads of Terms signed off by Cabinet on the 30th September 2023. Homes England awarded the Council £100k to develop an investment strategy for potential housing sites within the borough, and liaison is continuing with them.

Future High Streets Fund

- 2.68 The Government Future High Streets Fund was launched at the start of 2019 as part of a package of interventions aimed at improving Town Centres. Tamworth submitted its Expression of Interest (EOI) by the short deadline of March 22nd 2019. The EOI had to primarily focus on the story of the Town Centre and its need for this funding. The fund will grant between £5million and £25million to projects that will structurally transform Town Centres and meet local challenges. There was no requirement in the EOI to provide detailed projects, instead just provide short summaries of potential opportunities for which the funding could be used.
- 2.69 The £625 million fund had the following objectives:
- Investment in physical infrastructure
 - Acquisition and assembly of land including to support new housing, workspaces and public realm.
 - Improvements to transport access, traffic flow and circulation in the area.
 - Supporting change of use including (where appropriate) housing delivery and densification.
 - Supporting adaptation of the high street in response to changing technology.
- 2.70 The key challenges articulated in the EOI for Tamworth Town Centre were:
- High levels of vacant properties (predominantly retail – 14.2%)
 - Unbalanced housing, retail and office accommodation offer, above average number of retail units, below average number of offices and homes.
 - Limited night time economy: poor food drink and evening leisure offer.
 - General perception that the Town is a dated, unsafe and unattractive environment.
- 2.71 During December 2020, the Government confirmed that the Council has been awarded £21.65m, from the Government's £1bn Future High Streets Fund to renew and reshape town centres, to deliver a number of projects designed to create a town centre that meets the needs of 21st century residents, shoppers and visitors. It will bring town centre landowners, businesses, councils and other partners together, working on the common goal of reshaping the town centre into a place that Tamworth residents are proud of, that is economically successful and that draws visitors from around the country.
- 2.72 There are three main schemes of work now underway under the Future High Street Fund projects – Castle Gateway; Middle Entry and College Quarter. The Castle Gateway scheme includes work to redevelop empty shop units; demolish an unsightly building enabling the opening up of the Castle bridge and public realm landscaping. The Middle Entry project comprises the redevelopment of shop units into a flexible space with associated public realm works. The College Quarter involves the demolition of part of the Co-Op building and construction of a new college on the site, with the remaining building being redeveloped into an Enterprise Centre.

2.73 Each of the projects is currently progressing well, with Speller Metcalfe appointed to deliver the programme following a procurement process earlier in the year. As the design process progresses, the scope of works are further refined which gives a more accurate picture of the costs associated with delivering the programme. Construction costs are higher than expected due to inflation and the increased cost of materials, and the continued review of the cost plan and input from contractors has meant that projected costs associated with the works are now being more accurately determined. However, despite additional UKSPF, CIL and S106 funds being allocated to the programme, and the significant contingency funds earmarked to mitigate risks associated with the works, it is likely to be necessary to request the release of further funds from the retained Golf Course capital receipts to complete the Programme, subject to Council approval.

Commercial and Industrial Property

2.74 The following table details the Council's current holding of commercial and industrial property.

| INVESTMENT | VALUATION @ 31/03/22 £ | ESTIMATED INCOME 2022/23 £ | RETURN % | VALUATION @ 31/03/23 £ | ESTIMATED INCOME 2023/24 £ | RETURN % |
|--|------------------------------|-------------------------------------|-------------|------------------------------|-------------------------------------|-------------|
| Amington Industrial Estate (ground rents) | 7,460,000 | 302,720 | 4.06 | 7,132,000 | 302,720 | 4.24 |
| Lichfield Industrial Estate (ground rents plus 1 leased plot) | 3,541,000 | 135,200 | 3.82 | 3,541,000 | 135,200 | 3.82 |
| Local Centre Shops | 2,479,500 | 233,191 | 9.4 | 2,363,500 | 236,153 | 9.99 |
| Misc Corporate Property | 17,655,450 | 1,192,155 | 6.75 | 15,215,444 | 1,189,030 | 7.81 |
| Sandy Way Industrial Units | 3,835,400 | 300,225 | 7.83 | 3,790,500 | 301,116 | 7.94 |
| Tamworth Business Centre | 1,313,000 | 129,657 | 9.87 | 1,227,000 | 125,206 | 10.20 |
| Town Centre Shops | 1,787,602 | 137,732 | 7.7 | 1,697,502 | 133,132 | 7.84 |
| Total | 38,071,952 | 2,430,880 | 6.38 | 34,966,946 | 2,422,558 | 6.93 |

2.75 A survey was carried out by Michael Dyson Associates during 2021 to determine the current condition and extent of repair and maintenance required. The overall planned maintenance cost for the assets in the next 30-year period amounts to £5,611,576, an average of £37,916 per surveyed asset (over the portfolio of 178 non-HRA properties which include a mix of commercial premises, shops and corporate properties).

Non-Housing Asset Survey

| Element | Yr 1 | Yr 2 | Yr 3 | Yr 4 | Yr 5 | Yrs 6 to 10 | Yrs 11 to 15 | Yrs 16 to 20 | Yrs 21 to 25 | Yrs 26 to 30 | Total |
|-----------------------|----------------|-----------------|----------------|----------------|-----------------|-------------------|-------------------|-----------------|-----------------|-----------------|-------------------|
| Roof Cover | £0 | £98,424 | £29,600 | £21,500 | £254,993 | £289,032 | £429,453 | £74,963 | £51,964 | £49,140 | £1,299,069 |
| Wall finish | £1,244 | £19,418 | £6,886 | £0 | £15,430 | £46,099 | £291,382 | £331,075 | £390,430 | £190,765 | £1,292,730 |
| Doors | £16,000 | £10,900 | £28,200 | £900 | £67,400 | £528,000 | £124,350 | £34,350 | £900 | £750 | £811,750 |
| Windows | £20,430 | £15,120 | £11,760 | £2,100 | £82,650 | £299,110 | £121,140 | £80,250 | £3,780 | £0 | £636,340 |
| Flooring | £653 | £7,322 | £2,650 | £0 | £41,197 | £67,445 | £135,606 | £44,142 | £28,940 | £11,700 | £339,656 |
| Kitchen | £18,000 | £7,500 | £2,500 | £0 | £75,000 | £53,500 | £56,000 | £6,000 | £0 | £0 | £218,500 |
| Ceiling | £54 | £18,600 | £2,268 | £0 | £1,716 | £55,823 | £66,223 | £33,265 | £384 | £0 | £178,333 |
| Hardstanding | £0 | £17,640 | £0 | £0 | £0 | £0 | £2,592 | £83,050 | £44,165 | £0 | £147,447 |
| Lighting | £1,260 | £120 | £480 | £240 | £67,644 | £38,290 | £16,380 | £5,250 | £480 | £0 | £130,144 |
| Shutters | £0 | £0 | £0 | £0 | £1,500 | £91,500 | £1,500 | £3,000 | £0 | £0 | £97,500 |
| Gutters | £900 | £588 | £2,472 | £605 | £9,386 | £42,417 | £10,306 | £302 | £0 | £8,928 | £75,905 |
| Downpipes | £2,658 | £0 | £432 | £0 | £14,795 | £39,358 | £13,668 | £108 | £0 | £3,528 | £74,546 |
| Roller Shutter Doors | £1,500 | £0 | £0 | £0 | £0 | £25,500 | £30,000 | £6,000 | £0 | £0 | £63,000 |
| Paving | £0 | £2,336 | £4,944 | £0 | £5,690 | £21,152 | £24,480 | £1,916 | £0 | £480 | £60,998 |
| Bathroom | £0 | £0 | £0 | £0 | £0 | £18,000 | £9,500 | £0 | £0 | £0 | £27,500 |
| Toilets | £4,950 | £4,400 | £1,100 | £0 | £5,500 | £7,200 | £3,450 | £900 | £0 | £0 | £27,500 |
| Fascia Board | £4,254 | £8,910 | £3,264 | £0 | £3,132 | £6,246 | £540 | £0 | £0 | £0 | £26,346 |
| Boiler | £0 | £0 | £0 | £0 | £0 | £5,400 | £12,600 | £1,800 | £0 | £0 | £19,800 |
| Air Conditioning Unit | £0 | £0 | £0 | £0 | £0 | £10,800 | £3,600 | £1,800 | £0 | £0 | £16,200 |
| Heating | £500 | £300 | £0 | £0 | £300 | £0 | £10,620 | £0 | £600 | £0 | £12,320 |
| Chimney | £0 | £0 | £0 | £0 | £0 | £0 | £1,800 | £9,000 | £1,200 | £0 | £12,000 |
| Items <£10k | £3,500 | £0 | £350 | £0 | £8,022 | £12,520 | £4,600 | £13,290 | £1,710 | £0 | £43,992 |
| Grand Total | £75,903 | £211,578 | £96,906 | £25,345 | £654,355 | £1,657,392 | £1,369,790 | £730,463 | £524,553 | £265,291 | £5,611,576 |

- 2.76 The above assets currently deliver a return for the Council and assist in balancing the MTFs. The capital programme includes £75k p.a. to ensure Industrial properties are compliant with the Energy Act and have Energy Performance Certificates as with effect from April 2018 it will not be possible to enter into long term lease agreements for commercial and industrial units with an EPC rating of 'E' or less. Many of our units fall into this category and will require a degree of improvement once they become vacant in order to relet.
- 2.77 The Council also has a Building Repairs Fund of c.£400k p.a. which should be included in the planned approach to asset management.
- 2.78 A revised draft Asset Management Strategy, Asset Management Plan, and updated draft acquisitions and disposals policies were developed and reported to Corporate Scrutiny during 2023/24. These are currently being revised following feedback, and it is planned to bring these to Cabinet for consideration by year end. A risk register around corporate asset management has been developed during the year. Informed by the results of the stock condition survey, further actions are planned as follows :-
- 1) **An Asset Management Plan for each property should be developed, including an asset viability model (DCF analysis), identifying demand, costs and income generated for each group of assets. The Asset Strategy Steering Group should receive the results of the viability modelling, and regular reports monitoring the performance of commercial property in order to identify poorly performing and well**

performing assets, and as a result develop a plan for future maintenance and investment, and options appraisal/disposals plans as appropriate.

