

# NON-CONFIDENTIAL



## **Borough of Tamworth**

17 February 2025

Dear Councillor

You are hereby summoned to attend a **meeting of the Council of this Borough** to be held on **TUESDAY, 25TH FEBRUARY, 2025** at 6.10 pm in the **TOWN HALL, MARKET STREET, TAMWORTH**, for the transaction of the following business:-

### **AGENDA**

#### **NON CONFIDENTIAL**

**1 Apologies for Absence**

**2 To receive the Minutes of the previous meeting (Pages 3 - 18)**

**3 Declarations of Interest**

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

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

**4 To receive any announcements from the Mayor, Leader, Members of the Cabinet or the Chief Executive**

**5 Question Time:**

- (i) To answer questions from members of the public pursuant to Procedure Rule No. 10.
- (ii) To answer questions from members of the Council pursuant to Procedure Rule No. 11

**6 To consider the Motion on Notice moved under rule 4.10.10 at the meeting of Full Council on the 10th December 2024:**

That the matter of a Governance Review be referred to an appropriate Committee

**7 Corporate Vision, Priorities Plan, Budget & Medium Term Financial Strategy 2025/26 (Pages 19 - 184)**

*(Report of the Leader of the Council)*

**8 Local Government Boundary Commission for England's Review of Tamworth Borough Council Electoral Wards (Pages 185 - 206)**

*(Report of the Leader of the Council)*

Yours faithfully



**CHIEF EXECUTIVE**

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**Access arrangements**

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

**Filming of Meetings**

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

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

## **FAQs**

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

Marmion House  
Lichfield Street  
Tamworth

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## **MINUTES OF A MEETING OF THE COUNCIL HELD ON 21st JANUARY 2025**

**PRESENT:** Councillor G Coates (Mayor), Councillors C Bain, C Adams, N Arkney, B Clarke, L Clarke, M Clarke, R Claymore, T Clements, M Couchman, S Daniels, C Dean, S Doyle, D Foster, H Hadley, R Kingstone, K Norchi, J Oates, P Pallett, B Price, L Smith, S Smith, N Statham, P Turner, J Wadrup, L Wood and A Wells

The following officers were present: Stephen Gabriel (Chief Executive), Nicola Hesketh (Monitoring Officer) and Tracey Pointon (Legal Admin & Democratic Services Manager)

### **60 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors M Bailey, M Summers and T Jay.

### **61 TO RECEIVE THE MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 10<sup>th</sup> December 2024 were approved and signed as a correct record.

*(Moved by Councillor L Wood and seconded by Councillor M Couchman)*

### **62 DECLARATIONS OF INTEREST**

Councillor N Statham, declared an interest in item 6 as her employer is mentioned in one of the recommendations.

### **63 TO RECEIVE ANY ANNOUNCEMENTS FROM THE MAYOR, LEADER, MEMBERS OF THE CABINET OR THE CHIEF EXECUTIVE**

**The Mayor made the following announcement:**

I have a couple of events coming up on 19<sup>th</sup> February a Folk Music Concert at the Helping Hands Cafe to raise funds for my two charities, Changes and the Hygiene Bank. Thank you of for the Councillors who have supported me so far raising funds for these charities.

**Councillor S Daniels made the following announcement.**

Happy new year with our first meeting, Mayor you were there Tamworth versus Tottenham Hotspur, we know that score did not reflect how good that match was. And if you get chance read the social media comments, we had people from around the world talking about our Town, Tottenham fans even saying, 'they were robbed' and they had to bring on their most expensive players versus the plumber! I thought it was a really great day for the Town that bought us all together. And speaking of things that will bring us together I am looking forward to you curryoake another fund-raising event but away from the fact it is going to be a fun night the know the importance is about fundraising and raising awareness. I am a little bit nervous because you know me Mr Mayor, sometimes I go against protocol and can I invite one of the members of the opposition to speak because the 27<sup>th</sup> January is an important date in the National Calendar and can I ask Cllr T Clements to what the British legion is doing for national Holocaust Memorial day

**Councillor T Clements**

The Royal British Legion will be holding a short service of remembrance on Monday 27<sup>th</sup> January at 11.00am outside St Editha's church and a short remembrance so that we can remember and hop that none of these atrocities never happen again.

**64 QUESTION TIME:****QUESTIONS FROM MEMBERS OF THE PUBLIC NO. 1**

**Under Procedure Rule No 10, D Maycock, will ask the Portfolio Holder for People Services, Engagement and Leisure, Councillor L Smith, the following question:-**

Can Cllr Smith provide a detailed account of what actions he has personally overseen regarding the Armed Forces Covenant since it was added to his portfolio, including any interactions he has had with the Armed Forces Community?

**Response:-**

Tamworth was formally awarded the Silver Employee Recognition Scheme in September 2024 to recognise support for armed forces veterans seeking employment and have met some of the standards for the Gold Award. An updated plan Armed Forces Covenant plan, presented by the Portfolio Holder, was overseen the by Health and Wellbeing Scrutiny on 16th July 2024 and September 2024. The Committee endorsed a request to Cabinet for the appointment of an Armed Forces named Champion who was not a member of Cabinet. The previous Cabinet member that had this under their portfolio was a member of the Armed Forces The nomination and naming of the champion is at the Leader of the Council' discretion and we have suggested that Cllr Clements should be the Armed Forces Champion.

## **Supplementary**

Can Cllr Smith confirm whether the council still stands by its commitment when re-signing the Armed forces covenant particularly those who have been injured or bereaved.

### **Answer**

Yes definitely, the Council will be upholding everything to do with the Armed Forces Covenant

## **QUESTIONS FROM MEMBERS OF THE PUBLIC NO. 2**

**Under Procedure Rule No 10, D Maycock, will ask the Leader, Councillor C Dean, the following question:-**

Can Cllr Dean outline what measures the council has implemented to ensure financial assistance and support is accessible to the most vulnerable residents, including those affected by unaffordable housing costs?

### **Response:-**

Tamworth Borough Council introduced from April 2024 a Banded Council Tax Reduction Scheme for those who are most financially vulnerable.

Banded schemes mean less changes during the financial year, less Council Tax adjustment notices issued, and less changes to instalment plans, which overall makes budgeting household bills much easier for residents. We can confirm that this scheme will continue for the next financial year ensuring that we can support those most financially in need.

We will give financial guidance wherever possible but we also have a very good relationship with our third sector providers. For example Tamworth Advice Centre. We make referrals to them with the residents' permission.

Realistic payment arrangements will be an option based on individual circumstances. This has to be realistic as we have a duty to collect on behalf of all residents of the Borough.

There are council tax discounts and exemptions available dependant on the make-up of a household.

If a person is vulnerable we invite applications for a discretionary payment. This will be based on their income and expenditure.

In respect of Housing there is a discretionary housing payment process for those most in need. This too will be based on income and expenditure.

We would encourage residents struggling with their bills to go to our website and contact us if they wish to make an application.

Citizens Advice Mid-Mercia (Tamworth Advice Centre) provide a debt and generalist advice service for Tamworth, the service also runs a weekly outreach service from Sacred Heart Community Centre in Tamworth. Total number of clients the TAC April 2024- December 2024 and the financial gains for clients are detailed below:

	Quarter 1	Quarter 2	Quarter 3	Running Total
Number of clients	299	330	327	956
Financial Gains	£414,150	£479,570	£473,419	£1,367,139

The Council also provide funding to Tamworth Samaritans to sustain a Tamworth branch and delivering an Outreach Programme in Tamworth

During the period April 2024 – September 2024 Tamworth volunteers supported

- 4736 phone calls
- 1387 hours on the phone
- 389 e-mails responded to
- 7 people out of 10 say they feel better after speaking to a Samaritan

Through the council's community and voluntary sector grant schemes the following organisations have been supported, these organisations provide support to those vulnerable residents with cost-of-living, (please note this is not an exhaustive list).

Tamworth Hygiene Bank  
 Tamworth Foodbank  
 Changes

The council have enabled, through a number of UKSPF funded projects, assistance to vulnerable residents, these include:

Heart of Tamworth – provide low-cost food and clothing from their HoT shop. The pantry sells on average 98 low-cost food bags a week

CTCIC – provide a form filling service to support vulnerable residents access benefit claims, the service has seen 73 individuals within their own homes and has awarded benefits have totalled £192,230.

Dementia Caring – provide a TIME OUT CLUB - Fun activities for people living with dementia.  
 The Time Out Club has supported and engaged with 93 individuals.

Citizens Advice Mid-Mercia – funding received has enabled recruitment of additional volunteers who have helped provide additional advice to residents around debt. The volunteers have supported clients with nearly 1500 issues and identified financial gains of £350,000.



## Supplementary

Thank you Cllr Dean as we have just heard from Cllr Smith the Council stands by its pledge to uphold the Armed Forces Covenant especially those injured or bereaved, there are councils across the country that have implemented policies to specifically disregard income from Veterans compensation payments and recognise that these payments are for injuries sustained during military service. Can Councillor Dean explain why this Labour Council as chosen to exercise its discretion to include these payments which are designed to support veterans with disabilities in income calculations for discretionary housing payments when it is fully within the Councils ability without a policy change to disregard them.

## Answer

I was not aware, but I will take that back and write to you to let you know what our position is and I am quite surprised by what you are saying.

Under Rule 4.10.10 Councillor Clements moved the following motion

To refer to Cabinet for discussion to disregard in full any income received from the Armed Forces Compensation Scheme, War Pension Scheme and Armed forces independent Payments in all income assessments for discretionary housing payments and other relevant discretionary financial support schemes.

*(Moved by Councillor T Clements & seconded by Councillor P Turner)*

Under rule 4.17.4 a named vote was called and supported by Cllrs Turner, Clements, Claymore, Kingstone & Wadrup

For	Against	Abstain
Cllr C Adams		Cllr G Coates
Cllr N Arkney		
Cllr C Bain		
Cllr B Clarke		
Cllr L Clarke		
Cllr M Clarke		
Cllr R Claymore		
Cllr T Clements		
Cllr M Couchman		
Cllr S Daniels		
Cllr C Dean		
Cllr S Doyle		
Cllr D Foster		
Cllr H Hadley		
Cllr R Kingstone		
Cllr K Norchi		
Cllr J Oates		
Cllr P Pallett		

Cllr B Price		
Cllr L Smith		
Cllr S Smith		
Cllr N Statham		
Cllr P Turner		
Cllr J /Wadrup		
Cllr A Wells		
Cllr L Wood		

This motion was carried

### **QUESTIONS FROM MEMBERS OF THE PUBLIC NO. 3**

**Under Procedure Rule No 10, Mr Beetham, will ask the Leader, Councillor C Dean, the following question:-**

Was the leader of the council aware the Labour Party were going to abolish district and borough councils before the general election 2024?

**Response:-**

I can confirm that I wasn't aware of the white paper being put forward, but the Labour Manifesto does mention Devolution, and we at Tamworth as part of the Staffordshire Leaders Board were putting a proposal forward for the devolution deal but now government are looking at a Local Government re-organisation that's set out in the White paper

**Supplementary**

As you have just told us that the Labour Government didn't consult with a democratically elected council, can you confirm that if it's your intention for when the change is forced upon on us that you as Leader of the Council and other elected members in this chamber will write and lobby against delayed elections and let Tamworth residents have their democratic voice.

**Answer**

We are not anticipating that any of our elections in Tamworth will be delayed. We know for a fact that the Staffordshire County Council elections will be going ahead in Tamworth and together we have started a cross-party group to talk through the devolution and local reorganisation deal and we are bringing the whole Council together to look at how we are going to work on this and make sure that everybody is involved as they can be. But the other thing that we want to do is bring the residents in on this as well and it is important for us to have engagement with local residents so they have a say on how this will affect them.

### **QUESTIONS FROM MEMBERS OF THE COUNCIL NO. 1**

**Under Procedure Rule No 11, Councillor J Oates will ask The Leader, Councillor C Dean, the following question:-**

Could the leader of the council inform council when they became aware that building known as Ankerside Shopping Centre was potentially coming under into council control?

**Response:-**

The Council had been in ongoing discussions with REI over the viability of their tenancy of the centre since we were informed of a change in their structure in the autumn of 2022. On 16<sup>th</sup> March 2023 Cabinet was provided with an update on the position, this report outlined that one potential option was for the lease to be surrendered to the Council and this remained an option throughout the process.

Following receipt of information and proposals from REI in June 2024 it was agreed by Cabinet on 29<sup>th</sup> August 2024 that negotiations for surrender of the lease should commence.

Following a period of negotiation with REI the terms and final for the surrender of the lease were agreed by Cabinet on 21<sup>st</sup> November 2024.

During the negotiation process from August through to November updates were presented to Cabinet. Key Cabinet Members were also engaged in the process and were being updated on a regular basis. Additional meetings also took place with Scrutiny Chairs prior to the key decisions being made. And I hope you will agree that we are now in a better position to revitalise Ankerside to make best use of the Centre whatever that maybe for our residents and businesses

**Supplementary**

Thank you for the informative and comprehensive answer in public it is difficult to discuss things with commercial confidentiality. Based on the answer given and the length of time we have been aware of this and been dealing with this were the Labour Group all involved in consideration of the future of Ankerside when considering the reopening of the decommissioned Marmion House. We have a building with shop front access, reception style access, with offices etc. etc. coming back into council control was it considered when the decision was made to reinvest in Marmion House, and the reason I ask this is that as part of the reset and renewal paper in 2021 /2022 plans were drawn up to use parts of Ankerside on a rental basis, so I was just wondering if with the longevity of the negotiations whether that was considered and whether all the members of the group not just the Cabinet were involved in those discussions when the decisions were made about using Marmion House as opposed to the option of Ankerside was that considered or not.

**Answer**

I think the only thing I can say in answer to that question is our group were totally unanimous in their desire to see the front desk open in Marmion House. That is our home at the moment and for the foreseeable future especially with the

uncertainty with what is going to happen to local Government that it would seem a good reason for us to remain there and not to start looking for anywhere else at this present time. Our group were totally unanimous in their support that Marmion House is the right place.

## **QUESTIONS FROM MEMBERS OF THE COUNCIL NO. 2**

**Under Procedure Rule No 11, Councillor T Clements will ask Portfolio Holder for People Services, Leisure and Engagement, Councillor L Smith, the following question:-**

It is more important than ever to celebrate our identity as a council. Each year, showcasing events take place across the county. What does this council intend to do for Staffordshire Day to celebrate Tamworth's character, history, and heritage?

### **Response:-**

Staffordshire Day is a project led by SCC and their Visit Staffs team. There is not yet anything on their website for 2025 yet and they usually set a theme. The Borough Council are not aware yet of this year's theme yet, so it's a little difficult to plan specifics.

In terms of comms, we will support the county wide campaign, and link to #StaffordshireDay via a social media campaign. and where there are local events we promote those, and promote Tamworth heritage and castle in general.

Plans to celebrate and promote Tamworth's history and heritage are very much focussed again this year, working with partners, on Aethelstan 1100, 19th-27th July 2025.

Supplementary

## **QUESTIONS FROM MEMBERS OF THE COUNCIL NO. 3**

**Under Procedure Rule No 11, Councillor T Clements will ask Portfolio Holder for People Services, Leisure and Engagement, Councillor L Smith, the following question:-**

In a world of AI, photoshops and fake news, history can be airbrushed away. Holocaust Day is held on 27<sup>th</sup> Jan. This day is a reminder of the atrocities in our past and is held to stop any form of genocide from ever happening again. What is this council doing to ensure this terrible behaviour is not forgotten and never repeated as I haven't heard of any plans.

### **Response:-**

Tamworth Borough Council will honour Holocaust Memorial Day on Monday 27 January, by lighting the castle purple on the 80th anniversary of the liberation of Auschwitz-Birkenau, the largest Nazi death camp, and the 30th anniversary of the genocide in Bosnia.

Holocaust Memorial Day remembers all aspects of the Holocaust, Nazi persecution and subsequent genocides in Cambodia, Rwanda, Bosnia and Darfur. In remembrance of those who were killed, Tamworth Borough Council will light the castle purple from 4pm on 27 January, to Light the Darkness in memory of the victims of the Holocaust and other genocides, in tribute to the survivors and to take a stand against prejudice, discrimination and hatred today.

### **Supplementary**

To ask Cllr Smith that if this remains in his portfolio will you work with community groups and we have better communication on a calendar of events as these events happen on the same date every year we have already said what the RBL are doing and I am happy to work with Cllr Smith on giving you the events that we already have planned this year. We need to make sure that Tamworth is placed on the map and stays on the map for all the right reasons.

### **Answer**

Yes I completely agree with you and I am happy to work with you going forward.

## **QUESTIONS FROM MEMBERS OF THE COUNCIL NO. 4**

**Under Procedure Rule No 11, Councillor P Turner will ask The Leader, Councillor C Dean, the following question:-**

Will the leader of the council along with me, congratulate our hard working Country councillors for all hard work and endeavour's in getting our roads fixed?

### **Response:-**

I have to say I had to read your question several times to understand what it was asking me. I do try to give credit where its due however in this instance while the Tory County Councillors may have done their best, I don't consider that we can describe the roads of Tamworth as fixed. And I am sure there aren't many people who would, we all know our roads are in a terrible state so no I can't congratulate anyone with regard to the state of the roads and I think our residents would be amazed if I did. This weekend I was out campaigning with a petition about the potholes, and whilst everyone may not have been a Labour supporter they were more than happy to sign the petition and tell us how appalled they are with the state of the roads. Also to tell us how fed up they are with this situation, we get it all the time I have heard many stories about damage to vehicles and concerns about their safety especially in the dark and wet weather when they hit a pothole. There was also a lot of talk about some work that as been done and whetehr its appropriate work that's done. One is Peelers Way being resurfaced again and whether that's a good use of resource because our residents who speak to us at surgeries want to see their local roads done so together with my fellow Bolehall Councillors we have asked several times that the roads on our Estates are repaired but are told by the County that they don't have the funds. I would say that any work that as been done as not made an impact on our residents, and they are still very angry about the state of the roads in Tamworth

## Supplementary

My question was geared at Coton lane which as been completely repaired top to bottom and we are about to start Lichfield Street, Gungate and Comberford Road. With the recent closure of Coton Lane I heard many conversations of the complete and utter traffic congestion that caused lots of problems and inconvenience not only to residents but also to businesses. Would the council leader outline what lessons have been learned in regard to communicating this strategy as we are aware the list of works in hand by County for all our roads in town and when they are likely to be done. The reason I ask this question is that to inform residents about the traffic congestion and road closures whilst the repairs are being done its only common decency so we can plan our routes we can organise traffic movements and specifically how the Council can ensure timely and effective communication to minimize inconvenience to residents and the businesses to make their plans. I ask this question to address to the need for clear proactive communications which is crucial in maintaining public trust and minimising disruptions.

## Answer

I think you know that communications is something our group have been banging on about since we've been here but its one of the issues that we are really really concerned about and want to make sure that we get that right. We have found in quite a few arears that people don't feel fully informed so we are doing that piece of work and it's in our Corporate Peer Review about how we make better communications it's the one thing that makes the difference to out residents, we know it is they need to know what's going on and there was a very definite learning opportunity from what happened a couple of weeks ago it wasn't good for anybody.

## QUESTIONS FROM MEMBERS OF THE COUNCIL NO. 5

**Under Procedure Rule No 11, Councillor R Kingstone will ask The Leader, Councillor C Dean, the following question:-**

When the Dunstall Park development was approved a few years back a condition (no. 23) was applied that required improvement works to the Ventura Park Road and A453/Hints/Watling Street.

The condition stated, and I'm not going to read word for word what it actually says but to summarise, that plans for road improvement works should be submitted and constructed before any of the properties are to be occupied. In a nutshell, this should have involved a left-hand filter lane being constructed at the Mile Oak crossroads.

We are now some 7 to 8 years on since the application was approved, and the development has seen properties occupied for 4 to 5 years but no infrastructure improvements.

What are the leaders' views on this apparent breach of planning conditions?

**Response:-**

Thank you for your question councillor. The original full application is 0308/2016. Application 0080/2020 was submitted to discharge the condition relating to highway improvement works which was formally signed off on 9<sup>th</sup> July 2020. To be able to sign off the condition Staffordshire County Council highways were consulted as highways authority and were satisfied with the plans received from the developer.

The planning team have been chasing Staffordshire highways following a request from Cllr Kingstone prior to Christmas on this matter and have yet to receive a response. The planning team will continue to chase and provide a response when available. On a personal level I can understand everyone's frustration when a condition appears to have been breached and I am going to personally ask the officers to keep me informed when the response comes in and if needed I am quite happy to raise this matter with the Leader of Staffordshire County Council

### **Supplementary**

It's been some two months now that I've been chasing with our planning department a response to this question about the infrastructure improvement and I know our planning Department have been pressuring SCC and the Highways team for a response with nothing coming back. We are going to see more developments across the town and it really concerns me that we have got to a position where a development as large of the Dunstall Park estate has been allowed to progress without enforcement of these conditions we've all seen in recent weeks and I've drove through the other day coming back from Good Hope hospital during the middle of the day the Ques of traffic approaching the Mile Oak crossroads that now run down towards the garden centre and sometimes beyond at weekends so its clear that our house building programme is having an impact on our infrastructure, so as well as chasing this can the leader ensure that SCC is pressures into ensuring that enforcement action is taken to ensure that any developments in the future that we see coming before us has the proper infrastructure improvements carried out. I know we get them attached as conditions but what concerns me is how many developments have we seen go ahead without those infrastructure improvements. We see them as a condition on the application then years pass does nothing happen. In this case it would appear so, so can we have some assurance that you will task out planning team and I know they are under a great deal of pressure and they do a fantastic job but can we have some pressure applied to chase these conditions to ensure that they actually go through.

### **Answer**

Yes, I am quite happy to take that task on and I'm aware of the issue that as come to light around the new estate so we have quite a big problem here. As you know we are now at the point where we are saying no more in Tamworth, we can't have anything else that will put a strain on our infrastructure, so we need to make sure that the conditions that were there re bought forward. Its only right for all of us because impacts on all of us. It took me two hours to get out of Tamworth the other morning.

**QUESTIONS FROM MEMBERS OF THE COUNCIL NO. 6**

**Under Procedure Rule No 11, Councillor S Smith will ask The Portfolio Holder for Housing, Homelessness and Planning, Councillor B Clarke the following question:-**

It's approaching a year since the independent review of Leaseholder Charges was released, which revealed instances of incompetence and poor customer service by the Council. Since taking control of the Council last year, could the Portfolio Holder update members on any actions taken or implemented within the Council to address these issues? Additionally, have any personnel within the Assets Department been held accountable or received additional training?

Addressing these concerns is vital for rebuilding trust with leaseholders and ensuring that such shortcomings are not repeated

**Response:-**

On 9<sup>th</sup> October 2024 Corporate Scrutiny received a report to update on a Review of Leaseholder charging which was subsequently considered by Cabinet on 10<sup>th</sup> October 2024. Since this time the Council has undertaken a number of improvements arising from this review and relating to leaseholder service charges including-

- A revised suite of letters has been produced for the consultation process
- A draft policy has been produced and is being finalised ready for implementation and publication
- The finance team has confirmed payment terms and conditions
- Final costings for roofing works that form part of the review have been agreed
- Stage 3 consultations have begun for those roofing works included as part of the review process
- Stock condition survey work is progressing to remove the use of cloned data in the development of future programmed works

In addition to the above, as part of the Councils overall approach to continuous improvement the Council is undertaking a service transformation exercise relating to the full range of services included in the Assets area. Consideration has also been given to the level of the level of staffing resource available in relevant service areas with consideration currently being given to potential additional investment in these services as part of budget proposals.

In relation to the request to identify if personnel within the Assets Department been held accountable, I don't believe that it is appropriate to provide details of the management of team members either directly or implicitly so I will not be responding to that aspect of the question.

**Supplementary**

One thing to mention on that is that although in Autumn last year the draft report by the consultants came to Cabinet its worth bearing in mind that the first draft



went to the officers in April last year, so they have it almost a year and that draft as not changed since it's publication. I do think that you've not really addressed in terms of who has been accountable but I'm not asking for names, but I do think it's pertinent to ask any specific information around that and any other points. Do you think it's important we recognise there is a growing perception particularly Labour politicians often refrain from holding Public sector bodies to account as elected councillors our residents expect us to ensure Officers are responsible for their actions you mentioned at last years Scrutiny committee that we trust our officers, while we certainly aim to trust the intentions of the Council and its staff it's crucial for us to address issues proactively, if we don't call out problems when they arise we risk failing in our duties to those that we represent. Given the time gone since the independent review could you elaborate on how you are upholding accountability in this matter and ensure that trust is justified.

### **Answer**

I am meeting every day with officers and all business that we go through is available to scrutinise which I would invite you to do. As I have said before in previous Cabinets I have faith and trust that officers do good work but that doesn't mean we can't be scrutinized further so if this is something you think is worth scrutinizing bring it to the committee and we're happy to attend.

### **QUESTIONS FROM MEMBERS OF THE COUNCIL NO. 7**

**Under Procedure Rule No 11, Councillor S Smith will ask The Portfolio Holder for Cooperative Council, Community Partnerships and ASB, Councillor S Daniels the following question:-**

Given the significant increase in funding for our council from the Asylum Dispersal Grant—where Contingency Accommodation funding has risen from £107,250 in 2023/24 to £182,000 in 2024/25 (an increase of £74,750), and with new Dispersed Accommodation funding of £21,000 in 2024/25—resulting in a total funding increase of £95,750—can the council assure us that this increase in funding will not lead to the neglect or reduction of resources and provisions for our existing homeless population who are not categorised as asylum cases?

What measures are being taken to ensure that the needs of all vulnerable residents are fully met, and that support for existing homelessness services is

maintained or enhanced alongside our commitments under the Asylum Dispersal Scheme.

### **Response:-**

Tamworth Borough council has been granted funding under our obligation to support asylum dispersal under the Immigration and Asylum Act 1999, amended to a Full Dispersal model introduced for all local authorities on 13 April 2022.

The Asylum dispersal funding is specifically designed to alleviate the pressure on local services and support community cohesion initiatives and granted to councils

as new burdens wrap around fund for community support, activities and volunteer opportunities whilst in contingency or dispersed accommodation.

Housing advice and personal housing plan can be offered on receipt of positive decision as it is with any other person who may be at risk of homelessness. The funding, if required, can be used to enhance capacity within homelessness support to ensure that this does not have any negative impact on the existing housing register or current officer caseloads.

It is the intention of the Home Office to put in processes to move asylum seekers from contingency accommodation to dispersed accommodation prior to receipt of decision, however this may not be possible. The grant funding has enabled (and will enable) the council to fund additional staff as necessary, put in processes to ensure that the service users can access housing advice as necessary through existing channels and to provide support whilst they are within the Tamworth community.

Any asylum seeker who receives a right to stay is permitted to seek advice and will be advised in the same way as any other resident. There is no automatic right to accommodation or allocation for priority need over and above any other person with each case being individually assessed.

### **Supplementary**

First of all, thank you for that precise answer and thank you for publicising the various contact methods for those in vulnerable situations I do agree that we should do as much as we can to ensure that is advertised and, I share also in complimenting ex Cllrs Cook & Maycock for their help and support with Ukrainian refugees. I just want to mention I believe its important the potential ripple effect of the asylum dispersal grant on housing affordability may I enquire if you are aware of any current or future increases in private rental costs within our community as a result of this particular grant.

### **Answer**

At this exact time no but its my duty of care to make sure I find out the answer and will contact you directly Cllr Smith thank you for asking it.

**65 TO CONSIDER THE FOLLOWING MOTION, NOTICE OF WHICH HAS BEEN DULY GIVE IN ACCORDANCE WITH PROCEDURE RULE NO. 4.12.1 BY COUNCILLORS J OATES, S SMITH, T JAY, M SUMMERS AND T CLEMENTS**

Under rule 4.23.1 Councillor J Oates moved the suspension of rule 4.14.5 that A member who has spoken on a motion may not speak again whilst it is the subject of debate for the remainder of the meeting.

*(Moved by Councillor J Oates and seconded by Councillor T Clements)*

This motion was not carried

Council considered the following motion, notice of which has been duly give in accordance with Procedure Rule No. 4.12.1 by Councillors J Oates, S Smith, T Jay, M Summers and T Clements.

Following the announcement of the abolition of district and borough councils.

- A. Tamworth Borough Council Objects to the proposals and reaffirms the importance of local service delivery and democracy
- B. Asks the MP to both condemn and oppose these changes in the House of Commons
- C. Consider transferring local cultural, historical, community, and recreational facilities to local parish councils

*(Moved by Councillor J Oates and seconded by Councillor P Turner)*

These motions were not carried Councillor Natalie Statham did not vote on this item.

**66 TO CONSIDER THE FOLLOWING MOTION, NOTICE OF WHICH HAS BEEN DULY GIVE IN ACCORDANCE WITH PROCEDURE RULE NO. 4.12.1 BY COUNCILLORS J OATES, S SMITH, T JAY, M SUMMERS AND T CLEMENTS**

Council considered the following motion, notice of which has been duly give in accordance with Procedure Rule No. 4.12.1 by Councillors J Oates, S Smith, T Jay, M Summers and T Clements.

Council requests that Cabinet reviews the decision (re Marmion House) following the announcement of the abolition of district and borough councils, further spending on the temporary home of Tamworth Borough Council and its reception at Marmion House should be halted. This decision aligns with the government's devolution white paper, which signals the end of district councils.

*(Moved by Councillor J Oates and seconded by Councillor P Turner)*

Councillor R Kingstone moved an amendment to the motion that the following is added - that this council requests that the Cabinet halts the work on re-opening the Council Chamber at Marmion House and we continue to hold Council meetings at the Town Hall.

*(Moved by Councillor R Kingstone and seconded by Councillor S Doyle)*

This amendment was not carried.

Council then voted on the original motion

That Council requests that Cabinet reviews the decision (re Marmion House) following the announcement of the abolition of district and borough councils, further spending on the temporary home of Tamworth Borough Council and its reception at Marmion House should be halted. This decision aligns with the government's devolution white paper, which signals the end of district councils.

*(Moved by Councillor J Oates and seconded by Councillor P Turner)*

This motion was not carried

## **67 EXCLUSION OF THE PRESS AND PUBLIC**

To consider excluding the Press and Public from the meeting by passing the following resolution:-

“That in accordance with the provisions of the Local Authorities (Executive Arrangements) (Meeting and Access to Information) (England) Regulations 2012, and Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during the consideration of the following business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 3 of Part 1 of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public”

At the time this agenda is published no representations have been received that this part of the meeting should be open to the public

*(Moved by Councillor L Wood and seconded by Councillor B Price)*

## **68 FUTURE HIGH STREET FUND UPDATE**

Report of the Leader of the Council.

RESOLVED that Council:

1. Approved the recommendations in the report.

*(Moved by Councillor C Dean and seconded by Councillor D Foster)*

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The Mayor

## CABINET

20<sup>th</sup> February 2025

## COUNCIL

25<sup>th</sup> February 2025

### Report of the Leader of the Council

#### Corporate Vision, Priorities Plan, Budget & Medium Term Financial Strategy 2025/26

#### Purpose

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

- To approve the **Vision Statement, Priority Themes, Corporate Priorities and Plans** and their inclusion in the **Corporate Plan (attached at Appendix 1)**.
- To approve the recommended package of budget proposals (**attached at Appendix 2**) to enable the Council to agree the:
  - General Fund (GF) Revenue Budget and Council Tax for 2025/26;
  - Housing Revenue Account (HRA) Budget for 2025/26;
  - 5 Year General Fund Capital Programme (2025/30);
  - 5 Year HRA Capital Programme (2025/30);
  - 3 Year General Fund Medium Term Financial Strategy (MTFS) (2025/28); and
  - 5 Year HRA Medium Term Financial Strategy (MTFS) (2025/30).
- To comply with the requirement of the Council's Treasury Management Policy in reporting to Council the proposed strategy for the forthcoming year and the Local Government Act 2003 with the reporting of the Prudential Indicators (**attached at Appendix 3**) and the requirement to prepare an annual Corporate Capital Strategy (**Appendix A of the MTFS**).

## Recommendations

That Council approve:

1. the Vision Statement, Priority Themes, Corporate Priorities and Outcomes for 2025 – 2030 (Appendix 1)
2. the proposed revisions to Service Revenue Budgets (Policy Changes) (Appendix E of the MTFS);
3. the sum of £33,143 be applied from Council Tax Collection Fund surpluses in reducing the Council Tax demand in 2025/26 (Table 16, Section 7.8 of the MTFS);
4. the sum of £92,642 be applied to Business Rates Collection Fund deficits in 2025/26 (Table 16, Section 7.8 of the MTFS);
5. that on 12<sup>th</sup> December 2024, the Cabinet calculated the Council Tax Base 2025/26 for the whole Council area as 23,596 [Item T in the formula in Section 31B(3) of the Local Government Finance Act 1992, as amended (the "Act")];
6. that the Council Tax requirement for the Council's own purposes for 2025/26 is £4,925,901 (Appendix F and Appendix H of the MTFS);
7. the following amounts as calculated for the year 2025/26 in accordance with Sections 31 to 36 of the Act:
  - a. £4,925,901 being the amount calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year (Item R in the formula in Section 31A(4) of the Act);
  - b. £208.76 being the amount at 6 (a) above (Item R), all divided by Item T (at 4 above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year;
8. the Council Tax level for the Borough Council for 2025/26 of £208.76 (an increase of £6.06 (2.99%) on the 2024/25 level of £202.70) at Band D;
9. an aggregate Council Tax (comprising the respective demands of the Borough Council, Staffordshire County Council, Office of the Police and Crime Commissioner Staffordshire and Stoke-on-Trent and Staffordshire Fire and Rescue Authority) of £2,209.81 at Band D for 2025/26 be noted (£2,107.68 in 2024/25) (Appendix H of the MTFS);
10. the Council Tax levels at each band for 2025/26 (Appendix H of the MTFS);
11. In accordance with Section 11c of the Levelling Up and Regeneration Act 2023, a discretionary council tax premium of 100% on second homes and empty homes to be implemented with effect from 1<sup>st</sup> April 2026;
12. the sum of £148,939 be transferred to General Fund Revenue Balances in 2025/26 (Appendix F of the MTFS);
13. the Summary General Fund Revenue Budget for 2025/26 (Appendix F of the MTFS);
14. the Provisional General Fund Budgets for 2026/27 to 2027/28, summarised at Appendix F of the MTFS, as the basis for future planning;

- 15. minimum level for balances of £500k to be held for each of the General Fund, Housing Revenue Account, General Capital Fund and Housing Capital Fund;**
- 16. Cabinet be authorised to release funding from the General Contingency budget and that the release of funding for Specific Contingency items be delegated to the Corporate Management Team in consultation with the Leader of the Council;**
- 17. proposed HRA Expenditure level of £19,713,680 for 2025/26 (Appendix I of the MTFS);**
- 18. rents for Council House Tenants for 2025/26 be set at an average of £110.40 (2024/25 £107.50), over a 48 week rent year (including a 2.7% increase in line with the Government's updated Rent Standard for 2025/26);**
- 19. rents for Council House Tenants due for 52 weeks in 2025/26 be collected over 48 weeks;**
- 20. the HRA deficit of £409,240 be transferred from the Housing Revenue Account Balances in 2025/26 (Table 18, Section 8.8 of the MTFS);**
- 21. the proposed 5 year General Fund Capital Programme of £7,162,780, as detailed in Appendix 1 to the MTFS;**
- 22. the proposed 5 year Housing Capital Programme of £51,047,190, as detailed in Appendix 1 to the MTFS;**
- 23. to delegate authority to Cabinet to approve/add new capital schemes to the capital programme where grant funding is received or there is no net additional cost to the Council;**
- 24. the Treasury Management Strategy Statement, the Treasury Management Policy Statement, Minimum Revenue Provision Strategy and Annual Investment Statement 2025/26 (as detailed at Appendix 3);**
- 25. the Prudential and Treasury Indicators and Limits for 2025/26 to 2027/28 contained within Appendix 3 to the MTFS;**
- 26. the detailed criteria of the Investment Strategy 2025/26 contained in the Treasury Management Strategy; and**
- 27. the Corporate Capital Strategy and associated Action Plan (as detailed at Appendix 1 of the MTFS).**

## 1 Executive Summary

1.1 Based on the draft budget assumptions contained within the report, the headline figures for 2025/26 are:

- A General Fund Net Cost of Services of £8,646,540;
- A transfer of £148,939 to General Fund balances;
- The Band D Council Tax would be set at £208.76, an increase of £6.06 (2.99% - £0.12 per week) on the level from 2024/25 of £202.70;
- A transfer of £409,240 from HRA balances;
- General dwelling Rent increases will be increased by 2.7%, being CPI +1%. This will increase average rent from £107.50 in 2024/25 to £110.40.
- A 2025/26 General Fund Capital Programme of £2,512,070 (£7.163m over 5 years);
- A 2025/26 Housing Capital Programme of £11,147,590 (£51.047m over 5 years).

## Background

### 2 Vision, Strategic Priorities & Plans

2.1 A new refocused vision to reflect new priorities for the Council and the associated 5 year Corporate Plan for 2025 to 2030 has been developed.

2.2 We have engaged as broadly as possible to develop our Corporate Plan, holding surveys and drop-in sessions to help us to identify and prioritise the outcomes, seeking feedback from specific groups and communities alongside workshops with staff and councillors to refine our priority outcomes for the borough.

2.3 Our vision is '**Building a better Tamworth.**'

2.4 The vision details four key areas of focus for the borough; including the key outcomes we are seeking to achieve and how we will work to achieve them.

