



# CABINET

10 February 2016

A meeting of the CABINET will be held on Thursday, 18th February, 2016, 6.00 pm  
in Committee Room 1 Marmion House, Lichfield Street, Tamworth

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## A G E N D A

### NON CONFIDENTIAL

**1 Apologies for Absence**

**2 Minutes of the Previous Meeting** (Pages 1 - 4)

**3 Declarations of Interest**

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

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

**4 Question Time:**

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

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

None

**6 Quarter Three 2015/16 Performance Report** (Pages 5 - 70)  
(The Report of the Leader of the Council)

**7 Corporate Vision, Priorities Plan, Budget & Medium Term Financial Strategy 2016/17** (Pages 71 - 142)

(The Report of the Leader of the Council)

(Appendix N to follow)

**8 Updated RIPA Policy (Pages 143 - 190)**  
(The Report of the Solicitor to the Council and Monitoring Officer)

Yours faithfully

A handwritten signature in black ink, appearing to be 'A. S. P.', enclosed within a circular scribble.

**Chief Executive**

*People who have a disability and who would like to attend the meeting should contact Democratic Services on 01827 709264 or e-mail [committees@tamworth.gov.uk](mailto:committees@tamworth.gov.uk) preferably 24 hours prior to the meeting. We can then endeavour to ensure that any particular requirements you may have are catered for.*

To Councillors: D Cook, R Pritchard, S Claymore, S Doyle and M Thurgood.



M I N U T E S O F A M E E T I N G O F T H E  
C A B I N E T  
H E L D O N 14<sup>th</sup> J A N U A R Y 2016

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

The following officers were present: Anthony E Goodwin (Chief Executive), John Wheatley (Executive Director Corporate Services), Andrew Barratt (Director - Assets and Environment), Nicki Burton (Director - Technology and Corporate Programmes), Stefan Garner (Director of Finance), Michael Buckland (Head of Revenues) and Natalie Missenden (Public Relations Officer)

**98 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors S Claymore and M Thurgood

**99 MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 10 December 2015 were approved and signed as a correct record.

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

**100 DECLARATIONS OF INTEREST**

There were no Declarations of Interest.

**101 QUESTION TIME:**

None

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

None

**103 DRAFT BUDGET & MEDIUM TERM FINANCIAL STRATEGY 2016/17**

The Leader of the Council requested members of Cabinet to approve the draft package of budget proposals, to consult with the Joint Scrutiny Committee (Budget) on 26<sup>th</sup> January 2016 and receive their feedback on the:

- General Fund Revenue (GF) Budget and Council Tax for 2016/17;
- Housing Revenue Account (HRA) Budget for 2016/17;
- Capital Programme – General Fund & HRA;
- Medium Term Financial Strategy (MTFS) was discussed

**RESOLVED:** That Cabinet

1. approved the draft package of budget proposals including the proposed policy changes (as detailed at Appendix B); and
2. as required by the Constitution of the Council, the Joint Scrutiny Committee (Budget) on 26<sup>th</sup> January 2016 be requested to consider the budget proposals contained within this report.

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

#### **104 CORPORATE REVIEW OF STRATEGIC FRAMEWORK**

The Leader of the Council and the Chief Executive requested members of Cabinet to endorse the revisions to the strategic framework prior to their subsequent recommended adoption by Council together with the Annual Budget and MTFS.

**RESOLVED:** That Cabinet

- 1 endorsed the revised strategic framework including the Vision, Priority Themes, Corporate Objectives and Outcomes;
- 2 endorsed their inclusion in the emerging Corporate Plan; Corporate Support Plan and Medium Term Financial Strategy; and
- 3 recommended the revised strategic framework to Council together with the draft Budget and MTFS.

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

#### **105 BUSINESS RATES INCOME FORECAST 2016/17**

The Portfolio Holder for Operations and Assets seeking endorsement from Members on the Business Rates income forecast for 2016/17.

**RESOLVED:** That Cabinet

1. approved the Business Rates income forecast for 2016/17 and subsequent NNDR1 form for submission to DCLG by 31 January 2016, in line with the scheme of delegation;
2. authorised the Executive Director Corporate Services, in consultation with the Leader of the Council, to make such required amendments to the forecast NNDR1, as necessary; and
3. members noted discretionary relief granted to qualifying bodies in line with the existing policy.

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

## 106 AGILE WORKING STAGE II

The Portfolio Holder for Operations and Assets seeking Cabinet endorsement to progress through the second tranche of Agile Working, including delivery of the 'Delivering Quality Services in Tamworth' project was considered.

**RESOLVED:** That Cabinet

- 1 endorsed deployment of the second tranche of Agile Working including delivery of the 'Delivering Quality Services in Tamworth' project; and
- 2 as part of the budget setting process, endorsed the release of £326,000 from Capital Contingencies for floor refurbishment and furniture as required.

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

## 107 CREATIVE QUARTER PROGRESS REPORT

The Portfolio Holder for Economy and Education updated Members on the progress on the Enterprise Quarter project and to seek relevant approvals to progress the project

**RESOLVED:** That Cabinet

- 1 as part of the budget setting process, considered:
  - a. the movement of £124.3k from the capital project budget to the revenue budget to meet the costs of the community activities
  - b. allocating £510.8k additional capital

monies to the project through the Capital programme;

- 2 approved the project programme in Appendix A and notes that hirers and tenants of the Philip Dix Centre will be given notice to vacate the building;
- 3 endorsed an options appraisal to consider future short and long term delivery of Tourist Information and gave authority to the Portfolio Holder for Operations and Assets, the Portfolio Holder for Economy and Education, the Director for Assets and Environment and the Director for Transformation and Corporate Performance to conclude and implement the options appraisal;
- 4 gave authority to the Portfolio Holder for Operations and Assets in consultation with the Portfolio Holder for Economy and Education to tender for professional services and contractors and enter into relevant contracts; and
- 5 gave authority to make use of the County Councils existing arrangements for professional services and contractors for the detailed design and construction of the Philip Dix Centre.

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

## 108 COUNTER TERRORISM AND SECURITY ACT 2015

The Portfolio Holder for Communities and Public Health requested Cabinet to secure approval to adopt the proposed Prevent Strategy 2015-2017 and the underpinning action plan (appendices A and B) and recommend the same to Full Council on the 15<sup>th</sup> March 2016.

**RESOLVED:** That members endorsed the proposed draft Prevent Strategy and action plan and recommend approval of the policy by Council.

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

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Leader

THURSDAY, 18 FEBRUARY 2016

**REPORT OF THE LEADER OF THE COUNCIL  
QUARTER THREE 2015/16 PERFORMANCE REPORT**

**EXEMPT INFORMATION**

Not applicable.

**PURPOSE**

To provide Cabinet with a performance and financial health-check.

**RECOMMENDATIONS**

That Cabinet endorse the contents of this report.

**EXECUTIVE SUMMARY**

This report provides information on:

1. High level corporate plan actions, key service performance Indicators and corporate risks,
2. Impact of welfare benefit reform,
3. Performance management framework,
4. Sustainability Strategy,
5. Financial health check

**OPTIONS CONSIDERED**

Not applicable.

**RESOURCE IMPLICATIONS**

There are none.

**LEGAL/RISK IMPLICATIONS BACKGROUND**

There are none.

**SUSTAINABILITY IMPLICATIONS**

There are none.

**BACKGROUND INFORMATION**

**REPORT AUTHOR**

John Day

**APPENDICES**

Quarter three 2015/16 performance report

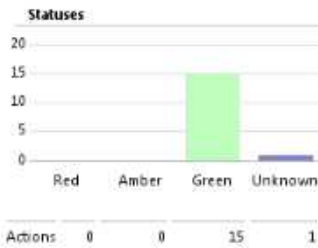
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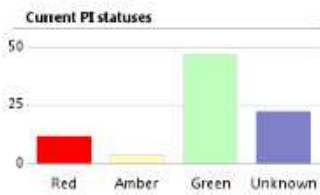
# 1. Overview of High level corporate plan actions, key service performance indicators and corporate risks

The current status of high level corporate plan actions, key service performance indicators and corporate risks is shown below; detail is available in the appendices.

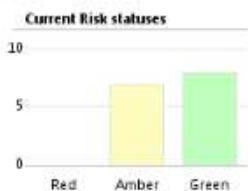
## 2015/16 Corporate Plan Actions



## 2015/16 Key Service Performance Indicators



## 2015/16 - Corporate Risk Register



Further details are available in the appendices:

- Corporate Plan Actions: **Appendix D**
- Key Service Performance Indicators: **Appendix E**
- Corporate Risks: **Appendix F**

## **2. Impact of Welfare Benefit Reform on Council services**

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

### Benefits

A reduction in DHP claims is reported - DHP claims are underspent by £36k with 174 successful claims from 265 applications (compared to 302 successful claims from 468 applications at December 2014).

Live caseload figures are 330 lower than 2014/15 – currently 6,495 (6,825 at December 2014).

### NNDR

Reminders (648 at 31 December) are marginally higher than 2014/15 levels (638 at 30 December 2014) with summons & liability orders at similar levels to 2014/15.

Very good collection performance by the Revenues team is reported with current year collection levels at 84%, ahead of target by 1% at 31 December. Court costs are at target of £7k.

### Council Tax

Reminders are 1,047 lower than 2014/15 levels (10,820 at 31 December 2015 compared to 11,867 at 30 December 2014).

Strong collection performance is again reported - with current year collection levels at 86.9%, ahead of target by 0.5% at December 2015 (with a target of 97.5% for the 2015/16 financial year). Court cost income is also ahead of target by £25k at £211k.

Arrears for 2014/15 are slightly behind target at 41% compared to target of 45.9% - work has commenced on further approaches to realise more Council Tax revenue.

Collection Fund – the estimated surplus is £25k for the year with a LCTS projected underspend of £45k (total £70k).

## Customer Services

Data has not been updated since June 2015 when visits to Marmion House / Council Tax, Housing Benefit & Rent enquiries were 2153 lower (5,709 by June 2015 compared to 7,862 by June 2014).

Council tax enquiries & payments were 967 lower (355 by June 2015 compared to 1,322 by June 2014).

Rent enquiries & payments 506 lower (134 by June 2015 compared to 640 by June 2014).

Housing Benefit enquiries were 665 lower (1,740 by June 2015 compared to 2,405 by June 2014).

## Housing

The Housing Income team continue to perform well - Total Rent arrears (excluding former tenants) at 31 December 2015 was £496k compared to £358k at 31 March 2015 – an increase of £138k (compared to a £57k increase as at 31 December 2014).

Total arrears (including garages etc.) are £1.59m at 31 December 2015, compared to £1.35m at 31 March 2015, an increase of £239k (compared to a £166k increase between 31 March 2014 and 31 December 2014).

Total arrears (including garages etc.) were £1.35m at 31 March 2015 compared to 31 March 2014 - £1.31m (£44k higher).

There were 11 evictions during the first half of 2015/16 compared to 21 during the same period of 2014/15 with a further 5 in December 2015 (a total 16 to December compared to 22 for the same period in 2014/15).

### **3. Performance Management Framework**

Activity in quarter three 2015/16 saw:

- Performance and financial healthcheck report at Cabinet,
- Tamworth Listens Question Time Event,
- State of Tamworth Debate,
- Corporate Management Team away day to discuss revised corporate priorities and supporting actions,
- Budget consultation report considered by Cabinet.

## 4. Sustainability Strategy

### Medium Term Financial Strategy 2015-2020 Monitoring, January 2016

On 22<sup>nd</sup> August 2013, Cabinet endorsed the document 'Planning for a Sustainable Future' as the overarching strategy for meeting the challenges forecast for the Council's Medium Term Financial Strategy (MTFS). Following its introduction, work has been underway on the strands included within it designed to deliver savings and efficiencies to tackle the forecast deficit. The strategy contains a number of workstreams – led by CMT members - which all contribute to the organisation working in the most efficient way, providing the best services we can, while working towards reducing the shortfall in our budgets in coming years.

Last year's budget report also outlined a proactive approach to the other major challenge, that of ever increasing demand. By adopting the guiding principles, tools, techniques and transformational approaches, the Council can set about managing demand and thereby have greater control and the ability to align or target "supply" to managed "demand".

The Corporate Management Team (CMT) review the most up-to-date budget forecasts on a quarterly basis, and discuss the delivery of the Sustainability Strategy and our Medium Term Financial Strategy (MTFS) – as outlined below.

#### General Fund

GENERAL FUND MTFS 2015/16-2019/20	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Projected Balances per MTFS Council February 2015	(3,831)	(3,685)	(2,544)	(505)	1,420	3,673	-
Revised Stress Tested:							
Forecast - November 2015	(4,911)	(4,791)	(2,812)	(1,702)	(446)	1,034	3,280
Draft MTFS - January 2016	(4,911)	(4,793)	(3,192)	(2,453)	(1,501)	(93)	2,193

The forecast has been updated to include:

- a) the improved projections contained within the latest projected outturn position;
- b) Technical adjustments as part of the base budget review reported to Cabinet in November 2015 – including savings of £0.25m from a review of previous years’ outturn underspends;
- c) Updated Local Government Finance Settlement grant indications following release of provisional allocations in December 2015;
- d) any known changes to the savings targets included within the current MTFS;
- e) updated impact on investment income, new homes bonus and council tax income from expected housing developments (including the former Golf Course) - arising from discussions / joint working with Planning and Strategic Housing;

When the 3 year MTFS for the General Fund was approved by Council in February 2015, the forecast MTFS shortfall in balances was c.£1.4m for 2018/19 increasing to £3.7m in 2019/20. Following the updates the forecast now identifies balances of £1.5m over the 3 years to 2018/19 with a shortfall of c.£0.4m for 2019/20.

The shortfall over the next 5 years has been revised to £2.2m (£2.7m including the approved minimum balances level of £0.5m). The General Fund has benefited over the 5 year period by £1m due mainly to the pay award cap – however, the current forecast has also removed £2m in RSG grant income (pending the Spending Review outcome in the Autumn).

Achievement of further savings are dependent on the outcomes of ongoing service reviews or workstream actions.

With regard to the **Housing Revenue Account**, the position is forecast:

HRA MTFS 2015/16-2019/20	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
<b>Projected Balances per MTFS Council February 2015</b>	<b>(4,847)</b>	<b>(1,775)</b>	<b>(1,304)</b>	<b>(1,229)</b>	<b>(1,403)</b>	<b>(1,403)</b>	<b>(1,403)</b>

Revised:							
<b>Forecast - November 2015</b>	<b>(5,957)</b>	<b>(3,040)</b>	<b>(2,699)</b>	<b>(2,065)</b>	<b>(823)</b>	<b>1,163</b>	<b>3,304</b>
<b>Draft MTFS - January 2016</b>	<b>(5,957)</b>	<b>(3,040)</b>	<b>(2,679)</b>	<b>(2,025)</b>	<b>(762)</b>	<b>(756)</b>	<b>(594)</b>

This follows inclusion of the technical adjustments and the reduced cost of the Housing Regeneration projects following preparation of the updated build programme.

When the 3 year MTFS for the HRA was approved by Council in February 2015, the forecast MTFS balances were c.£1.4m by 2019/20. Following the updates the forecast now identifies balances of c.£0.8m for 2019/20 with balances over the next 5 years of £0.6m by 2020/21.

## 5. Financial Health check Report

### Executive Summary

This section to the report summarises the main issues identified at the end of December 2015.

### General Fund

#### Revenue

GENERAL FUND	YTD Budget £000	YTD Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000
Chief Executive	138	145	7	-	9	9
Executive Director Corporate Services	148	(47)	(195)	518	445	(73)
Director of Finance	2,039	1,778	(261)	(328)	(617)	(289)
Director of Technology & Corporate Programmes	970	958	(12)	57	92	35
Solicitor to the Council	534	456	(78)	712	647	(65)
Director of Transformation & Corporate Performance	930	979	49	278	367	89
Director of Communities, Planning & Partnerships	1,496	1,229	(267)	2,629	2,531	(98)
Director of Housing & Health	152	106	(46)	1,047	1,011	(36)
Director of Assets & Environment	2,123	1,880	(243)	3,549	3,415	(134)
<b>Total</b>	<b>8,530</b>	<b>7,484</b>	<b>(1,046)</b>	<b>8,462</b>	<b>7,900</b>	<b>(562)</b>

- The General Fund has a favourable variance against budget at Period 9 of £1.05m (£924k favourable at period 8).
- The projected full year position identifies a projected favourable variance against budget of £562k or 6.64% (£483k or 5.71% favourable at period 8).
- This projection has highlighted several budget areas for concern (detailed at **Appendix A**). Ongoing investigations into these areas have been initiated to mitigate the levels of the deficit.
- A balance of £65k was held in the General Contingency Budget at the end of December 2015.

## Capital

GENERAL FUND	Budget Reprofiled from 2014/15 £000	YTD Budget £000	YTD Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile £000	Outturn £000
Chief Executive	-	-	-	-	-	-	-	-	-
Executive Director Corporate Services	-	-	-	-	-	-	-	-	-
Director of Finance	-	-	-	-	-	-	-	-	-
Director of Technology & Corporate Programmes	89	118	18	(100)	149	51	(98)	98	149
Solicitor to the Council	-	-	-	-	-	-	-	-	-
Director of Transformation & Corporate Performance	25	25	24	(1)	25	25	-	-	25
Director of Communities, Planning & Partnerships	627	715	60	(655)	877	448	(429)	148	596
Director of Housing & Health	122	122	-	(122)	122	-	(122)	122	122
Director of Assets & Environment	448	615	466	(149)	763	572	(191)	184	756
Contingency	340	616	-	(616)	1,616	30	(1,586)	1,586	1,616
<b>TOTAL GENERAL FUND</b>	<b>1,651</b>	<b>2,211</b>	<b>568</b>	<b>(1,643)</b>	<b>3,552</b>	<b>1,126</b>	<b>(2,426)</b>	<b>2,138</b>	<b>3,264</b>

- Capital expenditure incurred was £568k compared to a profiled budget of £2.211m (£463k incurred against a profiled budget of £2.099m at period 8).
- It is predicted that £1.126m will be spent by the year-end (£1.284m reported at period 8) compared to a full year budget of £3.552m (this budget includes re-profiled schemes from 2014/15 of £1.65m).
- There is a projected requirement to re-profile £2.138m of spend into 2016/17. Further detail is shown in the summary of Capital expenditure at **Appendix B**.

## Treasury Management

- At the end of December 2015 the Authority had £45.03m invested in the money markets (excluding the £1.186m which is classified as sums at risk invested in Icelandic Banks). The average rate of return on these investments is 0.67% though this may change if market conditions ease. At this point it is anticipated that our investments will earn approximately £290k compared to the budgeted figure of £260k, a favourable variance of £30k, due to higher investment balances.
- Borrowing by the Authority stood at £65.060m at the end of December 2015, all being long term loans from the Treasury Public Works Loans Board. The average rate payable on these borrowings equates to 4.27%. At this point it is anticipated that our interest payments will be £2.825m compared to the budgeted figure of £2.908m, a favourable variance of £83k due to borrowing less and at a lower rate than forecast.
- A more detailed summary of the Treasury Management situation, detailing our current Lending and Borrowings together with the situation with our Icelandic investments, can be found at **Appendix C**.



## Balances

Balances on General Fund are projected to be in the region of £5.33m at the year-end from normal revenue operations compared to £3.69m projected within the 2015/16 budget report – additional balances of £1.64m.

## Housing Revenue Account (HRA)

### Revenue

HOUSING REVENUE ACCOUNT	YTD Budget £000	YTD Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000
Director of Housing & Health	2,333	2,204	(129)	4,057	3,982	(75)
Director of Assets & Environment	(52)	(56)	(4)	-	-	-
HRA Summary	(13,759)	(14,385)	(626)	(985)	(1,335)	(350)
Housing Repairs	3,112	2,306	(806)	-	(50)	(50)
<b>Total</b>	<b>(8,366)</b>	<b>(9,931)</b>	<b>(1,565)</b>	<b>3,072</b>	<b>2,597</b>	<b>(475)</b>

- The HRA has a favourable variance against budget at Period 9 of £1.57m (£1.37m favourable at period 8).
- The projected full year position identifies a favourable variance against budget of £475k (£270k favourable at period 8). Individual significant budget areas reflecting the variance are detailed at **Appendix A**.

### Capital

HOUSING REVENUE ACCOUNT	Budget Reprofiled from 2014/15 £000	YTD Budget £000	YTD Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile £000	Outturn £000
Director of Housing & Health	976	5,539	1,945	(3,594)	6,792	2,361	(4,431)	4,391	6,752
Director of Assets & Environment	1,326	3,829	2,383	(1,446)	5,790	4,013	(1,777)	1,777	5,790
HRA Summary	-	-	-	-	-	-	-	-	-
HRA Contingency	-	150	-	(150)	150	-	(150)	150	150
<b>TOTAL HOUSING REVENUE ACCOUNT</b>	<b>2,302</b>	<b>9,518</b>	<b>4,328</b>	<b>(5,190)</b>	<b>12,732</b>	<b>6,374</b>	<b>(6,358)</b>	<b>6,318</b>	<b>12,692</b>

- Housing Capital expenditure of £4.328m has been incurred as at the end of Period 9 compared to a profiled budget of £9.518m. (£4m incurred against a profiled budget of £8.443m at period 8).
- It is predicted that £6.374m will be spent by the year-end (£7.294m reported at period 8) compared to a full year budget of £12.732m (this includes re-profiled schemes from 2014/15 of £2.30m).
- There is a projected requirement to re-profile £6.318m of spend into 2016/17. Further detail is shown in the summary of Capital expenditure at **Appendix B**.

## Balances

- Balances on the Housing Revenue Account are projected to be in the region of £3.360m at the year-end compared to £1.774m projected within the 2015/16 budget report – additional balances of £1.586m.

## General Fund – Main Variances

Cost Centre	Account Code	Year To Date Position Sub Total	Year To Date Position Budget	Year To Date Position Variance	Full Year Position Budget	Full Year Position Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment
PR And Consultation	Salaries	74,461	101,918	(27,457)	135,890	(36,220)	99,670	Est outturn assuming PR & Communications Manager post remains vacant to year end
Customer Services	Salaries - Overtime	28,856	2,700	26,156	3,580	34,000	37,580	Est assuming use of casuals/overtime continues at current levels
	Franking Machine Charges	60,004	37,410	22,594	47,880	30,000	77,880	Continuation of franking machine to end Nov/increasing use of i-Mail
Community Development	Salaries	52,009	82,530	(30,521)	110,010	(40,000)	70,010	Underspend due to a vacant post.
Ad Partnership & Community Development	Salaries	15,787	53,580	(37,793)	61,760	-	61,760	Post vacant from 1st June. Interim arrangements in place for 6 months while review is undertaken.
Local Commissioning	Health Promo/Imps Joint Funding	228,306	222,590	5,716	307,080	(38,940)	268,140	Some of the funding will be underspent and will be retained for use next financial year.
	Contribution To Reserves	-	-	-	-	41,940	41,940	
Development Control	Fees & Charges Planning App	(202,349)	(97,470)	(104,879)	(130,000)	(77,000)	(207,000)	Income is well above profiled budget to date. It is predicted that this situation will continue due to the receipt of a major application.
Building Control Partnership	Lichfield D C Joint Provision	35,200	-	35,200	36,860	(1,660)	35,200	Issue with profiled budget to date. Invoice received earlier this year.
Local Strategic Partnerships	Contribution To Reserves	-	-	-	-	34,510	34,510	Money received from SCC .To be held on behalf of TSP and to be used for troubled families. Not subject to time constraints and will be held in reserve in not spent this financial year.
	Contribution From Staffs C C	(34,510)	-	(34,510)	-	(34,510)	(34,510)	

Cost Centre	Account Code	Year To Date Position Sub Total	Year To Date Position Budget	Year To Date Position Variance	Full Year Position Budget	Full Year Position Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment
Assembly Rooms Bar	Bar Sales	(24,562)	(44,080)	19,518	(50,000)	23,000	(27,000)	Sales are down generally and with uncertainty around planned closure it is estimated that income will be below target. Savings will be made elsewhere across the service to mitigate the situation.
Castle & Museum	Salaries	110,432	145,530	(35,098)	194,080	(47,000)	147,080	Vacant posts are being covered by casual staff pending the outcome of the service review.
	Wages	45,397	6,750	38,647	9,050	50,000	59,050	
Outside Car Parks	Short Stay Car Parking	(706,343)	(643,800)	(62,543)	(870,000)	(70,000)	(940,000)	Increased income expected based on current increased usage of both machine and cashless parking and as a result of change in new parking enforcement arrangements. The situation will be closely monitored throughout the year.
Car Parking Enforcement	Standard Charges	(37,469)	(90,615)	53,146	(120,820)	70,000	(50,820)	New staff involved in the process coupled with a change in the statutory observation period has resulted in less tickets issued. Compliance in car parks generally high and new technology enabling staff to use discretion and educate and address regular concerns.
Community Safety	Salaries	75,277	94,352	(19,075)	124,150	(37,000)	87,150	Savings have accrued during the year due to vacancies which are, in part, offset by loss of income as the posts were funded externally. The forecast reflects the financial position following the recent resignation of the manager and the associated interim arrangements.
	Contrib From Staffs Police	(6,265)	(12,660)	6,395	(12,660)	6,000	(6,660)	External funding has been withdrawn. Offset by a saving on salaries.
	Misc Contributions	1,385	(17,980)	19,365	(17,980)	19,360	1,380	External funding has been withdrawn. Offset by a saving on salaries.

Cost Centre	Account Code	Year To Date Position Sub Total	Year To Date Position Budget	Year To Date Position Variance	Full Year Position Budget	Full Year Position Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment
Disabled Facilities Grant-Admin	Salaries	5,057	22,680	(17,623)	30,260	(25,200)	5,060	Currently running with a vacant post and reviewing outcome with external agency. Post to be reviewed as contract proceeds.
	Vacancy Allowance	-	(1,170)	1,170	(1,510)	1,510	-	
	Car Allowances	318	1,440	(1,122)	1,880	(1,560)	320	
	Provision Of Occupational Health Services	-	3,870	(3,870)	5,150	(5,150)	-	
Commercial Property Management	Rents	(1,317,970)	(1,351,500)	33,530	(837,250)	36,500	(800,750)	Based on current estimated usage. The situation will be closely monitored throughout the year.
Industrial Properties	Rents	(660,012)	(636,800)	(23,212)	(685,000)	(22,500)	(707,500)	Based on current estimated usage. The situation will be closely monitored throughout the year.
19 Cemeteries	Contribution To Reserves	37,444	-	37,444	-	28,690	28,690	Balance transferred to Retained Fund at year end. Fees were increased in January 2014 in line with Cabinet report which has resulted in additional income.
	Fees & Charges	(110,263)	(78,480)	(31,783)	(104,620)	(35,000)	(139,620)	Fees were increased in January 2014 in line with Cabinet report which has resulted in additional income.
Public Spaces	Equipment Hire	97,035	119,000	(21,965)	124,530	(30,000)	94,530	Savings from the procurement process for purchase of new equipment
Tbc Highways Maintenance	Maintenance Highway Related Assets	63,358	78,840	(15,482)	105,100	(45,000)	60,100	Any underspend above £15k (windfall income) will be transferred to A5 retained fund to meet future maintenance requirements
	Contribution To Reserves	-	-	-	-	30,000	30,000	
Joint Waste Arrangement	Specific Contingency	-	50,000	(50,000)	50,000	(50,000)	-	Specific contingency budget not expected to be used - budgets will be monitored closely throughout the year.

Cost Centre	Account Code	Year To Date Position Sub Total	Year To Date Position Budget	Year To Date Position Variance	Full Year Position Budget	Full Year Position Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment
Corporate Finance	Specific Contingency	-	-	-	65,000	(40,000)	25,000	£40k projected underspend as not required by December 2015
	Vacancy Allowance	-	-	-	50,000	(50,000)	-	Offsets overspending projected in Service cost centres
	Contribution To Reserves	-	-	-	150,000	(150,000)	-	Increased levy payment means no funds available for transfer to reserve
	NNDR Levy Payments	-	-	-	498,000	239,010	737,010	Increased levy forecast due to higher business rates income levels & change in appeals provision
	Government Grants	(448,962)	(275,243)	(173,719)	(366,990)	(64,210)	(431,200)	Increased S31 grant forecast
	Fees & Charges	(100,000)	-	(100,000)	-	(100,000)	(100,000)	Income re renegotiated lease
Treasury Management	External Interest Payable	2,118,517	2,181,240	(62,723)	2,908,270	(83,631)	2,824,639	Borrowing taken at lower rate than forecast and borrowing for capital programme delayed
	Miscellaneous Interest & Dividends	(171,670)	(194,670)	23,000	(259,500)	(30,000)	(289,500)	Higher investment balances than budgeted
Land Charges	Government Grants	(67,221)	-	(67,221)	-	(67,221)	(67,221)	New Burdens Grant re land charges legal action
Benefits	Provision For Bad Debts	-	-	-	130,000	51,470	181,470	Bad Debt Provision as at end December
	Rent Allowances	7,154,124	8,232,250	(1,078,127)	10,734,610	(450,830)	10,283,780	Based on DWP Claim as at P9
	Non-Hra Rent Rebates	173,117	98,280	74,837	131,110	99,710	230,820	Based on E-Fins @ P9
	Council Tenant Rent Rebates	8,214,676	8,521,470	(306,794)	11,285,340	(382,050)	10,903,290	Based on DWP Claim as at P9
	Council Tenant Grant	(8,003,630)	(8,381,980)	378,350	(11,100,290)	428,780	(10,671,510)	

Cost Centre	Account Code	Year To Date Position Sub Total	Year To Date Position Budget	Year To Date Position Variance	Full Year Position Budget	Full Year Position Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment
Benefits	Private Tenant Grant	(6,871,156)	(8,010,330)	1,139,174	(10,443,000)	537,540	(9,905,460)	Based on DWP Claim as at P9
	Non-HRA Rent Rebate Grant	(90,802)	(64,350)	(26,452)	(85,890)	(38,370)	(124,260)	
	Discretionary Housing Payment Grant	(93,652)	-	(93,652)	-	(93,652)	(93,652)	DHP Grant allocation 2015/16 now received in full
	Overpayment Private Tenant	(541,533)	(341,460)	(200,073)	(455,260)	(266,780)	(722,040)	Based on E-Fins @ P9
	Overpayment Council Tenant	(382,169)	(213,750)	(168,419)	(285,040)	(224,520)	(509,560)	
	Pt Overpayment Recovery	132,950	-	132,950	-	177,270	177,270	
	Ct Overpayment Recovery	101,545	-	101,545	-	135,390	135,390	
Benefits Administration	Salaries	418,335	438,113	(19,777)	584,150	(35,570)	548,580	Saving following transfer of post to DWP/vacant Investigations Asst
	Vacancy Allowance	-	(23,310)	23,310	(31,030)	31,030	-	Vacancy Allowance
	Contribution To Reserves	-	-	-	-	81,970	81,970	Unspent Gov't grants & income from DWP to be requested to be c/f to reserves
	Government Grants	(48,349)	(13,630)	(34,719)	(13,630)	(34,720)	(48,350)	Government Grants not yet spent - to be placed in reserve at year end if still unspent at that point
	Fees & Charges	(36,343)	-	(36,343)	-	(47,250)	(47,250)	Income from DWP re Universal Credit partnership arrangement - to be placed in reserve at year end if unspent

## Housing Revenue Account – Main Variances

Cost Centre	Account Code	Year To Date Position Sub Total	Year To Date Position Budget	Year To Date Position Variance	Full Year Position Budget	Full Year Position Predicted Outturn Variance	Full Year Position Predicted Outturn	Comment
Housing Advice	Salaries	177,648	212,580	(34,932)	283,480	(40,000)	243,480	Underspend due to vacant posts but this is offset by the cost of temporary agency staff.
Caretakers	Electricity	24,100	63,360	(39,260)	84,520	(30,000)	54,520	Multiple sites
Page 22 R A Summary	Provision For Bad Debts	168,132	470,000	(301,868)	470,000	-	470,000	Budget reflects potential impact of welfare reforms and escalation of arrears but presently bad debt is being contained by robust and effective arrears recovery management
	Rents	(14,285,523)	(13,968,732)	(316,791)	(18,121,600)	(350,000)	(18,471,600)	Rent income is currently exceeding budget due to void levels being lower than budgeted but this is offset by right to buy sales and properties being vacated pending demolition prior to regeneration.
Repairs Contract	Responsive Repairs	1,004,403	1,172,025	(167,622)	1,562,700	-	1,562,700	Mears to be instructed to ensure works are correctly invoiced against budget codes
	Voids	428,608	636,000	(207,392)	848,000	-	848,000	Mears to be instructed to ensure works are correctly invoiced against budget codes
	Major Works	-	41,625	(41,625)	55,500	(25,000)	30,500	Predicted spend of around £30k which will leave an underspend overall
	Rechargeable Works	(56,458)	-	(56,458)	-	-	-	Recharges to tenants for works outside repairs policy
Repairs - General	Misc. (Non Specific)	15,981	57,375	(41,394)	76,500	(25,000)	51,500	Budget for unforeseen expenditure and demand led
	Planned Maintenance	166,541	337,500	(170,959)	450,000	-	450,000	Additional works have been released to contractor to take up full spend.



## Capital Programme Monitoring

GENERAL FUND	Budget Reprofiled from 2014/15 £000	YTD Budget £000	YTD Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile £000	Outturn £000	Comments
<b>Director of Technology &amp; Corporate Programmes</b>										
Replacement It Technology	2	47	18	(29)	62	27	(35)	35	62	Expenditure on air conditioning unit & server upgrades planned this year, with remaining budget to be requested to be re-profiled
EDRMS (Electronic Document Records Management System)	63	47	-	(47)	63	-	(63)	63	63	Project to be recommenced once server infrastructure update is completed - now not likely until 2016/17
Gazetteer Development	24	24	-	(24)	24	24	-	-	24	Earmarked for Data Manipulation Tool - currently evaluating tenders
<b>Directorate Total</b>	<b>89</b>	<b>118</b>	<b>18</b>	<b>(100)</b>	<b>149</b>	<b>51</b>	<b>(98)</b>	<b>98</b>	<b>149</b>	
<b>Director of Transformation &amp; Corporate Performance</b>										
Digital/Self-Service	20	20	20	-	20	20	-	-	20	New Tensator system now designed and built & to commence testing
HR / Payroll System	5	5	4	(1)	5	5	-	-	5	Expenditure on consultancy days to implement self-service functionality
<b>Directorate Total</b>	<b>25</b>	<b>25</b>	<b>24</b>	<b>(1)</b>	<b>25</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>25</b>	

GENERAL FUND	Budget Reprofiled from 2014/15 £000	YTD Budget £000	YTD Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile £000	Outturn £000	Comments
<b>Director of Communities, Planning &amp; Partnerships</b>										
Assembly Rooms Development	-	50	21	(29)	200	200	-	-	200	Project successful in funding bids and moving forward with timeline detailed in reports. Further report for next stage submitted to cabinet 14/01/16.
Page 24 Castle Mercian Trail	350	350	-	(350)	350	69	(281)	-	69	HLF have requested further information and revisions to the bid have been made and resubmitted. Latest correspondence sent 15/09/15 - expecting to know if successful later in 2015/16. Spend expected to be limited to development phase only in 2015/16 estimated at £69k. The 2016/17 Capital Programme includes budgets for the delivery phase as a new scheme.
Gateways	277	315	39	(276)	327	179	(148)	148	327	The County Council are progressing the works to the Ladybridge. Phase two between the Station and the town is also being designed for spend later in the programme with the potential to start in 2015/16.
<b>Directorate Total</b>	<b>627</b>	<b>715</b>	<b>60</b>	<b>(655)</b>	<b>877</b>	<b>448</b>	<b>(429)</b>	<b>148</b>	<b>596</b>	

GENERAL FUND	Budget Reprofiled from 2014/15 £000	YTD Budget £000	YTD Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile £000	Outturn £000	Comments
<b>Director of Housing &amp; Health</b>										
Private Sector Coalfields Fund	122	122	-	(122)	122	-	(122)	122	-	Approach to Empty Homes to be reviewed January 2016 in light of both the Waterloo Housing / HCA Programme ending and the need to utilise these resources to enable expansion of PSL scheme as part of the plan to reduce the use of B&B. No spend expected in 2015/16 so underspend will need to be reprofiled into 2016/17.
<b>Directorate Total</b>	<b>122</b>	<b>122</b>	<b>-</b>	<b>(122)</b>	<b>122</b>	<b>-</b>	<b>(122)</b>	<b>122</b>	<b>122</b>	
<b>Director of Assets &amp; Environment</b>										
Disabled Facilities Grant	171	393	401	8	471	471	-	-	471	Current backlog of work with the Home Improvement Agency exceeds the budget available for the full year and new cases are being referred all the time. This position confirms the current budget allocation is significantly insufficient to meet demand.
Cctv Camera Renewals	5	16	5	(11)	20	6	(14)	14	20	Ongoing enhancements to current system - delays due to line of sight issues and storm damage issues currently being reviewed with Council Tree Officer.