- 2) A planned approach to be established for the use of the Building Repairs Fund for both planned maintenance & responsive repairs & Building Condition Standards.**

KNOWLEDGE AND SKILLS

- 2.79 Treasury Management staff are either AAT or CCAB qualified and the three CCAB qualified staff must complete the annual CPD requirements of their professional accountancy bodies. Link Asset Services are currently contracted to provide treasury management advice and guidance, and have also been engaged to provide other one-off pieces of work, eg. property funds review in early 2018 and guidance/review of the draft Capital Strategy in December 2018.
- 2.80 Training for Members with regard to treasury management is undertaken on a regular basis, most recently in February 2023. In February 2018, there was also a presentation to Members from Link Asset Services with regard to our investments in property funds.
- 2.81 With regard to non-treasury investments, the Council employs qualified and experienced staff such as accountants, solicitors and surveyors. It is fully supportive in providing access to courses both internal and external to enable those staff to complete their Continuing Professional Development (CPD) requirements.
- 2.82 The Council ensures that its Members are qualified to undertake their governance role by providing training opportunities and access to workshops, etc.
- 2.83 The Council also procures expert advice and assistance such as financial and legal advice as and when required.

CAPITAL PROGRAMME 2024/25 – 2028/29

Following a review of the Capital Programme approved by Council on 28th February 2023, 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 H – General Fund (GF) and Appendix I – Housing (HRA)**, together with the likely available sources of funding (capital receipts / grants / supported borrowing etc.).

With regard to the contingency schemes/allocation, **£250k** remains in current year GF contingency funds and **£100k** remains in current year HRA contingency funds (which will be re-profiled into 2024/25 to provide contingency funding).

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

| General Fund | |
|--------------|---|
| 1) | Replacement TEC Roof <i>Project score 48</i> |
| | A new scheme has been proposed to replace the roof at the TEC £63.3k |
| 2) | EDM System Upgrade/Replacement <i>Project Score 12</i> |
| | New scheme proposed in line with the approved ICT Strategy and Cloud first approach to ICT Service provision and in order to continue to benefit from on-going development of the EDM system and maintain flexible access to core systems, a migration from our existing legacy W2 system to the W3 cloud based EDM system or an alternative offering the required functionality is necessary - £149.95k. |
| 3) | CRM & Customer Portal <i>Project Score 12</i> |
| | New scheme proposed to leverage newer technology and benefit from continued development, expedite our digital transformation, deliver efficiencies and automation between front and back office and offer a modern digital enabled customer experience, a replacement CRM and Customer portal system - £20k. |
| 4) | Contact Centre/Teams Telephony <i>Project Score 12</i> |

New scheme proposed in line with our approved ICT Strategy, digital transformation aspirations to move more customer contact to digital channels to deliver efficiencies and to meet customer expectations for high-quality customer experiences across all contact channels and to also leverage new technology such as AI, a new omnichannel capable contact centre system is required. To compliment this, a move to Microsoft Teams Telephony will also be implemented to improve contact between employees and service areas and to further enhance the flexibility of the Council's workforce - £35k.

The provisional capital programme has been reviewed and includes the following schemes:

5) Capital Repairs Programme - Castle

Project Score: 9

Year 2 of total capital bid for £375k for completion of repair and maintenance works to the Scheduled Monument identified in Condition Report 2019 as urgent or required (desirable) within 10 years.

Year one design and prelims (£100k), year two capital works delivery (£250k). £25k originally requested in year 2 for an updated condition report no longer required as this is being met from current year revenue reserve. Project forms part of match funding for proposed grant application.

6) Capital works required to general fund assets

Project Score: 18

Year 2 costs in relation to the following schemes:

£100k Refurbishment of Anker Valley changing rooms to improve facility and address water storage/heating issues

£14.2k, Roofing and renewal of walkways to Ellerbeck & Caledonian shops – additional funds requested to meet inflationary increases.

7) Replacement of Open Space Assets

Project Score: 12

Year 2 £80k to Replace the existing wooden Snowdome footbridge. A recent structure inspection highlighted that the existing wooden footbridge near to the Snowdome will require replacement in the medium term.

8) Play Area Refurbishment

Project Score: 12

£50k p.a. years 2-5 - complete one play area refurbishment p.a.

9) Balancing ponds and sustainable drainage systems

Project Score: 63

£100k 2024/25, £300k 2025/26, £220k 2026/27 and £80k 2028/29

A 30 year rolling programme of works was approved for inclusion in the capital programme, with an annual spend required from 2023/24, for the 8 ponds at Stonydelph, Belgrave, Lakeside, Peelers Way.

The total cost of the programme over 30 years is £4.68m partially financed by existing reserves of £604k and annual revenue contributions totaling £1.92m, leaving a balance of £2.156m (from existing reserves/retained fund (£200k), Section 106 commuted sums (£404k) and ongoing annual revenue contributions (of £64k p.a.).

10) Technology Improvement/Replacement (Replacement PCs, Servers & Printers)

Project Score: 12

A rolling programme was approved for £70k in 2023/24 followed by £60k p.a. from 2024/25 to 2027/28 – a further £60k is requested for 2028/29. 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 authority's 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 council's network secure and available means continued investment is essential. It should be noted that corporate applications are excluded from this schedule of planned work.

11) Endpoint Protection and Web-Email Filter

Project Score: 60

A rolling programme was approved for £40k in 2022/23 followed by £40k every 3 years for Endpoint Protection (covering Anti Virus, Anti Malware and Encryption and the contract for Web and Email filtering). There is currently provision for £40k in 2025/26 however future requirements will be subject to confirmation as to whether we will be moving to a subscription model and incurring revenue rather than a capital cost.

12) Street Lighting

£120k in 2024/25 and £50.96k in 2025/26

A rolling programme was approved 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 costed programme has been submitted as a whole life cost document.

13) Disabled Facilities Grants (DFG)

£650k pa to 2028/29

The provisional programme included £650k p.a. part funded by redistributed Better Care Fund (BCF) grant of £547k.

14) Energy Efficiency Upgrades to Commercial & Industrial Units

£75k pa to 2028/29

A rolling programme with an annual spend of £75k was approved from 2017/18.

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.

15) CCTV Upgrades

£45.71k pa to 2026/27

Following approval of the Shared Service, Capital budgets of £45,714 p.a. have been included.

Housing

There have been some 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 2028/29.

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 £69.981m with planned borrowing in 2023/24 of £1.159m.

Housing Revenue Account

1) Council House Adaptations

Project Score 2

A new scheme has been proposed to increase the current budget for Disabled Facilities Adaptations to £700k pa from £250k pa.

2) HRA Capital Programmes

Project Score 48

New scheme for investment works in line with HRA business plan

High Rise Ventilation £1.7m 24/25 renewal to all 6 blocks compliance requirement.

Fire Door Replacement on low level blocks £404k pa yr1 - 5

Garage site renewals 10 sites in 24/25 £930k

Roofing Programme increase in funds £250k 24/25

A further allocation has been requested with regard to High Rise Structural works which have been identified following a structural survey of the blocks in the town centre, including rebuilding parapet walls and cappings, removal and/or replacement of brick slips, and strapping of brickwork and concrete to balcony areas. These works are expected to cost £600k pa from 2025/26 – 2027/28, subject to a detailed capital appraisal to be submitted.

The provisional capital programme has been reviewed – assumed continuing with amounts required in 2028/29:

Structural Works £200k pa to 2028/29

Bathroom Renewals £575k pa to 2028/29

Gas Central Heating Upgrades and Renewals £685.5k pa to 2028/29

Kitchen Renewals £700k pa to 2028/29

Roofing and renewal of walkways to Ellerbeck & Caledonian shops – £38k in 2024/25 only - additional funds requested to meet inflationary increases.

Major Roofing Overhaul & Renewals – updated appraisal received for additional funds in 2024/25, then £1.5m pa thereafter to 2028/29

Window & Door Renewals - £400k pa to 2028/29

Neighbourhood Regeneration - proposal for additional £60k in 24/25 for provision of parking spaces, then £200k pa to 2028/29

Rewire £100k pa to 2028/29

CO2/Smoke Detectors £64k pa to 2028/29

Fire Risk Mitigation Works £300k 2024/25 only

Damp and Mould works £100k pa to 2028/29

High Rise Refuse Chute Renewals £150k 2024/25 only

Works to Achieve Zero Carbon - £1m 2024/25 to 2026/27

Sheltered Lifts and Stairlift Renewals - £250k 2024/25 then £50k pa to 2028/29

Internal Flooring and Decoration at Eringden £90k 2024/25 only

Street Lighting - £180k 2024/25 and £76.44k 2025/26 - HRA share to continue in line with the approved 30 year programme .