2.5 **Our primary areas of focus are:**

- **Prosperity and Place**
- **Environment**
- **Community Wellbeing**
- **Council**

2.6 Each priority has several supporting areas of focus and progress will be achieved through the delivery of corporate and transformational projects; each having



clearly defined objectives and outcomes. These are detailed in Appendix 1 and will be supported by an Annual Delivery Plan that will link to an updated performance framework.

2.7 Alongside our new vision and priorities, we have refreshed our values and behaviours which underpin how we will work to deliver them. These are:

- **Own it! Demonstrating accountability & professionalism**
- **Speak up with integrity & challenge poor behaviours**
- **A caring Council operating with compassion & openness**
- **Working as one team**
- **Customer Focussed**
- **Heads Up**

### **3 Medium Term Financial Strategy (MTFS)**

3.1 The MTFS builds on the Draft Base Budget Forecast Report for 2025/26 to 2029/30 considered by Cabinet on 23<sup>rd</sup> January 2025 and Budget Scrutiny Committee on 28<sup>th</sup> January 2025.

3.2 The (MTFS) is attached in full in Appendix 2.

3.3 On 5<sup>th</sup> February 2025, the Minister for Housing, Communities and Local Government published a written ministerial statement on the 2025/26 local government finance settlement. The one year settlement is reflected in this budget report. The uncertainty over the next 3 to 5 years in terms of local government funding continues, pending the promised three year settlement from 2026/27 and planned business rates reset.

3.4 The budget proposals included in the MTFS reflect the need to compensate for reduced income levels arising from the uncertain economic conditions and continuing cost pressures along with potentially significant 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.

3.5 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**

<b>Year:</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
<b>Forecast:</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Impact of increases in Council tax of £5.00</b>					
Surplus (-) /Deficit	(124)	3,930	3,801	3,874	4,067
Balances Remaining (-) / Overdrawn	(8,729)	(4,799)	(998)	2,877	6,944
<b>Impact of 2.99% increases in Council tax</b>					
Surplus (-) /Deficit	(149)	3,876	3,712	3,747	3,895
Balances Remaining (-) / Overdrawn	(8,754)	(4,878)	(1,166)	2,580	6,475
<b>Impact of Zero increases in Council tax</b>					
Surplus (-) /Deficit	(6)	4,167	4,158	4,352	4,667
Balances Remaining (-) / Overdrawn	(8,611)	(4,444)	(286)	4,066	8,733

- 3.6 All options leave the Council facing a deficit in 2026/27 and beyond which require the use of reserves to balance the budget.
- 3.7 Existing General Fund reserves would be insufficient to cover deficit levels beyond 2025/26 if Council Tax is not increased at all.
- 3.8 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 2027/28. However, for either option, there remains a significant ongoing deficit. Whilst this can be met from General Fund reserves over the short term, savings approaching £3.5m per year are required from 2028/29 in order to balance the budget.
- 3.9 A General Fund five year revenue budget summary assuming a 2.99% increase in Council Tax is shown in Table 2 below.

**Table 2 – 5 Year Base Budget forecast assuming 2.99% increase in Council Tax**

Summary	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000
<b>Net Cost of Services</b>	<b>8,647</b>	<b>12,001</b>	<b>12,072</b>	<b>12,348</b>	<b>12,746</b>
<b>Financing:</b>					
RSG	363	370	378	385	393
Collection Fund Surplus/(Deficit) (Council Tax)	33	33	33	33	33
Collection Fund Surplus/(Deficit) (Business Rates)	(93)	-	-	-	-
Tariff Payable	(11,311)	(12,547)	(12,798)	(13,054)	(13,315)
Non Domestic Ratepayers	14,877	15,175	15,478	15,788	16,104
Council Tax Income	4,926	5,095	5,269	5,449	5,636
<b>Gross Financing</b>	<b>8,795</b>	<b>8,126</b>	<b>8,360</b>	<b>8,601</b>	<b>8,851</b>
<b>Surplus (-)/Deficit</b>	<b>(148)</b>	<b>3,875</b>	<b>3,712</b>	<b>3,747</b>	<b>3,895</b>
<b>Balances Remaining (-) /Overdrawn</b>	<b>(8,754)</b>	<b>(4,879)</b>	<b>(1,167)</b>	<b>2,580</b>	<b>6,475</b>

#### **4 Financial Resilience Plan**

- 4.1 The development and implementation of a Financial Resilience Plan is needed in the short/medium term to ensure the long term financial sustainability of the Council. Even with implementing the maximum available increase in Council Tax, the Council faces significant financial challenges. Budgets are currently being balanced by the use of reserves and balances which is not sustainable, and this was reflected in the recent LGA Corporate Peer Challenge report, which recommended that the Council develops a clear savings plan incorporating tangible, costed and deliverable savings with robust senior management and member oversight.
- 4.2 The Financial Resilience Plan included at Appendix J of this report includes a number of workstreams under Income maximisation; Financial Management; and Service Transformation/Organisational Review headings. Progress in a number of areas has already been made, for example identification of year on year underspends, and zero-based budgeting reviews, which have been reflected in the policy changes detailed at Appendix F.
- 4.3 Members will be required to make difficult decisions about funding services in the future. However, the savings and efficiencies prioritised in the Financial Resilience Plan will be essential to avoid the need for an application to the

Government for exceptional financial support in future years or ultimately the issuing of a S114 Notice, in effect declaring the Council 'bankrupt'.

## 5 Housing Revenue Account

5.1 The HRA budgets have been updated to reflect technical and policy changes (See Section 8 of the MTFs for further details).

5.2 Assuming increases in Rent capped CPI+1% (2.7%) 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>	<b>Base Budget 2024/25</b>	<b>Budget 2025/26</b>	<b>Budget 2026/27</b>	<b>Budget 2027/28</b>	<b>Budget 2028/29</b>	<b>Budget 2029/30</b>
	£	£	£	£	£	£
HRA Summary	(6,218,000)	(5,013,820)	(5,320,300)	(5,667,670)	(6,021,980)	(6,391,230)
ED Communities	28,960	30,540	32,790	35,490	38,230	41,030
AD People	297,270	-	4,240	8,750	13,390	18,150
AD Env, Culture & Wellbeing	419,370	451,320	462,670	473,300	483,550	494,150
AD Assets	223,510	494,050	484,230	515,990	547,010	576,600
AD Neighbourhoods	4,195,090	4,447,150	4,408,300	4,501,300	4,583,920	4,666,070
<b>Net Cost of Services</b>	<b>(1,053,800)</b>	<b>409,240</b>	<b>71,930</b>	<b>(132,840)</b>	<b>(355,880)</b>	<b>(595,230)</b>
<b>Balances B/Fwd</b>	<b>(2,275,475)</b>	<b>(3,329,275)</b>	<b>(2,920,035)</b>	<b>(2,848,105)</b>	<b>(2,980,945)</b>	<b>(3,336,825)</b>
<b>Balances C/Fwd</b>	<b>(3,329,275)</b>	<b>(2,920,035)</b>	<b>(2,848,105)</b>	<b>(2,980,945)</b>	<b>(3,336,825)</b>	<b>(3,932,055)</b>

5.3 Table 3 shows that Housing Revenue Account balances are expected to be £3.0m at the end of 2027/28, steadily increasing. 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 2).

## 6 Treasury Management Strategy / Prudential Code

6.1 The Treasury Management Strategy Statement and report attached at Appendix 3 outlines the Council's Prudential Indicators for 2025/26 to 2027/28 and sets out the expected Treasury operations for this period.

6.2 CIPFA published the updated Treasury Management and Prudential Codes on 20th December 2021. The Code has been fully implemented in the Council's 2025/26 Treasury Management Strategy.

## 7 Options Considered

- 7.1 As part of the budget setting process a number of options for the council tax increase levels for 2025/26 and future years have been modelled / considered.

<b>Council Tax</b>	<b>Option Modelled / Considered</b>
<b>Model 1</b>	<b>2.99% (£6.06) increase in Council tax in 2025/26 (followed by increases of 2.99%pa thereafter)</b>
Model 2	£5 (2.47%) increase in Council tax in 2025/26 (followed by increases of £5pa thereafter.)
Model 3	0% increase in Council tax in 2025/26 (followed by increases of 0% thereafter)

## **8 Resource Implications**

- 8.1 As detailed in the body of this report.

## **9 Legal / Risk Implications**

- 9.1 Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides. In the view of the Interim Executive Director Finance, the budget proposals enclosed within this report include estimates which take into account circumstances and events which are reasonably foreseeable at the time of preparing the budget. The level of reserves remains adequate for the Council based on this budget and the circumstances in place at the time of preparing it. A full statement from the Interim Executive Director of Finance is included in the MTFs at Appendix G.
- 9.2 The Council's constitution requires Cabinet publish initial proposals for the budget, having first canvassed the views of local stakeholders as appropriate - budget proposals were considered at the Joint Scrutiny Committee (Budget) meeting on 28<sup>th</sup> January 2025. In line with the constitution a Leaders Budget Workshop was held on 18<sup>th</sup> November 2024 to outline the issues affecting the MTFs arising from the base budget forecast.
- 9.3 The budget has been set following extensive consultation with the people of Tamworth. This includes feedback and responses from the Annual Survey consultation exercise.
- 9.4 Approval of Prudential Indicators and an Annual Investment Strategy is a legal requirement of the Local Government Act 2003. Members are required under the CIPFA Code of Practice to have ownership and understanding when making decisions on Treasury Management matters.
- 9.5 The Key Risks associated with the Revenue and Capital Forecasts are detailed in Section 3.8 of the MTFs.

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

## 10 Sustainability Implications

10.1 At its meeting on 19<sup>th</sup> November 2019, Tamworth Borough Council declared a Climate Emergency together with specific actions including to ensure that all reports in preparation for the budget cycle and investment strategy will take into account the actions the Council will take to address this emergency (minute 18 refers).

10.2 The Capital Budget specifically includes:

- £635k in 2025/26 for caddies and vehicles for the collection of food waste (funded from Government grant)
- £5.4m over 5 years for works to achieve zero carbon in the housing stock.
- £20k per year for Energy Efficiency Upgrades to Commercial and Industrial Units.
- £2.9m over 5 years for heating upgrades and renewals in the HRA stock.
- £539k over 5 years for damp and mould works.

### Report Author:

If Members would like further information or clarification prior to the meeting please contact Jo Goodfellow, Interim Executive Director Finance – tel. 709241.

<b>Background Papers:-</b>	<b>Corporate Vision, Priorities Plan, Budget &amp; Medium Term Financial Strategy 2024/25, Council 27<sup>th</sup> February 2024</b>
	<b>Budget and Medium Term Financial Planning Process, Cabinet 29<sup>th</sup> August 2024</b>
	<b>Leaders Budget Workshop, 18<sup>th</sup> November 2024</b>
	<b>Draft Base Budget Forecasts 2025/26 to 2029/30, Cabinet 21<sup>st</sup> November 2024</b>
	<b>Treasury Management Strategy Statement &amp; Annual Investment Strategy Mid-Year Review Report 2024/25, Council 10<sup>th</sup> December 2024</b>
	<b>Draft Budget and Medium Term Financial Strategy 2025/26 to 2029/30, Cabinet 23<sup>rd</sup> January 2025 / Joint Scrutiny Committee (Budget) 28<sup>th</sup> January 2025</b>
	<b>Business Rates Income Forecast 2025/26(NNDR1 return), Cabinet 23<sup>rd</sup> January 2025</b>
	<b>Council Tax Base Cabinet 12<sup>th</sup> December 2024</b>

## Summary of Appendices

Description	Appendix
Corporate Plan, Vision and Priorities	1
Medium Term Financial Strategy	2
Treasury Management Strategy Statement, Treasury Management Policy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Statement 2025/26	3

## Tamworth Borough Council Corporate Plan 2025 to 2030

### Foreword by Cllr Carol Dean, Leader of Tamworth Borough Council and Stephen Gabriel, Chief Executive

We are proud to present our corporate plan for 2025 to 2030 - the strategy which sets out the strategic goals and key priorities to achieve our vision *Building a Better Tamworth*. With a new Chief Executive and recently formed Cabinet and cohort of councillors elected in May 2024, this is our first opportunity to share our long term aims and ambitions for the borough. Over the next 5 years we face some significant challenges but also some great opportunities to make Tamworth better. In that time, we aim to create and maintain a community that embraces change, welcomes diversity, and seek ways to bring communities together.

We have engaged as broadly as possible to develop our Corporate Plan, holding surveys and drop-in sessions to help us to identify and prioritise the outcomes, seeking feedback from specific groups and communities. In setting our budget to deliver this plan we also undertake an annual resident survey to ensure we involve you in determining where to invest our resources to achieve our priorities. The most recent one, carried out in October 2024, helped to set the budget for the coming year and our Medium-Term Financial Strategy, which helps us plan our finances over the life of the plan.

Residents have consistently told us that they want neighbourhoods to be cleaner and safer, for us to operate efficiently and actively respond to their needs. Greater prosperity for our communities and local businesses is a universal aspiration. Alongside our statutory obligations to collect council tax, manage development and administer key government regulations, other local priorities, like protecting the environment, community cohesion, developing skills and affordable housing are important to improving life in Tamworth. Whilst we may not be in control of many of these outcomes, our role in providing clear leadership and support to all those working in our borough is key to ensuring they are delivered for our residents and communities.

Due to reductions in central government funding and increasing inflationary pressures, difficult decisions must be taken around what services beyond our statutory minimum we continue to fund with the limited money we have available. While these decisions will be hard, we are committed to engaging with residents and partners on how we can mitigate their impact. We want to ensure long-term financial sustainability for the council, address the inequalities and disparities that exist across neighbourhoods and continue to create the opportunities for our communities and residents to thrive. This will mean working differently to how we have in the past.

This plan will drive the council to address the priorities identified within it as well as work closely with partner organisations who may be better placed to achieve them.



We have worked hard to ensure this plan reflects the priorities of our community, so together we can build a better Tamworth.

## **Introduction**

Set in the beautiful county of Staffordshire, Tamworth is a vibrant town with a rich heritage. Located in the centre of Britain, with a growing population of over 81,000 people, Tamworth is a borough with much to be proud of. Our transport links, developing town centre, leisure facilities, including our cultural and heritage offer, all help make it a great place to live, work, study and visit.

In addition to all that Tamworth already has to offer, exciting times are ahead as we embark on a period of significant transformation. Multi-million-pound projects, such as the Future High Street Fund development will help to bring about lasting change and improvements in the future. This will assist with our mission to restore Tamworth town centre as the beating heart of the community, a place that people want to visit.

As a council we continue to face significant challenges to remain financially stable and resilient for the future. Demand for our services to support the most vulnerable continues to rise and cost pressures are increasing weekly, with UK inflation remaining at high levels. Like many councils across the country, we will be required to be brave and make difficult financial decisions, transform the services we must provide and lead the council through these challenging times. Councillors and officers will work closely together to find a better, more cost-effective way forward. We will also continue to listen to residents and businesses, as we work to do things differently as a more co-operative council and work alongside our stakeholders, including central Government, the local MP, neighbouring councils and local partnerships to address local need.

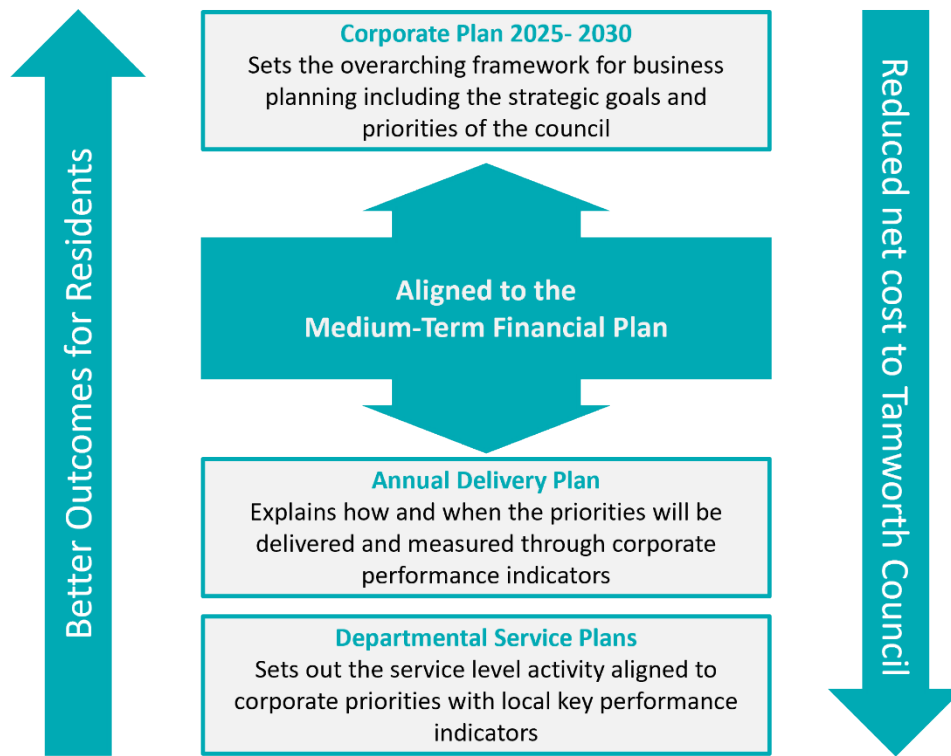
Tamworth has much going for it, but some areas of our borough face serious inequality and deprivation. Together, we need to give people in these areas skills and confidence and ensure we create good quality local jobs and opportunities. We will work with our partners to deliver a vision for the borough focused on aspiration, community cohesion and creating an environment for success.

We will also engage our partners to ensure the wellbeing for our residents and communities. In addition, we will maintain a clean and safe environment for our residents and visitors and play our part in ensuring the town remains an attractive area to live, visit and invest in.

## **Purpose of the corporate plan**

Every well-run council needs a plan to enable staff, residents and partners to understand what the organisation is trying to achieve and how it plans to do that. It helps everyone prioritise and pull together around common priorities, so we deliver what we have promised.

This plan sets out our most important priorities and the aspirations for change that have been identified based on your feedback. These will be delivered alongside our day-to-day activities, ongoing projects and with support from our key partners.



Whilst set out as a 5-year plan, it will be reviewed every year and supported by an annual delivery plan. This will explain how and when the priorities will be delivered and measured through key performance indicators. Robust monitoring arrangements will be put in place including senior officers and members which will help us to be open and honest about our progress and how well we are performing.

It will also track our transformation to drive improvement in our services, digital opportunities and how we connect and engage with our residents, communities and partners to make Tamworth better.

## Our vision and priorities

Our vision is to *Build a Better Tamworth* which we will achieve by delivering our key priorities over five years.

# Tamworth Corporate Plan



**Prosperity & Place - We want growth in the local economy by creating jobs and a Tamworth we are all proud of, ensuring financial stability for all. We will:**

1. Work with businesses to help them grow and create jobs
2. Identify and address skills shortages
3. Make the town centre more vibrant and accessible
4. Regenerate and create spaces for people to use and enjoy
5. Promote tourism and nightlife by using our culture and heritage sites

**Environment - We want to achieve net-zero carbon emissions, protect the environment and enhance local biodiversity. We will:**

6. Keep Tamworth's local areas clean
7. Tackle fly tipping, littering and environmental offenses
8. Cut down on using carbon in our operations
9. Collaborate with partners to protect the environment
10. Provide eco-friendly housing options

**Community Wellbeing - We want residents to lead safe, healthy and happy lives in communities that are cohesive, where diversity is celebrated. We will:**

11. Work with our partners to support children and vulnerable individuals' wellbeing
12. Ensure our active health and wellbeing offer supports residents physical and mental health
13. Improve our offer to provide suitable homes and make good quality, eco-friendly and affordable housing available
14. Work with our partners to reduce homelessness and rough sleeping
15. Work with our partners to reduce crime and help our residents feel safe

**Council - We're focused on being a caring, accessible and effective council that is financially resilient. We will:**

16. Be visible, accessible, approachable and accountable to the community
17. Learn and work with communities to provide broader social benefits
18. Maintain balanced budgets in our financial strategies

## How we will work

To build a better Tamworth, we all need to work together and do our part. By working as a team, we can make a real difference. As a Council, we aim to be more cooperative, collaborating with our residents and key partners, ensuring financial stability, and focusing on how to best serve our communities while working with others in the Better Together Partnership.

Our new Equality, Diversity and Inclusion strategy, launched in December 2024, ensures that council services meet the needs of individuals, with a strong focus on community unity and social inclusion. We want to create a welcoming environment where everyone feels respected and valued and put residents at the heart of all we do. This strategy ensures our services comply with equality laws and addresses important issues like intersectionality, fairness, and gender-based discrimination.

We have also updated our council's values and behaviours to help achieve our vision.



### **Own it! Demonstrating accountability & professionalism**

- Accepting responsibility
- Communicating clearly
- Making decisions based on evidence
- Respectful communication and active listening

### **Speak up with integrity & challenge poor behaviours**

- Learning from mistakes

- Challenging harmful behaviours
- Encouraging open dialogue

#### **A caring Council operating with compassion & openness**

- Promoting work-life balance
- Fostering an inclusive environment
- Providing constructive feedback

#### **Working as one team**

- Collaborating and working productively with others to achieve as Team Tamworth

#### **Customer Focussed**

- Putting residents and communities at the heart of all our activities

#### **Heads Up**

- Embracing change and having confidence to try new and innovative approaches, constantly improving

We have a huge opportunity to challenge the status quo, to find new ways of doing things, to look outside the borough and learn from others, and to genuinely work with our communities to co-design solutions to the things that matter most and that will work in our local context.

## **Supporting strategies and plans**

The Corporate Plan will consider several important existing strategies and plans, including:

- Medium-Term Financial Strategy (MTFS)
- Local Plan
- Asset Management Strategy
- Future High Streets Fund (FHSF) Programme
- Financial Resilience Plan
- Housing Revenue Account (HRA) Business Plan
- Net Zero commitments
- Biodiversity and nature recovery
- Social Housing Regulatory Programme (SHRP)
- Equality & Diversity Strategy
- Digital and Technology Strategy
- People and Organisational Development Strategy
- Customer Service & Access Strategy
- Community Safety Partnership Plan
- Corporate Peer Challenge Action Plan

In October 2024, we asked the Local Government Association to help us identify key issues and challenge our approach, especially around communication and community engagement. The actions from this review will run alongside the Corporate Plan, as well as our response to the

We are also working on several new or updated strategies and plans to help achieve our corporate goals, including:

- Asset Management Plans
- Communications & Engagement Strategy
- Town Centre Regeneration Strategy
- Local Development Scheme and updated Local Plan
- Community Cohesion Strategy
- Succession Planning Policy
- Review of the Constitution
- Government's plans for devolution and local government changes

**Shared services – collaborating with other local councils**

We work closely with nearby councils, including sharing an internal Audit Service with Lichfield District Council. Lichfield also hosts our shared Health and Safety team, Building Control Service, and Joint Waste Service, which covers both areas for waste and recycling collections.

Additionally, we work with South Staffordshire District Council, which provides the South Staffordshire Legal Service for Tamworth and Lichfield, giving us access to specialised lawyers we couldn't afford on our own. We also receive support from Nuneaton & Bedworth Council on conservation issues.

At a regional level, we are in discussions with other Staffordshire councils to explore government plans for local government devolution. Working together on shared services could help address longer-term budget challenges and staff retention issues faced by many councils.

### **Acknowledgements**

We want to thank everyone who helps make this work possible, including our councillors, employees, partners, and stakeholders. We look forward to working together to build a better Tamworth.



# Tamworth Borough Council Medium Term Financial Strategy 2025/26 to 2029/30

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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 taxpayer 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 2025/26 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 2024/25 budget to arrive at the starting point for 2025/26.
- 1.8 The Council's medium term financial plan used as the basis for the 2025/26 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.
  - 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, Azets Limited, completed their audit of the 2023/24 Statement of Accounts in November 2024, and issued their unqualified opinion on 20<sup>th</sup> December 2024, concluding that the Statement of Accounts were free of material misstatements. On issuing their value for money opinion, Azets reported that they have not identified any significant weaknesses in the Council's arrangements for achieving value for money.
- 1.11 The Internal Annual Audit Report for 2023/24 provided the following Annual Internal Audit Opinion:

*On the basis of audit work completed, the Audit Manager'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**

- 1.12 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. The Government have yet again this year published a one-year settlement only for 2025/26, although they have confirmed a three-year settlement thereafter. For now, the uncertainty over the impact of the business rates reset which will occur with effect from 2026/27 remains. This makes it difficult to plan over the next 3 – 5 year timeframe.
- 1.13 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.
- 1.14 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).

- 1.15 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. It has been confirmed that Local Government will receive a one-year funding settlement for 2025/26. A three year settlement is expected thereafter, but the Government have confirmed that the long-awaited business rates reset and funding review will occur in 2026/27. At this point it is expected that funding will be redistributed to Councils with adult social care responsibilities and the highest deprivation. This is expected to have a detrimental impact on Tamworth and at this stage it is not known if there will be any transitional arrangements or reliefs.
- 2.2 In November 2024, CPI (Consumer Price Index) inflation increased to 2.6% from 2.3% in October and 1.7% in September. The latest figures for December show it dropping back to 2.5%. The Bank of England inflation forecast expects inflation to carry on falling to reach the target of 2% by mid-2025.
- 2.3 The Bank rate has reduced from 5.25% in August 2023, its highest level since February 2008, to 5.00% in August 2024 and it has reduced again in November 2024 to 4.75%. Interest rates are expected to continue falling over the next two years. 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 2025/26.

## **SECTION 3: ISSUES IMPACTING ON THE BUDGET**

### **Corporate Plan**

- 3.1 The Council's new Corporate Plan covers the years 2025-2030 and our proposed new vision is 'Building a Better Tamworth'. The corporate plan sets out the priorities for the Council over this period, around Prosperity & Place; Environment; Community Wellbeing; and Council, which are reflected in the MTFS.

### **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. With the key risks being:

- Finance/Financial stability
- Governance
- Promoting community resilience and cohesive communities
- Inability to meet social housing targets, deliver affordable housing and meet the requirements of the social housing regulations
- Organisational Resilience
- Failure to meet climate change/meet net zero targets and plan for major weather impacts
- Information and Data Management
- Inability to deliver economic growth, sustainability and prosperity in the Borough and
- Cyber Security

3.3 The World Economic Forum reports the five highest global risks facing the Council as listed below:

- Extreme Weather
- AI-generated misinformation and disinformation
- Societal and or political polarisation
- Cost of Living Crisis and
- Cyberattacks

3.4 The financial implications of these risks are reflected in the capital and revenue proposed budgets.

3.5 The medium term financial planning process is being challenged by uncertain economic conditions, with continuing cost pressures and a squeeze on Government funding. The budget forecast is based on a 5 year period but does contain a number of uncertainties. The forecast grant reductions and uncertainty over the impact of the business rates reset and redistribution of Local Government funding puts significant pressure on the ability of the Council to publish a balanced 3 year MTF5.

3.6 It is now confirmed that the business rates reset which has been postponed several times in recent years will now occur with effect from 2026/27. It is likely that Tamworth will lose its retained business rates growth at this point. Action needs to be taken now to identify ongoing budgetary savings and/or additional income so that the Council is able to deliver a balanced budget without relying on reserves and balances. The recent Corporate Peer Challenge recommended that the Council develops a clear savings plan incorporating tangible, costed and deliverable savings with robust senior management and member oversight.

3.7 The most significant risks to capital and revenue forecasts are set out in Table 1 below:

**Table 1 - Risks to Capital and Revenue Forecasts**

<b>Risk</b>	<b>Control Measure</b>
Major variances to the level of grant / subsidy from the Government (including specific grants e.g. Benefits administration, Business Rates Section 31 funding); <b>(High)</b>	Sensitivity modelling undertaken to assess the potential impact in the estimation of future Government support levels;  <b>(High / Medium)</b>
Potential 'capping' of council tax increases by the Government or local Council Tax veto / referendum; <b>(Medium)</b>	It has been confirmed that increases of £5 or 3% for District Councils risk capping in 2025/26; <b>(Low)</b>
The achievement / delivery of substantial savings / efficiencies will be needed to ensure sufficient resources are available to deliver the Council's objectives through years 3 to 5, and to avoid the need for exceptional financial support or the issuing of a S114 Notice. Ongoing; <b>(High)</b>	Development of a Financial Resilience Plan. A robust & critical review of savings proposals will be required / undertaken before inclusion within the forecast;  <b>(High)</b>
Pay awards greater than forecast;  <b>(Medium)</b>	An offer of £1,290 for 2024/25 has been agreed in October 2024. Increases of 2.5% p.a. assumed from 2025/26 onwards; <b>(High / Medium)</b>
Pension costs higher than planned / adverse performance of pension fund;  <b>(Medium)</b>	Regular update meetings with Actuary; Following an option to 'freeze' the 'lump sum' element for the 3 years from 2023/24 (after the triennial review during 2022), followed by 1% p.a. year on year increases included from 2026/27; <b>(Medium/Low)</b>
Assessment of business rates collection levels to inform the forecast / budget (NNDR1) and estimates of appeals, mandatory & discretionary reliefs, cost of collection, bad debts and collection levels;  New burdens (Section 31) grant funding for Central Government policy changes – including impact on levy calculation;  <b>(High)</b>	Robust estimates included to arrive at collection target. Ongoing proactive management & monitoring will continue;  Business Rates Equalisation Retained Fund - provision of reserve funding to mitigate impact of any changes in business rate income levels;  Monitoring of the situation / regular reporting; <b>(High / Medium)</b>
Local Council Tax Reduction scheme potential yield changes and maintenance of collection levels due to increases in unemployment;  <b>(High)</b>	Robust estimates included. Ongoing proactive management & monitoring (including a quarterly health check on the implications on the organisation – capacity / finance) will continue; <b>(High / Medium)</b>
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. <b>(High / Medium)</b>	Robust estimates including using a zero based budgeting approach; regular ongoing monitoring and reporting  <b>(Medium)</b>

<b>Risk</b>	<b>Control Measure</b>
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. <b>(Medium)</b>	Robust monitoring and evaluation of the situation;  <b>(Medium)</b>
Impact of conflict in Ukraine/Middle East resulting in volatile financial markets/impact on oil prices and consequential inflation/energy price increases. <b>(High / Medium)</b>	Robust monitoring and evaluation of the situation;  <b>(Medium)</b>
Delivery of the capital programme dependent on funding through capital receipts and grants (including DFG funding through the Better Care Fund); <b>(High / Medium)</b>	Robust monitoring and evaluation – should funds not be available then schemes should not progress;  <b>(Medium)</b>
Dependency on partner organisation arrangements and contributions e.g. Waste Management - (Staffordshire County Council (LCC) / Lichfield District Council (LDC). <b>(High / Medium)</b>	Memorandum of Understanding in place with LDC; Improved engagement/attendance at Board meetings and regular monitoring of budgets <b>(Medium)</b>
Maintenance and repairs backlog for corporate assets – and planned development of long term strategic plan to address such.  <b>(High / Medium)</b>	Planned development of long term strategic corporate capital strategy and asset management plan to consider the requirements and associated potential funding streams;  <b>(Medium)</b>
Significant financial penalties arising from General Data Protection Regulations (GDPR). <b>(High / Medium)</b>	Robust monitoring and evaluation of the situation;  <b>(Medium)</b>

3.8 In light of these uncertainties and issues arising from the sensitivity analysis (see section 6.8), 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**

3.9 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 23rd January 2025.

3.10 During September and October 2024, Enventure Research carried out a statistically representative telephone survey of Tamworth residents to measure and track resident satisfaction with; Tamworth in general, council services and to ask about budget priorities and spending. Given the statistical approach, we can be confident the results are true and representative.

3.11 Views varied on which service areas should receive more, the same or less funding. The most popular areas that respondents want to see have more



funding include tackling homelessness and emergency accommodation, tackling antisocial behaviour and improving Tamworth (economically, physically etc). The service areas most frequently suggested where there should be less funding included customer services, Assembly Rooms and free outdoor events, and Tamworth Castle & local heritage. This is consistent with previous years.

- 3.12 The most common suggestion for which service area should increase charges was the hiring of public spaces and car parking. Waste collection was the least favoured area. As in previous years, there is little appetite for increases in council tax.

### **Capital Strategy**

- 3.13 The Capital Strategy for each year is approved by Council alongside the MTFs. The updated Capital Strategy for 2025/26 is attached at Appendix A. The Strategy sits alongside the Medium Term Financial Strategy (MTFS), Asset Management Strategy 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.
- 3.14 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 2025/26 to 2029/30 capital programme is attached at Appendix B (General Fund) and C (HRA). 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.
- 3.15 The draft General Fund capital programme totals £2.512m for 2025/26 (£7.163m over 5 years) and will require borrowing of £2.1m over the next 5 years subject to the exploration and availability of alternative funding. There is likely to be slippage from the 2024/25 capital programme which will be transferred into 2025/26.
- 3.16 The draft HRA capital programme totals £11.148m in 2025/26 (£51.047m over 5 years) and will require borrowing of £9.5m over the next 5 years subject to the exploration and availability of alternative funding.

### **The Prudential Code**

- 3.17 The Authority's Prudential Code sets out the prudential indicators for 2025/26. The freedoms provided by the Prudential Code for Capital Accounting are to be 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.

3.18 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

3.19 Revisions / updates have been made to the 2024/25 base budget in order to produce an adjusted base for 2025/26 and forecast base for 2026/27 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

3.20 The technical adjustments have not changed since the Draft Base Budget Forecast report considered by Cabinet on 21<sup>st</sup> November 2024. Any new changes have been incorporated into the Policy Changes and are detailed in section 3.22.

**Table 2 - General Fund Technical Adjustments Summary**

Technical Adjustments	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000
Base Budget B/Fwd	8,183	10,663	12,710	13,023	13,427
Committee Decisions	1,509	859	13	6	-
Inflation	70	69	92	87	89
Other	494	587	185	30	139
Pay Adjustments	633	532	23	281	283
Revised charges for non-general fund activities	(226)	-	-	-	-
Virements	-	-	-	-	-
<b>Total / Revised Base Budget</b>	<b>10,663</b>	<b>12,710</b>	<b>13,023</b>	<b>13,427</b>	<b>13,938</b>

### Policy Changes

3.21 Further updates to the budgets have been made to reflect changes in policy or developments that were not included in the 2024/25 MTFS or Technical

Changes approved by Cabinet on 21<sup>st</sup> November 2024. The main budget assumptions behind the changes to the budgets are shown in Appendix D. A full list of Policy Changes is attached at Appendix E.

3.22 There have been a number of new General Fund Policy Changes built into the 2025/26 budget since the draft budget was approved by Cabinet on 23<sup>rd</sup> January 2025 and considered by the Joint Scrutiny Committee on 28<sup>th</sup> January 2025. The impact of the changes is a net reduction in costs of £1.1m for the General Fund. The main changes are detailed below:

- Introduction of charges for Sunday parking £100k additional income
- Contribution from Business Rates Equalisation Reserve £500k
- Revised treasury management interest reflecting higher level of reserves £265k additional income
- £107k additional government grant in respect of increased Employers' NI costs

3.23 Policy Changes in excess of £50k are shown in Table 3 below:

**Table 3 - Policy Changes exceeding £50k**

Item No	Proposal/(Existing Budget)	Implications	Budget Change 25/26 £'000	Budget Change 26/27 £'000	Budget Change 27/28 £'000	Budget Change 28/29 £'000	Budget Change 29/30 £'000
PE 1	Annual Azure hosting	The Azure hosting costs are an ongoing commitment. This will facilitate moving the majority of our server estate to Microsoft's Cloud services. The current server and storage infrastructure is reaching capacity and either requires replacing or in line with the ICT Strategy, migrating to Cloud services	80.00	-	-	-	-
PE 3	Review of Elections budgets from a zero-base, factoring in the anticipated schedule of elections and ability to run joint elections/claim a share of costs from SCC/Govt/OPCC where appropriate, the following budget adjustments are requested.	Increase budget for automated HEF Fees utilisation increased	(105.54)	165.64	1.94	(87.74)	(85.85)
PP 1	New Policy & Performance team including permanent AD post and two temporary officer posts, incl homeworking allowance, car user allowance and net of £100k reserve and salaries budget savings from vacant Performance and Insight Officer hours		60.17	1.45	4.25	5.18	-
OPS 1	Waste Management Contract / Recycling Credit (Policy Change)	Recycling credits budget disparity to be included	93.81	147.00	(3.00)	(24.00)	-
OPS 6	Increase in Employers National Insurance - announced as part of the Autumn Statement		67.90	-	-	-	-
FIN 1	New Homes Bonus to continue for a further year from Draft Settlement		(286.31)	286.31	-	-	-
FIN 2	Funding Floor (previously Local Government Services Grant and Lower Tier Services Grant)	Confirmed in provisional settlement one year only	(321.13)	321.13	-	-	-
FIN 3	Recovery Grant	Confirmed in provisional settlement one year only	(279.46)	279.46	-	-	-
FIN 4	Revs & Bens Zero Based Budgeting including Restructure of Teams		(88.57)	-	-	-	-
FIN 5	Contribution from Business Rates Equalisation Reserve		(500.00)	500.00	-	-	-
FIN 10	New Grant to offset National Insurance Increase		(107.15)	-	-	-	-
FIN 11	Service Review Savings		(650.00)	(150.00)	-	-	-
FIN 12	Business Rates Levy payment	Increased budget for levy payment based on NNDR 1 business rates forecast	154.97	(154.97)	-	-	-
FIN 13	Business Rates Relief Section 31 Grant	Reduced budget for S31 grants/SBRR based on NNDR 1 business rates forecast	133.12	(133.12)	-	-	-
FIN 14	Revised Treasury Management Interest reflecting higher level of Reserves		(264.66)	(107.55)	14.50	-	-
PAR 1	To reduce income budget on car park enforcement to £57,000	The use of car parks dropped during the pandemic lockdown and beyond, thereby reducing car park enforcement and income from penalty charge notices. Current income budget of £121,350 is not achievable (for 2025/26 £124,380)	67.38	-	(67.38)	-	-
PAR 3	GF Housing - remove discretionary HRA recharge	Remove whilst undertake HRA business plan review and assess longer term viability, costs need to be developed to understand what this contribution covers	(229.55)	-	-	-	-
AST 2	Ankerside Income Shortfall net of contingency funding £460k		243.00	-	-	-	-
G&R 1	Re-evaluation of estimated Car Parking Income		207.00	(50.00)	-	-	-
G&R 2	Economic Development and Regeneration	Outside car parks/season tickets	(90.00)	-	-	-	-
G&R 5	Building Control Partnership		60.00	-	(60.00)	-	-
G&R 6	Budget Savings Year on Year		(51.57)	-	-	-	-
G&R 11	Implement of charges for Sunday parking		(100.00)	-	-	-	-

3.24 The revised 2025/26 Net Cost of Services after Technical Adjustments and Policy Changes is £8,647k as detailed in Table 4 below. This is an increase from 2024/25 mainly due to the impact of the reduction in grants such as New Homes Bonus and Funding Guarantee; revised Business Rates Levy payments and Reliefs from Section 31 Grants; the introduction of Service Review Savings and a one-off contribution from reserves and an increase in expected Treasury Management Interest receivable reflecting higher than previously anticipated level of Reserves.