GENERAL FUND	Budget Reprofiled from 2014/15 £000	YTD Budget £000	YTD Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile £000	Outturn £000	Comments
Streetscene Service Delivery Enhancements	30	30	-	(30)	30	-	(30)	30	30	Delays in the project due to the delays in the full implementation of the CRM system - future agile service delivery dependant on delivery of scheme. No spend expected so any underspend in 2015/16 will be reprofiled to 2016/17 Capital Programme.
Wigginton Park Section 106	54	34	4	(30)	54	14	(40)	40	54	Plans ongoing to deliver items from the Wigginton Park Management Plan, however likely that significant works will need to be reprofiled into 2016/17.
Broadmeadow Nature Reserve	58	58	11	(47)	58	18	(40)	40	58	Work ongoing to complete works from the management plan and HLS agreement, however likely that some works will need to be reprofiled into 2016/17.
Public Open Space Section 106	123	77	45	(32)	123	63	(60)	60	123	Project group established - list of works currently be considered, however likely that some works will need to be reprofiled into 2016/17.
Bmx Track	7	7	-	(7)	7	-	(7)	-	-	Balance of external funding will be transferred to a Retained Fund and be held for future works.
<b>Directorate Total</b>	<b>448</b>	<b>615</b>	<b>466</b>	<b>(149)</b>	<b>763</b>	<b>572</b>	<b>(191)</b>	<b>184</b>	<b>756</b>	
<b>Contingency</b>										

GENERAL FUND	Budget Reprofiled from 2014/15 £000	YTD Budget £000	YTD Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile £000	Outturn £000	Comments
Gf Contingency	50	50	-	(50)	50	-	(50)	50	50	Funding to be released by Cabinet once a report detailing any new project has been approved. No spend expected so any underspend in 2015/16 will be reprofiled to 2016/17.
Cont-Return On Investment	160	160	-	(160)	160	-	(160)	160	160	Provisional project - funding cannot be released until detailed scheme approved by Cabinet. No spend expected so any underspend in 2015/16 will be reprofiled to 2016/17.
GF Contingency Agile Working - Floor Refurbishment	-	228	-	(228)	228	-	(228)	228	228	Report to Cabinet on 14/01/16 to request release of funding for stage 2 of Agile working Project. However, no spend expected in 2015/16 so will be reprofiled to the 2016/17 Capital Programme.
GF Contingency Agile Working - Furniture	-	48	-	(48)	48	-	(48)	48	48	Report to Cabinet on 14/01/16 to request release of funding for stage 2 of Agile working Project. However, no spend expected in 2015/16 so will be reprofiled to the 2016/17 Capital Programme.
GF Contingency Plant and Equipment	-	-	-	-	1,000	-	(1,000)	1000	1000	Funding to be used to provide most financially advantageous replacement of plant and equipment. Business case to be provided for any potential schemes. No spend expected so any underspend in 2015/16 will be reprofiled to the 2016/17 Capital Programme.

GENERAL FUND	Budget Reprofiled from 2014/15 £000	YTD Budget £000	YTD Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile £000	Outturn £000	Comments
Private Sector Improvement Grants (Coalfields Funding)	130	130	-	(130)	130	30	(100)	100	130	£30k to be used to match fund Warm Zone funding for Energy Efficiency Scheme. No further spend expected and any underspend will be reprofiled to the 2016/17 Capital Programme.
<b>Directorate Total</b>	<b>340</b>	<b>616</b>	<b>0</b>	<b>(616)</b>	<b>1,616</b>	<b>30</b>	<b>(1,586)</b>	<b>1,586</b>	<b>1,616</b>	
<b>GENERAL FUND TOTAL</b>	<b>1,651</b>	<b>2,211</b>	<b>568</b>	<b>(1,643)</b>	<b>3,552</b>	<b>1,126</b>	<b>(2,426)</b>	<b>2,138</b>	<b>3,264</b>	

HOUSING REVENUE ACCOUNT	Budget Reprofiled from 2014/15 £000	YTD Budget £000	YTD Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile £000	Outturn £000	Comments
Director of Housing & Health										
Gas Cent Heating Upgrade & Ren 2012	74	532	392	(140)	711	711	-	-	711	Morrison still reporting capacity to spend budget including the additional £80k transferred from Gas Heating Belgrave
Gas Heating Belgrave	-	174	200	26	205	205	-	-	205	Project on track to complete by end of March and will spend full budget
Carbon Monoxide Detectors	89	89	69	(20)	89	69	(20)	-	69	Predict £20k underspend due to number of properties that already have CO detector fitted when surveyed. Estimated 300 properties left which will be completed before year end.
Tinkers Green Project	-	986	461	(525)	1,314	514	(800)	800	1,314	Decant of phase 3 tenants underway and work on CPO progressing however unlikely that any further significant spend will be made in the current year. Estimate that £800,000 will need reprofiling in to 2016/17.
Kerria Estate Project	477	657	58	(599)	717	80	(637)	637	717	CPO Process ongoing. Currently anticipate a significant reprofiling of funds into 2016/17 as unlikely land acquisition and any further CPO's will complete before year end.

HOUSING REVENUE ACCOUNT	Budget Reprofiled from 2014/15 £000	YTD Budget £000	YTD Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile £000	Outturn £000	Comments
Regeneration General	336	2,301	2	(2,299)	2,956	2	(2,954)	2,954	2,956	Options for this scheme being reconsidered in light of the 1% Rent Reduction announced in July 2015 by the DCLG. No further spend expected so any underspend in 2015/16 will be reprofiled into 2016/17 Capital Programme.
Other Acquisitions	-	800	763	(37)	800	780	(20)	-	780	Most properties have completed with 1 still in the legal process which should complete before March. Insufficient budget available to buy any further properties
<b>Directorate Total</b>	<b>976</b>	<b>5,539</b>	<b>1,945</b>	<b>(3,594)</b>	<b>6,792</b>	<b>2,361</b>	<b>(4,431)</b>	<b>4,391</b>	<b>6,752</b>	
<b>Director of Assets &amp; Environment</b>										
Structural Works	31	181	180	(1)	231	231	-	-	231	Insufficient budget available to complete all works identified in year.
Bathroom Renewals 2012	42	609	491	(118)	798	798	-	-	798	Issues with access over the peak holiday season have resulted in a lower than anticipated spend to date. Sufficient work to take up full budget by year end.
Kitchen Renewals 2012	50	723	489	(234)	947	947	-	-	947	Issues with access over the peak holiday season have resulted in a lower than anticipated spend to date. Sufficient work to take up full budget by year end.



HOUSING REVENUE ACCOUNT	Budget Reprofiled from 2014/15 £000	YTD Budget £000	YTD Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile £000	Outturn £000	Comments
High Rise Lift Renewals 2012	378	360	9	(351)	713	9	(704)	704	713	No additional work to commence until outcome of structural survey; however the results are not expected till late February / early March. As a result there will be no further spend in 2015/16 but the scheme will be reprofiled to the 2016/17 Capital Programme.
Page 31 Lift Upgrades To Flats 2012	553	227	-	(227)	453	-	(453)	453	453	No work to commence until outcome of structural survey; however the results are not expected till late February / early March. As a result there will be no further spend in 2015/16 but the scheme will be reprofiled to the 2016/17 Capital Programme.
Sheltered Schemes	-	126	20	(106)	250	250	-	-	250	Schemes being identified by Housing, to follow on from Cabinet report.
Thomas Hardy Court Heating Replacement	24	24	24	-	24	24	-	-	24	Works completed
Energy Efficiency Improvements	-	24	-	(24)	50	50	-	-	50	ERDF Funding has now been withdrawn so new scheme to be agreed.
Glenfield and Oakendale Heating System Replacements	-	200	125	(75)	400	400	-	-	400	New scheme created by August Cabinet - replacement system required during routine gas inspections.

HOUSING REVENUE ACCOUNT	Budget Reprofiled from 2014/15 £000	YTD Budget £000	YTD Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile £000	Outturn £000	Comments
Roofing High-Rise 2012	43	21	-	(21)	43	-	(43)	43	43	No work to commence until outcome of structural survey, however the results are not expected till late February / early March. As a result there will be no further spend in 2015/16 but the scheme will be reprofiled to the 2016/17 Capital Programme.
Roofing Overhaul & Renewal 2012	-	115	153	38	153	153	-	-	153	Sufficient work to take up full budget.
Fencing/Boundary Walls 2012	-	23	15	(8)	30	30	-	-	30	Sufficient work to take up full budget.
Window & Door Renewals 2012	-	219	255	36	292	292	-	-	292	Sufficient work to take up full budget.
High Rise Balconies	60	300	8	(292)	585	8	(577)	577	585	No additional work to commence until outcome of structural survey, however the results are not expected till late February / early March. As a result there will be no further spend in 2015/16 but the scheme will be reprofiled to the 2016/17 Capital Programme.
External and Environmental Works	92	242	225	(17)	292	292	-	-	292	Sufficient work to take up full budget.
Disabled Adaptations	53	278	238	(40)	353	353	-	-	353	Issues with access over the peak holiday season have resulted in a lower than anticipated spend to date. Sufficient work to take up full budget by year end.
Capital Salaries 2012	-	150	149	(1)	166	166	-	-	166	Costs and provisional outturn based on latest estimates of

HOUSING REVENUE ACCOUNT	Budget Reprofiled from 2014/15 £000	YTD Budget £000	YTD Spend £000	Variance £000	Budget £000	Predicted Outturn £000	Variance £000	Reprofile £000	Outturn £000	Comments
										staffing costs
Cdm Fees 2012	-	7	2	(5)	10	10	-	-	10	Annual contract agreed
<b>Directorate Total</b>	<b>1,326</b>	<b>3,829</b>	<b>2,383</b>	<b>(1,446)</b>	<b>5,790</b>	<b>4,013</b>	<b>(1,777)</b>	<b>1,777</b>	<b>5,790</b>	
<b>HRA Contingency</b>										
HRA Contingency	-	100	-	(100)	100	-	(100)	100	100	Funding to be released by Cabinet once a report detailing any new project has been approved. No spend expected in 2015/16 so will be reprofiled to the 2016/17 Capital Programme.
HRA Contingency Agile Working - Furniture	-	50	-	(50)	50	-	(50)	50	50	Report to Cabinet on 14/01/16 to request release of funding for stage 2 of Agile working Project. However, no spend expected in 2015/16 so will be reprofiled to the 2016/17 Capital Programme.
<b>Directorate Total</b>	<b>-</b>	<b>150</b>	<b>-</b>	<b>(150)</b>	<b>150</b>	<b>-</b>	<b>(150)</b>	<b>150</b>	<b>150</b>	
<b>HOUSING REVENUE ACCOUNT TOTAL</b>	<b>2,302</b>	<b>9,518</b>	<b>4,328</b>	<b>(5,190)</b>	<b>12,732</b>	<b>6,374</b>	<b>(6,358)</b>	<b>6,318</b>	<b>12,692</b>	

**Treasury Management Update – Period 9 - 2015/16****Investments held as at 31<sup>st</sup> December 2015:**

Borrower	Deposit £	Rate	From	To	Notice
Bank of Scotland	2,000,000	1.0000%	11-Feb-15	10-Feb-16	
Bank of Scotland	2,000,000	1.0000%	01-Apr-15	30-Mar-16	
Royal Bank of Scotland	2,000,000	0.8400%	30-Apr-15	28-Apr-16	
Royal Bank of Scotland	2,001,650	0.9200%	22-May-15	22-Apr-16	
Coventry BS	1,000,000	0.6000%	07-Jul-15	07-Jan-16	
Nationwide	2,000,000	0.6600%	08-Jul-15	08-Jan-16	
Nationwide	1,000,000	0.6600%	15-Jul-15	15-Jan-16	
Coventry BS	1,000,000	0.6000%	20-Jul-15	20-Jan-16	
Barclays Bank	2,000,000	0.7000%	03-Aug-15	03-Feb-16	
Coventry BS	1,000,000	0.6000%	05-Aug-15	05-Feb-16	
Barclays Bank	1,000,000	0.6900%	07-Sep-15	07-Mar-16	
Nationwide	1,000,000	0.6600%	15-Sep-15	15-Mar-16	
Lloyds Bank	2,000,000	0.7500%	01-Oct-15	01-Apr-16	
Barclays Bank	2,000,000	0.6900%	01-Oct-15	01-Apr-16	
Lloyds Bank	1,000,000	0.7500%	30-Oct-15	29-Apr-16	
Nationwide	1,000,000	0.6600%	09-Nov-15	09-May-16	
Lloyds Bank	1,000,000	0.7500%	09-Nov-15	09-May-16	
Nationwide	1,000,000	0.7100%	30-Nov-15	31-May-16	
Barclays Bank	1,000,000	0.6800%	04-Dec-15	03-Jun-16	
Santander	1,000,000	0.4000%	-	-	On call
Santander	5,000,000	0.9000%	-	-	95 day
MMF - Deutsche	27,000	0.4222%*	-	-	On call
MMF - PSDF	6,000,000	0.4557%*	-	-	On call
MMF – IGNIS	6,000,000	0.4495*	-	-	On call
<b>Total</b>	<b>45.03m</b>	<b>0.67 (avg)</b>			

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

## External Borrowing as at 31<sup>st</sup> December 2015:

<u>Borrowing from PWLB</u>				
<u>Loan Number</u>	<u>Rate</u>	<u>Principal</u>	<u>Start</u>	<u>Maturity</u>
468478	11.750%	2,000,000	23/04/1990	18/02/2017
475875	8.875%	1,200,000	29/04/1995	25/04/2055
478326	8.000%	1,000,000	17/10/1996	17/10/2056
479541	7.375%	1,000,000	28/05/1997	28/05/2057
479950	6.750%	2,000,000	02/10/1997	03/09/2057
481087	5.625%	3,000,000	22/06/1998	22/06/2058
481641	4.500%	1,400,000	09/10/1998	09/10/2058
483694	4.875%	92,194	21/12/1999	18/10/2059
488835	5.000%	2,000,000	01/07/2004	01/07/2034
490815	4.250%	1,000,000	24/11/2005	24/05/2031
494265	4.430%	2,000,000	21/01/2008	01/01/2037
494742	4.390%	700,000	15/08/2008	15/08/2058
500759	3.520%	5,000,000	28/03/2012	28/03/2053
500758	3.510%	5,000,000	28/03/2012	28/03/2054
500757	3.510%	5,000,000	28/03/2012	28/03/2055
500761	3.510%	5,000,000	28/03/2012	28/03/2056
500755	3.500%	5,000,000	28/03/2012	28/03/2057
500756	3.500%	3,000,000	28/03/2012	28/03/2058
500753	3.500%	1,000,000	28/03/2012	28/03/2059
500760	3.490%	5,000,000	28/03/2012	28/03/2060
500762	3.490%	5,000,000	28/03/2012	28/03/2061
500754	3.480%	5,668,000	28/03/2012	28/03/2062
504499	3.230%	3,000,000	30/11/2015	30/11/2065
Total		<b>65,060,194</b>		

**ICELANDIC BANKING SITUATION AS AT 31/12/2015**

	Deposit with;	Ref Number	Date Invested	Amount	%
1	GLITNIR	1696	10/10/2007	1,000,000	
	GLITNIR	1715	31/08/2007	1,000,000	
	GLITNIR	1754	14/12/2007	1,000,000	
	Total Principal			3,000,000	
	Estimated of Contractual or Interest due to point of administration (subject to currency exchange rate fluctuations)			155,000	
	Total of Claim			3,155,000	
	Repayments Received to date			(2,554,432)	* 80.96
	<b>Outstanding at 31/12/2015</b>			<b>600,568</b>	**
	<b>Estimated Remaining</b>			<b>600,568</b>	

On the 15th March 2012, the Council received £2.554m being the majority of our deposits with the bank. The balance of our approved claim, equating to £587k, is being held in an interest bearing ESCROW account. The release of these funds is dependent on a change in Icelandic Law which currently does not allow the distribution of ISK outside the country. Interest will accrue on these funds until the date of final settlement, which is still unknown.

2	Heritable Bank	1802	12/09/2008	500,000	
	Heritable Bank	1803	15/09/2008	1,000,000	
	Total Principal			1,500,000	
	Interest due at point of administration 07/10/2008			5,127	
	Total of Claim			1,505,127	
	Repayments Received to date			(1,475,024)	98.00
	<b>Outstanding at 31/12/2015</b>			<b>30,103</b>	
	<b>Estimated Remaining</b>			<b>-</b>	

As at the end of September the Council had received £1.475m against our claim of £1.505m, a total recovery of 98%. Negotiations are currently underway to finalise the affairs of Heritable and it is anticipated that a distribution of residual funds will be made over the next few months.

3	Singer & Friedlander	1716	31/08/2007	1,000,000	
	Singer & Friedlander	1740	31/10/2007	1,000,000	
	Singer & Friedlander	1746	14/01/2008	1,000,000	
	Total Principal			3,000,000	
	Interest due at point of administration 08/10/2008			175,256	
	Total of Claim			3,175,256	
	Repayments Received to date			(2,619,586)	82.50
	<b>Outstanding at 31/12/2015</b>			<b>555,670</b>	
	<b>Estimated Remaining</b>			<b>87,320</b>	

As at the end of September the Council had received £2.620m against our claim of £3.175m. Current estimates given by the Administrator project a total recovery of 85.25% or approximately £2.707m, with the majority of repayments estimated to be received by June 2016.

<b>Summary</b>					
	Total Principal			7,500,000	
	Interest			335,383	
	Total of Claim			7,835,383	
	Repayments Received to date			(6,649,042)	84.86
	<b>Outstanding at 31/12/2015</b>			<b>1,186,341</b>	
	<b>Estimated Remaining</b>			<b>687,888</b>	

1 Registered Bank in Iceland - In Administration under Icelandic Law

2 & Registered Bank in UK - In Administration in UK by Ernst & Young

3 Under English Law

**Total Estimated Recovery (including Outstanding)**





**7,336,930**

**Total Estimated % Remaining**

**93.64%**

2015/16 High Level Corporate Plan Projects/Programmes



Corporate Priority
1.To Aspire and Prosper in Tamworth

Corporate Project/Programme	Milestone/Measure of Success	Latest Update	Status
Creative Quarter	1. External funding	The evaluation for architects tender has been completed and other professional services are currently in the tender process. A progress report was presented to Cabinet in January 2016.	
	2. Planning permissions		
	3. Contract		
	4. Delivery		
	5. Evaluation		
Development of new affordable housing	Tranche Two Garage site development - Start on site	Phase One of the garage sites development is now agreed for the provision of council housing at various locations across the borough. Waterloo Housing Group are engaged in the process.	
	Partnership with WHG agreed		
	Tamworth Affordable Homes Development Programme agreed		
Tinkers Green and Kerria Centre Regeneration	Agreement of developer procurement methodology	The agreement of the developer procurement methodology is completed and consultants have been appointed to support the bidding process.	
	Appointment of consultants to support bidding process		
	Appoint developer		
To improve the green environment including management and maintenance	Achieving a gold award in the "Heart of England in Bloom" competition.	Tamworth achieved a gold award for the sixth year running in the Heart of England in Bloom competition.	
	Continue to improve accessibility and use of all open		

Corporate Project/Programme	Milestone/Measure of Success	Latest Update	Status
of local nature reserves, open spaces and parks, and to provide an efficient waste collection service	space and nature reserves	The work on the Broad Meadow site culminated in Local Nature Reserve designation in April 2015.  Town Wall: Designation process now completed. Awaiting sealing in order to finally designate the site as a Local Nature Reserve.	
	The waste collection service delivers its planned financial efficiency throughout the year and still maintains a recycling rate above 50%.		
	Town Wall gaining designation as a Local Nature Reserve subject to land registration constraints		


## Corporate Priority

## 2. To be healthier and safer in Tamworth


Corporate Project/Programme	Milestone/Measure of Success	Latest Update	Status
Sheltered Housing Review Implementation	Agreement of approach for remodelling the service	Cabinet met on 9th July 2015 to agree the approach for remodelling the service, staff have been consulted and implementation of the new scheme is still planned for April 2016.	
	Formal consultation with Staff commences		
	Implementation of remodelled service		
To ensure all regulatory functions provided by the Council are delivered in a transparent, consistent and fair manner to promote public safety and to minimise the burden to businesses.	A reduction in workplace accident investigations	Work is ongoing against all the milestones	
	Air Quality Improved		
	All Licensing applications processed in a timely fashion, with any appeals dealt with in a professional manner		
	All planned food and health and safety inspections completed		
	Statutory nuisance investigations/actions completed within acceptable timescales		

## Corporate Priority





## 3. Approachable, Accountable and Visible




Corporate Project/Programme	Milestone/Measure of Success	Latest Update	Status
Budget / Council Tax Setting Key Budget milestones	Executive Board (additional) meetings timetabled	Work undertaken in accordance with the appropriate milestones.	
	Budget Consultation Process reviewed		








Corporate Project/Programme	Milestone/Measure of Success	Latest Update	Status
completed in line with the agreed timetable	Budget Process approval	Cabinet approved Draft Budget & the Medium Term Financial Strategy 2016/17 on 14th January 2016 for consideration by Joint Budget Scrutiny Committee on 26th January 2016.	
	Budget Consultation results to CMT / EB		
	Circulation of Revised recharges to CMT/ADs/Managers for review/challenge		
	Consideration of Initial Capital Programme proposals by CMT/EB		
	Consideration of Initial Policy Changes by CMT/EB		
	Approval of Council Taxbase		
	Base Budget forecast to CMT/EB		
	Council Members Budget Workshop (instead of 1 Joint Budget Scrutiny Committee)		
	Joint Budget Scrutiny Committee		
	Approval of Budget by Council		
	Council Tax Leaflet published		
	Treasury Management Policy & Prudential Indicators / Limits reported & set		
	Completion of Statutory Returns to ODPM (Revenue Estimates / Budget Requirement / capital estimates		
Corporate Change Programme	Continued development of Customer Relationship Management (CRM) System	<u>Continued development of Customer Relationship Management (CRM) System</u> The Customer Service Centre continue to develop the CRM and there is now 99.8% CRM system availability. On target with the process developments for Street Scene, Housing & some of Customer Services.	

Corporate Project/Programme	Milestone/Measure of Success	Latest Update	Status
	Corporate roll out of Electronic Document and Records Management (EDRM)	<u>Corporate roll out of Electronic Document and Records Management (EDRM)</u> The roll out is still suspended as work was being carried out by the supplier investigating slow response times on the server. This has now been completed and some members of staff are carrying out testing. The results of this testing will determine the further action plan.	
	Delivery of services digitally by default (i.e. via website, email and telephone)	<u>Delivery of services digitally by default (i.e. via website, email and telephone)</u> Ongoing and on target Report at Cabinet 14th January 2016 seeking endorsement of the second stage of 'Agile Working'	
	Implementation of corporate telephony	<u>Implementation of corporate telephony</u> One porting event remains which, when complete, will result in all services being covered; this is scheduled for the end of January 2016. Fail over testing is available at the depot in the event of system failure. Integration with Lagan CRM is still to be done.	
	Implementation of corporate virtual desktop environment	<u>Implementation of corporate virtual desktop environment</u> All 340 thin clients have now been installed.	
Deliver customer services that offer the customer value for money, accessible, digital by default and designed to meet customer needs	Establish position re: Customer Insight	Work is still ongoing on the delivery of the CRM project plan, the other milestones are complete.	▶
	Devise action plan to support customer services strategy		
	Report to CMT on Customer Services Strategy Action Plan including Organisational Development Plan and Impact		

Corporate Project/Programme	Milestone/Measure of Success	Latest Update	Status
	Review of Customer Services		
	Delivery of the CRM project plan		
Electoral Review	1. Assess and examine current arrangements	This item has been postponed as part of the budget process.	
	2. consult stakeholders		
	3. Assess demands		
	4. Alter current arrangements to achieve best operating model for Tamworth. Alter: Wards by numbers; members elected and timing of elections.		
	5. Continual reporting consultation followed by delivery of the outcomes in the public arena through the democratic process.		
Further develop an Organisational Development Strategy that supports the transformational change of TBC	Performance Management Framework designed to underpin Demand Management	Stage Two of the Agile Working Project was approved by Cabinet in January 2016.	
	Delivery of Performance & Corporate Relations Service Review as per the plan		
	Stage Two of the Agile Working Project approved by Cabinet		
Local Election		Local and Parliamentary Elections held on 7th May 2015.	
Maximisation of income/collection Council Tax, Non-Domestic Rates, Debtors and Mortgages. Improved cash flow and local collection targets achieved – including monitoring of the impact of Welfare Benefit Reform and Business Rates retention.	In year % collection of Debtors - Target 95%	Debtors At the end of quarter 3, the collection rate was 96.3% compared to the target of 96%. Debts over 6 months old are £121k - expected to be at target of £100k by year end  Council Tax At the end of quarter 3, the collection rate was 86.9% against a year to date target of 86.4% - ahead of target by 0.5% Court costs income is ahead of target by £25k at £211k Arrears for 2014/15 slightly behind target at 41% compared to target of 45.9% - work has commenced on further approaches to realise more Council Tax revenue including recycling/debts and pro-active recovery work	
	In year % collection of Council Tax - Annual Target 97.5%		
	In year % collection of Non-Domestic Rates - Annual Target 98%		

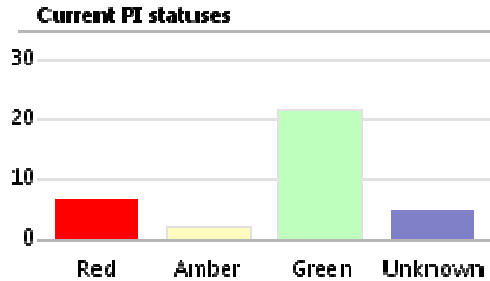
Corporate Project/Programme	Milestone/Measure of Success	Latest Update	Status
		<p>NNDR</p> <p>At the end of quarter 3, the collection rate was 84% against a year to date target of 83% - ahead of target by 1%</p> <p>Court costs income is at target of £7k</p> <p>Arrears for 2014/15 are ahead target at 42.4% compared to target of 35.4%</p>	
Parliamentary Election		Local and Parliamentary Elections held on 7th May 2015.	
Provision of financial advice, assistance and business support for Directorates & budget managers & preparation of monthly financial performance management reports for CMT & Quarterly for Cabinet	Bank Reconciliation completed within 10days (Payments Account) / 15 days (General Account) of period end	Bank Reconciliation completed within 12 days (General Account) for November / 5 days (Payments Account) for November 2015	
	Ledgers closed down within 5 working days of period end	Financial ledger (efinancials) and Collaborative Planning budget setting & monitoring updated as at 31 December 2015 on 4 January 2016	
	Spending maintained within approved budget and without significant underspends – target range of up to 5% underspend	Quarter 3 financial healthcheck to be reported to CMT / Cabinet in February 2016	
To complete the Final Accounts process with an unqualified audit opinion	Preparation of Draft Accounts	Draft Statement of Accounts prepared and circulated to Members of the Audit & Governance Committee (& to the External Auditors, Grant Thornton) on 29th May 2015. Draft Statement of Accounts reported to Audit & Governance Committee on 25 June 2015	
	Completion of Statutory Returns to ODPM (Revenue Out-turn / Capital Out-turn / WGA return		
	Approval by Audit & Governance Committee by statutory deadline		
	Publication by statutory deadline	<p>Whole of Government Accounts return (WGA) completed 16 July, Revenue Outturn forms completed 13 July, Capital Outturn forms completed 1 July</p> <p>Audited Statement of Accounts approved by the Audit &amp; Governance Committee on 24 September 2015</p> <p>Audited Statement of Accounts published on website 24 September 2015</p>	

## Key to symbols





Action Status	
	Cancelled
	Overdue
	Check Progress
	In Progress
	Completed

2015/16 Key Service Performance Indicators



 **Assets & Environment Key Performance Indicators**



**Assets & Environment**

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
Monitor the local air quality in Tamworth, taking any necessary action as dictated by the results	Yes	Yes	2015/16			Air Quality within Tamworth within Government set limits. The Air Quality Management Area (AQMA) at Two Gates continues to be monitored and reviewed
Deliver 100% of the Housing Capital Programme	100%	100%	2014/15			The programme is currently running to planned profile

**Children & Families Safeguarding**

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
The number of reported concerns - Children		3	Q3			

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
			2015/16			
The number of reported concerns - Adults		9	Q3 2015/16			

### Community Leisure

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
Total Attendance Overall - Assembly Rooms	15,000	12,206	Q3 2015/16			
Overall Satisfaction rated good/excellent - Assembly Rooms	96%	97%	Q3 2015/16			
Visitor Numbers (Outdoor Events)	50,000	37,500	Q3 2015/16			
Total Number of visits/usages - Tamworth Castle	8,471	7,801	Q3 2015/16			
Trip Advisor Rating - Tamworth Castle	4.5	4.5	2014/15			
Total 16+ attending organised activity across the Borough	20,000	40,444	Q1 2015/16			
Total under 16 attending organised activity across the Borough	20,000	42,226	Q1 2015/16			

### Community Safety

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
Burglary Dwelling	18	11	October 2015			
Incidents of Anti-Social Behaviour	182	170	October 2015			

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
Serious Violence	3	5	October 2015			
Less Serious Violence	55	48	October 2015			
Serious Acquisitive Crime	58	36	October 2015			
Violence with injury	58	53	October 2015			

### Development Control

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
Processing of planning applications: Major applications (Tamworth)	60.00%	66.00%	Q3 2015/16			3 decisions were made in this quarter 2 within the 13 week target and 1 outside the target period. An extension of time was secured for this later application
Processing of planning applications: Minor applications (Tamworth)	65.00%	75.00%	Q3 2015/16			Out of the 24 decisions made 18 were made within the 8 week target period. 3 decisions were made after the 8 week period with no extension of time being recorded as being agreed. The remaining 3 decisions after the 8 week cut off did have extensions of time agreed. Further investigations are being carried out on why the 6 applications took longer than the 8 weeks, and why no extensions of time were secured for 3 of them
Processing of planning applications: Other applications (Tamworth)	80.00%	100.00%	Q3 2015/16			

### Economic Development



Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
Percentage of working age population claiming Job Seekers Allowance	1.5%	0.5%	Q3 2015/16			
Percentage of total rateable value of commercial floorspace that is unoccupied	8.25%	5.64%	Q3 2015/16			The increase in the % of RV unoccupied is almost entirely down to the Homebase unit on Ventura Park falling empty, pending refurbishment and occupation by Next.
Percentage change in rateable value of commercial buildings	0.75%	-0.64%	Q3 2015/16			The reduction in total RV is totally attributable to a reduction on appeal for both John Lewis and Marks and Spencer, which together totalled £250,000. If these two reductions were discounted then the total RV would have actually increased by over £60,000.

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### Environmental Health & Regulatory Services

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
The number of food businesses that are 0 and 2 star rated		43	Q3 2015/16			
The percentage of planned interventions undertaken	100%	99%	Q3 2015/16			
Satisfaction of business with local authority regulation services (Tamworth)	80%	90%	2014/15			

### Environmental Management

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
Percentage of fly tipping reported in Tamworth compared to the average reported in Staffordshire		9.4%	2014/15			

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
Percentage of reported fly tipping in Tamworth that is investigated.	100%	100%	2014/15			
Percentage of Tamworth streets that are above the required national cleansing standard	90%	97.78%	2014/15			
Percentage of all wards that are patrolled by a Community Warden Service						



### Partnerships Support & Development

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
20 new jobs created in existing organisations per annum directly attributable to interventions under the Contract (BDS – Infrastructure Support for business and third sector)	5	6	Q3 2015/16			
15 first-time business start ups over two years with information broken down by sector and level of support provided (BDS – Infrastructure Support for business and third sector)	1.5	1	Q3 2015/16			



### Planning and Regeneration

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
The occupancy levels of Town Centre retail outlets	91%	91%	Q3 2015/16			
Net additional homes provided (Tamworth)	170	61	2014/15			Gross completions for the year 2014/15 are 64 units, with 3 losses, giving a net figure of 61. This marks the 4th year in a row of completions lower than the planned target (170dpa). The Council's role in providing new homes is setting

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
						<p>the right environment for house building by producing an up to date and sound Local Plan and the approval planning applications for sustainable development. Without the availability of large housing allocations it can be difficult to bring forward large amounts of additional housing. The current supply within Tamworth is predominantly made up of small application sites, the only remaining large site is Anker Valley, which now has planning permission, it is expected completions for this site will start to come through by 2016/17, but possibly a small number in 2015/16.</p> <p>The new Local Plan has now been submitted for examination and it expected to be adopted by Q3 2015/16, this will set out the specific supply of housing within the borough for the next 15 years.</p> <p>Planning &amp; Regeneration will continue to work with the development industry in a productive manner to bring forward more housing within Tamworth.</p> <p>Despite the low completion rate, there still remains a supply of smaller applications sites, however progress by the house building industry has been slowed to bring forward these applications to completion. There are currently 406 dwellings with planning permission and a further 58 under construction. It is clear there is a supply</p>

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
Number of affordable homes delivered (gross) (Tamworth)	40	42	2014/15			<p>of houses with planning permission, but perhaps for non planning reasons, the deliver of these sites has been delayed.</p> <p>Affordable completions for the year 2014/15 is 42 units. The Council's role in providing new homes is setting the right environment for house building by producing an up to date and sound Local Plan and the approval planning applications for sustainable development.</p> <p>Planning &amp; Regeneration will continue to work with the development industry in a productive manner to bring forward more housing within Tamworth.</p> <p>Despite the low total completion rate for all housing, there has been a significant increase in affordable houses delivered, exceeding the annual target and the highest level since 2010/11. The principal factor in this increase is the Council's collaborative approach with housing associations to deliver a number of 'garage sites' within Tamworth: Council owned land delivered in partnership.</p>

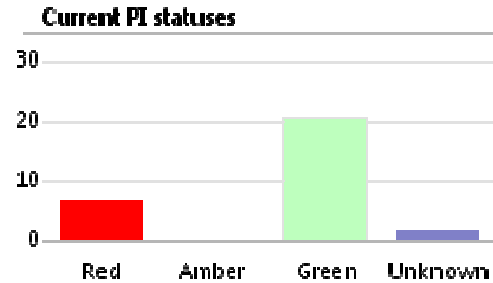
### Waste Management

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
Percentage of household waste sent for reuse, recycling and composting (Tamworth)	52.00%	50.00%	Q3 2015/16			There has been a decline in the recycling rate consistently throughout the year. This is mainly due to the 20% reduction in organic waste being produced along



Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
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with a smaller, but still significant, drop in dry recycling. The anticipated outturn figure for 2015/16 will be in the region of 50%.