Regeneration and Affordable Housing - £250k 2024/25, then £1.75m 2025/26 to 2028/29

CAPITAL STRATEGY ACTION PLAN

ANNEX B

| REF | ACTION | RESPONSIBILITY | TIMESCALE |
|------------|--|---|--|
| 1 | The capital appraisal process and associated documentation to be reviewed and updated where appropriate to ensure proper consideration is given to whole life costs of schemes; alternative options; risk management, etc, and to address the concerns outlined on completion of the CIPFA Property Capital Strategy Self-Assessment Checklist. | J Goodfellow | March 24 |
| 2 | Following receipt of the updated Asset Management Strategy, an Asset Management Plan for each property should be developed, including an asset viability model, identifying demand, costs and income generated for each group of assets. The Asset Strategy Steering Group should receive the results of the viability modelling, and regular reports monitoring the performance of commercial property in order to identify poorly performing and well performing assets, and as a result develop a plan for future maintenance and investment, and options appraisal/disposals plans as appropriate. | P Weston/J Goodfellow/Asset Strategy Steering Group | Commenced October 2019 – report to Cabinet planned by March 24 |
| 3 | A planned approach to be established for the use of the Building Repairs Fund for both planned maintenance & responsive repairs & Building Condition Standards | P Weston/ J Goodfellow | Commence October 2019 – to be completed March 24 |

CAPITAL STRATEGY RISK REGISTER

Corporate Capital Strategy Risk Register

Generated on: 03 January 2024

Current Risk Matrix



Severity

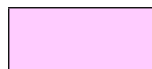
| Code | Title | Assessment Code and Title | Trend | Status | Date Reviewed |
|--------------|--|---------------------------|-------|--------|---------------|
| CSRR1920_001 | Risk of not identifying capital requirements | 6 serious-unlikely | ▬ | ▲ | 03-Jan-2024 |
| CSRR1920_002 | Risk of insufficient funds to meet capital needs, including impact of external financial pressures | 12 serious - very likely | ▬ | ● | 03-Jan-2024 |
| CSRR1920_003 | Risk of inadequate resources to deliver capital programme | 9 serious-likely | ▬ | ▲ | 03-Jan-2024 |
| CSRR1920_004 | Risk of significant budget re-profiling/timescales slipping | 6 significant-likely | ▬ | ▲ | 03-Jan-2024 |
| CSRR1920_005 | Risk of significant overspends | 9 serious-likely | ▲ | ▲ | 03-Jan-2024 |
| CSRR1920_006 | Risk of investments (including property funds) under-performing and income falling | 12 serious - very likely | ▬ | ● | 03-Jan-2024 |
| CSRR1920_007 | Risk of inadequate PIR/required outcomes of a capital scheme not achieved | 2 minor-unlikely | ▬ | ✔ | 03-Jan-2024 |
| CSRR1920_008 | Risk of legislative changes/changes in Government policy having an impact on funds available or accounting treatment | 6 significant-likely | ▬ | ▲ | 03-Jan-2024 |

Draft General Fund Capital Programme 2024/25 to 2027/28

| General Fund Capital Programme | 2024/25 £ | 2025/26 £ | 2026/27 £ | 2027/28 £ | 2028/29 £ | Total £ |
|---|------------------|------------------|------------------|----------------|----------------|------------------|
| Capital Repairs Programme - Castle | 250,000 | - | - | - | - | 250,000 |
| Roofing Renewal at Tamworth TEC | 63,340 | - | - | - | - | 63,340 |
| Replacement PC's, Servers and Printers | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | 300,000 |
| Endpoint Protection and Web- Email Filter | - | 40,000 | - | - | - | 40,000 |
| Civica EDM System upgrade | 149,950 | - | - | - | - | 149,950 |
| CRM & Customer Portal | 20,000 | - | - | - | - | 20,000 |
| Contact Centre & Telephony | 35,000 | - | - | - | - | 35,000 |
| Street Lighting | 120,000 | 50,960 | - | - | - | 170,960 |
| Refurbishment of Play Areas | 50,000 | 50,000 | 50,000 | 50,000 | - | 200,000 |
| Balancing Ponds | 100,000 | 300,000 | 220,000 | - | 80,000 | 700,000 |
| Snowdome Footbridge | 80,000 | - | - | - | - | 80,000 |
| Refurbishment of Anker Valley changing rooms to improve facility and address water storage/heating issues. | 100,000 | - | - | - | - | 100,000 |
| GF Capital Salaries | 45,000 | 45,000 | 45,000 | 45,000 | 45,000 | 225,000 |
| 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 |
| Roofing and renewal of walkways to Caledonian shops | 3,000 | 0 | 0 | 0 | 0 | 3,000 |
| Roofing and renewal of walkways to Ellerbeck | 11,200 | - | - | - | - | 11,200 |
| CCTV Upgrades | 45,710 | 45,710 | 45,710 | - | - | 137,130 |
| Total General Fund Capital | 1,858,200 | 1,316,670 | 1,145,710 | 880,000 | 910,000 | 6,110,580 |

| <u>Proposed Financing:</u> | 2024/25 £ | 2025/26 £ | 2026/27 £ | 2027/28 £ | 2028/29 £ | |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------|
| Grants - Disabled Facilities | 546,890 | 546,890 | 546,890 | 546,890 | 650,000 | 2,837,560 |
| General Fund Capital Receipts | 4,400 | 49,400 | 59,400 | 45,000 | - | 158,200 |
| Golf Course Receipts | 63,340 | - | - | - | - | 63,340 |
| Sale of Council House Receipts | 294,420 | 275,420 | 266,420 | - | 260,000 | 1,096,260 |
| General Fund Capital Reserve | 220,000 | 324,960 | 20,000 | - | - | 564,960 |
| Unsupported Borrowing | 729,150 | 120,000 | 253,000 | 288,110 | - | 1,390,260 |
| Total | 1,858,200 | 1,316,670 | 1,145,710 | 880,000 | 910,000 | 6,110,580 |

Key:



Capital appraisal received with New Scheme for 2024/25 or adjusted figures supplied



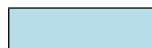
Figure agreed to previous years report or ongoing scheme assumed at same amount



No appraisal received



Confirmation still required



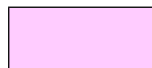
Amended since Base Budget report

Draft Housing Revenue Account Capital Programme 2024/25 to 2028/29

| <u>Housing Revenue Account</u> <u>Capital Programme</u> | 2024/25 £ | 2025/26 £ | 2026/27 £ | 2027/28 £ | 2028/29 £ | TOTAL £ |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------------------------|
| Structural Works | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 1,000,000 |
| 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 | 1,750,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 7,750,000 |
| Window and Door Renewals | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 2,000,000 |
| Neighbourhood Regeneration | 260,000 | 200,000 | 200,000 | 200,000 | 200,000 | 1,060,000 |
| Disabled Facilities Adaptations | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 1,250,000 |
| Disabled Facilities Adaptations - ADDITIONAL FUNDING | 450,000 | 450,000 | 450,000 | 450,000 | 450,000 | 2,250,000 |
| Rewire | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 500,000 |
| CO2 / Smoke Detectors | 64,000 | 64,000 | 64,000 | 64,000 | 64,000 | 320,000 |
| Roofing and renewal of walkways to Caledonian shops (HRA) | 4,600 | - | - | - | - | 4,600 |
| Roofing and renewal of walkways to Ellerbeck (HRA) | 33,400 | - | - | - | - | 33,400 |
| Install Fire Doors High Rise | 404,800 | 404,800 | 404,800 | 404,800 | 404,800 | 2,024,000 |
| High Rise Ventilation System | 1,715,280 | - | - | - | - | 1,715,280 |
| Fire Risk Mitigation Works | 300,000 | - | - | - | - | 300,000 |
| Damp and Mould Works | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 500,000 |
| High Rise Refuse Chute Renewals | 150,000 | - | - | - | - | 150,000 |
| Works to Achieve Zero Carbon | 1,000,000 | 1,000,000 | 1,000,000 | - | - | 3,000,000 |
| Sheltered Lifts and Stairlift Renewals | 250,000 | 50,000 | 50,000 | 50,000 | 50,000 | 450,000 |
| Internal flooring and decoration at Eringden | 90,000 | - | - | - | - | 90,000 |
| Retention of Garage Sites | 930,000 | - | - | - | - | 930,000 |
| High Rise Structural Works | | 600,000 | 600,000 | 600,000 | | 1,800,000 |
| Capital Salaries | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 1,000,000 |
| Street Lighting | 180,000 | 76,440 | - | - | - | 256,440 |
| Regeneration & Affordable Housing | 250,000 | 1,750,000 | 1,750,000 | 1,750,000 | 1,750,000 | 7,250,000 |
| Total HRA Capital | 11,042,580 | 9,305,740 | 9,229,300 | 8,229,300 | 7,629,300 | 45,436,220 |

| Proposed Financing: | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | TOTAL |
|--|-------------------|------------------|------------------|------------------|------------------|-------------------|
| | £ | £ | £ | £ | £ | £ |
| Major Repairs Reserve | 4,360,500 | 3,805,500 | 3,615,500 | 3,615,300 | 3,610,500 | 19,007,300 |
| HRA Capital Receipts | 950,000 | 425,000 | 419,800 | 420,000 | 420,000 | 2,634,800 |
| Regeneration Revenue Reserves | 3,462,000 | 2,584,000 | 2,590,000 | 2,585,000 | 2,584,800 | 13,805,800 |
| Capital Receipts from Additional Council House Sales (1-4-1) | 100,000 | 700,000 | 700,000 | 700,000 | 700,000 | 2,900,000 |
| Capital Receipts from HRA Buy Back Scheme | 19,800 | - | - | - | - | 19,800 |
| Regeneration Reserve | 710,080 | 476,440 | 485,000 | 479,000 | 314,000 | 2,464,520 |
| Affordable Housing Reserve | 420,200 | 614,800 | 399,000 | 400,000 | - | 1,834,000 |
| Unsupported Borrowing | 1,020,000 | 700,000 | 1,020,000 | 30,000 | - | 2,770,000 |
| Total | 11,042,580 | 9,305,740 | 9,229,300 | 8,229,300 | 7,629,300 | 45,436,220 |