**Table 4 – 2025/26 Net cost of Services**

<i>Figures exclude internal recharges which have no bottom line impact.</i>	<b>Base Budget 2024/25</b>	<b>Technical Adjustments</b>	<b>Policy Changes</b>	<b>Budget 2025/26</b>
	£	£	£	£
<b>Chief Executive</b>	270,450	1,180	6,970	278,600
<b>AD Growth &amp; Regeneration</b>	662,250	(26,090)	47,150	683,310
<b>ED Organisation</b>	93,050	2,680	2,870	98,600
<b>AD People</b>	2,782,780	62,800	(31,890)	2,813,690
<b>AD Policy &amp; Performance</b>	595,840	(24,090)	35,370	607,120
<b>AD Env, Culture &amp; Wellbeing</b>	5,758,020	200,340	50,340	6,008,700
<b>ED Finance</b>	93,320	1,340	2,470	97,130
<b>AD Finance</b>	(3,983,880)	2,613,870	(2,173,440)	(3,543,450)
<b>ED Communities</b>	-	-	-	-
<b>AD Assets</b>	46,950	(521,170)	210,870	(263,350)
<b>AD Neighbourhoods</b>	813,030	192,280	3,020	1,008,330
<b>AD Partnerships</b>	1,051,280	(23,260)	(170,160)	857,860
<b>Net Cost</b>	<b>8,183,090</b>	<b>2,479,880</b>	<b>(2,016,430)</b>	<b>8,646,540</b>
Transfer to / (from) Balances	(1,134,859)	1,283,798		148,939
Collection Fund (Surplus)/Deficit (Council Tax)	(27,070)	(6,073)		(33,143)
Collection Fund (Surplus)/Deficit (Business Rates)	1,151,630	(1,058,988)		92,642
Revenue Support Grant	(322,012)	(40,949)	-	(362,961)
Retained Business Rates	(14,264,548)	(612,656)	-	(14,877,204)
Tariff Payable	11,172,962	138,126	-	11,311,088
<b>Council Tax Requirement</b>	<b>(4,759,193)</b>	<b>(2,183,138)</b>	<b>2,016,430</b>	<b>(4,925,901)</b>

3.25 The revised Net Cost of Services and 5 year funding summary for 2025/26 to 2029/30 is included in Appendix F.

## 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 reviewed the levels of reserves it requires as part of the Reserves Report considered by Cabinet on 12<sup>th</sup> December 2024. After taking account of the projected outturn position for 2024/25, the General Fund and HRA are expected to hold £8.6m and £3.3m respectively in general balances as at 31 March 2025.
- 4.4 A summary of expected reserve levels at 31 March 2025 is shown in Table 5 below.

**Table 5 Summary of Reserve Levels**

Reserve	Actual Opening Balance 1 April 2024 £'000	Estimated Closing Balance 31 March 2025 £'000
<b>General Fund (GF)</b>		
General Balances	10,733	8,605
Earmarked Reserves	20,134	12,420
<b>Total GF</b>	<b>30,867</b>	<b>21,025</b>
<b>Housing Revenue Account (HRA)</b>		
General Balances	2,221	3,329
Earmarked Reserves	7,389	6,198
<b>Total HRA</b>	<b>9,610</b>	<b>9,527</b>

- 4.5 The expected level of total General Fund reserves at 31 March 2025 is £21.0m. The expected level of HRA reserves at 31 March 2025 is £9.5m.

- 4.6 At the Council meeting on 23<sup>rd</sup> 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.
- 4.7 Under Section 25 of the Local Government Act 2003, the Section 151 Officer is specifically required to report to the Authority on the adequacy of reserves. This statement is attached at Appendix G.

## **SECTION 5: FUTURE YEARS FUNDING STREAMS**

### **Income**

- 5.1 The 2025/26 local government finance settlement has again been announced for one year only. The budget announced in October 2024, by the Chancellor confirmed that the government is committed to reforming the approach to funding allocations within the Local Government Finance Settlement by redistributing funding to ensure that it reflects an up to date assessment of need and local revenues. This will start with a targeted approach to allocating additional funding in 2025/26, ahead of a broader redistribution of funding through a multi-year settlement from 2026/27. 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 to 5.4)
  - Business Rates (sections 5.5 to 5.19)
  - Specific Grants (sections 5.20 to 5.21)
  - Council Tax (sections 5.22 to 5.30)

### **Revenue Support Grant (RSG)**

- 5.3 Tamworth BC receives only a small proportion of its income through Revenue Support Grant - £363k in 2025/26 (£322k in 2024/25). In line with the Local Government Funding Policy Statement this has increased by September 2024 inflation (1.7%), and from 2025/26 also includes 'rolled in' grants in respect of Transparency Code (£8k), Electoral Integrity (£10k); and Tenant Satisfaction Measures (£17k).
- 5.4 Future year's RSG will be affected by the Funding Review, which will update the formulas used for distributing RSG and business rates between Authorities in an attempt to make it more equitable by reviewing relative needs and resources. The Draft Budget report presented to Cabinet on 21<sup>st</sup> November 2024 assumed the reforms would come into place in 2026/27, which has been confirmed following the 2025/26 Draft Local Government Finance Settlement (published on 18<sup>th</sup> December 2024). 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 2024/25, the tariff payment was set at £11,172,962. 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**

<b>BUSINESS RATES INCOME FORECAST</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>MTFS Forecast (January 2025):</b>						
Retained Business Rates	14,264,548	14,877,204	15,174,748	15,478,243	15,787,808	16,103,564
Less: Tariff payable	(11,172,962)	(11,311,088)	(12,546,890)	(12,797,828)	(13,053,785)	(13,314,860)
Total Settlement Funding Assessment	3,091,586	3,566,116	2,627,858	2,680,415	2,734,023	2,788,704
% Reduction	0	15.35%	-26.31%	2.00%	2.00%	2.00%
<b>Base Budget Forecast (November 2024):</b>						
Retained Business Rates	14,264,548	15,407,082	15,715,224	16,029,528	16,350,119	16,677,121
Less: Tariff payable	(11,172,962)	(12,361,073)	(13,138,695)	(13,401,468)	(13,669,498)	(13,942,888)
Total Settlement Funding Assessment	3,091,586	3,046,009	2,576,529	2,628,060	2,680,621	2,734,233
% Reduction	6.38%	-1.47%	-15.41%	2.00%	2.00%	2.00%
<b>Increase / (Decrease)</b>	<b>-</b>	<b>(520,107)</b>	<b>(51,329)</b>	<b>(52,355)</b>	<b>(53,402)</b>	<b>(54,470)</b>

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
<b>Total</b>	<b>100</b>

- 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) - 1.7% for September 2024. 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 The Budget in October 2024 confirmed that the small business rates multiplier will be frozen again at 49.9p, but the standard multiplier, which is used for other businesses, will increase in line with CPI at 1.7% (from 54.6p to 55.5p). As in previous years, the Council will be compensated for the lost inflation increase and so this should not affect the income that the Council receives.

#### **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 21<sup>st</sup> November 2024 assumed the reforms would come into place in 2026/27 and this has been confirmed in the provisional Local Government Finance Settlement (published on 18<sup>th</sup> December 2024). This means that the Council faces losing this growth in the future and needs to plan accordingly.

5.17 The business rates forecast income and NNDR 1 return was approved by Cabinet on 23<sup>rd</sup> January 2025 and the latest estimates are detailed below:

**Table 8 Business Rate Income Forecast**

<b>BUSINESS RATES INCOME FORECAST</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>MTFS Forecast (January 2025):</b>					
Retained Business Rates	14,877,204	15,174,748	15,478,243	15,787,808	16,103,564
Less: Tariff payable	(11,311,088)	(12,546,890)	(12,797,828)	(13,053,785)	(13,314,860)
<b>Total Settlement Funding Assessment</b>	<b>3,566,116</b>	<b>2,627,858</b>	<b>2,680,415</b>	<b>2,734,023</b>	<b>2,788,704</b>
<b>% Reduction</b>	<b>15.35%</b>	<b>-26.31%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>
<b>Base Budget Forecast (November 2024):</b>					
Retained Business Rates	15,407,082	15,715,224	16,029,528	16,350,119	16,677,121
Less: Tariff payable	(12,361,073)	(13,138,695)	(13,401,468)	(13,669,498)	(13,942,888)
<b>Total Settlement Funding Assessment</b>	<b>3,046,009</b>	<b>2,576,529</b>	<b>2,628,060</b>	<b>2,680,621</b>	<b>2,734,233</b>
<b>% Reduction</b>	<b>-1.47%</b>	<b>-15.41%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>
<b>Increase / (Decrease)</b>	<b>(520,107)</b>	<b>(51,329)</b>	<b>(52,355)</b>	<b>(53,402)</b>	<b>(54,470)</b>

5.18 The reduction in 2026/27 estimates reflect the removal of business rates income over and above the baseline in anticipation of the business rates reset.

5.19 There are still significant uncertainties around future 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 2025/26;
- 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.

## Specific Grants

5.20 Specific Grants received by Tamworth BC are detailed below:

- **Reduced:** New Homes Bonus (NHB) - £286k. 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 2024/25 might be the last year that it was paid. However, further grant has been released for 2025/26 although Tamworth’s grant has reduced from £503k to £286k. The Government intends that 2025/26 will be the final year of NHB in its current format and no income has been assumed for 2026/27 onwards.
- **Reduced:** Minimum Funding Guarantee – Tamworth received £540k in 2024/25. This grant is now referred to as ‘Funding Floor’ and for Tamworth is £321k in 2025/26 reflecting the reduced national allocation from £269m in 2024/25 to £121m in 2025/26. The Funding Floor is intended to guarantee that no local authority would see a reduction in their Core Spending Power (the money made available to local authorities through the settlement), which is less generous than in 2024/25, where a 3% floor was in place (before assumptions on council tax rate increases).
- **New:** Recovery Grant – in the provisional Local Government Settlement the Government announced a new one year £600m fund targeted to those local authorities with greater need and demand for services. Tamworth has been allocated £279k for 2025/26.
- **New:** Compensation for increased cost of National Insurance Contributions. This grant was announced with confirmation of the final settlement in February – Tamworth will receive £107k which does not cover the full cost of the additional Employers’ NI which is expected to be in excess of £300k per annum.

## Extended Producer Responsibility funding

5.21 Local authorities were expecting to receive additional income from the Extended Producer Responsibility for packaging (EPR) scheme for 2024/25. The scheme has been delayed but we have now been notified of indicative payments for 2025/26, Tamworth’s provisional allocation is £721k. The payments are expected to compensate Councils for the additional costs of maximising the collection and recycling of packaging materials in order to

support the transition to a circular economy, and to enable local authorities to meet their obligations in relation to the collection of packaging materials as part of Simpler Recycling, and the Separation of Waste Regulations. These payments are not included within Core Spending Power and are expected to offset additional costs to the Council which have not yet been confirmed, although work is ongoing with Lichfield District Council as part of the Joint Waste Unit and with Staffordshire County Council to understand the implications.

## **Council Tax**

- 5.22 The Localism Act 2011 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 (confirmed as the higher of £5 or 3% for 2025/26).
- 5.23 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.
- 5.24 The Council Tax Base of 23,596 was approved by Cabinet on 12<sup>th</sup> December 2024. This is lower by approximately 100 properties than previously anticipated. The MTFs has been updated to include revised council tax base figures over the 5 year period
- 5.25 The draft Budget and Medium Term Financial Strategy is based on a council tax increase of 2.99% (£6.06) for 2025/26 followed by increases at 2.99% thereafter.
- 5.27 Each £1 increase in the band D Council Tax raises approximately £24k per annum. For each 1% increase in Council Tax, the Council will receive £48k in additional income per annum.
- 5.28 The impact of a 2.99% increase in Council Tax on current levels is shown in Table 9 below.

### **Table 9 – Impact of 2.99% increase in Council Tax**

<b>Council Tax Band</b>	<b>2024/25 £</b>	<b>2025/26 £</b>	<b>Increase £</b>	<b>Increase per week £</b>
A	135.13	139.17	4.04	0.08
B	157.66	162.37	4.71	0.09
C	180.18	185.56	5.38	0.1
<b>D</b>	<b>202.70</b>	<b>208.76</b>	<b>6.06</b>	<b>0.12</b>
E	247.74	255.15	7.41	0.14
F	292.79	301.54	8.75	0.17
G	337.83	347.93	10.10	0.19
H	405.40	417.52	12.12	0.23

5.29 The expected Council Tax levels for each band, including expected charges from other preceptors, is detailed in Appendix H.

### **Second Home and Empty Homes Premium**

5.30 The Levelling-up and Regeneration Act 2023 introduced a discretionary council tax premium on second homes of up to an additional 100%. Legislation requires that a billing authority's first determination under Section 11C of the Act must be made at least one year before the beginning of the financial year to which it relates. Approval is therefore sought to implement this premium from 1 April 2026. In addition it is proposed that all premiums on empty homes which are unoccupied and unfurnished will also be reviewed to take effect for 1 April 2026.

5.31 It is proposed that the Second Home Premium will be charged on all dwellings where there is no permanent resident and the property is substantially furnished.

These include:

- Furnished lets during periods of inoccupation
- Small term lets, i.e Air B&B & Holiday Lets (Properties let for 140 days or more per year are rated for Business Rates and will not be affected)
- Second homes that are unoccupied but substantially furnished

5.32 A detailed report will be brought for consideration by Cabinet during 2025/26 with the aim of introducing the premium with effect from 1st April 2026.

## **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 25<sup>th</sup> February 2025. Given the referendum limit identified in the provisional finance settlement is the highest of £5 or up to 3%, the options considered in this report are a £5.00, 2.99% and nil increase. The impact on Council Tax Band D levels are shown in Table 10 below.

**Table 10 – Council Tax Options Analysis**

	<b>Amount £</b>	<b>Increase £</b>	<b>Additional Income £'000</b>
<b>Current Band D Council Tax</b>	<b>202.70</b>		
<b>£5 Increase</b>	<b>207.70</b>	<b>5.00</b>	<b>118</b>
<b>2.99% Increase</b>	<b>208.76</b>	<b>6.06</b>	<b>143</b>
<b>Zero increase</b>	<b>202.70</b>	<b>0.00</b>	<b>0</b>

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

**Table 11: Option 1 – £5.00 (2.47%) increase in Council Tax 2025/26 to 2029/30**

<b>Year:</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
<b>Forecast:</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Net Cost of Services	8,647	12,001	12,072	12,348	12,746
RSG	(363)	(370)	(378)	(385)	(393)
Business Rates net income	(3,566)	(2,628)	(2,680)	(2,734)	(2,789)
Council Tax	(4,901)	(5,040)	(5,180)	(5,322)	(5,464)
Collection Fund Surplus	(33)	(33)	(33)	(33)	(33)
Collection Fund Surplus/(deficit) (Business Rates)	93	-	-	-	-
Surplus (-) /Deficit	(124)	3,930	3,801	3,874	4,067
<b>Balances Remaining (-) / Overdrawn</b>	<b>(8,729)</b>	<b>(4,799)</b>	<b>(998)</b>	<b>2,877</b>	<b>6,944</b>
£ Increase	5.00	5.00	5.00	5.00	5.00
% Increase	2.47%	2.41%	2.35%	2.30%	2.25%
Note: Resulting Band D Council Tax	207.70	212.70	217.70	222.70	227.70

6.3 If a £5.00 council tax increase is approved in 2025/26, there would be a surplus of £0.11m in 2025/26, turning to a deficit of £3.9m in 2026/27 and £3.8m in 2027/28. In the short term, these can be met from General Fund Reserves whilst leaving balances of £1.0m at the end of 2027/28 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 a potential shortfall in balances of £7.5m over the 5 year period (including minimum balances of £500k). The Financial Resilience Plan needs to be developed and implemented in the short/medium term to ensure the long term viability of the Council.

**Table 12: Option 2 – 2.99% (£6.06) increase in Council Tax 2025/26 to 2029/30**

<b>Year:</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
<b>Forecast:</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Net Cost of Services	8,647	12,001	12,072	12,348	12,746
RSG	(363)	(370)	(378)	(385)	(393)
Business Rates net income	(3,566)	(2,628)	(2,680)	(2,734)	(2,789)
Council Tax	(4,926)	(5,095)	(5,269)	(5,450)	(5,636)
Collection Fund Surplus	(33)	(33)	(33)	(33)	(33)
Collection Fund Surplus/(deficit) (Business Rates)	93	-	-	-	-
Surplus (-) /Deficit	(149)	3,876	3,712	3,747	3,895
<b>Balances Remaining (-) / Overdrawn</b>	<b>(8,754)</b>	<b>(4,878)</b>	<b>(1,166)</b>	<b>2,580</b>	<b>6,475</b>
£ Increase	6.06	6.24	6.43	6.62	6.82
% Increase	2.99%	2.99%	2.99%	2.99%	2.99%
Note: Resulting Band D Council Tax	208.76	215.00	221.43	228.05	234.87

6.4 If a 2.99% maximum council tax increase is approved in 2025/26, there would be a surplus of £0.1m in 2025/26, turning to a deficit of £3.9m in 2026/27 and £3.7m in 2027/28. In the short term, these can be met from General Fund Reserves whilst leaving balances of £1.0m at the end of 2027/28 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 a potential shortfall in balances of £7.0m over the 5 year period (including minimum balances of £500k). The Financial Resilience Plan needs to be developed and implemented in the short/medium term to ensure the long term viability of the Council, even with the maximum available increase in Council Tax.

**Table 13: Option 3 – Nil increase in Council Tax 2025/26 to 2029/30**

<b>Year:</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
<b>Forecast:</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Net Cost of Services	8,647	12,001	12,072	12,348	12,746
RSG	(363)	(370)	(378)	(385)	(393)
Business Rates net income	(3,566)	(2,628)	(2,680)	(2,734)	(2,789)
Council Tax	(4,783)	(4,803)	(4,823)	(4,844)	(4,864)
Collection Fund Surplus	(33)	(33)	(33)	(33)	(33)
Collection Fund Surplus/(deficit) (Business Rates)	93	-	-	-	-
Surplus (-) /Deficit	(6)	4,167	4,158	4,352	4,667
<b>Balances Remaining (-) / Overdrawn</b>	<b>(8,611)</b>	<b>(4,444)</b>	<b>(286)</b>	<b>4,066</b>	<b>8,733</b>
£ Increase	0.00	0.00	0.00	0.00	0.00
% Increase	0.00%	0.00%	0.00%	0.00%	0.00%
Note: Resulting Band D Council Tax	202.70	202.70	202.70	202.70	202.70

- 6.5 If no Council Tax increase is approved in 2025/26, there would be a small surplus of £6k in 2025/26, a deficit of £4.2m in 2026/27 and 2027/28. Existing General Fund reserves would be insufficient to cover deficit levels beyond 2026/27 as balances would fall below the minimum approved level of £500k. Major cuts to services would need to be considered to ensure the long term viability of the Council due to the expected shortfall in funding being in excess of £9.2m by 2029/30.
- 6.6 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 2025/26 during February 2025. Indications of the potential impact of the Borough Council Tax proposals is shown for each Council Tax Band in Appendix H.

### Sensitivity Analysis

- 6.8 A review has been undertaken regarding the sensitivity of some of the factors within the forecasts, pay award and inflation, and summary is shown in the table below:

**Table 14: 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
Pay Award (GF)	0.50%	62	376	950
Pay Award (HRA)	0.50%	21	124	312
National Insurance (GF)	1.00%	123	750	1,897
National Insurance (HRA)	1.00%	41	247	625
Pension Costs (GF)	0.50%	62	376	950
Pension Costs (HRA)	0.50%	21	124	312
Inflation / CPI (GF)	0.50%	21	129	326
Inflation / CPI (HRA)	0.50%	43	265	675

## 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 2.95%. The results are summarised in Table 15 below.



**Table 15 – Comparison of different Council Tax Options**

Year:	2025/26	2026/27	2027/28	2028/29	2029/30
Forecast:	£'000	£'000	£'000	£'000	£'000
<b>Impact of increases in Council tax of £5.00</b>					
Surplus (-) /Deficit	(124)	3,930	3,801	3,874	4,067
Balances Remaining (-) / Overdrawn	(8,729)	(4,799)	(998)	2,877	6,944
<b>Impact of 2.99% increases in Council tax</b>					
Surplus (-) /Deficit	(149)	3,876	3,712	3,747	3,895
Balances Remaining (-) / Overdrawn	(8,754)	(4,878)	(1,166)	2,580	6,475
<b>Impact of Zero increases in Council tax</b>					
Surplus (-) /Deficit	(6)	4,167	4,158	4,352	4,667
Balances Remaining (-) / Overdrawn	(8,611)	(4,444)	(286)	4,066	8,733

- 7.3 All options leave the Council in a surplus position in 2025/26 turning to a deficit position in 2026/27 and beyond which is unsustainable in the long term.
- 7.4 Existing General Fund reserves (which need to remain above £500k) are insufficient to cover deficit levels beyond 2027/28 if Council Tax is not increased at all.
- 7.5 A council tax increase of 2.99% will ensure that the maximum amount of council tax income is achieved without triggering the need for a referendum. However, there will still remain a significant ongoing deficit. Whilst this can be met from General Fund reserves over the short term, further savings of over £3.5m per year are required from 2028/29 in order to balance the budget
- 7.6 The implementation of the Financial Resilience Plan as set out in Appendix J is required in order to meet the significant financial challenges facing the Council. Members will be required to make difficult decisions about funding services in the future.
- 7.7 A General Fund five year revenue budget summary assuming a 2.99% increase in Council Tax is shown in Appendix G and summarised in Table 16 below.
- 7.8 Using the funding forecast and assuming increases in Council Tax of 2.99% per annum for 2025/26 onwards, the five year base budget forecast is as follows:

**Table 16 – 5 Year Base Budget forecast assuming 2.99% increase in Council Tax**

Summary	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000
<b>Estimated Net Cost of Services</b>	8,647	12,001	12,072	12,348	12,746
<b>Net Expenditure</b>	8,647	12,001	12,072	12,348	12,746
<b>Financing:</b>					
RSG	363	370	378	385	393
Collection Fund Surplus / (Deficit) (Council Tax)	33	33	33	33	33
Collection Fund Surplus / (Deficit) (Business Rates)	(93)	-	-	-	-
Tariff Payable	(11,311)	(12,547)	(12,798)	(13,054)	(13,315)
Non Domestic Ratepayers	14,877	15,175	15,478	15,788	16,104
Council Tax Income	4,926	5,095	5,269	5,449	5,636
<b>Gross Financing</b>	<b>8,795</b>	<b>8,126</b>	<b>8,360</b>	<b>8,601</b>	<b>8,851</b>
<b>Surplus(-)/Deficit</b>	<b>(148)</b>	<b>3,875</b>	<b>3,712</b>	<b>3,747</b>	<b>3,895</b>
<b>Balances Remaining (-) /Overdrawn</b>	<b>(8,754)</b>	<b>(4,879)</b>	<b>(1,167)</b>	<b>2,580</b>	<b>6,475</b>

## 8 HOUSING REVENUE ACCOUNT

### HRA Technical Adjustments

- 8.1 Revisions / updates have been made to the 2024/25 base budget in order to produce an adjusted base for 2025/26 and forecast base for 2026/27 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 2.7% 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 The technical adjustments reported to Cabinet on 21st November 2024 have been updated to reflect internal recharges to/from the HRA and inflation on agreed policy changes. Any other changes have been incorporated into the

Policy Changes. The revised technical adjustments are detailed in Table 17 below.

**Table 17 – Housing Revenue Account Technical Adjustments Summary**

Technical Adjustments	2025/26	2026/27	2027/28	2028/29	2029/30
	£'000	£'000	£'000	£'000	£'000
Base Budget B/Fwd	(1,054)	(1,215)	(1,545)	(1,810)	(2,072)
Committee Decisions	(221)	119	67	2	-
Inflation	198	231	265	273	282
Other	(259)	(666)	(697)	(633)	(653)
Pay Adjustments	367	(14)	100	96	94
Revised charges for non-general fund activities	(246)	-	-	-	-
Virements	-	-	-	-	-
<b>Total / Revised Base Budget</b>	<b>(1,215)</b>	<b>(1,545)</b>	<b>(1,810)</b>	<b>(2,072)</b>	<b>(2,349)</b>

## Policy Changes

8.3 Updates to the 2024/25 budgets have been made to reflect changes in policy or developments. There has been one minor change (£5.6k) to the Policy Changes in the HRA since the draft MTFs considered by Cabinet on 23<sup>rd</sup> January and Joint Scrutiny (Budgets) Committee on 28<sup>th</sup> January 2025. A full list of Policy Changes is attached at Appendix F.

Policy Changes in excess of £50k in 20025/26 are shown in below:

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	29/30 £'000
HRA 3	Discretionary HRA recharge	Remove whilst undertake HRA business plan review and assess longer term viability, costs need to be developed to understand what this contribution covers	229.55	-	-	-	-
HASS 1	Service transformation and resourcing of the assets team delivering housing repairs, improvements and compliance works.	Service Transformation £35,000 (one off) Disrepairs Technical Officer Disrepairs Administrative Officer Head of Compliance Repairs Administrative Officer Compliance Administrative Officer	311.76	(46.24)	-	-	-
HASS 2	Increase in budgets for housing repairs and voids to reflect changes in the contractual arrangements.	Day to Day Repairs and Voids	988.00	-	-	-	-

8.4 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. Modelling undertaken in 2023/24 indicates a shortfall in HRA balances 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). This is modelling is currently being refreshed for 2025/26.

## **Rent Setting Policy**

- 8.5 On 30<sup>th</sup> November 2017, Cabinet considered and approved amendments to the Council's Rent Setting Policy to include arrangements to charge affordable rents on new and affordable housing.
- 8.6 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.
- 8.7 For 2025/26 (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 2.7% increase (followed by forecast increases of 3% p.a.), due to the increased cost pressures currently being experienced. The 2024/25 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 1.7% (September 2024), the forecast increase for 2025/26 will be 2.7% 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.£226k p.a. (£1.9m over 5 years).
- 8.8 Assuming increases in Rent capped CPI+1% (2.7%) 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 18 Impact on HRA Balances after Policy Changes**

<i>Figures exclude internal recharges which have no bottom line impact.</i>	<b>Base Budget 2024/25 £</b>	<b>Budget 2025/26 £</b>	<b>Budget 2026/27 £</b>	<b>Budget 2027/28 £</b>	<b>Budget 2028/29 £</b>	<b>Budget 2029/30 £</b>
HRA Summary	(6,218,000)	(5,013,820)	(5,320,300)	(5,667,670)	(6,021,980)	(6,391,230)
ED Communities	28,960	30,540	32,790	35,490	38,230	41,030
AD People	297,270	-	4,240	8,750	13,390	18,150
AD Env, Culture & Wellbeing	419,370	451,320	462,670	473,300	483,550	494,150
AD Assets	223,510	494,050	484,230	515,990	547,010	576,600
AD Neighbourhoods	4,195,090	4,447,150	4,408,300	4,501,300	4,583,920	4,666,070
Housing Repairs	-	-	-	-	-	-
<b>Net Cost of Services</b>	<b>(1,053,800)</b>	<b>409,240</b>	<b>71,930</b>	<b>(132,840)</b>	<b>(355,880)</b>	<b>(595,230)</b>
<b>Balances B/Fwd</b>	<b>(2,275,475)</b>	<b>(3,329,275)</b>	<b>(2,920,035)</b>	<b>(2,848,105)</b>	<b>(2,980,945)</b>	<b>(3,336,825)</b>
<b>Balances C/Fwd</b>	<b>(3,329,275)</b>	<b>(2,920,035)</b>	<b>(2,848,105)</b>	<b>(2,980,945)</b>	<b>(3,336,825)</b>	<b>(3,932,055)</b>

8.9 Table 18 shows that Housing Revenue Account (HRA) balances are expected to be £3.0m at the end of 2027/28. 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).

8.10 A detailed breakdown of the HRA budgeted income and expenditure account is attached at Appendix I.

### **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 19 impact of alternative rent setting models**

	2025/26	2026/27	2027/28	2028/29	2029/30
	£	£	£	£	£
<b>Option 1: CPI + 1%</b>					
Rent (52 Weeks)	102.07	105.13	108.28	111.53	114.88
Rent (48 Weeks)	110.40	113.71	117.12	120.63	124.25
% Increase	2.70%	3.00%	3.00%	3.00%	3.00%
	<b>5 year impact</b>				<b>0</b>
<b>Option 2: CPI</b>					
Rent (52 Weeks)	101.08	103.61	106.51	109.49	112.56
Rent (48 Weeks)	109.33	112.06	115.2	118.43	121.75
% Increase	1.70%	2.50%	2.80%	2.80%	2.80%
<b>Reduced Rent compared to Option 1</b>	<b>226,470</b>	<b>347,410</b>	<b>403,720</b>	<b>462,710</b>	<b>524,490</b>
	<b>5 year impact</b>				<b><u>1,964,800</u></b>
<b>Option 3: No increase</b>					
Rent (52 Weeks)	99.39	99.39	99.39	99.39	99.39
Rent (48 Weeks)	107.50	107.50	107.50	107.50	107.50
% Increase	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Reduced Rent compared to Option 1</b>	<b>611,470</b>	<b>1,305,400</b>	<b>2,016,040</b>	<b>2,743,820</b>	<b>3,489,220</b>
	<b>5 year impact</b>				<b><u>10,165,950</u></b>

8.12 Table 19 shows that the 5 year impact of increasing by CPI rather than CPI + 1% is £2.0m. If no rent increase were applied, the 5 year impact would be £10.2m. 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 £2.1m over the next 5 years subject to the exploration and availability of alternative funding.

Capital Programme	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total £'000
General Fund	2,512	1,286	1,041	1,142	1,183	7,163

- 1.5 Key Schemes include:
- Disabled Facilities Grants, £800k (£4.2m over 5 years, including £547k p.a. BCF grant);
  - Balancing Ponds, £300k (£700k over the 5 years);
  - Refurbishment of Play Areas £75k (£375k over 5 years);
  - Joint Waste Service Food Waste £635k fund by New Burdens Grant
  - Snowdome Footbridge £215k;
  - Technology upgrades including replacement hardware and system upgrades/renewals £160k (£400k over 5 years);
  - Contingency project for Anker Valley Changing Rooms subject to external funding being received.
- 1.6 The draft HRA capital programme will require borrowing of £9.5m over the next 5 years subject to the exploration and availability of alternative funding.

<b>Capital Programme</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>	<b>2027/28 £'000</b>	<b>2028/29 £'000</b>	<b>2029/30 £'000</b>	<b>Total £'000</b>
HRA	11,148	10,567	10,822	9,146	9,365	51,047

1.7 Key HRA Schemes include:

- HRA Business plan works to dwellings, £25.4m;
- Disabled Facilities Adaptations £3.8m;
- High Rise works £7.7m;
- Regeneration & Affordable Housing, £1.3m;
- Fire Risk mitigation works, £2.4m;
- Sheltered Schemes (including lifts) £1.3m;
- Decarbonisation works to achieve Zero Carbon, £5.4m.

### **Impact on Medium Term Financial Plan**

1.8 The General Fund capital programme will require unsupported borrowing of £2.1m 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 provisional HRA capital programme proceed without amendment, there will be a significant funding gap over the next 5 years, requiring unsupported borrowing of £9.5m. The Government has lifted the previous debt cap (of £79.407m). The current HRA Capital Financing Requirement (CFR) stands at £72.16m with planned borrowing in 2024/25 of £1.651m. 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 where appropriate 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 interim 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 £58.2m 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.*

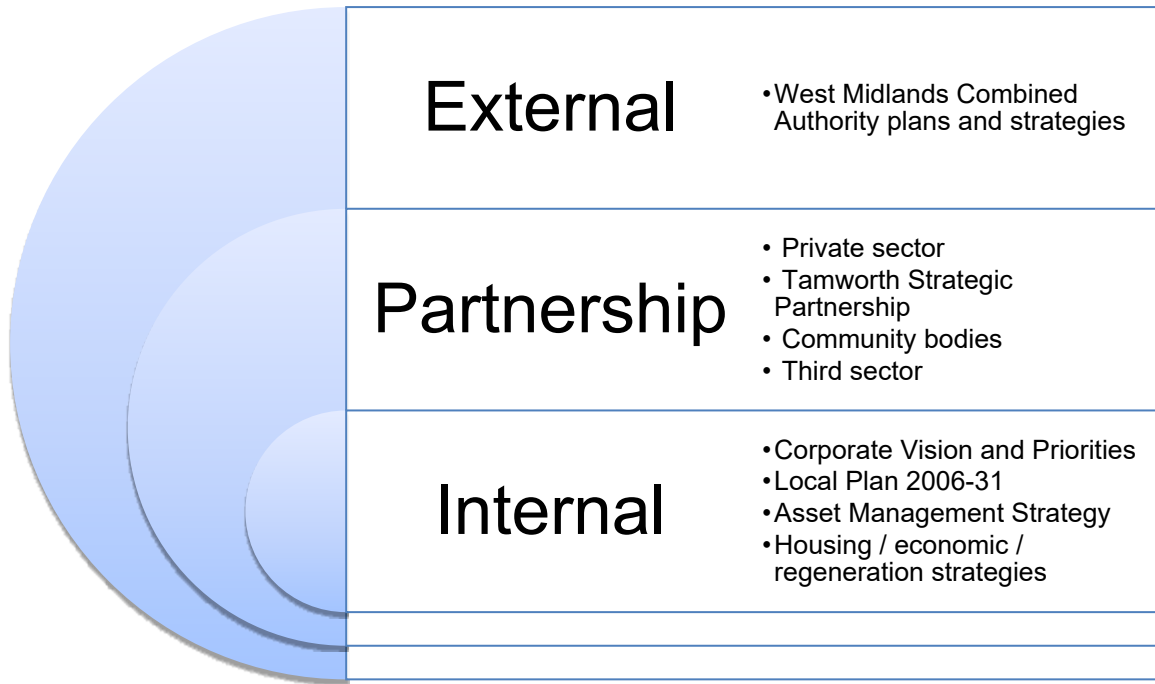
*The strategy includes regeneration ambitions, new infrastructure and significant investment in Housing as well as smaller schemes. The strategy also leaves space for consideration of new income streams that fit with our ambitions as a Council and support areas in which we already have skills and knowledge.*

## **Background**

- 2.5 The Council has an ongoing capital programme of over £51m for 2024/25 and an asset base valued at £303m (as at 31<sup>st</sup> March 2024).
- 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 provide provisional plans for expenditure out to a 10 year timeframe, with an indication of requirements out to 20-30 years where appropriate.

## **2.8 Influences**

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.



2.9 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.

2.10 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**

2.11 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.

2.12 As part of the Council’s business planning process, Heads of Service 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.

- 2.13 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.
- 2.14 The current de-minimis for capital expenditure is £10k per capital scheme.
- 2.15 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.
- 2.16 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).
- 2.17 Corporate Management Team and Heads of Service 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 Strategy and plans. 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.
- 2.18 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.

- 2.19 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 schemes, and is reviewed annually to ensure it continues to be fit for purpose and meets the requirements set out in CIPFA Capital Strategy Guidance.

### **Monitoring of Approved Capital Schemes**

- 2.20 Each capital scheme has a budget holder/project manager who is responsible for ensuring progress against the 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 and Corporate Scrutiny quarterly as part of Financial and Performance Healthcheck reports.
- 2.21 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 Head of Service/budget holder and any proposals to re-profile spend to future financial years for Cabinet approval.
- 2.22 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.
- 2.23 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.
- 2.24 The full capital appraisal and monitoring process and guidance for managers can be found on the intranet at this link:-

## **Review of Asset Management Plan**

- 2.25 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.
- 2.26 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 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, work was undertaken to review and update the Council's Asset Management Strategy, Asset Management Plans, Disposals and Acquisitions policies. These were reviewed by the Asset Strategy Steering Group and Corporate Scrutiny, and were approved by Cabinet 21<sup>st</sup> November 2024.
- 2.27 The 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).
- 2.28 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. Asset Management plans for each class of asset are to be developed in order to inform options appraisal and decision making.