## Communities, Planning & Partnerships Key Performance Indicators



### Children & Families Safeguarding

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
The number of reported concerns - Children		3	Q3 2015/16		↓	
The number of reported concerns - Adults		9	Q3 2015/16		↓	

### Community Development

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
The number of partners delivering services in response to agreed issues - Amington	27	27	Q3 2015/16		↓	We have no suitable building to work from within Amington therefore the numbers have dropped and are likely to continue to drop going in to the new year. Other buildings have a cost implication that can not be absorbed by some groups.

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
The number of partners delivering services in response to agreed issues - Belgrave	30	31	Q3 2015/16			
The number of partners delivering services in response to agreed issues- Glascote	30	32	Q3 2015/16			
The number of partners delivering services in response to agreed issues - Stonydelph	30	33	Q3 2015/16			

### Community Leisure

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
Total Attendance Overall - Assembly Rooms	15,000	12,206	Q3 2015/16			
Overall Satisfaction rated good/excellent - Assembly Rooms	96%	97%	Q3 2015/16			
Visitor Numbers (Outdoor Events)	50,000	37,500	Q3 2015/16			
Total Number of visits/usages - Tamworth Castle	8,471	7,801	Q3 2015/16			
Trip Advisor Rating - Tamworth Castle	4.5	4.5	2014/15			
Total 16+ attending organised activity across the Borough	20,000	40,444	Q1 2015/16			
Total under 16 attending organised activity across the Borough	20,000	42,226	Q1 2015/16			

### Community Safety

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
Burglary Dwelling	18	11	October			

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
			2015			
Incidents of Anti-Social Behaviour	182	170	October 2015			
Serious Violence	3	5	October 2015			
Less Serious Violence	55	48	October 2015			
Serious Acquisitive Crime	58	36	October 2015			
Violence with injury	58	53	October 2015			

#### Development Control

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
Processing of planning applications: Major applications (Tamworth)	60.00%	66.00%	Q3 2015/16			3 decisions were made in this quarter 2 within the 13 week target and 1 outside the target period. An extension of time was secured for this later application
Processing of planning applications: Minor applications (Tamworth)	65.00%	75.00%	Q3 2015/16			Out of the 24 decisions made 18 were made within the 8 week target period. 3 decisions were made after the 8 week period with no extension of time being recorded as being agreed. The remaining 3 decisions after the 8 week cut off did have extensions of time agreed. Further investigations are being carried out on why the 6 applications took longer than the 8 weeks, and why no extensions of time were secured for 3 of them
Processing of planning applications: Other applications (Tamworth)	80.00%	100.00%	Q3 2015/16			







## Economic Development



Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
Percentage of working age population claiming Job Seekers Allowance	1.5%	0.5%	Q3 2015/16			
Percentage of total rateable value of commercial floorspace that is unoccupied	8.25%	5.64%	Q3 2015/16			The increase in the % of RV unoccupied is almost entirely down to the Homebase unit on Ventura Park falling empty, pending refurbishment and occupation by Next.
Percentage change in rateable value of commercial buildings	0.75%	-0.64%	Q3 2015/16			The reduction in total RV is totally attributable to a reduction on appeal for both John Lewis and Marks and Spencer, which together totalled £250,000. If these two reductions were discounted then the total RV would have actually increased by over £60,000.

## Partnerships Support & Development

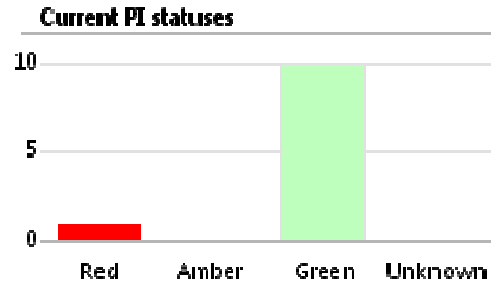
Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
20 new jobs created in existing organisations per annum directly attributable to interventions under the Contract (BDS – Infrastructure Support for business and third sector)	5	6	Q3 2015/16			
10 first-time business start ups over two years with information broken down by sector and level of support provided (BDS – Infrastructure Support for business and third sector)	1.5	1	Q3 2015/16			

## Planning and Regeneration

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
The occupancy levels of Town Centre retail outlets	91%	91%	Q3 2015/16			
Net additional homes provided (Tamworth)	170	61	2014/15			<p>Gross completions for the year 2014/15 are 64 units, with 3 losses, giving a net figure of 61. This marks the 4th year in a row of completions lower than the planned target (170dpa). The Council's role in providing new homes is setting the right environment for house building by producing an up to date and sound Local Plan and the approval planning applications for sustainable development. Without the availability of large housing allocations it can be difficult to bring forward large amounts of additional housing. The current supply within Tamworth is predominantly made up of small application sites, the only remaining large site is Anker Valley, which now has planning permission, it is expected completions for this site will start to come through by 2016/17, but possibly a small number in 2015/16.</p> <p>The new Local Plan has now been submitted for examination and it expected to be adopted by Q3 2015/16, this will set out the specific supply of housing within the borough for the next 15 years.</p> <p>Planning &amp; Regeneration will continue to work with the development industry in a productive manner to bring forward more housing within Tamworth.</p> <p>Despite the low completion rate, there</p>

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
Number of affordable homes delivered (gross) (Tamworth)	40	42	2014/15			<p>still remains a supply of smaller applications sites, however progress by the house building industry has been slowed to bring forward these applications to completion. There are currently 406 dwellings with planning permission and a further 58 under construction. It is clear there is a supply of houses with planning permission, but perhaps for non planning reasons, the deliver of these sites has been delayed.</p> <p>Affordable completions for the year 2014/15 is 42 units. The Council's role in providing new homes is setting the right environment for house building by producing an up to date and sound Local Plan and the approval planning applications for sustainable development.</p> <p>Planning &amp; Regeneration will continue to work with the development industry in a productive manner to bring forward more housing within Tamworth.</p> <p>Despite the low total completion rate for all housing, there has been a significant increase in affordable houses delivered, exceeding the annual target and the highest level since 2010/11. The principal factor in this increase is the Council's collaborative approach with housing associations to deliver a number of 'garage sites' within Tamworth: Council owned land delivered in partnership.</p>







## Corporate Finance Key Performance Indicators



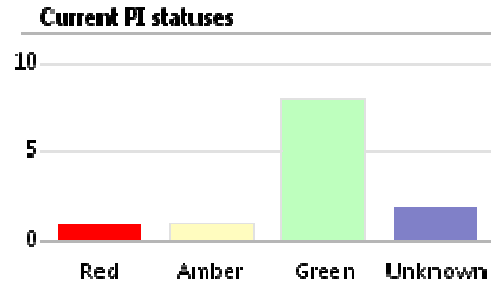
### Corporate Finance

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
Percentage of Invoices paid within 30 days	97.00%	98.20%	Q3 2015/16	✓	↓	
Percentage of Invoices paid within 10 days	85%	87%	Q3 2015/16	✓	▬	
Achievement of an unqualified audit opinion on the financial statements	Yes	Yes	2014/15	✓	▬	Unqualified Audit opinion signed by Grant Thornton 24th September 2015
Spending maintained within approved budget and without significant underspends	-5%	-6.64%	December 2015	✗	↓	
Number of material final account audit adjustments	0	0	2014/15	✓	▬	
Ledgers closed down within 5 working days of period end	3	1	Q3 2015/16	✓	▬	
Bank Reconciliation completed within 10 days (Payments Account)	10	3.67	Q3 2015/16	✓	↑	
Bank Reconciliation completed within 15 days (General Account) of period end	15	11.33	Q3 2015/16	✓	↑	

## Revenues Services









Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
Percentage of Non-domestic Rates Collected	83.00%	84.00%	Q3 2015/16			
Percentage of Council Tax collected	86.40%	86.90%	Q3 2015/16			
Debtors current year collection	96%	96.3%	Q3 2015/16			

## Housing & Health Key Performance Indicators





### Community Development









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Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
The number of partners delivering services in response to agreed issues - Amington	27	27	Q3 2015/16			We have no suitable building to work from within Amington therefore the numbers have dropped and are likely to continue to drop going in to the new year. Other buildings have a cost implication that can not be absorbed by some groups.
The number of partners delivering services in response to agreed issues - Belgrave	30	31	Q3 2015/16			
The number of partners delivering services in response to agreed issues- Glascote	30	32	Q3 2015/16			
The number of partners delivering services in response to agreed issues - Stonydelph	30	33	Q3 2015/16			







### Housing Empty Property Management

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
Average number of days taken to re-let local authority housing (Standard Empty Homes)	16	10.33	Q3 2015/16			

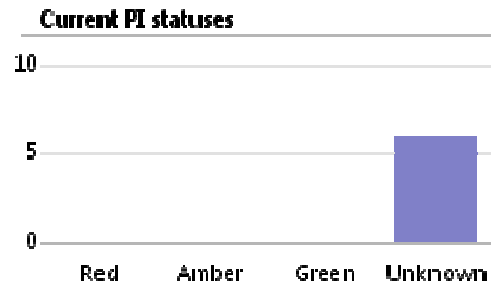
### Housing Maintenance

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
Percentage of properties with a valid Gas Safety Certificate	100%	99.99%	Q3 2015/16			
Percentage of all responsive repairs completed within target	97%	98.73%	Q3 2015/16			
Percentage of appointments kept as a percentage of appointments made	96%	94.13%	Q3 2015/16			
Percentage of responsive repairs completed on the first visit to the tenants home (glazing and external doors not included)	80%	90.37%	Q3 2015/16			













### Housing Rent Income Management

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
Current tenants arrears as a percentage of the annual debit (excluding h/b adjustments)	1.9%	2.44%	Q3 2015/16			
Number of closed resolved anti-social behaviour cases		95%	December 2015			18 out of 19 cases were closed resolved
Number of closed unresolved anti-social behaviour cases		1	December 2015			5% of cases - 1 out of 19 - were closed unresolved in December

## Legal & Democratic Services Key Performance Indicators

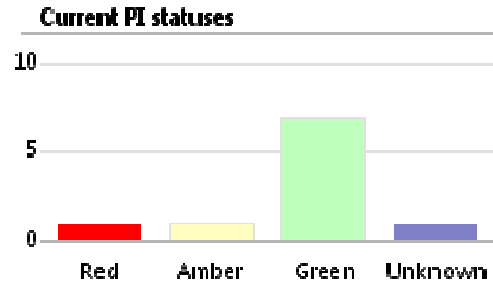


### Solicitor and Monitoring Officer

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
Number of Standard Searches carried out		434	Q3 2015/16			117 full searches 317 personal searches
The number of exempt items presented to meetings		12	Q3 2015/16			
Percentage of Household Enquiry Forms returned		99%	Q3 2015/16			
Percentage of Individual Elector Registration Forms returned		93.34%	Q3 2015/16			At 8th December 2015; 3,839 IERs still to be returned from an electorate of 57,608.
The number of Ombudsman complaints received		10	2014/15			
The number of Ombudsman decisions made		7	2014/15			







## Technology & Corporate Programmes Key Performance Indicators

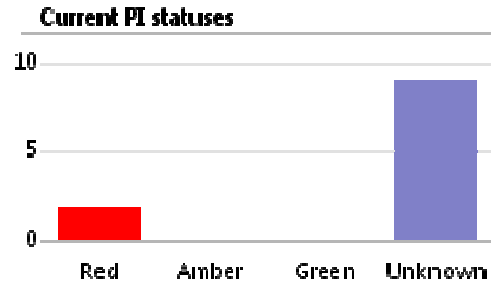


### Technology & Corporate Programmes

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
Percentage of incidents fixed by ICT	70%	92.73%	Q3 2015/16	✓	↑	
Incidents Responded within SLA	90%	93.78%	Q3 2015/16	✓	↑	
Incidents Resolved within SLA	90%	95.94%	Q3 2015/16	✓	↓	
ICT Backups	100%	88.43%	Q3 2015/16	✗	↑	
Service Availability	99%	99.95%	Q3 2015/16	✓	↑	
Freedom of Information Requests Responded To Within legislative timescales	100%	98.02%	2015/16	⚠	↑	
ICT Support Desk - Percentage of calls answered within 15 seconds	92%	95.45%	Q3 2015/16	✓	↑	
ICT Support Desk - Percentage of calls abandoned	3%	1.2%	Q3 2015/16	✓	↑	

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
ICT Service Desk - Outstanding Incidents		57	December 2015			
LLPG Quality	5	5	November 2015			

## Transformation & Corporate Performance Key Performance Indicators



### Customer Services

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
The number of face to face enquiries		4,536	Q2 2015/16		↑	
The number of telephone calls into the Customer Services Centre		15,991	Q3 2015/16		↑	
The number of self serve processes available for customers		6	Q2 2015/16		↑	These are - planning application, HB application, single person discount, phone and internet payments. car park payments.

### Health and Safety

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
Number of accidents to employees reported		6	Q3 2015/16		↑	

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
Number of accidents to non-employees reported		1	Q3 2015/16			
Number of HSE notifications/interactions		2	Q3 2015/16			
Number of violent/threatening incidents		1	Q3 2015/16			

### Human Resources

Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
Working Days Lost Due to Sickness Absence	5.67	6.64	Q3 2015/16			

### Payroll









Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
The number of payroll errors		0	Q3 2015/16			

### Transformation and Corporate Performance

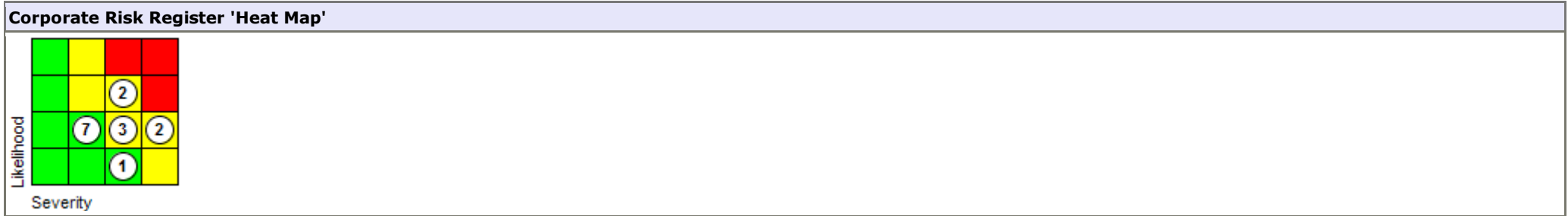
Performance Indicator	Target (where applicable)	Performance	Last Update	RAG status (where applicable)	Performance compared to last reporting period	Latest Update (where applicable)
The number of hits on the website		243,792	Q3 2015/16			Website hits= 162,075 for TBC main site plus 81,717 for subsites = 243,792 total
Average time spent on the website		2.54	Q3 2015/16			

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**Key to symbols**


PI Status		Performance compared to last reporting period	
	Not at target		Improving
	Close to target		No Change
	At, or above, target		Getting Worse
	Unknown		
	Data Only PI (No target set)		

2015/16 Corporate Risk Register






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Risk	Description of Risk	Date Last Reviewed	Severity	Likelihood	Current Risk Rating	Current Risk Status
Medium Term Financial Planning & Sustainability Strategy	Loss of Funding and Financial Stability.	08-Jan-2016	4	2	8	
Reputation	Damage to Reputation	08-Jan-2016	2	2	4	
Governance & Regulatory Failure	Failure to achieve adequate Governance Standards and statutory responsibilities	08-Jan-2016	2	2	4	
Partnership Working and Supply Chain Challenges	Failure in partnership working, shared services or supply chain	08-Jan-2016	2	2	4	
Emergency & Crisis Response Threats	Failure to manage an external or internal emergency/disaster situation	08-Jan-2016	2	2	4	
Economic Changes	Failure to plan and adapt services to economic changes within the community	08-Jan-2016	3	1	3	
Information Management & Information Technology	Failure to secure and manage data and IT infrastructure	08-Jan-2016	3	2	6	
Loss of Community Cohesion	Failure to achieve community cohesion	08-Jan-2016	3	3	9	
Workforce Planning Challenges	Failure to manage workforce planning challenges	08-Jan-2016	2	2	4	
Health & Safety	Failure to manage Health & Safety	08-Jan-2016	3	2	6	
Corporate Change	Failure to manage corporate change	08-Jan-2016	2	2	4	

Risk	Description of Risk	Date Last Reviewed	Severity	Likelihood	Current Risk Rating	Current Risk Status
Safeguarding Children & Vulnerable Adults	Failure to safeguard children and vulnerable adults	08-Jan-2016	3	3	9	
Sale of land for housing - Amington	Cabinet selected to redevelop the Golf Course for housing following the in-depth options appraisal. Prior to this, Cabinet approved the closure of the course in October 2014. The project to redevelop the site is ongoing and a number of technical studies are being finalised. Outline planning permission approved 4 August 2015 – site to be marketed by September 2015.	08-Jan-2016	3	2	6	
Inability to manage the impact corporately of the Government Austerity measures and new legislative requirements	Inability to manage the impact corporately of the Government Austerity measures and new legislative requirements	08-Jan-2016	4	2	8	
Elections	Parliamentary & Local Elections 2016	08-Jan-2016	2	2	4	

#### Key to symbols

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Risk Status	
	High
	Medium
	Low





## CABINET

18<sup>th</sup> February 2016

## COUNCIL

23<sup>th</sup> February 2016

### Report of the Leader of the Council

#### CORPORATE VISION, PRIORITIES PLAN, BUDGET & MEDIUM TERM FINANCIAL STRATEGY 2016/17

##### Purpose

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

- α To approve the **Vision Statement, Priority Themes, Corporate Priorities and Outcomes** and their inclusion in the **Corporate Plan and Support Service Plan (attached at Appendix A)**.
  
- α To approve the recommended package of budget proposals **(attached at Appendix B)** to enable the Council to agree the:
  - General Fund (GF) Revenue Budget and Council Tax for 2016/17;
  - Housing Revenue Account (HRA) Budget for 2016/17;
  - 3 Year General Fund Capital Programme (2016/19);
  - 5 Year HRA Capital Programme (2016/21);
  - 3 Year General Fund Medium Term Financial Strategy (MTFS) (2016/19); and
  - 5 Year HRA Medium Term Financial Strategy (MTFS) (2016/21).
  
- α 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 N)**.

## Recommendations

That Council approve:

1. the Vision Statement, Priority Themes, Corporate Priorities and Outcomes and their inclusion in the Corporate Plan and Support Service Plan (Appendix A);
2. the proposed revisions to Service Revenue Budgets (Policy Changes) (Appendix C);
3. the sum of £81,896 be applied from Council Tax Collection Fund surpluses in reducing the Council Tax demand in 2016/17 (Appendix E);
4. the sum of £560,025 be applied to Business Rates Collection Fund deficits in 2016/17 (Appendix E);
5. that on 26<sup>th</sup> November 2015, the Cabinet calculated the Council Tax Base 2016/17 for the whole Council area as 20,904 [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 2016/17 is £3,381,222 (Appendix E);
7. the following amounts as calculated for the year 2016/17 in accordance with Sections 31 to 36 of the Act:
  - a. £56,393,806 (Est.) being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act (Outgoings excluding internal GF Recharges);
  - b. £53,012,584 (Est.) being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act (Income excluding internal GF Recharges);
  - c. £3,381,222 being the amount by which the aggregate at 6(a) above exceeds the aggregate at 6(b) above, 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);
  - d. £161.75 being the amount at 6(c) 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 2016/17 of £161.75 (an increase of £3.15 (1.99%) on the 2016/17 level of £158.60) 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 £1,498.34 at Band D for 2016/17 be noted (Appendix H);
10. the Council Tax levels at each band for 2016/17 (Appendix H);
11. the sum of £1,724,806 be transferred from General Fund Revenue Balances in 2016/17 (Appendix E);

12. the Summary General Fund Revenue Budget for 2016/17 (Appendix E);
13. the Provisional Budgets for 2017/18 to 2018/19, summarised at Appendix G, as the basis for future planning;
14. acceptance of the proposed 4 year grant settlement;
15. the 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. the proposed HRA Expenditure level of £14,884,180 for 2016/17 (Appendix D);
18. rents for Council House Tenants in 2016/17 be reduced by an average of £0.88 per week (1%) to £87.38 (2015/16 £88.26), over a 48 week rent year;
19. rents for Council House Tenants due for 52 weeks in 2016/17 be collected over 48 weeks;
20. the HRA deficit of £382,100 be financed through a transfer from Housing Revenue Account Balances in 2016/17 (Appendix D);
21. the proposed 3 year General Fund Capital Programme of £8.014m, as detailed in Appendix I to the report and where it may be more cost effective for purchases to be made before 31<sup>st</sup> March 2016 – that the spend be brought forward together with the associated budget;
22. the proposed 5 year Housing Capital Programme of £52.734m, as detailed in Appendix J to the report;
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 2016/17 (as detailed at Appendix N);
25. the Prudential and Treasury Indicators and Limits for 2016/17 to 2018/19 contained within Appendix N;
26. the adoption of the Treasury Management Practices contained within ANNEX 7; and
27. the detailed criteria of the Investment Strategy 2016/17 contained in the Treasury Management Strategy within ANNEX 3.

## Executive Summary

As a relatively small and primarily urban local authority, Tamworth Borough Council has planned and managed its journey through the recession and austerity period with considerable credit to date.

The budget setting process has faced significant constraints in Government funding in recent years - over 40% in real terms since 2010 - and the last 12 months have been as challenging as previous years if not more so. The recent announcements in the Summer Budget and Autumn Statement confirm that austerity measures are to continue and would suggest that the key challenges that the Council is currently addressing are likely to become greater.

There also remains a high degree of uncertainty arising from the most significant changes in Local Government funding for a generation arising from the Business Rates Retention System, changes in Support for Council Tax and Technical Reforms to Council Tax - as well as other changes arising from the Government's Welfare Reform Agenda.

Accurate forecasting, strong leadership and an innovative, risk aware approach have resulted in the organisation being able, in the main, to sustain a full suite of essential services albeit not without implications for the public, local politicians and the entire workforce.

Significantly, this is as much a testament to the skills and commitment of our workforce and our partners' collaboration as it is to the actions and decisions of the Joint Executive Management Team. This period, considered one of the most challenging in post war times, coincided with the Council recording one of its most successful periods of achievement in terms of Customer Satisfaction; measured performance; project delivery and financial management.

What makes these achievements 'special' is that they were delivered in parallel with the largest and most complex **Transformation programme** which in itself, resulted in multi-million pound efficiencies.

## Efficiency Statement - Sustainability Strategy

In an attempt to provide a clear 'route map' for the transition from surviving to thriving, the Council has designed and adopted a series of strategic plans, policies and processes. Cabinet, on 22<sup>nd</sup> August 2013, endorsed the overarching document '**Planning for a Sustainable Future**' as the strategy for meeting the challenges forecast for the Council's Medium Term Financial Strategy (MTFS) which, through the achievement of targets and outcomes associated with the work streams, enabled the organisation to generate significant efficiencies without there being any large scale impact upon the delivery of essential services.

The **Sustainability Strategy** delivered more than just 'big ticket' efficiencies detailed below, it brought about changes to working models, cultures and processes – **Agile Working; Demand Management; Joint Working; Shared Services; Locality Delivery/ Commissioning** all contributed to our journey.

This was achieved through: “**strong and clear leadership, political support, financial planning and the resilience, passion and professionalism of staff**” (Statement drawn from the 2014 LGA Peer review).

The Council’s External Auditors (Grant Thornton) also identified within their Annual Audit Letter for 2014/15, dated October 2015:

“On the basis of our work, and having regard to the guidance on the specified criteria published by the Audit Commission, we are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2015.”

### SUSTAINABILITY STRATEGY

HEADLINE OUTCOMES (OVER 3 YEARS)	£'000
• Review of Corporate Management Team	£338
• Review of Support Services/Options Appraisal	£180
• Voluntary Redundancy/Staff Reduction exercise	£2,000
• Design & implementation of Joint Waste Management Arrangement	£1,500
• Revenue savings arising from Leisure Futures * <b>Excluding capital receipts</b>	£1,000
More recently and as part of a planned response to Governments continued austerity measures, further savings consequent of the <b>Sustainability Strategy Work Streams</b> have been identified. These include:	
• Adoption of Agile Working (including potential income from letting vacant accommodation with Marmion House)	£488
• Revisions to working practices (Wardens/CCTV)	£456
• Revisions to organic waste collection and disposal arrangements	£421
• Proactive management and collection of Business Rates	£728
• Recharges for services delivered for HRA Account	£501
• Review of Senior Management arrangements	£400

All that said, the plans, processes and strategies that have guided the organisation to date required a review and refresh if elected members are to respond to the feedback from local people and shift the trajectory from sustainability towards sustained viability.

### **CORPORATE REVIEW OF STRATEGIC FRAMEWORK**

This meant a fundamental review of the **Corporate Strategic Framework** and Cabinet at their meeting on 14<sup>th</sup> January 2016 endorsed the revised Strategic Framework including the Vision, Priority Themes, Corporate Objectives and Outcomes (**attached at Appendix A**) for inclusion in the emerging Corporate Plan; Corporate Support Plan and Medium Term Financial Strategy for Council approval.

The adoption of 'Demand Management' as the primary operating model and the targeting of resources via locality based commissioning and delivery has enabled greater effectiveness in service delivery as evidenced by customer satisfaction, award winning services and of course, the management of the Council's finances.

Whilst this is an extremely positive series of events, for the Council to sustain this favourable trajectory, it must review and monitor the various factors, influences and information that impact upon its direction of travel – key to this is the **Strategic Framework** – the foundation upon which its policies, plans and processes are based.

### **Review – Key Drivers**

The Council's relatively successful navigation of the recession and more recently, the extended period of austerity owes much to the commitment to and delivery of the **Sustainability Strategy** through the collaboration between employees at all levels, partners, politicians and management.

Almost five years into the strategic timeframe, the Leader of the Council commissioned a review of the strategic and policy frameworks.

Further to this, ongoing policy reforms and legislative changes continued to have a profound impact upon local government. It was the ongoing imposition of austerity measures that had the most acute and limiting effect upon how this Council operates, a face clearly reflected in the wide ranging consequential remedies employed over this period.

Joint Working & Shared Services; Service reviews, staffing reductions and service standards, Efficiency models and Demand Management techniques have resulted in the Council becoming a multi-economy or hybrid organisation as opposed to its aspiration – An 'outcome focused', efficient corporate entity where customers are key.

The revised strategic framework is designed to address this issue through the refocusing of the public, political and professional perspectives upon an evidence based, informed set of **Thematic Priorities** based around the broad topics of **People; Place and Performance** as the generic areas of significance for all stakeholders.

## **Review – Methodology**

In very simple terms, the approach was based upon the collection, collation and analysis of a range of data; an understanding of local issues and an awareness of key influences.

In summary

- Data, Customer/User insight and intelligence;
- Public consultation and wider engagement outcomes;
- A detailed understanding of our partners' plans;
- Political intentions and ambitions across the parties and the tiers;
- Our strategic plans – e.g., Local Plan; Housing & Health Strategies, Growth & Regeneration;
- Detailed knowledge of local and regional growth through devolution plans/intentions;
- Financial constraints and opportunities.

## **VISION STATEMENT**

Public recognition and awareness of the current strapline was evident from both feedback and the fact that is now featured in literature relating to Tamworth as a destination. In order to incorporate a reference to growth and regeneration going forward and the Town's rich heritage, the **Vision Statement** has been revised as follows:

**“One Tamworth, Perfectly Placed”**

*Open for business since the 7<sup>th</sup> Century A.D.*

## **THEMATIC PRIORITIES**

Following the review and using the language of the day, these are referred to as:

**SP1 “Living a quality life in Tamworth”**

**SP2 “Growing strong together in Tamworth”**

**SP3 “Delivering quality services in Tamworth”**

## CORPORATE PRIORITIES

With regard to the **Corporate Priorities**, having assessed and evaluated the issues comprising the high level, strategic considerations and then triangulated the results with the outcomes arising from the 2016 Budget Consultation process, the following considerations have been factored in to the revisions:

- The priorities identified by the public are consistent with what our data and insight is telling us;
- A number of the service areas where the public endorse less spending are consistent with agreed plans for reviews/ efficiency plans;
- The primary 'place' related priorities identified by the public reflect the plans and ambitions of the organisation e.g., more quality housing options; a revitalised town centre; improved connectivity;
- The fact that our funding, resources and capacity are collectively reducing will inevitably have a significant impact upon how we manage demand and expectations. The proposals reflect a change in focus away from the topics – **Prosperity – Health – Safety – Aspiration** and more towards being clear about our role, our relationship with customers and how we will support them. The focus will primarily be upon **People, Place and Performance**. In order to personalise the relationship the corporate priorities are aligned under each theme;

These, together with the intended outcomes/success factors are set out in the Draft **Corporate Plan** attached at **Appendix A**.

In effect, these are the major actions that will be undertaken by the Council in addition to and in conjunction with each **Directorate Plan** which captures the statutory and discretionary functions and obligations of each service area i.e. the Day Job.

These plans rely heavily upon the support of high quality support services without which, past current and future achievement would not be possible. A **Support Service Plan** has been produced and forms part of the Corporate Plan.

Last year's budget report detailed a proactive approach to the challenge of ever increasing demand. By adopting the guiding principles, tools, techniques and transformational approaches, the Council can set about **managing demand** and thereby have greater control and the ability to align or target "supply" to managed "demand".

The primary change is a shift away from trying to sustain a full suite of services at high standards with 40%+ budget reductions to understanding the needs of our customers and working with them to co-design how we meet those demands.

The adoption of a Demand Management operating model for the Council was approved by Cabinet on 19<sup>th</sup> February 2015. Through its implementation, the Council will have far greater control upon the alignment of services or 'supply' to the increased needs and expectations of the public or 'demand'.



Key to this will be the application of existing and new technology to capture, collate and analyse customer insight, intelligence and data so as to understand not just the 'need' but the cause, behaviours or decisions creating the need. Then by the application of locality based commissioning for example, it can commission services that either intervene or prevent future need thereby reducing demand. The report entitled **Creating Opportunities from an Uncertain Future** is available to all Members and is available to the public. In summary, by adopting the model, supporting its implementation and measuring its progress, it will enable the Council to achieve its Vision and Priorities and fulfil its obligations.

- We will target resources upon those in most need and those most vulnerable.
- We will commission services that will both intervene/prevent future demand and reduce levels of vulnerability.
- We will, as a consequence, meet the Council's stated intention to ensure that the vulnerable are a priority (**Motion to Council on 26<sup>th</sup> November, 2014 refers**).

This approach will change the organisation and how it works; will require Members to take difficult decisions and adhere to them; will involve managed risks and will sustain **essential services critical in supporting the most vulnerable in our communities at a time when demand is increasing and resources reducing**.

Whether to implement change, react to funding reductions or simply to ensure compliance with reforms, the adoption of a "problem solving" approach to accommodating change has enabled the Council to maintain high quality public services.

The headline figures for 2016/17 are:

- A General Fund total cost of services of £8,459,820 a reduction of £3,820 compared to 2015/16;
- A transfer of £1,724,806 from General Fund balances;
- The Band D Council Tax would be set at £161.75, an increase of £3.15 (1.99% - £0.06 per week) on the level from 2015/16 of £158.60;
- A General Fund Capital Programme of £8.014m for 3 years;
- a Housing Revenue Account (HRA) Expenditure level of £14,884,180 for 2016/17 (excluding interest & similar charges);
- A transfer of £382,100 from HRA balances;

- An average rent of £87.38 (based on a 1% reduction in average rent, as announced in the Summer Budget 2015, in line with the Government's requirement to reduce rents by 1% p.a. for the next 4 years), which represents a reduction of £0.88 (1% on the current average rent of £88.26) and equates to £80.69 on an annualised 52 week basis;
- A Housing Capital Programme of £52.734m (including c.£33.7m relating to the Regeneration Projects) for 5 years.

There are a number of key challenges affecting the medium term financial planning process (as detailed within the report), which add a high level of uncertainty to budget projections.

The medium term financial planning process is being challenged by Government austerity measures. The accomplishment of a balanced 3 year Medium Term Financial Strategy for the General Fund is a major achievement as the Council, like others, has planned to deliver its budget process in light of unprecedented adverse economic conditions with a great deal of uncertainty over future investment and income levels such as car parking, land charges and corporate property rents.

It is also facing increased financial demands from Central Government for service improvements in areas such as local democracy and transparency – as well as substantial reductions in Government grant support in the future.

There is also a high degree of uncertainty arising from the most significant changes in Local Government funding - Business Rates Retention, changes in Support for Council Tax and technical reforms to Council Tax - as well as other changes arising from the Government's Welfare Reform agenda.

Additional demands for services (i.e. benefits and housing) arising from these austere times have been included where possible but this is dependent on the length and depth of the austerity measures.

In light of these uncertainties and issues arising from the sensitivity analysis (attached at **Appendix L**), it is felt prudent to include within the budget a number of specific contingency budgets (aligned to the specific uncertainties, where appropriate) to ensure some stability in the financial planning process (as detailed at **Appendix M**).

The assumptions made in the production of the MTFS are based on the best information available at the time and are subject to change. These will be monitored and reviewed on a Quarterly basis by CMT and Cabinet.

The Treasury Management Strategy Statement and report attached at **Appendix N** outlines the Council's Prudential Indicators for 2016/17 to 2018/19 and sets out the expected Treasury operations for this period.

The main issues for Members to note are:

- Members should understand the implications on Treasury Operations when setting the budget and Medium Term Financial Strategy;

- Members should be provided with access to relevant training – Members should ensure that they have the necessary skills and training.

The aim is for all Members to have ownership and understanding when making decisions on Treasury Management matters.

- With regard to Counterparty selection for investment, rather than adopt a Lowest Common Denominator (LCD) methodology, a broader Counterparty evaluation criteria is used as recommended by Capita (the Council's Treasury Management consultants);
- The proposed Counterparty limits for 2016/17 have been increased, reflecting higher average investment balances available at present – but still in line with Capita's suggested 20% maximum of investment balances deposited with any one institution.

### Options Considered

As part of the budget setting process a number of options for the council tax and rent increase levels for 2016/17 and future years have been modelled / considered.