Key:



Capital appraisal received with New Scheme for 2024/25 or adjusted figures supplied



Figure agreed to previous years report or ongoing scheme assumed at same amount



No appraisal received



Confirmation still required



Amended since Base Budget report

General Fund – Technical Adjustments 2024/25

| | Budget 2023/24 | Technical Adjustments | | | | | | Total Adjusted Base 2024/25 | |
|---------------------------------------|-------------------|-----------------------|-----------------------------|----------------|------------------|-------------------------|------------------------------|-----------------------------------|---------------------------|
| | | Virements £ | Committee Decisions £ | Inflation £ | Other £ | Pay Adjustments £ | Changes in Recharges £ | | Total Adjustments £ |
| Chief Executive | 1,890,420 | - | 36,850 | (33,270) | 240 | (4,750) | - | (930) | 1,889,490 |
| AD Growth & Regeneration | 945,870 | (19,500) | (80,390) | (16,340) | (13,850) | 39,290 | - | (90,790) | 855,080 |
| ED Organisation | 610,280 | - | 11,000 | 21,710 | 15,700 | 4,780 | - | 53,190 | 663,470 |
| AD People | 2,445,180 | - | (206,160) | 25,000 | 53,950 | 47,460 | - | (79,750) | 2,365,430 |
| AD Environment Culture & Wellbeing | 3,824,980 | - | (279,400) | (2,540) | (56,710) | 55,320 | - | (283,330) | 3,541,650 |
| ED Finance | 90,630 | - | - | 100 | (160) | (2,700) | - | (2,760) | 87,870 |
| AD Finance | (2,638,720) | 32,000 | 281,290 | 7,640 | (810,440) | 44,120 | - | (445,390) | (3,084,110) |
| ED Communities | - | - | - | - | - | - | - | - | - |
| AD Assets | (125,610) | 19,500 | 1,000 | 24,120 | 22,400 | 19,230 | - | 86,250 | (39,360) |
| AD Neighbourhoods | 875,250 | (32,000) | (67,770) | 1,000 | (11,770) | 20,110 | - | (90,430) | 784,820 |
| AD Partnerships | 887,800 | - | 120,810 | (6,580) | (11,270) | 27,780 | - | 130,740 | 1,018,540 |
| Grand Total | 8,806,080 | - | (182,770) | 20,840 | (811,910) | 250,640 | - | (723,200) | 8,082,880 |

Appendix D2

Housing Revenue Account – Technical Adjustments 2024/25

| | Technical Adjustments | | | | | | | | |
|---------------------------------------|-----------------------|----------------|-----------------------------|----------------|--------------------|-------------------------|------------------------------|---------------------------|-----------------------------------|
| | Budget 2023/24 | Virements £ | Committee Decisions £ | Inflation £ | Other £ | Pay Adjustments £ | Changes in Recharges £ | Total Adjustments £ | Total Adjusted Base 2024/25 |
| HRA Summary | (4,620,760) | 90,840 | 131,930 | 199,740 | (1,987,010) | - | - | (1,564,500) | (6,185,260) |
| ED Communities | 28,060 | - | - | 80 | (60) | (2,700) | - | (2,680) | 25,380 |
| AD People | 268,240 | - | (27,000) | 280 | 1,510 | 1,590 | - | (23,620) | 244,620 |
| AD Environment Culture & Wellbeing | 391,100 | - | - | 2,050 | (3,170) | 13,380 | - | 12,260 | 403,360 |
| AD Assets | 283,660 | - | - | 5,030 | (169,070) | 41,980 | - | (122,060) | 161,600 |
| AD Neighbourhoods | 4,473,180 | (90,840) | (18,000) | 45,930 | (424,600) | 49,650 | - | (437,860) | 4,035,320 |
| Housing Repairs | - | - | - | - | - | - | - | - | - |
| Grand Total | 823,480 | - | 86,930 | 253,110 | (2,582,400) | 103,900 | - | (2,138,460) | (1,314,980) |

Main Budget Assumptions

| Inflationary Factors | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
|-----------------------------|---------|---------|---------|---------|---------|
| Inflation Rate - Pay Awards | 4.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| National Insurance | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |
| Superannuation | 22.1% | 22.1% | 22.1% | 22.1% | 22.1% |
| Inflation Rate (RPI) | 3.40% | 2.40% | 2.40% | 2.80% | 2.80% |
| Inflation Rate (CPI) | 3.50% | 2.40% | 2.40% | 2.80% | 2.80% |
| Investment Rates | 4.25% | 2.75% | 2.60% | 2.50% | 2.50% |
| Base Interest Rates | 5.00% | 3.00% | 2.50% | 2.50% | 2.50% |

1. For 2022/23 a £1,925 increase on all pay points for Local Government pay was agreed. For 2023/24, an offer of a £1,925 increase on all pay points has been subject to union ballot and has been included. Future years remain uncertain but a 4.0% increase has been assumed for 2024/25 with annual increases of 2.0% p.a. from 2025/26.
2. Overall, Fees and Charges will rise generally by 5% in 2024/25 (2.5% p.a. thereafter) 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. Revenue Support Grant of £322,012 will increase annually by inflation. The impact for the Council will be confirmed by MHCLG as part of the *Local Government Finance Settlement* with a provisional announcement in December 2023.
6. The New Homes Bonus scheme, which has been extended for 2024/25 will end pending consultation on the future of the scheme;
7. An increase of £5 p.a. in Council Tax;
8. 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), a further overall freeze has been agreed in line with the Actuary’s indications for the 3 years from 2024/25 (together with a pre-payment of the 3 year contributions in April 2023). The primary contribution rate is 22.1% from 2023/24 (16.5% 2022/23) with a corresponding reduction in the lump sum element – better reflecting the split between future costs (funded by the primary contribution) which are expected to rise in line with inflation and past service costs (funded by the lump sum element). 1% p.a. year on year increases have been included from 2026/27;
9. Increase in rent levels by CPI plus 1% (7.7% for 2024/25 based on the September CPI figure of 6.7%) - 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.

10. Forecasts have been informed by the Bank of England Inflation report (August 2023), HM Treasury – Forecasts for the UK Economy (August 2023²). Any significant variances will be considered later in the budget setting process.

Policy Changes 2024/25 to 2028/29

| SERVICE AREA | Sheet No. | Budget Changes 24/25 £'000 | Budget Changes 25/26 £'000 | Budget Changes 26/27 £'000 | Budget Changes 27/28 £'000 | Budget Changes 28/29 £'000 |
|-----------------------------------|-----------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| EXECUTIVE DIRECTOR ORGANISATION | 1 | 33.710 | (5.88) | 0.170 | 0.170 | 0.180 |
| PEOPLE | 2 | 447.26 | (64.11) | (23.77) | 1.05 | 0.95 |
| ENVIRONMENT, CULTURE & WELLBEING | 3 | 529.79 | (52.66) | (137.20) | (38.63) | 1.18 |
| EXECUTIVE DIRECTOR FINANCE | 4 | 5.09 | (2.44) | 0.05 | 0.06 | 0.05 |
| FINANCE | 5 | (863.23) | (235.58) | 1,086.12 | 0.94 | 0.89 |
| EXECUTIVE DIRECTOR COMMUNITIES | | - | - | - | - | - |
| NEIGHBOURHOODS | 6 | 19.22 | (9.15) | 0.27 | 0.25 | 0.24 |
| PARTNERSHIPS | 7 | 27.14 | (17.16) | 0.55 | 0.50 | 0.44 |
| ASSETS | 8 | 19.44 | (9.24) | 0.29 | 0.30 | 0.27 |
| CHIEF EXECUTIVE | 9 | 13.58 | (6.49) | 0.15 | 0.15 | 0.16 |
| GROWTH & REGENERATION | 10 | (70.42) | (44.94) | 18.91 | 20.46 | 2.24 |
| TOTAL | | 161.58 | (447.65) | 945.54 | (14.75) | 6.60 |
| Cumulative Cost / (Saving) | | 161.58 | (286.07) | 659.47 | 644.72 | 651.32 |

| HOUSING REVENUE ACCOUNT | Sheet No. | Budget Changes 24/25 £'000 | Budget Changes 25/26 £'000 | Budget Changes 26/27 £'000 | Budget Changes 27/28 £'000 | Budget Changes 28/29 £'000 |
|--|-----------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| HOUSING REVENUE ACCOUNT - SUMMARY | 11 | (31.24) | - | - | - | - |
| HOUSING REVENUE ACCOUNT - EXECUTIVE DIRECTOR COMMUNITIES | 12 | 5.09 | (2.44) | 0.05 | 0.06 | 0.05 |
| HOUSING REVENUE ACCOUNT - ASSETS | 13 | 114.78 | (58.72) | 0.60 | 0.57 | 0.53 |
| HOUSING REVENUE ACCOUNT - NEIGHBOURHOODS | 14 | 128.06 | (85.55) | 1.07 | 1.04 | 0.91 |
| HOUSING REVENUE ACCOUNT - ENVIRONMENT | 15 | 11.82 | (5.59) | 0.20 | 0.17 | 0.14 |
| HOUSING REVENUE ACCOUNT - PEOPLE | 16 | 40.61 | (2.72) | 0.08 | 0.07 | 0.07 |
| TOTAL | | 269.12 | (155.02) | 2.00 | 1.91 | 1.70 |
| Cumulative Cost / (Saving) | | 269.12 | 114.10 | 116.10 | 118.01 | 119.71 |