## **HRA BUSINESS PLAN**

- 2.29 Indications are that Housing targets for the Borough under the new Local Plan requirements as set out by the Government are in excess of 400 new homes per year. This represents an extremely challenging target for the Council, particularly given the lack of available land within the Borough.
- 2.30 The HRA Business Plan has the potential to assist with achieving this target, for example by continuing to review the potential for unused garage sites to be

redeveloped, and by working in partnership with private developers. However, this is dependent to a large extent on the resources available within the HRA.

- 2.31 The current Asset Management strategy identifies HRA housing stock and garages with a value of £249m as at 31<sup>st</sup> March 2024. The 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.
- 2.32 The 30 year HRA business plan is currently under review following the decision by the Government to cap social housing rent increases at 2.7% for 2024/25, and in light of the net zero/carbon reduction agenda which would require significant capital spend on the housing stock. Modelling undertaken during 2023/24 indicated 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).
- 2.33 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.
  - Expectations for the interest rates chargeable on new borrowing have increased.
- 2.34 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.
- 2.35 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**

- 2.36 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, are set out in the Treasury Management Strategy Statement, Treasury Management Policy Statement,

## Capital Funding Streams

- 2.37 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).
- 2.38 **External Grants** – external grant allocations are received from central government, for example Disabled Facilities Grant, and also other organisations such as the Future High Streets Fund (which part-funded the Town Centre Regeneration project).
- 2.39 **Section 106, CIL and External Contributions** – S106 contributions from developers can support Leisure and open space programmes in the Borough.
- 2.40 **Capital Receipts** – the Council is able to generate capital receipts through the sale of surplus assets such as land and buildings and in recent years has benefitted from £24m as a result of the sale of the Golf Course at Amington. The potential for future sales will be determined as part of the Council’s Asset Management Strategy and individual Asset Management Plans. Any further capital receipts generated will be reinvested in the capital programme.
- 2.41 **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.
- 2.42 **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.
- 2.43 **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

- 2.44 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 included 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 \(tamworth.gov.uk\)](https://www.tamworth.gov.uk/infozone/risk-management)



## Risk Appetite

- 2.45 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.
- 2.46 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

- 2.47 The importance of establishing roles and responsibilities within the risk management framework is pivotal to successful delivery. The consideration of risk must be embedded into corporate policy approval and operational service delivery.
- 2.48 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"> <li>• Provide leadership for the process to manage risks effectively.</li> <li>• Review and revise the Risk Management Policy and Strategy in accordance with the review period.</li> <li>• Monitor and review the Corporate Risk Register on a quarterly basis including the identification of trends, upcoming events and potential new corporate risks.</li> </ul>
Audit & Governance Committee	<ul style="list-style-type: none"> <li>• 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.</li> <li>• To monitor the actions being taken to mitigate the impact of potentially serious risks</li> </ul>
Cabinet	<ul style="list-style-type: none"> <li>• To provide strategic direction with regard to risk management.</li> </ul>
Directors / Assistant Directors	<ul style="list-style-type: none"> <li>• To provide leadership for the process of managing risks.</li> <li>• To ensure that risk management methodology is applied to all service plans, projects, partnerships and proposals.</li> <li>• To identify and manage business /operational risks.</li> <li>• To ensure that the management of risk is monitored as part of the performance management process.</li> </ul>
Heads of Service	<ul style="list-style-type: none"> <li>• To ensure that all risks are identified, recorded and effectively managed in their area or responsibility.</li> </ul>

Group /Individual	Role
	<ul style="list-style-type: none"> <li>To review and update their risk register on at least a quarterly basis but appropriate to the risk.</li> <li>To determine the method of controlling the risk.</li> <li>To delegate responsibility if appropriate for the control of the risk.</li> <li>To notify the Director of new risks identified for consideration for inclusion on the corporate risk register.</li> </ul>
All staff	<ul style="list-style-type: none"> <li>To ensure that risk is effectively managed in their areas.</li> <li>To ensure that they notify their managers of new and emerging risks.</li> </ul>
Assistant Director – Finance	<ul style="list-style-type: none"> <li>To ensure that the risk management strategy is regularly reviewed and updated.</li> <li>Promote and support the risk management process throughout the Authority.</li> <li>Advise and assist managers in the identification of risks.</li> </ul>

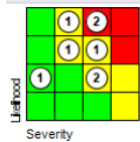
2.49 The Audit & Governance Committee will regularly review the Risk Management Policy and Strategy to ensure their continued relevance to the Borough. They will also assess performance against the aims and objectives.

2.50 Specific capital risks are contained within a register as detailed below.

### Corporate Capital Strategy Risk Register

Generated on: 20 January 2025

#### Current Risk Matrix



Code	Title	Assessment Code and Title	Trend	Status	Date Reviewed
CSRR1920_001	Risk of not identifying capital requirements	6 serious-unlikely	▬	⚠	20-Jan-2025
CSRR1920_002	Risk of insufficient funds to meet capital needs, including impact of external financial pressures	12 serious - very likely	▬	🔴	20-Jan-2025
CSRR1920_003	Risk of inadequate resources to deliver capital programme	9 serious-likely	▬	⚠	20-Jan-2025
CSRR1920_004	Risk of significant budget re-profiling/timescales slipping	8 significant - very likely	▬	⚠	20-Jan-2025
CSRR1920_005	Risk of significant overspends	6 serious-unlikely	▬	⚠	20-Jan-2025
CSRR1920_006	Risk of investments (including property funds) under-performing and income falling	12 serious - very likely	▬	🔴	20-Jan-2025
CSRR1920_007	Risk of inadequate PIR/required outcomes of a capital scheme not achieved	2 minor-unlikely	▬	✅	20-Jan-2025
CSRR1920_008	Risk of legislative changes/changes in Government policy having an impact on funds available or accounting treatment	6 significant-likely	▬	⚠	20-Jan-2025

## COMMERCIAL ACTIVITY

2.51 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.

2.52 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

2.53 The Council has 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. This was with the aim to generate returns of around 4% pa, and long-term asset growth, with the proviso that these would represent long term investments of between 5 – 10 years (minimum) in order to make the necessary returns (after set up costs).

2.54 To date, the Council has invested £1.85m with Schroders UK Real Estate Fund, £6.057m with Threadneedle Property Unit Trust, and £4.057m with Hermes Federated Property Unit Trust, total investment £11.962m. As at 30<sup>th</sup> December 2024 the valuation stands at £10.367m, with an overall loss of £1.596m. 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 31/03/2022	Valuation 31/03/2023	Valuation 31/03/2024	Valuation 31/12/2024
<b>Schroders UK Real Estate Fund</b>	1,848,933	2,139,618	1,727,176	1,567,521	1,561,070
<b>Valuation Increase / (reduction)</b>		290,685	(412,442)	(281,412)	(287,863)
<b>Threadneedle Property Unit Trust</b>	2,000,249	2,097,097	1,732,373	1,648,601	1,704,623
<b>Valuation Increase / (reduction)</b>		96,848	(364,724)	(351,648)	(295,626)
<b>Threadneedle Property Unit Trust</b>	4,056,536	4,407,163	3,640,676	3,464,625	3,582,357
<b>Valuation Increase / (reduction)</b>		350,627	(766,487)	(591,912)	(474,180)
<b>Hermes Federated Property Unit Trust</b>	4,056,500	4,450,808	3,741,712	3,462,647	3,518,647

<b>Valuation Increase / (reduction)</b>		394,308	(709,096)	(593,853)	(537,853)
<b>Total</b>	<b>11,962,218</b>	<b>13,094,687</b>	<b>10,841,937</b>	<b>10,143,394</b>	<b>10,366,696</b>
<b>Valuation Increase / (reduction)</b>		1,132,469	(1,120,280)	(1,818,824)	(1,595,521)

2.55 The following table details the dividend returns achieved from the property fund investments, which support the revenue budget. The Council received £488k in dividends from its property fund investments in 2023/24 (£458k in 2022/23), and has received £337k for the current financial year as at 30<sup>th</sup> December 2024.

<b>Fund Valuations</b>	<b>Investment</b>	<b>Dividend Returns 31/03/2022</b>	<b>Dividend Returns 31/03/2023</b>	<b>Dividend Returns 31/03/2024</b>	<b>Dividend Returns 31/12/2024</b>
<b>Schroders UK Real Estate Fund</b>	1,848,933	61,655	71,962	72,644	50,482
<b>Threadneedle Property Unit Trust</b>	2,000,249	79,231	83,373	92,111	52,101
<b>Threadneedle Property Unit Trust</b>	4,056,536	70,417	175,213	193,576	109,493
<b>Hermes Federated Property Unit Trust</b>	4,056,500	57,352	127,182	129,515	124,464
<b>Total</b>		<b>268,655</b>	<b>457,730</b>	<b>487,846</b>	<b>336,539</b>
<b>Annual Revenue % Return</b>		2.2%	3.8%	4.1%	3.8%

2.56 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.

2.57 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, over the past 12 months the value of the funds has started to stabilise following the 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 reserve of £1.12m is also available to mitigate any losses.

### **Regeneration of Town Centre and Purchase of Gungate site**

- 2.58 Council on 11<sup>th</sup> 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; 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. In January 2024 the lease with NCP who were operating part of the car park was terminated and it is now back under Council control.
- 2.59 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.
- 2.60 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.
- 2.61 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.

- 2.62 Work continues on land assembly for the Gungate North site, working with Staffordshire County Council to purchase the Magistrates court, Tamyouth and 56 Albert Road from them. To allow the disposal of the Tamyouth centre to Tamworth Borough Council the County Council have had confirmation from the Charities Commission that this is acceptable, a process that has taken 3.5 years in total. Work is underway to achieve vacant possession prior to building disposal to Tamworth. Discussions continue with the new ATIK landowner on the possibility of splitting the building away from Buzz Bingo. On Gungate South the Borough Council purchased the lease of the NCP car park and began to operate the site early in 2024.
- 2.63 A member briefing in December on the Gungate site was the precursor for further discussions to determine the level of ambition and the type of development that could be achieved on the site. Discussions are ongoing with potential end users who have shown an interest in the possibility of developing the site including market housing, later living, transport infrastructure and health. The Council are also progressing work on the need for new leisure facilities which also could be located on this site.

### **Future High Streets Fund**

- 2.64 During December 2020, the Government confirmed that the Council had 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.
- 2.65 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.
- 2.66 Each of the projects is now progressing well, and the Council is on track to spend all but £186k of FHSF grant by the spend deadline of 31<sup>st</sup> March 2025. There have been delays with the projects, particularly around the Middle Entry due to constraints and additional costs with regard to the removal of the canopy and bridge links. Construction costs have also been higher than expected due to inflation and the increased cost of materials, and additional contingency funds have been earmarked to mitigate risks associated with the works. A report to Council in February 2024 approved the allocation of UKSPF, CIL and S106 funds to the programme, and the release of £3.1m

additional funding from Golf Course capital receipts, plus the virement of £1.5m from the Gungate development scheme budget. Should these funds not be required in full, they will be returned to the Gungate scheme.

## Commercial and Industrial Property

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

INVESTMENT	Valuation at 31/03/2023	Income 2023/24 £	Rate of Return %	Valuation at 31/03/2024	Estimated Income 2024/25 £	Rate of Return %
Amington Industrial Estate (ground rents)	7,132,000	302,720	4.24	6,052,000	302,720	5.00
Lichfield Industrial Estate (ground rents plus 1 leased plot)	3,541,000	135,200	3.82	3,006,000	135,200	4.50
Local Centre Shops	2,363,500	236,153	9.99	2,349,300	245,289	10.44
Misc Corporate Property	15,215,444	1,189,030	7.81	14,425,630	1,192,405	8.27
Sandy Way Industrial Units	3,790,500	301,116	7.94	3,735,800	304,929	8.16
Tamworth Business Centre	1,227,000	125,206	10.20	997,000	129,454	12.98
Town Centre Shops	1,697,502	133,132	7.84	2,142,002	164,582	7.68
<b>TOTAL</b>	<b>34,966,946</b>	<b>2,422,558</b>	<b>6.93</b>	<b>32,707,732</b>	<b>2,474,579</b>	<b>7.57</b>

2.68 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).

2.69 The above assets currently deliver a return for the Council and assist in balancing the MTFs. The capital programme includes £20k 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.

2.70 The Council also has a Building Repairs Fund of c.£360k p.a. which should be included in the planned approach to asset management.

## KNOWLEDGE AND SKILLS

2.71 Treasury Management staff are either AAT or CCAB qualified and the 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; guidance/review of the draft Capital Strategy in December 2018; and an investment review in July 2024.

- 2.72 Training for Members with regard to treasury management is undertaken on a regular basis, most recently in February 2024. In February 2018, there was also a presentation to Members from Link Asset Services with regard to our investments in property funds.
- 2.73 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.
- 2.74 The Council ensures that its Members are qualified to undertake their governance role by providing training opportunities and access to workshops, etc.
- 2.75 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 2024, a revised programme has been formulated including additional schemes which have been put forward for inclusion.

Proposals have been reviewed by the Asset Strategy Steering Group and Corporate Management Team, and some changes have been made since base budget report was approved by Cabinet in November, in order to reduce the need for unsupported borrowing.

General Fund	
<b>1)</b>	<p><b>Food Waste Caddies and Vehicles</b>  <b>Project score 0</b>  <b>Description of project</b>  <i>National requirement to introduce weekly food waste services to households. New Burdens funding has been provided for the procurement of food waste caddies and vehicles associated with this. Further Phase 2 and 3 new burdens funds is anticipated but timescale and value of this is yet to be confirmed by the government.</i></p>
<b>2)</b>	<p><b>Tamworth Castle Structural Repairs (Contingency)</b>  <b>Project Score: 32</b>            In December 2023 Tamworth Castle was placed on the Heritage at Risk Register. The project will tackle the highest priority structural repairs reflected in the updated condition report (Donald Insall 2024). The works consist of repairs to the internal and external masonry, timber structure, plaster work, leaded light windows, cast iron rainwater goods, lead gutters and roofs. There are also below ground drainage works proposed and some accessibility improvements to meet legal requirements.            Project forms part of match funding for proposed grant application. Grant funding has been applied for and the capital bid is therefore contingency should this be unsuccessful. A further £190K in match funding is already ringfenced via a previous capital bid. Total value of the project £1,906,933. Capital bid request is £1,716,238  <b><i>Removed from draft capital programme – if MEND funding is not received then this project would be subject to further business case/options appraisal.</i></b></p>
<b>3)</b>	<p><b>Capital works required to General Fund Assets</b>  <b>Project Score: 36</b>            Delivery of planned investment works in line with updated HRA Business plan. To deliver a planned program of improvements to the Housing Property portfolio ensuring that properties meet the Decent Homes Standard and remain fit for occupation. There is a need for the authority to remain compliant and therefore the compliance works are mandatory.</p>

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£96.8k Refurbishment of Walkways at Caledonian and  
£73.9k Refurbishment Walkways at Ellerbeck

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**4) Energy efficiency works to Commercial and Industrial units**

**Project Score: 4**

Energy efficiency improvement works to commercial and industrial property to ensure that properties meet the required energy performance standards for relet. This is a budget that is spend on an ad-hoc basis as and when units that fail to meet the required standards become void.

**Budgets reduced to £20k pa**

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**5) Disabled Facilities Grants (DFG)**

**Project Score: 24**

£800k pa increasing by inflation each year

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

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**The provisional capital program has been reviewed – updated appraisal forms are still awaited for the following schemes:**

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**6) Technology Improvement/Replacement (Replacement PCs, Servers & Printers)**

**Project Score: 12 (2024/25)**

The provisional program included £60k p.a. years 1-4

**Revised Appraisal received after ASSG increase to £100k in 2025/26 and to £60k thereafter**

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

**Project Score: 60 (2024/25)**

The provisional program included £40k year 1 only

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**8) AI and Automation**

**Project Score: 48**

**Revised Appraisal received after ASSG to introduce new project £20k in 2025/26 only**

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**9) Street Lighting**

The provisional program included £50,960 in 2025/26

No further requirements for 2026/27 through to 2029/30 as per rolling program

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**10) Play Area Refurbishment**

**Project Score: 12 (2024/25)**

The provisional program included £50k p.a. years 1-3

Looking for an increased budget to £75k across all five years

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**11) Balancing ponds and sustainable drainage systems**

**Project Score: 63 (2024/25)**

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The provisional program included £300k 2025/26, £220k 2026/27 and £80k in 2028/29

Propose a further £100k 2029/30 in line with current lifetime program

A 30 year rolling program of works was approved for inclusion in the capital program, for the 8 ponds at Stonydelph, Belgrave, Lakeside, Peelers Way.

Part funded by existing reserves of £604k, and capital receipts of £328k

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**12) CCTV Upgrades**

The provisional program included £45.71k p.a. years 1 & 2

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**13) General Fund Capital Contingency Budget**

The remaining 2024/25 contingency budget totaling £2.250m will be rolled forward to 2025/26. Of this £2m relates to FHSF contingencies which will be returned to the Gungate project if not required,

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**14) Anker Valley Changing Rooms (Contingency)**

**Project Score:**

Contingency budget as may be an opportunity to attract match funding at short notice.

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**Housing Revenue Account**

**1) Council House Adaptations**

***Project Score 36***

Delivery of planned investment works in line with updated HRA Business plan. To deliver a planned program of improvements to the Housing Property portfolio ensuring that properties meet the Decent Homes Standard and remain fit for occupation. There is a need for the authority to remain compliant and therefore the compliance works are mandatory.

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Structural Works (ad-hoc)  
Bathroom Renewals  
Heating Upgrades  
Kitchen Renewals  
Major Roofing Work  
Windows & Doors  
Neighbourhood Regeneration Works  
Disabled Adaptations  
Lift Renewals  
Electrical upgrade works include CO and Smoke Detector renewals  
Works to sheltered schemes  
Damp and Mould related works  
Lift Renewals  
Regeneration and Affordable Housing Growth  
Insulation and Net Zero related works  
Fire risk mitigation works for work arising from FRA  
Improvements to communal areas of blocks  
High-Rise Parapet, structural, roofing and ventilation works  
Works to Eringden Block  
Walkways at Caledonian  
Walkways at Ellerbeck  
Walkways at Magnolia

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**Budgets reduced for Bathroom Renewals, Gas Central Heating Upgrades and Renewals, Kitchen Renewals, Window and Door Renewals, following updated survey data. Capital Salaries reduced based on latest forecasts. Neighbourhood Regeneration and Sheltered Schemes budgets removed.**

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**2) Install Fire Doors High Rise**

The provisional program included £404,800 in years 1- 3

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**3) Capital Salaries**

The provisional program included £200k p.a but will need to be revisited  
Increased to £400k to cover increased recharges, **subsequently reduced to £350k**

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**4) Street Lighting**

The provisional program included £76,440 in 2025/26  
No further requirements for 2026/27 through to 2029/30 as per rolling program

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## Draft General Fund Capital Programme 2025/26 to 2029/30

<b>General Fund Capital Programme</b>	<b>2025/26 £</b>	<b>2026/27 £</b>	<b>2027/28 £</b>	<b>2028/29 £</b>	<b>2029/30 £</b>	<b>Total £</b>
Replacement PC's, Servers and Printers	100,000	60,000	60,000	60,000	60,000	340,000
Endpoint Protection and Web-Email Filter	40,000	-	-	-	-	40,000
AI and Automation	20,000	-	-	-	-	20,000
Street Lighting	50,960	-	-	-	-	50,960
Refurbishment of Play Areas	75,000	75,000	75,000	75,000	75,000	375,000
Balancing Ponds	300,000	220,000	-	80,000	100,000	700,000
Snowdome Footbridge	215,000	-	-	-	-	215,000
Joint Waste Service Food Waste Caddies and Vehicles	634,900	-	-	-	-	634,900
GF Capital Salaries	45,000	45,000	45,000	45,000	45,000	225,000
Disabled Facilities Grant	800,000	820,000	840,500	861,500	883,000	4,205,000
Energy Efficiency Upgrades to Commercial and Industrial Units	20,000	20,000	20,000	20,000	20,000	100,000
Roofing and renewal of walkways to Caledonian shops	8,800	-	-	-	-	8,800
Roofing and renewal of walkways to Ellerbeck	6,700	-	-	-	-	6,700
CCTV Upgrades	45,710	45,710	-	-	-	91,420
Anker Valley Changing Rooms	150,000	-	-	-	-	150,000
<b>Total General Fund Capital</b>	<b>2,512,070</b>	<b>1,285,710</b>	<b>1,040,500</b>	<b>1,141,500</b>	<b>1,183,000</b>	<b>7,162,780</b>
<b>Proposed Financing:</b>						
Grants - Disabled Facilities	546,890	546,890	546,890	546,890	546,890	2,734,450
General Fund Capital Receipts	145,000	103,110	48,610	45,000	-	341,720
Sale of Council House Receipts	334,820	287,710	200,000	199,610	-	1,022,140
General Fund Capital Reserve	324,960	-	-	-	-	324,960
Other Contributions	650,400	-	-	-	-	650,400
<b>Unsupported Borrowing</b>	<b>510,000</b>	<b>348,000</b>	<b>245,000</b>	<b>350,000</b>	<b>636,110</b>	<b>2,089,110</b>
<b>Total</b>	<b>2,512,070</b>	<b>1,285,710</b>	<b>1,040,500</b>	<b>1,141,500</b>	<b>1,183,000</b>	<b>7,162,780</b>

**Key:**

Capital appraisal received with New Scheme for 2025/26 or adjusted figures supplied

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

No appraisal received figure to come from Recharges

Appendix C

Housing Revenue Account Capital Programme 2025/26 to 2029/30


Housing Revenue Account Capital Programme	2025/26 £	2026/27 £	2027/28 £	2028/29 £	2029/30 £	TOTAL £
Structural Works	205,000	210,100	215,400	220,800	226,300	1,077,600
Bathroom Renewals	471,520	483,300	495,400	507,800	520,500	2,478,520
Gas Central Heating Upgrades and Renewals	562,080	576,100	590,500	605,300	620,400	2,954,380
Kitchen Renewals	574,000	588,400	603,100	618,200	633,700	3,017,400
Major Roofing Overhaul and Renewals	2,306,250	2,363,900	2,423,000	2,483,600	2,545,700	12,122,450
Window and Door Renewals	369,000	378,200	387,700	397,400	407,300	1,939,600
Disabled Facilities Adaptations	717,500	735,400	753,800	772,600	791,900	3,771,200
Rewire	281,880	288,900	296,100	303,500	311,100	1,481,480
Works to Achieve zero Carbon	1,025,000	1,050,600	1,076,900	1,103,800	1,131,400	5,387,700
Works to Eringden Block	317,000	-	-	-	-	317,000
Roofing and renewal of walkways to Caledonian shops (HRA)	11,900	-	-	-	-	11,900
Roofing and renewal of walkways to Ellerbeck (HRA)	14,850	-	-	-	-	14,850
Renew Walkways Magnolia	410,000	-	-	-	-	410,000
Install Fire Doors High Rise	414,920	425,300	435,900	446,800	458,000	2,180,920
Fire Risk Mitigation Works	461,250	472,800	484,600	496,700	509,100	2,424,450
Damp and Mould Works	102,500	105,100	107,700	110,400	113,200	538,900
High Rise Structural Works	1,800,000	1,845,000	1,891,100	-	-	5,536,100
Improvements to Communal Areas of Blocks	164,000	168,100	172,300	176,600	181,000	862,000
Sheltered Lifts and Stairlift Renewals	256,250	262,700	269,300	276,000	282,900	1,347,150
Capital Salaries	350,000	350,000	350,000	350,000	350,000	1,750,000
Street Lighting	76,440	-	-	-	-	76,440
Regeneration & Affordable Housing	256,250	262,700	269,300	276,000	282,900	1,347,150
<b>Total HRA Capital</b>	<b>11,147,590</b>	<b>10,566,600</b>	<b>10,822,100</b>	<b>9,145,500</b>	<b>9,365,400</b>	<b>51,047,190</b>
<b>Proposed Financing:</b>						
Major Repairs Reserve	4,823,850	3,574,200	3,657,900	3,615,700	3,615,400	19,287,050
HRA Capital Receipts	347,500	463,000	420,000	420,000	421,700	2,072,200
Regeneration Revenue Reserves	2,887,550	2,387,100	2,834,600	2,587,200	2,587,900	13,284,350
Capital Receipts from Additional Council House Sales (1-4-1)	256,250	262,700	269,300	276,000	282,900	1,347,150
Regeneration Reserve	718,690	428,000	530,000	481,800	480,000	2,638,490
Affordable Housing Reserve	788,750	400,000	397,300	401,000	402,500	2,389,550
Other	125,000	125,000	125,000	75,000	75,000	525,000
Unsupported Borrowing	1,200,000	2,926,600	2,588,000	1,288,800	1,500,000	9,503,400
<b>Total</b>	<b>11,147,590</b>	<b>10,566,600</b>	<b>10,822,100</b>	<b>9,145,500</b>	<b>9,365,400</b>	<b>51,047,190</b>

Key:

Capital appraisal received with New Scheme for 2025/26 or adjusted figures supplied

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



 Amended since Base Budget report

## Main Budget Assumptions

Inflationary Factors	2025/26	2026/27	2027/28	2028/29	2029/30
Inflation Rate – Pay Awards	2.50%	2.50%	2.50%	2.50%	2.50%
National Insurance	10.00%	10.00%	10.00%	10.00%	10.00%
Superannuation	22.10%	22.10%	22.10%	22.10%	22.10%
Inflation Rate (RPI)	2.50%	2.50%	2.80%	2.80%	2.80%
Inflation Rate (CPI)	2.50%	2.50%	2.80%	2.80%	2.80%
Investment income rate	4.00%	3.00%	2.50%	2.50%	2.50%
Base Interest Rates	4.50%	3.50%	3.00%	3.00%	3.00%
NNDR increase	2.00%	2.00%	2.00%	2.00%	2.00%
Assumed Council Tax Increase %	2.99%	2.99%	2.99%	2.99%	2.99%

1. Local Government pay for 2024/25 was agreed in October 2024 which saw an increase of £1,290 on all pay points up to and including SCP43, with a 2.5% increase for all pay above this point. Future years remain uncertain, but a 2.5% p.a. increase has been assumed for 2025/26 and future years.
2. Overall, Fees and Charges will rise generally by 2.55% in 2025/26 (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. Revenue Support Grant of £362,961 will increase annually by inflation. The impact for the Council will be confirmed by MHCLG as part of the *Local Government Finance Settlement* with publication of final figures in February 2025.
5. The New Homes Bonus scheme, which has been extended for 2025/26, will end pending consultation on the future of the scheme;
6. An increase of 2.99% p.a. in Council Tax – the Government has confirmed that increases of 3% or £5.00 and above risk ‘capping.’
7. Future Pension contribution levels – following an option to ‘freeze’ the ‘lump sum’ element for the 3 years from 2023/24 (after the triennial review during 2022), with a further freeze to 2025/26 followed by 1% p.a. year on year increases included from 2026/27;
8. Given the current level of CPI of 1.7% (September 2024), the budgeted rent increase for 2025/26 will be 2.7% 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%. This has been the case since 2020, and we have assumed that this will continue for 2025/26.

9. Forecasts have been informed by the Bank of England Inflation report (August 2024), HM Treasury – Forecasts for the UK Economy (August 2024).

APPENDIX E

Policy Changes 2025/26 to 2029/30

SERVICE AREA	Budget Changes 25/26 £'000	Budget Changes 26/27 £'000	Budget Changes 27/28 £'000	Budget Changes 28/29 £'000	Budget Changes 29/30 £'000
CHIEF EXECUTIVE	6.97	-	-	-	-
GROWTH & REGENERATION	47.15	(50.00)	(1.52)	12.46	-
EXECUTIVE DIRECTOR ORGANISATION	2.87	-	-	-	-
PEOPLE	(31.89)	165.64	1.94	(87.74)	(85.85)
POLICY & PERFORMANCE	35.37	1.45	4.25	5.18	-
ENVIRONMENT, CULTURE AND WELLBEING	50.34	158.09	(121.00)	(24.00)	-
EXECUTIVE DIRECTOR FINANCE	2.47	-	-	-	-
FINANCE	(2,173.44)	795.16	(49.32)	(34.17)	(27.22)
EXECUTIVE DIRECTOR COMMUNITIES	-	-	-	-	-
ASSETS	210.87	242.41	-	-	-
NEIGHBOURHOODS	3.02	-	(8.90)	-	-
PARTNERSHIPS	(170.16)	(5.00)	(67.38)	-	-
<b>TOTAL</b>	<b>(2,016.43)</b>	<b>1,307.75</b>	<b>(241.93)</b>	<b>(128.27)</b>	<b>(113.07)</b>
Cumulative Cost / (Saving)	(2,016.43)	(708.68)	(950.61)	(1,078.88)	(1,191.95)

HOUSING REVENUE ACCOUNT	Budget Changes 25/26 £'000	Budget Changes 26/27 £'000	Budget Changes 27/28 £'000	Budget Changes 28/29 £'000	Budget Changes 29/30 £'000
HRA - SUMMARY	245.80	39.62	59.70	38.37	38.66
HRA - ENVIRONMENT	2.82	-	-	-	-
HRA - ASSETS	1,320.08	(46.24)	-	-	-
HRA - NEIGHBOURHOODS	44.99	-	-	-	-
HRA - ENV CULTURE & WELLBEING	6.55	-	-	-	-
HRA - PEOPLE	3.84	-	-	-	-
<b>TOTAL</b>	<b>1,624.08</b>	<b>(6.62)</b>	<b>59.70</b>	<b>38.37</b>	<b>38.66</b>
Cumulative Cost / (Saving)	1,624.08	1,617.46	1,677.16	1,715.53	1,754.19

## Policy Changes Summary Staffing Implications

SERVICE AREA	Budget Changes 25/26 FTE	Budget Changes 26/27 FTE	Budget Changes 27/28 FTE	Budget Changes 28/29 FTE	Budget Changes 29/30 FTE
CHIEF EXECUTIVE	-	-	-	-	-
GROWTH & REGENERATION	1.0	-	1.0	-	-
EXECUTIVE DIRECTOR ORGANISATION	-	-	-	-	-
PEOPLE	-	-	-	-	-
POLICY & PERFORMANCE	3.0	(2.0)	-	-	-
ENVIRONMENT, CULTURE AND WELLBEING	-	-	-	-	-
EXECUTIVE DIRECTOR FINANCE	-	-	-	-	-
FINANCE	-	-	-	-	-
EXECUTIVE DIRECTOR COMMUNITIES	-	-	-	-	-
ASSETS	-	-	-	-	-
NEIGHBOURHOODS	-	-	-	-	-
PARTNERSHIPS	-	-	-	-	-
<b>TOTAL</b>	<b>4.0</b>	<b>(2.0)</b>	<b>1.0</b>	-	-

HOUSING REVENUE ACCOUNT	Budget Changes 25/26 FTE	Budget Changes 26/27 FTE	Budget Changes 27/28 FTE	Budget Changes 28/29 FTE	Budget Changes 29/30 FTE
HRA - SUMMARY	-	-	-	-	-
HRA - ENVIRONMENT	-	-	-	-	-
HRA - ASSETS	5.0	-	-	-	-
HRA - NEIGHBOURHOODS	-	-	-	-	-
HRA - ENV CULTURE & WELLBEING	-	-	-	-	-
HRA - PEOPLE	-	-	-	-	-
<b>TOTAL</b>	<b>5.0</b>	-	-	-	-

## 2025/26 Budget Process - Policy Changes

### CHIEF EXECUTIVE

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	29/30 £'000
CE 1	Budget Savings Year on Year		(0.33)	-	-	-	-
CE 2	Increase in Employers National Insurance - announced as part of the Autumn Statement		7.30	-	-	-	-
<b>Total New Items / Amendments</b>			<b>6.97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### GROWTH & REGENERATION

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	29/30 £'000
G&R 1	Re-evaluation of estimated Car Parking Income		207.00	(50.00)	-	-	-
G&R 2	Economic Development and Regeneration	Outside car parks/season tickets	(90.00)	-	-	-	-
G&R 3	To make the Climate Officer post, which is currently a fixed term 3 year post, permanent		-	-	58.48	-	-
G&R 4	To make temp Staff in Planning Policy Team permanent (part funded till Dec 2026) utilising reserves and savings from Temp Staff budget (£7k) and Conservation Grant (GS0404 30404 £24k)		-	-	-	12.46	-
G&R 5	Building Control Partnership		60.00	-	(60.00)	-	-
G&R 6	Budget Savings Year on Year		(51.57)	-	-	-	-
G&R 7	Economic Development and Regeneration - Enterprise Centre	Post Boxes - additional income from a further 12 boxes	(5.76)	-	-	-	-
G&R 8	Development Management - Street Name & Numbering	Increased fee to bring Council in line with others	(1.20)	-	-	-	-
G&R 9	Increase in Employers National Insurance - announced as part of the Autumn Statement		37.38	-	-	-	-
G&R 10	Reduction of 10% across Building Repair Budgets		(8.70)	-	-	-	-
G&R 11	Implement of charges for Sunday parking		(100.00)	-	-	-	-
<b>Total New Items / Amendments</b>			<b>47.15</b>	<b>(50.00)</b>	<b>(1.52)</b>	<b>12.46</b>	<b>-</b>

### STAFFING IMPLICATIONS

Item No	Proposal/(Existing Budget)	Implications	25/26 FTE	26/27 FTE	27/28 FTE	28/29 FTE	29/30 FTE
G&R 3	To make the Climate Officer post, which is currently a fixed term 3 year post, permanent		-	-	1.00	-	-
G&R 4	Temp Staff in Planning Policy Team till end of June 2026 (part funded till Dec 2026) and Grant savings from Proposed from Conservation Grant		1.00	-	-	-	-
<b>TOTAL</b>			<b>1.00</b>	<b>-</b>	<b>1.00</b>	<b>-</b>	<b>-</b>

**EXECUTIVE DIRECTOR ORGANISATION**

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	29/30 £'000
OR 1	Increase in Employers National Insurance - announced as part of the Autumn Statement		2.87	-	-	-	-
<b>Total New Items / Amendments</b>			<b>2.87</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**PEOPLE**

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	29/30 £'000
PE 1	Annual Azure hosting	The Azure hosting costs are an ongoing commitment. This will facilitate moving the majority of our server estate to Microsoft's Cloud services. The current server and storage infrastructure is reaching capacity and either requires replacing or in line with the ICT Strategy, migrating to Cloud services	80.00	-	-	-	-
PE 2	Corporate Training Budgets	Increased costs and training requirements	5.00	-	-	-	-
PE 3	Review of Elections budgets from a zero-base, factoring in the anticipated schedule of elections and ability to run joint elections/claim a share of costs from SCC/Govt/OPCC where appropriate, the following budget adjustments are requested.	Increase budget for automated HEF Fees utilisation increased	(105.54)	165.64	1.94	(87.74)	(85.85)
PE 4	Budget Savings Year on Year		(17.49)	-	-	-	-
PE 5	Increase in Employers National Insurance - announced as part of the Autumn Statement		46.40	-	-	-	-
PE 6	Time recording equipment	No impact as staff use self service	(3.00)	-	-	-	-
PE 7	Remove Staff & Member Health Insurance		(9.26)	-	-	-	-
PE 8	Reduction of direct marketing budget for Assembly Rooms/ Events and Castle		(21.00)	-	-	-	-
PE 9	Reduction in external communications budget		(7.00)	-	-	-	-
<b>Total New Items / Amendments</b>			<b>(31.89)</b>	<b>165.64</b>	<b>1.94</b>	<b>(87.74)</b>	<b>(85.85)</b>

**POLICY & PERFORMANCE**

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	29/30 £'000
PP 1	New Policy & Performance team including permanent AD post and two temporary officer posts, incl homeworking allowance, car user allowance and net of £100k reserve and salaries budget savings from vacant Performance and Insight Officer hours		60.17	1.45	4.25	5.18	-
PP 2	Budget Savings Year on Year		(2.11)	-	-	-	-
PP 3	Increase in Employers National Insurance - announced as part of the Autumn Statement		3.73	-	-	-	-
PP 4	Reduce number of Scrutiny Committees		(26.42)	-	-	-	-
	<b>Total New Items / Amendments</b>		<b>35.37</b>	<b>1.45</b>	<b>4.25</b>	<b>5.18</b>	<b>-</b>

**STAFFING IMPLICATIONS**

Item No	Proposal/(Existing Budget)	Implications	25/26 FTE	26/27 FTE	27/28 FTE	28/29 FTE	29/30 FTE
PP 1	AD Policy & Performance and two Grade G Officer posts temp for 12 months		3.00	(2.00)	-	-	-
	<b>TOTAL</b>		<b>3.00</b>	<b>(2.00)</b>	<b>-</b>	<b>-</b>	<b>-</b>



**ENVIRONMENT, CULTURE AND WELLBEING**

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	29/30 £'000
OPS 1	Waste Management Contract / Recycling Credit (Policy Change)	Recycling credits budget disparity to be included	93.81	147.00	(3.00)	(24.00)	-
OPS 2	Additional Income from SCC re Grass cuts 2025/26 only		(24.09)	24.09	-	-	-
OPS 3	Health & Safety - Increase in revenue budget for 12 months to support	Reduce backlog in employee workplace stress risk assessments	13.00	(13.00)	-	-	-
OPS 4	Budget Savings Year on Year		(25.87)	-	-	-	-
OPS 5	Outdoor Events	Additional Income from Catering wagon	(12.00)	-	-	-	-
OPS 6	Increase in Employers National Insurance - announced as part of the Autumn Statement		67.90	-	-	-	-
OPS 7	Remove Snowdome contribution to public swimming at end of current contract		-	-	(118.00)	-	-
OPS 8	Play Schemes	Will hope to bridge the budget with external funding. If the funding is not achieved, and the proposed saving is taken forward, it will be a reduction in service provision.	(3.00)	-	-	-	-
OPS 9	Sports Development Project Fund	Will hope to bridge the budget with external funding. If the funding is not achieved, and the proposed saving is taken forward, it will be a reduction in service provision.	(4.00)	-	-	-	-
OPS 10	Reduction in Fuel Budget		(25.00)	-	-	-	-
OPS 11	Reduction in Graffiti Removal Budget		(8.00)	-	-	-	-
OPS 12	Reduction in Purchase of Plants Budget		(10.00)	-	-	-	-
OPS 13	Reduction of 10% across Building Repair Budgets		(12.41)	-	-	-	-
	<b>TOTAL</b>		<b>50.34</b>	<b>158.09</b>	<b>(121.00)</b>	<b>(24.00)</b>	-