<b>Council Tax</b>	<b>Option Modelled / Considered</b>
<b>Model 1</b>	<b>1.99% increase in Council tax in 2016/17 (followed by inflationary increases of c.1.99% p.a.)</b>
Model 1a	0% increase in Council tax in 2016/17 (followed by increases of c.1.99% p.a.)
Model 2	2.5% increase in Council tax in 2016/17 (followed by increases of 2.5% thereafter)
Model 3	0% increase in Council tax in 2016/17 (followed by increases of 0% thereafter)
Model 4	1% increase in Council tax in 2016/17 (followed by increases of 1% thereafter)

<b>Rent</b>	<b>Option Modelled / Considered</b>
Option 1	CPI + 1%
<b>Option 2</b>	<b>Reduction of 1% (in line with the Summer Budget announcement)</b>

These are detailed within the Base Budget report to Cabinet on 26<sup>th</sup> November 2015 and the Draft Medium Term Financial Strategy report to Cabinet on 14<sup>th</sup> January 2016 and Joint Scrutiny Committee (Budget) on 26<sup>th</sup> January 2016.

## Resource Implications

A summary table of all the budget proposals is shown at the end of the report. The General Fund Summary Revenue Budget for 2016/17, appears at **Appendix E**. A summary of the resulting budgets over the 3 year period appears at **Appendix G**.

Closing balances over 3 years for the General Fund (GF) are estimated at £0.6m, above the minimum approved level of £0.5m. The draft Budget and Medium Term Financial Strategy is based on a council tax increase of 1.99% for 2016/17 (the maximum permitted under the Government set limits to trigger a referendum is 2.0%) followed by increases at c.1.99% p.a. thereafter & in line with statutory requirements.

The Summary HRA Revenue Budget for 2016/17 appears at **Appendix D** (including a summary of the resulting budgets over the 5 year period). Closing balances over 5 years for the HRA are estimated at £0.8m (compared to the minimum approved level of £0.5m).

The 3-year General Fund Capital Programme has been formulated based on the predicted available resources. Assuming that the anticipated capital receipts will be received, this leaves a balance of £0.81m available (the minimum approved level is £0.5m).

The Council's uncommitted Housing Capital Resources will effectively be reduced to £2m over 5 years (the approved minimum level is £0.5m).

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 Executive Director – Corporate Services' view, 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. In his view, the level of reserves remains adequate for the Council based on this budget and the circumstances in place at the time of preparing it.

## Legal / Risk Implications

The Council's constitution requires Cabinet publish initial proposals for the budget, having first canvassed the views of local stakeholders as appropriate - budget proposals were considered at the Joint Scrutiny Committee (Budget) meeting on 26<sup>th</sup> January 2016. In line with the constitution a Joint Scrutiny Budget Workshop was held on 3<sup>rd</sup> December 2015 to outline the issues affecting the MTFS arising from the base budget forecast.

The budget has been set following extensive consultation with the people of Tamworth. This includes feedback from The State of Tamworth Debate, and responses from the 'Tamworth Listens' budget consultation exercise.

Proposed amendments to the 2015/16 base budget, approved by Council on 24<sup>th</sup> February 2015, are detailed within the report.

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.

Key Risks to Revenue and Capital Forecasts:

Ref	Risk	Control Measure
1	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 grant levels; <b>(Medium / High)</b>
2	New Homes Bonus grant levels lower than estimated; Continuation of the scheme in its current form is uncertain – further changes are subject to consultation. <b>(High/Medium)</b>	Future levels included on a risk based approach in order to offset further grant reductions / uncertainty over additional property numbers; <b>(Medium)</b>
3	Potential ‘capping’ of council tax increases by the Government or local Council Tax veto / referendum; <b>(Medium)</b>	Current indications are that increases of 2% and above risk ‘capping’ (confirmed as 2% for 2015/16); <b>(Low)</b>
4	The achievement / delivery of substantial savings / efficiencies will be needed to ensure sufficient resources will be available to deliver the Council’s objectives through years 4 to 5. Ongoing; <b>(High)</b>	A robust & critical review of savings proposals will be required / undertaken before inclusion within the forecast;  A minimum General Fund capital balance of £0.5m is a requirement – this has been financed in the past by revenue contributions (held in a revenue reserve). <b>(High/Medium)</b>
5	Pay awards greater than forecast; <b>(Medium)</b>	Public sector pay cap announced as part of the Summer Budget 2015 - 1% increase p.a. for 4 years from 2016/17; <b>(Medium / Low)</b>
6	Pension costs higher than planned / adverse performance of pension fund; <b>(Medium)</b>	Regular update meetings with Actuary; Increases of c.2% p.a. with a new ‘lump sum’ element have been included with agreement made with Pension Fund following triennial review (during 2013 for 2014/15) for 3 years; <b>(Medium)</b>
7	Assessment of business rates collection levels to inform the forecast / budget (NNDR1) and estimates of appeals, mandatory & discretionary reliefs, cost of collection, bad debts and collection levels; New burdens (Section 31) grant funding for Central Government policy changes – including impact on levy calculation;  Potential changes to the Business Rates	Robust estimates included to arrive at collection target. Ongoing proactive management & monitoring will continue;  Business Rates Collection Reserve - provision of reserve funding to mitigate impact of any changes in business rate income levels;

Ref	Risk	Control Measure
	Retention system by the DCLG in support of Town Centre Regeneration / equalisation of the scheme; <b>(High)</b>	Monitoring of the situation / regular reporting; <b>(High / Medium)</b>
8	Local Council Tax Reduction scheme implementation – potential yield changes and maintenance of collection levels; <b>(High)</b>	Robust estimates included. Ongoing proactive management & monitoring (including a quarterly healthcheck on the implications on the organisation – capacity / finance) will continue; <b>(High / Medium)</b>
9	Achievement of income streams in line with targets e.g. treasury management interest, car parking, planning, commercial & industrial rents etc.; <b>(High / Medium)</b>	Robust estimates using a zero based budgeting approach have been included; <b>(Medium)</b>
10	Delivery of the capital programme (GF / HRA – including Regeneration schemes) dependent on funding through capital receipts and grants (including DFG funding through the Better Care Fund); <b>(High / Medium)</b>	Robust monitoring and evaluation – should funds not be available then schemes would not progress; <b>(Medium)</b>
11	Dependency on partner organisation arrangements and contributions e.g. Waste Management (SCC/LDC). <b>(High / Medium)</b>	Memorandum of Understanding in place. <b>(Medium)</b>
12	Treasury Management - risk of counterparty default. <b>(High / Medium)</b>	Loss of deposits mitigated by Counterparty and Deposit monitoring (including Credit Default Swap – CDS - prices). <b>(Medium/Low)</b>

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.

**Report Author:**

If Members would like further information or clarification prior to the meeting please contact Stefan Garner, Director of Finance – tel. 709242.

<b>Background Papers:-</b>	<b>Draft Budget and Medium Term Financial Strategy 2016/17 to 2020/21, Cabinet 14<sup>th</sup> January 2016 / Joint Scrutiny Committee (Budget) 26<sup>th</sup> January 2016</b>
	<b>Business Rates Income Forecast (NNDR1 return), Cabinet 14<sup>th</sup> January 2016</b>
	<b>Corporate Review of Strategic Framework (Route Map from Surviving to Thriving), Cabinet 14<sup>th</sup> January 2016</b>
	<b>Treasury Management Strategy Statement &amp; Annual Investment Strategy Mid-year Review Report 2015/16, Council 15<sup>th</sup> December 2015</b>
	<b>Joint Scrutiny Budget Workshop, 3<sup>rd</sup> December 2015</b>
	<b>Draft Base Budget Forecasts 2016/17 to 2020/21, Cabinet 26<sup>th</sup> November 2015</b>
	<b>Budget Consultation Report, Cabinet 22<sup>nd</sup> October 2015</b>
	<b>Budget and Medium Term Financial Planning Process, Cabinet 30<sup>th</sup> July 2015</b>
	<b>Corporate Vision, Priorities Plan, Budget &amp; Medium Term Financial Strategy 2015/16, Council 24<sup>th</sup> February 2015</b>
	<b>Treasury Management Training slides, February / October 2015</b>
	<b>Treasury Management Practices 2016/17 (Operational Detail)</b>

## Summary of Appendices

<b>Description</b>	<b>Appendix</b>
<b>Corporate Vision for Tamworth</b>	<b>A</b>
<b>Detailed Considerations</b>	<b>B</b>
<b>Policy Changes</b>	<b>C</b>
<b>HRA Budget Summary 2016/17 – 2020/21</b>	<b>D</b>
<b>General Fund Summary Revenue Budget 2016/17</b>	<b>E</b>
<b>General Fund Technical Adjustments 2016/17 (before policy changes)</b>	<b>F1</b>
<b>HRA Technical Adjustments 2016/17 (before policy changes)</b>	<b>F2</b>
<b>General Fund 3 Year Revenue Budget Summary</b>	<b>G</b>
<b>Council Tax Levels at each Band 2016/17</b>	<b>H</b>
<b>General Fund 3 Year Capital Programme 2016/17 – 2018/19</b>	<b>I</b>
<b>Housing 5 Year Capital Programme 2016/17 – 2020/21</b>	<b>J</b>
<b>Main Assumptions</b>	<b>K</b>
<b>Sensitivity Analysis</b>	<b>L</b>
<b>Contingencies</b>	<b>M</b>
<b>Treasury Management Strategy Statement, Treasury Management Policy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Statement 2016/17</b>	<b>N</b>



## CORPORATE VISION FOR TAMWORTH

“One Tamworth, Perfectly Placed”

*Open for business since the 7<sup>th</sup> Century A.D.*

This Vision for Tamworth underpinned by high level, evidence based priorities that focus upon both Tamworth (the place) and the communities served (the people).

## THEMATIC PRIORITIES, CORPORATE PRIORITIES AND CORPORATE PLAN

SP1: “Living a quality life in Tamworth”

REF	CORPORATE PRIORITY	CORPORATE OBJECTIVE OR PLANNED ACTIONS	INTENDED OUTCOME OR SUCCESS FACTOR	CMT LEAD
LQ001	<b>Support and protect individuals, communities that are or may become vulnerable</b>	<ul style="list-style-type: none"> <li>Adoption of the Tamworth Prevent Strategy</li> </ul>	Successful implementation of the Prevent Strategy evidenced by completed awareness training of Staff, Members and partners	DoA&E
		<ul style="list-style-type: none"> <li>Implement changes to Sheltered Housing Services following withdrawal of supporting people funding</li> </ul>	Housing Management Plus services embedded and outcomes achieved	DoH&H
		<ul style="list-style-type: none"> <li>Develop and deliver Homelessness Prevention services in line with – DCLG gold standard</li> </ul>	Achievement of DCLG Gold Standard	DoH&H
		<ul style="list-style-type: none"> <li>Provision/Development of multi agency Digital Sharepoint</li> </ul>	<ul style="list-style-type: none"> <li>Improve communication, ensure robust and consistent delivery</li> </ul>	DoT&CP

SP1: "Living a quality life in Tamworth"

REF	CORPORATE PRIORITY	CORPORATE OBJECTIVE OR PLANNED ACTIONS	INTENDED OUTCOME OR SUCCESS FACTOR	CMT LEAD
LQ002	Enable residents to improve their health and quality of life	<ul style="list-style-type: none"> <li>Enable access to high quality leisure facilities through our partners</li> </ul>	<p>Ensure mechanisms for the provision of sports related activities are robust and meet the needs of the community</p> <p>Ensure the services/facilities provided match the demand within the indoor/outdoor Sports Strategy</p>	<p>DoA&amp;E</p> <p>DoA&amp;E</p>
		<ul style="list-style-type: none"> <li>Enable the provision of leisure activities targeted at identified sectors of the community</li> <li>Support the provision of health interventions for vulnerable people</li> </ul>	<p>Deliver currently commissioned services and develop proposals for future third sector provision</p>	DoH&H
		<ul style="list-style-type: none"> <li>To secure and develop the scope of Locality Commissioning opportunities and mechanisms with strategic partners</li> </ul>	<p>Development of pooled budgets and integrated systems of working. Explore opportunities for Double Devolution</p> <p>Agreement of shared priorities and objectives with partners</p>	<p>DoH&amp;H</p> <p>DoH&amp;H</p>

**SP1: “Living a quality life in Tamworth”**

REF	CORPORATE PRIORITY	CORPORATE OBJECTIVE OR PLANNED ACTIONS	INTENDED OUTCOME OR SUCCESS FACTOR	CMT LEAD
LQ003	<b>Work together with partners and residents to tackle the causes of inequality in Tamworth</b>	<ul style="list-style-type: none"> <li>Explore options and mechanisms for developing self-help opportunities at a neighbourhood level</li> </ul>	Managed transition from current scale of state support to self-help at a neighbourhood level	DoH&H
		<ul style="list-style-type: none"> <li>Engage collaboratively in the review of VCSE support and Development Models</li> </ul>	Skilled VCSE ‘provider’ organisations forming a local ‘offer’ to the market	CEO
		<ul style="list-style-type: none"> <li>Facilitate review of strategic purpose and processes of the TSP</li> </ul>	Aligned locality based multi-agency collaboration	CEO

**SP1: “Living a quality life in Tamworth”**

REF	CORPORATE PRIORITY	CORPORATE OBJECTIVE OR PLANNED ACTIONS	INTENDED OUTCOME OR SUCCESS FACTOR	CMT LEAD
LQ004	<b>Work together with residents to maintain and improve a safe, clean and green environment</b>	<ul style="list-style-type: none"> <li>Ensure all green spaces and nature reserves are accessible by residents and are maintained to a standard that is conducive for use.</li> <li>Continued commitment to a Community Safety Partnership that is responsive to locality, and reflects the needs of the community and partners</li> </ul>	<p>Continued use of the Wild about Tamworth project to provide support and guidance to both the volunteer groups and the Council</p> <p>Public feedback on how safe the community feels in Tamworth</p>	DoA&E
		<ul style="list-style-type: none"> <li>Review and implement options for Council housing repairs and investment services</li> </ul>	Strategic decisions regarding the future of repairs and investment services and implementation planning complete	DoH&H/ DoA&E
		<ul style="list-style-type: none"> <li>Develop a unified neighbourhood offer</li> </ul>		DoH&H

**SP1: “Living a quality life in Tamworth”**

REF	CORPORATE PRIORITY	CORPORATE OBJECTIVE OR PLANNED ACTIONS	INTENDED OUTCOME OR SUCCESS FACTOR	CMT LEAD
LQ005	<b>Work together to improve housing quality in Tamworth</b>	<ul style="list-style-type: none"> <li>Explore and develop proposals for an asset backed vehicle for the delivery of new housing/deliver of services</li> </ul>	Options understood and decisions regarding the future informed	DoH&H
		<ul style="list-style-type: none"> <li>Develop and deliver a programme of housing development on Council owned sites including exploration of asset backed vehicles to deliver prs</li> </ul>	New Council homes and neighbourhood regeneration	DoH&H
		<ul style="list-style-type: none"> <li>Deliver regeneration at Tinkers Green and Kerria</li> </ul>	New Council homes and Neighbourhood regeneration	DoH&H
		<ul style="list-style-type: none"> <li>Review and update the Council's HRA Business Plan including reviewing the impact of Government policies</li> </ul>	HRA Plan updated to inform strategic investment decisions	DoH&H
		<ul style="list-style-type: none"> <li>Review of Council's Private Sector housing offer</li> </ul>	Review informs strategic investment decision and service development	DoH&H
		<ul style="list-style-type: none"> <li>Complete the review of Healthy Housing Strategy and Action Plan</li> </ul>	Updated strategic approach and Action Plan	DoH&H

**SP2: “Growing Strong in Tamworth”**

REF	CORPORATE PRIORITY	CORPORATE OBJECTIVE OR PLANNED ACTIONS	INTENDED OUTCOME OR SUCCESS FACTOR	CMT LEAD
GS001	<b>Develop and support the local economy, together with local businesses and partners through our regional influence</b>	<ul style="list-style-type: none"> <li>Actively engage in the WMCA work stream for Innovation and Inward Investment</li> <li>Sustain support for GBSLEP Growth Hub</li> </ul>	<p>Fair and equitable access to Inward Investment</p> <p>Proactive stance on managing referrals</p>	DoA&E

SP2: "Growing Strong in Tamworth"

REF	CORPORATE PRIORITY	CORPORATE OBJECTIVE OR PLANNED ACTIONS	INTENDED OUTCOME OR SUCCESS FACTOR	CMT LEAD
GS002	Work with businesses and developers to create a vibrant and sustainable town centre	<ul style="list-style-type: none"> <li>To support local businesses with their submission for B.I.D. status</li> <li>Use our regulatory powers within Licensing, Planning, and Environmental Health to be proactive with support and advice to enable business development</li> <li>The provision of accurate and timely advice, support, guidance and signpost town centre business to relevant information, business support programmes, training and funding opportunities.</li> </ul>	<p>The formation of a Tamworth BID</p> <p>An increase in early intervention with a corresponding reduction in sanction.</p> <p>Increase in businesses staying for longer in the tow centre. Increased footfall and dwell time in the town centre</p>	<p>DoA&amp;E</p> <p>DoA&amp;E</p> <p>DoA&amp;E</p>
		<ul style="list-style-type: none"> <li>Collection of the levy arising from the planned Business Improvement District</li> </ul>	<p>Maximise the collection level for investment in local infrastructure</p>	<p>DoF</p>

SP2: "Growing Strong in Tamworth"

REF	CORPORATE PRIORITY	CORPORATE OBJECTIVE OR PLANNED ACTIONS	INTENDED OUTCOME OR SUCCESS FACTOR	CMT LEAD
GS003a	Work together to strengthen the relationships between schools/FE & HE/Employers	<ul style="list-style-type: none"> <li>Actively engage with the GBSLEP &amp; SSoTLEP in their respective programmes targeting young people</li> <li>Engage as appropriate in Area Review processes</li> </ul>	<p>Increased opportunities for young people in job market</p> <p>Skilled &amp; Employment ready workforce</p>	<p>DoA&amp;E</p> <p>HoPR</p>
GS003b	Champion higher skilled and better paid jobs in Tamworth	<ul style="list-style-type: none"> <li>Actively engage in and influence key strategic work streams namely: WMCA Skills &amp; Productivity Commission &amp; SSoTLEP Employment &amp; Skills work streams</li> </ul>	<p>Economic growth through prosperity</p> <p>Impact upon causes of deprivation and reduced reliance on State support</p>	<p>DoA&amp;E</p> <p>HoPR</p>
GS003	Use our regional influence to support an environment where business and enterprise can flourish and grow	<ul style="list-style-type: none"> <li>Working with GBSLEP Finance Directors to maximise retention of business rates to improve the economy and infrastructure of the region</li> <li>Working with GBSLEP Legal Directors to ensure Scrutiny and governance compliance</li> </ul>	<p>Maximise collection of business rates within the GBS rate retention pool</p> <p>Use of insight data to identify additional business rate collection opportunities in order to maximise local business rate collection levels</p> <p>Probity of decision making</p> <p>Robust scrutiny of proposals and decisions</p>	<p>EDCS</p> <p>StC&amp;MO</p>
		<ul style="list-style-type: none"> <li>Engage as necessary in order to benefit from Non-Constituent Membership of WMCA</li> <li>Maintain ongoing commitment to GBSLEP via Board and Executive membership</li> <li>Maintain ongoing commitment to SSoTLEP and countywide collaborations</li> </ul>	<p>Seek opportunities to enhance key growth, skills regeneration outcomes</p> <p>Influence major decisions that impact upon economic growth</p> <p>Further enhance growth opportunities</p>	

**SP2: "Growing Strong in Tamworth"**

REF	CORPORATE PRIORITY	CORPORATE OBJECTIVE OR PLANNED ACTIONS	INTENDED OUTCOME OR SUCCESS FACTOR	CMT LEAD
GS004	<b>Work together to strengthen the connections between schools/FE &amp; HE/Employment to create opportunities for higher skilled and better paid jobs</b>	<ul style="list-style-type: none"> <li>Engage in the WMCA and SSoTLEP Skills and Productivity work streams</li> </ul>	Improved links between main education providers and businesses	CEO

**SP2: "Growing Strong in Tamworth"**

REF	CORPORATE PRIORITY	CORPORATE OBJECTIVE OR PLANNED ACTIONS	INTENDED OUTCOME OR SUCCESS FACTOR	CMT LEAD
GS005	<b>Adopt a commercial approach to managing Council assets in order to enhance the viability of the Borough Council</b>	<ul style="list-style-type: none"> <li>To commission a review of the Town Centre Master plan</li> <li>To facilitate progress by developers/landowners of sites identified in the local plan for housing and / or commercial activity</li> <li>To facilitate progress by developers/landowners of the regeneration of the Gungate Site</li> </ul>	<p>Refreshed masterplan giving a focused view</p> <p>Additional homes and floor space</p> <p>Robust and Proactive approach to facilitating development of land</p>	<p>DoA&amp;E</p> <p>DoA&amp;E</p> <p>CEO/ DoA&amp;E/ DoH&amp;H</p>

**SP2: "Growing Strong in Tamworth"**

REF	CORPORATE PRIORITY	CORPORATE OBJECTIVE OR PLANNED ACTIONS	INTENDED OUTCOME OR SUCCESS FACTOR	CMT LEAD
GS006	<b>Work together to preserve and promote Tamworth's heritage, leisure and natural environment</b>	<ul style="list-style-type: none"> <li>Explore opportunities that will ensure all Council investment assets produce a revenue stream to support corporate priorities</li> </ul>	The production of a planned sustainable income stream based upon investment assets	DoA&E
		<ul style="list-style-type: none"> <li>To ensure consideration of commercial opportunities in business decision making</li> </ul>	<p>A risk/reward based return on investment requirement within planned projects</p> <p>Producing options appraisals, business cases and review opportunities for setting up Local Authority Trading Companies as well as other business models for service to maximise return on Council assets and increase economic benefit for the Council</p> <p>Increase income through adopted commercial approach</p>	EDCS

**SP2: "Growing Strong in Tamworth"**

REF	CORPORATE PRIORITY	CORPORATE OBJECTIVE OR PLANNED ACTIONS	INTENDED OUTCOME OR SUCCESS FACTOR	CMT LEAD
GS007	<b>Work together to preserve our culture; preserve our heritage and sustain our natural environment</b>	<ul style="list-style-type: none"> <li>To project manage the delivery of the Creative Quarter regeneration</li> </ul>	Project completed on time and within budget	DoA&E



SP3: "Delivering quality services in Tamworth"

REF	CORPORATE PRIORITY	CORPORATE OBJECTIVE OR PLANNED ACTIONS	INTENDED OUTCOME OR SUCCESS FACTOR	CMT LEAD
DQ001	Provide accurate information via a fully integrated Customer Services Centre	<ul style="list-style-type: none"> <li>• Undertake fundamental review of customer services functions across every service</li> <li>• Remodel service functions, standards and systems having regard for:                             <ul style="list-style-type: none"> <li>○ Demand Management</li> <li>○ Current inconsistencies of service delivery/ standards</li> <li>○ Customer feedback/ demand</li> <li>○ Digital &amp; Technology</li> <li>○ Efficiency &amp; Added Value</li> </ul> </li> <li>• Co-design Customer Service standards with user groups</li> </ul>	<p>Enhanced, consistent and accessible customer services</p> <p>Improved customer experience and satisfaction ratings</p> <p>Increased efficiency and capacity</p> <p>Reduced demand and waste</p> <p>Agreed, measureable standards</p> <p>Availability of data and customer insight to aid future planning</p> <p>Streamlined, efficient corporate services</p>	ALL
		<ul style="list-style-type: none"> <li>• To provide support for the integrated Customer Services Centre</li> <li>• Full and robust implementation of Corporate Change Programme</li> </ul>	<ul style="list-style-type: none"> <li>• To enable first time resolution and reduction in waste</li> <li>• Promotion of digital channels to reduce demand</li> <li>• Technical support from back office including appropriately trained staff</li> <li>• Provision of digital data and information, enablement of automation and self service, consistent and robust service provision</li> </ul>	

SP3: "Delivering quality services in Tamworth"

REF	CORPORATE PRIORITY	CORPORATE OBJECTIVE OR PLANNED ACTIONS	INTENDED OUTCOME OR SUCCESS FACTOR	CMT LEAD
DQ002	Work with customers to improve their access to council services	<ul style="list-style-type: none"> <li>Seek customer feedback consistently across all service areas</li> <li>Explore and develop new channels of access</li> <li>Deliver services that are digital by default</li> </ul>	<p>24/7 access for a full range of council services</p> <p>New technology exploited</p> <p>Improved efficiency of access channels</p> <p>Improved customer satisfaction with access to Council Services</p> <p>Increased number of services available on line</p> <p>Cost of delivery/transaction costs reduced</p>	ALL

SP3: "Delivering quality services in Tamworth"

REF	CORPORATE PRIORITY	CORPORATE OBJECTIVE OR PLANNED ACTIONS	INTENDED OUTCOME OR SUCCESS FACTOR	CMT LEAD
DQ003	Enable and support Tamworth residents and businesses using our statutory and regulatory powers	<ul style="list-style-type: none"> <li>Implementation of the Crime and Police Act 2014</li> <li>Delivery of a Community Safety Partnership that is responsive to locality, and reflects the needs of the community and partners</li> </ul>	<p>Appropriate use of the new legislation to ensure public concerns over ASB are dealt with swiftly</p> <p>Positive public feedback on how safe the community feels in Tamworth.</p>	DoA&E  DoA&E
		<ul style="list-style-type: none"> <li>Proactive Business Continuity information sharing with businesses</li> </ul>	Enablement of a full business and community response in the event of an incident	DoT&CP

SP3: "Delivering quality services in Tamworth"

REF	CORPORATE PRIORITY	CORPORATE OBJECTIVE OR PLANNED ACTIONS	INTENDED OUTCOME OR SUCCESS FACTOR	CMT LEAD
DQ004	Enabling greater public engagement in local decision making	<ul style="list-style-type: none"> <li>• Explore new methods of ways in which the community can engage with the delivery of council services using data and intelligence</li> <li>• Continue to develop democratic community leadership</li> <li>• local ownership and delivery of services measured by percentage of local public assets &amp; facilities run by Voluntary Bodies, SMEs, etc</li> </ul>	<p>Services shaped by users</p> <p>Inspirational informed community leaders</p> <p>Increased number of people who feel they can influence decisions in their locality</p> <p>Increase customer capability/capacity to self-manage</p>	
		<ul style="list-style-type: none"> <li>• Budget Consultation</li> <li>• Local Council Tax Reduction Scheme consultation</li> <li>• State of Tamworth Debate</li> <li>• Registration of Electors/Individual Elector Registration/Elections</li> <li>• Council, Cabinet, Planning Committee</li> </ul>	<p>Carry out annual consultation process to inform local priorities for the MTFS</p> <p>Consultation on scheme proposals needed to balance cost of scheme to council taxpayers against needs of the vulnerable</p> <p>Encourage through media sources public involvement in the democratic process to add and facilitate the shape of Tamworth the place</p> <p>Provision of information to citizens through digital channels</p>	<p>DoT&amp;CP/ DoF</p> <p>DoTCP/ EDCS</p>

**SP3: “Delivering quality services in Tamworth”**

REF	CORPORATE PRIORITY	CORPORATE OBJECTIVE OR PLANNED ACTIONS	INTENDED OUTCOME OR SUCCESS FACTOR	CMT LEAD
DQ005	Demonstrate value for money	<ul style="list-style-type: none"> <li>• Review, remodel and realign services and resources by aligning them to our vision, purpose and priorities</li> <li>• Implement organisational transformation to ensure the Councils workforce is equipped and positioned for change</li> <li>• Challenge statutory need and reduce demand for services</li> <li>• Deliver a training plan that focuses on behaviours, culture and leadership</li> </ul>	<p>Unified back office functions</p> <p>Services aligned to customer needs</p> <p>Creation of an environment that enables people to be the best they can be</p> <p>Reviewed senior management structure to ensure positive, transformational and courageous leadership</p> <p>Delivery of facilitated leadership development programme to create consistent leadership culture</p> <p>Organisation fit for 21<sup>st</sup> Century</p>	

REF	CORPORATE PRIORITY	CORPORATE OBJECTIVE OR PLANNED ACTIONS	INTENDED OUTCOME OR SUCCESS FACTOR	CMT LEAD
		<ul style="list-style-type: none"> <li>• Proper Governance advice for officers and Members</li>   <li>• Business case approach to investment decisions</li>   <li>• To provide appropriate professional support</li>   <li>• Consideration of commercial opportunities in business decision making</li> </ul>	<ul style="list-style-type: none"> <li>• Development of e-learning modules to enhance governance awareness</li>   <li>• A risk/reward based return on investment requirement with planned projects</li>   <li>• Provision of financial, legal, ICT and procurement support for the decision making process</li>   <li>• Producing options appraisals, businesses cases and review opportunities for setting up local Authority Trading Companies as well as other business models for service to maximise return on Council assets and increase economic benefit for the Council</li> </ul>	<p>EDCS</p> <p>DoF</p> <p>DoF/ StC&amp;MO DTCP</p> <p>EDCS/ DoF</p>

## **Support Service Plan**

- **Effective financial planning**

Ensure that available financial resources are targeted at delivering the Council's corporate objectives by supporting the development of a business case approach

Support the exploration of alternative delivery vehicles for business development

Provide strategic, technical and other advice and support to help deliver corporate projects and business objectives

Provide risk based governance and management

Develop a stronger focus on measuring cost and performance of all activities

Ensure efficiency targets are built into all Council contracts

- **Deliver an organisational development strategy**

Equip its employees with skills required in a 21<sup>st</sup> century business

Support the delivery of transformational change

Explore technological solutions to support business development

- **Develop exceptional customer service**

Support increased customer access and self service ensuring services are developed and digital by default

Develop a corporate knowledge hub that uses customer insight to shape service delivery

- **Support business delivery units**

Support a project management approach to all corporate projects

- **Robust exploitation of technology and competence**

Raise competence and skill sets of staff, elected members and partners to fully utilise and exploit technology

Ensure inclusive access to technology for all

- **Significantly expand our response to the provision of digital data**

Develop a digital approach that seeks to go beyond the basic requirement of data publishing legislation i.e. Transparency Agenda

- **Robust provision of programme and project management support**

- **Consolidation of corporate applications**

Demand manage applications to support corporate and front end processes

Work with partners to assess validity of shared systems

- **Implement technical self service**

Demand manage the requirement for technical support / resource within the organisation to support agile working

Ensure relevant skill sets to respond to self service, both technical and customer based

**Detailed Considerations****Introduction**

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 2016/17 and provisional proposals for the following years.

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 2015/16 budget to arrive at the starting point for 2016/17. The report deals in turn with each of the key elements and towards the end of each section is a summary table. Each of these tables is brought together in the summary and conclusions section at the end of the report.

The Council's MTFFS used as the basis for the 2016/17 budget, aimed both to deal with a challenging financial position and to find resources to address the Council's corporate priorities. The approved package was based upon:

- The need to compensate for reduced income levels arising from the unprecedented economic / world events which have led to the economic downturn / recession;
- Injecting additional resources into corporate priorities;
- Increasing income from council tax and fees and charges;
- Making other savings and efficiencies.

**Financial Background**

The medium term financial planning process is being challenged by the uncertain economic conditions. There are a number of challenges affecting the Medium Term Financial Planning process for the period from 2015/16 which add a high level of uncertainty to budget projections.

- a) Potential changes to future New Homes bonus levels following receipt, in late December 2015, of a Government consultation paper on changes to the scheme. No effect of this has been included at this stage – the impact of the potential options have been modelled and could potentially adversely affect the MTFFS by up to £0.2m (excluding the further option to restrict the scheme payments to 2 or 3 years);
- b) Finalisation of Revenue Support Grant levels for future years following the Chancellor's Summer Budget in July 2015 (which indicated further £18bn cuts to Public Service spending by 2019/20) and the outcome from the Comprehensive Spending Review published on 25<sup>th</sup> November 2015. Provisional figures were received in December 2015 and included within the projections within this report;
- c) The impact of Business Rate Reform from 1<sup>st</sup> April 2013 and the associated forecast business rates receivable in 2015/16 and future years – of which the Council's budget will receive 40% (subject to 20% levy reduction on 'excess' rates payable to the Greater Birmingham & Solihull Local Enterprise Partnership (GBSLEP) after deduction of the 50% central share, 9% County Council and 1% Fire & Rescue Authority share). Uncertainty remains over the planned revaluation in 2017 and recent Government consultation regarding proposals for Councils to keep 100% of the business rates collected by 2020;



- d) The calculation of the level of business rate appeal costs – of which the Council has to fund 40% from its own budgets – a provision of £3.8m was set aside in 2014/15 (40% of which relates to the Council);
- e) Future Pension contribution levels - following the triennial review carried out by the Actuaries employed by the Pension Fund - indicative *ongoing* annual increases in Employer's contributions of c.2% p.a. for the next 3 years have been included. This now includes an ongoing lump sum (with an annual increase) relating to past liabilities and a set rate for future employer contributions of 16.5% p.a.
- f) The impact of Pension Auto-Enrolment and the single tier pension from 2016/17 – no additional cost associated with auto enrolment has been included as salary budgets are prepared on a full cost basis (and then reduced by the 5% vacancy allowance);

An increase in Employer's National Insurance contributions of 3.4% p.a. has been included from 2016/17 when the single-tier pension starts as the State Second Pension scheme will close and contracting out will end;

- g) While the Government announced a pay cap for 2014/15 & 2015/16, a 2.2% increase (plus other changes) was agreed from 1<sup>st</sup> January 2015. As part of the Summer Budget announcements, a 1% pay cap for public sector workers for the next 4 years has been set. In addition, from April 2016, a new compulsory National Living Wage for the over 25s will be introduced to replace the National Minimum Wage, currently set at £6.50 per hour.

The National Living Wage will be set at £7.20 when it comes into effect in April 2016. It will then rise over the next four years to £9.00 per hour in 2020;

- h) Proposed changes set out in the Welfare Reform Act 2012 and the introduction of Universal Credit – impact on housing benefits staffing (as a result of the transfer of Universal Credit to the Department for Work & Pensions), the Housing Benefit administration grant and associated income receipts of the council (including Housing Rents and Council Tax);
- i) The impact of any further uncertainty over future interest rate levels and their impact on investment income / treasury management;
- j) Due to uncertainties around the Better Care Fund, a significant risk on the current grant funding for Disabled Facilities Grants (DFG) is highlighted after 2015/16 as passporting of the grant was guaranteed for 1 year. A grant of £224k p.a. has been assumed to be redistributed – in line with the funding notified for 2015/16;
- k) The effect of the reduction in Social Housing Rents announced in the Summer Budget 2015 – rents are to be reduced by 1% a year for four years from 2016/17, requiring local authorities and housing associations to make savings, and this will mean a reduction in HRA rent income of c.£600k p.a. each year for 4 years (cumulative) due to the 1% reduction and as the planned inflationary increases of c.3% p.a. will also not be made;

- l) The impact that Social Tenants with household incomes of at least £40k in London and at least £30k elsewhere, will have to pay a market or near market rent. Local Authorities will have to repay the rent subsidy that they recover from high income tenants to the Exchequer;
- m) Any impact from the sale of high value council housing scheme;
- n) Finalisation of the expected outcomes and impact on the Council's financial position from the programme of short-term and medium-term workstream reviews commissioned by Cabinet in August 2013 as part of the 'Planning for a Sustainable Future' overarching strategy to identify measures to help the Council cope with grant & income reductions in the coming years - potential savings arising from the Sustainability Plan workstreams have been included;
- o) Review and finalisation of the revised budgets/policy changes and feedback from the scrutiny process – including the Council Tax increase for 2016/17 following confirmation of the referendum threshold.