Policy Changes Summary Staffing Implications

| SERVICE AREA | Budget Changes 24/25 FTE | Budget Changes 25/26 FTE | Budget Changes 26/27 FTE | Budget Changes 27/28 FTE | Budget Changes 28/29 FTE |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| EXECUTIVE DIRECTOR ORGANISATION | - | - | - | - | - |
| PEOPLE | 4.7 | - | - | - | - |
| ENVIRONMENT, CULTURE & WELLBEING | 6.2 | - | (3.2) | - | - |
| EXECUTIVE DIRECTOR FINANCE | - | - | - | - | - |
| FINANCE | - | - | - | - | - |
| EXECUTIVE DIRECTOR COMMUNITIES | - | - | - | - | - |
| NEIGHBOURHOODS | - | - | - | - | - |
| PARTNERSHIPS | - | - | - | - | - |
| ASSETS | 0.8 | - | - | - | - |
| CHIEF EXECUTIVE | - | - | - | - | - |
| GROWTH & REGENERATION | 1.0 | - | - | - | - |
| TOTAL | 12.7 | - | (3.2) | - | - |
| | | | | | |
| HOUSING REVENUE ACCOUNT | Budget Changes 24/25 FTE | Budget Changes 25/26 FTE | Budget Changes 26/27 FTE | Budget Changes 27/28 FTE | Budget Changes 28/29 FTE |
| HOUSING REVENUE ACCOUNT - SUMMARY | - | - | - | - | - |
| HOUSING REVENUE ACCOUNT - EXECUTIVE DIRECTOR COMMUNITIES | - | - | - | - | - |
| HOUSING REVENUE ACCOUNT - ASSETS | 2.6 | (1.3) | - | - | - |
| HOUSING REVENUE ACCOUNT - NEIGHBOURHOODS | 1.0 | (1.0) | - | - | - |
| HOUSING REVENUE ACCOUNT – ENVIRONMENT, CULTURE & WELLBEING | - | - | - | - | - |
| HOUSING REVENUE ACCOUNT - PEOPLE | 1.0 | - | - | - | - |
| TOTAL | 4.6 | (2.3) | - | - | - |

EXECUTIVE DIRECTOR ORGANISATION

| Item No | Proposal/(Existing Budget) | Implications | Budget Change | Budget Change | Budget Change | Budget Change | Budget Change |
|-------------------------------------|--|--------------|----------------|----------------|----------------|----------------|----------------|
| | | | 24/25 £'000 | 25/26 £'000 | 26/27 £'000 | 27/28 £'000 | 28/29 £'000 |
| OR 1 | Realignment of Salaries Budgets following latest Pay Award Members Allowances - cost of two Special Responsibility Allowances due to additional Cabinet Members | | 12.31 | (5.88) | 0.17 | 0.17 | 0.18 |
| OR 2 | | | 21.40 | - | - | - | - |
| Total New Items / Amendments | | | 33.71 | (5.88) | 0.17 | 0.17 | 0.18 |

STAFFING IMPLICATIONS

| Item No | Proposal/(Existing Budget) | Implications | 24/25 | 25/26 | 26/27 | 27/28 | 28/29 |
|--------------|----------------------------|--------------|-------|-------|-------|-------|-------|
| | | | FTE | FTE | FTE | FTE | FTE |
| | | | | | | | |
| TOTAL | | | - | - | - | - | - |

PEOPLE

| Item No | Proposal/(Existing Budget) | Implications | Budget Change | Budget Change | Budget Change | Budget Change | Budget Change |
|-------------------------------------|--|---|---------------|----------------|----------------|---------------|---------------|
| | | | 24/25 | 25/26 | 26/27 | 27/28 | 28/29 |
| | | | £'000 | £'000 | £'000 | £'000 | £'000 |
| PE 1 | To extend the corporate training budget in order to meet needs identified in PDR process, inclusive of essential training such as health and safety for Street Scene and training to meet legislative requirements set by the Social Housing Regulatory Programme. | | 10.00 | - | - | - | - |
| PE 2 | To extend the elected members training budget to account for the high amount of new councillors | | 2.00 | - | - | - | - |
| PE 3 | Additional funding for targeted marketing, including Christmas and Aethelfest in 2024, and the purchase of a gazebo and additional casual staff costs to enable a presence at various events | | 17.80 | (17.8) | - | - | - |
| PE 4 | Increase budget for postage to meet continuing demand and increased postage costs | | 40.00 | - | - | - | - |
| PE 5 | Remove income budget for sale of goods at TIC (£15k) net of associated budget for purchase of retail stock (£6k) | | 9.58 | - | - | - | - |
| PE 6 | Retain CSA staff provision and make permanent 1.71 FTE posts to meet continuing demand re enquiries and service requests | | 51.50 | - | - | - | - |
| PE 7 | New post 0.2 FTE Box Office Asst to support Arts & Events team | | 8.10 | - | - | - | - |
| PE 8 | Make permanent current temporary CSO post 0.81 FTE | | 27.30 | - | - | - | - |
| PE 9 | Revenue implications of proposed capital schemes - £26k Civica EDM; £50k CRM & Customer Portal; £28k Contact Centre/Telephony | | 104.00 | - | - | - | - |
| PE 10 | Electoral Process - new apprentice post at National Minimum Wage - additional cost due to increased rate at max age, offset by £4.3k anticipated New Burdens Funding, for 2 years only | | 24.83 | - | (24.83) | - | - |
| PE 11 | Ongoing software licence costs of Modern Democracy system - net of poll clerk staff savings | May be covered by New Burdens but to be | 31.69 | (7.70) | - | - | - |
| PE 12 | Additional Gr E Comms & Marketing post to expand the capacity of the in-house marketing resource for the Assembly Rooms, Castle and events | | 39.53 | - | - | - | - |
| PE 13 | Realignment of Salaries Budgets following latest Pay Award | | 80.93 | (38.61) | 1.06 | 1.05 | 0.95 |
| Total New Items / Amendments | | | 447.26 | (64.11) | (23.77) | 1.05 | 0.95 |

| STAFFING IMPLICATIONS | | | | | | | |
|-----------------------|--|--------------|-------------|-----------|-----------|-----------|-----------|
| Item No | Proposal/(Existing Budget) | Implications | 24/25 FTE | 25/26 FTE | 26/27 FTE | 27/28 FTE | 28/29 FTE |
| PE 6 | Retain CSA staff provision and make permanent 1.71 FTE posts to meet continuing demand re enquiries and service requests | | 1.71 | | | | |
| PE 7 | New post 0.2 FTE Box Office Asst to support Arts & Events team | | 0.20 | | | | |
| PE 8 | Make permanent current temporary CSO post 0.81 FTE | | 0.81 | | | | |
| PE 10 | Electoral Process - new apprentice post at National Minimum Wage - for 2 year period | | 1.00 | | (1.0) | | |
| PE 12 | Additional Gr E Comms & Marketing post to expand the capacity of the in-house marketing resource for the Assembly Rooms, Castle and events | | 1.00 | | | | |
| TOTAL | | | 4.72 | - | - | - | - |

| OPERATIONS AND LEISURE | | | | | | | |
|------------------------|--|---|----------------|----------------|-----------------|----------------|----------------|
| Item No | Proposal/(Existing Budget) | Implications | Budget Change | Budget Change | Budget Change | Budget Change | Budget Change |
| | | | 24/25 £'000 | 25/26 £'000 | 26/27 £'000 | 27/28 £'000 | 28/29 £'000 |
| OPS 4 | Heritage Lights Festival – three year programme net of grant funding to be confirmed | | - | - | - | - | - |
| OPS 1 | Realignment of Salaries Budgets following latest Pay Award | | 110.58 | (52.66) | 1.56 | 1.37 | 1.18 |
| OPS 2 | Assembly Rooms cinema - increase in Broadcasting costs budget £5k pa to improve the offer and associated increase/re-alignment of income £2.5k pa | | 2.50 | - | - | - | - |
| OPS 3 | Following 2023 trial event 'Christmas Wonderland in Tamworth' additional budget of £40k pa for 3 years to repeat and build on this event. | | 40.00 | - | - | (40.00) | - |
| OPS 4 | Increased budget for outdoor summer events 'We Love Tamworth' to grow the event | | 10.00 | - | - | - | - |
| OPS 5 | Increased budget for Fireworks event to keep pace with additional costs and fund external traffic management plan | | 6.00 | - | - | - | - |
| OPS 6 | Funding to subsidise public swimming at Snowdome (contract to be re-negotiated) | | 110.00 | - | - | - | - |
| OPS 7 | Creation of 3-person multi-skilled reactive maintenance team - 2 EMOs £60k; 1 Chargehand £35.53k annual vehicle rental £6.4k, fuel £3k, machinery and tools £7k | | 111.95 | - | - | - | - |
| OPS 8 | Increased budget for salaries at the Assembly Rooms, to sustain the Arts & Events Team yearly programme and activity, and ensure the department remains operational. | Temporary staff to be retained further two years pending review. Cover 10% shift allowance and First Aid. | 138.76 | - | (138.76) | - | - |
| TOTAL | | | 529.79 | (52.66) | (137.20) | (38.63) | 1.18 |

STAFFING IMPLICATIONS

| Item No | Proposal/(Existing Budget) | Implications | 24/25 | 25/26 | 26/27 | 27/28 | 28/29 |
|--------------|--|--------------|-------------|----------|---------------|----------|----------|
| | | | FTE | FTE | FTE | FTE | FTE |
| OPS 7 | Creation of 3-person multi-skilled reactive maintenance team - 3 EMOs | | 3.00 | - | - | - | - |
| OPS 8 | Increased budget for salaries at the Assembly Rooms, to sustain the Arts & Events Team yearly programme and activity, and ensure the department remains operational. | | 3.24 | - | (3.24) | - | - |
| TOTAL | | | 6.24 | - | (3.24) | - | - |

| EXECUTIVE DIRECTOR FINANCE | | | | | | | |
|-------------------------------------|--|--------------|---------------|---------------|---------------|---------------|---------------|
| Item No | Proposal/(Existing Budget) | Implications | Budget Change | Budget Change | Budget Change | Budget Change | Budget Change |
| | | | 24/25 | 25/26 | 26/27 | 27/28 | 28/29 |
| | | | £'000 | £'000 | £'000 | £'000 | £'000 |
| ED 1 | Realignment of Salaries Budgets following latest Pay Award | | 5.09 | (2.44) | 0.05 | 0.06 | 0.05 |
| Total New Items / Amendments | | | 5.09 | (2.44) | 0.05 | 0.06 | 0.05 |

STAFFING IMPLICATIONS

| Item No | Proposal/(Existing Budget) | Implications | 24/25 | 25/26 | 26/27 | 27/28 | 28/29 |
|---------|----------------------------|--------------|-------|-------|-------|-------|-------|
| | | | FTE | FTE | FTE | FTE | FTE |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | TOTAL | | - | - | - | - | - |

| FINANCE | | | | | | | |
|-------------------------------------|--|--|-----------------|-----------------|-----------------|----------------|----------------|
| Item No | Proposal/(Existing Budget) | Implications | Budget Change | Budget Change | Budget Change | Budget Change | Budget Change |
| | | | 24/25 £'000 | 25/26 £'000 | 26/27 £'000 | 27/28 £'000 | 28/29 £'000 |
| FIN 1 | Removal of ongoing consultancy fees budget | If required for specific projects to be requested/built in as part of budgetary proposal | (50.00) | - | - | - | - |
| FIN 2 | Local Government Services Grant confirmed but at reduced rate from 24/25 (previously £94.58k now indicated £15k) | | 79.58 | (79.58) | - | - | - |
| FIN 3 | New Homes Bonus to continue for a further year | | (503.00) | 503.00 | - | - | - |
| FIN 4 | Realignment of Salaries Budgets following latest Pay Award | | 70.22 | (33.89) | 0.98 | 0.94 | 0.89 |
| FIN 5 | Lower Tier Funding Guarantee Grant | Reduction in income budget for Lower Tier Funding Guarantee notified for 2024/25 | 96.38 | (96.38) | - | - | - |
| FIN 6 | Business Rates Levy Payment | Inclusion of budget for levy payment following deferral of Business Rates reset | 125.00 | (125.00) | - | - | - |
| FIN 7 | Business Rates Relief S31 Grant | New Burdens Funding for Government scheme to reduce business rates charges following deferral of reset | (181.41) | 181.41 | - | - | - |
| FIN 8 | Deferred reset Business Rates Levy Payment | | - | 1,631.86 | (1,631.86) | - | - |
| FIN 9 | Deferred reset Business Rates Relief S31 Grant | | - | (2,717.00) | 2,717.00 | - | - |
| FIN 10 | Transfer from Business Rates Equalisation Reserve | | (500.00) | 500.00 | - | - | - |
| FIN 11 | | | - | - | - | - | - |
| FIN 12 | | | - | - | - | - | - |
| FIN 13 | | | - | - | - | - | - |
| Total New Items / Amendments | | | (863.23) | (235.58) | 1,086.12 | 0.9 | 0.9 |
| STAFFING IMPLICATIONS | | | | | | | |
| Item No | Proposal/(Existing Budget) | Implications | FTE | FTE | FTE | FTE | FTE |
| | | | 24/25 | 25/26 | 26/27 | 27/28 | 28/29 |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| TOTAL | | | - | - | - | - | - |

| NEIGHBOURHOODS | | | | | | | |
|-------------------------------------|--|--------------|----------------|----------------|----------------|----------------|----------------|
| Item No | Proposal/(Existing Budget) | Implications | Budget Change | Budget Change | Budget Change | Budget Change | Budget Change |
| | | | 24/25 £'000 | 25/26 £'000 | 26/27 £'000 | 27/28 £'000 | 28/29 £'000 |
| NEI 1 | Realignment of Salaries Budgets following latest Pay Award | | 19.22 | (9.15) | 0.27 | 0.25 | 0.24 |
| Total New Items / Amendments | | | 19.22 | (9.15) | 0.27 | 0.25 | 0.24 |

| PARTNERSHIPS | | | | | | | |
|-------------------------------------|---|--------------|----------------|----------------|----------------|----------------|----------------|
| Item No | Proposal/(Existing Budget) | Implications | Budget Change | Budget Change | Budget Change | Budget Change | Budget Change |
| | | | 24/25 £'000 | 25/26 £'000 | 26/27 £'000 | 27/28 £'000 | 28/29 £'000 |
| PAR 1 | Remove budget for the St Peter's Community Centre, as the 5 year grant agreement for £9k per annum has ended. | | (9.00) | - | - | - | - |
| PAR 2 | Realignment of Salaries Budgets following latest Pay Award | | 36.14 | (17.16) | 0.55 | 0.50 | 0.44 |
| Total New Items / Amendments | | | 27.14 | (17.16) | 0.55 | 0.50 | 0.44 |

| ASSETS | | | | | | | |
|-------------------------------------|---|--------------|----------------|----------------|----------------|----------------|----------------|
| Item No | Proposal/(Existing Budget) | Implications | Budget Change | Budget Change | Budget Change | Budget Change | Budget Change |
| | | | 24/25 £'000 | 25/26 £'000 | 26/27 £'000 | 27/28 £'000 | 28/29 £'000 |
| AST 1 | The creation of a permanent Senior Adaptations Caseworker post (across both services) into the Disabled Adaptations Team to manage increased demand, support service improvements and overall delivery timescales. Projected Grade G (split GF and HRA) | | 45.01 | - | - | - | - |
| AST 2 | Recharge of the above post to Capital CA1004 78% | | (45.01) | - | - | - | - |
| AST 3 | Realignment of Salaries Budgets following latest Pay Award | | 19.44 | (9.24) | 0.29 | 0.30 | 0.27 |
| Total New Items / Amendments | | | 19.44 | (9.24) | 0.29 | 0.30 | 0.27 |

STAFFING IMPLICATIONS

| Item No | Proposal/(Existing Budget) | Implications | FTE | FTE | FTE | FTE | FTE |
|--------------|---|--------------|------------|----------|----------|----------|----------|
| | | | 24/25 | 25/26 | 26/27 | 27/28 | 28/29 |
| AST 1 | The creation of a permanent Senior Adaptations Caseworker post (across both services) into the Disabled Adaptations Team to manage increased demand, support service improvements and overall delivery timescales. Projected Grade G (split GF and HRA) | | 0.8 | - | - | - | - |
| TOTAL | | | 0.8 | - | - | - | - |

CHIEF EXECUTIVE

| Item | Proposal/(Existing Budget) | Implications | Budget | Budget | Budget | Budget | Budget |
|-------------------------------------|--|--------------|----------------|----------------|----------------|----------------|----------------|
| | | | 24/25 £'000 | 25/26 £'000 | 26/27 £'000 | 27/28 £'000 | 28/29 £'000 |
| CE 1 | Realignment of Salaries Budgets following latest Pay Award | | 13.58 | (6.49) | 0.15 | 0.15 | 0.16 |
| CE 2 | | | - | - | - | - | - |
| CE 3 | | | - | - | - | - | - |
| CE 4 | | | - | - | - | - | - |
| Total New Items / Amendments | | | 13.58 | (6.49) | 0.15 | 0.15 | 0.16 |