**EXECUTIVE DIRECTOR FINANCE**

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	29/30 £'000
ED 1	Budget Savings Year on Year		(0.25)	-	-	-	-
ED 2	Increase in Employers National Insurance - announced as part of the Autumn Statement		2.72	-	-	-	-
	<b>Total New Items / Amendments</b>		<b>2.47</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**FINANCE**

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	29/30 £'000
FIN 1	New Homes Bonus to continue for a further year from Draft Settlement		(286.31)	286.31	-	-	-
FIN 2	Funding Floor (previously Local Government Services Grant and Lower Tier Services Grant)	Confirmed in provisional settlement one year only	(321.13)	321.13	-	-	-
FIN 3	Recovery Grant	Confirmed in provisional settlement one year only	(279.46)	279.46	-	-	-
FIN 4	Revs & Bens Zero Based Budgeting including Restructure of Teams		(88.57)	-	-	-	-
FIN 5	Contribution from Business Rates Equalisation Reserve		(500.00)	500.00	-	-	-
FIN 6	Revenue Impact of Capital programme	Repayment of debt (4%) on unsupported borrowing / lost investment income	20.40	(6.48)	(4.12)	4.20	11.44
FIN 7	Revenue Impact of Capital programme	Increased Item 8 DR recharge to HRA	(11.25)	(39.62)	(59.70)	(38.37)	(38.66)
FIN 8	Budget Savings Year on Year		(11.12)	-	-	-	-
FIN 9	Increase in Employers National Insurance - announced as part of the Autumn Statement		37.72	-	-	-	-
FIN 10	New Grant to offset National Insurance Increase		(107.15)	-	-	-	-
FIN 11	Service Review Savings		(650.00)	(150.00)	-	-	-
FIN 12	Business Rates Levy payment	Increased budget for levy payment based on NNDR 1 business rates forecast	154.97	(154.97)	-	-	-
FIN 13	Business Rates Relief Section 31 Grant	Reduced budget for S31 grants/SBRR based on NNDR 1 business rates forecast	133.12	(133.12)	-	-	-
FIN 14	Revised Treasury Management Interest reflecting higher level of Reserves		(264.66)	(107.55)	14.50	-	-
<b>Total New Items / Amendments</b>			<b>(2,173.44)</b>	<b>795.16</b>	<b>(49.32)</b>	<b>(34.17)</b>	<b>(27.22)</b>

**ASSETS**

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	29/30 £'000
AST 1	Reverse savings relating to Marmion House per BWP 048 2023/24 Marmion House R&R Deferral. Usage of Marmion House is expected to increase starting with the re-opening of the Reception area in January 2025. Council meetings currently taking place at the Town Hall are also due to move to back to being held at Marmion House	Following a change of political control in May 2024 face to face customer services are being brought back. Savings previously identified for Marmion House in 2026/27 budget to be reversed as usage of the building will increase resulting in a loss of predicted savings	-	242.41	-	-	-
AST 2	Ankerside Income Shortfall net of contingency funding £460k		243.00	-	-	-	-
AST 3	Budget Savings Year on Year		(6.88)	-	-	-	-
AST 4	Increase in Employers National Insurance - announced as part of the Autumn Statement		12.75	-	-	-	-
AST 5	Reduction of 10% across Building Repair Budgets		(38.00)	-	-	-	-
<b>Total New Items / Amendments</b>			<b>210.87</b>	<b>242.41</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NEIGHBOURHOODS**

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	29/30 £'000
NEI 1	Budget Savings Year on Year		(7.39)	-	-	-	-
NEI 2	Increase in Employers National Insurance - announced as part of the Autumn Statement		10.41	-	-	-	-
NEI 3	Out of hours Homelessness Service - to be provided by WMCA		-	-	(8.90)	-	-
<b>Total New Items / Amendments</b>			<b>3.02</b>	<b>-</b>	<b>(8.90)</b>	<b>-</b>	<b>-</b>

**PARTNERSHIPS**

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	29/30 £'000
PAR 1	To reduce income budget on car park enforcement to £57,000	The use of car parks dropped during the pandemic lockdown and beyond, thereby reducing car park enforcement and income from penalty charge notices. Current income budget of £121,350 is not achievable (for 2025/26 £124,380)	67.38	-	(67.38)	-	-
PAR 2	Budget Savings Year on Year		(6.32)	-	-	-	-
PAR 3	GF Housing - remove discretionary HRA recharge	Remove whilst undertake HRA business plan review and assess longer term viability, costs need to be developed to understand what this contribution covers	(229.55)	-	-	-	-
PAR 4	Increase in Employers National Insurance - announced as part of the Autumn Statement		19.42	-	-	-	-
PAR 5	Remove annual budget for Housing Strategy Statement		(5.50)	-	-	-	-
PAR 6	Removal of Community Grants	Move to options around social crowd funding (provisionally 3 years with Community Recovery Funding and possible inclusion of CIL funding/UKSPF)	(15.59)	-	-	-	-
PAR 7	Grants to Community Service organisations	Remove funds to CAB for debt advice service contracted until 2026/27	-	(5.00)	-	-	-
<b>Total New Items / Amendments</b>			<b>(170.16)</b>	<b>(5.00)</b>	<b>(67.38)</b>	<b>-</b>	<b>-</b>

### HRA - SUMMARY

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	29/30 £'000
HRA 1	Revenue Impact of Capital programme	Increased Item 8 DR recharge to HRA	11.25	39.62	59.70	38.37	38.66
HRA 2	Increase in Contribution to GF for Corporate Training as PE 5		5.00	-	-	-	-
HRA 3	Discretionary HRA recharge	Remove whilst undertake HRA business plan review and assess longer term viability, costs need to be developed to understand what this contribution covers	229.55	-	-	-	-
<b>Total New Items / Amendments</b>			<b>245.80</b>	<b>39.62</b>	<b>59.70</b>	<b>38.37</b>	<b>38.66</b>

### HRA - ENVIRONMENT

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	29/30 £'000
HENV 1	Increase in Employers National Insurance - announced as part of the Autumn Statement		2.82	-	-	-	-
<b>Total New Items / Amendments</b>			<b>2.82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## HRA - ASSETS

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	29/30 £'000
HASS 1	Service transformation and resourcing of the assets team delivering housing repairs, improvements and compliance works.	Service Transformation £35,000 (one off) Disrepairs Technical Officer Disrepairs Administrative Officer Head of Compliance Repairs Administrative Officer Compliance Administrative Officer	311.76	(46.24)	-	-	-
HASS 2	Increase in budgets for housing repairs and voids to reflect changes in the contractual arrangements.	Day to Day Repairs and Voids	988.00	-	-	-	-
HASS 3	Budget savings - year on year underspends		(1.77)	-	-	-	-
HASS 4	Increase in Employers National Insurance - announced as part of the Autumn Statement		22.09	-	-	-	-
<b>Total New Items / Amendments</b>			<b>1,320.08</b>	<b>(46.24)</b>	<b>-</b>	<b>-</b>	<b>-</b>

## STAFFING IMPLICATIONS

Item No	Proposal/(Existing Budget)	Implications	25/26	26/27	27/28	28/29	29/30
			FTE	FTE	FTE	FTE	FTE
HASS 1	Service transformation and resourcing of the assets team delivering housing repairs, improvements and compliance works	Disrepairs Technical Officer (Grade F)	1.00	-	-	-	-
		Disrepairs Administrative Officer (Grade D)	1.00	-	-	-	-
		Head of Compliance (Grade I)	1.00	-	-	-	-
		Repairs Administrative Officer (Grade D)	1.00	-	-	-	-
		Compliance Administrative Officer (Grade D)	1.00	-	-	-	-
<b>TOTAL</b>			<b>5.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## HRA - NEIGHBOURHOODS

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	29/30 £'000
HNEI 1	Regulator of Social Housing's annual fees	The Regulator of Social Housing regulates registered providers of social housing in England to ensure the deliver good quality housing services to tenants.	28.50	-	-	-	-
HNEI 2	Budget savings - year on year underspends		(25.22)	-	-	-	-
HNEI 3	Increase in Employers National Insurance - announced as part of the Autumn Statement		47.29	-	-	-	-
HNEI 4	Remove Staff & Member Health Insurance		(5.58)	-	-	-	-
<b>Total New Items / Amendments</b>			<b>44.99</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**HRA - ENV CULTURE & WELLBEING**

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	29/30 £'000
HOPS 1	Increase in Employers National Insurance - announced as part of the Autumn Statement		6.55	-	-	-	-
<b>Total New Items / Amendments</b>			<b>6.55</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**HRA - PEOPLE**

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
			25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	29/30 £'000
HPEO 1	Increase in Employers National Insurance - announced as part of the Autumn Statement		3.84	-	-	-	-
<b>Total New Items / Amendments</b>			<b>3.84</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## General Fund Five Year Revenue Budget Summary

<i>Figures exclude internal recharges which have no bottom line impact.</i>	<b>Base Budget 2024/25 £</b>	<b>Budget 2025/26 £</b>	<b>Budget 2026/27 £</b>	<b>Budget 2027/28 £</b>	<b>Budget 2028/29 £</b>	<b>Budget 2029/30 £</b>
Chief Executive	270,450	278,600	286,910	294,950	303,170	311,270
AD Growth & Regeneration	662,250	683,310	697,290	658,320	707,230	740,700
ED Organisation	93,050	98,600	101,350	104,180	107,070	110,020
AD People	2,782,780	2,813,690	3,059,020	3,121,380	3,115,610	3,109,720
AD Policy & Performance	595,840	607,120	628,640	654,190	681,250	701,640
AD Env, Culture & Wellbeing	5,758,020	6,008,700	6,200,850	5,966,410	6,028,550	6,103,130
ED Finance	93,320	97,130	99,760	102,450	105,190	107,990
AD Finance	(3,983,880)	(3,543,450)	(641,370)	(409,250)	(366,320)	(193,120)
ED Communities	-	-	-	-	-	-
AD Assets	46,950	(263,350)	(372,720)	(336,190)	(300,030)	(264,610)
AD Neighbourhoods	813,030	1,008,330	1,037,050	1,067,340	1,099,040	1,131,440
AD Partnerships	1,051,280	857,860	904,710	848,490	867,620	887,400
<b>Net Cost of Services</b>	<b>8,183,090</b>	<b>8,646,540</b>	<b>12,001,490</b>	<b>12,072,270</b>	<b>12,348,380</b>	<b>12,745,580</b>
Transfer to / (from) Balances	(1,134,859)	148,939	(3,875,629)	(3,711,939)	(3,746,554)	(3,894,911)
Collection Fund Surplus (Council Tax)	(27,070)	(33,143)	(33,143)	(33,143)	(33,143)	(33,143)
Collection Fund Deficit (Business Rates)	1,151,630	92,642	-	-	-	-
Revenue Support Grant	(322,012)	(362,961)	(370,220)	(377,625)	(385,177)	(392,881)
Business Rates S.31 Grants						
Business Rates Levy						
Retained Business Rates	(14,264,548)	(14,877,204)	(15,174,748)	(15,478,243)	(15,787,808)	(16,103,564)
Tariff Payable	11,172,962	11,311,088	12,546,890	12,797,828	13,053,785	13,314,860
<b>Council Tax Requirement</b>	<b>(4,759,193)</b>	<b>(4,925,901)</b>	<b>(5,094,640)</b>	<b>(5,269,148)</b>	<b>(5,449,483)</b>	<b>(5,635,941)</b>

Figures include proposed Policy Changes



## Tamworth Borough Council

### Statement by Authority Section 151 Officer

Under Section 25 of the Local Government Act 2003, the Section 151 Officer is specifically required to report to the Authority on the following two matters:

- The robustness of the estimates made for the purposes of calculations; and
- The adequacy of reserves.

I am content that the Revenue and Capital budgets have been prepared in an accurate and robust manner such that the Council will have adequate resources to discharge its responsibilities under various statutes and regulations.

The expected level of reserves at 31 March 2025 are £21.025m for the General Fund and £9.527m for the HRA.

Based on current estimates, the reserve levels for the General Fund are sufficient to enable balanced budgets to be set for the next three years 2025/26 to 2027/28. The Council is planning to address future shortfalls in the General Fund from 2028/29 and beyond through its Financial Resilience Plan.

The expected level of reserves for the HRA are sufficient to enable balanced budgets to be set for the next 5 years and beyond.

It is my opinion that the levels of reserves are adequate.

Joanne Goodfellow FCCA  
Tamworth Borough Council Section 151 Officer

## Estimated Council Tax levels at each band for 2025/26

Authority:	Tamworth Borough Council Tax 2024/25 £	Tamworth Borough Council £	* Staffordshire County Council £	* Office of the Police & Crime Commissioner (OPCC) Staffordshire £	* Staffordshire Commissioner Fire and Rescue Authority £	Total 2025/26 £	Total Council Tax 2024/25 £
Demand/Precept on Collection Fund		4,925,901	38,265,869	6,785,502	2,165,405	52,142,677	
Council Tax Band							
A	135.13	139.17	1,081.14	191.71	61.18	1,473.20	1,405.12
B	157.66	162.37	1,261.33	223.67	71.38	1,718.75	1,639.32
C	180.18	185.56	1,441.52	255.62	81.57	1,964.27	1,873.49
<b>D</b>	<b>202.70</b>	<b>208.76</b>	<b>1,621.71</b>	<b>287.57</b>	<b>91.77</b>	<b>2,209.81</b>	<b>2,107.68</b>
E	247.74	255.15	1,982.09	351.47	112.16	2,700.87	2,576.04
F	292.79	301.54	2,342.47	415.38	132.56	3,191.95	3,044.43
G	337.83	347.93	2,702.85	479.28	152.95	3,683.01	3,512.80
H	405.40	417.52	3,243.42	575.14	183.54	4,419.62	4,215.36
% increase		2.99%	4.99%	5.12%	5.76%	4.85%	

\*

Staffordshire County Council, Medium Term Financial Strategy 2025 / 2030, Budget and Council Tax 13th February 2025)

Staffordshire Police, Fire, and Crime Panel – 3<sup>rd</sup> February 2025, Police and Crime Budget (incl MTFs and Precept)

Staffordshire Police, Fire, and Crime Panel – 10<sup>th</sup> February 2025, Fire Revenue Budget Report (incl. MTFs and Precept)

## HRA Budgeted Income and Expenditure Account

	Base Budget £	Technical £	Policy Changes £	Budget £	Budget £	Budget £	Budget £	Budget £
<b>Income</b>								
Dwelling Rents	(23,042,280)	(78,590)	-	(23,120,870)	(23,744,930)	(24,385,610)	(25,043,360)	(25,718,630)
Non-Dwelling Rents	(353,700)	25,790	-	(327,910)	(335,620)	(343,520)	(351,620)	(359,920)
Charges for Services and Facilities	(1,156,170)	61,410	-	(1,094,760)	(1,109,620)	(1,124,210)	(1,139,140)	(1,153,530)
Contributions Towards Expenditure	(1,502,990)	241,170	229,550	(1,032,270)	(1,032,300)	(1,032,330)	(1,032,360)	(1,032,390)
<b>Subtotal</b>	<b>(26,055,140)</b>	<b>249,780</b>	<b>229,550</b>	<b>(25,575,810)</b>	<b>(26,222,470)</b>	<b>(26,885,670)</b>	<b>(27,566,480)</b>	<b>(28,264,470)</b>
<b>Expenditure</b>								
Repairs and Maintenance	6,788,650	(461,980)	1,312,270	7,638,940	7,493,950	7,779,130	8,024,290	8,274,440
Supervision and Management	7,378,390	198,990	71,010	7,648,390	7,701,650	7,874,520	8,036,420	8,166,100
Rents, Rates, Taxes and Other Charges	40,260	11,550	-	51,810	52,800	53,930	55,080	56,270
Increase in Provision for Bad Debts	370,000	(53,700)	-	316,300	343,000	372,900	406,500	444,100
Depreciation and impairment of non-current assets	4,070,330	(21,030)	-	4,049,300	4,049,300	4,049,300	4,049,300	4,049,300
Debt Management Costs	26,980	(18,040)	-	8,940	9,190	9,450	9,730	10,020
<b>Subtotal</b>	<b>18,674,610</b>	<b>(344,210)</b>	<b>1,383,280</b>	<b>19,713,680</b>	<b>19,649,890</b>	<b>20,139,230</b>	<b>20,581,320</b>	<b>21,000,230</b>
<b>Net cost of HRA Services per Authority I&amp;E</b>	<b>(7,380,530)</b>	<b>(94,430)</b>	<b>1,612,830</b>	<b>(5,862,130)</b>	<b>(6,572,580)</b>	<b>(6,746,440)</b>	<b>(6,985,160)</b>	<b>(7,264,240)</b>
Corporate and Democratic Core	33,170	2,080	-	35,250	36,130	37,140	38,180	39,250
<b>Net Cost of HRA Services</b>	<b>(7,347,360)</b>	<b>(92,350)</b>	<b>1,612,830</b>	<b>(5,826,880)</b>	<b>(6,536,450)</b>	<b>(6,709,300)</b>	<b>(6,946,980)</b>	<b>(7,224,990)</b>
Interest Payable and Similar Charges	3,050,700	(72,960)	11,250	2,988,990	2,964,540	2,988,600	3,027,420	3,066,080
Interest Receivable and Similar Income	(223,410)	4,270	-	(219,140)	(134,190)	(143,930)	(168,110)	(168,110)
<b>Surplus/ Deficit for the year</b>	<b>(4,520,070)</b>	<b>(161,040)</b>	<b>1,624,080</b>	<b>(3,057,030)</b>	<b>(3,706,100)</b>	<b>(3,864,630)</b>	<b>(4,087,670)</b>	<b>(4,327,020)</b>

## Statement of Movement on the HRA Balance

<b>Surplus or Deficit for the year</b>	<b>(4,520,070)</b>	<b>(161,040)</b>	<b>1,624,080</b>	<b>(3,057,030)</b>	<b>(3,706,100)</b>	<b>(3,864,630)</b>	<b>(4,087,670)</b>	<b>(4,327,020)</b>
Additional Items required to be taken into account:								
Capital Expenditure funded by the HRA	3,466,270	-	-	3,466,270	3,466,270	3,466,270	3,466,270	3,466,270
<b>(Increase)/ Decrease in HRA Balances</b>	<b>(1,053,800)</b>	<b>(161,040)</b>	<b>1,624,080</b>	<b>409,240</b>	<b>(239,830)</b>	<b>(398,360)</b>	<b>(621,400)</b>	<b>(860,750)</b>

## Financial Resilience Plan

Workstream	Activity	Lead	Comment	Date
Income maximisation	Annual review of fees and charges with a view to increase to top percentile	AD Finance	Consideration to be given to future years increases CPI plus 3% each year in line with fees and charges policy	Feb-25
	Opportunities for increased income to be explored	ADs	Planned approach including initially options for car parking and differentiation between short & long-term parking; civil parking enforcement; street trading and pavement licensing.	2025/26
	HRA Service Charges	AD Environment, Culture & Wellbeing/AD Neighbourhoods	Review of charges in line with HRA business plan.	2027/28
	Review opportunities for rent flexibilities	AD Neighbourhoods	In line with HRA business plan	2027/28
	Council tax, including empty homes premium	AD Finance	To ensure income is maximised and empty properties minimised. Council tax increases in line with referendum limits.	2026/27
	Levels of debt and arrears/write-offs to be reviewed, including housing rent arrears	AD Finance/AD Neighbourhoods	Benchmarking to be undertaken, processes and policy to be reviewed.	2025/26
	Review use of Council assets	AD Assets	Development of asset plans for each asset and consideration of options around investment required; income maximisation; potential sale as appropriate	2025/26

Workstream	Activity	Lead	Comment	Date
Financial Management	Review of vacant posts and business case for all new vacancies, review agency and temporary staff	AD People	Vacant posts to be reviewed by panel before recruitment	2025/26
	Review use of consultants	ED Finance/ED Organisation		2025/26
	Cessation of discretionary spend	ED Finance	Cessation of non-essential spend, eg on credit cards. Only essential spend necessary for statutory service delivery or where there is a contractual commitment/health & safety issue	2025/26
	Annual review of all reserves and retained funds	ED Finance	Report to Cabinet December each year, unspent reserves to be returned to balances. To include sinking funds for lake desilting	Annual
	Review all persistent underspends	AD Finance	Underspends to be identified, reviewed and budgets offered up as part of budget process	Annual
	Review of capital programme, external funding opportunities to be maximised to limit requirement for borrowing	ELT		Annual
	All policy changes for growth items to only be considered with compensatory savings identified/additional income - no overall increasing cost base	ELT/ADs		Annual
	Zero-based budgeting approach to be continued on a rolling annual basis	ELT/ADs	Two service areas to be identified each year	Annual
	Review of financial and operational strategy with regard to SLAs and shared services	ELT/ADs	To ensure cost effective	2025/26

<b>Workstream</b>	<b>Activity</b>	<b>Lead</b>	<b>Comment</b>	<b>Date</b>
<b>Organisational review/Service Transformation</b>	Review of recharges for support services and impact on delivery, particularly following savings in front-line services	ED Finance/ADs	To include HRA/GF recharges review, currently linked in with update of HRA business plan	2025/26
	Review of organisational structure, including opportunities for efficiencies	CE/ELT		2025/26
	Programmed approach to review discretionary and high cost statutory services, undertaking a best value approach	ELT/ADs	Planned approach to review two areas on an annual basis	Annual

## TREASURY MANAGEMENT STRATEGY STATEMENT, TREASURY MANAGEMENT POLICY STATEMENT, MINIMUM REVENUE PROVISION POLICY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2025/26

### Purpose

To comply with the requirement of the Council's Treasury Management Policy in reporting to Council the proposed strategy for the forthcoming year and the Local Government Act 2003 with the reporting of the Prudential Indicators.

### Executive Summary

The Local Government Act 2003 requires the Council to produce prudential indicators in line with the Prudential Code.

This report outlines the Council's prudential indicators for 2025/26 – 2027/28 and sets out the expected Treasury operations for this period. This report and associated tables fulfil the statutory requirement of the Local Government Act 2003 by:

- Reporting the prudential indicators as required by the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities;
- Setting the Council's Minimum Revenue Provision (MRP) Policy, which defines how the Council will pay for capital assets through revenue contributions each year (as required by Regulation under the Local Government and Public Involvement in Health Act 2007);
- Setting the Treasury Management Strategy in accordance with the CIPFA Code of Practice on Treasury Management;
- Adopting the Council's Treasury Management Policy Statement as recommended within the CIPFA Code of Practice 2021;
- Setting the Investment Strategy (in accordance with the Ministry of Housing, Communities and Local Government (MHCLG) investment guidance); and
- Affirming the effective management and responsibility for the control of risk and clearly identifying our appetite for risk. The Council's risk appetite is low in order to give priority to **S**ecurity, **L**iquidity then **Y**ield (or return on investments).

Under the requirements of the CIPFA Code of Practice and associated Guidance Notes 2021, the following four clauses have been adopted:

1. This Council will create and maintain, as the cornerstones for effective treasury and investment management:

- a. A treasury management policy statement stating the policies, objectives and approach to risk management of its treasury management activities
  - b. Suitable treasury management practices (TMPs) setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities
  - c. Investment management practices (IMPs) for investments that are not for treasury management purposes.
2. This Council will receive reports on its treasury and investment management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close in the form prescribed in its TMPs and IMPs.
  3. This Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to Cabinet, and for the execution and administration of treasury management decisions to the Executive Director Finance, who will act in accordance with the organisation's policy statement, TMPs and IMPs, and, as a CIPFA member, CIPFA's Standard of Professional Practice on treasury management.
  4. This organisation nominates the Audit and Governance Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

### **Equalities Implications**

There are no equalities implications arising from the report.

### **Legal Implications**

Approval of Prudential Indicators and an Annual Investment Strategy is a legal requirement of the Local Government Act 2003. Members are required under the CIPFA Code of Practice to have ownership and understanding when making decisions on Treasury Management matters.

### **Resource and Value for Money Implications**

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

### **Risk Implications**

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

A Glossary of terms utilised within the report can be found at **ANNEX 9**.

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<b>Background Papers:-</b>	<b><i>Budget &amp; Medium Term Financial Strategy 2025/26</i></b>
	<b><i>Mid-year Treasury Report 2024/25 Council, 10/12/24</i></b>
	<b><i>Annual Treasury Report 2023/24 Council 10/09/24</i></b>
	<b><i>Treasury Management Strategy Statement, Treasury Management Policy Statement, Minimum Revenue Provision Policy Statement &amp; Annual Investment Statement 2024/25 Council 27/02/24</i></b>
	<b><i>Treasury Management Training slides 10<sup>th</sup> February 2025</i></b>
	<b><i>CIPFA Code of Practice on Treasury Management in Public Services 2017</i></b>
	<b><i>CIPFA Code of Practice on Treasury Management in Public Services 2021</i></b>
	<b><i>CIPFA Prudential Code for Capital Finance in Local Authorities 2021</i></b>
	<b><i>DCLG Guidance on Local Government Investments March 2010</i></b>
	<b><i>Local Government Act 2003</i></b>
	<b><i>Treasury Management Practices 2025/26 (Operational Detail)</i></b>

## 1. INTRODUCTION

### 1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the Treasury Management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

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

The contribution the treasury management function makes to the Council is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

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

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day to day treasury management activities.

### 1.2 Updated Treasury Management and Prudential Codes

CIPFA released new editions of the Treasury Management Code and Prudential Code on 20<sup>th</sup> December 2021, with reporting requirements effective from 2023/24 financial year. The main objective of the 2021 Codes was to respond to the major expansion of local authority investment activity over the past few years into the purchase of non-financial investments, particularly property. The Codes require an authority to ensure that: -

- it defines its risk appetite and its governance processes for managing risk.
- it sets out, at a high level, its investment policy in relation to environmental, social and governance aspects.
- it adopts a new liability benchmark treasury indicator to support the financing risk management of the capital financing requirement; this is to be shown in chart form for a minimum of ten years, with material differences between the liability benchmark and actual loans to be explained.

- it does not borrow to finance capital expenditure to invest primarily for commercial return.
- increases in the CFR and borrowing are undertaken solely for purposes directly and primarily related to the functions of the authority. Where any financial returns are related to the financial viability of the project in question, they should be incidental to its primary purpose.
- an annual review is conducted to evaluate whether commercial investments should be sold to release funds to finance new capital expenditure or refinance maturing debt.
- its capital plans and investment plans are affordable and proportionate.
- all borrowing/other long-term liabilities are within prudent and sustainable levels.
- risks associated with commercial investments are proportionate to overall financial capacity to sustain losses.
- treasury management decisions are in accordance with good professional practice.
- reporting to members is done quarterly, including updates of prudential indicators.
- it should assess the risks and rewards of significant investments over the **LONG TERM**, as opposed to the usual three to five years that most local authority financial planning has been conducted over, to ensure the long-term financial sustainability of the authority.
- it has access to the appropriate level of **expertise** to be able to operate safely in all areas of investment and capital expenditure, and to involve members adequately in making properly informed decisions on such investments.

The revised Treasury Management Code requires all investments and investment income to be attributed to one of the following three purposes: -

### **Treasury management**

Arising from the organisation's cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

### **Service delivery**

Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is "either related to the financial viability of the project in question or otherwise incidental to the primary purpose".

### **Commercial return**

Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to an authority's financial capacity – i.e., that 'plausible losses' could be absorbed in budgets or reserves without unmanageable detriment to local services. An authority must not borrow to invest primarily for financial return.

## **1.3 Reporting Requirements**

### **1.3.1 Capital Strategy**

The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report which will provide the following:

- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
- an overview of how the associated risk is managed;
- the implications for future financial sustainability.

The aim of the capital strategy is to ensure that all the Council's elected members fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

The capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset.

### **1.3.2 Treasury Management Reporting**

The Council is currently required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

#### **Prudential and Treasury Indicators and Treasury Strategy** (this report) –

The first, and most important, report is forward looking and covers:

- the capital plans (including prudential indicators);
- a Minimum Revenue Provision (MRP) Policy (how residual capital expenditure is charged to revenue over time);
- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an Annual Investment Strategy (the parameters on how investments are to be managed).

#### **A Mid Year Treasury Management Report**

This is primarily a progress report and will update Members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.

#### **An Annual Treasury Report**

This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

## **Scrutiny**

The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Audit and Governance Committee.

**Quarterly reports** – In addition to the three major reports detailed above, from 2023/24 quarterly reporting (end of June/end of December) is also required. However, these additional reports do not have to be reported to Full Council but do require to be adequately scrutinised. This role is undertaken by the Corporate Scrutiny Committee as part of their review of the Quarterly Performance Healthcheck.

### **1.4 Treasury Management Strategy for 2025/26**

The strategy for 2025/26 covers two main areas:

#### **Capital Issues**

- the capital expenditure plans and the associated Prudential Indicators;
- the Minimum Revenue Provision (MRP) policy.

#### **Treasury Management Issues**

- the current treasury position;
- treasury indicators which will limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, DLUHC (now MHCLG) Investment Guidance, DLUHC(now MHCLG) MRP Guidance, the CIPFA Prudential Code, and the CIPFA Treasury Management Code.

### **1.5 Training**

The CIPFA Treasury Management Code requires the responsible officer to ensure that Members with responsibility for treasury management receive adequate training in treasury management. This especially applies to Members responsible for scrutiny.

Furthermore, the Code states it is expected that all organisations have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury

management knowledge and skills for those responsible for management, delivery, governance and decision making.

The scale and nature of this will depend on the size and complexity of the organisation's treasury management needs. Organisations should consider how to assess whether treasury management staff and Council members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.

As a minimum, authorities should carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare tailored learning plans for treasury management officers and Council members.
- Require treasury management officers and Council members to undertake self-assessment against the required competencies.
- Have regular communication with officers and Council members, encouraging them to highlight training needs on an ongoing basis.

In further support of the revised training requirements, CIPFA's Better Governance Forum and Treasury Management Network have produced a self-assessment by members responsible for the scrutiny of treasury management, with a template available to be used to inform Member training requirements.

Training on Treasury Management issues was most recently delivered for Members in February 2025, with training on the Corporate Capital Strategy in February 2020, and will be provided as and when required. The training needs of Treasury Management officers are regularly reviewed. A formal record of the training received by officers central to the Treasury function will be maintained by the Interim ED Finance. Similarly, a formal record of the treasury management/capital finance training received by members will also be maintained by the Interim ED Finance.

## **1.6 Treasury Management Consultants**

The Council uses MUFG Corporate Markets as its external treasury management advisors.

The Council recognises that responsibility for Treasury Management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisors.

It also recognises that there is value in employing external providers of Treasury Management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

## **2. THE CAPITAL PRUDENTIAL INDICATORS 2025/26 – 2027/28**

The Council's Capital Expenditure plans are the key driver of Treasury Management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are

designed to assist members' overview and confirm capital expenditure plans are prudent, affordable and sustainable.

## 2.1 Capital Expenditure

This prudential Indicator is a summary of the Council's Capital Expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecast.

Capital Expenditure £m	2023/24 Actual	2024/25 Predicted Outturn*	2024/25 Budget	2024/25 Re- profiling	2025/26 Estimate**	2026/27 Estimate	2027/28 Estimate
<b>Non-HRA</b>	11.948	19.920	25.396	5.268	2.512	1.286	1.041
<b>HRA</b>	11.320	10.872	15.477	4.230	11.148	10.567	10.822
<b>Commercial Activities/Non- Financial Investments ***</b>	0.468	0.054	2.184	2.130	-	-	-
<b>Total</b>	23.737	30.846	43.057	11.628	13.660	11.852	11.863

\* Actual Projected at Period 9

\*\* excludes projected slippage from 2024/25

\*\*\* commercial activities/non-financial investments relates to Gungate development

The projected slippage into 2025/26 of £11.63m relates mainly to Gungate development, Disabled Facility Grants & High Rise Ventilation System capital schemes.

Other long-term liabilities - the above financing need excludes other long-term liabilities, such as PFI and leasing arrangements which already include borrowing instruments.

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Capital Financing (GF/HRA)	2023/24 Actual	2024/25 Predicted Outturn*	2024/25 Budget	2024/25 Re- profiling	2025/26 Estimate**	2026/27 Estimate	2027/28 Estimate
Capital Receipts	2.075	12.521	15.432	3.146	1.084	1.117	0.938
Capital Grants	10.610	7.114	7.978	0.864	1.322	0.672	0.672
Capital Reserves	5.572	5.127	8.047	2.853	4.720	3.215	3.762
Revenue Reserves	4.440	5.502	6.980	1.178	4.824	3.574	3.658
Revenue Contributions	-	-	-	-	-	-	-

<b>Net financing need for the year</b>	1.040	0.581	4.619	3.587	1.710	3.275	2.833
<b>Total</b>	23.737	30.846	43.057	11.628	13.660	11.852	11.863

\* Actual Projected at Period 9

\*\* excludes projected slippage from 2024/25

The net financing need for commercial activities/non-financial investments included in the above table against expenditure is shown below:

<b>Commercial Activities/Non-Financial Investments</b>	<b>2023/24 Actual</b>	<b>2024/25 Predicted Outturn*</b>	<b>2024/25 Budget</b>	<b>2024/25 Re-profiling</b>	<b>2025/26 Estimate**</b>	<b>2026/27 Estimate</b>	<b>2027/28 Estimate</b>
Capital Expenditure	0.468	0.054	2.184	2.130	-	-	-
Financing Costs	(0.468)	(0.054)	(2.184)	(2.130)	-	-	-
<b>Net financing need for the year</b>	-	-	-	-	-	-	-
Percentage of total net financing need %	-	-	-	-	-	-	-

## 2.2 The Council's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the Minimum Revenue Provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PFI, PPP lease provider and so the Council is not required to separately borrow for these schemes. The Council currently has no such schemes within the CFR.

The Council is asked to approve the CFR projections below:



£m	2023/24 Actual	2024/25 Revised Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
<b>Capital Financing Requirement</b>					
CFR – non housing	4.092	4.492	6.992	6.826	6.525
CFR - housing	70.507	70.507	73.057	75.984	78.572
CFR - commercial activities/non-financial investments	-	-	-	-	-
<b>Total CFR</b>	74.600	74.999	80.049	82.810	85.097
<b>Movement in CFR</b>	0.833	0.400	5.049	2.761	2.287
<b>Movement in CFR represented by</b>	-	-	-	-	-
<b>Net financing need for the year (above)</b>	1.040	0.581	5.297	3.275	2.833
<b>Less MRP/VRP and other financing movements</b>	(0.207)	(0.181)	(0.247)	(0.514)	(0.546)
<b>Movement in CFR</b>	0.833	0.400	5.049	2.761	2.287

\* CFR 2022/23 £73.767m

A key aspect of the regulatory and professional guidance is that elected members are aware of the size and scope of any commercial activity in relation to the Council's overall financial position. The capital expenditure figures shown in 2.1 and the details above demonstrate the scope of this activity and, by approving these figures, consider the scale proportionate to the Council's remaining activity.

### 2.3 Liability Benchmark

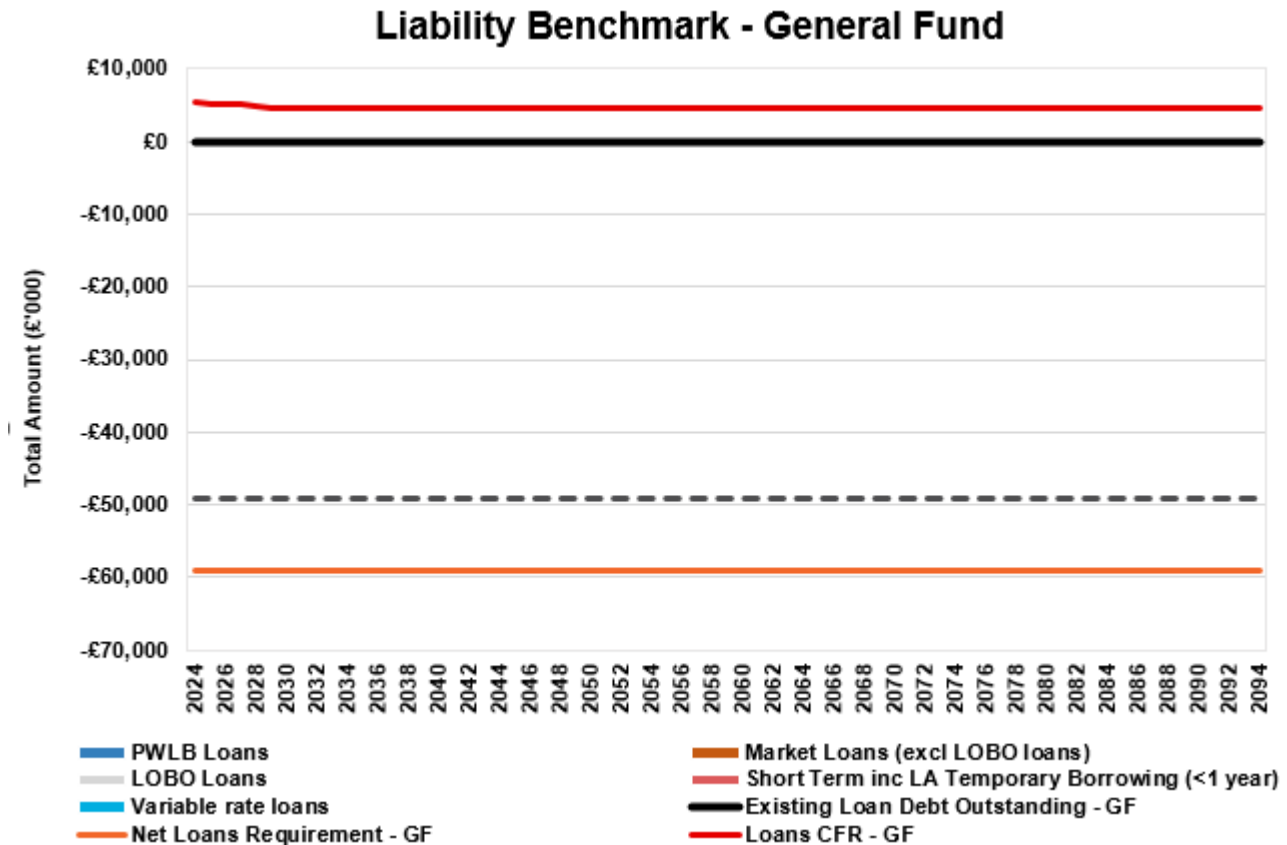
The Council is required to estimate and measure the Liability Benchmark (LB) for the forthcoming financial year and the following two financial years, as a minimum. The liability benchmark analysis should be seen as a tool which will assist the Council with its future borrowing requirements and it highlights the Council's optimum position for external borrowing.