In light of these uncertainties and issues arising from the sensitivity analysis (attached at **Appendix L**), it is felt prudent to include within the budget a number of specific contingency budgets (aligned to the specific uncertainties, where appropriate) to ensure some stability in the financial planning process (as detailed at **Appendix M**).

Following review of the sensitivity of the factors within the forecasts, pay award & inflation, interest rate movements together with changes in Government Grant support could all significantly affect the forecast as follows:

Effect of x% movement:	% + / -	Impact over 1 year +/- £'000	Impact over 3 years +/- £'000	Impact over 5 years + / - £'000	Risk
Pay Award / National Insurance (GF)	0.5%	43	262	661	M/H
Pension Costs	0.5%	0	174	582	M/H
Council Tax	0.5%	33	154	244	L/M
Inflation / CPI	0.5%	46	283	723	M/H
Government Grant	1.0%	39	210	466	M/H
Investment Interest	0.5%	145	971	2552	H
Key Income Streams	0.5%	6	38	103	L
New Homes Bonus	10%	65	385	947	H
Business Rates	0.5%	67	402	1003	H

## GENERAL FUND

### Future Revenue Support Grant & Business Rate income

On 17 December 2015, the Secretary of State for the Department for Communities and Local Government, Greg Clark MP, made a statement to Parliament on the provisional local government finance settlement 2016/17. The final Local Government Finance Settlement figures were confirmed on 9<sup>th</sup> February 2016 following an announcement in Parliament on 8<sup>th</sup> February – with no change from those provisionally released in December 2015.

In total, over the 4 year period, overall funding should be c.£269k better than expected in 2016/17 (£1.2m over 4 years).

RSG is c.£255k better in 2016/17 at £1.21m (£954m within the current forecast) - £835k over 4 years. It represents a 24.8% reduction in RSG.

The revised Business Rates forecast will mean additional income of £14k for 2016/17 (£327k over the 4 years to 2019/20).

The Government has also offered any council that wishes to take it up, a four-year funding settlement to 2019-20. It is recommended that the Council accept this offer - as part of the move to a more self-sufficient local government, these multi-year settlements can provide a degree of funding certainty and stability.

The Government has made a clear commitment to provide central funding allocations for each year of the Spending Review period, should councils choose to accept the offer - and if they have published an efficiency plan. In determining allocations for future years, the Government has assumed that it will continue to use the same methodology.

For the period 2015/16 to 2019/20, there is a reduction to the England Settlement Funding Assessment (SFA) of 31.8% (based on the adjusted 2015/16 figure), as per the table below.

	<b>2015-16 adjusted</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
	£m	£m	£m	£m	£m
SFA	21,250	18,601	16,622	15,536	14,500
Change %		(12.5)%	(10.6)%	(6.5)%	(6.7)%
Cumulative change %		(12.5)%	(21.8)%	(26.9)%	(31.8)%

In addition to SFA funding, starting in 2017/18, there will be additional funding through the “Improved Better Care Fund”. By 2019/20, this will be worth £1.5bn per annum. This funding will go to authorities with Social Care responsibilities to complement the new 2% Social Care Council Tax precept, which was previously announced in Spending Review 2015. This funding will take into account the amount that each authority can raise locally through a 2% increase in Council Tax.

Rather than all local authorities receiving the same percentage reduction in Revenue Support Grant (RSG) funding, **the government now propose to take into account the amount that can be raised locally from Council Tax, thereby increasing the reduction in RSG funding for higher taxbase authorities (in terms of the ratio of taxbase income to SFA) and lowering the reduction for lower than average taxbase authorities.**

The government has also altered the split of funding between tiers of government, which would appear to favour upper tier services and lead to higher funding reductions for district councils.

The provisional figures are expected to be confirmed in late January/early February 2016 (within the final settlement announcement).

The 2016/17 announcement includes local authority allocations for 4 years up to 2019/20 – with a caveat from the Government that in order to accept the offer of the 4 year certainty, evidence of value for money in order to achieve efficiencies has to be provided.

A new methodology for determining authorities' RSG allocations has been proposed within the provisional settlement. Rather than applying the same percentage cut to all authorities, **the new approach takes into account individual authorities' council tax raising ability and the type of services provided.** This would appear to favour upper tier authorities, with significantly larger funding reductions for district councils.

The methodology adds together authorities' SFA amount and their forecast council tax income for 2016/17 (based on individual authorities' actual council tax levels), before applying a percentage reduction. **This approach means that authorities with a lower than average council taxbase like Tamworth (relative to their SFA amount) have a lower reduction in grant (and those with a higher taxbase have a higher reduction in grant).**

The methodology therefore aims to take into account the amount that an authority can raise locally/the impact on overall funding of RSG reductions. It is a similar approach to the Resources block, with the previous four-block model (last used to set the Baseline Need amounts in 2013/14). **By using actual council tax levels, rather than an assumed level, this approach also favours authorities with below average Council Tax, and disadvantages those with above average Council Tax levels.**

**Due to this approach reducing some authorities' RSG to zero before 2019/20, it appears that the government plans to reduce top up/increase tariff amounts for these authorities, in order that the overall change in funding is consistent across all authorities.**

Given the current economic climate and further anticipated reductions in Central Government Grant support together with the uncertainty around the impact of the Business Rate Retention scheme, detailed modelling has been carried out in order to prepare estimated Business Rates income levels.

For future years, in light of indications of further grant reductions, it had been assumed that there will be a reduction in Revenue Support Grant as detailed below.

<b>BASE BUDGET</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Budgeted Funding:</b>				
Revenue Support Grant	954,322	541,893	251,444	75,714
% RSG Reduction	(41)%	(43)%	(54)%	(70)%
<b>Provisional Settlement Funding (December 2015):</b>				
All District Councils	265,151,084	133,211,054	52,202,688	(38,287,152)
% RSG Reduction	(37)%	(50)%	(61)%	
Tamworth Borough Council	1,209,603	770,996	493,964	184,529
% RSG Reduction	(25)%	(36)%	(36)%	(63)%
<b>Impact of change in methodology</b>				
<b>Total</b>	<b>255,281</b>	<b>229,103</b>	<b>242,520</b>	<b>108,815</b>
				<b>835,720</b>

As identified above, the reduction experienced by the Council is lower than expected / budgeted. RSG is c.£255k better in 2016/17 at £1.21m (£954m within the current forecast) - £835k over 4 years. It represents a 24.8% reduction in RSG.

However, it should be noted that the budgeted reduction is highly comparable to the average reduction for all District Councils, highlighted in the table above.

### **Business Rates**

The 2016/17 provisional finance settlement represents the fourth year in which the Business Rates Retention (BRR) scheme is the principal form of local government funding. As in the previous three years, the provisional settlement provides authorities with a combination of provisional grant allocations and their baseline figures within the BRR scheme.

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

The Council received additional business rates during 2013/14 (above forecast / baseline) and had to pay a levy of £386k to the Greater Birmingham & Solihull Local Enterprise Partnership (GBSLEP). No levy was payable for 2014/15 due to the significant increase in appeals during March 2015 – which meant an increase in the provision from £1m to almost £4m. The latest estimates indicate additional business rates receivable above the baseline in 2015/16 – of which the Council will receive 40% less the Government set tariff payment of c.£11m (and a 20% levy on any surplus over the baseline to the GBSLEP) - after deduction of the 50% Central Share, 9% County & 1% Fire & Rescue Authority shares).

However, the future position is less certain. A robust check & challenge approach has been taken of any increases on the base figure, including a risk assessed collection level.

New Burdens (Section 31) Grant is receivable for additional reliefs given by the Government relating to business rates from 1<sup>st</sup> April 2014 e.g. Small Business Rate Relief – of which 50% of any in excess of the baseline will be payable in levy to the GBSLEP. A prudent approach has been taken in respect of any new burdens funding – and, due to uncertainties & risk, the creation of an associated Business Rates Collection reserve to mitigate fluctuation in income. The forecast Section 31 Grants and levy payments included within the updated budget forecasts are detailed below.

<b>Section 31 Grants / Levy</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>
Section 31 Grant income	(308)	(300)	(308)
Business Rates Levy payment	395	459	160

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

<b>BASELINE</b>	<b>2016/17 £</b>	<b>2017/18 £</b>	<b>2018/19 £</b>	<b>2019/20 £</b>
<b>Budgeted Funding:</b>				
Retained Business Rates	£12,927,984	£13,199,472	£13,489,860	£13,800,127
Less: Tariff payable	(£10,763,060)	(£10,989,084)	(£11,230,844)	(£11,489,153)
Total	2,164,924	2,210,388	2,259,016	2,310,974
% Reduction	2.0%	2.1%	2.2%	2.3%
<b>Provisional Settlement Funding (December 2015):</b>				
Retained Business Rates	12,780,114	13,031,478	13,415,916	13,844,713
Less: Tariff payable	(10,639,952)	(10,849,222)	(11,169,283)	(11,526,273)
Total	2,140,162	2,182,256	2,246,633	2,318,440
% Reduction	0.8%	2.0%	3.0%	3.2%
<b>Increase / (Decrease)</b>	<b>(24,762)</b>	<b>(28,132)</b>	<b>(12,383)</b>	<b>7,466</b>

As identified above, the Business Rates Baseline is £25k lower than expected at £2.14m. However, due to the variable nature of the BRR element of local authority funding, the provisional settlement no longer provides the absolute funding level for authorities. Overall, Government External support (combined RSG/**Baseline** NNDR) is £230k higher than expected in 2016/17 – the overall reduction in Government Support is 10.2% (compared to our assumed reduction of 16.4%). The position over 5 years is better by £786k.

The government's Business Rates Baseline for the authority is only based on an adjusted average income figure, and therefore is not representative of the Business Rates Baseline. The business rates forecast income has now been finalised – the updated budget estimates are detailed below:

<b>BASE BUDGET</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	£	£	£	£
<b>Budgeted Funding:</b>				
Retained Business Rates	13,370,980	13,372,552	13,374,753	13,380,497
Less: Tariff payable	(10,763,060)	(10,989,084)	(11,230,844)	(11,489,153)
<b>Total</b>	<b>2,607,920</b>	<b>2,383,468</b>	<b>2,143,909</b>	<b>1,891,344</b>
<b>% Reduction</b>	<b>(1)%</b>	<b>(9)%</b>	<b>(10)%</b>	<b>(12)%</b>
<b>Provisional Funding (Updated January 2016):</b>				
Retained Business Rates	13,262,270	13,648,160	13,426,704	13,201,418
Less: Tariff payable	(10,639,952)	(10,849,222)	(11,169,283)	(11,526,273)
<b>Total</b>	<b>2,622,318</b>	<b>2,798,938</b>	<b>2,257,421</b>	<b>1,675,145</b>
<b>% Increase / (Decrease)</b>	<b>-</b>	<b>7%</b>	<b>-19%</b>	<b>-26%</b>
<b>Increase / (Decrease) Total</b>	<b>14,398</b>	<b>415,470</b>	<b>113,512</b>	<b>(216,199)</b>
				<b>327,181</b>

As identified above, the Business Rates tariff payment is lower than budgeted for in 2016/17 by £123k (£287k over 4 years). The revised Business Rates forecast will mean additional income of £327k over the 4 years to 2019/20.

Based on this Government financial support will reduce over the period as shown in the table below.

<b>BASE BUDGET</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	£	£	£	£
<b>Budgeted Funding:</b>				
Revenue Support Grant	954,322	541,893	251,444	75,714
Retained Business Rates	13,370,980	13,372,552	13,374,753	13,380,497
Less: Tariff payable	(10,763,060)	(10,989,084)	(11,230,844)	(11,489,153)
<b>Total</b>	<b>3,562,242</b>	<b>2,925,361</b>	<b>2,395,353</b>	<b>1,967,058</b>
<b>% Reduction</b>	<b>(16)%</b>	<b>(18)%</b>	<b>(18)%</b>	<b>(18)%</b>
<b>Provisional Funding (Updated January 2016):</b>				
Revenue Support Grant	1,209,603	770,996	493,964	184,529
Retained Business Rates	13,262,270	13,648,160	13,426,704	13,201,418
Less: Tariff payable	(10,639,952)	(10,849,222)	(11,169,283)	(11,526,273)
<b>Total</b>	<b>3,831,921</b>	<b>3,569,934</b>	<b>2,751,385</b>	<b>1,859,674</b>
<b>% Reduction</b>	<b>(10)%</b>	<b>(7)%</b>	<b>(23)%</b>	<b>(32)%</b>
<b>Increase / (Decrease)</b>	<b>269,679</b>	<b>644,573</b>	<b>356,032</b>	<b>(107,384)</b>

The table shows that overall funding should be c.£269.68k better than expected in 2016/17 (£1.2m over 4 years).

No provision for a levy redistribution from the GBSLEP has been included.

There are still significant uncertainties relating to future years Business Rates income - specifically the treatment of:

- The estimated level of refunds of Business Rates following the Appeal process; and
- Provision 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.

The NNDR1 forecast approved by Cabinet on 14<sup>th</sup> January 2016 has now been finalised including amendments to reflect changes arising from the submission of an application for mandatory reliefs by NHS Trusts.

### **New Homes Bonus**

When the base budget was prepared, it had been assumed that the New Homes Bonus scheme will continue with such funding included using a risk based approach.

The New Homes Bonus top-slice from RSG for 2016/17 is £1,275m. The 2016/17 forecast allocation of New Homes Bonus is £1,485m (£1,461m in allocations and £24m in returned funding). DCLG support for the scheme has fallen from £250m in 2015/16 to £210m in 2016/17.

At present, it appears that there are no changes to the scheme planned before 2017/18, with in-year allocations increasing to £1,485m in 2016/17, £1,493m in 2017/18 and then a reduction to £938m in 2018/19 and to £900m by 2019/20. The amounts for 2016/17 and 2017/18 would be consistent with authorities receiving allocations as per the current system. For example, the forecast allocation for Tamworth BC (below) shows a pattern consistent with the national allocations, with a reduction to the scheme value from 2018/19 onwards.

- 2015/16 (current)           £0.56m
- 2016/17                       £0.66m
- 2017/18                       £0.66m
- 2018/19                       £0.41m
- 2019/20                       £0.40m



The following modelling on the consultation proposals has been undertaken and indicates a potential loss of grant funding of £0.2m over 3 years should the Government implement all aspects of the consultation proposals:

	2016/17	2017/18	2018/19
	£'000	£'000	£'000
<b>Reduction in scheme payments from 6 to 5 Years from 2017/18:</b>			
Revised Forecast	651	601	697
(Increase) / Decrease in grant	(2)	40	(78)
(Increase) / Decrease over 3 years			(40)
<b>Reduction in scheme payments from 6 to 4 Years from 2017/18:</b>			
Revised Forecast	651	493	697
(Increase) / Decrease in grant	(2)	149	(78)
(Increase) / Decrease over 3 years			69
<b>As above plus a 'Deadweight' allowance of 0.25% of Taxbase:</b>			
Budgeted	651	445	602
(Increase) / Decrease in grant	(2)	197	17
(Increase) / Decrease over 3 years			211

This excludes the further option to restrict scheme payments to 2 or 3 years.

## Technical Adjustments

Revisions have been made to the 2015/16 base budget in order to produce an adjusted base for 2016/17 and forecast base for 2017/18 onwards. These changes, known as technical adjustments have been 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;
- a 'Zero base budgeting' review of income levels.

They are summarised in **Appendix F1** and the main assumptions made during this exercise are shown in **Appendix K**.

They have been separated from the policy changes, as they have already been approved or are largely beyond the control of the Council, and are summarised below:

<b>Technical Adjustments</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>
Base Budget B/Fwd	8,464	8,032	8,085
Committee Decisions	(402)	298	(540)
Inflation	15	35	32
Other	(427)	(391)	(317)
Pay Adjustments (Including pay award / reduction of 5% for vacancy allowance)	319	111	88
Revised charges for non-general fund activities	63	-	-
<b>Total / Revised Base Budget</b>	<b>8,032</b>	<b>8,085</b>	<b>7,348</b>

\* ( ) denotes saving in base budget

## Policy Changes

The policy changes provisionally agreed by Council in February 2015 have been included within the technical adjustments for 2016/17 onwards. **A list of the proposed new policy changes for 2016/17 is attached at Appendix C and summarised below:**

<b>Policy Changes Identified</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>
Contingency budget to allow for 'in year' decisions to be made by Cabinet & to provide for any potential further reductions in income as a result of the financial climate	100	-	-
Contributions to / from Transformation reserve	-	(360)	300
West Midlands Combined Authority (WMCA) - contribution towards set up costs	25	-	-
Business Rates Levy payment	(22)	168	3
Business Rates Section 31 Grant Income	82	108	119
Cultural Quarter - Potential Prudential Borrowing Financing Costs	-	86	86
Funding for a project officer (for 3 years) that would be dedicated to managing the projects for growth	44	44	45
Costs of Cultural Quarter Project no longer considered as Capital	124	-	-
HLF Funding for cost of Cultural Quarter no longer considered Capital	(124)	-	-
Agile Working Project - Deferral of receipt of projected income for Marmion House / Loss of income	143	143	143
Replacement of the aging operational fleet of Council vehicles. These vehicles cover operational areas within Streetscene, Cemeteries, Arboricultural Services and Housing Caretakers	30	30	30
Waste Management Contingency	50	50	50
<b>Total New Items / Amendments</b>	<b>452</b>	<b>269</b>	<b>776</b>

## **Capping / Local Referendum**

In the past, the Government had the power under the Local Government Act 1999 to require councils to set a lower budget requirement if it considered the budget requirement and council tax had gone up by too much. The Localism Act 2011 abolished the capping regime but introduced new requirements on a Council to hold a local referendum if it increases its council tax by an amount exceeding principles determined by the Secretary of State and agreed by the House of Commons.

The principles for 2016/17 are that authorities will be required to seek the approval of their local electorate in a referendum if, compared with 2015/16, they set council tax increases that are equal to or exceed 2.0% or £5.

The Government have indicated in previous years that it would offer limited grant support for the previous 4 year Comprehensive Spending Review (CSR) period should the Council freeze Council tax levels. It does not appear that a similar scheme will operate for 2016/17 or future years should the Council freeze the council tax level.

Should Council Tax be frozen at the 2015/16 level for 2016/17 then this would reduce income by c.£66k p.a. – c.£340k over the 5 year period.

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. The indications are that a potential threshold will be 2.0% in future years (subject to confirmation by Ministers) - the impact of a c.1.99% p.a. (with a c.1.99% increase in 2016/17) is outlined below.

## **Council Tax**

Last year's medium term financial plan identified ongoing increases of c.1.99% per annum from 2016/17.

Each £1 increase in the band D Council Tax would raise approximately £21k per annum. For each 1% increase in Council Tax, the Council will receive c. £33k additional income per annum.

The Council's provision for collection losses for 2016/17 has been approved at 2.1% (the same level as 2015/16). In order to meet the on-going expenditure requirements the Council will have to increase the underlying income base.

The Band D Council Tax would increase to £161.75 for 2016/18 (£158.60 - 2015/16).

Future levels of Council Tax and the projected impact on the General Fund revenue account forecast would be as follows:

Year:	2016/17	2017/18	2018/19
Forecast:	£'000	£'000	£'000
Surplus (-) /Deficit	1,725	1,271	1,726
<b>Balances Remaining (-) / Overdrawn</b>	<b>(3,605)</b>	<b>(2,334)</b>	<b>(608)</b>
£ Increase	3.15	3.20	3.25
% Increase	1.99%	1.98%	1.97%
Note: Resulting Band D Council Tax	161.75	164.95	168.20

which indicates potential balances of £0.6m (compared to the minimum approved level of £0.5m) is forecast as remaining over the 3 year period. As current capping guidance indicates a 'capping' threshold of 2.0%, this is considered a low risk option.

Also available to the Council to support expenditure otherwise funded from Council Tax are surpluses arising from the Council's share of surpluses (or deficits) within the Council Tax and Business Rates elements of the Collection Fund.

It is proposed that surpluses / deficits be used (and that the relevant sums be made available to the other precepting authorities – the County Council, Fire & Rescue and Office of the Police & Crime Commissioner (OPCC). It is estimated that there will be a surplus of £0.75m for Council Tax and a deficit of £1.4m for Business Rates.

Year:	2016/17	2017/18	2018/19
<b>Council Tax</b>	£'000	£'000	£'000
Council Tax Income	(3,381)	(3,490)	(3,623)
Collection Fund Surplus (Council Tax)	(82)	-	-
Collection Fund Deficit (Business Rates)	560	-	-

The County Council, OPCC and Fire & Rescue Authority are due to finalise their budgets for 2016/17 during February 2016. The impact of the Borough Council tax proposals is shown for each Council Tax Band in **Appendix H**.

### Balances

At the Council meeting on 29<sup>th</sup> February 2000 Members approved a minimum working level of balances of £0.5m. At 31<sup>st</sup> March 2016 General Fund Revenue Balances are estimated to be £5.33m, compared with £3.685m anticipated a year ago.

The minimum level of balances for planning purposes will remain at £0.5m.

## Summary and Conclusions

These budget proposals reflect the need to compensate for reduced income levels arising from the economic downturn / recession and significant reductions in Government funding, 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.

In addition, there remains a degree of uncertainty in a number of areas including the impact of the changes to council tax support and other welfare reforms on council tax and rent income, future local authority pay settlements, the potential for interest rate changes, the future local government finance settlements and the level of future business rates income.

A summary of all the budget proposals is shown in the table below. The summary Revenue Budget for 2016/17, appears at **Appendix E**. A summary of the resulting budgets over the 3 year period appears at **Appendix G**.

<b>Summary</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>
<b>Estimated Net Cost of Services</b>	<b>8,032</b>	<b>8,085</b>	<b>7,348</b>
Proposed Policy Changes / Additional Costs Identified <b>(Detailed at Appendix C) (Rounded)</b>	<b>452</b>	<b>269</b>	<b>776</b>
Final Recharge & Inflationary Adjustments (after Policy Changes inclusion)	(24)	(23)	(23)
<b>Net Expenditure</b>	<b>8,460</b>	<b>8,331</b>	<b>8,101</b>
<b>Financing:</b>			
RSG	(1,210)	(771)	(494)
Collection Fund Surplus (Council Tax)	(82)	-	-
Collection Fund Deficit (Business Rates)	560	-	-
Tariff Payable	10,640	10,849	11,169
Non Domestic Ratepayers	(13,262)	(13,648)	(13,427)
Council Tax Income	(3,381)	(3,490)	(3,623)
<b>Gross Financing</b>	<b>(6,735)</b>	<b>(7,060)</b>	<b>(6,375)</b>
<b>Surplus(-) / Deficit</b>	<b>1,725</b>	<b>1,271</b>	<b>1,726</b>
<b>Balances Remaining (-) / Overdrawn</b>	<b>(3,605)</b>	<b>(2,334)</b>	<b>(608)</b>
Per Council, 24 <sup>th</sup> February 2015	(2,544)	(505)	-

## HOUSING REVENUE ACCOUNT

### Technical Adjustments

The 2015/16 approved budget has been used as a base to which amendments have been made reflecting the impact of technical adjustments. The impact of the policy led changes, will be added to this figure to produce the HRA budget for 2016/17.

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

Technical Adjustments	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Base Budget	3,072	138	(247)	(360)	(337)
Committee Decisions	(3,283)	(238)	(89)	347	-
Inflation	91	128	132	149	153
Other	197	(322)	(200)	(510)	(103)
Pay Adjustments	94	47	44	37	57
Revised charges for non-general fund activities	(33)	-	-	-	-
Total / Revised Base Budget	138	(247)	(360)	(337)	(230)

Revisions have been made to the 2015/16 base budget in order to produce an adjusted base for 2016/17 and forecast base for 2017/18 onwards. These changes, known as technical adjustments, are largely beyond the control of the Council and have been 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, reduction in grant income and the impact of the HRA determinations which are set annually by Central Government; and
- The 'Zero base budgeting' review of income levels.

and are summarised in **Appendix F2**.

## Proposals

The proposed policy changes for inclusion in the base budget for the next 5 years are detailed at **Appendix C** and are highlighted below:

<b>Policy Changes Identified</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>
Reduction in Social housing rents by 1% a year for four years from 2016/17	638	1317	2039	2759	2808
Introduction of Service Charges from 1 April 2016 including appointment of a Service Charges Officer	(416)	(416)	(416)	(416)	(416)
Reduced Contribution to Regeneration Reserve necessitated by reduced rental income	-	-	-	(2,000)	(2,000)
<b>Total New Items / Amendments</b>	<b>222</b>	<b>901</b>	<b>1,623</b>	<b>343</b>	<b>392</b>

The proposals will mean that balances will remain above the approved minimum level of £0.5m over the 5 year period.

<b>Summary</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>
<b>Estimated Net (Surplus) / Deficit</b>	138	(247)	(360)	(337)	(230)
Proposed Policy Changes / Additional Costs Identified	222	901	1,623	343	392
Final Recharge & Inflationary Adjustments (after Policy Changes inclusion)	22	22	22	22	22
Surplus (-) / Deficit	382	676	1,285	28	184
Balances Remaining (-) / Overdrawn	(2,978)	(2,302)	(1,017)	(989)	(805)

Per Council, 24 <sup>th</sup> February 2015	(1,304)	(1,229)	(1,403)	(1,403)	-
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Indicating a Housing Revenue Account (HRA) balances of £0.8m over the next 5 years (Minimum recommended balances are currently £0.5m).

However this includes contributions to Capital Spend of £4.1m over 3 years (£6.9m over the next 5 years) and the Regeneration Reserve of £4.6m over 3 years (£5.4m over 5 years) - resulting in balances of £2.1m over 3 years (£2.5m over 5 years).



There is still a degree of uncertainty over the future financial position of the HRA arising from:

- Finalisation of the costs (following tender) / income associated with the regeneration / redevelopment schemes – to inform the likely need from the Regeneration reserve;
- The impact of restructuring following Supporting People funding reductions;
- The effect of service charges implementation;
- Results of ongoing structural surveys e.g. High Rise;
- The impact of Welfare Benefit Reform on rent collection levels – limited so far but further measures are to be rolled out (e.g. Universal Credit);
- The effect of the reduction in Social housing rents announced in the Summer Budget 2015 – rents are to be reduced by 1% a year for four years from 2016/17, requiring local authorities and housing associations to make savings and will mean a reduction in HRA rent income of c.£600k p.a. each year for 4 years (cumulative) due to the 1% reduction and as the planned inflationary increases of c.3% p.a. will also not be made;
- The impact that Social tenants with household incomes of at least £40k in London and at least £30k elsewhere, will have to pay a market or near market rent. Local authorities will have to repay the rent subsidy that they recover from high income tenants to the Exchequer;
- Any impact of the sale of high value council housing scheme;
- Future impact of the Government's increased discounts to promote right to buy sales on housing stock numbers and associated income levels – 50 sales p.a. have been assumed in future years. There is also still uncertainty over retained receipt levels (pending further Government guidance) and spending plans.

## **Rent Restructuring**

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

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

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

Housing rents were increased in accordance with the Rent Restructuring Framework for 2014/15. However, from 2015/16, Councils could decide locally at what level to increase rents. Government Guidance suggested an increase of CPI plus 1%, however, the Council agreed to vary this level, and applied the formula CPI plus 1% plus £2 (capped at formula rent) **for 2015/16 only**, to generate additional funding to support increased maintenance costs and the regeneration of key housing areas within the Borough.

However, under Benefit regulations and circulars issued by the DWP, the Rent Rebate Subsidy Limitation scheme penalises the Council should the average rent be above the notified limit rent. The guidance on rent increases stated a CPI + 1% increase which, when applied to the 2014/15 limit rent, gave a limit rent for 2015/16 of £82.56 which when compared to the actual rent for 2015/16 of £81.51 meant no loss of Housing Benefit subsidy grant.

The effect of the reduction in Social Housing Rents announced in the Summer Budget 2015 means that rents are to be reduced by 1% a year for four years from 2016/17 and will mean a reduction in HRA rent income of c.£600k p.a. each year for 4 years (cumulative) due to the 1% reduction and as the planned inflationary increases of c.3% p.a. will also not be made.

## Balances

The forecast level of balances at 31<sup>st</sup> March 2016 is £3.36m. The impact on balances of the adjustments outlined in this report would be as follows:

<b>Balances</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>
Proposed Withdrawal from / Addition to (-) Balances	382	676	1,285	28	184
<b>Balances Remaining (-) / Overdrawn</b>	<b>(2,978)</b>	<b>(2,302)</b>	<b>(1,017)</b>	<b>(989)</b>	<b>(805)</b>

This would mean that closing balances, over the 5 year period, would be over the approved minimum level of £0.5m.

The analysis at **Appendix D** details the overall Housing Revenue Account budget resulting from the recommendations contained within this report.

## **CAPITAL PROGRAMME 2016/17 to 2020/21**

### **Capital Programme**

Following a review of the Capital Programme approved by Council on 24<sup>th</sup> February 2015, a revised programme has been formulated including additional schemes which have been put forward for inclusion.

Each scheme has been assessed with regard to:

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

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

### **General Fund**

It is estimated that approximately £8.014m (excluding the £0.5m approved minimum balance) will be needed during the period to 2018/19 for future capital spending (including the usable capital receipts generated from the sale of council housing). Potential prudential borrowing of £1.185m for the Cultural Quarter is included (should sufficient capital receipts not be available). A surplus over 3 years of £312k is highlighted. Details of the proposed capital programme are shown in **Appendix I**.

In the coming year the Council expects to work closely with its partners in the proposed West Midlands Combined Authority to start delivering the Devolution Deal agreed with the Government. This is estimated to bring additional capital investment in excess of £8 billion over ten years across the West Midlands and associated LEP areas. This will require new ways of delivering capital investment involving a variety of mechanisms appropriate to each investment programme. It is possible that some of the capital investment will be delivered by the West Midlands Districts. The Council may need to use prudential borrowing to fulfil its agreed part of this.

The capital programme has been reviewed and updated:

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#### **a) Technology Replacement**

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Rolling annual budget of £60k has been included until 2018/19 (the provisional programme included £60k p.a. from 2016/17); However, it may be more cost effective for purchases to be made before 31<sup>st</sup> March 2016 – should that be the case it is recommended that the spend be brought forward together with the associated budget.

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**b) Air Conditioning**

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An additional scheme has been included - £32k in 2016/17. Significantly increased reliance on ICT has resulted in a commitment to ongoing, large scale upgrade and maintenance to the TBC infrastructure, in line with agreed device lifecycles. In order to support the provision of this infrastructure, the computer suite needs continued investment, specifically the replacement of the air conditioning solution. Without a functioning system, the server infrastructure will become unstable and will impact on application availability across the organisation.

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**c) Backup Solution**

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An additional scheme has been included - £15k in 2016/17. The current backup solution has been installed for 8 years and the reliability and stability of the hardware has started to degrade. The tapes used are also becoming obsolete and require replacing every twelve months to ensure good quality backups. Whilst much of the data created by the organisation is replicated off-site, the operating systems, applications and UNIX based data has a continued requirement to be backed up to tape. However, it may be more cost effective for purchases to be made before 31<sup>st</sup> March 2016 – should that be the case it is recommended that the spend be brought forward together with the associated budget.

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**d) Disabled Facilities Grants**

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Rolling annual budget of £250k has been included. No changes have been made.

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**e) CCTV Camera Renewals**

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Required for the rolling replacement of cameras, £15k p.a. - subject to funding constraints.

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**f) Street Lighting**

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An additional scheme has been included – with an annual spend required. The Council has its own stock of street lighting across the borough, mainly in housing areas and other communal parts such as play areas and car parks. The street lighting assets are inspected and maintained by Eon on behalf of the Council under the terms of Staffordshire County Council PFI contract with Eon. Eon have produced a replacement street lighting programme which spans 40 years and includes the replacement of all the lighting columns based on 'their life expectancy' (£42k in 2016/17) and a lighting head replacement programme based on providing more efficient low energy lighting heads (£11k in 2016/17).

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**g) Cultural Quarter**

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The scheme budgets have been revised in line with the report to Cabinet on 14<sup>th</sup> January 2016.

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**h) Castle Mercian Trail (Budget currently within 2015/16 Programme)**

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A revised scheme, with a net cost to the Council of £125k, has been included to redevelop the top floor of the Castle to create a new exhibition focusing on Saxon Tamworth and the Staffordshire Hoard. Tamworth Castle will develop an exhibition that will include the display of more pieces from the Staffordshire Hoard along with artefacts relating to the history of Saxon Tamworth.

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**i) Gateways**

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An increased budget has been included – part funded by SCC and Section 106 funds with a net cost of £70k p.a. for the Council. Phase 1A in 2016/17 of £400k (Riverdrive to Ventura Park), phase 2 over 3 years from 2016/17 of £1.034m (Train Station to Town Centre).

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**j) Contingency**

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A £50k contingency budget will be required for 2016/17 – to be re-profiled from the unspent 2015/16 budget.

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**Housing**

The proposed 5 year Housing Capital Programme is attached at **Appendix J**.

It is estimated that approximately £52.734m (excluding the £0.5m approved minimum balance) will be needed during the period to 2020/21 for future capital spending (including revenue contributions to Capital Spend from the HRA of £4.1m over 3 years (£6.9m over the next 5 years) and the Regeneration Reserve of £4.6m over 3 years (£5.4m over 5 years) & additional borrowing of £7.2m – the 'headroom' in line with the HRA Government debt cap is £11.3m) - resulting in balances of £2m over 3 years (£2.4m over 5 years).

The capital programme has been reviewed (saving £2m over 4 years when compared to the provisional programme) and updated to include the new year 5 costs – with costs then smoothed over the new 5 year planning period. In addition, certain demand led schemes together with the Redevelopment of Garage Sites and Other Acquisitions have been reviewed and updated to reflect current trends:

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**a) Gas Central Heating Upgrades and Renewals**

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The budget has been reduced by £335k over 4 years in line with current demand.

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**b) Energy Efficiency Improvements**

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The programme has been reduced to the 3 years (remaining at the £50k level) needed for the ERDF funding bid.

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**c) Fencing / Boundary Walls**

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The budget of £30k p.a. has been removed with any spend to be met from the revenue budget.

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**d) Windows and Door Renewals**

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The programme has been smoothed – saving £235k over 4 years.

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**e) Neighbourhood Regeneration**

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The previous General Estate Works demand led budget has been retained at £200k for 2016/17 only (previously £200k p.a.) – pending a review of requirements over the term of the Business Plan period.

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**f) Contingency**

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The £100k p.a. budget has been removed - A £100k contingency budget will be required for 2016/17 – to be re-profiled from the unspent 2015/16 budget.

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**g) Regeneration Schemes**

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The budgets for Redevelopment of garage sites and other acquisitions have been updated to reflect available resources.