| GROWTH & REGENERATION | | | | | | | |
|-------------------------------------|--|--------------|----------------|----------------|--------------|--------------|-------------|
| Item No | Proposal/(Existing Budget) | Implications | Budget | Budget | Budget | Budget | Budget |
| | | | 24/25 | 25/26 | 26/27 | 27/28 | 28/29 |
| | | | £'000 | £'000 | £'000 | £'000 | £'000 |
| G&R 1 | To make the Regeneration Projects Officer post, which is currently a fixed term 3 year post, permanent, recognising the pipeline of Regeneration projects, including Gungate, LUF 3, Homes England, Amington Local Centre, Marmion House redevelopment, Solway CIs disposal, etc. The post is funded to 2025/26 via FHSF and Gungate capital budgets, and there is also the potential to offset future costs with expected grant from the Enterprise Zone Regional Investment Fund (subject to approval) | | - | - | 19.07 | 39.58 | 1.47 |
| G&R 2 | To establish an annual budget over three years for the delivery of Saxon Living History events in the Castle & Grounds | | 20.00 | - | - | (20.00) | - |
| G&R 3 | To establish indicative operational budgets for The Flex building, planned to be delivered by November 2024 as part of the FHSF regeneration programme, net of expected income. | | (2.88) | (11.93) | - | - | - |
| G&R 4 | Additional car parking income under scenario modelling re revised tariffs and charges approved by Cabinet November 23 | | (157.00) | - | - | - | - |
| G&R 5 | Realignment of Salaries Budgets following latest Pay Award | | 69.46 | (33.01) | (0.16) | 0.88 | 0.77 |
| G&R 6 | | | - | - | - | - | - |
| Total New Items / Amendments | | | (70.42) | (44.94) | 18.91 | 20.46 | 2.24 |
| STAFFING IMPLICATIONS | | | | | | | |
| Item No | Proposal/(Existing Budget) | Implications | 24/25 | 25/26 | 26/27 | 27/28 | 28/29 |
| | | | FTE | FTE | FTE | FTE | FTE |
| G&R 1 | To make the Regeration Projects Officer post, which is currently a fixed term 3 year post, permanent | | 1.00 | | | | |
| TOTAL | | | 1.00 | - | - | - | - |

| HOUSING REVENUE ACCOUNT - SUMMARY | | | | | | | | |
|-------------------------------------|--|--------------|----------------|----------------|----------------|----------------|----------------|--|
| Item No | Proposal/(Existing Budget) | Implications | Budget Change | Budget Change | Budget Change | Budget Change | Budget Change | |
| | | | 24/25 £'000 | 25/26 £'000 | 26/27 £'000 | 27/28 £'000 | 28/29 £'000 | |
| HRA 1 | Increase in service charges income due to additional cleaning service at new blocks at Wilnecote Day Centre (policy change HASS 4) | | (31.24) | - | - | - | - | |
| Total New Items / Amendments | | | (31.24) | - | - | - | - | |

| HOUSING REVENUE ACCOUNT - EXECUTIVE DIRECTOR COMMUNITIES | | | | | | | | |
|--|--|--------------|----------------|----------------|----------------|----------------|----------------|--|
| Item No | Proposal/(Existing Budget) | Implications | Budget Change | Budget Change | Budget Change | Budget Change | Budget Change | |
| | | | 24/25 £'000 | 25/26 £'000 | 26/27 £'000 | 27/28 £'000 | 28/29 £'000 | |
| HENV 1 | Realignment of Salaries Budgets following latest Pay Award | | 5.09 | (2.44) | 0.05 | 0.06 | 0.05 | |
| Total New Items / Amendments | | | 5.09 | (2.44) | 0.05 | 0.06 | 0.05 | |

HOUSING REVENUE ACCOUNT - ASSETS

| Item No | Proposal/(Existing Budget) | Implications | Budget Change | Budget Change | Budget Change | Budget Change | Budget Change |
|-------------------------------------|---|--------------|----------------|----------------|----------------|----------------|----------------|
| | | | 24/25 £'000 | 25/26 £'000 | 26/27 £'000 | 27/28 £'000 | 28/29 £'000 |
| HASS 1 | Budget provision to cover cost of using existing TBC employed Cleaners to ensure cleaning of HRA communal areas can continue to be carried out in the event that any current cleaning staff member becomes unavailable due to sickness or long term absence. In the last couple of years the demand to use Agency Cover for staff absence has increased significantly whilst the same level of cleaning is still expected to be carried out. | | 40.00 | (40.00) | - | - | - |
| HASS 2 | The creation of a permanent Senior Adaptations Caseworker post (across both services) into the Disabled Adaptations Team to manage increased demand, support service improvements and overall delivery timescales. Projected Grade G (split GF and HRA) | | 12.70 | - | - | - | - |
| HASS 3 | Recharge of the above post to Capital CR2008 22% | | (12.70) | | | | |
| HASS 4 | New low rise blocks have been built at the former Wilnecote Day Centre in Hockley. A full cleaning service will be required to clean all the communal areas of these buildings (properties have been built but as yet tenancy start dates have not yet been confirmed). There is no spare capacity within the current Cleaning Team to accommodate the additional cleaning required from the building of these new blocks. It is therefore proposed to create 1 x new full time Cleaner (37 hours per week). Cleaner will be required to undertake the cleaning of the communal areas of these new blocks and also help with delivering stock to various sites, carry out vacuum checks, carry out cleaning checks and any other daily cleaning duties required as well as being able to help out at other TBC communal areas to cover other Cleaners holidays and sickness. Post will be a Grade B position. | | 31.24 | | | | |
| HASS 5 | An additional van is also required on a hire basis similar to the one that is currently used by the HRA Cleaning team. Current vehicle being hired from Radius Vehicle Solutions at net cost of £3,900 per annum | | 4.00 | | | | |
| HASS 6 | Realignment of Salaries Budgets following latest Pay Award | | 39.54 | (18.72) | 0.60 | 0.57 | 0.53 |
| Total New Items / Amendments | | | 114.78 | (58.72) | 0.60 | 0.57 | 0.53 |

STAFFING IMPLICATIONS

| Item No | Proposal/(Existing Budget) | Implications | 24/25 | 25/26 | 26/27 | 27/28 | 28/29 |
|--------------|---|--------------|------------|---------------|----------|----------|----------|
| | | | FTE | FTE | FTE | FTE | FTE |
| HASS 1 | Budget provision to cover cost of using existing TBC employed Cleaners to ensure cleaning of HRA communal areas can continue to be carried out in the event that any current cleaning staff member becomes unavailable due to sickness or long term absence. In the last couple of years the demand to use Agency Cover for staff absence has increased significantly whilst the same level of cleaning is still expected to be carried out. Cleaners are graded B and £40,000 will equate to just over 49 hours (1.33 FTE) | | 1.3 | (1.33) | | | |
| HASS 2 | The creation of a permanent Senior Adaptations Caseworker post (across both services) into the Disabled Adaptations Team to manage increased demand, support service improvements and overall delivery timescales. Projected Grade G (split GF and HRA) | | 0.22 | | | | |
| HASS 4 | 1 Gr B FTE Cleaner for new low rise blocks at the former Wilnecote Day Centre in Hockley. | | 1.00 | | | | |
| TOTAL | | | 2.6 | (1.33) | - | - | - |

**HOUSING REVENUE ACCOUNT -
NEIGHBOURHOODS**

| Item No | Proposal/(Existing Budget) | Implications | Budget Change | Budget Change | Budget Change | Budget Change | Budget Change |
|-------------------------------------|--|--------------|----------------|----------------|----------------|----------------|----------------|
| | | | 24/25 £'000 | 25/26 £'000 | 26/27 £'000 | 27/28 £'000 | 28/29 £'000 |
| HNEI 1 | Budget provision to cover the cost of extending the temporary post `Resident Support Worker` at Eringden Block for a further year until March 2025 on a Grade E. Realignment of Salaries Budgets following latest Pay Award | | 41.43 | (41.43) | - | - | - |
| HNEI 2 | | | 86.63 | (44.12) | 1.07 | 1.04 | 0.91 |
| HNEI 3 | | | - | - | - | - | - |
| HNEI 4 | | | - | - | - | - | - |
| HNEI 5 | | | - | - | - | - | - |
| HNEI 6 | | | - | - | - | - | - |
| HNEI 7 | | | - | - | - | - | - |
| | | | | | | | |
| Total New Items / Amendments | | | 128.06 | (85.55) | 1.07 | 1.04 | 0.91 |

STAFFING IMPLICATIONS

| Item No | Proposal/(Existing Budget) | Implications | 23/24 | 24/25 | 25/26 | 26/27 | 27/28 |
|--------------|--|--------------|------------|--------------|----------|----------|----------|
| | | | FTE | FTE | FTE | FTE | FTE |
| HNEI 1 | Budget provision to cover the cost of extending the temporary post `Resident Support Worker` at Eringden Block for a further year until March 2025 on a Grade E. | | 1.0 | (1.0) | | | |
| | | | | | | | |
| TOTAL | | | 1.0 | (1.0) | - | - | - |

| HOUSING REVENUE ACCOUNT – ENVIRONMENT, CULTURE & WELLBEING | | | | | | |
|--|--|----------------|----------------|----------------|----------------|----------------|
| Item No | Proposal/(Existing Budget) | Budget Change | Budget Change | Budget Change | Budget Change | Budget Change |
| | | 24/25 £'000 | 25/26 £'000 | 26/27 £'000 | 27/28 £'000 | 28/29 £'000 |
| HOPS 1 | Realignment of Salaries Budgets following latest Pay Award | 11.82 | (5.59) | 0.20 | 0.17 | 0.14 |
| HOPS 2 | | - | - | - | - | - |
| Total New Items / Amendments | | 11.82 | (5.59) | 0.20 | 0.17 | 0.14 |

HOUSING REVENUE ACCOUNT - PEOPLE

| Item No | Proposal/(Existing Budget) | Implications | Budget Change | Budget Change | Budget Change | Budget Change | Budget Change |
|-------------------------------------|---|--------------------------------|----------------|----------------|----------------|----------------|----------------|
| | | | 24/25 £'000 | 25/26 £'000 | 26/27 £'000 | 27/28 £'000 | 28/29 £'000 |
| HPEO 1 | Realignment of Salaries Budgets following latest Pay Award To retain the post of Housing Repairs CSO Gr D on a permanent basis from April 2024 (currently a temporary post to 31.3.24) | To meet continuing high demand | 5.71 | (2.72) | 0.08 | 0.07 | 0.07 |
| HPEO 2 | | | 34.9 | - | - | - | - |
| Total New Items / Amendments | | | 40.61 | (2.72) | 0.08 | 0.07 | 0.07 |

STAFFING IMPLICATIONS

| Item No | Proposal/(Existing Budget) | Implications | 24/25 FTE | 25/26 FTE | 26/27 FTE | 27/28 FTE | 28/29 FTE |
|-------------------|---|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| HPEO 2 | To retain the post of Housing Repairs CSO Gr D on a permanent basis from April 2024 (currently a temporary post to 31.3.24) | To meet continuing high demand | 1.00 | | | | |
| TOTAL | | | 1.00 | - | - | - | - |

Appendix G

General Fund Five Year Revenue Budget Summary

| <i>Figures exclude internal recharges which have no bottom line impact.</i> | Base Budget 2023/24 | Budget 2024/25 | Budget 2025/26 | Budget 2026/27 | Budget 2027/28 | Budget 2028/29 |
|---|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ | £ | £ |
| Chief Executive | 1,890,420 | 1,903,070 | 1,895,210 | 1,884,270 | 1,872,910 | 1,861,280 |
| AD Growth & Regeneration | 945,870 | 784,660 | 810,830 | 841,420 | 899,140 | 934,350 |
| ED Organisation | 610,280 | 697,180 | 717,120 | 738,010 | 760,230 | 783,020 |
| AD People | 2,445,180 | 2,812,690 | 2,906,140 | 2,951,350 | 3,023,520 | 3,092,390 |
| AD Operations & Leisure | 3,824,980 | 4,071,440 | 4,198,230 | 4,088,370 | 4,121,680 | 4,191,710 |
| ED Finance | 90,630 | 92,960 | 95,310 | 97,870 | 100,520 | 103,190 |
| AD Finance | (2,638,720) | (3,947,340) | (919,540) | 556,890 | 652,960 | 854,870 |
| ED Communities | - | 0 | 0 | 0 | 0 | 0 |
| AD Assets | (125,610) | (19,920) | 10,790 | (296,880) | (267,570) | (238,310) |
| AD Neighbourhoods | 875,250 | 804,040 | 810,960 | 826,010 | 840,870 | 855,450 |
| AD Partnerships | 887,800 | 1,045,680 | 1,067,340 | 1,089,760 | 1,109,680 | 1,127,640 |
| Recharges | - | 0 | 0 | 0 | 0 | 0 |
| Total Cost of Services | 8,806,080 | 8,244,460 | 11,592,390 | 12,777,070 | 13,113,940 | 13,565,590 |
| Transfer from Business Rates Reserve | - | 0 | - | - | - | - |
| Net Cost | 8,806,080 | 8,244,460 | 11,592,390 | 12,777,070 | 13,113,940 | 13,565,590 |
| Transfer to / (from) Balances | (1,207,869) | (1,209,314) | (3,299,978) | (4,787,076) | (4,903,227) | (5,131,000) |
| Revenue Support Grant | (302,008) | (322,012) | (328,452) | (335,021) | (341,722) | (348,556) |
| Retained Business Rates | (13,581,271) | (14,264,551) | (15,407,082) | (15,715,224) | (16,029,528) | (16,350,119) |
| Less: Tariff payable | 10,686,850 | 11,172,962 | 12,361,073 | 13,138,695 | 13,401,468 | 13,669,498 |
| Collection Fund Surplus (Council Tax) | (59,581) | (33,000) | (33,000) | (33,000) | (33,000) | (33,000) |
| Collection Fund Surplus (Business Rates) | 260,300 | 1,151,630 | - | - | - | - |
| Council Tax Requirement | (4,602,501) | (4,740,175) | (4,884,951) | (5,045,444) | (5,207,931) | (5,372,413) |

Figures include proposed Policy Changes

Estimated Council Tax levels at each band for 2024/25

| Authority: | Tamworth Borough Council Tax 2023/24 | Tamworth Borough Council | * Staffordshire County Council | * Office of the Police & Crime Commissioner (OPCC) Staffordshire | * Staffordshire Commissioner Fire and Rescue Authority | Total 2024/25 | Total Council Tax 2023/24 |
|---|---|--------------------------------|---|--|---|----------------------|------------------------------|
| | £ | £ | £ | £ | £ | £ | £ |
| Demand/Precept on Collection Fund | | 4,740,175 | 35,575,845 | 6,399,671 | 2,037,251 | 48,752,942 | |
| Council Tax Band | | | | | | | |
| A | 131.26 | 134.59 | 1,010.15 | 181.71 | 57.85 | 1,384.30 | 1,341.96 |
| B | 153.14 | 157.03 | 1,178.50 | 212.00 | 67.49 | 1,615.02 | 1,565.63 |
| C | 175.01 | 179.46 | 1,346.86 | 242.28 | 77.13 | 1,845.73 | 1,789.28 |
| D | 196.89 | 201.89 | 1,515.22 | 272.57 | 86.77 | 2,076.45 | 2,012.94 |
| E | 240.64 | 246.75 | 1,851.94 | 333.14 | 106.05 | 2,537.88 | 2,460.25 |
| F | 284.40 | 291.62 | 2,188.65 | 393.71 | 125.33 | 2,999.31 | 2,907.58 |
| G | 328.15 | 336.48 | 2,525.37 | 454.28 | 144.62 | 3,460.75 | 3,354.90 |
| H | 393.78 | 403.78 | 3,030.44 | 545.14 | 173.54 | 4,152.90 | 4,025.88 |
| % increase | 2.83% | 2.54% | 2.99% | 4.61% | + | 3.16% | 3.07% |

* Assuming increases in Council Tax levels in line with the referendum limits. At the time of writing precept information for the County Council, OPCC and the Fire & Rescue Authority is still awaited.

Sensitivity Analysis

| | Risk | 2024/25 £'000 | 2025/26 £'000 | 2026/27 £'000 |
|---|------|------------------|------------------|------------------|
| Pay Award / National Insurance (GF) | | | | |
| Impact +/- 0.5% Variance £'000 | L | 215 | 328 | 445 |
| Budget Impact over 1 year | L | 215 | | |
| Budget Impact over 3 years | M | 988 | | |
| Budget Impact over 5 years | M | 1552 | | |
| Pay Award / National Insurance (HRA) | | | | |
| Impact +/- 0.5% Variance £'000 | L | 69 | 105 | 143 |
| Budget Impact over 1 years | L | 69 | | |
| Budget Impact over 3 years | L | 317 | | |
| Budget Impact over 5 years | M | 498 | | |
| Subject to negotiation for Local Government pay (including any protection for low paid employees) | | | | |
| Pension Costs | | | | |
| Impact +/- 0.5% Variance £'000 | L | 0 | 0 | 154 |
| Budget Impact over 1 year | L | 0 | | |
| Budget Impact over 3 years | L | 154 | | |
| Budget Impact over 5 years | M | 465 | | |
| 3 year agreement in place from 2023/24 - subject to stock market & membership changes | | | | |
| Council Tax | | | | |
| Impact on Council Tax income £'000 | | 19 | 46 | 74 |
| Budget Impact over 1 year | L | 19 | | |
| Budget Impact over 3 years | L | 139 | | |
| Budget Impact over 5 years | M | 243 | | |
| Inflation / CPI | | | | |
| Impact +/- 0.5% Variance £'000 | L | 279 | 425 | 571 |
| Budget Impact over 1 year | L | 0 | | |
| Budget Impact over 3 years | L | 0 | | |
| Budget Impact over 5 years | M | 0 | | |
| Government Grant | | | | |
| Impact +/- 1.0% Variance £'000 | L | 66 | 100 | 129 |
| Budget Impact over 1 year | L | 66 | | |
| Budget Impact over 3 years | L | 295 | | |
| Budget Impact over 5 years | M | 454 | | |
| Investment Interest | | | | |
| Impact +/- 0.5% Variance £'000 | L | 487 | 609 | 738 |
| Budget Impact over 1 year | L | 487 | | |

| | | | | |
|---------------------------------|---|-------|-----|-----|
| Budget Impact over 3 years | H | 1,834 | | |
| Budget Impact over 5 years | H | 2,700 | | |
| Key Income Streams (GF) | | | | |
| Impact +/- 10% Variance £'000 | L | 342 | 520 | 703 |
| Budget Impact over 1 year | L | 342 | | |
| Budget Impact over 3 years | H | 1,565 | | |
| Budget Impact over 5 years | H | 2,455 | | |
| Key Income Streams (HRA) | | | | |
| Impact +/- 1% Variance £'000 | L | 427 | 646 | 870 |
| Budget Impact over 1 years | L | 427 | | |
| Budget Impact over 3 years | H | 1,943 | | |
| Budget Impact over 5 years | H | 3,043 | | |
| New Homes Bonus | | | | |
| Impact +/- 10% Variance £'000 | L | 50 | 0 | 0 |
| Budget Impact over 1 year | L | 50 | | |
| Budget Impact over 3 years | L | 50 | | |
| Budget Impact over 5 years | M | 50 | | |
| Business Rates | | | | |
| Impact +/- 0.5% Variance £'000 | L | 278 | 433 | 590 |
| Budget Impact over 1 year | L | 278 | | |
| Budget Impact over 3 years | M | 1,301 | | |
| Budget Impact over 5 years | H | 2,051 | | |