There are four components to the LB: -

1. **Existing loan debt outstanding:** the Council's existing loans that are still outstanding in future years.
2. **Loans CFR:** this is calculated in accordance with the loans Capital Financing Requirement definition in the Prudential Code, reflecting the Council's borrowing need and projected into the future based on approved prudential borrowing and planned MRP.
3. **Net loans requirement:** this will show the Council's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.

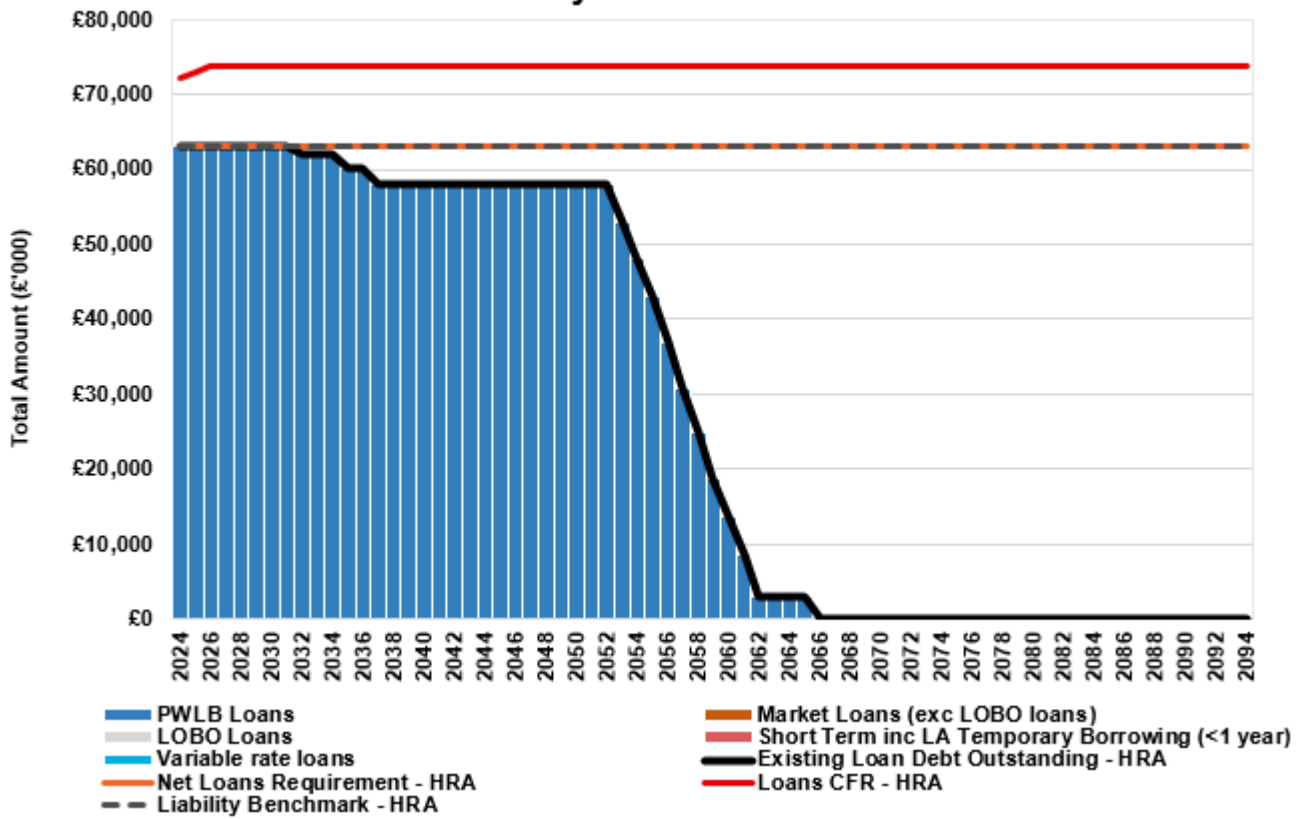
4. **Liability benchmark** (or gross loans requirement): this is a forecast of the level of gross loan debt the Council will require in line with its budget plans. It is based on the net loans requirement, plus a liquidity allowance for treasury management investments, which is an estimate of the level of short-term investments needed to provide an adequate level of liquidity for daily cash flow management. We have estimated our liquidity allowance at £10m.

The following graphs detail the liability benchmark for each of the General Fund and HRA, and then the combined position.



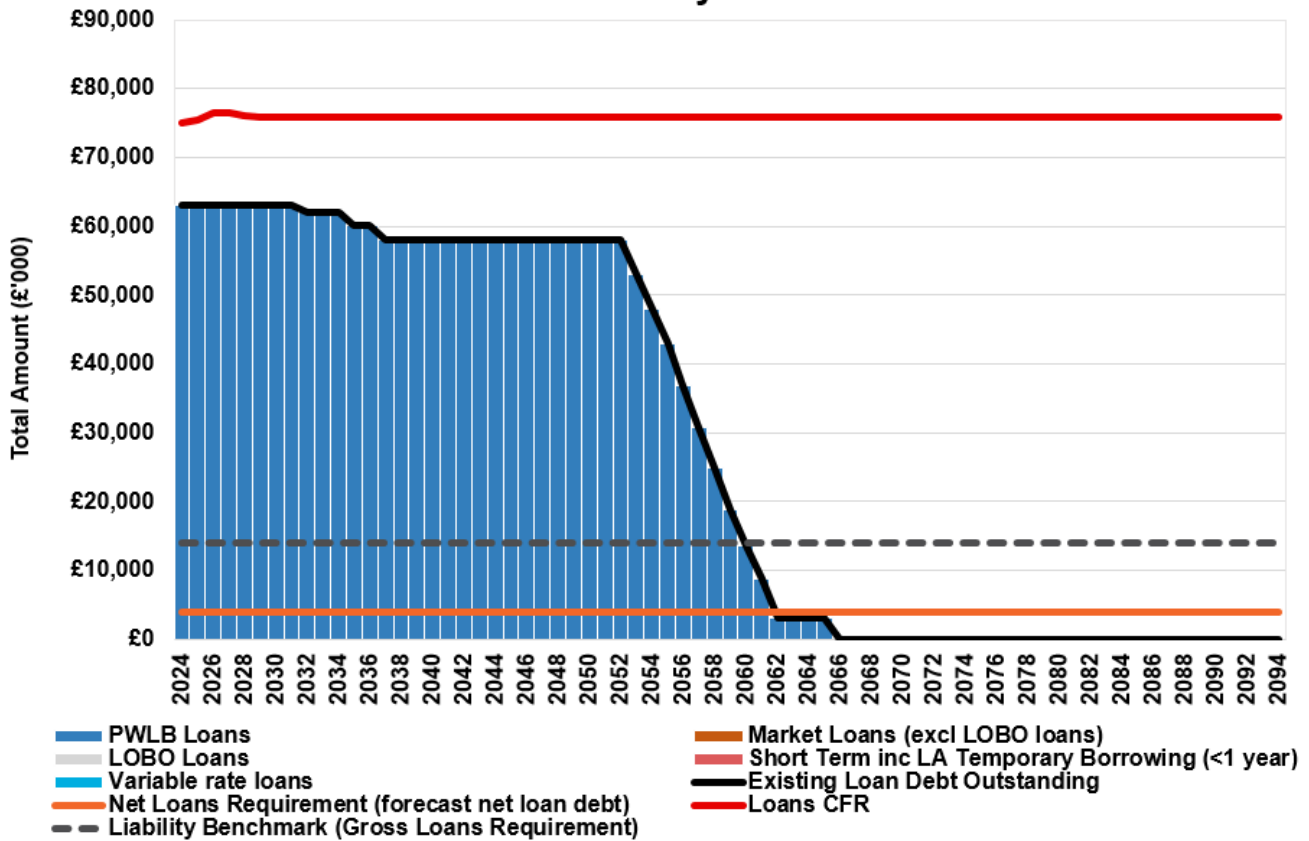
The net loans requirement and liability benchmark for the General Fund is negative as this is reflective of the balance of GF treasury investments held.

## Liability Benchmark - HRA



The liability benchmark for the HRA is set at the same level as the net loans requirement (£63m reflecting PWLB loans outstanding) as there is no need to maintain additional borrowing to meet liquidity needs as this falls to the General Fund.

## Liability Benchmark



The combined liability benchmark chart above shows the existing loan debt outstanding, the capital financing requirement, net loans requirement and liability benchmark indicator.

The difference between the loans capital financing requirement and existing debt indicates internal borrowing. Prior to any new borrowing, the Council will have regard to underlying assumptions of liability benchmark analysis as part of prudent treasury management.

### 2.4 Core Funds and Expected Investment Balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year end balances for each resource and anticipated day to day cash flow balances.

Year End Resources £m	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Fund Balances/Reserves	42.799	39.326	30.419	25.639	20.413
Capital Receipts	15.153	6.360	3.340	3.433	3.705
Provisions*	2.426	2.426	2.426	2.426	2.426
Other	-	-	-	-	-
<b>Total Core Funds</b>	<b>60.378</b>	<b>48.111</b>	<b>36.184</b>	<b>31.498</b>	<b>26.544</b>
Working Capital**	19.025	16.254	(0.16)	0.054	7.387
(Under)/Over Borrowing	(11.540)	(11.939)	(16.989)	(19.750)	(22.037)
<b>Expected Investments</b>	<b>67.863</b>	<b>52.426</b>	<b>19.038</b>	<b>11.803</b>	<b>11.894</b>

\* Includes full provision for NNDR appeals

\*\* Working capital balances shown are estimated year end; these may be higher mid year.

## 2.5 Minimum Revenue Provision (MRP) Policy Statement

Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Council has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge (MRP).

The Authority is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The MRP Guidance (2024) gives four ready-made options for calculating MRP, but the Council can use any other reasonable basis that it can justify as prudent.

The MRP policy statement requires full council approval (or closest equivalent level) in advance of each financial year.

For Capital Expenditure incurred before 1 April 2008 which forms part of Supported Capital Expenditure, the MRP policy will be:

- **Existing practice** - MRP will follow the existing practice outlined in former DLUHC regulations (option 1)

This option provides for an approximate 4% reduction in the borrowing need (CFR) each year.

From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be:

- **Asset Life Method** – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction) (option 3);

This option provides for a reduction in the borrowing need over approximately the asset's life.

Regulation 27(3) allows a local authority to charge MRP in the financial year following the one in which capital expenditure finance by debt was incurred. Capital expenditure incurred during 2024/25 will not be subject to an MRP charge until 2025/26, or in the year after the asset becomes operational.

The Authority will apply the asset life method for any expenditure capitalised under a Capitalisation Direction.

There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made.

MRP in respect of assets acquired under Finance Leases or PFI will be charged at an amount equal to the principal element of the annual repayment.

**MRP Overpayments** – Under the MRP guidance, any charges made in excess of the statutory MRP can be made, known as voluntary revenue provision (VRP).

VRP can be reclaimed in later years if deemed necessary or prudent. In order for these amounts to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. The Council has made no VRP overpayments.

### 3. BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The Treasury Management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

#### 3.1 Current Portfolio Position

The overall Treasury Management portfolio as at 31<sup>st</sup> March 2024 and for the position as at 31<sup>st</sup> December 2024 are shown below for both borrowing and investments.

	TREASURY PORTFOLIO			
	ACTUAL AT 31/3/24		CURRENT AT 31/12/24	
	£m	%	£m	%
<b>Treasury Investments</b>				
Banks	15.000	21.66	5.000	7.73
Building Societies	-	-	-	-
Local Authorities	34.000	49.10	45.000	60.27
Money Market Funds	10.108	14.60	14.302	19.15
Certificates of Deposit	-	-	-	-
<b>Total Managed in-House</b>	<b>59.108</b>	<b>85.35</b>	<b>64.302</b>	<b>86.12</b>
<b>Bond Funds</b>	-	-	-	-
<b>Property Funds</b>	10.143	14.65	10.367	13.88
<b>Total Managed Externally</b>	<b>10.143</b>	<b>14.65</b>	<b>10.367</b>	<b>13.88</b>
<b>Total Treasury Investments</b>	<b>69.251</b>	<b>100</b>	<b>74.669</b>	<b>100</b>
<b>Treasury External Borrowing</b>				
Local Authorities	-	-	-	-
PWLB	63.060	100	63.060	100
<b>Total External Borrowing</b>	<b>63.060</b>	<b>100</b>	<b>63.060</b>	<b>100</b>
<b>Net Treasury Investments/(Borrowing)</b>	<b>6.191</b>		<b>11.609</b>	

The Council's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need (the Capital Financing Requirement -

CFR), highlighting any over or under borrowing.

Treasury Portfolio	2023/24 Actual £000's	2024/25 Estimate £000's	2025/26 Estimate £000's	2026/27 Estimate £000's	2027/28 Estimate £000's
<b>External Debt</b>					
Debt at 1st April	63.060	63.060	63.060	63.060	63.060
Expected change in Debt	-	-	-	-	-
<b>Actual gross debt at 31st March</b>	<b>63.060</b>	<b>63.060</b>	<b>63.060</b>	<b>63.060</b>	<b>63.060</b>
<b>The Capital Financing Requirement</b>	74.600	74.999	80.049	82.810	85.097
<b>Under / (over) borrowing</b>	<b>11.540</b>	<b>11.939</b>	<b>16.989</b>	<b>19.750</b>	<b>22.037</b>

Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2025/26 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Interim Executive Director Finance (the Section 151 Officer) reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

### 3.2. Treasury Indicators: Limits to Borrowing Activity

**The Operational Boundary** - This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

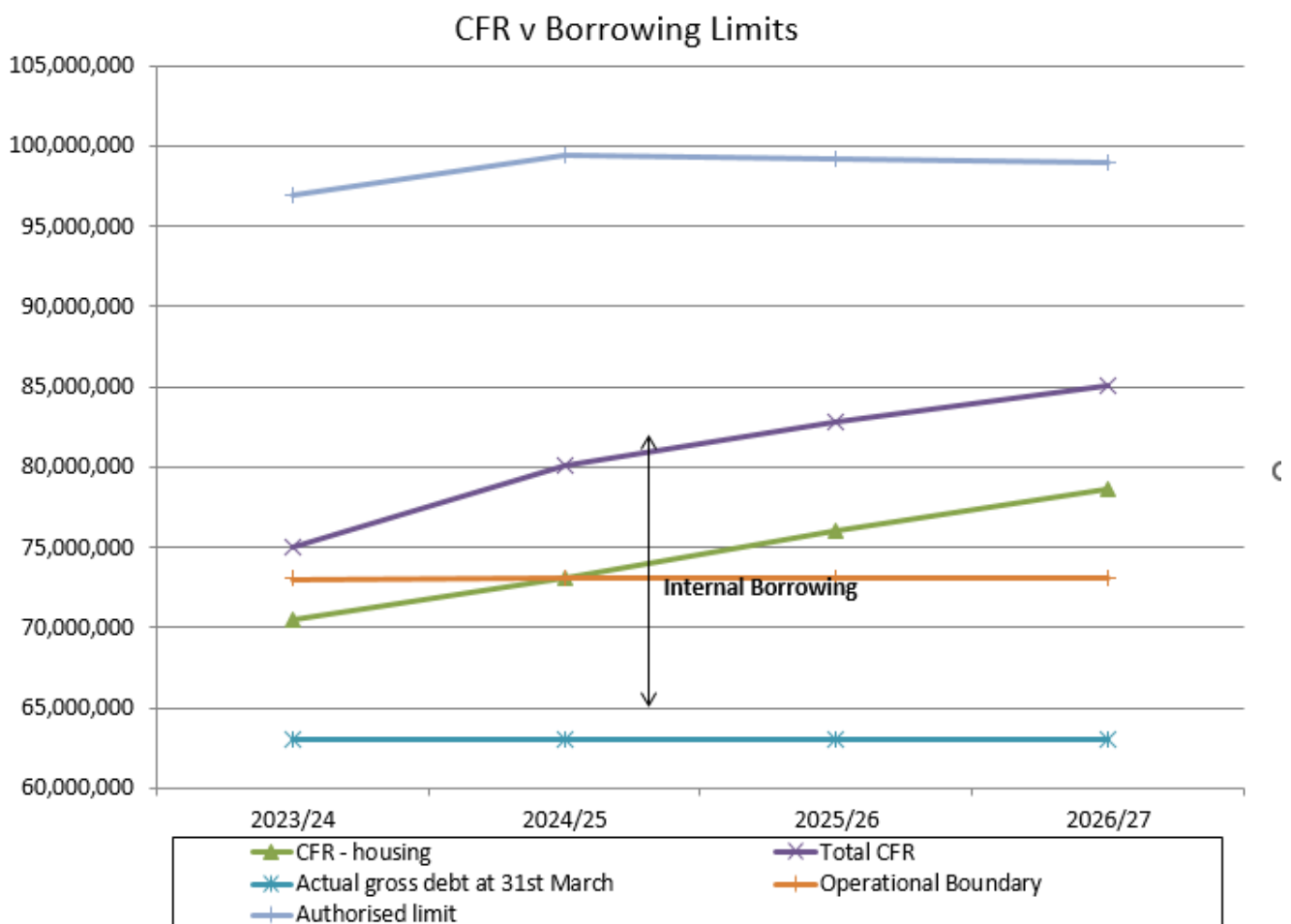
Operational Boundary	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Borrowing	63.060	63.060	63.060	63.060
Other long term liabilities	10.000	10.000	10.000	10.000
Commercial Activities/non-financial Investments	-	-	-	-
<b>Total</b>	<b>73.060</b>	<b>73.060</b>	<b>73.060</b>	<b>73.060</b>

**The Authorised Limit for external debt** – This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.

The Council is asked to approve the following Authorised Limit:

Authorised limit	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Borrowing	96.899	99.399	99.233	98.932
<b>Total</b>	<b>96.899</b>	<b>99.399</b>	<b>99.233</b>	<b>98.932</b>



### 3.3. Prospects for Interest Rates

The Council has appointed MUFG Corporate Markets as its Treasury Advisor and part of their service is to assist the Council to formulate a view on interest rates. MUFG Corporate Markets provided the following forecasts on 11th November 2024. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 bps.



MUFG Corporate Markets Interest Rate View 11.11.24													
	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
BANK RATE	4.75	4.50	4.25	4.00	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50
3 month ave earnings	4.70	4.50	4.30	4.00	4.00	4.00	3.80	3.80	3.80	3.50	3.50	3.50	3.50
6 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
12 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
5 yr PWLB	5.00	4.90	4.80	4.60	4.50	4.50	4.40	4.30	4.20	4.10	4.00	4.00	3.90
10 yr PWLB	5.30	5.10	5.00	4.80	4.80	4.70	4.50	4.50	4.40	4.30	4.20	4.20	4.10
25 yr PWLB	5.60	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.50
50 yr PWLB	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.30	4.30

*Additional notes by MUFG Corporate Markets on this forecast table: -*

- Following the 30 October Budget, the outcome of the US Presidential election on 6 November, and the 25bps Bank Rate cut undertaken by the Monetary Policy Committee (MPC) on 7 November, we have significantly revised our central forecasts for the first time since May. In summary, our Bank Rate forecast is now 50bps – 75bps higher than was previously the case, whilst our PWLB forecasts have been materially lifted to not only reflect our increased concerns around the future path of inflation, but also the increased level of Government borrowing over the term of the current Parliament.
- If we reflect on the 30 October Budget, our central case is that those policy announcements will be inflationary, at least in the near-term. The Office for Budgetary Responsibility and the Bank of England concur with that view. The latter have the CPI measure of inflation hitting 2.5% y/y by the end of 2024 and staying sticky until at least 2026. The Bank forecasts CPI to be 2.7% y/y (Q4 2025) and 2.2% (Q4 2026) before dropping back in 2027 to 1.8% y/y.
- The anticipated major investment in the public sector, according to the Bank, is expected to lift UK real GDP to 1.7% in 2025 before growth moderates in 2026 and 2027. The debate around whether the Government's policies lead to a material uptick in growth primarily focus on the logistics of fast-tracking planning permissions, identifying sufficient skilled labour to undertake a resurgence in building, and an increase in the employee participation rate within the economy.
- There are inherent risks to all the above. The worst-case scenario would see systemic blockages of planning permissions and the inability to identify and resource the additional workforce required to deliver large-scale IT, housing and infrastructure projects. This would lead to upside risks to inflation, an increased prospect of further Government borrowing & tax rises, and a tepid GDP performance.
- Our central view is that monetary policy is sufficiently tight at present to cater for some further moderate loosening, the extent of which, however, will continue to be data dependent. We forecast the next reduction in Bank Rate to be made in February and for a pattern to evolve whereby rate cuts are made quarterly and in keeping with the release of the Bank's Quarterly Monetary Policy Reports (February, May, August and November).
- Any movement below a 4% Bank Rate will, nonetheless, be very much dependent on inflation data in the second half of 2025. The fact that the November MPC rate cut decision saw a split vote of 8-1 confirms that there are already some concerns around inflation's stickiness, and with recent public sector wage increases beginning to funnel their way into headline average earnings data, the market will be looking very closely at those releases.

- Regarding our PWLB forecast, the short to medium part of the curve is forecast to remain elevated over the course of the next year, and the degree to which rates moderate will be tied to the arguments for further Bank Rate loosening or otherwise. The longer part of the curve will also be impacted by inflation factors, but there is also the additional concern that with other major developed economies such as the US and France looking to run large budget deficits there could be a glut of government debt issuance that investors will only agree to digest if the interest rates paid provide sufficient reward for that scenario.
- So far, we have made little mention of the US President election. Nonetheless, Donald Trump's victory paves the way for the introduction/extension of tariffs that could prove inflationary whilst the same could be said of further tax cuts and an expansion of the current US budget deficit. Invariably the direction of US Treasury yields in reaction to his core policies will, in all probability, impact UK gilt yields. So, there are domestic and international factors that could impact PWLB rates whilst, as a general comment, geo-political risks abound in Europe, the Middle East and Asia.
- Our revised PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1 November 2012. Please note, the lower Housing Revenue Account (HRA) PWLB rate started on 15 June 2023 for those authorities with an HRA (standard rate minus 60 bps)

### Gilt yields and PWLB rates - MUFG Forecasts

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, but the risks to our forecasts are to the upsides.

Our target borrowing rates are set **two years forward** (as we expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below: -

PWLB debt	Current borrowing rate as at 11.11.24 p.m.	Target borrowing rate now (end of Q3 2026)	Target borrowing rate previous (end of Q3 2026)
5 years	5.02%	4.30%	3.90%
10 years	5.23%	4.50%	4.10%
25 years	5.66%	4.90%	4.40%
50 years	5.42%	4.70%	4.20%

**Borrowing advice:** Our long-term (beyond 10 years) forecast for Bank Rate has been increased to 3.25% (from 3%). As all PWLB certainty rates are currently significantly above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should also be considered. Temporary borrowing rates will, generally, fall in line with Bank Rate cuts.

Our suggested budgeted earnings rates for investments up to about three months' duration in each financial year are set out below: -

Average earnings in each year	Now	Previously
-------------------------------	-----	------------

2024/25 (residual)	4.60%	4.25%
2025/26	4.10%	3.35%
2026/27	3.70%	3.10%
2027/28	3.50%	3.25%
2028/29	3.50%	3.25%
Years 6 to 10	3.50%	3.25%
Years 10+	3.50%	3.50%

We will continue to monitor economic and market developments as they unfold. Typically, we formally review our forecasts following the quarterly release of the Bank of England's Monetary Policy Report but will consider our position on an ad hoc basis as required.

Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

### 3.4 Borrowing Strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels, albeit only once prevailing inflation concerns are addressed by restrictive near-term monetary policy. That is, Bank Rate remains relatively elevated in 2025 even if some rate cuts arise.

Against this background and the risks within the economic forecast, caution will be adopted with the 2024/25 treasury operations. The Executive Director Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.*
- *if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.*

Any decisions will be reported to Council at the next available opportunity.

### 3.5 Policy on Borrowing in Advance of Need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

### 3.6. Debt Rescheduling

Rescheduling of current borrowing in our debt portfolio may be considered whilst premature redemption rates remain elevated but only if there is surplus cash available to facilitate any repayment, or rebalancing of the portfolio to provide more certainty is considered appropriate. If rescheduling was to be done, it will be reported to the Council at the earliest meeting following its action.

### 3.7 New Financial Institutions as a Source of Borrowing and Types of Borrowing

Currently the PWLB Certainty Rate is set at gilts + 80 basis points. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

- Local authorities (primarily shorter dated maturities out to 3 years or so – generally still cheaper than the Certainty Rate).
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years)
- UK Municipal Bonds Agency
- UK National Wealth Fund

Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

### 3.8 Approved Sources of Long and Short term Borrowing

On Balance Sheet	Fixed	Variable
PWLB	●	●
UK Municipal Bond Agency	●	●
Local Authorities	●	●
Banks	●	●
Pension Funds	●	●
Insurance Companies	●	●
UK National Wealth Fund	●	●
Market (long-term)	●	●
Market (temporary)	●	●

Market (LOBOs)	●	●
Stock Issues	●	●
Local Temporary	●	●
Local Bonds	●	
Local Authority Bills	●	●
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Finance Leases	●	●

#### 4. ANNUAL INVESTMENT STRATEGY

##### 4.1 Investment Policy – Management of Risk

The Ministry of Housing, Communities and Local Government (MHCLG)) and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with treasury (financial) investments (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy.

The Council’s investment policy has regard to the following:-

- MHCLG’s Guidance on Local Government Investments (“the Guidance”)
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (“the Code”)
- CIPFA Treasury Management Guidance Notes 2021

The Council’s investment priorities will be security first, portfolio liquidity second, and then yield (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with regard to the Council’s risk appetite.

In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider “laddering” investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated.

The above guidance from the MHCLG and CIPFA places a high priority on the management of risk. This Council has adopted a prudent approach to managing risk and defines its risk appetite by the following means:-

- 1) Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.
- 2) **Other Information:** Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as “**credit default swaps**” and overlay that information on top of the credit ratings.
- 3) **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- 4) This Council has defined the list of **types of investment instruments** that the Treasury Management team are authorised to use. There are two lists in Annex 4 under the categories of ‘specified’ and ‘non-specified’ investments.
  - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year, or have less than a year left to run to maturity, if they were originally classified as being non-specified investments solely due to the maturity period exceeding one year.
  - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.
- 5) **Non-specified investments limit.** The Council has determined that it will set a limit to the maximum exposure of the total treasury management investment portfolio to non-specified treasury management of 35% (see paragraph 4.3)
- 6) **Lending limits** (amounts and maturity) for each counterparty will be set though applying the matrix table in paragraph 4.2
- 7) **Transaction limits** are set for each type of investment in 4.2
- 8) This Council will set a limit for the amount of its investments which are invested for **longer than 365 days** (see paragraph 4.4)
- 9) Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating** (see paragraph 4.3)
- 10) This Council has engaged **external consultants** (see paragraph 1.6) to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the

risk appetite of this Council in the context of the expected level of cash balances and need for liquidity throughout the year.

- 11) All investments will be denominated in **sterling**.
- 12) As a result of the change in accounting standards for 2023/24 under IFRS 9, this Council will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23. Subsequently, a further extension to the override to 31.3.25 was agreed by Government).
- 13) This Council will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance (see paragraph 4.5). Regular monitoring of investment performance will be carried out during the year.

**Changes in risk management policy from last year.** The above criteria are unchanged from last year.

## **4.2 Creditworthiness Policy**

This Council applies the creditworthiness service provided by MUFG Corporate Markets. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- 'watches' and 'outlooks' from credit rating agencies;
- CDS spreads that may give early warning of changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, and any assigned watches and outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads. The end product of this is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

- Yellow      5 years \*
- Dark pink    5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25
- Light pink    5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5
- Purple        2 years
- Blue          1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange       1 year

- Red 6 months
- Green 100 days
- No colour not to be used

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

The MUFG Corporate Markets creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

Typically the minimum credit ratings criteria the Council uses will be a short term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored on a daily basis/as and when notified. The Council is alerted to changes to ratings of all three agencies through its use of the MUFG creditworthiness service:

- if a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately;
- in addition to the use of credit ratings the Council will be advised of information in movements in Credit Default Swap spreads against the iTraxx European Senior Financials benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by MUFG. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, as well as information on any external support for banks, to help support its decision making process.

Counterparty	Colour (and long term rating where applicable)	Money and/or % Limit	Time Limit
Banks/Building Societies *	Yellow	£10m	5yrs
Banks/Building Societies	Purple	£10m	2 yrs
Banks/Building Societies	Orange	£10m	1 yr
Banks – part nationalised	Blue	£10m	1 yr



Banks/Building Societies	Red	£10m	6 mths
Banks/Building Societies	Green	£10m	100 days
Banks/Building Societies	No colour	Not to be used	
Council's banker (where "No Colour")	No colour	£2m	1 day
DMADF	UK sovereign rating	£10m	6 months
Local authorities	n/a	£10m	5yrs
	<b>Fund Rating **</b>	<b>Money and/or % Limit</b>	<b>Time Limit</b>
Money Market Funds CNAV	AAA	£10m	Liquid
Money Market Funds LVNAV	AAA	£10m	Liquid
Money Market Funds VNAV	AAA	£10m	Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.25	Dark pink / AAA	£10m	Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.50	Light pink / AAA	£10m	Liquid

\* The yellow colour category is for UK Government debt, or its equivalent, money market funds and collateralised deposits where the collateral is UK Government debt – see Annex 4.

\*\* 'Fund' ratings are different to individual counterparty ratings, coming under either specific 'MMF' or 'Bond Fund' rating criteria.

### Creditworthiness

Significant levels of downgrades to Short and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited

to Outlooks. Nonetheless, when setting minimum sovereign debt ratings, this Council will not set a minimum rating for the UK.

### **CDS prices**

Although bank CDS prices, (these are market indicators of credit risk), spiked upwards during the days of the Truss/Kwarteng government in the autumn of 2022, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. MUFG monitor CDS prices as part of their creditworthiness service to local authorities and the Council has access to this information via its MUFG-provided Passport portal.

### **4.3 Other Limits**

Due care will be taken to consider the exposure of the Council's total investment portfolio to non-specified investments, countries, groups and sectors.

- a) **Non-specified treasury management investment limit.** The Council has determined that it will limit the maximum total exposure of treasury management investments to non-specified treasury management investments as being 35% of the total treasury management investment portfolio.
- b) **Country limit.** The Council has determined that it will only use approved counterparties from the UK and from countries with a minimum sovereign credit rating of 'AA-' from Fitch. The list of countries that qualify using this credit criteria as at the date of this report are shown in Annex 5. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.
- c) **Other limits.** In addition:-
  - no more than 25% will be placed with any non-UK country at any time;
  - a limit of £14m per group will apply to a group of companies;
  - sector limits will be monitored regularly for appropriateness.

### **4.4 Investment Strategy**

**In-house funds.** Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that the risks are relatively balanced between Bank Rate staying higher for longer, if inflation picks up markedly through 2025 post the 30 October 2024 Budget, or it may be cut quicker than expected if the economy stagnates. The economy only grew 0.1% in Q3 2024, but the CPI measure of inflation is now markedly above the 2% target rate set by the Bank of England's Monetary Policy Committee two to three years forward.

Accordingly, while most cash balances are required in order to manage the ups and downs of cash flows, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

### **Investment Returns Expectations**

The current forecast shown in paragraph 3.3, includes a forecast for Bank Rate to fall to a low of 3.5%.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows: -

Average earnings in each year	Now	Previously
2024/25 (residual)	4.60%	4.25%
2025/26	4.10%	3.35%
2026/27	3.70%	3.10%
2027/28	3.50%	3.25%
2028/29	3.50%	3.25%
Years 6 to 10	3.50%	3.25%
Years 10+	3.50%	3.50%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

For its cash flow generated balances, the Council will seek to utilise its business reserve instant access and notice accounts, money market funds and short-dated deposits (overnight to 100 days) in order to benefit from the compounding of interest.

**Investment Treasury Indicator and Limit** - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Council is asked to approve the treasury indicator and limit: -

Upper limit for principal sums invested for longer than 365 days			
	2025/26 £m	2026/27 £m	2027/28 £m
Principal sums invested > 365 days	6.663	4.131	4.163
Current investments as at 31.12.24 in excess of 1 year maturing in each year	-	-	-

#### 4.5 Investment Performance/Risk Benchmarking

This Council will use an investment benchmark to assess the investment performance of its investment portfolio of 3 month SONIA.

#### 4.6 End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

## 5. ANNEXES

1. Prudential and Treasury Indicators
2. Interest Rate Forecasts
3. Economic Background
4. TMP 1 Credit & Counterparty Risk Management
5. Approved Countries for investments
6. Treasury Management Scheme of Delegation
7. The Treasury Management Role of the Section 151 Officer
8. Treasury Management Practices
9. Treasury Management Glossary of Terms
10. Prudential Indicators – Definitions/Interpretation

## ANNEX 1

### THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2025/26 – 2027/28

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

#### 1 Capital expenditure

A breakdown of capital expenditure by Directorate is detailed within the Performance Healthcheck reported quarterly to Cabinet.

#### 2 Affordability Prudential Indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

##### a) Ratio of financing costs to net revenue stream.

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream (net cost of services).

<b>Ratio of financing costs to net revenue stream.</b>	<b>2023/24 Actual %</b>	<b>2024/25 Estimate %</b>	<b>2025/26 Estimate %</b>	<b>2026/27 Estimate %</b>	<b>2027/28 Estimate %</b>
Non-HRA	(32.87)%	(34.32)%	(18.21)%	(5.53)%	(4.03)%
HRA	26.99%	26.96%	27.11%	26.66%	26.03%
Commercial Activities/non-Financial Investments	(5.97)%	(4.98)%	(4.55)%	(3.28)%	(3.26)%

The estimates of financing costs include current commitments and the proposals in this budget report.

Commercial Activities/non-Financial Investments includes investments in property funds.

## b) Housing Revenue Account Debt Ratios

HRA Debt to Revenues Ratio	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Estimate	Estimate	Estimate	Estimate
HRA Debt £m	70.507	70.507	73.057	75.984	78.572
HRA Revenues £m	21.301	23.586	23.618	24.246	24.892
Ratio of Debt to Revenues %	331	299	309	313	316

HRA Debt per Dwelling	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Estimate	Estimate	Estimate	Estimate
HRA Debt £m	70.507	70.507	73.057	75.984	78.572
Number of HRA Dwellings	4,072	4,026	4,006	3,986	3,966
Debt per Dwelling £'000	17.315	17.513	18.237	19.063	19.811

## 4 Maturity Structure of Borrowing

These gross limits are set to reduce the Council's exposure to large, fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

Maturity structure of Fixed Interest Rate borrowing 2024/25		
Timeline	Lower	Upper
Under 12 months	0%	20%
12 months to 2 years	0%	20%
2 years to 5 years	0%	25%
5 years to 10 years	0%	75%
10 years and above	0%	100%

Maturity structure of Variable Interest Rate borrowing 2024/25		
Timeline	Lower	Upper
Under 12 months	0%	20%
12 months to 2 years	0%	20%
2 years to 5 years	0%	25%
5 years to 10 years	0%	75%
10 years and above	0%	100%

## **5. Control of Interest Rate Exposure**

Please see paragraphs 3.3, 3.4 and 4.4

## ANNEX 2 INTEREST RATE FORECASTS 2024-2027

MUFG Corporate Markets Interest Rate View 11.11.24													
	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
<b>BANK RATE</b>	4.75	4.50	4.25	4.00	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50
3 month ave earnings	4.70	4.50	4.30	4.00	4.00	4.00	3.80	3.80	3.80	3.50	3.50	3.50	3.50
6 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
12 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
5 yr PWLB	5.00	4.90	4.80	4.60	4.50	4.50	4.40	4.30	4.20	4.10	4.00	4.00	3.90
10 yr PWLB	5.30	5.10	5.00	4.80	4.80	4.70	4.50	4.50	4.40	4.30	4.20	4.20	4.10
25 yr PWLB	5.60	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.50
50 yr PWLB	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.30	4.30

PWLB forecasts are based on PWLB certainty rates.