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## Policy Changes Summary

DIRECTORATE	Sheet No.	Budget Changes 16/17 £'000	Budget Changes 17/18 £'000	Budget Changes 18/19 £'000
Chief Executive		-	-	-
Executive Director Corporate Services		-	-	-
Director of Finance	1	185.72	(183.90)	506.60
Director of Technology & Corporate Programmes		-	-	-
Solicitor to the Council		-	-	-
Director of Transformation & Corporate Performance		-	-	-
Director of Communities, Planning & Partnerships	2	44.00	0.50	0.50
Director of Housing & Health		-	-	-
Director of Assets & Environment	3	222.65	-	-
<b>Total</b>		<b>452.37</b>	<b>(183.40)</b>	<b>507.10</b>
<b>Cumulative Cost / (Saving)</b>		<b>452.37</b>	<b>268.97</b>	<b>776.07</b>

	Sheet No.	Budget Changes 16/17 £'000	Budget Changes 17/18 £'000	Budget Changes 18/19 £'000	Budget Changes 19/20 £'000	Budget Changes 20/21 £'000
Housing Revenue Account	4	222.00	679.00	722.00	(1,280.00)	49.00
<b>Total</b>		<b>222.00</b>	<b>679.00</b>	<b>722.00</b>	<b>(1,280.00)</b>	<b>49.00</b>
<b>Cumulative Cost / (Saving)</b>		<b>222.00</b>	<b>901.00</b>	<b>1,623.00</b>	<b>343.00</b>	<b>392.00</b>

## Policy Changes Summary Staffing Implications

<b>DIRECTORATE</b>	<b>Sheet No.</b>	<b>Budget Changes 16/17 £'000</b>	<b>Budget Changes 17/18 £'000</b>	<b>Budget Changes 18/19 £'000</b>
Chief Executive				
Executive Director Corporate Services		-	-	-
Director of Finance	<b>1</b>	-	-	-
Director of Technology & Corporate Programmes		-	-	-
Solicitor to the Council		-	-	-
Director of Transformation & Corporate Performance		-	-	-
Director of Communities, Planning & Partnerships	<b>2</b>	1.0	-	-
Director of Housing & Health		-	-	-
Director of Assets & Environment	<b>3</b>	-	-	-
<b>TOTAL</b>		<b>1.0</b>	<b>-</b>	<b>-</b>

	<b>Sheet No.</b>	<b>Budget Changes 16/17 £'000</b>	<b>Budget Changes 17/18 £'000</b>	<b>Budget Changes 18/19 £'000</b>	<b>Budget Changes 19/20 £'000</b>	<b>Budget Changes 20/21 £'000</b>
<b>Housing Revenue Account</b>	<b>4</b>	1.0	-	-	-	-
<b>TOTAL</b>		<b>1.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## DIRECTOR OF FINANCE

Item No		Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change
				16/17 £'000	17/18 £'000	18/19 £'000
DF1	OTHER	Corporate Finance - General Contingency	Contingency budget to allow for 'in year' decisions to be made by Cabinet and to provide for any potential further reductions in income as a result of the financial climate	100.00	(100.00)	
DF2	OTHER	Contribution to / from Transformation Reserve			(360.00)	660.00
DF3	OTHER	West Midlands Combined Authority (WMCA) - contribution towards set up costs	At the meeting of the WMCA programme Board on 13 November 2015, it was agreed that Non-Constituent Authorities contribute £10k towards the budget for the 2015/16 financial year of £2.1 million to fund the setting up of the Combined Authority with a further £25k for 2016/17.	25.00	(25.00)	
DF4	CORP	Business Rates Levy payment	Estimated levy based on NNDR1 forecasts	(21.55)	189.33	(164.30)
DF5	CORP	Business Rates Section 31 Grant Income	New Burdens funding for Government scheme to reduce business rates charges	82.27	25.77	10.90
DF6	VFM	Cultural Quarter - Potential Prudential Borrowing Financing Costs	It was approved by Cabinet on 14th January 2016 that, as part of the budget setting process, they underwriting the gap in funding for the project which would need to be met from the potential capital receipt from the sale of the former golf course or from prudential borrowing. Should borrowing be required then this will impact on the revenue budget relating to interest and debt repayment costs (c.£86k p.a.).		86.00	
<b>Total New Items / Amendments</b>				<b>185.72</b>	<b>(183.90)</b>	<b>506.60</b>

## STAFFING IMPLICATIONS

Item No		Proposal/(Existing Budget)	Implications	16/17	17/18	18/19
				FTE	FTE	FTE
<b>TOTAL</b>				-	-	-

## DIRECTOR COMMUNITIES, PLANNING &amp; PARTNERSHIPS

Item No		Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change
				16/17 £'000	17/18 £'000	18/19 £'000
CPP1	OTHER	It is proposed to extend funding for a project officer (for 3 years) that would be dedicated to managing the projects for growth	<p>In 13/14 two budgets were approved to procure specialist knowledge and skills and to fund an officer post in relation to managing projects for growth and regeneration for a period of 3 years (ending 15/16).</p> <p>Given the success of the officer and budget in progressing projects and achieving significant potential capital receipt, it is proposed to extend these budgets for a further 3 years.</p> <p>The annual budget for procuring specialist knowledge and skills is £10,000</p>	44.00	0.50	0.50
CPP2	CORP	Revenue Implications from Capital Programme	Costs of Cultural Quarter Project no longer considered as Capital	124.30	(124.30)	
CPP3	CORP	Revenue Implications from Capital Programme	HLF Funding for cost of Cultural Quarter no longer considered Capital	(124.30)	124.30	
<b>Total New Items / Amendments</b>				<b>44.00</b>	<b>0.50</b>	<b>0.50</b>

## STAFFING IMPLICATIONS

Item No		Proposal/(Existing Budget)	Implications	16/17	17/18	18/19
				FTE	FTE	FTE
CPP1		It is proposed to extend funding for a project officer (for 3 years) that would be dedicated to managing the projects for growth	As above	1.0		
<b>TOTAL</b>				<b>1.0</b>	<b>-</b>	<b>-</b>

**DIRECTOR ASSETS & ENVIRONMENTAL SERVICES**

Item No		Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change
				16/17 £'000	17/18 £'000	18/19 £'000
AE1	OTHER	Agile Working Project - Deferral of receipt of projected income	Marmion House Rental Income budget - reversal of planned income from letting of space. Marketing of property has seen no interest and current markets suggest that there is unlikely to be interest in the medium term. This is despite regional marketing.	74.75		
AE2	OTHER	Agile Working Project - Deferral of receipt of projected income	Reduced income from service charges 3rd floor. Inability to let vacant space will mean that additional income from service charges will not be realised.	27.50		
AE3	OTHER	Loss of income at Marmion House	Marmion House Rental Income budget - SCC/SSOTP vacate premises on 2nd floor 3rd quarter 2015/16. Space has been marketed but with no interest and no prospect of interest in the medium term. Also impacts on service charges.	18.00		
AE4	OTHER	Loss of income at Marmion House	Reduced income from service charges 2nd floor. Inability to let vacant space will mean that additional income from service charges will not be realised.	22.50		
AE5	OTHER	Revenue savings from closing non operational floors	Reduction in various costs such as lighting costs.	(0.10)		
AE6	OTHER	Proposal to investigate replacement of the aging operational fleet of Council vehicles. These vehicles cover operational areas within Streetscene, Cemeteries, Arboricultural Services and Housing Caretakers  The current vehicle contract was awarded in 2007 for 5 years with annual extension clauses and is now at its full extent. The contract provides 23 vehicles across four service areas with a full maintenance service included.	In order to continue delivery of these services we need to replace all vehicles. The existing revenue budget has been sufficient to fund these vehicles for the past eight years however it is anticipated that these prices will increase due to the time period since they were last reviewed, therefore we are seeking an additional £30,000 of revenue budget to ensure that there is no shortfall which prohibits the procurement process.  Should the current revenue budget be sufficient to facilitate the procurement of these vehicles then the £30,000 will be returned	30.00		
AE7	OTHER	Waste Management Contingency	Restatement of Contingency budget pending finalisation of costs associated with changes to SCC waste management arrangements	50.00		
<b>Total New Items / Amendments</b>				<b>222.65</b>	<b>-</b>	<b>-</b>

**STAFFING IMPLICATIONS**

Item No		Proposal/(Existing Budget)	Implications	16/17	17/18	18/19
				FTE	FTE	FTE
<b>TOTAL</b>				<b>-</b>	<b>-</b>	<b>-</b>

## HOUSING REVENUE ACCOUNT

Item No		Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change	Budget Change
				16/17 £'000	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000
HRA1	STAT	Reduction in Social housing rents by 1% a year for four years from 2016/17	One of the announcements made as part of the Summer Budget 2015 was that Local Authorities and Registered Providers will be required to reduce Social housing rents by 1% a year for four years from 2016/17, requiring local authorities and housing associations to make savings - initial estimates have been prepared for inclusion pending receipt of the detailed regulations and guidance from DCLG	638.00	679.00	722.00	720.00	49.00
HRA2	SAV	Introduction of Service Charges from 1 April 2016 including appointment of a Service Charges Officer	Cabinet on 9 July 2015 approved the introduction of Service Charges to tenants and leaseholders in the Council's own stock - indicative estimates have been prepared for inclusion pending final calculations of the charges to be made for 2016/17	(416.00)				
HRA3	CORP	Reduced Contribution to Regeneration Reserve necessitated by reduced rental income	Reduced contribution following revised estimates following from the 1% rent reduction				(2,000.00)	
<b>Total New Items / Amendments</b>				<b>222.00</b>	<b>679.00</b>	<b>722.00</b>	<b>(1,280.00)</b>	<b>49.00</b>

## STAFFING IMPLICATIONS

Item No		Proposal/(Existing Budget)	Implications	16/17	17/18	18/19	19/20	20/21
				FTE	FTE	FTE	FTE	FTE
HRA2		Introduction of Service Charges from 1 April 2016 including appointment of a Service Charges Officer	Officer required to administer Service Charges	1.0	-	-	-	-
<b>TOTAL</b>				<b>1.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## HOUSING REVENUE ACCOUNT BUDGET SUMMARY 2016/17

	Base Budget 15/16	Technical Adjustments	Policy Changes	Budget 16/17	Budget 17/18	Budget 18/19	Budget 19/20	Budget 20/21
	£	£	£	£	£	£	£	£
<b>Income</b>								
Dwelling Rents	(18,202,140)	(99,940)	638,000	(17,664,080)	(17,607,730)	(17,763,560)	(17,538,810)	(17,489,810)
Non-Dwelling Rents	(355,530)	(16,930)	-	(372,460)	(381,280)	(390,320)	(399,590)	(409,090)
Charges for Services and Facilities	(373,760)	50,500	-	(323,260)	(324,370)	(325,510)	(326,680)	(327,880)
Contributions Towards Expenditure	(1,608,200)	(26,210)	-	(1,634,410)	(1,635,150)	(1,635,900)	(1,636,710)	(1,637,540)
<b>Subtotal</b>	<b>(20,539,630)</b>	<b>(92,580)</b>	<b>638,000</b>	<b>(19,994,210)</b>	<b>(19,948,530)</b>	<b>(20,115,290)</b>	<b>(19,901,790)</b>	<b>(19,864,320)</b>
<b>Expenditure</b>								
Repairs and Maintenance	4,136,040	58,310	-	4,194,350	4,297,220	4,409,050	4,534,790	4,666,220
Supervision and Management	6,274,860	(144,230)	(416,000)	5,714,630	5,791,320	5,866,240	5,937,910	6,026,640
Rents, Rates, Taxes and Other Charges	30,530	950	-	31,480	31,910	32,340	32,810	33,290
Increase in Provision for Bad Debts	470,000	-	-	470,000	470,000	470,000	470,000	470,000
Housing Subsidy Payable	-	-	-	-	-	-	-	-
Depreciation and impairment of non-current assets	4,459,260	(3,360)	-	4,455,900	4,455,900	4,455,900	4,455,900	4,455,900
Debt Management Costs	17,690	130	-	17,820	17,230	17,310	17,310	17,310
<b>Subtotal</b>	<b>15,388,380</b>	<b>(88,200)</b>	<b>(416,000)</b>	<b>14,884,180</b>	<b>15,063,580</b>	<b>15,250,840</b>	<b>15,448,720</b>	<b>15,669,360</b>
<b>Net cost of HRA Services per Authority I&amp;E</b>	<b>(5,151,250)</b>	<b>(180,780)</b>	<b>222,000</b>	<b>(5,110,030)</b>	<b>(4,884,950)</b>	<b>(4,864,450)</b>	<b>(4,453,070)</b>	<b>(4,194,960)</b>
Corporate and Democratic Core	4,360	3,690	-	8,050	8,250	8,460	8,690	8,930
<b>Net Cost of HRA Services</b>	<b>(5,146,890)</b>	<b>(177,090)</b>	<b>222,000</b>	<b>(5,101,980)</b>	<b>(4,876,700)</b>	<b>(4,855,990)</b>	<b>(4,444,380)</b>	<b>(4,186,030)</b>
Interest Payable and Similar Charges	2,997,070	(114,320)	-	2,882,750	2,891,770	2,993,970	2,993,970	2,993,970
Amortisation of Premiums	-	-	-	-	-	-	-	-
Interest Receivable and Similar Income	(152,060)	49,060	-	(103,000)	(143,840)	(108,260)	(276,800)	(379,820)
<b>Surplus/ Deficit for the year</b>	<b>(2,301,880)</b>	<b>(242,350)</b>	<b>222,000</b>	<b>(2,322,230)</b>	<b>(2,128,770)</b>	<b>(1,970,280)</b>	<b>(1,727,210)</b>	<b>(1,571,880)</b>
<b>Statement of Movement on the HRA Balance</b>								
<b>Surplus or Deficit for the year</b>	<b>(2,301,880)</b>	<b>(242,350)</b>	<b>222,000</b>	<b>(2,322,230)</b>	<b>(2,128,770)</b>	<b>(1,970,280)</b>	<b>(1,727,210)</b>	<b>(1,571,880)</b>
Additional Items required to be taken into account:								
Capital Expenditure funded by the HRA	5,374,240	(2,669,910)	-	2,704,330	2,804,330	3,254,330	1,754,330	1,754,330
<b>(Increase)/ Decrease in HRA Balances</b>	<b>3,072,360</b>	<b>(2,912,260)</b>	<b>222,000</b>	<b>382,100</b>	<b>675,560</b>	<b>1,284,050</b>	<b>27,120</b>	<b>182,450</b>

## General Fund Summary Revenue Budget for 2016/17

<i>Figures exclude internal recharges which have no bottom line impact.</i>	<b>Base Budget 2015/16</b> £	<b>Technical Adjustments</b> £	<b>Policy Changes</b> £	<b>Budget 2016/17</b> £
Chief Executive	161,180	4,350	-	165,530
Executive Director Corporate Services	349,940	42,000	-	391,940
Director of Finance	(703,460)	(259,170)	185,720	(776,910)
Director of Technology & Corporate Programmes	879,940	21,790	-	901,730
Solicitor to the Council	551,070	18,290	-	569,360
Director of Transformation & Corporate Performance	897,090	(19,230)	-	877,860
Director of Communities, Planning & Partnerships	2,214,690	(26,080)	44,000	2,232,610
Director of Housing & Health	912,190	20,190	-	932,380
Director of Assets & Environment	3,201,000	(258,330)	222,650	3,165,320
<b>Total Cost of Services</b>	<b>8,463,640</b>	<b>(456,190)</b>	<b>452,370</b>	<b>8,459,820</b>
Transfer to / (from) Balances	(145,682)	(1,579,124)	-	(1,724,806)
Revenue Support Grant	(1,607,554)	397,951	-	(1,209,603)
Retained Business Rates	(13,181,129)	(81,141)	-	(13,262,270)
Less: Tariff payable	10,552,019	87,933	-	10,639,952
Collection Fund Surplus (Council Tax)	(81,670)	(226)	-	(81,896)
Collection Fund Surplus (Business Rates)	(728,023)	1,288,048	-	560,025
<b>Council Tax Requirement</b>	<b>(3,271,601)</b>	<b>342,749</b>	<b>(452,370)</b>	<b>(3,381,222)</b>

## General Fund Technical Adjustments 2016/17 (before Policy Changes)

<i>Figures exclude internal recharges which have no bottom line impact</i>	Budget 2015/16	Technical Adjustments						External Recharge Changes (non-GF Activities) £	Total Adjustments £	Total Adjusted Base 2016/17
		Virements £	Committee Decisions £	Inflation £	Other £	Pay Adjustments £				
Chief Executive	161,180	-	-	80	390	4,230	(100)	4,600	165,780	
Executive Director Corporate Services	349,950	-	(20,000)	(2,350)	23,040	51,960	(10,430)	42,220	392,170	
Director of Finance	(703,450)	-	(189,870)	1,860	(104,750)	34,460	400	(257,900)	(961,350)	
Director of Technology & Corporate Programmes	879,940	-	-	9,260	(15,090)	7,420	22,400	23,990	903,930	
Solicitor to the Council	551,080	-	-	4,110	4,210	13,140	(3,010)	18,450	569,530	
Director of Transformation & Corporate Performance	897,080	(3,000)	(49,760)	1,560	4,870	27,310	3,330	(15,690)	881,390	
Director of Communities, Planning & Partnerships	2,214,690	-	(5,470)	(4,200)	(73,700)	57,290	-	(26,080)	2,188,610	
Director of Housing & Health	912,190	-	-	160	(14,380)	12,190	20,920	18,890	931,080	
Director of Assets & Environment	3,200,980	3,000	(137,250)	4,730	(252,210)	111,290	29,980	(240,460)	2,960,520	
<b>Grand Total</b>	<b>8,463,640</b>	-	<b>(402,350)</b>	<b>15,210</b>	<b>(427,620)</b>	<b>319,290</b>	<b>63,490</b>	<b>(431,980)</b>	<b>8,031,660</b>	

\* Base budget figures before recharge & inflationary adjustments after inclusion of Policy Changes.

## HRA Technical Adjustments 2016/17 (before Policy Changes)

<i>Figures exclude internal recharges which have no bottom line impact</i>	Budget 2015/16	Technical Adjustments							Total Adjusted Base 2016/17
		Virements £	Committee Decisions £	Inflation £	Other £	Pay Adjustments £	External Recharge Changes (non-GF Activities) £	Total Adjustments £	
<b>Chief Executive's Office</b>									
Director of Housing & Health	4,150,410	-	-	16,930	(60,060)	90,290	(30,250)	16,910	<b>4,167,320</b>
Director of Assets & Environment	(12,800)	-	-	110	550	3,360	(2,460)	1,560	<b>(11,240)</b>
HRA Summary	(1,065,250)	-	(3,283,080)	74,330	256,420	-	-	(2,952,330)	<b>(4,017,580)</b>
<b>Grand Total</b>	<b>3,072,360</b>	-	<b>(3,283,080)</b>	<b>91,370</b>	<b>196,910</b>	<b>93,650</b>	<b>(32,710)</b>	<b>(2,933,860)</b>	<b>138,500</b>

\* Base budget figures before recharge & inflationary adjustments after inclusion of Policy Changes.



## General Fund 3 Year Revenue Budget Summary

<i>Figures exclude internal recharges which have no bottom line impact.</i>	<b>Base Budget 2015/16</b> £	<b>Budget 2016/17</b> £	<b>Budget 2017/18</b> £	<b>Budget 2018/19</b> £
Chief Executive	161,180	165,530	167,880	170,250
Executive Director Corporate Services	349,940	391,940	393,840	395,200
Director of Finance	(703,460)	(776,910)	(1,102,140)	(1,247,290)
Director of Technology & Corporate Programmes	879,940	901,730	924,030	920,030
Solicitor to the Council	551,070	569,360	578,980	587,630
Director of Transformation & Corporate Performance	897,090	877,860	892,860	887,600
Director of Communities, Planning & Partnerships	2,214,690	2,232,610	2,306,400	2,178,630
Director of Housing & Health	912,190	932,380	940,690	947,600
Director of Assets & Environment	3,201,000	3,165,320	3,228,310	3,261,800
<b>Total Cost of Services</b>	<b>8,463,640</b>	<b>8,459,820</b>	<b>8,330,850</b>	<b>8,101,450</b>
Transfer to / (from) Balances	(145,682)	(1,724,806)	(1,270,574)	(1,726,532)
Revenue Support Grant	(1,607,554)	(1,209,603)	(770,996)	(493,964)
Retained Business Rates	(13,181,129)	(13,262,270)	(13,648,160)	(13,426,704)
Less: Tariff payable	10,552,019	10,639,952	10,849,222	11,169,283
Business Rates S.31 Grants				
Business Rates Levy				
Collection Fund Surplus (Council Tax)	(81,670)	(81,896)	-	-
Collection Fund Surplus (Business Rates)	(728,023)	560,025	-	-
<b>Council Tax Requirement</b>	<b>(3,271,601)</b>	<b>(3,381,222)</b>	<b>(3,490,342)</b>	<b>(3,623,533)</b>

## Appendix H

### Council Tax levels at each band for 2016/17

	Tamworth Council Tax 2015/16	Tamworth Borough Council	* Staffordshire County Council	* Office of the Police & Crime Commissioner (OPCC) Staffordshire	* Stoke on Trent and Staffordshire Fire and Rescue Authority	<b>Total 2016/17</b>	Total Council Tax 2015/16
	£	£	£	£	£	£	£
Demand/Precept on Collection Fund		3,381,222	22,757,121	3,712,758	1,470,178	<b>31,321,279</b>	
Council Tax Band							
A	105.73	107.83	725.77	118.41	46.89	<b>998.90</b>	968.30
B	123.36	125.81	846.73	138.14	54.70	<b>1,165.38</b>	1,129.69
C	140.98	143.78	967.69	157.88	62.52	<b>1,331.87</b>	1,291.08
<b>D</b>	<b>158.60</b>	<b>161.75</b>	<b>1,088.65</b>	<b>177.61</b>	<b>70.33</b>	<b>1,498.34</b>	<b>1,452.45</b>
E	193.84	197.69	1,330.57	217.08	85.96	<b>1,831.30</b>	1,775.21
F	229.09	233.64	1,572.49	256.55	101.59	<b>2,164.27</b>	2,097.99
G	264.33	269.58	1,814.42	296.02	117.22	<b>2,497.24</b>	2,420.75
H	317.20	323.50	2,177.30	355.22	140.66	<b>2,996.68</b>	2,904.90
% increase	1.99%	1.99%	3.95%	0.00%	1.99%	3.16%	1.71%

\* To be confirmed:

*Staffordshire County Council Cabinet, 3<sup>rd</sup> February 2016– Strategic Plan and Medium Term Financial Strategy 2016-21*

*Staffordshire Police and Crime Panel 1<sup>st</sup> February 2016 - Police and Crime Commissioner for Staffordshire - Revenue and Capital Budget 2016/17*

*Stoke on Trent and Staffordshire Fire and Rescue Authority – 2016/17 Revenue Budget and Council Tax Setting, 16th February 2016*

## General Fund Capital Programme 2016/17 – 2018/19

<b>General Fund Capital Programme</b>	<b>2016/17 £</b>	<b>2017/18 £</b>	<b>2018/19 £</b>	<b>Total £</b>
Technology Replacement	60,000	60,000	60,000	<b>180,000</b>
Air Conditioning	32,000	-	-	<b>32,000</b>
Backup Solution	15,000	-	-	<b>15,000</b>
<b>Subtotal</b>	<b>107,000</b>	<b>60,000</b>	<b>60,000</b>	<b>227,000</b>
Private Sector Grants - Disabled Facilities Grants	250,000	250,000	250,000	<b>750,000</b>
CCTV Camera Renewals	15,000	15,000	15,000	<b>45,000</b>
Street Lighting	52,900	2,600	3,100	<b>58,600</b>
Cultural Quarter – Assembly Rooms	2,135,300	1,943,790	-	<b>4,079,090</b>
Cultural Quarter – Business Enterprise Centre	575,900	-	-	<b>575,900</b>
Cultural Quarter – Carnegie Centre	10,000	-	-	<b>10,000</b>
Cultural Quarter – Public Realm Works	-	-	229,040	<b>229,040</b>
Castle Mercian Trail	605,250	-	-	<b>605,250</b>
Gateways	784,000	370,000	280,000	<b>1,434,000</b>
<b>Subtotal</b>	<b>4,428,350</b>	<b>2,581,390</b>	<b>777,140</b>	<b>7,786,880</b>
<b>Total General Fund Capital</b>	<b>4,535,350</b>	<b>2,641,390</b>	<b>837,140</b>	<b>8,013,880</b>
<b><u>Proposed Financing:</u></b>				
Grants - Disabled Facilities	224,000	224,000	224,000	<b>672,000</b>
Section 106 Receipts	284,000	100,000	-	<b>384,000</b>
General Fund Capital Receipts	461,200	214,800	7,500	<b>683,500</b>
Sale of Council House Receipts	90,000	103,300	166,600	<b>359,900</b>
General Fund Capital Reserve	-	20,200	-	<b>20,200</b>
Grants - Assembly Rooms (HLF)	579,090	-	-	<b>579,090</b>
Grants - Mercian Trail (HLF)	470,250	-	-	<b>470,250</b>
Grants - Assembly Rooms (SLGF)	1,961,810	798,260	-	<b>2,760,070</b>
Grants - Gateways (SLGF)	390,000	200,000	210,000	<b>800,000</b>
Grants - SCC (Assembly Rooms / Gateways)	40,000	-	-	<b>40,000</b>
Public Contributions (Assembly Rooms)	25,000	25,000	-	<b>50,000</b>
Other Contributions	10,000	-	-	<b>10,000</b>
<b>Unsupported Borrowing</b>	<b>-</b>	<b>955,830</b>	<b>229,040</b>	<b>1,184,870</b>
<b>Total</b>	<b>4,535,350</b>	<b>2,641,390</b>	<b>837,140</b>	<b>8,013,880</b>

## Housing Capital Programme 2016/17 – 2020/21

<b><u>Housing Revenue Account</u></b> <b><u>Capital Programme</u></b>	<b>2016/17</b> £	<b>2017/18</b> £	<b>2018/19</b> £	<b>2019/20</b> £	<b>2020/21</b> £	<b>TOTAL</b> £
Structural Works	100,000	100,000	100,000	100,000	100,000	<b>500,000</b>
Bathroom Renewals	774,250	795,540	817,420	839,900	850,000	<b>4,077,110</b>
Gas Central Heating Upgrades and Renewals	536,250	514,000	420,000	550,000	460,000	<b>2,480,250</b>
Kitchen Renewals	919,430	944,710	970,690	997,380	900,000	<b>4,732,210</b>
High Rise Lift Renewal	342,460	349,990	-	-	-	<b>692,450</b>
Fire Upgrades to Flats	265,460	-	-	-	-	<b>265,460</b>
Energy Efficiency Improvements	50,000	50,000	-	-	-	<b>100,000</b>
Major Roofing Overhaul and Renewals	156,770	161,080	165,510	170,060	174,310	<b>827,730</b>
Window and Door Renewals	250,000	250,000	250,000	250,000	250,000	<b>1,250,000</b>
Works to High Rise Flats	525,000	525,000	525,000	-	-	<b>1,575,000</b>
Disabled Facilities Adaptations	307,500	315,960	324,650	333,580	341,920	<b>1,623,610</b>
Capital Salaries	169,310	173,040	176,840	180,730	180,000	<b>879,920</b>
CDM Fees	10,170	5,000	5,000	5,000	5,000	<b>30,170</b>
Regeneration Schemes						
Tinkers Green	2,162,050	6,640,000	1,634,000	-	-	<b>10,436,050</b>
Kerria	848,150	1,810,640	3,805,250	-	-	<b>6,464,040</b>
Redevelopment of Garage sites	1,600,000	3,000,000	3,000,000	3,000,000	3,000,000	<b>13,600,000</b>
Other acquisitions	1,000,000	500,000	500,000	500,000	500,000	<b>3,000,000</b>
Neighbourhood Regeneration	200,000	-	-	-	-	<b>200,000</b>
<b>Total HRA Capital</b>	<b>10,216,800</b>	<b>16,134,960</b>	<b>12,694,360</b>	<b>6,926,650</b>	<b>6,761,230</b>	<b>52,734,000</b>
<b><u>Proposed Financing:</u></b>						
Major Repairs Reserve	4,406,600	4,184,320	4,855,110	3,426,650	3,256,230	<b>20,128,910</b>
HRA Capital Receipts	868,200	250,000	955,000	1,000,000	1,500,000	<b>4,573,200</b>
Regeneration Revenue Reserves	679,000	5,008,640	3,516,300	1,300,000	1,355,000	<b>11,858,940</b>
Capital Receipts from Add Council House Sales	780,000	650,000	450,000	300,000	300,000	<b>2,480,000</b>
Regeneration Reserve	1,241,000	1,070,000	2,917,950	900,000	350,000	<b>6,478,950</b>
Unsupported Borrowing	2,242,000	4,972,000	-	-	-	<b>7,214,000</b>
<b>Total</b>	<b>10,216,800</b>	<b>16,134,960</b>	<b>12,694,360</b>	<b>6,926,650</b>	<b>6,761,230</b>	<b>52,734,000</b>

## Main Assumptions

Inflationary Factors	2016/17	2017/18	2018/19	2019/20	2020/21
Inflation Rate - Pay Awards	1.00%	1.00%	1.00%	1.00%	2.00%
National Insurance	10.50%	10.50%	10.50%	10.50%	10.50%
Superannuation	16.50%	16.50%	16.50%	16.50%	16.50%
Inflation Rate (RPI)	2.00%	2.50%	2.50%	2.75%	2.75%
Inflation Rate (CPI)	1.53%	1.93%	2.00%	2.00%	2.00%
Investment Rates	1.25%	1.75%	2.00%	2.75%	3.00%
Base Interest Rates	0.75%	1.25%	1.75%	2.00%	2.00%

1. Pay award – it has been assumed that public sector pay will be capped at 1% for 4 years from 2016/17, in line with announcement in the Summer Budget 2015, and is estimated to mirror the Government's inflation target of 2% thereafter.
2. Overall Fees and Charges will rise generally by 2.5% annually except where a proposal has otherwise been made (car parking charges, corporate & industrial property rental income, statutory set planning fees, leisure fees);
3. Revised estimates for rent allowance / rent rebate subsidy levels have been included;
4. Changes to the level of recharges between funds has been included;
5. A reduction in Revenue Support Grant levels to zero by 2020 following the Chancellor's Summer Budget in July 2015 (which indicated further £18bn cuts to public service spending by 2019/20). The outcome from the Comprehensive Spending Review was published on 25<sup>th</sup> November 2015 with the impact for the Council confirmed by DCLG as part of the *Local Government Finance Settlement* provisional announcement in December 2015.
6. Continuation of the New Homes Bonus scheme – including additional receipts from new developments (including Anker Valley and the Former Golf Course Site);
7. Increased investment income returns due to higher balances including the anticipated capital receipt from the sale of the Former Golf Course;
8. The major changes to the previously approved policy changes are included within this forecast – Directors were issued with the provisional information in August to review, confirm & resubmit by the end of September;
9. Annual year-on-year pension cost increases of c.2% via the pension lump sum element for past liabilities have been included (for 3 years following SCC triennial review in 2013).
10. Reduction in rent levels by 1% due to the Summer Budget announcement & current indications that sales of council houses will be approximately 50 per annum.

**Sensitivity Analysis (3 years)**

	Risk	Potential Budgetary Effect		
		2016/17 £'000	2017/18 £'000	2018/19 £'000
<b>Pay Award / National Insurance (GF)</b>				
Impact +/- 0.5% Variance £'000	L	43	87	132
Budget Impact over 1 year	L	43		
Budget Impact over 3 years	M	262		
<b>Pay Award / National Insurance (HRA)</b>				
Impact +/- 0.5% Variance £'000	L	13	27	41
Budget Impact over 1 years	L	13		
Budget Impact over 3 years	L	81		
Subject to negotiation for Local Government pay (including any protection for low paid employees)				
<b>Pension Costs</b>				
Impact +/- 0.5% Variance £'000	L	0	58	116
Budget Impact over 1 year	L	0		
Budget Impact over 3 years	L	174		
3 year agreement in place from 2014/15 - subject to stock market & membership changes				
<b>Council Tax</b>				
Impact on Council Tax income £'000		33	51	70
Budget Impact over 1 year	L	33		
Budget Impact over 3 years	L	154		
<b>Inflation / CPI</b>				
Impact +/- 0.5% Variance £'000	L	46	94	143
Budget Impact over 1 year	L	46		
Budget Impact over 3 years	M	283		
<b>Government Grant</b>				
Impact +/- 1.0% Variance £'000	L	39	72	99
Budget Impact over 1 year	L	39		
Budget Impact over 3 years	M	210		
<b>Investment Interest</b>				
Impact +/- 0.5% Variance £'000	L	145	315	511
Budget Impact over 1 year	L	145		
Budget Impact over 3 years	H	971		
<b>Key Income Streams (GF)</b>				
Impact +/- 0.5% Variance £'000	L	6	12	20
Budget Impact over 1 year	L	6		
Budget Impact over 3 years	L	38		

	Risk	Potential Budgetary Effect		
		2016/17 £'000	2017/18 £'000	2018/19 £'000
<b>Key Income Streams (HRA)</b>				
Impact +/- 0.5% Variance £'000	L	88	177	265
Budget Impact over 1 years	L	88		
Budget Impact over 3 years	H	530		
<b>New Homes Bonus</b>				
Impact +/- 10% Variance £'000	L	65	129	191
Budget Impact over 1 year	L	65		
Budget Impact over 3 years	M	385		
<b>Business Rates</b>				
Impact +/- 10% Variance £'000	L	67	134	201
Budget Impact over 1 year	L	67		
Budget Impact over 3 years	M	402		

**Contingencies****Contingencies 2016/17 - 2020/21**

<b>Revenue</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
Specific Earmarked &	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>General</b>					
<b>General Fund</b>					
<b><i>Specific Contingencies</i></b>					
Vacancy Allowance	50	50	50		
Waste Management	50	50	50		
<b><i>General Contingency</i></b>	<b>100</b>	<b>-</b>	<b>42</b>		
<b>Total General Fund Revenue</b>	<b>200</b>	<b>100</b>	<b>142</b>		
<b>Housing Revenue Account</b>					
<b><i>HRA - General Contingency</i></b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Total HRA Revenue</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

\* The 2015/16 Capital Contingency budget of £50k for both GF & HRA is to be reprofiled to 2016/17.



## CABINET

18 FEBRUARY 2016

### REPORT OF THE SOLICITOR TO THE COUNCIL

#### REGULATION OF INVESTIGATORY POWERS ACT 2000 ADOPTION OF POLICY AND PROCEDURE

##### EXEMPT INFORMATION

None

##### PURPOSE

This report advises Members of the proposed amendments to the Corporate Policy governing the Regulation of Investigatory Powers Act 2000 in light of the new requirements introduced by recent legislative change and Home Office Guidance and seeks their consideration and recommendations in relation thereto.

##### RECOMMENDATIONS

That the Committee

1. **considers the changes to the RIPA policy on Directed Surveillance, Covert Human Intelligence Sources (CHIS) and Acquisition of Communications Data,**
2. **satisfies itself that the changes meet the requirements imposed on the Council in terms of the legislation and Codes of Practice, and**
3. **recommends approval to Council.**

##### EXECUTIVE SUMMARY

The Council has a number of statutory functions that involve officers investigating the conduct of others with a view to bringing legal action against them. The Council has also been given powers under the Regulation of Investigatory Powers Act 2000 (RIPA) which enable it to carry out Directed Surveillance in certain strict circumstances. RIPA provides a legal framework for the control and regulation of surveillance and information gathering techniques which public bodies such as Tamworth Borough Council have to comply with. These powers have been amended and changed in accordance with various pieces of legislation. The last change resulted in a revised RIPA Policy being approved by the Council in December 2012. The Protection of Freedoms Act 2012 now requires that local authority authorisations under RIPA for Directed Surveillance or CHIS can only become effective on the granting of an order approving the authorisation by a Justice of the Peace. Further a local authority can now only have an authorisation under RIPA for the use of Directed Surveillance where the local authority is investigating criminal offences which attract a maximum custodial sentence of six months or more or criminal offences relating to the underage sale of alcohol or tobacco under the Licensing Act 2003 of the Children

and Families Act 2014.

| No Directed Surveillance has been carried out by the Council since 2011 and it is not envisaged that there will be any appreciable change in the foreseeable future. By adhering to this proposed Policy the Council will ensure that the acquisition and disclosure of data is lawful, necessary and proportionate so that the Council is not held to be in breach of Article 8 (the right to respect for private family life, home and correspondence ) of the European Convention on Human Rights.

The current policy prepared in 2012 does not reflect recent changes to legislation and Home Office Codes of Practice.

The attached draft policy and protocol, the proposed changes are tracked in the document, will ensure that the acquisition and disclosure of data is lawful, necessary and proportionate, so that the Council is not held to be in breach of the Human Rights Act and that data obtained under such measures would be used to assist in the successful prosecution of relevant criminal offences. The draft policy and protocol was considered by Audit and Governance Committee on 28 January 2016, the Committee considered the changes to the RIPA policy on Directed Surveillance, Covert Human Intelligence Sources (CHIS) and Acquisition of Communications Data, was satisfied that the changes meet the requirements imposed on the Council in terms of the legislation and Codes of Practice, and recommended approval to Cabinet and Council.

## **OPTIONS CONSIDERED**

The Policy is to a large extent defined by the requirements of RIPA and the most recent Home Office Codes of Practice. The recommended policy is consistent with the new policies and guidance; there is little scope if any to do otherwise.

## **RESOURCE IMPLICATIONS**

There are no direct resource implications arising from the adoption of the policy and procedure. Any applications and training costs will be met from existing budgets.

## **LEGAL/RISK IMPLICATIONS**

Failure to follow the policy and procedure could result in the Council being open to challenge, unnecessary legal risk and ultimately responsible in damages for any breach of the Codes of Practice and Human Rights legislation. The Office of Surveillance Commissioners would also severely criticise such failure and the adverse publicity arising therefrom could damage the Council's reputation and not serve in its best interests.

The policy and procedure will provide guidance to staff on the processing and procedure to obtain a RIPA authorisation, reducing the risk of legal challenge to the procedure itself and the evidence obtained.

Risk has been identified in the following areas: training of Officers, Collateral Intrusion and changes to legislation and procedures surrounding RIPA, However this has been addressed, regular training of Officers takes place, the Netconsent function and email is used to disseminate the policy and inform training events. The Solicitor

to the Council reviews the policy regularly to ensure legislative and Home Office compliance. Quarterly reports are made to Audit & Governance Committee and an annual report to full Council. Finally provision exists in the policy itself to mitigate any other associated risks.

## **SUSTAINABILITY IMPLICATIONS**

Under current arrangements the Policy and training requirements are currently sustainable and remain so for the foreseeable future.

## **REPORT AUTHOR**

Jane Marie Hackett, Solicitor to the Council and Monitoring Officer tel 01827 709258

## **LIST OF BACKGROUND PAPERS**

Regulation of Investigatory Powers Act 2000

Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) (Amendment) Order 2012

The Protection of Freedoms Act 2012

Home Office – Covert Surveillance and Property Interference Code of Practice

Home Office – Covert Human Intelligence Sources Code of Practice

## **APPENDIX 1**

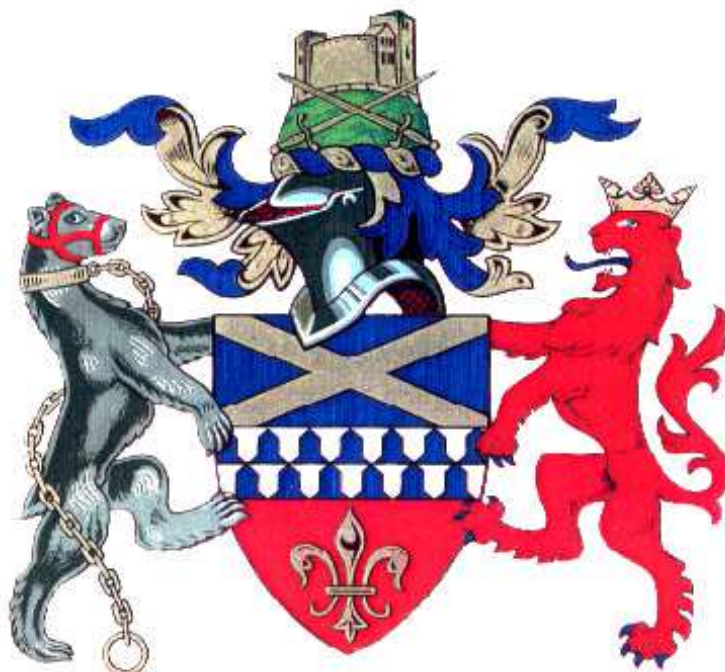
Proposed RIPA Policy and Procedure

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# TAMWORTH BOROUGH COUNCIL

## POLICY & PROCEDURE

### REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)



Jane Marie Hackett  
Solicitor to the Council  
Tamworth Borough Council  
Policy date: Review: Revised: January 2016

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## **Section A**

### **Introduction**

#### **1. OBJECTIVE: SUSTAINABLE COMMUNITIES; SAFER AND STRONGER COMMUNITIES**

Tamworth Borough Council is committed to improving the quality of life for the communities of Tamworth which includes benefiting from an attractive place to live, meeting the needs of local people and employers with opportunities for all to engage in community life. It also wishes to maintain its position as a low crime borough and a safe place to live, work and learn. Although most of the community comply with the law, it is necessary for Tamworth to carry out enforcement functions to take full action against those who flout the law. Tamworth Borough Council will carry out enforcement action in a fair, practical and consistent manner to help promote a thriving local economy.

#### **2. HUMAN RIGHTS ACT 1998 – ARTICLE 8 – RIGHT TO RESPECT FOR PRIVATE & FAMILY LIFE, HOME AND CORRESPONDENCE**

The Human Rights Act 1998 brought into UK domestic law much of the European Convention on Human Rights and Fundamental Freedoms 1950. Article 8 of the European Convention requires the Council to respect the private and family life of its citizens, their homes and their correspondence. Article 8 does, however, recognise that there may be circumstances in a democratic society where it is necessary for the state to interfere with this right.

#### **3. USE OF COVERT SURVEILLANCE TECHNIQUES AND HUMAN INTELLIGENCE SOURCES**

The Council has various functions which involve observing or investigating the conduct of others, for example, investigating anti-social behaviour, fly tipping, noise nuisance control, planning (contraventions), benefit fraud, licensing and food safety legislation. In most cases, Council officers carry out these functions openly and in a way which does not interfere with a person's right to a private life. However, there are cases where it is necessary for officers to use covert surveillance techniques to undertake a specific investigation. The use of covert surveillance techniques is regulated by the Regulation of Investigatory Powers Act 2000 (RIPA), which seeks to ensure that the public interest and human rights of individuals are appropriately balanced. This document sets out the Council's policy and procedures on the use of covert surveillance techniques and the conduct and use of a Covert Human Intelligence Source. You should also refer to the two Codes of Practice published by the Government. These Codes, which were revised in 2010, are on the Home Office website and supplement the procedures in this document. The Codes are admissible as evidence in Criminal and Civil Proceedings. If a provision of these Codes appear relevant to any court or tribunal, it must be taken into account.

Covert Surveillance and Property Interference Code of Practice:-

<http://tna.europarchive.org/20100419081706/http://security.homeoffice.gov.uk/ripa/publication-search/general-publications/ripa-cop/covert-surveil-prop-inter-COP>

Covert Human Intelligence Sources Code of Practice:

<http://tna.europarchive.org/20100419081706/http://security.homeoffice.gov.uk/ripa/publication-search/general-publications/ripa-cop/covert-human-intel-source-COP>

There are also two other guidance documents relating the procedural changes regarding the authorisation process requiring Justice of the Peace approval from the 1<sup>st</sup> November 2012. These have been issued by the Home Office to both Local Authorities and Magistrates.

<http://www.homeoffice.gov.uk/publications/counter-terrorism/ripa-forms/local-authority-ripa-guidance/>

#### **4. ACQUISITION OF COMMUNICATIONS DATA**

RIPA also regulates the acquisition of communications data. Communications data is data held by telecommunications companies and internet service providers. Examples of communications data which may be acquired with authorisation include names, addresses, telephone numbers, internet provider addresses. Communications data surveillance does not monitor the content of telephone calls or emails. This document sets out the procedures for the acquisition of communications data. You should also refer to the Code of Practice which is available on the Home Office website.

Acquisition and Disclosure of Communications Data Revised Draft Code of Practice:

<http://tna.europarchive.org/20100419081706/http://security.homeoffice.gov.uk/ripa/publication-search/general-publications/ripa-cop/acquisition-disclosure-cop>



## Section B

### EFFECTIVE DATE OF OPERATION AND AUTHORISING OFFICER RESPONSIBILITIES

1. The Policy and Procedures in this document have been amended to reflect the two revised Codes of Practice which came into force in April 2010, and the recent legislative amendments which now require Justice of the Peace (JP) approval for all Local Authority RIPA applications and renewals, which came in effect on 1 November 2012, changes in website addresses and application forms, as well as to reflect recommendations arising out of inspection by the Office of Surveillance Commissioners. It is essential, therefore, that Authorising Officers, take personal responsibility for the effective and efficient observance of this document and the Office of Surveillance Commissioners (OSC) guidance documents.
2. It will be the responsibility of Authorising Officers to ensure that their relevant members of staff are suitably trained as 'Applicants'.
3. Authorising Officers will also ensure that staff who report to them follow this Policy and Procedures Document and do not undertake or carry out surveillance activity that meets the criteria as set out by RIPA without first obtaining the relevant authorisations in compliance with this document.
4. Authorising Officers must also pay particular attention to health and safety issues that may be raised by any proposed surveillance activity. Under no circumstances, should an Authorising Officer approve any RIPA form unless, and until they are satisfied that
  - the health and safety of Council employees/agents are suitably addressed
  - risks minimised so far as is possible, and
  - risks are proportionate to the surveillance being proposed.

If an Authorising Officer is in any doubt, prior guidance should be obtained from the Solicitor to the Council.

5. Authorising Officers must also ensure that, following completion copies of RIPA Forms are immediately sent to the Solicitor to the Council (or any other relevant authority), that they are sent in **sealed** envelopes and marked '**Strictly Private & Confidential**'. Any failure to comply exposes the Council to unnecessary legal risk and criticism from the Office of Surveillance Commissioners. Any cancellations must be dealt with in similar manner,
6. In Accordance with the Codes of Practice, the Senior Responsible Officer (SRO) with responsibility for Authorising Officers is the Solicitor to the Council. *The Solicitor to the Council is also the RIPA Co-ordinator. The key responsibilities of the RIPA Co-ordinator are set out in Section G of this document.*

7. The Chief Executive in consultation with Corporate Management Team has power to appoint Authorising Officers for the purposes of RIPA. Authorising Officers will only be appointed on the Chief Executive being satisfied that suitable training on RIPA has been undertaken.
8. The SRO is responsible for
  - the integrity of the process in place within the public authority to authorise directed and intrusive surveillance
  - compliance with Part II of the 2000 Act, and with this code;
  - engagement with the Commissioners and inspectors when they conduct their inspections, and
  - where necessary, overseeing the implementation of any post inspection action plans recommended or approved by a Commissioner.
9. The Solicitor to the Council will review the policy every six months and annual reports on performance of the policy will be presented to Council.
10. Quarterly reports on the use of RIPA will be considered by the Audit and Governance Committee.

## Section C

### GENERAL INFORMATION ON RIPA

1. The Human Rights Act 1998 requires the Council, and organisations working on its behalf, pursuant to Article 8 of the European Convention, to respect the private and family life of citizens, their homes and their correspondence.
2. The European Convention did not, however, make this an absolute right, but a qualified right. Accordingly, in certain circumstances, the Council may interfere in the citizen's right mentioned above, if such interference is:-
  - (a) **in accordance with the Law;**
  - (b) **necessary** in the circumstances of the particular case; **and**
  - (c) **proportionate** to what it seeks to achieve.
3. The Regulation of Investigatory Powers Act 2000 ('RIPA') provides a statutory mechanism (ie. 'in accordance with the law') for authorising **covert surveillance** and the use of a '**covert human intelligence source**' ('CHIS') – eg. undercover agents. It seeks to ensure that any interference with an individual's right under Article 8 of the European Convention is necessary and proportionate. In doing so, RIPA and this Policy and Procedure document seeks to ensure both the public interest and the human rights of individuals are suitably balanced.
4. Directly employed Council staff and external agencies working for the Council are covered by the Act for the time they are working for the Council. All external agencies must, therefore, comply with RIPA and the work carried out by agencies on the Council's behalf, must be properly authorised by one of the Council's designated Authorising Officers. They may also be inspected by the OSC in respect of that particular operation. This should be pointed out during the instruction and contract stage. It is also important that the Authorising Officer is aware of the abilities of the operatives to ensure they are capable of undertaking the surveillance. Please refer to Section H and to the paragraph on "Authorising Officers."
5. If the correct procedures are not followed, evidence may be disallowed by the courts, a complaint of maladministration could be made to the Investigatory Powers Tribunal and the Council could be ordered to pay compensation.

## Section D

### WHAT RIPA DOES AND DOES NOT DO

**1. RIPA:**

- requires prior authorisation of directed surveillance.
- prohibits the Council from carrying out intrusive surveillance.
- requires authorisation of the conduct and use of a CHIS.
- requires safeguards for the conduct and use of a CHIS.

**2. RIPA does not:**

- make lawful conduct which is otherwise unlawful.
- prejudice or affect any existing powers available to the Council to obtain information by any means not involving conduct that may be authorised under this Act. For example, the Council's current powers to obtain information from the DVLA or from the Land Registry as to the ownership of a property.

**3. If the Authorising Officer or any Applicant is in any doubt, s/he should ask the Solicitor to the Council BEFORE any directed surveillance and/or CHIS is authorised, renewed, cancelled or rejected.**

## Section E

### TYPES OF SURVEILLANCE

'**Surveillance**' includes:

- monitoring, observing and listening to persons, watching or following their movements, listening to their conversations and other such activities or communications. It may be conducted with or without the assistance of a surveillance device.
- recording anything mentioned above in the course of authorised surveillance.
- surveillance, by or with, the assistance of appropriate surveillance device(s).

**Surveillance can be overt or covert.**

#### Overt Surveillance

Most of the surveillance carried out by the Council will be done overtly – there will be nothing secretive, clandestine or hidden about it. They will be going about Council business openly. Similarly, surveillance will be overt if the subject has been told it will happen (eg. where a noisemaker is warned (preferably in writing) that noise will be recorded).

#### Covert Surveillance

Covert Surveillance is carried out in a manner calculated to ensure that the person subject to the surveillance is unaware of it taking place. (Section 26(9)(a) of RIPA).

RIPA regulates two types of covert surveillance, (Directed Surveillance and Intrusive Surveillance) and the use of Covert Human Intelligence Sources (CHIS).

#### Directed Surveillance

Directed Surveillance is surveillance which:-

- is **covert**; and
- is **not intrusive surveillance** (see definition below – the Council cannot carry out any intrusive surveillance).
- is not carried out in an immediate response to events which would otherwise make seeking authorisation under the Act reasonable, eg. spotting something suspicious and continuing to observe it; and
- it is undertaken for the purpose of a **specific investigation** or operation in a manner **likely to obtain private information** about an individual (whether or not that person is specifically targeted for purposes of an investigation). (Section 26(10) RIPA).

*Private Information* in relation to a person includes any information relating to his private and family life, his home or his correspondence. The fact that covert surveillance occurs in a public place or on business premises does not mean that it cannot result in the obtaining of private information about a person. Prolonged surveillance targeted on a single person will undoubtedly result in the obtaining of private information about him/her and others with whom s/he comes into contact. Private information may include personal data such as names, addresses or telephone numbers. Where such information is acquired by means of covert surveillance of a person having a reasonable expectation of privacy, a directed surveillance authorisation is appropriate.

Similarly, although overt town centre CCTV cameras do not normally require authorisation, if the camera is tasked for a specific purpose, which involves prolonged surveillance on a particular person, authorisation will be required. The way a person runs his/her business may also reveal information about his or her private life and the private lives of others. Privacy considerations are likely to arise if several records are examined together to establish a pattern of behaviour.

**For the avoidance of doubt, only those Officers appointed as ‘Authorising Officers’ for the purpose of RIPA can authorise ‘Directed Surveillance’ IF, AND ONLY IF, the RIPA authorisation procedures detailed in this Document, are followed.**

### **Intrusive Surveillance**

This is when it:-

- is covert;
- relates to residential premises and private vehicles, even if used on a temporary basis and
- involves the presence of a person in the premises or in the vehicle or is carried out by a surveillance device in the premises/vehicle. An example would be a camera inside residential premises. Surveillance equipment mounted outside the premises will not be intrusive, unless the device consistently provides information of the same quality and detail as might be expected if they were in the premises/vehicle.

**This form of surveillance can be carried out only by police and other law enforcement agencies. Intrusive surveillance relates to the location of the surveillance, and not any consideration of the information that is likely to be obtained. Council officers cannot carry out intrusive surveillance.**

### **“Necessity”**

The covert surveillance activity must be necessary in the circumstances of the particular case. The surveillance has to be necessary and required to achieve the aims of the investigation and it must fulfil the criteria required in law relating to a criminal offence or offences that are either punishable, whether on summary conviction or indictment by a maximum term of at six months imprisonment or more, or are related to the underage sale of alcohol and tobacco. The application must

explain in detail why it is necessary to use covert surveillance to achieve this aim for example why is it not possible to obtain the information from another source.

### “Proportionality”

This term contains three concepts:-

- the surveillance should not be excessive in relation to the gravity of the matter being investigated;
- the least intrusive method of surveillance should be chosen; and
- collateral intrusion involving invasion of third parties' privacy and should, so far as possible, be minimised.

**Proportionality** involves balancing the intrusiveness of the activity on the subject and others who might be affected by it against the need for the activity in operational terms. The activity will not be proportionate if it is excessive in the circumstances of the case, or if the information which is sought could reasonably be obtained by other less intrusive means. All such activity should be carefully managed to meet the objective in question and must not be arbitrary or unfair. The interference with the person's right should be no greater than that which is required to meet the aim and objectives.

The onus is on the Authorising Officer to ensure that the surveillance meets the tests of **necessity and proportionality**.

The codes provide guidance relating to proportionality which should be considered by both applicants and Authorising Officers :

- balancing the size and scope of the proposed activity against the gravity and extent of the perceived crime or offence;
- explaining how and why the methods to be adopted will cause the least possible intrusion on the subject and others;
- considering whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the necessary result;
- evidencing, as far as reasonably practicable, what other methods had been considered and why they were not implemented.

When considering the intrusion, it is important that the Authorising Officer is fully aware of the technical capabilities of any proposed equipment to be used, and that any images are managed in line with the Data Protection Act and Home Office Guidance. These issues have a direct bearing on determining proportionality.

## **Section F**

### ***Covert Human Intelligence Source (CHIS)***

Staff will need to know when someone providing information may become a CHIS, and in these circumstances the Council is required to have procedures in place should this be necessary. However If it appears that use of a CHIS may be required, Authorising Officers must seek legal advice from the Solicitor to the Council.

A CHIS could be an informant or an undercover officer carrying out covert enquiries on behalf of the council. However, the provisions of the 2000 Act are not intended to apply in circumstances where members of the public volunteer information to the Council as part of their normal civic duties, or to contact numbers set up to receive information such as the Benefit Fraud Hot Line. Members of the public acting in this way would not generally be regarded as sources.

Under section 26(8) of the 2000 Act a person is a source if:

he establishes or maintains a personal or other relationship with a person for the covert purpose of facilitating the doing of anything falling within paragraph (b) or (c);

he covertly uses such a relationship to obtain information or to provide access to any information to another person; or

he covertly discloses information obtained by the use of such a relationship or as a consequence of the existence of such a relationship.

By virtue of section 26(9)(b) of the 2000 Act a purpose is covert, in relation to the establishment or maintenance of a personal or other relationship, if and only if, the relationship is conducted in a manner that is calculated to ensure that one of the parties to the relationship is unaware of the purpose.

By virtue of section 26(9)(c) of the 2000 Act a relationship is used covertly, and information obtained as above is disclosed covertly, if and only if it is used or, as the case may be, disclosed in a manner that is calculated to ensure that one of the parties to the relationship is unaware of the use or disclosure in question.

An example would be where a Council member of staff uses social media sites to obtain information on a person's activities. If the member of staff became a "friend" using a pseudo account to conceal their identity intending to obtain private information this is covert activity, and as such will require an authorisation for directed surveillance. However there is also the possibility that the member of staff is engaged in intrusive surveillance if the social media site connects to a room in a person's private dwelling. In addition should the member of staff engage in any form of relationship with the person s/he is likely to become a CHIS, authorisation is required and management by a Controller and Handler, records need to be kept and a risk assessment completed, care has to be taken to avoid such status drift.



## **Conduct and Use of a Source**

The **use of a source** involves inducing, asking or assisting a person to engage in the conduct of a source or to obtain information by means of the conduct of such a source.

The **conduct of a source** is any conduct falling within section 29(4) of the 2000 Act, or which is incidental to anything falling within section 29(4) of the 2000 Act.

The **use of a source** is what the Authority does in connection with the source and the **conduct** is what a source does to fulfill whatever tasks are given to them or which is incidental to it. **The Use and Conduct require separate consideration before authorisation.**

When completing applications for the use of a CHIS, the applicant must state who the CHIS is, what they can do and for which purpose.

When determining whether a CHIS authorisation is required, consideration should be given to the covert relationship between the parties and the purposes mentioned in a, b, and c above.

### ***Management of Sources***

Within the provisions there has to be;

- (a) a person who has the day to day responsibility for dealing with the source and for the source's security and welfare (**Handler**)
- (b) at all times there will be another person who will have general oversight of the use made of the source (**Controller**)
- (c) at all times there will be a person who will have responsibility for maintaining a record of the use made of the source

The **Handler** will have day to day responsibility for:

- dealing with the source on behalf of the authority concerned;
- directing the day to day activities of the source;
- recording the information supplied by the source; and
- monitoring the source's security and welfare;

The **Controller** will be responsible for the general oversight of the use of the source.

## ***Tasking***

Tasking is the assignment given to the source by the Handler or Controller by asking him to obtain information, to provide access to information, or to otherwise act, incidentally, for the benefit of the relevant public authority. Authorisation for the use or conduct of a source is required prior to any tasking where such tasking requires the source to establish or maintain a personal or other relationship for a covert purpose.

In some instances, the tasking given to a person will not require the source to establish a personal or other relationship for a covert purpose. For example, a source may be tasked with finding out purely factual information about the layout of commercial premises. Alternatively, a Council Officer may be involved in the test purchase of items which have been labelled misleadingly or are unfit for consumption. In such cases, it is for the Council to determine where, and in what circumstances, such activity may require authorisation.

**Should a CHIS authority be required, all of the staff involved in the process should make themselves fully aware of all of the aspects relating to tasking contained within the CHIS codes of Practice**

## ***Management Responsibility***

The Council will ensure that arrangements are in place for the proper oversight and management of sources including appointing a Handler and Controller for each source prior to a CHIS authorisation.

The Handler of the source will usually be of a rank or position below that of the Authorising Officer.

It is envisaged that the use of a CHIS will be infrequent. Should a CHIS application be necessary, the CHIS Codes of Practice should be consulted to ensure that the Council can meet its management responsibilities.

## ***Security and Welfare***

The Council has a responsibility for the safety and welfare of the source and for the consequences to others of any tasks given to the source. Before authorising the use or conduct of a source, the Authorising Officer should ensure that a risk assessment is carried out to determine the risk to the source of any tasking and the likely consequences should the role of the source become known. The ongoing security and welfare of the source, after the cancellation of the authorisation, should also be considered at the outset.

## ***Record Management for CHIS***

Proper records must be kept of the authorisation and use of a source. The particulars to be contained within the records are;

- a. the identity of the source;
- b. the identity, where known, used by the source;
- c. any relevant investigating authority other than the authority maintaining the records;
- d. the means by which the source is referred to within each relevant investigating authority;
- e. any other significant information connected with the security and welfare of the source;
- f. any confirmation made by a person granting or renewing an authorisation for the conduct or use of a source that the information in paragraph (d) has been considered and that any identified risks to the security and welfare of the source have where appropriate been properly explained to and understood by the source;
- g. the date when, and the circumstances in which the source was recruited;
- h. the identities of the persons who, in relation to the source, are discharging or have discharged the functions mentioned in section 29(5)(a) to (c) of the 2000 Act or in any order made by the Secretary of State under section 29(2)(c);
- i. the periods during which those persons have discharged those responsibilities;
- j. the tasks given to the source and the demands made of him in relation to his activities as a source;
- k. all contacts or communications between the source and a person acting on behalf of any relevant investigating authority;
- l. the information obtained by each relevant investigating authority by the conduct or use of the source;
- m. any dissemination by that authority of information obtained in that way; and
- n. in the case of a source who is not an undercover operative, every payment, benefit or reward and every offer of a payment, benefit or reward that is made or provided by or on behalf of any relevant investigating authority in respect of the source's activities for the benefit of that or any other relevant investigating authority.

## ***Juvenile Sources***

Special safeguards apply to the use or conduct of juvenile sources (i.e. those under the age of 18). On no occasion can a child under 16 years of age be authorised to give information against his or her parents or any person with parental responsibility for him or her. Only the Chief Executive, or in his absence, the Deputy Chief Executive can authorise the use of a juvenile as a source.

## ***Vulnerable Individuals***

A Vulnerable Individual is a person who is or may be in need of community care services by reason of mental or other disability, age or illness and who is or may be unable to take care of himself or herself, or unable to protect himself or herself against significant harm or exploitation.

A Vulnerable Individual will only be authorised to act as a source in the most exceptional of circumstances. Only the Chief Executive, or in his absence, the Deputy Chief Executive can authorise the use of a vulnerable individual as a source.

## ***Test Purchases***

Carrying out test purchases will not normally require the purchaser to establish a relationship with the supplier with the covert purpose of obtaining information and, therefore, the purchaser will not normally be a CHIS. For example, authorisation as a CHIS would not normally be required for test purchases carried out in the ordinary course of business (e.g. walking into a shop and purchasing a product over the counter).

By contrast, developing a relationship with a person in the shop, to obtain information about the seller's suppliers of an illegal product (e.g. illegally imported products) will require authorisation as a CHIS. Similarly, using mobile hidden recording devices or CCTV cameras to record what is going on in the shop will require authorisation as directed surveillance. A combined authorisation can be given for a CHIS and also directed surveillance. However it will be necessary to complete the relevant separate application forms.

Authorising Officers should consider the likelihood that the test purchase will lead to a relationship being formed with a person in the shop. If the particular circumstances of a particular test purchase are likely to involve the development of a relationship Authorising Officers must seek legal advice from the Solicitor to the Council.

If several shop premises are included on one application for Directed Surveillance, each premises will be required to be assessed by the Authorising Officer individually on their own merits.

## ***Anti-Social Behaviour Activities (eg. Noise, Violence, Race etc)***

As from 1 November 2012 there is no provision for a Local Authority to use RIPA to conduct covert activities for disorder such as anti-social behaviour, unless there are

criminal offences involved which attract a maximum custodial sentence of six months. Should it be necessary to conduct covert surveillance for disorder which does not meet the serious crime criteria of a custodial sentence of a maximum of six months, this surveillance would be classed as surveillance outside of RIPA, and would still have to meet the Human Rights Act provisions of Necessity and Proportionality? (See section of surveillance outside of RIPA)

Persons who complain about anti-social behaviour, and are asked to keep a diary, will not normally be a CHIS, as they are not required to establish or maintain a relationship for a covert purpose. Recording the level of noise (eg. the decibel level) will not normally capture private information and, therefore, does not require authorisation.

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## Section G

### THE ROLE OF THE RIPA CO-ORDINATOR

#### Key Responsibilities of the RIPA Co-ordinator

In this document the RIPA Co-ordinator is the Solicitor to the Council. The key responsibilities of the RIPA Co-ordinator are to:

- Retain all applications for authorisation (including those that have been refused), renewals and cancellations for a period of at least **three years** together with any supplementary documentation;
- Provide a unique reference number and maintain the central register of all applications for authorisations whether finally granted or refused (see section below);
- Create and maintain a spreadsheet for the purpose of identifying and monitoring expiry dates and renewal dates although the responsibility for this is primarily that of the officer in charge and the Authorising Officer;
- Retain and maintain an oversight of the authorisation process
- Monitor types of activities being authorised to ensure consistency and quality throughout the Council;
- Ensure sections identify and fulfil training needs;
- Periodically review Council procedures to ensure that they are up to date;
- Assist Council employees to keep abreast of RIPA developments by organising training and raising RIPA awareness throughout the Council;
- Provide a link to the Surveillance Commissioner and disseminate information on changes on the law, good practice etc. Officers becoming aware of such information should, conversely, send it to the RIPA Co-ordinator for this purpose;
- Check that Authorising Officers carry out reviews and cancellations on a timely basis.

#### Central Record of Authorisations

A centrally retrievable record of all authorisations will be held by the RIPA Co-ordinator (Solicitor to the Council) which must be up-dated whenever an authorisation is granted, renewed or cancelled. These records will be retained for a period of **three years** from the ending of the authorisation and will contain the following information:

- The type of authorisation;
- The date the authorisation was given;
- The name and title of the Authorising Officer;
- The unique reference number of the investigation (URN);
- The title of the investigation or operation, including a brief description and the names of the subjects, if known;
- Whether the investigation will obtain confidential information;
- Whether the authorisation was granted by an individual directly involved in the investigation;
- The date approved by the Magistrate
- The dates the authorisation is reviewed and the name and title of the Authorising Officer;
- If the authorisation is renewed, when it was renewed and the name and title of the Authorising Officer;
- The date the authorisation was cancelled.
- Joint surveillance activity where Council staff have been authorised on another agencies authorisation will also be recorded.

Access to the data will be restricted to the RIPA Co-ordinator and Authorising Officers to maintain the confidentiality of the information.

## Section H

### AUTHORISATION PROCEDURES

1. Directed surveillance and the use of a CHIS can only be lawfully carried out if properly authorised, and in strict accordance with the terms of the authorisation.

#### *Authorising Officers*

Forms can only be signed by Authorising Officers. The Authorising Officers are:

<b>Chief Executive</b>	Tony Goodwin
<b>Executive Director Corporate Services</b>	John Wheatley
<b>Director Assets &amp; Environment</b>	Andrew Barratt

Appointment of the aforesaid officers is subject to the training requirements set out in the paragraph below.

Authorisations under RIPA are separate from delegated authority to act under the Council's Scheme of Delegation and any internal departmental Schemes of Management.

RIPA authorisations are for specific investigations only, and must be renewed or cancelled once the specific surveillance is complete or about to expire. **The authorisations do not lapse with time.**

Authorising officers should not normally be responsible for authorising operations in which they are directly involved, although it is recognised that this may sometimes be unavoidable, especially in the case of small organisations, or where it is necessary to act urgently or for security reasons. Where an authorising officer authorises such an investigation or operation the centrally retrievable record of authorisations should highlight this and the attention of a Commissioner or Inspector should be invited to it during the next inspection.

#### *Training*

Authorising Officers will only be appointed if the Chief Executive is satisfied that they have undertaken suitable training on RIPA. Evidence of suitable training is to be supplied in the form of a certificate/confirmation from the trainer to the effect that the Authorising Officer has completed a suitable course of instruction.

The Solicitor to the Council will maintain a Register of Authorising Officers and details of training undertaken by them.

If the Chief Executive is of the view that an Authorising Officer has not complied fully with the requirements of this document, or the training requirements then that Officer's authorisation can be withdrawn until they have undertaken further approved training or has attended a one-to-one meeting with the Chief Executive.



## **Grounds for Authorisation**

On 1 November 2012 two significant changes came into force that effects how local authorities use RIPA.

- **Approval of Local Authority Authorisations under RIPA by a Justice of the Peace:** The amendments in the Protection of Freedoms Act 2012 <sup>mean</sup> that local authority authorisations under RIPA for the use of Directed Surveillance or use of Covert Human Intelligence sources (CHIS) can only be given effect once an order approving the authorisation has been granted by a Justice of the Peace (JP). **This applies to applications and renewals only, not reviews and cancellations.**
- **Directed surveillance crime threshold:** The Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) (Amendment) Order 2012 (“the 2012 Order”) states that a local authority can now only grant an authorisation under RIPA for the use of **Directed Surveillance** where the local authority is investigating (1) criminal offences which attract a maximum custodial sentence of six months or more or (2) criminal offences under sections 146, 147 or 147A of the Licensing Act 2003 or sections 91 and 92 of the Children and Families Act 2014 relating to the sale of alcohol and/or tobacco products to children.

**The crime threshold, as mentioned is only for Directed Surveillance.**

Therefore the only lawful reason is **prevention and detection of crime** in respect of its Core Functions. As from 1 November 2012 there is no provision for a Local Authority to use RIPA to conduct covert activities for disorder such as anti-social behaviour unless there are criminal offences involved which attract a maximum custodial sentence of six months or more.

## **APPLICATION PROCESS**

No covert activity covered by RIPA or the use of a CHIS should be undertaken at any time unless it meets the legal criteria (see above) and has been authorised by an Authorising Officer and approved by a JP/Magistrate as mentioned above. The activity conducted must be in strict accordance with the terms of the authorisation.

The effect of the above legislation means that all applications and renewals for covert RIPA activity will have to have a JP’s approval. It does not apply to Reviews and Cancellations which will still be carried out internally.

The procedure is as follows;

All applications and renewals for Directed Surveillance and use of a CHIS will be required to have a JP’s approval.

The applicant will complete the relevant application form ensuring compliance with the statutory provisions shown above. The application form will be submitted to an Authorising Officer for consideration. If authorised, the applicant will also complete

the required section of the judicial application/order form. Although this form requires the applicant to provide a brief summary of the circumstances of the case on the judicial application form, this is supplementary to and does not replace the need to supply the original RIPA authorisation as well.

It will then be necessary within Office hours to arrange with Her Majesty's Courts & Tribunals Service (HMCTS) administration at the magistrates' court to arrange a hearing. The hearing will be in private and heard by a single JP.

The Authorising Officer will be expected to attend the hearing along with the applicant officer. Officers who may present the application at these proceedings will need to be formally designated by the Council under section 223 of the Local Government Act 1972 to appear, be sworn in and present evidence or provide information as required by the JP. If in doubt as to whether you are able to present the application seek advice from the Solicitor to the Council.

Upon attending the hearing, the officer must present to the JP the partially completed judicial application/order form, a copy of the RIPA application/authorisation form, together with any supporting documents setting out the case, and the original application/authorisation form.

The original RIPA application/authorisation should be shown to the JP but will be retained by the local authority so that it is available for inspection by the Commissioners' offices and in the event of any legal challenge or investigations by the Investigatory Powers Tribunal (IPT).