## ANNEX 3 ECONOMIC BACKGROUND

The third quarter of 2024 (July to September) saw:

- GDP growth stagnating in July following downwardly revised Q2 figures (0.5% q/q)
- A further easing in wage growth as the headline 3myy rate (including bonuses) fell from 4.6% in June to 4.0% in July;
- CPI inflation hitting its target in June before edging above it to 2.2% in July and August;
- Core CPI inflation increasing from 3.3% in July to 3.6% in August;
- The Bank of England initiating its easing cycle by lowering interest rates from 5.25% to 5.0% in August and holding them steady in its September meeting;
- 10-year gilt yields falling to 4.0% in September.

Over the aforementioned period, the economy's stagnation in June and July pointed more to a mild slowdown in UK GDP growth than a sudden drop back into a recession. However, in the interim period, to 12 December, arguably the biggest impact on the economy's performance has been the negative market sentiment in respect of the fallout from the Chancellor's Budget on 30 October.

If we reflect on the 30 October Budget, our central case is that those policy announcements will prove to be inflationary, at least in the near-term. The Office for Budgetary Responsibility and the Bank of England concur with that view. The latter have the CPI measure of inflation hitting 2.5% y/y by the end of 2024 and staying sticky until at least 2026. The Bank forecasts CPI to be elevated at 2.7% y/y (Q4 2025) before dropping back to sub-2% in 2027. Nonetheless, since the Budget, the October inflation print has shown the CPI measure of inflation bouncing up to 2.3% y/y with the prospect that it will be close to 3% by the end of the year before falling back slowly through 2025. The RPI measure has also increased significantly to 3.4% y/y.

How high inflation goes will primarily be determined by several key factors. First amongst those is that the major investment in the public sector, according to the Bank of England, will lift UK real GDP to 1.7% in 2025 before growth moderates in 2026 and 2027. The debate around whether the Government's policies lead to a material uptick in growth primarily focus on the logistics of fast-tracking planning permissions, identifying sufficient skilled labour to undertake a resurgence in building, and an increase in the employee participation rate within the economy.

There are inherent risks to all the above. The worst-case scenario would see systemic blockages of planning permissions and the inability to identify and resource the additional workforce required to deliver large-scale IT, housing and infrastructure projects. This would lead to upside risks to inflation, an increased prospect of further Government borrowing & tax rises in the June 2025 Spending Review (pushed back from the end of March), and a tepid GDP performance.

Regarding having a sufficiently large pool of flexible and healthy workers, the initial outlook does not look bright. Research from Capital Economics has alluded to an increase of some 500,000 construction workers being needed to provide any chance of the Government hitting its target of 300,000 new homes being built in each of the next five years (234,000 net additional dwellings in England in 2022/23). But the last time such an increase was needed,

and construction employment is currently at a nine-year low, it took 12 years to get there (1996 to 2008). Also note, as of October 2024, job vacancies in the construction sector were still higher than at any time in the 20 years preceding the pandemic.

Currently, it also seems likely that net inward migration is set to fall, so there is likely to be a smaller pool of migrant workers available who, in the past, have filled the requirement for construction worker demand. The Government plans to heavily promote training schemes, particularly to the one million 16- to 24-year-olds who are neither in education nor work. But it is arguable as to whether the employee shortfall can be made up from this source in the requisite time, even if more do enter the workforce.

Against, this backdrop, there may be a near-term boost to inflation caused by a wave of public sector cash chasing the same construction providers over the course of the next year or so, whilst wages remain higher than the Bank currently forecasts because of general labour shortages, including in social care where Government accepts there is a 150,000 shortfall at present.

Unemployment stands at a low 4.3% (September), whilst wages are rising at 4.3% y/y (including bonuses) and 4.8% (excluding bonuses). The Bank would ideally like to see further wage moderation to underpin any further gradual relaxing of monetary policy. Indeed, over the next six months, the market is currently only pricing in Bank Rate reductions in February and May – which would see Bank Rate fall to 4.25% - but further cuts, thereafter, are highly likely to be even more data-dependent.

If we focus on borrowing, a term we are likely to hear throughout 2025 is “bond vigilante”. Essentially, this represents a generic term for when the market is ill at ease with the level of government borrowing and demands a higher return for holding debt issuance. In the UK, we do not need to go back too far to recall the negative market reaction to the Truss/Kwarteng budget of 2022. But long-term borrowing rates have already gradually moved back to those levels since their recent low point in the middle of September 2024. Of course, the UK is not alone in this respect. Concerns prevail as to what the size of the budget deficit will be in the US, following the election of Donald Trump as President, and in France there are on-going struggles to form a government to address a large budget deficit problem too. Throw into the mix the uncertain outcome to German elections, and there is plenty of bond investor concern to be seen.

Staying with the US, Donald Trump’s victory paves the way for the introduction/extension of tariffs that could prove inflationary whilst the same could be said of further tax cuts. Invariably the direction of US Treasury yields in reaction to his core policies will, in all probability, impact UK gilt yields. So, there are domestic and international factors that could impact PWLB rates whilst, as a general comment, geo-political risks continue to abound in Europe, the Middle East and Asia.

In the past month, the US Core CPI measure of inflation has indicated that inflation is still a concern (3.3% y/y, 0.3% m/m), as has the November Producer Prices Data (up 3.0 y/y v a market estimate of 2.6% y/y, 0.4% m/m v an estimate of 0.2% m/m) albeit probably insufficient to deter the FOMC from cutting US rates a further 0.25% at its December meeting. However, with Trump’s inauguration as President being held on 20 January, further rate reductions and their timing will very much be determined by his policy announcements and their implications for both inflation and Treasury issuance.

Looking at gilt movements in the first half of 2024/25, and you will note the 10-year gilt yield declined from 4.32% in May to 4.02% in August as the Bank's August rate cut signalled the start of its loosening cycle. More recently, however, 10 year gilt yields have spiked back up to 4.35%.

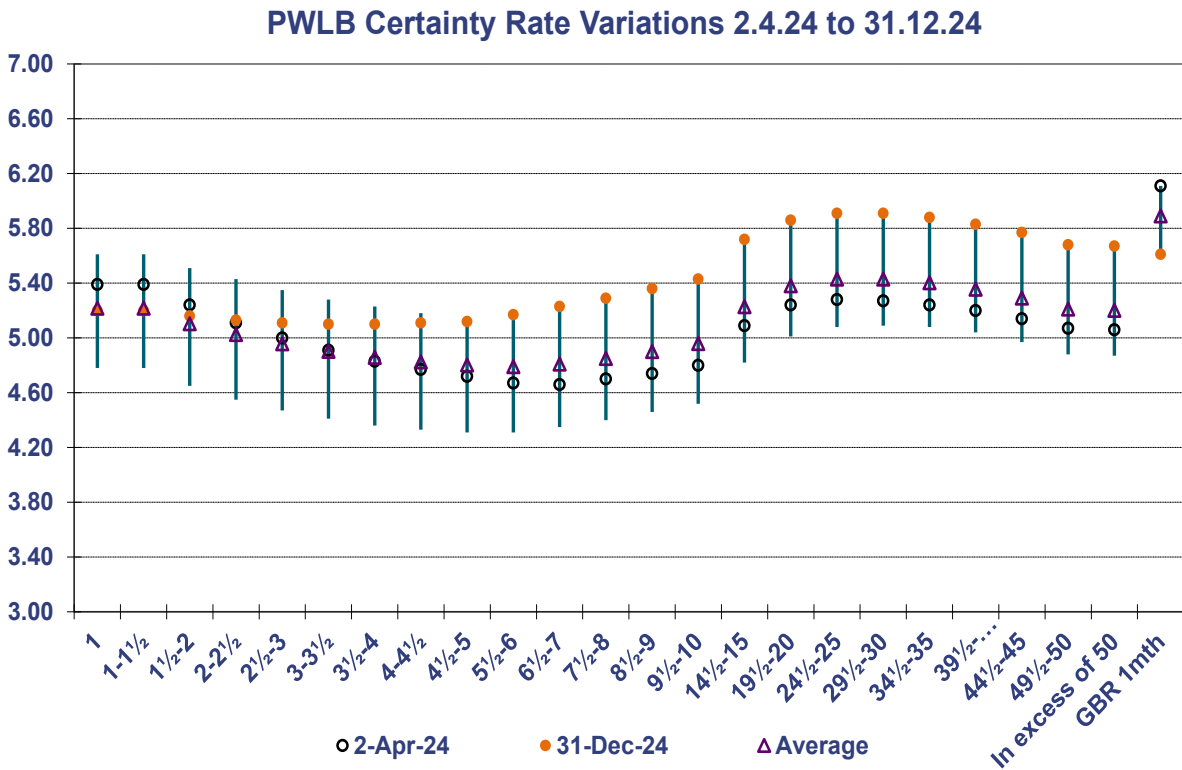
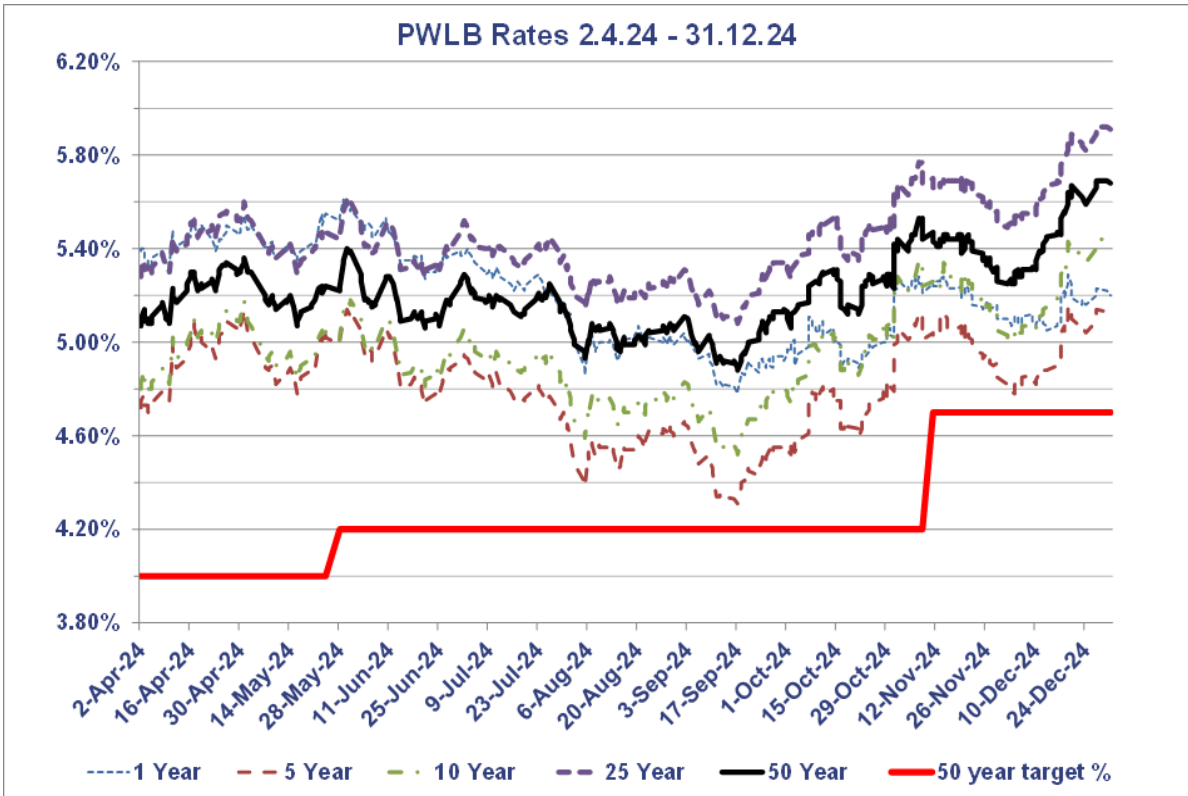
The FTSE 100 reached a peak of 8,380 in the third quarter of 2024 (currently 8.304), but its performance is firmly in the shade of the US S&P500, which has breached the 6,000 threshold on several occasions recently, delivering returns upwards of 25% y/y. The catalyst for any further rally (or not) is likely to be the breadth of AI's impact on business growth and performance.

#### **MPC meetings: 9 May, 20 June, 1 August, 19 September, 7 November 2024**

- On 9 May, the Bank of England's Monetary Policy Committee (MPC) voted 7-2 to keep Bank Rate at 5.25%. This outcome was repeated on 20<sup>th</sup> June.
- However, by the time of the August meeting, there was a 5-4 vote in place for rates to be cut by 25bps to 5%. However, subsequent speeches from MPC members have supported Governor Bailey's tone with its emphasis on "gradual" reductions over time.
- Markets thought there may be an outside chance of a further Bank Rate reduction in September, following the 50bps cut by the FOMC, but this came to nothing.
- On 7 November, Bank Rate was cut by 0.25% to 4.75%. The vote was 8-1 in favour of the cut but the language used by the MPC emphasised "gradual" reductions would be the way ahead with an emphasis on the inflation and employment data releases, as well as geo-political events.

In the chart below, despite a considerable gilt market rally in mid-September, rates finished the period under review higher.

#### **PWLB RATES 02.04.24 - 31.12.24 (note: the 1<sup>st</sup> April was a bank holiday)**



**HIGH/LOW/AVERAGE PWLB RATES FOR 02.04.24 – 31.12.24**

	<b>1 Year</b>	<b>5 Year</b>	<b>10 Year</b>	<b>25 Year</b>	<b>50 Year</b>
<b>02/04/2024</b>	5.39%	4.72%	4.80%	5.28%	5.07%
<b>31/12/2024</b>	5.20%	5.12%	5.43%	5.91%	5.68%
<b>Low</b>	4.78%	4.31%	4.52%	5.08%	4.88%
<b>Low date</b>	17/09/2024	17/09/2024	17/09/2024	17/09/2024	17/09/2024
<b>High</b>	5.61%	5.16%	5.44%	5.92%	5.69%
<b>High date</b>	29/05/2024	19/12/2024	19/12/2024	19/12/2024	27/12/2024
<b>Average</b>	5.22%	4.80%	4.96%	5.43%	5.21%
<b>Spread</b>	0.83%	0.85%	0.92%	0.84%	0.81%

## **ANNEX 4 TREASURY MANAGEMENT PRACTICE (TMP1) CREDIT AND COUNTERPARTY RISK MANAGEMENT**

**SPECIFIED INVESTMENTS:** All such investments will be sterling denominated, with **maturities up to maximum of 1 year**, meeting the minimum ‘high’ quality criteria where applicable. (Non-specified investments which would be specified investments apart from originally being for a period longer than 12 months, will be classified as being specified once the remaining period to maturity falls to under twelve months.)

**NON-SPECIFIED INVESTMENTS:** These are any investments which do not meet the specified investment criteria. A maximum of 35% will be held in aggregate in non-specified investments.

A variety of investment instruments will be used, subject to the credit quality of the institution, and, depending on the type of investment made, it will fall into one of the above categories.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

<b>Counterparty</b>	<b>Minimum credit criteria / colour band</b>	<b>£ limit per institution</b>	<b>Max. maturity period</b>
DMADF – UK Government	Yellow	£10m	6 months (max is set by the DMO*)
UK Gilts	Yellow	£10m	5 years
UK Treasury bills	Yellow	£10m	364 days (max is set by the DMO*)
Bonds issued by multilateral development banks	Yellow	£10m	5 years
Money Market Funds CNAV	AAA	£10m	Liquid
Money Market Funds LVNAV	AAA	£10m	Liquid
Money Market Funds VNAV	AAA	£10m	Liquid
Local authorities	Yellow	£10m	5 years
Ultra-Short Dated Bond Funds with a credit score of 1.25	Dark pink / AAA	£10m	Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.50	Light pink / AAA	£10m	Liquid

Counterparty	Minimum credit criteria / colour band	£ limit per institution	Max. maturity period
Term deposits with banks and building societies	Blue	£10m	12 months
	Orange		12 months
	Red		6 months
	Green		100 days
	No Colour		Not for use
CDs or corporate bonds with banks and building societies	Blue	£10m	12 months
	Orange		12 months
	Red		6 months
	Green		100 days
	No Colour		Not for use
Gilt funds	UK sovereign rating	£10m	
<b>Non-Specified Investments</b>			
Property Funds - the use of these instruments can be deemed as capital expenditure and as such will be an application (spending) of capital resources		£10m	Limit will be set based on level of reserves and balances going forward and appropriate due diligence will be undertaken before investment of this type
Wider Investment Funds - the use of these instruments can be deemed as capital expenditure and as such will be an application (spending) of capital resources		£10m	Limit will be set based on level of reserves and balances going forward and appropriate due diligence will be undertaken before investment of this type

\* DMO – is the Debt Management Office of HM Treasury

**Accounting treatment of investments.** The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this Council. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

## **ANNEX 5 APPROVED COUNTRIES FOR INVESTMENT**

This list is based on those countries which have sovereign ratings of AA- or higher (showing the lowest rating from Fitch, Moody's and S&P) and also (except - at the time of writing – for Hong Kong and Luxembourg) have banks operating in sterling markets which have credit ratings of green or above in the MUFG credit worthiness service.

### ***Based on lowest available rating***

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- Qatar

AA-

- Belgium
- France
- U.K.



## **ANNEX 6 TREASURY MANAGEMENT SCHEME OF DELEGATION**

### **(i) Full Council**

- receiving and reviewing reports on Treasury Management policies, practices and activities.
- approval of annual strategy.
- approval of/amendments to the organisation's adopted clauses, Treasury Management Policy statement and Treasury Management practices.
- budget consideration and approval.
- approval of the division of responsibilities.
- receiving and reviewing regular monitoring reports and acting on recommendations.

### **(ii) Cabinet**

- receiving and reviewing Treasury Management policy statement and Treasury Management practices and making recommendations to the full Council.
- receiving and reviewing regular monitoring reports and making recommendations to the full Council.
- approving the selection of external service providers and agreeing terms of appointment.

### **(iii) Audit and Governance Committee**

- reviewing the Treasury Management policy and procedures and making recommendations to the Cabinet.
- receiving and reviewing regular monitoring and making recommendations to the Cabinet.

## **ANNEX 7 THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER**

### **The S151 (responsible) Officer is responsible for**

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- submitting regular treasury management policy reports
- submitting budgets and budget variations
- receiving and reviewing management information reports
- reviewing the performance of the treasury management function
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- ensuring the adequacy of internal audit, and liaising with external audit
- recommending the appointment of external service providers
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe
- ensuring that the capital strategy is sustainable, affordable and prudent in the long-term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensuring that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by the authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following -
  - Risk management (TMP1), including investment and risk management criteria for any material non-treasury investment portfolios;
  - Performance measurement and management (TMP2), including methodology and criteria for assessing the performance and success of non-treasury investments;

- Decision making, governance and organisation (TMP5), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;
- Reporting and management information (TMP6), including where and how often monitoring reports are taken;
- Training and qualifications (TMP10), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.

## **ANNEX 8    TREASURY MANAGEMENT PRACTICES**

The Treasury Management Practices document (TMPs) forms detailed operational procedures and processes for the Treasury Management function. This document can be found on the Council's Internet by following the following link;

<http://www.tamworth.gov.uk/treasury-practices>

and clicking on the TMPs folder.

The items below are summaries of the individual TMPs which the Council has to produce and adopt under the Treasury Code of Practice.

### **TMP1 : RISK MANAGEMENT**

#### **General Statement**

The Section 151 Officer will design, implement and monitor all arrangements for the identification, management and control of Treasury Management risk; will report at least annually on the adequacy/suitability of the arrangements and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the Council's objectives. The reports will be in accordance with the procedures contained in TMP6.

#### **1.1 Credit and Counterparty Risk Management**

*Credit and counter-party risk is the risk of failure by a counterparty to meet its contractual obligations to the organisation under an investment, borrowing, capital project or partnership financing, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current (revenue) resources.*

This organisation regards a key objective of its Treasury Management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with which funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP4 Approved Instruments Methods and Techniques and detailed in the TMP Operational document.

It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements.

The Council's prime consideration when assessing the suitability of counterparties and investments is Security, Liquidity and then Yield. Environmental, social and governance (ESG) factors will then be considered. The Council does not invest in bond or equity markets, therefore there is currently a lack of data available on which to base ESG considerations relevant to the Council's investments. The main ratings agencies are increasingly including ESG risks alongside more traditional financial risk metrics when assessing counterparty ratings. Therefore the incorporation of ESG risks is already being considered, to an extent, by the use of mainstream rating agencies. Our treasury advisors MUFG also continue to look at ways in which ESG factors can be incorporated into their creditworthiness assessment service, and they have advised clients that they will review the options and will update clients as progress is made. As the Council develops its environmental and climate

change policies, including the net zero strategy, ESG investment policies and procedures will then be developed to align with these.

## **1.2 Liquidity Risk Management**

*This is the risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the organisation's business/service objectives will be thereby compromised.*

This organisation will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives. This organisation will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities or to ensure an adequate level of short-term investments to provide liquidity for the organisation.

## **1.3 Interest Rate Risk Management**

*The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.*

This organisation will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP6 Reporting requirements and management information arrangements.

It will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be subject to the consideration and, if required, approval of any policy or budgetary implications.

## **1.4 Exchange Rate Risk Management**

*The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.*

The Council will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.

## **1.5 Inflation Rate Risk Management**

*Inflation risk, also called purchasing power risk, is the chance that cash flows from an investment won't be worth as much in the future because of changes in purchasing power due to inflation.*

The Council will keep under review the sensitivity of its treasury assets and liabilities to inflation, and will seek to manage the risk accordingly in the context of the whole organisation's inflation exposures.

## **1.6 Refinancing Risk Management**

*The risk that maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the organisation for those refinancings, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time.*

The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised is managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the organisation as can reasonably be achieved in the light of market conditions prevailing at the time.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid over reliance on any one source of funding if this might jeopardise achievement of the above.

## **1.7 Legal and Regulatory Risk Management**

*The risk that the organisation itself, or an organisation with which it is dealing in its Treasury Management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the organisation suffers losses accordingly.*

The Council will ensure that all of its Treasury Management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1[1] credit and counterparty risk management, it will ensure that there is evidence of counterparties' powers, and compliance in respect of the transactions they may effect with the organisation, particularly with regard to duty of care and fees charged.

This organisation recognises that future legislative or regulatory changes may impact on its Treasury Management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

## **1.8 Fraud, Error and Corruption, and Contingency Management**

*The risk that an organisation fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its Treasury Management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk commonly referred to as operational risk.*

This organisation will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its Treasury Management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

The Council will therefore:-

- a) Seek to ensure an adequate division of responsibilities and maintenance at all times of an adequate level of internal check which minimises such risks.

- b) Fully document all its Treasury Management activities so that there can be no possible confusion as to what proper procedures are.
- c) Ensure that staff will not be allowed to take up Treasury Management activities until they have had proper training in procedures and are then subject to an adequate and appropriate level of supervision.

Records will be maintained of all Treasury Management transactions so that there is a full audit trail and evidence of the appropriate checks being carried out.

## **1.9 Price Risk Management**

*The risk that, through adverse market fluctuations in the value of the principal sums an organisation borrows and invests, its stated Treasury Management policies and objectives are compromised, against which effects it has failed to protect itself adequately.*

The Council will seek to ensure that its stated Treasury Management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

### **TMP2 : PERFORMANCE MEASUREMENT**

The Council is committed to the pursuit of best value in its Treasury Management activities, and to the use of performance methodology in support of that aim, within the framework set out in the Treasury Management Policy Statement.

The Treasury Management function will be the subject of ongoing analysis of the value it adds in support of the Council's stated service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal, grant or subsidy incentives, and the scope for other potential improvements. The performance of the Treasury Management function will be measured using the criteria set out in the detailed TMP Operational document.

### **TMP3 : DECISION-MAKING AND ANALYSIS**

The Council will maintain full records of its Treasury Management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time. The issues to be addressed and processes and practices to be pursued in reaching decisions are set out in the detailed TMP Operational document.

### **TMP4 : APPROVED INSTRUMENTS, METHODS AND TECHNIQUES**

The Council will undertake its Treasury Management activities by employing only those instruments, methods and techniques set out in the detailed TMP Operational document and within the limits and parameters defined in TMP1.

### **TMP5 : ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS**

The Council considers it essential, for the purposes of the effective control and monitoring of its Treasury Management activities, for the reduction of risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times clarity of Treasury Management responsibilities.

The principle on which this will be based is the clear distinction between those charged with setting Treasury Management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of Treasury Management decisions and the audit and review of the Treasury Management function.

If and when this organisation intends, as a result of lack of resources or other circumstances, to depart from these principles, the Section 151 Officer will ensure that the reasons are properly reported in accordance with TMP6 and the implications properly considered and evaluated.

The Section 151 Officer will ensure that there are clear written statements of the responsibilities for each post engaged in Treasury Management, and the arrangements for absence cover. S/he will also ensure that at all times those engaged in Treasury Management will follow the policies and procedures set out. The present arrangements are set out in the detailed TMP Operational document.

The Section 151 Officer will ensure that there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are set out in the detailed TMP Operational document.

The delegations to the Section 151 Officer in respect of Treasury Management are set out in the detailed TMP Operational document. S/he will fulfil all such responsibilities in accordance with the Council's policy statement and TMPs and, if a CIPFA member, the Standard of Professional Practice on Treasury Management.

## **TMP6 : REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS**

The Council will ensure that regular reports are prepared and considered on the implementation of its Treasury Management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its Treasury Management activities; and on the performance of the Treasury Management function.

As a minimum Cabinet and Council will receive:

- An annual report on the planned strategy to be pursued in the coming year and the reporting of Prudential Indicators.
- A mid-year review
- An annual report on the performance of the Treasury Management function including the performance against the Prudential Indicators, the effects of the decisions taken and the



transactions executed in the past year and on any circumstances of non-compliance with the Council's Treasury Management policy statement and TMPs.

Cabinet will receive regular monitoring reports on Treasury Management activities and risks.

The Audit and Governance Committee will have responsibility for the scrutiny of Treasury Management policies and practices.

The Treasury Management indicators will be considered together with the Treasury Management indicators in the Prudential Code as part of the budget approval process.

The present arrangements and the form of these reports are set out in the detailed TMP Operational document.

### **TMP7 : BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS**

The Section 151 Officer will prepare and Council will approve and, if necessary from time to time, will amend, an annual budget for Treasury Management, which will bring together all of the costs involved in running the Treasury Management function together with associated income. The matters to be included will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1, TMP2 and TMP4.

The Section 151 Officer will exercise effective controls over this budget and report upon and recommend any changes required in accordance with TMP6.

The Council will account for its Treasury Management activities, for decisions made and transactions executed in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.

### **TMP8 : CASH AND CASH FLOW MANAGEMENT**

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the Section 151 Officer and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis and the Section 151 Officer will ensure that these are adequate for the purpose of monitoring compliance with TMP1. The present arrangements for preparing cash flow projections, and their form, are set out in the detailed TMP Operational document.

### **TMP9 : MONEY LAUNDERING**

The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. The Council will, therefore, maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that all staff involved are properly trained. The present arrangements, including the name of the officer to whom reports should be made, are set out in the detailed TMP Operational document.

### **TMP10 : TRAINING AND QUALIFICATIONS**

The Council recognises the importance of ensuring that all staff involved in the Treasury Management function are fully equipped to undertake the duties and responsibilities allocated

to them. It will seek to appoint individuals, who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The Section 151 Officer will recommend and implement the necessary arrangements.

The Section 151 Officer will ensure that Council members tasked with Treasury Management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

### **TMP11 : USE OF EXTERNAL SERVICE PROVIDERS**

The Council recognises that responsibility for the Treasury Management decisions remains with the Council at all times. It recognises that there may be potential value in employing external providers of Treasury Management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which will have been submitted to a full evaluation of the costs and benefits. Terms of appointment will be properly agreed, documented and subject to regular review. It will ensure, where feasible and necessary, that a spread of service providers is used, to avoid over reliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed.

The monitoring of such arrangements rests with the Section 151 Officer, and details of the current arrangements are set out in the detailed TMP Operational document.

### **TMP12 : CORPORATE GOVERNANCE**

The Council is committed to the pursuit of proper corporate governance throughout its services, and to establishing the principles and practices by which this can be achieved. Accordingly the Treasury Management function and its activities will be undertaken with openness, transparency, honesty, integrity and accountability.

The Council has adopted and implemented the key recommendations of the Code. This, together with the other arrangements are set out in the detailed TMP Operational document and are considered vital to the achievement of proper governance in Treasury Management, and the Section 151 Officer will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

### **TMP 13: MANAGEMENT PRACTICES FOR NON-TREASURY INVESTMENTS**

This Council recognises that investment in other financial assets and property primarily for financial return, taken for non-treasury management purposes, requires careful investment management. Such activity includes loans supporting service outcomes, investments in subsidiaries, and investment property portfolios.

The Council will ensure that all of its investments are covered in the capital strategy and/or investment strategy, and will set out, where relevant, the Council's risk appetite and specific policies and arrangements for non-treasury investments. It will be recognised that the risk appetite for these activities may differ from that for treasury management.

The Council maintains a schedule setting out a summary of existing material investments and the Council's risk exposure.

The following TMPs will apply with regard to non-treasury management investments:-

**TMP1 - Risk management** - including investment and risk management criteria for material non-treasury investment portfolios

**TMP2 - Performance measurement and management** - including methodology and criteria for assessing the performance and success of non-treasury investments

**TMP5 - Decision making and analysis** - including a statement of the governance requirements for decision-making in relation to non-treasury investments, and arrangements to ensure that appropriate professional due diligence is carried out to support decision making

**TMP6 - Reporting and management information** - including where and how often monitoring reports are taken

**TMP10 - Training and qualifications** - including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.

## ANNEX 9 Treasury Management Glossary of Terms

Bank Rate	The Official Bank rate paid on commercial bank reserves i.e. reserves placed by commercial banks with the Bank of England as part of the Bank's operations to reduce volatility in short term interest rates in the money markets.
Base Rate	Minimum lending rate of a bank or financial institution in the UK.
Capital Financing Requirement	The Council's underlying need for borrowing for a capital purpose.
Counterparty	The organisations responsible for repaying the Council's investment upon maturity and for making interest payments.
Credit Default Swap (CDS)	A specific kind of counterparty agreement which allows the transfer of third party credit risk from one party to the other. One party in the swap is a lender and faces credit risk from a third party, and the counterparty in the credit default swap agrees to insure this risk in exchange for regular periodic payments (essentially an insurance premium). If the third party defaults, the party providing insurance will have to purchase from the insured party the defaulted asset. In turn, the insurer pays the insured the remaining interest on the debt, as well as the principal.
Credit Rating	This is a scoring system that lenders issue organisations with, to determine how credit worthy they are.
Gilts	These are issued by the UK Government in order to finance public expenditure. Gilts are generally issued for a set period and pay a fixed rate of interest for the period.
iTraxx	This is an index published by Markit who are a leading company in CDS pricing and valuation. The index is

	<p>based on an equal weighting of the CDS spread of 25 European financial companies.</p> <p>Clients can use the iTraxx to see where an institution's CDS spread is relative to that of the market and judge its creditworthiness in that manner, as well as looking at the credit ratings.</p>
Liquidity	An asset is perfectly liquid if one can trade immediately, at a price not worse than the uninformed expected value, the quantity one desires.
Long term	A period of one year or more.
Maturity	The date when an investment is repaid or the period covered by a fixed term investment.
Minimum Revenue Provision	Capital expenditure is generally expenditure on assets which have a life expectancy of more than one year e.g. buildings, vehicles, machinery etc. It would be impractical to charge the entirety of such expenditure to revenue in the year in which it was incurred therefore such expenditure is spread over several years in order to try to match the years over which such assets benefit the local community through their useful life. The manner of spreading these costs is through an annual Minimum Revenue Provision.
Monetary Policy Committee (MPC)	Interest rates are set by the Bank's Monetary Policy Committee. The MPC sets an interest rate it judges will enable the inflation target to be met. Their primary target (as set by the Government) is to keep inflation at or around 2%.
Security	An investment instrument, issued by a corporation, government, or other organization which offers evidence of debt or equity.
Short Term	A period of 364 days or less
Supranational Bonds	A supranational entity is formed by two or more central governments with the purpose of promoting economic development for the member countries. Supranational institutions finance their activities by issuing debt, such as supranational bonds.

	<p>Examples of supranational institutions include the European Investment Bank and the World Bank.</p> <p>Similar to government bonds, the bonds issued by these institutions are considered very safe and have a high credit rating.</p>
Treasury Management	<p>The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.</p>
Working Capital	<p>Cash and other liquid assets needed to finance the everyday running of a business such as the payment of salaries and purchases.</p>
Yield	<p>The annual rate of return on an investment, expressed as a percentage.</p>

## **ANNEX 10 PRUDENTIAL INDICATORS – DEFINITIONS / INTERPRETATION**

CIPFA's Prudential Code for Capital Finance requires local authorities to prepare Prudential Indicators of their intended capital spending plans for the forthcoming and future years. The indicators are intended to help the decision making process within an authority and must be approved by the full Council before the beginning of the financial year. The indicators are neither comparative statistics nor performance indicators. Different Councils will have different figures reflecting their history and local circumstances.

1. **Estimate of total capital expenditure to be incurred** – This summarises the Council's current plans for the total capital expenditure over the next 3 years. Details of individual schemes are contained within the capital estimate pages.
2. **Estimates of Capital Financing Summary** – This details the capital financing sources for the next 3 years.
3. **Estimated Ratio of financing costs to net revenue stream** - This indicator has been calculated as debt interest, borrowing refinancing costs, minimum revenue provision, depreciation for HRA, net of investment income and divided by the General Fund (GF) budget requirement for the GF element of costs and the total of HRA income for the HRA costs. For GF Account, the indicator has been calculated gross of government support in the form of RSG for the proportion of capital expenditure funded from supported level of borrowing.
4. **Capital Financing Requirement** – This represents the Council's underlying need to borrow to finance historic capital expenditure and is derived by aggregating specified items from the Council's balance sheet. The actual **net borrowing** is lower than this because of the current strategy to use internal borrowing rather than replace maturing debt.
5. **Actual External Debt** – This is a key indicator and Section 3 of the Local Government Act 2003 requires the Council to ensure that gross external debt does not, except in the short term, exceed the total of the Capital Financing Requirement in the preceding year plus estimates of any additional capital financing requirement for the current and next two financial years.
6. **Authorised Borrowing Limit for external debt** - This indicator represents the maximum amount the Council may borrow at any point in time in the year and has to be set at a level the Council considers is **prudent**. It allows for uncertain cash flow movements and borrowing in advance for future requirements.  
  
The recommended authorised limits for external debt are gross of investments and are consistent with the Council's current commitments, existing plans and the current treasury management policy and strategy. The authorised limit determined for 2024-25 is the statutory limit determined under section 3(1) of the Local Government Act 2003.
7. **Operational Boundary for external debt** - The proposed operational boundary for external debt is calculated on the same estimates as the authorised limit but reflects estimates of the

most likely, prudent but not worst case scenario, without the additional headroom included within the authorised limit to allow for example for unusual cash movements, and equates to the maximum of external debt projected by this estimate. Within the operational boundary, figures for borrowing and other long term liabilities are separately identified.

**8. Treasury Management** – these indicators form part of the treasury management strategy and policy statement approved by the Council each year before the beginning of the financial year. The main indicators are:

(a) The adoption of **CIPFA Code of Practice for Treasury Management**, which the Council adopted before the current Prudential System was introduced.

(b) **Interest Rate Exposure** - The approved Treasury Policy Statement and Strategy contains upper and lower limits for fixed and variable interest rate exposure for net outstanding principal sums.

(c) **Maturity Structure of Borrowing** – The approved treasury management strategy also sets out the maturity structure of the Council's borrowing to ensure the Council is not exposed to risks of having to refinance large level of debt at a time in future when interest rates may be volatile or uncertain.

(d) **Investments longer than 365 days** – The approved treasury management strategy includes a limit of £20m for investments maturing beyond 365 days.





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## Equality, Social Inclusion and Health Impact Assessment (ESHIA)

An ESHIA is a review of a new or existing policy, strategy, project, report or service change to establish whether this has a differential impact on specific equality groups and identifies how we can improve equality of opportunity for different groups of people.

An ESHIA aims at improving Tamworth Borough Council’s work, by promoting equality, social inclusion, health and wellbeing by ensuring that the proposed or existing policy promotes equality and can benefit a wide range of people.

### Details

Title of the proposal	Corporate Vision, Priorities, Budget and MTFs 2025/26 – 2029/30	
Director responsible for the project or service area	Jo Goodfellow	
Officer completing the assessment	Jo Goodfellow	
Date conducted	11/02/25	
Who are the main stakeholders?	Corporate Management Team (CMT) and Elected Members, Precepting Authorities, Businesses, Council Taxpayers, Residents, Housing tenants	
What is being assessed?	A decision to review or change a service	
	A strategy, policy, report or procedure	x
	A function, service, or project	
What kind of assessment is it?	New	x
	Review of existing	

### Part One - Initial screening:

This section should be used to carry out an initial screening of changes or decisions to help to decide whether a full ESHIA is required.

The following six screening questions are designed to assess whether this proposed change is likely to have an impact on equality, social inclusion, health and wellbeing.

		Yes	No
1	Does this new or revised project, proposal, policy, report, procedure likely to have an impact?	X	
2	Does the proposal seek agreement to a key decision involving allocation of resources, such as changes in funding or resources, initiation of a new programme or project or procurement?	X	

3	Does the proposal seek agreement on restructuring or reorganising of staffing?		X
4	Will this policy or proposed change have any impact on potential suppliers?	X	
5	Does this policy or proposed change impact on any HR policy or practice within the council?		X
6	Does this policy or proposed change have any implications for equalities, social inclusion and health and wellbeing not covered above?		X

1. If the answer is **no** to all the questions, please provide a summary below outlining why this conclusion has been reached.
2. If the answer is **yes** to any of the questions, please conduct the full ESHIA as detailed in Part two.

If you are unsure of any of the answers, please seek advice from Human Resources.

Summary of initial screening outcome:

The report seeks the approval of the Corporate Vision, Priorities Plan, Budget and Medium Term Financial Strategy, to be considered by Full Council on 25<sup>th</sup> February, including setting the council tax and housing rent for 2025/26, and

- General Fund Revenue (GF) Budget and Council Tax for 2025/26;
- Housing Revenue Account (HRA) Budget for 2025/26;
- Capital Programme – General Fund & HRA.

Proposals within the budget will impact council taxpayers and housing residents in terms of the council tax increase and housing rent increase, other proposals in terms of policy changes increases/decreases in budgets may also impact staff, residents and potential suppliers..

Decision	Yes	No
Initial screening only		X
Proceed to Part Two, full assessment		

Initial screening completed by	<b>Jo Goodfellow</b>
Date	<b>11/02/25</b>

Full screening completed by	<b>Jo Goodfellow</b>
Date	<b>11/02/25</b>

## Equality, Social Inclusion and Health Impact Assessment (ESHIA)

### Part Two: Full assessment

#### Section 1

The purpose of the project, proposal or decision required. Set out the aims, objectives, purpose and outcomes of the area being impact assessed. Are any other functions, policies or services linked to this assessment?

The purpose of the report is to approve the **Vision Statement, Priority Themes, Corporate Priorities and Plans** and their inclusion in the **Corporate Plan**;

To approve the recommended package of budget proposals to enable the Council to agree the:

- General Fund (GF) Revenue Budget and Council Tax for 2025/26;
- Housing Revenue Account (HRA) Budget for 2025/26;
- 5 Year General Fund Capital Programme (2025/30);
- 5 Year HRA Capital Programme (2025/30);
- 3 Year General Fund Medium Term Financial Strategy (MTFS) (2025/28); and
- 5 Year HRA Medium Term Financial Strategy (MTFS) (2025/30).

And to comply with the requirement of the Council's Treasury Management Policy in reporting to Council the proposed strategy for the forthcoming year and the Local Government Act 2003 with the reporting of the Prudential Indicators and the requirement to prepare an annual Corporate Capital Strategy.

#### Section 2

Evidence used and considered. Include analysis of any missing data.

Please refer to ESHIA with regard to Corporate Plan reported separately to Cabinet 20<sup>th</sup> February.

The local government settlement published on 3<sup>rd</sup> February 2025 has formed the basis of the budget report, along with rent setting guidance published by Government, with reference to policy changes, savings and capital appraisals submitted by budget holders and considered by CMT, ELT and Cabinet.

### Section 3

Consultation undertaken with interested parties who will/may be affected proposal? What were the outcomes of the consultation?

Consultation has taken place with key officers from CMT and ELT, along with Cabinet and Joint Scrutiny (Budgets). The budget has been informed by the results of the annual resident's survey reported to Cabinet in January 2025.

### Section 4

What are the potential or actual impacts of the proposal? Please consider both the direct and indirect impact and refer to the guidance for additional information.

Impact Area	Impact? Positive (P) Negative (N) Neutral (Ne)	Details of the impact	Action to address negative impact
<b>Protected Characteristic, as outlined in the Equality Act 2010</b>			
<b>Age</b>	Negative	May be impact due to reduction in grants and potential impact on community groups; also impact if low-income	
<b>Disability</b>	Negative	May be impact due to reduction in grants and potential impact on community groups; also impact if low income	
<b>Gender reassignment</b>	Neutral		
<b>Marriage and civil partnership</b>	Neutral		
<b>Pregnancy and maternity</b>	Neutral		
<b>Race</b>	Negative	May be impact due to reduction in grants and potential impact on community groups	
<b>Religion or Belief</b>	Negative	May be impact due to reduction in grants and potential impact on community groups	
<b>Sex</b>	Neutral		
<b>Sexual Orientation</b>	Neutral		
<b>Are there socio-economic groups likely to affected? If yes, please provide detail below</b>			

<b>Other social exclusion</b>	Negative	May be impact due to reduction in grants and potential impact on community groups; also on low-income groups	
<b>Digital exclusion</b>	Neutral		
<b>Veterans</b> and serving members of the armed forces and their families	Neutral		
<b>Young people leaving care</b>	Neutral		
<b>Health and Wellbeing:</b> Individuals and communities in Tamworth	Impact: Positive (P) Negative (N) Neutral (Ne)	Explanation	Action to address negative impact
Will the proposal have a direct impact on an individual's health, mental health and wellbeing?	Negative	Reduction in services and community grants may have an impact	
Will the proposal directly impact on housing?	Positive	New team re housing compliance/requirements of regulator	
Will there be a likely change in demand for or access to public services such as health and social care services?	Neutral		
Will there be an impact on diet and nutrition?	Neutral		
Will there be an impact on physical activity?	Neutral		
Will there be an impact on transport, travel and connectivity?	Neutral		
Will there be an impact on	Neutral		

employment and income?			
Will there be an impact on education and skills?	Neutral		
Will there be an impact on community safety?	Neutral		
Will there be an impact on the environment, air quality, climate change?	Positive	Increased spend in capital programme on carbon reduction schemes	

If there are no adverse impacts or any issues of concern or you can adequately explain or justify them, please move to section 6.

### Section 5

Where a potential negative impact has been identified, can continuation of the proposal be objectively justified? If yes, please explain your reasons.

Some potential impacts as a result of service savings and reductions in grants which may impact community groups. Further assessments may be required with regard to detailed savings options to be reported to Members in due course.

### Section 6: Decisions or actions proposed

The assessment may result in some recommendations or suggestions to mitigate any negative impact and maximise positive impacts or actions to reduce the risk of an adverse impact.

### Section 7: Monitoring arrangements

Who will be responsible for monitoring	<b>CMT/Cabinet</b>
Frequency of monitoring	<b>Quarterly MTFS monitoring</b>
Where will the impact assessment be reported to?	<b>Cabinet/Corporate Scrutiny</b>
Where this impact assessment will be stored and for how long	



**Section 8: Summary of actions to mitigate negative impact (if required)**

Impact Area	Action required	Lead officer/responsible person	Target date	Progress

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Tuesday, 25 February 2025

## Report of the Leader of the Council

### Local Government Boundary Commission for England's Review of Tamworth Borough Council Electoral Wards

#### 1. Exempt Information

None

#### 2. Purpose

This report sets out the process and timetable for the Local Government Boundary Commission for England's (LGBCE) review of all electoral wards within Tamworth Borough Council.

#### 3. Recommendations

It is recommended that:

1. Council endorses the contents of this report.
2. Council endorses the establishment of a member working group and its terms of reference.

#### 4. Executive Summary

In November 2021, the Local Government Boundary Commission for England (LGBCE) wrote to the then Chief Executive advising that an electoral review of Tamworth Borough Council would be undertaken. No further communication was received until 29 October 2024 when the commission contacted Stephen Gabriel, Chief Executive to advise that the decision had been taken to commence the review to be concluded in time for the borough elections in 2028.

The purpose of an electoral review is to consider the number of councillors elected to the council, the names, number and boundaries of the wards and the number of councillors to be elected to each ward.

The Local Democracy, Economic Development and Construction Act 2009 sets out the duty placed on the LGBCE to undertake an electoral review in every principal local authority in England 'from time to time'. The last electoral review of Tamworth Borough Council was undertaken in 2000 and the new electoral arrangements implemented in 2004.

Several briefings with members and officers have taken place through December 2024 and January 2025.

There are five principal areas of work within the review:

1. Preparing and submitting a council size proposal for consideration by the LGBCE.
2. Preparing electorate forecasts, mapping, and details of our housing developments. Preparing five-year electorate forecasts broken down to polling

district level. This reflects the statutory duty to consider forecasts for five years from the end of the review.

3. Preparing and submitting a warding pattern during the first public consultation and responding to the LGBCE draft recommendations.
4. Supporting the LGBCE in publicising the review by sharing details of interested parties and supporting meeting with community and residents' groups.
5. Implement the changes as detailed in the parliamentary order.

## 5. The review process

In advance of the first public consultation, there will be a preliminary period of around six months during which the LGBCE will gather information from the Council. This will also include several briefings of officers, group leaders and councillors.

The following briefings have taken place to date:

- Council Leader Briefing – 18 December 2024
- Group Leaders Briefing – 16 January 2025
- All Councillor Briefing – 22 January 2025
- Key Officer Briefing – 30 January 2025

The review has been split into two parts, the council size submission (how many councillors should the council have) and the warding pattern consultation (what are the wards and where are the boundaries).

The table below details timescales, deadlines, and responsibilities at each stage of the process.

<b>Activity</b>	<b>Council</b>	<b>LGBCE</b>	<b>Key Dates</b>
<b>Develop council size submission</b>	Councillors and Officers	LGBCE will be available for queries on making the submission.	February to July 2025
<b>Submission of council size proposal</b>	Councillors and Officers	LGBCE will acknowledge receipt of submission.	12 September 2025
<b>LGBCE decision on council size</b>	Not required	LGBCE.	21 October 2025
<b>Consultation on warding patterns</b>	Councillors, Officers, General Public	LGBCE to publish draft recommendations and run consultation, collate, and analyse responses.	28 October 2025 to 19 January 2026
<b>LGBCE decision on draft warding pattern recommendations</b>	Not required	LGBCE.	21 April 2026

<b>Activity</b>	<b>Council</b>	<b>LGBCE</b>	<b>Key Dates</b>
<b>Consultation on draft warding pattern recommendations</b>	Councillors, Officer, General Public	Publication of draft recommendations and run consultation, collate, and analyse responses.	12 May 2026 to 20 July 2026
<b>LGBCE meeting to decide on final recommendations</b>	Not required	LGBCE.	20 October 2026
<b>Final Recommendations Published</b>	Not required	LGBCE to publish Final recommendations, reports and mapping.	3 November 2026
<b>Order Laid and Made in Parliament</b>	Not required	LGBCE.	
<b>Implementation</b>	Council	Not required.	Tamworth Borough Council to hold elections on new wards boundaries on Thursday 4 May 2028.

An officer project working group has been established, with the terms of reference available in **Appendix 1**. This group includes officers from Electoral Services, Governance, Planning, Communications, Partnerships, and GIS. The action plan developed by the working group, found in **Appendix 2**, outlines how Tamworth Borough Council will address the review's requirements.

A cross-party working group has been established with the objective of overseeing the progress of the LGBCE's review throughout the borough. This group will serve as a forum for discussion and preparation of any council size submission on behalf of the council. Additionally, it will contribute to the development of ward patterning during the initial public consultation and prepare a response to the LGBCE regarding their draft recommendations on warding patterns. At each stage of the review, the cross-party working group will present recommendations to Council. The terms of reference for this group are available in **Appendix 3**. The initial meeting of this group was held on 12 February 2025.

Progress will be regularly reported to CMT Programme Board and elected members will be updated via group meetings. Reports will be taken to Full Council as appropriate. Full Council is required to approve the proposed council size and warding pattern before submitting it to the LGBCE. This is scheduled for early September 2025.

Devolution and local government reorganisation may impact on these processes and indeed the project may be postponed or aborted. Officers are regularly engaging with commission staff to seek clarity on the continuation of the project.

### **Options Considered**

The council could choose to take an informal approach on the submissions and responses to the LGBCE, however this might mean the LGBCE have several submissions supplied from different groups and members.

At the group leaders meeting, it was suggested that a cross-party approach was the preferred method.

In terms of the submission of a council proposal on warding patterns, there is no requirement on the council to submit a response. The Council could agree to let individual councillors and political parties submit their own responses.

It is therefore proposed, that the council fully engages in the process, will submit a response at each stage of the process and support the commission in the consultation.

### **Resource Implications**

Reduction or increase in council size could impact council budgets from 2028/29 due to a change to councillor allowances due to the number of councillors changing.

The process requires considerable resources and officer time, which must be balanced with delivery of essential and business as usual activities.

### **Legal/Risk Implications**

The review is a legal requirement under the Local Democracy, Economic Development and Construction Act 2009.

Compliance with LGBCE guidelines is essential to avoid potential issues.

There is a risk as time progresses that a significant amount of officer and member time will be spent on this work unnecessarily if the process is stopped due to devolution/ local government reorganisation. This is mitigated by regular contact by officers with the commission.

### **Equalities Implications**

An Equality, Social Inclusion and Health Impact Assessment can be found at **Appendix 4**.

### **Environment and Sustainability Implications (including climate change)**

There are no direct environmental or sustainability implications as a direct result of this report.

### **Background Information**

[The Local Government Boundary Commission for England | LGBCE](#)

### **Report Author**

Bernie Flanagan – Electoral Services Manager  
Zoe Wolicki – Assistant Director People

## **List of Background Papers**

None

## **Appendices**

Appendix 1 - Terms of Reference for Officer Project Working Group

Appendix 2 - Overview of the Project Plan

Appendix 3 – Terms of Reference for Cross Party Working Group

Appendix 4 - Equality, Social Inclusion and Health Impact Assessment

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## Appendix 1

### Electoral Review of Tamworth Borough Council Working Group

#### Draft Terms of Reference

##### **Purpose**

To oversee the development of Tamworth Borough Council proposals on council size and a proposed warding pattern for submission to the Local Government Boundary Commission for England (LGBCE), ensuring full involvement and co-ordination between members, officers and the electorate throughout the review process.

##### **Membership**

Zoe Wolicki, Assistant Director People – Project Lead

Bernie Flanagan, Electoral Services Manager

Nicola Hesketh, Information Governance Manager, Monitoring Officer and Data Protection Officer

Gareth Youlden, Head of Technology and Information Services

Tania Phillips, Head of Corporate Communications

Tracey Pointon, Legal, Admin and Democratic Services Manager

Rob Vernon, Applications and Digital Insight Manager

Laura Gilbert, Digital Data Officer

Richard Powell, Planning Policy Team Leader

Karen Clancy, Community Partnerships Manager

Stephanie Ivey, Community Partnership Manager

Jackie Noble, Head of HR and OD

Supported by Tom Rutherford Local Government Boundary Commission – meeting attendance as required

##### **Roles and Responsibilities:**

Assistant Director People – Project lead and corporate management team liaison

Electoral Services Manager – Electoral technical lead

Information Governance Manager, Monitoring Officer and Data Protection Officer – lead on constitutional matters

Head of Technology and Information Services – ICT systems lead

Head of Corporate Communications - Communication and engagement lead

Tracey Pointon, Legal, Admin and Democratic Services Manager – Democratic lead

Applications and Digital Insight Manager/ Digital Data Officer - Data and GIS lead

Planning Policy Team Leader – Planning lead

Community Partnerships Manager - Community liaison

Head of HR and OD - Equality, Diversity and Inclusion lead

##### **Meetings:**

Meetings to be held on a monthly basis via teams unless otherwise agreed for specific purposes.

A standard agenda will be used:

1. Welcome (and introductions)

2. Review of previous minutes
3. Discussion items
  - a. LGBCE update
  - b. Project Timetable
  - c. Status updates
  - d. Project next steps
4. Risks and issues
5. Any other business

**Deliverables:**

1. Develop and submit TBC approved council size proposal to the LGBCE.
2. Prepare and submit approved proposal on ward patterning.
3. Support consultation on ward patterns and draft recommendations.
4. Implement recommendations made in the order.

The deliverables will be supported by a detailed project plan

**Timeline:****Tamworth Borough Council: Electoral Review Timetable**

These timetables outline the key dates and activities for both the Council (shown in bold) and the Commission during the review process.

**Preliminary Period**

<i>Briefings</i>	<i>Attendees</i>		<i>Key Dates</i>
	<i>Council</i>	<i>LGBCE</i>	
<b>Preliminary Meeting</b>	<b>Council Leader Chief Executive</b>	Chair Chief Executive	<b>November / December 2024</b>
<b>Officer Briefing</b>	<b>Council Officers involved in review</b>	Review Manager Review Officer	<b>December 2024 / January 2025</b>
<b>Group Leader Briefing</b>	<b>Council Group Leaders</b>	Lead Commissioner Review Manager Review Officer	
<b>Full Council Briefing</b>	<b>All Councillors</b>	Lead Commissioner Review Manager Review Officer	
<b>Local Groups Briefing</b>	Not required	Review Manager Review Officer	<b>Autumn 2025</b>

**Council Size**

<i>Activity</i>	<i>Involvement</i>		<i>Key Dates</i>
	<i>Council</i>	<i>LGBCE</i>	
<b>Develop council size proposal</b>	<b>Council Political Groups</b>	Officers will be available to answer any technical queries on making a submission.	<b>Now until 12 September 2025</b>
<b>Submission of council size proposals</b>	<b>Council Political Groups</b>	Officers will acknowledge receipt of submissions.	<b>12 September 2025</b>
<b>Commission Meeting: Council Size</b>	Not required	Commission	<b>21 October 2025</b>

## Warding Patterns

<i>Activity</i>	<i>Involvement</i>		<i>Key Dates</i>
	<i>Council</i>	<i>LGBCE</i>	
Consultation on warding patterns	Council Political Groups General Public	Run consultation, collate & analyse responses.	28 October 2025 – 19 January 2026
Commission Meeting: Draft Recommendations	Not required	Commission	21 April 2026
Consultation on Draft Recommendations	Council Political Groups General Public	Publish draft recommendations. Run consultation, collate & analyse responses.	12 May 2026 – 20 July 2026
Commission Meeting: Final Recommendations	Not required	Commission	20 October 2026
Final Recommendations Published	Not required	Commission publish final recommendations report and mapping	3 November 2026

## Order

<i>Activity</i>	<i>Involvement</i>		<i>Key Dates</i>
	<i>Council</i>	<i>LGBCE</i>	
Order laid	Not required	Commission	Early 2027
Order made	Not required	Commission	Spring 2027
Implementation	Council	Not required	May 2028

**Reporting:**

Reports will be presented to committees in line with LGBCE requirements

## Electoral Review of Tamworth Borough Council Project Plan

<i>Activity</i>	<i>Start Date</i>	<i>End Date</i>	<i>Work Flow Area</i>	<i>TBC Responsible Person(s)</i>	<i>Event</i>
<b>Stage 1: Preliminary Period Action/Briefings</b>	01/11/2024	30/11/2024	LGBCE		Meeting between Chair of LGBCE and CE of TBC.
<b>Stage 1: Preliminary Period Action/Briefings</b>	01/11/2024	30/11/2024	TBC	Bernie Flanagan	Create briefing note for distribution and discussion with members and CMT.
<b>Stage 1: Preliminary Period Action/Briefings</b>	01/11/2024	30/11/2024	TBC	Bernie Flanagan	Brief CMT.
<b>Stage 1: Preliminary Period Action/Briefings</b>	01/11/2024	30/11/2024	TBC	Bernie Flanagan	Brief Leadership Team.
<b>Stage 1: Preliminary Period Action/Briefings</b>	01/11/2024	30/09/2025	TBC	Bernie Flanagan; Tania Philips; Zoe Wolicki	Research other LA's reviews.
<b>Stage 1: Preliminary Period Action/Briefings</b>	01/11/2024	30/11/2024	TBC	Zoe Wolicki	Ensure GIS are aware of the project and timescales.
<b>Stage 1: Preliminary Period Action/Briefings</b>	01/11/2024	30/11/2024	TBC	Zoe Wolicki	Identify project lead.
<b>Stage 1: Preliminary Period Action/Briefings</b>	30/11/2024	31/12/2024	TBC	Zoe Wolicki	Draft Terms of Reference for Project Working Group.
<b>Stage 1: Preliminary Period Action/Briefings</b>	30/11/2024	31/12/2024	TBC	Zoe Wolicki	Create project team and identify next steps.
<b>Stage 1: Preliminary Period Action/Briefings</b>	01/12/2024	31/12/2024	TBC	Bernie Flanagan	Demo with Xpress to look at Xpress Maps.
<b>Stage 1: Preliminary Period Action/Briefings</b>	01/12/2024	31/12/2024	LGBCE		LGBCE Briefing to CE and Leader of the Council
<b>Stage 1: Preliminary Period Action/Briefings</b>	01/01/2025	31/01/2025	TBC	Bernie Flanagan	Draft initial project plan.
<b>Stage 1: Preliminary Period Action/Briefings</b>	01/01/2025	31/01/2025	TBC	Bernie Flanagan	Draft initial risk register.
<b>Stage 1: Preliminary Period Action/Briefings</b>	01/01/2025	31/01/2025	TBC	Zoe Wolicki	Arrange for funding stream to cover payment for Xpress Maps.
<b>Stage 1: Preliminary Period Action/Briefings</b>	01/01/2025	31/07/2025	TBC	Bernie Flanagan	Ensure that electoral management systems (EMS) are up to date.
<b>Stage 1: Preliminary Period Action/Briefings</b>	01/01/2025	31/01/2025	TBC	Zoe Wolicki; Nicola Hesketh, Tracey Pointon	Create Member Working Group
<b>Stage 1: Preliminary Period Action/Briefings</b>	01/01/2025	31/01/2025	TBC	Tania Phillips	Develop Communications Plan
<b>Stage 1: Preliminary Period Action/Briefings</b>	01/01/2025	31/01/2025	LGBCE		LGBCE Briefing to CE and political group leaders.

<i>Activity</i>	<i>Start Date</i>	<i>End Date</i>	<i>Work Flow Area</i>	<i>TBC Responsible Person(s)</i>	<i>Event</i>
<b>Stage 1:</b> Preliminary Period Action/Briefings	01/01/2025	31/01/2025	LGBCE		LGBCE Briefing to elected members.
<b>Stage 1:</b> Preliminary Period Action/Briefings	01/01/2025	31/01/2025	TBC	Zoe Wolicki; Nicola Hesketh, Tracey Pointon	Schedule dates for Project Working Group and Member Working Group.
<b>Stage 1:</b> Preliminary Period Action/Briefings	01/01/2025	31/01/2025	TBC	Zoe Wolicki	Draft Terms of Reference for Member Working Group.
<b>Stage 1:</b> Preliminary Period Action/Briefings	01/01/2025	31/01/2025	TBC	Zoe Wolicki; Bernie Flanagan	Prepare report for Member Working Group to start the review.
<b>Stage 1:</b> Preliminary Period Action/Briefings	01/01/2025	31/01/2025	TBC	Zoe Wolicki; Bernie Flanagan	Add report to Member Working Group to Forward Plan if required.
<b>Stage 1:</b> Preliminary Period Action/Briefings	01/01/2025	31/01/2025	TBC	Zoe Wolicki; Bernie Flanagan	Report sign off for Member Working Group.
<b>Stage 1:</b> Preliminary Period Action/Briefings	01/01/2025	31/01/2025	TBC	Zoe Wolicki; Bernie Flanagan; Tracey Pointon	Agenda published for Member Working Group
<b>Stage 1:</b> Preliminary Period Action/Briefings	17/01/2025	17/01/2025	TBC	Zoe Wolicki; Bernie Flanagan	Put agenda item on the Forward Plan regarding Electoral Review
<b>Stage 1:</b> Preliminary Period Action/Briefings	20/01/2025	02/02/2025	TBC	Zoe Wolicki; Bernie Flanagan	Prepare report for Full Council regarding Electoral Review
<b>Stage 1:</b> Preliminary Period Action/Briefings	12/02/2025	12/02/2025			Meeting of Member Working Group
<b>Stage 1:</b> Preliminary Period Action/Briefings	03/02/2025	10/02/2025	TBC	Zoe Wolicki; Bernie Flanagan	Report sign off for Full Council regarding Electoral Review
<b>Stage 1:</b> Preliminary Period Action/Briefings	17/02/2025	17/02/2025	TBC	Zoe Wolicki; Bernie Flanagan	Agenda published for Full Council regarding Electoral Review
<b>Stage 1:</b> Preliminary Period Action/Briefings	25/02/2025	25/02/2025	TBC	Zoe Wolicki; Bernie Flanagan	Full Council Meeting regarding Council regarding Electoral Review
<b>Stage 1:</b> Preliminary Period Action/Briefings	01/09/2025	31/10/2025	LGBCE		Briefings to local groups.
<b>Stage 2:</b> The review commences regarding Council Size Submission	01/04/2025	06/05/2025	TBC	Zoe Wolicki; Bernie Flanagan	Put agenda item on the Forward Plan regarding Council Size submission
<b>Stage 2:</b> The review commences regarding Council Size Submission	06/05/2025	16/06/2025	TBC	Zoe Wolicki; Bernie Flanagan	Prepare report for Full Council regarding Council Size submission
<b>Stage 2:</b> The review commences regarding Council Size Submission	02/06/2025	06/06/2025	TBC		Prepare elected member survey regarding Council Size
<b>Stage 2:</b> The review commences regarding Council Size Submission	09/06/2025	13/06/2025	TBC		Distribute elected member survey regarding Council Size
<b>Stage 2:</b> The review commences regarding Council Size Submission	16/06/2025	20/06/2025			Analysis responses from elected member survey regarding Council Size
<b>Stage 2:</b> The review commences regarding Council Size Submission	16/06/2025	23/06/2025	TBC	Zoe Wolicki; Bernie Flanagan	Share draft submission on council size with Leader of Council and Leader of Opposition.
<b>Stage 2:</b> The review commences regarding Council Size Submission	16/06/2025	23/06/2025	TBC	Zoe Wolicki; Bernie Flanagan	Share draft submission for council size with LT & CMT.

<i>Activity</i>	<i>Start Date</i>	<i>End Date</i>	<i>Work Flow Area</i>	<i>TBC Responsible Person(s)</i>	<i>Event</i>
<b>Stage 2:</b> The review commences regarding Council Size Submission	16/06/2025	23/06/2025	TBC	Zoe Wolicki; Bernie Flanagan	Share draft submission for council size with Cabinet.
<b>Stage 2:</b> The review commences regarding Council Size Submission	16/06/2025	23/06/2025	TBC	Zoe Wolicki; Bernie Flanagan	Share report and submission on council size with Member Working Group.
<b>Stage 2:</b> The review commences regarding Council Size Submission	16/06/2025	23/06/2025	TBC	Zoe Wolicki; Bernie Flanagan	Report sign off for Full Council regarding Council Size submission
<b>Stage 2:</b> The review commences regarding Council Size Submission	30/06/2025	30/06/2025	TBC	Zoe Wolicki; Bernie Flanagan	Agenda published for Full Council regarding Council Size submission
<b>Stage 2:</b> The review commences regarding Council Size Submission	01/07/2025	31/07/2025	TBC	Bernie Flanagan	Produce geocoded electoral register
<b>Stage 2:</b> The review commences regarding Council Size Submission	01/07/2025	31/07/2025	TBC	Bernie Flanagan	Prepare data on current electorate and forecasted electorate.
<b>Stage 2:</b> The review commences regarding Council Size Submission	01/07/2025	31/07/2025	TBC	Bernie Flanagan	Prepare forecasting methodology for forecasting electorate.
<b>Stage 2:</b> The review commences regarding Council Size Submission	01/07/2025	31/07/2025	TBC		Gather information on proposed housing developments that will consist of 20 or more electors.
<b>Stage 2:</b> The review commences regarding Council Size Submission	01/07/2025	31/07/2025	TBC		Housing developments
<b>Stage 2:</b> The review commences regarding Council Size Submission	01/07/2025	31/07/2025	TBC		Polling District Maps
<b>Stage 2:</b> The review commences regarding Council Size Submission	08/07/2025	08/07/2025	TBC	Zoe Wolicki; Bernie Flanagan	Full Council Meeting regarding Council Size submission
<b>Stage 2:</b> The review commences regarding Council Size Submission	01/08/2025	12/09/2025	TBC	Zoe Wolicki; Bernie Flanagan	Make council size submission to LGBCE.
<b>Stage 2:</b> The review commences regarding Council Size Submission	01/08/2025	12/09/2025	TBC	Zoe Wolicki; Bernie Flanagan	Submit requested data to LGBCE including electoral register, current electorate, predicted electorate, future developments and associated maps and mapping files.
<b>Stage 2:</b> The review commences regarding Council Size Submission	21/10/2025	21/10/2025	LGBCE		Council size decision made by the LGBCE
<b>Stage 3:</b> The review commences regarding the pattern of wards	28/10/2025	09/12/2025	TBC, Political Groups, General Public		Prepare submission for warding patterning consultation.
<b>Stage 3:</b> The review commences regarding the pattern of wards	28/10/2025	19/01/2026	LGBCE		Run consultation, collate & analyse responses.
<b>Stage 3:</b> The review commences regarding the pattern of wards	21/04/2025	21/04/2025	LGBCE		Draft warding pattern recommendations.
<b>Stage 3:</b> The review commences regarding the pattern of wards	21/05/2026	20/07/2026	TBC, Political Groups, General Public		Consulation on draft ward patterning recommendations
<b>Stage 3:</b> The review commences regarding the pattern of wards	21/05/2026	20/07/2026	LGBCE		Publish draft recommendations. Run consultation, collate & analyse responses.
<b>Stage 3:</b> The review commences regarding the pattern of wards	20/10/2026	20/10/2026	LGBCE		Meeting on Final warding pattern recommendations.

<i>Activity</i>	<i>Start Date</i>	<i>End Date</i>	<i>Work Flow Area</i>	<i>TBC Responsible Person(s)</i>	<i>Event</i>
<b>Stage 3:</b> The review commences regarding the pattern of wards	03/11/2026	03/11/2026	LGBCE		Final recommendations published.
<b>Stage 4:</b> Processes on conclusion of review	Early 2027	Early 2027	LGBCE		Order laid in Parliament.
<b>Stage 4:</b> Processes on conclusion of review	Spring 2027	Spring 2027	LGBCE		Order made.
<b>Stage 4:</b> Processes on conclusion of review	14/06/2027	01/12/2027	TBC		Polling district, polling place and polling station review to be undertaken.
<b>Stage 4:</b> Processes on conclusion of review	14/06/2027	01/07/2027	TBC		Polling district, polling place and polling station review to be added to the forward plan.
<b>Stage 4:</b> Processes on conclusion of review	01/09/2027	31/10/2027	TBC		Prepare Polling district, polling place and polling station review report for Full Council.
<b>Stage 4:</b> Processes on conclusion of review	01/09/2027	31/10/2027	TBC		Polling district, polling place and polling station review report to be presented at Full Council
<b>Stage 4:</b> Processes on conclusion of review	01/09/2027	26/02/2027	TBC		Implement changes to boundaries within the electoral register.
<b>Stage 4:</b> Processes on conclusion of review	01/03/2028	04/05/2028	TBC		Implementation - first elections on new boundaries



## Appendix 3

### Tamworth Borough Council

**Date: 1st February 2025**

#### **Terms of Reference for the Electoral Review Working Group**

**1. Purpose:** The Electoral Review Working Group is established to oversee and support the electoral review process conducted by the Local Government Boundary Commission for England (LGBCE). The group will ensure full member involvement and provide recommendations to the council.

#### **2. Composition:**

- The working group shall comprise one councillor from each political group represented on the council as well as independent members.
- The group will be politically proportionate to reflect the composition of the council.
- The group will be advised and supported by the Assistant Director People and Electoral Services Manager.

#### **3. Objectives:**

- To oversee the development of formal council proposals on council size and warding patterns for submission to the LGBCE.
- To ensure effective consultation and participation of all members throughout the review process.
- To review representations made in relation to the electoral review and inform recommendations to the council.

#### **4. Scope:**

- To formulate:
  - a council size proposal for consideration by the LGBCE including the number of councillors to be elected from each ward
  - proposals for the names, number and boundaries of electoral wards.

#### **5. Responsibilities:**

- To provide support in the provision of information required by the LGBCE.
- To facilitate, coordinate, and consult with all members and stakeholders.
- To ensure transparency and effective communication throughout the review process.

#### **6. Meetings:**

- The working group shall meet regularly, with the frequency of meetings determined by the needs of the review process.
- The group shall appoint a chair and vice-chair from its membership at the first meeting.

#### **7. Reporting:**

- The working group shall report its findings and recommendations to the full council for approval.
- Interim reports may be provided to the council as necessary to keep members informed of progress.

#### **8. Review:**

- The terms of reference shall be reviewed periodically to ensure they remain relevant and effective.

## Equality, Social Inclusion and Health Impact Assessment (ESHIA)

An ESHIA is a review of a new or existing policy, strategy, project, report or service change to establish whether this has a differential impact on specific equality groups and identifies how we can improve equality of opportunity for different groups of people.

An ESHIA aims at improving Tamworth Borough Council's work, by promoting equality, social inclusion, health and wellbeing by ensuring that the proposed or existing policy promotes equality and can benefit a wide range of people.

### Details

Title of the proposal	Local Government Boundary Commission for England's Review of Tamworth Borough Council Electoral Wards	
Director responsible for the project or service area	Zoe Wolicki	
Officer completing the assessment	Bernie Flanagan	
Date conducted	12 February 2025	
Who are the main stakeholders?	Tamworth Borough Council	
What is being assessed?	A decision to review or change a service	
	A strategy, policy, report or procedure	x
	A function, service, or project	
What kind of assessment is it?	New	
	Review of existing	

### Part One - Initial screening:

This section should be used to carry out an initial screening of changes or decisions to help to decide whether a full ESHIA is required.

The following six screening questions are designed to assess whether this proposed change is likely to have an impact on equality, social inclusion, health and wellbeing.

		Yes	No
1	Does this new or revised project, proposal, policy, report, procedure likely to have an impact?		X
2	Does the proposal seek agreement to a key decision involving allocation of resources, such as changes in funding or resources, initiation of a new programme or project or procurement?		X

3	Does the proposal seek agreement on restructuring or reorganising of staffing?		X
4	Will this policy or proposed change have any impact on potential suppliers?		X
5	Does this policy or proposed change impact on any HR policy or practice within the council?		X
6	Does this policy or proposed change have any implications for equalities, social inclusion and health and wellbeing not covered above?		X

1. If the answer is **no** to all the questions, please provide a summary below outlining why this conclusion has been reached.
2. If the answer is **yes** to any of the questions, please conduct the full ESHIA as detailed in Part two.

If you are unsure of any of the answers, please seek advice from Human Resources.

Summary of initial screening outcome:

This report relates to the electoral review of Tamworth Borough Council being conducted by the Local Government Boundary Commission for England.

Tamworth Borough Council and its residents are stakeholders/ consultees to this process therefore at this stage there is no identified equality, social inclusion and health impact. Future recommendations could have an impact on communities if the boundaries are redrawn. In the way that it can concentrate/disperse certain communities.

The report requires no decision and is for information only.

Decision	Yes	No
Initial screening only	X	
Proceed to Part Two, full assessment		X

Initial screening completed by	<b>Bernie Flanagan &amp; Zoe Wolicki</b>
Date	<b>12 February 2025</b>

Full screening completed by	
Date	

## Equality, Social Inclusion and Health Impact Assessment (ESHIA)

### Part Two: Full assessment

#### Section 1

The purpose of the project, proposal or decision required. Set out the aims, objectives, purpose and outcomes of the area being impact assessed. Are any other functions, policies or services linked to this assessment?

#### Section 2

Evidence used and considered. Include analysis of any missing data.

#### Section 3

Consultation undertaken with interested parties who will/may be affected proposal? What were the outcomes of the consultation?

#### Section 4

What are the potential or actual impacts of the proposal? Please consider both the direct and indirect impact and refer to the guidance for additional information.

Impact Area	Impact? Positive (P) Negative (N) Neutral (Ne)	Details of the impact	Action to address negative impact
<b>Protected Characteristic, as outlined in the Equality Act 2010</b>			
Age			
Disability			
Gender reassignment			
Marriage and civil partnership			

<b>Impact Area</b>	<b>Impact? Positive (P) Negative (N) Neutral (Ne)</b>	<b>Details of the impact</b>	<b>Action to address negative impact</b>
<b>Pregnancy and maternity</b>			
<b>Race</b>			
<b>Religion or Belief</b>			
<b>Sex</b>			
<b>Sexual Orientation</b>			
<b>Are there socio-economic groups likely to be affected? If yes, please provide detail below</b>			
<b>Other social exclusion</b>			
<b>Digital exclusion</b>			
<b>Veterans and serving members of the armed forces and their families</b>			
<b>Young people leaving care</b>			
<b>Health and Wellbeing: Individuals and communities in Tamworth</b>	Impact: Positive (P) Negative (N) Neutral (Ne)	Explanation	Action to address negative impact
Will the proposal have a direct impact on an individual's health, mental health and wellbeing?			
Will the proposal directly impact on housing?			
Will there be a likely change in demand for or access to public services such as health and social care services?			

Impact Area	Impact? Positive (P) Negative (N) Neutral (Ne)	Details of the impact	Action to address negative impact
Will there be an impact on diet and nutrition?			
Will there be an impact on physical activity?			
Will there be an impact on transport, travel and connectivity?			
Will there be an impact on employment and income?			
Will there be an impact on education and skills?			
Will there be an impact on community safety?			
Will there be an impact on the environment, air quality, climate change?			

If there are no adverse impacts or any issues of concern or you can adequately explain or justify them, please move to section 6.

### Section 5

Where a potential negative impact has been identified, can continuation of the proposal be objectively justified? If yes, please explain your reasons.

**Section 6: Decisions or actions proposed**

The assessment may result in some recommendations or suggestions to mitigate any negative impact and maximise positive impacts or actions to reduce the risk of an adverse impact.

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**Section 7: Monitoring arrangements**

Who will be responsible for monitoring	
Frequency of monitoring	
Where will the impact assessment be reported to?	
Where this impact assessment will be stored and for how long	

**Section 8: Summary of actions to mitigate negative impact (if required)**

Impact Area	Action required	Lead officer/responsible person	Target date	Progress