The JP will read and consider the RIPA application/ authorisation and the judicial application/order form. They may have questions to clarify points or require additional reassurance on particular matters. These questions are supplementary to the content of the application form. **However the forms and supporting papers must by themselves make the case. It is not sufficient for the local authority to provide oral evidence where this is not reflected or supported in the papers provided.**

The JP will consider whether he or she is satisfied that at the time the authorisation was granted or renewed, there were reasonable grounds for believing that the authorisation was necessary and proportionate. They will also consider whether there continues to be reasonable grounds. In addition they must be satisfied that the person who granted the authorisation or gave the notice was an appropriate designated person within the local authority and the authorisation was made in accordance with any applicable legal restrictions, for example that the crime threshold for directed surveillance has been met.

The JP may decide to

**Approve the Grant or renewal of an authorisation**

The grant or renewal of the RIPA authorisation will then take effect and the local authority may proceed to use the technique in that particular case. The duration of the authorisation commences with the magistrate's approval.

**Refuse to approve the grant or renewal of an authorisation**

The RIPA authorisation will not take effect and the local authority may **not** use the technique in that case.

Where an application has been refused the applicant may wish to consider the reasons for that refusal. If more information was required by the JP to determine whether the application/authorisation has met the tests, and this is the reason for refusal the officer should consider whether they can reapply, for example, if there was information to support the application which was available to the local authority, but not included in the papers provided at the hearing.

For, a technical error, the form may be remedied without going through the internal authorisation process again. The officer may then wish to reapply for judicial approval once those steps have been taken.

**Refuse to approve the grant or renewal and quash the authorisation or notice**

This applies where the JP refuses to approve the application/authorisation or renew the application/authorisation and decides to quash the original authorisation or notice. However the court must not exercise its power to quash the application/authorisation unless the applicant has had at least 2 business days from the date of the refusal in which to make representations. If this is the case the officer will inform the Legal section who will consider whether to make any representations.

Whatever the decision the JP will record their decision on the order section of the judicial application/order form. The court administration will retain a copy of the local authority RIPA application and authorisation form and the judicial application/order form. The officer will retain the original application/authorisation and a copy of the judicial application/order form.

If approved by the JP, the date of the approval becomes the commencement date and the three months duration will commence on this date, The officers are now allowed to undertake the activity.

The original application and the copy of the judicial application/order form should be forwarded to the Central Register and a copy retained by the applicant and if necessary by the Authorising Officer.

A local authority may only appeal a JP decision on a point of law by judicial review. If such a concern arises, the Legal team will decide what action if any should be taken.

If it is intended to undertake both directed surveillance and the use of a CHIS on the same surveillance subject, the respective applications forms and procedures should be followed and both activities should be considered separately on their own merits.

An application for an authorisation must include an assessment of the risk of any collateral intrusion or interference. The Authorising Officer will take this into account, particularly when considering the proportionality of the directed surveillance or the use of a CHIS.

**Application, Review, Renewal and Cancellation Forms**

**Applications**

All the relevant sections on an application form must be completed with sufficient information for the Authorising Officer to consider Necessity, Proportionality and the Collateral Intrusion issues. Risk assessments should take place prior to the completion of the application form. Each application should be completed on its own merits of the case. **Cutting and pasting or using template entries should not take place as this would leave the process open to challenge.**

All applications will be submitted to the Authorising Officer via the Line Manager of the appropriate enforcement team in order that they are aware of the activities being undertaken by the staff. Applications whether authorised or refused will be issued with a unique number by the Authorising Officer, taken from the next available number in the Central Record of Authorisations.

If authorised the applicant will then complete the relevant section of the judicial application/order form and follow the procedure above by arranging and attending the Magistrates Court to seek a JP's approval. The duration of the authorisation commences with the magistrate's approval. (see procedure above RIPA application and authorisation process)

**Duration of Applications**

<b>Directed Surveillance</b>	3 Months
Renewal	3 Months
<b>Covert Human Intelligence Source</b>	12 Months
Juvenile Sources	1 Month
<b>Renewal</b>	<b>12 months</b>

**All Authorisations must be cancelled by completing a cancellation form. They must not be left to simply expire. (See cancellations page 16)**

## **Reviews**

The reviews are dealt with internally by submitting the review form to the authorising officer. There is no requirement for a review form to be submitted to a JP. However if a different surveillance techniques is required is is likely a new application will have to be completed and approved by a JP.

Regular reviews of authorisations should be undertaken to assess the need for the surveillance to continue. The results of a review should be recorded on the central record of authorisations. Particular attention is drawn to the need to review authorisations frequently where the surveillance provides access to confidential information or involves collateral intrusion.

In each case the Authorising Officer should determine how often a review should take place. This should be as frequently as is considered necessary and practicable and they will record when they are to take place on the application form. This decision will be based on the circumstances of each application. However reviews will be conducted on a monthly or less basis to ensure that the activity is managed. It will be important for the Authorising Officer to be aware of when reviews are required following an authorisation to ensure that the applicants submit the review form on time.

Applicants should submit a review form by the review date set by the Authorising Officer. They should also use a review form for changes in circumstances to the original application so that the need to continue the activity can be reassessed. However if the circumstances or the objectives have changed considerably, or the techniques to be used are now different a new application form should be submitted and will be required to follow the process again and be approved by a JP. The applicant does not have to wait until the review date if it is being submitted for a change in circumstances.

Managers or Team Leaders of applicants should also make themselves aware of when the reviews are required to ensure that the relevant forms are completed on time.

## **Renewal**

Should it be necessary to renew a Directed Surveillance or CHIS application/authorisation, this must be approved by a JP.

Applications for renewals should not be made until shortly before the original authorisation period is due to expire but the applicant must take account of factors which may delay the renewal process (e.g. intervening weekends or the availability of the relevant authorising officer and a JP to consider the application).

The applicant should complete all the sections within the renewal form and submit the form to the authorising officer.

Authorising Officers should examine the circumstances with regard to Necessity, Proportionality and the Collateral Intrusion issues before making a decision to renew the activity. A CHIS application should not be renewed unless a thorough review has been carried out covering the use made of the source, the tasks given to them and

information obtained. The Authorising Officer must consider the results of the review when deciding whether to renew or not. The review and the consideration must be documented.

If the authorising officer refuses to renew the application the cancellation process should be completed. If the AO authorises the renewal of the activity the same process is to be followed as mentioned earlier for the initial application.

A renewal takes effect on the day on which the authorisation would have ceased and lasts for a further period of three months.

## **Cancellation**

The cancellation form is to be submitted by the applicant or another investigator in their absence. The Authorising Officer who granted or last renewed the authorisation must cancel it if they are satisfied that the directed surveillance no longer meets the criteria upon which it was authorised. Where the Authorising Officer is no longer available, this duty will fall on the person who has taken over the role of Authorising Officer or the person who is acting as Authorising Officer

As soon as the decision is taken that directed surveillance should be discontinued, the applicant or other investigating officer involved in the investigation should inform the Authorising Officer. The Authorising Officer will formally instruct the investigating officer to cease the surveillance, noting the time and date of their decision. This will be required for the cancellation form. The date and time when such an instruction was given should also be recorded in the central record of authorisations (see paragraph 5.18 in the Codes of Practice). **It will also be necessary to detail the amount of time spent on the surveillance as this is required to be retained by the Senior Responsible Officer.**

The officer submitting the cancellation should complete in detail the relevant sections of the form and include the period of surveillance and what if any images were obtained and any images containing third parties. The Authorising Officer should then take this into account and issues instructions regarding the management and disposal of the images etc.

The cancellation process should also be used to evaluate whether the objectives have been achieved and whether the applicant carried out what they stated was necessary in the application form. This check will form part of the oversight function. Where issues are identified they will be brought to the attention of the line manager and the Senior Responsible Officer (SRO). This will assist with future audits and oversight.

Before an Authorising Officer signs a Form, they must:-

- (a) Be mindful of this Policy & Procedures Document and the training undertaken
- (b) Be satisfied that the RIPA authorisation is:-
  - (i) **in accordance with the law and**
  - (ii) **necessary** in the circumstances of the particular case on the ground mentioned (see section on necessity at page 10) **and**
  - (iii) **proportionate** to what it seeks to achieve by acquiring such data. (see section on proportionality at page 11)
- (c) In assessing whether or not the proposed surveillance is proportionate, consider other appropriate means of gathering the information.

The authorisation will not be proportionate if it is excessive in the overall circumstances of the case. Each action authorised should bring an expected benefit to the investigation or operation and should not be disproportionate or arbitrary. The fact that a suspected offence may be serious will not alone render intrusive actions proportionate. Similarly, an offence may be so minor that any deployment of covert techniques would be disproportionate. No activity should be considered proportionate if the information which is sought could reasonably be obtained by other less intrusive means.

The following elements of proportionality should therefore be considered:

- balance the size and scope of the proposed activity against the gravity and extent of the perceived crime or offence;
- explain how and why the methods to be adopted will cause the least possible intrusion on the subject and others;
- consider whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the necessary result;
- evidence, what other methods have been considered and why they were not implemented.

**The least intrusive method will be considered proportionate by the courts.**

- (d) Take into account the risk of intrusion into the privacy of persons other than the specified subject of the surveillance (**collateral intrusion**). Measures must be taken wherever practicable to avoid or minimise (so far as is possible) collateral intrusion. This matter may be an aspect of determining proportionality;
- (e) Set a date for review of the authorisation and review on only that date;
- (f) Obtain a Unique Reference Number (URN) for the application from the Solicitor to the Council on 01827 709258

- (g) Ensure that a copy of the RIPA Forms (and any review/cancellation of the same) is forwarded to the Solicitor to the Council, Central Register, **within 5 working days of the relevant authorisation, review, renewal, cancellation or rejection.**

### ***Additional Safeguards when Authorising a CHIS***

When authorising the conduct or use of a CHIS, the Authorising Officer must also:-

- (a) be satisfied that the **conduct** and/or **use** of the CHIS is proportionate to what is sought to be achieved.
- (b) Be satisfied that **appropriate arrangements** are in place for the management and oversight of the CHIS and this must address health and safety issues through a risk assessment;
- (c) Consider the likely degree of intrusion of all those potentially affected;
- (d) Consider any adverse impact on community confidence that may result from the use or conduct or the information obtained;
- (e) Ensure **records** contain particulars and are not available except on a need to know basis.
- (f) Ensure that if the CHIS is under the age of 18 or is a vulnerable adult the Authorising Officer is the Chief Executive or in his absence, the Deputy Chief Executive.

The Authorising Officer must attend to the requirement of section 29(5) RIPA and of the Regulation of Investigatory Powers (Source Records) Regulations 2000. It is strongly recommended that legal advice is obtained in relation to the authorisation of a CHIS.

### ***Urgent Authorisations***

As from 1 November 2012 there is no longer provision under RIPA for urgent oral authorisations.



## Section I

### WORKING WITH / THROUGH OTHER AGENCIES

When some other agency has been instructed on behalf of the Council to undertake any action under RIPA, this document and the forms in it must be used (as per normal procedure) and the agency advised or kept informed, as necessary, of the various requirements. The agency must be made aware explicitly what they are authorised to do. The agency will be provided with a copy of the application form (redacted if necessary) or at the least the authorisation page containing the unique number.

Equally, if Council staff are authorised on another agencies RIPA authorisation, the staff will obtain a copy of the application form (redacted if necessary), or at the least the authorisation page containing the unique number, a copy of which should be forwarded for filing within the central register. They must ensure that they do not conduct activity outside of that authorisation.

Provisions should also be made regarding any disclosure implications under the Criminal Procedures Act (CPIA) and the management, storage and dissemination of any product obtained.

When another agency (e.g. Police, Customs & Excise, Inland Revenue etc):-

- (a) wishes to use the Council's resources (e.g. CCTV surveillance systems), that agency must use its own RIPA procedures and, before any Officer agrees to allow the Council's resources to be used for the other agency's purposes, the Officer must obtain a copy of that agency's RIPA form (redacted if necessary) or at the least the authorisation page containing the unique number for the record (a copy of which must be passed to the Solicitor to the Council for the Central Register) Should this be an urgent oral authorisation they should obtain a copy of the contemporaneous notes of what has been authorised by the Authorising Officer in line with current guidance. A copy of these notes will be forwarded for filing in the central register.
- (b) wish to use the Council's premises for their own RIPA action, the Chief Officer or Head of Service should, normally, cooperate with the same, unless there are security or other good operational or managerial reasons as to why the Council's premises should not be used for the agency's activities. Suitable insurance or other appropriate indemnities may be sought, if necessary, from the other agency for the Council's cooperation in the agent's RIPA operation. In such cases, however, the Council's own RIPA forms should not be used as the Council is only 'assisting' not being 'involved' in the RIPA activity of the external agency.

If the Police or any other Agency wish to use Council resources for general surveillance, as opposed to specific RIPA operations, an appropriate letter requesting the proposed use, extent of remit, duration, who will be undertaking the general surveillance and the purpose of it must be obtained from the police or other Agency before any Council resources are made available for the proposed use.

Any person granting or applying for an authorisation will also need to be aware of particular sensitivities in the local community where the surveillance is taking place and of any similar activities being undertaken by other public authorities which could impact on the deployment of surveillance. It is therefore recommended that where an authorising officer from a public authority considers that conflicts might arise they should consult a senior officer within the police force area in which the investigation or operation is to take place.

**If in doubt, please consult with the Solicitor to the Council at the earliest opportunity.**

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## **Section J**

### **RECORD MANAGEMENT**

**The Council must keep detailed records of all authorisations, renewals, cancellations and rejections in Departments and a Central Register of all Authorisation Forms will be maintained and monitored by the Solicitor to the Council.**

#### ***Records Maintained in the Department***

The following documents must be retained by the Department authorising the surveillance:

- a copy of the Forms together with any supplementary documentation and notification of the approval given by the Authorising Officer;
- a record of the period over which the surveillance has taken place;
- the frequency of reviews prescribed by the Authorising Officer;
- a record of the result of each review of the authorisation;
- a copy of any renewal of an authorisation, together with the supporting documentation submitted when the renewal was requested;
- the date and time when any instruction was given by the Authorising Officer;
- the Unique Reference Number for the authorisation (URN).

#### ***Central Register maintained by the Solicitor to the Council***

Authorising Officers must forward a copy of the form to the Solicitor to the Council for the Central Register, within 5 working days of the authorisation, review, renewal, cancellation or rejection. The Solicitor to the Council will monitor the same and give appropriate guidance to Authorising Officers from time to time, or amend this document in the light of changes of legislation or developments through case law.

#### ***Retention and Destruction of Material***

Arrangements are in place for the secure handling, storage and destruction of material obtained through the use of directed or intrusive surveillance or property interference. Authorising Officers, through their relevant Data Controller, must ensure compliance with the appropriate data protection requirements under the Data Protection Act 1998 and any relevant codes of practice produced by individual authorised relating to the handling and storage of material.

The Council will retain records for a period of at least three years from the ending of the authorisation. The Office of the Surveillance Commissioners (OSC) can audit/review the Council's policies and procedures, and individual authorisations.

The Office of the Surveillance Commissioners will also write to the Council from time to time, requesting information as to the numbers of authorisations made in a specific period. It will be the responsibility of the Solicitor to the Council to respond to such communications.

## **Errors**

There is now a requirement as set out in the OSC procedures and Guidance 2011 to report all covert activity that was not properly authorised to the OSC in writing as soon as the error is recognised. This would be known as an error. This includes activity which should have been authorised but wasn't or which was conducted beyond the directions provided by the authorising officer. It is therefore important that when an error has been identified it is brought to the attention of the SRO in order to comply with this guidance. The Council has a responsibility to report to the Inspector at the commencement of an inspection all activity which should have been authorised but wasn't. This is to confirm that any direction provided by the Chief Surveillance Commissioner has been followed. This will also assist with the oversight provisions of the Council's RIPA activity.

This does not apply to covert activity which is deliberately not authorised because an authorising officer considers that it does not meet the legislative criteria, but allows it to continue. This would be surveillance outside of RIPA. (See oversight section below)

## Section K

### ACQUISITION OF COMMUNICATIONS DATA

#### What is Communications Data?

Communication data means any traffic or any information that is or has been sent by or over a telecommunications system or postal system, together with information about the use of the system made by any person.

#### Powers

There are two powers granted by S22 RIPA in respect of the acquisition of Communications Data from telecommunications and postal companies (“Communications Companies”).

S22 (3) provides that an authorised person can authorise another person within the same relevant public authority to collect the data. This allows the local authority to collect the communications data themselves, i.e. if a private telecommunications company is technically unable to collect the data, an authorisation under this section would permit the local authority to collect the communications data themselves.

In order to compel a communications company to obtain and disclose, or just disclose communications data in their possession, a notice under S22 (4) RIPA must be issued. The sole grounds to permit the issuing of a S22 notice by a permitted Local Authority is for the purposes of “preventing or detecting crime or of preventing disorder”. The issuing of such a notice will be the more common of the two powers utilised, in that the Communications Company will most probably have means of collating and providing the communications data requested.

#### Single Point of Contact

To obtain communication data the request must be submitted through a “Single Point of Contact” (“SPoC”). The National Anti-Fraud Network (NAFN) have been given the responsibility to act as the SPoC for all local authorities. **No Council can obtain communications data through RIPA without using NAFN.**

The role of the SPoC is to enable and maintain effective co-operation between a public authority and communications service providers in the lawful acquisition and disclosure of communications data. All SPoC officers are registered with the Home Office.

The functions of the SPoC are to:

- Assess, where appropriate, whether access to communications data is reasonably practical for the postal or telecommunications operator;

- Advise Applicants and Authorising Officers on the practicalities of accessing different types of communications data from different postal or telecommunications operators
- Advise Applicants and Authorising Officers on whether communications data falls under section 21(4)(a), (b) or (c) of RIPA
- Provide safeguards for authentication
- Assess any cost and resource implications to both the Council and postal or telecommunications operator.

### **The Senior Responsible Officer**

In accordance with the Code of Practice each public authority must have a Senior Responsible Officer who is responsible for:

- The integrity of the process in places within the public authority to acquire communications data;
- Compliance with Chapter II of Part 1 of RIPA and with the Code;
- Oversight of the reporting of errors to the Interception of Communications Commissioner's Office (IOCCO) and the identification of both the cause of errors and the implementation of processes to minimise repetition of errors;
- Engagement with the IOCCO inspectors when they conduct their inspections and;
- Where necessary, oversee the implementation of post – inspection action plans approved by the Commissioner

The Council's Senior Responsible Officer is the Solicitor to the Council.

### **Application Forms**

Only the approved Accessing Communications Data forms referred to in Appendix 4 must be used. The forms have to be downloaded and completed in the Applicants handwriting

### **Procedure**

All applications to obtain communications data must be channelled through the NAFN as the SPoC. The application process is conducted online using their system. If an investigating officer is considering making an application to obtain communications data they should contact the SPoC for advice and to complete the application process.

In completing the online forms the investigating officer must address the issues of necessity, proportionality and collateral intrusion. The following is guidance on the principles of necessity, proportionality and collateral intrusion.

“Necessity” should be a short explanation of the crime (together with details of the relevant legislation), the suspect, victim or witness and the telephone or communications address and how all these three link together. It may be helpful to outline the brief details of the investigation and the circumstances leading to the application as this will assist with justifying necessity. The source of the telephone

number or communications address should also be outlined. E.g. if the number was obtained from itemised billing or a business flyer there should be specific identifiers such as the telephone number or exhibit number.

“Proportionality” should be an outline of what the investigating officer expects to achieve from obtaining the data and explain how the level of intrusion is justified when taking into consideration the benefit the data will give to the investigation. The investigating officer should give an explanation as to why specific date/time periods of data have been requested. An explanation of what is going to be done with the communications data once it is acquired and how that action will benefit the investigation will assist with the justification of proportionality. The investigating officer should outline what other checks or methods have been tried e.g. visiting other known addresses, ringing the number etc or why such methods are not deemed feasible.

“Collateral intrusion” should also be addressed on the suspect or individual in question to demonstrate that the intrusion is not arbitrary or unfair. It is regarded that there will be no collateral intrusion in relation to subscriber checks as no matter who the number is registered to they will form some part of investigative enquiries. In some case it will be clear that the suspect has been contacted on the actual telephone number by the complainant or the investigating officer and therefore this reduces the potential for collateral intrusion. Investigating officers should also mention whether it is known that the telephone number (or other type of data) has been used for example to advertise the business, either in the press/internet or on business cards/flyers as this would also be evidence to show that the suspect is actually using the telephone number and further reduce the potential for collateral intrusion. Collateral intrusion becomes more relevant when applying for service use data such as itemised billing and investigating officers should outline specifically what collateral intrusion may occur, how the time periods requested impact on collateral intrusion and whether they are likely to obtain data which is outside the realm of their investigation.

Once the investigating officer has completed the online application form it is automatically forwarded to the SPoC. If the SPoC is satisfied that the application should proceed, the Application and the draft Notice to the Communications Service Provider will be electronically forwarded for consideration by an Authorising Officer<sup>1</sup>. If the SPoC decides that the application is not justified it will be rejected. If the SPoC requires further information, in order to consider the application this will be requested from the investigating officer.

The Authorising Officer must consider:

- (a) whether the case justifies the accessing of communications data for the **purposes of preventing or detecting crime or of preventing disorder** and why obtaining the data is **necessary** in order to achieve the aims of the investigation and on the grounds permitted to the Council;

and

- (b) whether obtaining access to the data by the conduct authorised, or required of the postal or telecommunications operator in the case of a notice, is **proportionate** to what is sought to be achieved.

The Authorising Officer will complete the online application form as appropriate.

If the Authorising Officer becomes directly involved in the operation, such involvement and their justification for undertaking the role of Authorising Officer must be explicit in the written considerations on the Application Form or alternatively the application should be passed to another Authorising Officer for consideration.

If the accessing of communications data is authorised by the Authorising Officer it will also need approval by a Magistrate. The online forms will be completed so that NAFN can acquire the data should it be approved.

1. NOTE: The Code of Practice referred to in paragraph 5 above refers to "Designated Persons" as those whose authority is obtained with regard to the application. However, for the purposes of this policy and procedure the term "Authorising Officer" will be used for that of "Designated Person".

### **Duration**

Authorisations and notices are only valid for one month. A shorter period should be specified if this is satisfied by the request. An authorisation or notice may be renewed during the month by following the same procedure as obtaining a fresh authorisation or notice.

An Authorising Officer shall cancel an authorisation or notice as soon as it is no longer necessary or the conduct is no longer proportionate to what is sought to be achieved. The duty to cancel a notice falls on the Authorising Officer who issued it.

### **Record Management**

Applications, authorisations and notices for communications data must be retained by the SPoC until audited by the IOCCO. All such documentation must be kept in locked storage.

### **Errors**

Where any errors have occurred in the granting of authorisations or the giving of notices, a record shall be kept and a report and explanation sent to the IOCCO as soon as reasonably practicable.

### **Oversight**

The IOCCO will write to the Council from time to time requesting information as to the numbers of applications for communications data and confirmation as to whether there have been any errors which have occurred when obtaining data communications. It will be the responsibility of the Solicitor to the Council to respond to such communications.



## Section L

### CONCLUSION

Obtaining an authorisation under RIPA and following the guidance and procedures in this document will assist in ensuring that the use of covert surveillance or a CHIS is carried out in accordance with the law and subject to safeguards against infringing an individual's human rights. Complying with the provisions of RIPA protects the Council against challenges for breaches of Article 8 of the European Convention on Human Rights.

Authorising Officers will be suitably trained and they must exercise their minds every time they are asked to sign a Form. They must never sign or rubber stamp Form(s) without thinking about their personal and the Council's responsibilities.

Any boxes not needed on the Form(s) must be clearly marked as being 'NOT APPLICABLE', 'N/A' or a line put through the same. Great care must also be taken to ensure accurate information is used and is inserted in the correct boxes. Reasons for any refusal of an application must also be kept on the form and the form retained for future audits.

For further advice and assistance on RIPA, please contact the Solicitor to the Council (who is also the Monitoring Officer).

## APPENDIX 1

### A FORMS

#### DIRECTED SURVEILLANCE

All forms can be obtained from:

<http://www.homeoffice.gov.uk/counter-terrorism/ripa-forms/>

The form has to be downloaded and completed in the applicant's handwriting. The Authorising Officer must also complete the relevant section of the form in handwriting. The original form has to be passed to the Solicitor to the Council.

Application for Authorisation Directed Surveillance

Application for Review of a Directed Surveillance Authorisation

Application for Renewal of a Directed Surveillance Authorisation

Application for Cancellation of a Directed Surveillance Authorisation

## APPENDIX 2

### B FORMS

#### CONDUCT OF A COVERT HUMAN INTELLIGENCE SOURCE

All forms can be obtained from:

<http://www.homeoffice.gov.uk/counter-terrorism/ripa-forms/>

The form has to be downloaded and completed in the applicant's handwriting. The Authorising Officer must also complete the relevant section of the form in handwriting. The original form has to be passed to the Solicitor to the Council.

Application for Authorisation of the conduct or use of a Covert Human Intelligence Source (CHIS).

Application for Review of a Covert Human Intelligence Source (CHIS) Authorisation.

Application for renewal of a Covert Human Intelligence Source (CHIS) Authorisation.

Application for Cancellation of an authorisation for the use or Conduct of a Covert Human Intelligence Source.

## APPENDIX 3

### C FORMS

#### ACQUISITION OF COMMUNICATIONS DATA

All forms can be obtained from the Home Office: RIPA Codes of Conduct website:  
<http://www.homeoffice.gov.uk/counter-terrorism/ripa-forms/>

The form has to be downloaded and completed in the applicant's handwriting. The Authorising Officer must also complete the relevant section of the form in handwriting. The original form has to be passed to the Solicitor to the Council.

[Part I Chapter II request schedule for subscriber information](#)

[Specimen Part I Chapter II authorisation](#)

[Specimen Part I Chapter II Notice](#)

[Chapter II application for communications data](#)

[Guidance notes regarding chapter II application form](#)

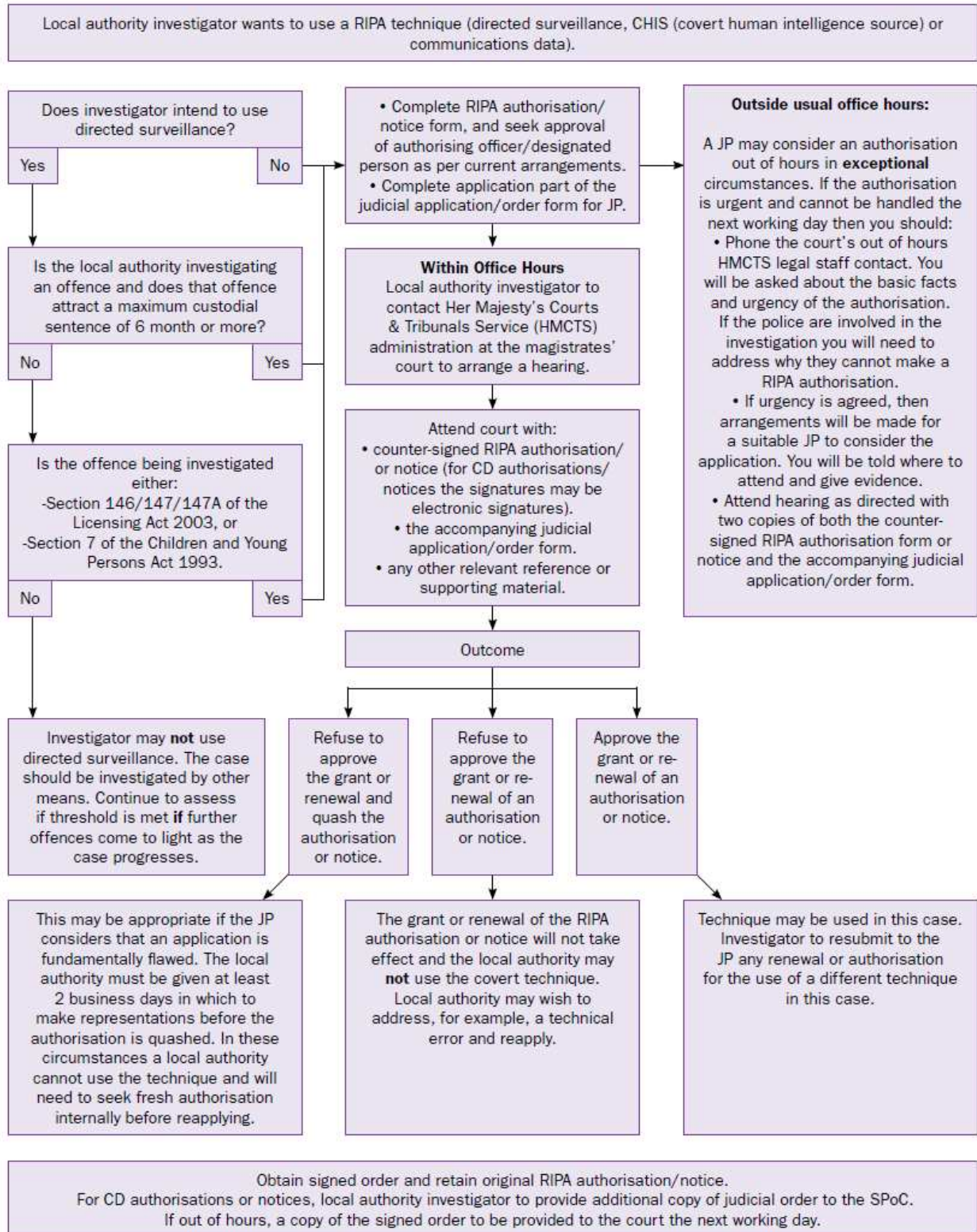
[RIPA Section 22 notice to obtain communications data from communications service providers](#)

[Reporting an error by a CSP to the IOCCO](#)

[Reporting an error by a public authority to the IOCCO](#)

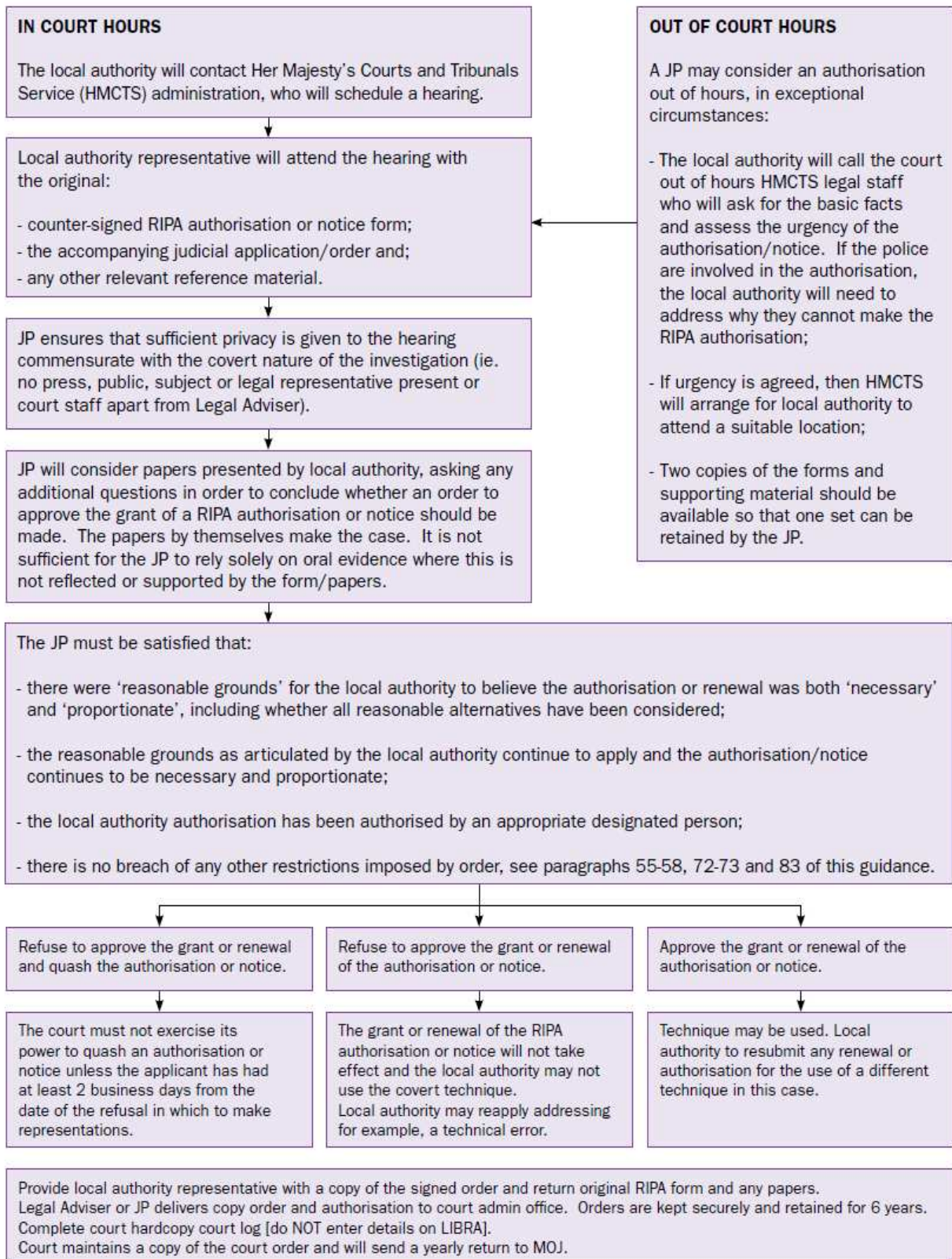
Annex A Local Authority Procedure

LOCAL AUTHORITY PROCEDURE: APPLICATION TO A JUSTICE OF THE PEACE SEEKING AN ORDER TO APPROVE THE GRANT OF A RIPA AUTHORISATION OR NOTICE



## Annex B Court Procedure

### PROCEDURE: LOCAL AUTHORITY APPLICATION TO A JUSTICE OF THE PEACE SEEKING AN ORDER TO APPROVE THE GRANT OF A RIPA AUTHORISATION OR NOTICE



**Application for judicial approval for authorisation to obtain or disclose communications data, to use a covert human intelligence source or to conduct directed surveillance. Regulation of Investigatory Powers Act 2000 sections 23A, 23B, 32A, 32B.**

Local authority:.....

Local authority department:.....

Offence under investigation:.....

Address of premises or identity of subject:.....

.....

.....

Covert technique requested: (tick one and specify details)

Communications Data

Covert Human Intelligence Source

Directed Surveillance

Summary of details

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Note: this application should be read in conjunction with the attached RIPA authorisation/RIPA application or notice.

Investigating Officer:.....

Authorising Officer/Designated Person:.....

Officer(s) appearing before JP:.....

Address of applicant department:.....

.....

Contact telephone number:.....

Contact email address (optional):.....

Local authority reference:.....

Number of pages:.....

**Order made on an application for judicial approval for authorisation to obtain or disclose communications data, to use a covert human intelligence source or to conduct directed surveillance. Regulation of Investigatory Powers Act 2000 sections 23A, 23B, 32A, 32B.**

Magistrates' court:.....

Having considered the application, I (tick one):

- am satisfied that there are reasonable grounds for believing that the requirements of the Act were satisfied and remain satisfied, and that the relevant conditions are satisfied and I therefore approve the grant or renewal of the authorisation/notice.
- refuse to approve the grant or renewal of the authorisation/notice.
- refuse to approve the grant or renewal and quash the authorisation/notice.

Notes

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Reasons

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Signed:

Date:

Title:

Full name:

Address of magistrates' court: