

NON-CONFIDENTIAL



Borough of Tamworth

5 December 2016

Dear Councillor

You are hereby summoned to attend a **meeting of the Council of this Borough** to be held on **TUESDAY, 13TH DECEMBER, 2016** at 6.00 pm in the **TOWN HALL, MARKET STREET, TAMWORTH**, for the transaction of the following business:-

AGENDA

NON CONFIDENTIAL

- 1 Apologies for Absence**
- 2 To receive the Minutes of the previous meeting** (Pages 1 - 10)
- 3 Declarations of Interest**

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

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

- 4 To receive any announcements from the Mayor, Leader, Members of the Cabinet or the Chief Executive**
- 5 Question Time:**
 - (i) To answer questions from members of the public pursuant to Procedure Rule No. 10.
 - (ii) To answer questions from members of the Council pursuant to Procedure Rule No. 11

- 6 Appointment of External Auditors 2018/19** (Pages 11 - 32)
(The Report of the Portfolio Holder for Assets and Finance)
- 7 Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2016/17** (Pages 33 - 54)
(The Report of the Portfolio Holder for Assets and Finance)
- 8 Local Council Tax Reduction Scheme 2017/18 onwards** (Pages 55 - 92)
(The Report of the Portfolio Holder for Assets and Finance)
- 9 Amendment to Polling Station Scheme** (Pages 93 - 110)
(Report of the Chief Executive)

10 Exclusion of the Press and Public

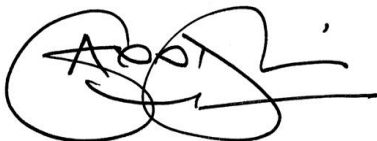
To consider excluding the Press and Public from the meeting by passing the following resolution:-

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

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

- 11 Appointment of Independent Persons** (Pages 111 - 114)
(Report of the Audit and Governance Committee)

Yours faithfully



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 preferably 24 hours prior to the meeting. We can then endeavour to ensure that any particular requirements you may have are catered for.

Marmion House
Lichfield Street
Tamworth

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MINUTES OF A MEETING OF THE COUNCIL HELD ON 13th SEPTEMBER 2016

PRESENT: Councillors K Norchi (Chair), J Chesworth (Vice-Chair), R Bilcliff, S Claymore, T Clements, D Cook, C Cooke, A Couchman, S Doyle, J Faulkner, R Ford, M Gant, J Goodall, S Goodall, M Greatorex, R Kingstone, A Lunn, A James, T Madge, J Oates, M Oates, S Peuple, T Peuple, R Pritchard, R Rogers, P Seekings, P Standen, M Summers, M Thurgood and P Thurgood

The following officers were present: Anthony E Goodwin (Chief Executive), John Wheatley (Executive Director Corporate Services), Stefan Garner (Director of Finance), Anica Goodwin (Director - Transformation and Corporate Performance), Jane Hackett (Solicitor to the Council and Monitoring Officer) and Janice Clift (Democratic and Elections Officer)

16 APOLOGIES FOR ABSENCE

None

17 TO RECEIVE THE MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 24 May 2016 were approved and signed as a correct record.

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

18 TO RECEIVE THE MINUTES OF EXTRAORDINARY COUNCIL HELD ON 19 JULY 2016

The minutes of the Extraordinary Council meeting held on 19 July 2016 were approved and signed as a correct record.

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

19 DECLARATIONS OF INTEREST

There were no Declarations of Interest.

20 TO RECEIVE ANY ANNOUNCEMENTS FROM THE MAYOR, LEADER, MEMBERS OF THE CABINET OR THE CHIEF EXECUTIVE

Announcements made by the Mayor Councillor K Norchi:-

This Sunday is the Battle of Britain Parade and Church Service. For all who want to come along we will meet at the Town Hall at 10.00am and the Service will be held at St Edithas at 11.00am.

On Wednesday 12th October at 6.00pm at the Town Hall I will be presenting Alderman/woman certificates in recognition of services carried out to the Council whilst serving as Councillors.

21 QUESTION TIME:

QUESTIONS FROM MEMBERS OF THE COUNCIL NO. 1

Under Procedure Rule No 11, Councillor T Madge will ask the Leader of the Council, Councillor D Cook the following question:-

“Can you inform Council Members how many new houses were completed in the last 12 months and if this is in line with the quoted average of 177 units per annum in HG1 of the Local Plan?”

Councillor D Cook gave the following reply:-

I can confirm the number of homes completed in the monitoring period 1st April 2015 to 31st March 2016 is 69.

Clearly this is below the Local Plan target, but the Local plan anticipates not achieving the target in this year (although not to this extent – it estimated 121 completions) in the trajectory which is part of the Local Plan. However, at the end of the monitoring year there were 114 houses which were under constructions and a further 2,401 which had consent but hadn't started (Anker Valley and Golf Course take a large proportion of this).

No supplementary question was asked

QUESTIONS FROM MEMBERS OF THE COUNCIL NO. 2

Under Procedure Rule No 11, Councillor P Standen will ask the Leader of the Council, Councillor D Cook the following question:-

“Policy EN6 - Protecting the Historic Environment, of the Council's Local Plan states that “will be protected, conserved and, where possible, enhanced” when

referring to our local heritage. Will the Leader of the Council and other members of the executive when they come to consider the proposals referred to Cabinet from Aspire and Prosper Scrutiny regarding local listing and other protections for Wilnecote Board Schools keep this in mind when they are making a decision?"

Councillor D Cook gave the following reply:-

The question from Councillor Standen only quotes part of the Policy EN6 from the Local Plan. The Policy that the extract Councillor Standen has quoted from is about development and requires applicants to assess the impact of the proposal, the significance of the heritage asset and demonstrate how the significance will be protected, conserved and, where possible, enhanced.

This policy is in relation to planning applications for development, and therefore is a policy for Planning Committee to consider rather than Cabinet.

However, we hope to ensure that when Aspire and Prosper Committee report back to Cabinet that officers are asked to prepare a report to enable Cabinet to consider the recommendation fully and its implications to the building and of course Tamworth Borough Council.

As I have stated many times, I am sympathetic on this occasion to the aims of the TDCS in regards Wilnecote Boarding School. In fact I suspect I am the first Leader of this town to fully state publically that too often in the last century Tamworth Borough Council allowed bulldozers through our heritage, but actions we take must be justifiable. Both legally and financially.

Councillor P Standen asked the following supplementary question:-

"As someone who grew up in Wilnecote and has lived there most of my adult life, I cannot stress enough how important it is to protect our local heritage and I personally was very glad to see the consensus across all parties represented on this Council at the Aspire and Prosper working group investigating this issue. Does Leader of the Council believe it is important that we as Councillors today learn from the mistakes made during the 1960's when many magnificent buildings in Tamworth were lost to future generations?"

Councillor D Cook gave the following reply:-

I share in your sentiments Councillor Standen. It is pleasing to see the Cross Party Working Group. There has been a history of some bad planning made in the past. Sometimes we got it right and other times we got it wrong.

QUESTIONS FROM MEMBERS OF THE COUNCIL NO. 3

Under Procedure Rule No 11, Councillor P Standen will ask the Leader of the Council, Councillor D Cook the following question:-

"I have been contacted by residents concerned about the closure of mental health charity "Changes" in Tamworth at the end of next month, expressing concern regarding the impact of this on vulnerable members of our community. Will the

Leader of the Council use the influence of his office to encourage Staffordshire County Council and Central Government to ensure that changes affecting those with mental health issues in Tamworth are done as sensitively as possible?"

Councillor D Cook gave the following reply:-

Thank you Councillor Standen for your quite important question. Already some residents and users have taken this matter up with me and I have put them in touch with Cllr Alan White, Cabinet member for Health at the County Council. I believe his response covers your question.

Thank you for email correspondence.

One of our key priorities is to ensure people with mental health issues get the support they need to help them recover and lead a fulfilling life.

We have made some changes to the way we support people with a mental illness and have re-commissioned the mental health social inclusion and recovery services across the County. This is to ensure that we continue to meet the needs of our residents that require support for their mental illness and that we focus resource for those most in need to ensure they can recover within the communities in which they live.

The criteria for the new service has not changed and anyone actively receiving support will be offered the choice to transfer into the new service. The funding levels for the service have not been reduced from the current funding levels.

We understand that any change is unsettling, as a Council we are obliged to put contracts out to tender to ensure we are using our resources effectively and we do this every few years.

The new provider for the Tamworth area is called Together for Mental Wellbeing and they will be working closely with Changes, service users and volunteers over the next few weeks for the new service to begin on 1 November.

No supplementary question was asked

QUESTIONS FROM MEMBERS OF THE COUNCIL NO. 4

Under Procedure Rule No 11, Councillor S Peple will ask the Leader of the Council, Councillor D Cook the following question:-

"Would Councillor Cook please confirm that Tamworth Borough Council opposes the demolition of the buildings known as the former Moorgate School?"

Councillor D Cook gave the following reply:-

The Council recognises the heritage interest of the former Moorgate schools. Hence they are included within the Hospital Street Conservation Area and indeed the Conservation Area has them at its heart. Some of the buildings are also included on the local list.

So I suspect in part the answer is yes.

Councillor S Peale asked the following supplementary question:-

“Therefore can I ask for a consultation and working group similar to Wilnecote. Can we can all to work together on a proposal to join with me in a way I presume the heritage of the town?”

Councillor D Cook gave the following reply:-

I will talk to Councillor Peale on the way forward.

QUESTIONS FROM MEMBERS OF THE COUNCIL NOS. 5 AND 6

As the questions relate to the same matter the Portfolio Holder for Regeneration dealt with them together

Under Procedure Rule No 11, Councillor S Peale will ask the Portfolio Holder for Regeneration, Councillor S Claymore the following question:-

“In the light of recent ministerial changes, would Councillor Claymore please update the council on the continuing progress of the new combined authority for our region?”

Under Procedure Rule No 11, Councillor A James will ask the Portfolio Holder for Regeneration, Councillor S Claymore the following question:-

“Can the Leader of the Council please confirm what role/value, or similar work do our partners like LEPS and Combined Authorities mean to Tamworth now the UK is leaving the EU?”

Councillor S Claymore gave the following reply:-

The role of the LEPS & Combined Authorities will play **an even more important** role leading up to and once Article 50 is triggered. Our partnerships with the WMCA & GBS LEP will maximise opportunities by allowing us a greater voice, being representative of large (and growing) footprint both in area, population, resources and political power which will allow us to

1. Maximise opportunities to effectively utilise resources focused on needs of the greater communities and provision of efficient and effective services;
2. Enable more joined up thinking to expand economic development and prosperity within the region;
3. Allow more joint submission for any central grants that may be available in a way that individual authorities would not have the economies of scale etc to enable a successful grant application;
4. Allow all partners to effectively work together to improve the economic wellbeing of the area;
5. To be able to pool resources , reduce waste by working together though Health, Environment , Economic Development etc that areas receive

appropriate resources (from a Central Pot) to improve standards both in Health Education & Employment opportunities and prosperity.

This region has spent the past decade laying strong economic foundations. That makes us incredibly resilient against any economic downturn that may come from Brexit.

We were hit hardest by the 2008 financial crisis - we know how to rebuild an economy after major financial shocks. We have shown Britain the way on infrastructure investment, construction and on attracting foreign direct investment.

The economy is diversified - our automotive, aerospace, life sciences and professional services, are all now internationally competitive;

We have a strong skills base and have invested heavily in infrastructure;

Greater Birmingham is creating more businesses than any other region outside London.

Major investors have confirmed they remain committed to projects in the region;

Work will continue on the £200 million Three Snowhill scheme, which will create 450 construction jobs and house up to 4000 office workers when it is completed. HSBC have confirmed their commitment to relocate their ring fenced bank to Arena Central in 2017. This relocation is set to bring 1200 new jobs. This is along with an active pipeline of over 80 enquiries for further investment in the region.

Greater Birmingham has become one of the UK's most attractive investment destinations and a major gateway to the world. We are competing internationally as a business location - and winning major investments as a result."

We see Brexit as an opportunity, not a challenge. The region has a plan to attract further investment from around the globe, including;

the creation of a new foreign investment HQ for the Midlands, which will bring £15 million of foreign investment into the region over the next three years. Bringing together the Midland's 11 local enterprise partnerships and staff from the UKTI.

Working closely with lead generation partners around the globe to ensure that messages are getting through to potential investors that our fundamental strengths as an investable region have not changed.

Of course we need Government to continue to invest heavily in the regions. We have had a very good working relationship with Government in the past and we see no reason or any indication that this won't continue under the new structure.

Greg Clark has argued that the Government must continue to give regional economies even more power.

Government have confirmed their commitment to HS2 and whatever views anyone has on this, we have to acknowledge its vital importance to the future economy of the west midlands and how much this is imbedded within the SEPs of both the LEP and CA. You can however be sure that we have and will continue to look for and make the very most of all the jobs and economic growth opportunities this project offers.

Last month Sajid Javid whilst announcing the transfer of the first £36.5M payment of the devolution deal directly to the West midlands combined Authority said` The people of the west midlands came up with a devolution deal which puts them in charge of driving growth and transforming local services. Today's £36.5M boost is proof that we will equip them with what they need to fire up the midlands engine, the ability to boost long term growth, create jobs, improve skills and invest in transport and innovation.

We can't be sure what the outcome of Brexit will bring but what is essential is that we have positioned ourselves within the LEP and CA to manage it and realise the very best opportunities for Tamworth whatever may come in the future.

Councillor S Peale asked the following supplementary question:-

“At a recent Aspire and Prosper meeting Councillor Bilcliff put forward that it is better to stay with Staffordshire. Can Councillor Claymore confirm that Staffordshire Combined Authority is yet to exist?”

Councillor S Claymore gave the following reply:-

There is no offer on the Combined Authority on the table that includes Staffordshire. There exists a Stoke and Staffordshire Local Enterprise Partnership which Danny is now on the board. Massive offering from West Midlands meant a Staffordshire Combined Authority would not be able to compete with the West Midlands Combined Authority.

Councillor A James had no supplementary question to ask

QUESTIONS FROM MEMBERS OF THE COUNCIL NO. 7

Under Procedure Rule No 11, Councillor T Peale will ask the Portfolio Holder for Assets and Finance, Councillor R Pritchard the following question:-

“What progress has been made regarding plans to invest the capital receipts gained from the sale of the golf course site?”

Councillor R Pritchard gave the following reply:-

The Council is establishing a Corporate Investment Strategy, as approved by cabinet on Thursday the 16th June.

This will oversee the direction of investment for the Golf Course receipts, in order to get the best value return for the tax payer and generate sustainable income for the authority.

Councillor T Peale asked the following supplementary question:-

“The building has begun so when will we see the results?”

Councillor R Pritchard gave the following reply:-

As soon as possible is the answer. It's an investment for the whole town and with revenue to deliver all public services to the town.

It is in very early stages as the council is not yet in receipts of the full sale value of the golf course.

Members will be updated and consulted in due course, as the strategy develops.

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22 ANNUAL REPORT ON THE TREASURY MANAGEMENT SERVICE AND ACTUAL PRUDENTIAL INDICATORS 2015/16

The Portfolio Holder for Assets and Finance reported on the Annual Treasury report as it is a requirement of the Council's reporting procedures that covers the Treasury activity for 2015/16, and the actual Prudential Indicators for 2015/16.

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

- RESOLVED:** That Members
- 1** approved the actual 2015/16 Prudential Indicators within the report;
 - 2** accepted the Treasury Management Stewardship Report for 2015/16; and
 - 3** approved an increase in the current counterparty limits as identified at item 12 within this report.

Councillor T Madge moved a motion seconded by Councillor R Bilcliff under Rule 4:13 (g) and (n) not to exclude members of the press and public in relation to Item 9. The motion was not carried.

23 EXCLUSION OF THE PRESS AND PUBLIC

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

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

24 REVIEW OF CE SALARY

The Leader of the Council provided Members with information supporting the review of the level of remuneration currently paid to the Chief Executive.

RESOLVED: That Members approved

- 1** the 1% salary increase for the Chief Executive in accordance with the JNC for Chief Executives National Pay Agreement; and
- 2** the Chief Executive's salary is increased to the top of the range as detailed in Option 2 - £111,338.00 with on costs to be added.

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

The Mayor

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COUNCIL

13th December 2016

REPORT OF THE PORTFOLIO HOLDER FOR OPERATIONS AND ASSETS

Appointment of External Auditor – re Accounts Audit Commencing 2018/19

Purpose

To advise Members of the options process and legislative requirement to appoint External Auditors for the Accounting Period 2018/19 and to seek Council approval of the recommended option.

Recommendations

That Council approve :

- 1. That the Authority opts into the appointing person arrangements made by the Public Sector Audit Appointments (PSAA) for the appointment of External Auditors, and**
- 2. That the Executive Director Corporate Services confirms our interest in undertaking the opt in appointing process following ratification by Council and has delegated powers in relation to the appointment process.**

Executive Summary

Local Authorities are required under legislation to appoint their own External Auditors for the Accounts 2018/19. The Local Audit and Accountabilities Act 2014 requires Local Authorities to decide between opting from one of the following two options available, namely

1. Utilising the Public Sector Audit Appointments (PSAA), under the appointing persons regime (supported by the Society of District Council Treasurers and other Treasurers Societies), or
2. Running our own procurement exercise.

Regulation 19 of the Local Audit (Appointing Person) Regulations 2015 requires that a decision to opt-in must be made by Full Council.

The Audit & Governance Committee at the meeting on 27th October 2016 endorsed this approach.

Reasons for Proposed Decision:

Option 1: Sector Led Procurement Exercise Utilising PSAA

This is the least resource demanding of the two options available to the Authority - the use of PSAA. The procurement exercise undertaken on a larger scale than an Authority led procurement exercise will ensure that the most competitive rates are obtained, a larger interest from the Audit Sector Partners and will result in a reduced cost for undertaking the procurement exercise (establishing an audit panel, advertising & interview costs) as procurement exercise costs will be shared by the number of Authorities opting for this option.

Option 2: Running our own procurement exercise

This would require the establishment of an auditor panel and conducting our own procurement exercise. Undertaking our own procurement exercise will involve disproportionate use of resources (cost and management time) and would not deliver economies of scale / bulk buying power which the sector led procurement process would deliver. In light of the benefits that the sector led procurement option offers, undertaking our own procurement exercise is not recommended.

For the reasons stated above Option 1 is the recommended option as it provides the best opportunity to deliver Value For Money.

Legal and Governance Implications

The process as set out above and the recommendation should ensure compliance with the Local Audit and Accountability Act 2014.

Financial Implications

Option 1 provides the most cost effective procurement option. Costs of undertaking our own procurement process would be higher than the PSAA route and this offers greater opportunity in achieving a lower audit base fee due to economies of scale and buying power available under joint procurement.

Until the procurement exercise is completed it is not possible to identify the financial impact of the process and Audit Fees for 2018/19. However, as stated the PSAA option should deliver a reduced cost over Option 2 as there is greater opportunity through using PSAA that any increase will be minimised with better quality outcomes.

Impact Assessments:

Risk Management

As set out in the report, use of PSAA minimises the risks inherent re Financial, Compliance & Governance in undertaking our own procurement.

Background

1. As part of closing the Audit Commission the Government novated external audit contracts to PSAA on 1 April 2015. The audits were due to expire following conclusion of the audits of the 2016/17 accounts, but could be extended for a period of up to three years by PSAA, subject to approval from the Department for Communities and Local Government.

2. In October 2015 the Secretary of State confirmed that the transitional provisions would be amended to allow an extension of the contracts for a period of one year. This meant that for the audit of the 2018/19 accounts it would be necessary for authorities to either undertake their own procurements or to opt in to the appointed person regime.

3. There was a degree of uncertainty around the appointed person regime until July 2016 when PSAA were specified by the Secretary of State as an appointing person under regulation 3 of the Local Audit (Appointing Person) Regulations 2015. The appointing person is sometimes referred to as the sector led body and PSAA has wide support across most of local government. PSAA was originally established to operate the transitional arrangements following the closure of the Audit Commission and is a company owned by the Local Government Association's Improvement and Development Agency (IDeA).

4. The date by which Authorities will need to opt in to the appointing person arrangements is 9th March 2017 following ratification by Council beforehand.

5. The main advantages of using PSAA are set out in its prospectus and are copied below; these can also be viewed as the disadvantages if the Council was to decide to undertake its own procurement.

- * Assure timely auditor appointments;
- * Manage independence of auditors;
- * Secure highly competitive prices;
- * Save on procurement costs;
- * Save time and effort needed on auditor panels;
- * Focus on audit quality, and
- * Operate on a not for profit basis and distribute any surplus funds to scheme members.

Background Papers:

PSAA Prospectus – Appendix A

PSAA – Appointing Person – Frequently Asked Questions – Appendix B

Appointment of External Auditor – re Accounts Audit Commencing 2018/19, Audit & Governance Committee, 27th October 2016

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Developing the option of a national scheme for local auditor appointments

www.psa.co.uk

“The LGA has worked hard to secure the option for local government to appoint auditors through a dedicated sector-led national procurement body. I am sure that this will deliver significant financial benefits to those who opt in.”

– Lord Porter CBE, Chairman,
Local Government Association

Over the next few months all principal authorities will need to decide how their auditors will be appointed in the future. They may make the appointment themselves, or in conjunction with other bodies. Or they can take advantage of a national collective scheme which is designed to offer them a further choice. Choosing the national scheme should pay dividends in quality, in cost, in responsiveness and in convenience.

Public Sector Audit Appointments Ltd (PSAA) is leading the development of this national option. PSAA is a not-for-profit company which already administers the current audit contracts. It aims to be designated by the Department for Communities & Local Government (DCLG) to operate a collective scheme for auditor appointments for principal authorities (other than NHS bodies) in England. It is currently designing the scheme to reflect the sector's needs and views.

The Local Government Association (LGA) is strongly supportive of this ambition, and 200+ authorities have already signalled their positive interest. This is an opportunity for local government, fire, police and other bodies to act in their own and their communities' best interests.

We hope you will be interested in the national scheme and its development. We would be happy to engage with you to hear your views – please contact us at generalenquiries@psaa.co.uk

You will also find some questions at the end of this booklet which cover areas in which we would particularly welcome your feedback.

Audit does matter

High quality independent audit is one of the cornerstones of public accountability. It gives assurance that taxpayers' money has been well managed and properly expended. It helps to inspire trust and confidence in the organisations and people responsible for managing public money.

Imminent changes to the arrangements for appointing the auditors of local public bodies are therefore very important. Following the abolition of the Audit Commission, local bodies will soon begin to make their own decisions about how and by whom their auditors are appointed. A list of the local government bodies affected can be found at the end of this booklet.

The Local Government Association (LGA) has played a leadership role in anticipating these changes and influencing the range of options available to local bodies. In particular, it has lobbied to ensure that, irrespective of size, scale, responsibilities or location, principal local government bodies can, if they wish, subscribe to a specially authorised national scheme which will take full responsibility for local auditor appointments which offer a high quality professional service and value for money.

The LGA is supporting PSAA in its application to the Department for Communities & Local Government (DCLG) to be appointed to deliver and manage this scheme.

PSAA is well placed to award and manage audit contracts, and appoint local auditors under a national scheme

PSAA is an independent, not-for-profit company limited by guarantee and established by the LGA. It already carries out a number of functions in relation to auditor appointments under powers delegated by the Secretary of State for Communities & Local Government. However, those powers are time-limited and will cease when current contracts with audit firms expire with the completion of the 2017/18 audits for local government bodies, and the completion of the 2016/17 audits for NHS bodies and smaller bodies.

The expiry of contracts will also mark the end of the current mandatory regime for auditor appointments. Thereafter, local bodies will exercise choice about whether they opt in to the authorised national scheme, or whether they make other arrangements to appoint their own auditors.

PSAA wishes to be selected to be the trusted operator of the national scheme, formally specified to undertake this important role by the Secretary of State. The company is staffed by a team with significant experience in appointing auditors, managing contracts with audit firms and setting and determining audit fees. We intend to put in place an advisory group, drawn from the sector, to give us ready access to your views on the design and operation of the scheme. We are confident that we can create a scheme which delivers quality-assured audit services to every participating local body at a price which represents outstanding value for money.

“Many district councils will be very aware of the resource implications of making their own appointment. Joining a well-designed national scheme has significant attractions.”

– Norma Atlay, President,
Society of District Council Treasurers

“Police bodies have expressed very strong interest in a national scheme led by PSAA. Appointing the same auditor to both the PCC and the Chief Constable in any area must be the best way to maximise efficiency.”

– Sean Nolan, President,
Police and Crime Commissioners
Treasurers’ Society (PACCTS)

The national scheme can work for you

We believe that the national scheme can be an excellent option for all local bodies. Early indications are that many bodies agree - in a recent LGA survey more than 200 have expressed an interest in joining the scheme.

We plan to run the scheme in a way that will save time and resources for local bodies - time and resources which can be deployed to address other pressing priorities. Bodies can avoid the necessity to establish an auditor panel (required by the Local Audit & Accountability Act, 2014) and the need to manage their own auditor procurement. The scheme will take away those headaches and, assuming a high level of participation, be able to attract the best audit suppliers and command highly competitive prices.

The scope of public audit is wider than for private sector organisations. For example, it involves forming a conclusion on the body’s arrangements for securing value for money, dealing with electors’ enquiries and objections, and in some circumstances issuing public interest reports. PSAA will ensure that the auditors which it appoints are the most competent to carry out these functions.

Auditors must be independent of the bodies they audit, to enable them to them to carry out their work with objectivity and credibility, and in a way that commands public confidence. PSAA plans to take great care to ensure that every auditor appointment passes this test. It will also monitor any significant proposals, above an agreed threshold, for auditors to carry out consultancy or other non-audit work to ensure that these do not undermine independence and public confidence.

The scheme will also endeavour to appoint the same auditors to bodies which are involved in formal collaboration/joint working initiatives or within combined authority areas, if the parties consider that a common auditor will enhance efficiency and value for money.

PSAA will ensure high quality audits

We will only contract with firms which have a proven track record in undertaking public audit work. In accordance with the 2014 Act, firms must be registered with one of the chartered accountancy institutes acting in the capacity of a Recognised Supervisory Body (RSB). The quality of their work will be subject to scrutiny by both the RSB and the Financial Reporting Council (FRC). Current indications are that fewer than ten large firms will register meaning that small local firms will not be eligible to be appointed to local public audit roles.

PSAA will ensure that firms maintain the appropriate registration and will liaise closely with RSBs and the FRC to ensure that any concerns are detected at an early stage and addressed effectively in the new regime. The company will take a close interest in feedback from audited bodies and in the rigour and effectiveness of firms' own quality assurance arrangements, recognising that these represent some of the earliest and most important safety nets for identifying and remedying any problems arising. We will liaise with the National Audit Office (NAO) to help ensure that guidance to auditors is updated when necessary.

We will include obligations in relation to maintaining and continuously improving quality in our contract terms and quality criteria in our tender evaluation method.

PSAA will secure highly competitive prices

A top priority must be to seek to obtain the best possible prices for local audit services. PSAA's objective will be to make independent auditor appointments at the most competitive aggregate rate achievable.

Our current thinking is that the best prices will be obtained by letting three year contracts, with an option to extend to five years, to a relatively small number of appropriately registered firms in two or three large contract areas nationally. The value of each contract will depend on the prices bid, with the firms offering the best prices being awarded larger amounts of work. By having contracts with a number of firms we will be able to ensure independence and avoid dominance of the market by one or two firms.

Correspondingly, at this stage our thinking is to invite bodies to opt into the scheme for an initial term of three to five years, subject, of course, to the terms of specification by DCLG.

The procurement strategy will need to prioritise the importance of demonstrably independent appointments, in terms of both the audit firm appointed to each audited body and the procurement and appointment processes used. This will require specific safeguards in the design of the procurement and appointment arrangements.

“Early audit planning is a vital element of a timely audit. We need the auditors to be available and ready to go right away at the critical points in the final accounts process.”

– Steven Mair, City Treasurer,
Westminster City Council

“In forming a view on VFM arrangements it is essential that auditors have an awareness of the significant challenges and changes which the service is grappling with.”

– Charles Kerr, Chair,
Fire Finance Network

PSAA will establish a fair scale of fees

Audit fees must ultimately be met by individual audited bodies. PSAA will ensure that fee levels are carefully managed by securing competitive prices from firms and by minimising PSAA's own costs. The changes to our role and functions will enable us to run the new scheme with a smaller team of staff. PSAA is a not-for-profit company and any surplus funds will be returned to scheme members.

PSAA will pool scheme costs and charge fees to audited bodies in accordance with a fair scale of fees which has regard to size, complexity and audit risk. Pooling means that everyone within the scheme will benefit from the most competitive prices. Current scale fees are set on this basis. Responses from audited bodies to recent fee consultations have been positive.

PSAA will continue to consult bodies in connection with any proposals to establish or vary the scale of fees. However, we will not be able to consult on our proposed scale of fees until the initial major procurement has been completed and contracts with audit firms have been let. Fees will also reflect the number of scheme participants - the greater the level of participation, the better the value represented by our scale of fees. We will be looking for principal bodies to give firm commitments to join the scheme during Autumn 2016.

The scheme offers multiple benefits for participating bodies

We believe that PSAA can deliver a national scheme which offers multiple benefits to the bodies which take up the opportunity to collaborate across the sector by opting into scheme membership.

Benefits include:

- assured appointment of a qualified, registered, independent auditor
- appointment, if possible, of the same auditors to bodies involved in significant collaboration/joint working initiatives or combined authorities, if the parties believe that it will enhance efficiency and value for money
- on-going management of independence issues
- securing highly competitive prices from audit firms
- minimising scheme overhead costs
- savings from one major procurement as opposed to a multiplicity of small procurements
- distribution of surpluses to participating bodies
- a scale of fees which reflects size, complexity and audit risk
- a strong focus on audit quality to help develop and maintain the market for the sector
- avoiding the necessity for individual bodies to establish an auditor panel and to undertake an auditor procurement
- enabling time and resources to be deployed on other pressing priorities
- setting the benchmark standard for audit arrangements for the whole of the sector

We understand the balance required between ensuring independence and being responsive, and will continually engage with stakeholders to ensure we achieve it.

How can you help?

We are keen to receive feedback from local bodies concerning our plans for the future. Please let us have your views and let us know if a national scheme operated by PSAA would be right for your organisation.

In particular we would welcome your views on the following questions:

1. Is PSAA right to place emphasis on both quality and price as the essential pre-requisites for successful auditor appointments?
2. Is three to five years an appropriate term for initial contracts and for bodies to sign up to scheme membership?
3. Are PSAA's plans for a scale of fees which pools scheme costs and reflects size, complexity and audit risk appropriate? Are there any alternative approaches which would be likely to command the support of the sector?
4. Are the benefits of joining the national scheme, as outlined here, sufficiently attractive? Which specific benefits are most valuable to local bodies? Are there others you would like included?
5. What are the key issues which will influence your decisions about scheme membership?
6. What is the best way of us continuing our engagement with you on these issues?

Please reply to: generalenquiries@psaa.co.uk

The following bodies will be eligible to join the proposed national scheme for appointment of auditors to local bodies:

- county councils in England
- district councils
- London borough councils
- combined authorities
- passenger transport executives
- police and crime commissioners for a police area in England
- chief constables for an area in England
- national park authorities for a national park in England
- conservation boards
- fire and rescue authorities in England
- waste authorities
- the Greater London Authority and its functional bodies.

BOARD MEMBERS

Steve Freer (Chairman), former Chief Executive CIPFA

Caroline Gardner, Auditor General Scotland

Clive Grace, former Deputy Auditor General Wales

Stephen Sellers, Solicitor, Gowling WLG (UK) LLP

CHIEF OFFICER

Jon Hayes, former Audit Commission Associate Controller

“Maintaining audit quality is critically important. We need experienced audit teams who really understand our issues.”

– Andrew Burns, Director of Finance and Resources,
Staffordshire County Council

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Page 23



Public Sector
Audit Appointments

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Appointing person: Frequently asked questions

Question	Response
1. What is an appointing person?	<p>Public Sector Audit Appointments Limited (PSAA) has been specified as an appointing person under the Local Audit (Appointing Person) Regulations 2015 and has the power to make auditor appointments for audits of the accounts from 2018/19 on behalf of principal local government bodies that opt in, in accordance with the Regulations. Eligible bodies are principal local government bodies listed in schedule 2 of the Local Audit and Accountability Act 2014. This includes county councils, district councils, London Borough councils, unitary authorities, metropolitan councils, police bodies, fire and rescue authorities, joint authorities, combined authorities, national park authorities, conservation boards, PTEs, waste authorities, and the GLA and its functional bodies.</p> <p>The 'appointing person' is sometimes referred to as the sector-led body.</p> <p>PSAA is a company owned by the LGA's Improvement and Development Agency (IDeA) and was established to operate the transitional arrangements following closure of the Audit Commission.</p>
2. When will invitations to opt in be issued?	<p>The date by which principal authorities will need to opt into the appointing person arrangement is not yet finalised. The aim is to award contracts to audit firms by June 2017, giving six months to consult with authorities on appointments before the 31 December 2017 deadline. We anticipate that invitations to opt in will be issued before December 2016 at the latest.</p>

Question	Response
	<p>Authorities will have a minimum period of eight weeks to respond to the invitation.</p> <p>In order to maximise the potential economies of scale from agreeing large contracts with firms, and to manage any auditor independence issues, PSAA needs as much certainty as possible about the volume and location of work it is able to offer to firms. Our provisional timetable suggests that we will need to start preparing tender documentation early in 2017, so we will need to know by then which authorities want to be included.</p>
<p>3. Who can accept the invitation to opt in?</p>	<p>In accordance with Regulation 19 of the Local Audit (Appointing Person) Regulations 2015, a principal authority will need to make the decision to opt in at full council (authority meeting as a whole), except where the authority is a corporation sole (such as a police and crime commissioner), in which case the function must be exercised by the holder of the office.</p>
<p>4. Can we join after it has been set up or do we have to join at the beginning?</p>	<p>The Regulations require that once the invitations to opt in have been issued, there will be a minimum period of eight weeks for you to indicate acceptance of the invitation. One of the main benefits of a an appointing person approach is the ability to achieve economies of scale as a result of being able to offer larger volumes of work. The greater the number of participants we have signed up at the outset, the better the economies of scale we are likely to achieve. This will not prevent authorities from joining the sector-led arrangements in later years, but they will need to make their own arrangements to appoint an auditor in the interim. In order to be in the best position we would encourage as many authorities as possible to commit by accepting the invitation within the specified timeframe.</p>

Question	Response
5. Will membership be free for existing members of the LGA?	The option to join the appointing person scheme will be open to all principal local government authorities listed under Schedule 2 of the Local Audit and Accountability Act 2014. There will not be a fee to join the sector-led arrangements. The audit fees that opted-in bodies will be charged will cover the costs to PSAA of appointing auditors and managing the arrangements. We believe that audit fees achieved through large contracts will be lower than the costs that individual authorities will be able to negotiate. In addition, by opting into the PSAA offer, authorities will avoid the costs of their own procurement and the requirement to set up an auditor panel with independent members.
6. How will we be able to influence the development of the appointing person scheme and associated contracts with audit firms?	We have not yet finalised the governance arrangements and we are considering the options, including how best to obtain stakeholder input. We are considering establishing a stakeholder engagement panel or advisory panel which can comment on our proposals. PSAA continues to work in partnership with the LGA in setting up the appointing person scheme and you can feed in comments and observations to PSAA by emailing generalenquiries@psaa.co.uk and via the LGA and their Principal Advisors.
7. Will there be standard contract terms and conditions?	The audit contracts between PSAA and the audit firms will require firms to deliver audits compliant with the National Audit Office (NAO) Code of Audit Practice. We are aware that authorities would like to understand how performance and delivery will be monitored and managed. This is one of the issues that could be discussed with the stakeholder advisory panel (see Q6).
8. What will be the length of the contracts?	The optimal length of contract between PSAA and firms has not been decided. We would welcome views on what the sector

Question	Response
	considers the optimal length of audit contract. We anticipate that somewhere between three and five years would be appropriate.
9. In addition to the Code of Audit Practice requirements set out by the NAO, will the contract be flexible to enable authorities to include the audit of wholly owned companies and group accounts?	<p>Local authority group accounts are part of the accounts produced under the CIPFA SORP and are subject to audit in line with the NAO Code of Audit Practice. They will continue to be part of the statutory audit.</p> <p>Company audits are subject to the provisions of the Companies Act 2006 and are not covered by the Local Audit (Appointing Person) Regulations 2015. Local authority companies will be able to appoint the same audit firm as PSAA appoints to undertake the principal body audit, should they so wish.</p>
10. Will bodies that opt in be able to seek information from potential suppliers and undertake some form of evaluation to choose a supplier?	PSAA will run the tendering exercise, and will evaluate bids and award contracts. PSAA will consult authorities on individual auditor appointments. The appointment of an auditor independently of the body to be audited is an important feature of the appointing person arrangements and will continue to underpin strong corporate governance in the public sector.
11. Will the price be fixed or will there be a range of prices?	The fee for the audit of a body that opts in will reflect the size, audit risk and complexity of the work required. PSAA will establish a system for setting the fee which is fair to all opted-in authorities. As a not-for-profit organisation, PSAA will be able to return any surpluses to participating authorities after all costs have been met.
12. We have shared service arrangements with our neighbouring bodies and we are looking to ensure that we share the same auditor. Will the appointing person scheme allow for this?	PSAA will be able to make appointments to all principal local government bodies listed in Schedule 2 of the Local Audit and Accountability Act 2014 that are 'relevant authorities' and not excluded as a result of being smaller authorities, for example parish councils.

Question	Response
	<p>In setting up the new arrangements, one of our aims is to make auditor appointments that take account of joint working and shared service arrangements. Requests for the same auditor as other authorities will need to be balanced with auditor independence considerations. As we have set out in our prospectus, auditors must be independent of the bodies they audit. PSAA will have an obligation under the provisions of the Local Audit and Accountability Act 2014 and in compliance with the Ethical Standards issued by the Financial Reporting Council to ensure that every auditor appointment it makes passes this test. We will need information from opted-in authorities on potential independence considerations and joint working arrangements, and will also need information on independence issues from the audit firms. Risks to auditor independence include, for example, an audit firm having previously been engaged to advise on a major procurement which could, of course, later be subject to audit.</p>
<p>13. We have a joint committee which no longer has a statutory requirement to have an external auditor but has agreed in the interests of all parties to continue to engage one. Is it possible to use this process as an option to procure the external auditor for the joint committee?</p>	<p>The requirement for joint committees to produce statutory accounts ceased after production of the 2014/15 accounts and they are therefore not listed in Schedule 2. Joint committees that have opted to produce accounts voluntarily and obtain non-statutory assurance on them will need to make their own local arrangements.</p>
<p>14. How will the appointing person scheme ensure audit firms are not over-stretched and that the competition in the market place is increased?</p>	<p>The number of firms eligible to undertake local public audit will be regulated through the Financial Reporting Council and the recognised Supervisory Bodies (RSBs). Only appropriately accredited firms will be able to bid for appointments whether that is through PSAA or an auditor panel. The seven firms appointed by PSAA and the Audit Commission generally</p>

Question	Response
	<p>maintain a dedicated public sector practice with staff trained and experienced in public sector work.</p> <p>One of the advantages of the appointing person option is to make appointments that help to ensure that each successful firm has a sufficient quantum of work to make it possible for them to invest in public sector specific training, maintain a centre of excellence or hub that will mean:</p> <ul style="list-style-type: none"> • firms have a regional presence; • greater continuity of staff input; and • a better understanding the local political, economic and social environment.
<p>15. Will the appointing person scheme contract with a number of different audit firms and how will they be allocated to authorities?</p>	<p>PSAA will organise the contracts so that there is a minimum number of firms appointed nationally. The minimum is probably four or five (depending on the number of bodies that opt in). This is required, not just to ensure competition and capacity, but because each firm is required to comply with the FRC's ethical standards. This means that an individual firm may not be appointable for 'independence' reasons, for example, because they have undertaken consultancy work at an audited body. PSAA will consult on appointments that allow each firm a balanced portfolio of work subject to independence considerations.</p>
<p>16. What will be the process to feed in opinions from customers of current auditors if there are issues?</p>	<p>PSAA will seek feedback on its auditors as part of its engagement with the sector. PSAA will continue to have a clear complaints process and will also undertake contract monitoring of the firms it appoints.</p>
<p>17. What is the timetable for set up and key decisions?</p>	<p>We expect the key points in the timetable to be broadly:</p>

Question	Response
	<ul style="list-style-type: none"> • establish an overall strategy for procurement - by 31 October 2016; • achieve 'sign-up' of scheme members - by early January 2017; • invite tenders from audit firms - by 31 March 2017; • award contracts - by 30 June 2017; • consult on and make final auditor appointments - by 31 December 2017; and • consult on, propose audit fees and publish fees - by 31 March 2018.
18. What are the terms of reference of the appointing person?	PSAA is wholly owned by the IDeA (the IDeA is wholly owned by the LGA). PSAA will continue to operate as an independent company, although there will be changes to its governance arrangements and its founding documents to reflect the fact that it will be an appointing person rather than a transitional body.
19. Will the appointing person take on all audit panel roles and therefore mitigate the need for there to be one in each individual authority?	Opting into the appointing person scheme will remove the need to set up an auditor panel. This is set out in the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015.

Question	Response
<p>20. What will be the arrangements for overseeing the quality of audit work undertaken by the audit firms appointed by the appointing person?</p>	<p>PSAA will only contract with firms which have a proven track record in undertaking public audit work. In accordance with the 2014 Act, firms must be registered with one of the chartered accountancy institutes acting in the capacity of a Recognised Supervisory Body (RSB). The quality of their work will be subject to scrutiny by both the RSB and the Financial Reporting Council (FRC). Current indications are that fewer than ten large firms will register meaning that small local firms will not be eligible to be appointed to local public audit roles.</p> <p>PSAA will ensure that firms maintain the appropriate registration and will liaise closely with RSBs and the FRC to ensure that any concerns are detected at an early stage and addressed effectively in the new regime. The company will take a close interest in feedback from audited bodies and in the rigour and effectiveness of firms' own quality assurance arrangements, recognising that these represent some of the earliest and most important safety nets for identifying and remedying any problems arising. We will liaise with the NAO to help ensure that guidance to auditors is updated when necessary.</p>

COUNCIL

13TH DECEMBER 2016

REPORT OF THE PORTFOLIO HOLDER FOR OPERATIONS AND ASSETS

TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY MID-YEAR REVIEW REPORT 2016/17

EXEMPT INFORMATION

None

PURPOSE

To present to Members the Mid-year Review of the Treasury Management Strategy Statement and Annual Investment Strategy.

RECOMMENDATIONS

That Council accept the Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2016/17.

EXECUTIVE SUMMARY

This mid-year report has been prepared in compliance with CIPFA's Code of Practice, and covers the following

- An economic update for the first six months of 2016/17;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's Capital Position (Prudential Indicators);
- A review of the Council's investment portfolio for 2016/17;
- A review of the Council's borrowing strategy for 2016/17;
- A review of any debt rescheduling undertaken during 2016/17;
- Icelandic Banking Situation;
- A review of compliance with Treasury and Prudential Limits for 2016/17.

The main issues for Members to note are:

1. The Council has complied with the professional codes, statutes and guidance.
2. There are no issues to report regarding non-compliance with the approved prudential indicators.
3. The investment portfolio yield for the first six months of the year is 0.59% (0.69% for the same period in 2015/16) compared to the 3 Month LIBID benchmark rate of 0.38% (0.46% for the same period in 2015/16). This excludes all investments currently classified as 'At Risk' in the former Icelandic Banking institutions.

The aim of this report is to inform Members of the treasury and investment management issues to enable all Members to have ownership and understanding when making decisions on Treasury Management matters. In order to facilitate this, training on Treasury Management issues has been delivered for Members in February 2015 and October 2015.

RESOURCE IMPLICATIONS

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

LEGAL/RISK IMPLICATIONS BACKGROUND

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

SUSTAINABILITY IMPLICATIONS

None

BACKGROUND INFORMATION

The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (revised 2011) suggests that Members should be informed of Treasury Management activities at least twice a year, but preferably quarterly. This is the second monitoring report for 2016/17 presented to Members this year and therefore ensures the Council is embracing best practice. Cabinet also receives regular monitoring reports as part of the quarterly healthcheck on Treasury Management activities and risks.

The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the Treasury Management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering maximising investment return.

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

Treasury Management is defined as:

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

Introduction

The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (revised 2011) was adopted by this Council on 13th December 2012.

The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's Treasury Management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
3. Receipt by the full Council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a **Mid-year Review Report** and an Annual Report (stewardship report) covering activities during the previous year.
4. Delegation by the Council of responsibilities for implementing and monitoring Treasury Management policies and practices and for the execution and administration of Treasury Management decisions.
5. Delegation by the Council of the role of scrutiny of Treasury Management strategy and policies to a specific named body. For this Council the delegated body is the Audit and Governance Committee.

This mid-year report has been prepared in compliance with CIPFA's Code of Practice, and covers the following:

- An economic update for the first part of the 2016/17 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's Capital Position (Prudential Indicators);
- A review of the Council's investment portfolio for 2016/17;
- A review of the Council's borrowing strategy for 2016/17;
- A review of any debt rescheduling undertaken during 2016/17;
- Icelandic Banking Situation;
- A review of compliance with Treasury and Prudential Limits for 2016/17.

1. Economic Update

1.1 UK

UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were strong but 2015 was disappointing at 1.8%, though it still remained one of the leading rates among the G7 countries. Growth improved in quarter 4 of 2015 from +0.4% to 0.7% but fell back to +0.4% (2.0% y/y) in quarter 1 of 2016 before bouncing back again to +0.7% (2.1% y/y) in quarter 2. During most of 2015, the economy had faced headwinds for exporters from the appreciation during the year of sterling against the Euro, and weak growth in the EU, China and emerging markets, plus the dampening effect of the Government's continuing austerity programme. The referendum vote for Brexit in June this year delivered an immediate shock fall in confidence indicators and business surveys, pointing to an impending sharp slowdown in the economy. However, subsequent surveys have shown a sharp recovery in confidence and business surveys, though it is generally expected that although the economy will now avoid flat lining, growth will be weak through the second half of

2016 and in 2017.

The Bank of England meeting on August 4th addressed this expected slowdown in growth by a package of measures including a cut in Bank Rate from 0.50% to 0.25%. The Inflation Report included an unchanged forecast for growth for 2016 of 2.0% but cut the forecast for 2017 from 2.3% to just 0.8%. The Governor of the Bank of England, Mark Carney, had warned that a vote for Brexit would be likely to cause a slowing in growth, particularly from a reduction in business investment, due to the uncertainty of whether the UK would have continuing full access, (i.e. without tariffs), to the EU single market. He also warned that the Bank could not do all the heavy lifting and suggested that the Government will need to help growth by increasing investment expenditure and possibly by using fiscal policy tools (taxation). The new Chancellor Phillip Hammond announced after the referendum result, that the target of achieving a budget surplus in 2020 will be eased in the Autumn Statement on November 23rd.

The Inflation Report also included a sharp rise in the forecast for inflation to around 2.4% in 2018 and 2019. CPI has started rising during 2016 as the falls in the price of oil and food twelve months ago fall out of the calculation during the year and, in addition, the post referendum 10% fall in the value of sterling on a trade weighted basis is likely to result in a 3% increase in CPI over a time period of 3-4 years. However, the MPC is expected to look thorough a one off upward blip from this devaluation of sterling in order to support economic growth, especially if pay increases continue to remain subdued and therefore pose little danger of stoking core inflationary price pressures within the UK economy.

1.2 US

The American economy had a patchy 2015 with sharp swings in the growth rate leaving the overall growth for the year at 2.4%. Quarter 1 of 2016 disappointed at +0.8% on an annualised basis while quarter 2 improved, but only to a lacklustre +1.4%. However, forward indicators are pointing towards a pickup in growth in the rest of 2016. The Fed. embarked on its long anticipated first increase in rates at its December 2015 meeting. At that point, confidence was high that there would then be four more increases to come in 2016. Since then, more downbeat news on the international scene and then the Brexit vote, have caused a delay in the timing of the second increase which is now strongly expected in December this year.

1.3 Eurozone

In the Eurozone, the ECB commenced in March 2015 its massive €1.1 trillion programme of quantitative easing to buy high credit quality government and other debt of selected EZ countries at a rate of €60bn per month; this was intended to run initially to September 2016 but was extended to March 2017 at its December 2015 meeting. At its December and March meetings it progressively cut its deposit facility rate to reach -0.4% and its main refinancing rate from 0.05% to zero. At its March meeting, it also increased its monthly asset purchases to €80bn. These measures have struggled to make a significant impact in boosting economic growth and in helping inflation to rise from around zero towards the target of 2%. GDP growth rose by 0.6% in quarter 1 2016 (1.7% y/y) but slowed to +0.3% (+1.6% y/y) in quarter 2. This has added to comments from many forecasters that central banks around the world are running out of ammunition to stimulate economic growth and to boost inflation. They stress that national governments will need to do more by way of structural reforms, fiscal measures and direct investment expenditure to support demand in the their economies and economic growth.

1.4 Japan and China

Japan is still bogged down in anaemic growth and making little progress on fundamental reform of the economy while Chinese economic growth has been weakening and medium term risks have been increasing.

1.5 Interest rate forecasts

The Council's treasury advisor, Capita Asset Services, has provided the following forecast:

	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19
Bank rate	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.25%	0.25%	0.25%	0.25%	0.50%
5yr PWLB rate	1.00%	1.00%	1.10%	1.10%	1.10%	1.10%	1.20%	1.20%	1.20%	1.20%	1.30%
10yr PWLB rate	1.50%	1.50%	1.60%	1.60%	1.60%	1.60%	1.70%	1.70%	1.70%	1.70%	1.80%
25yr PWLB rate	2.30%	2.30%	2.40%	2.40%	2.40%	2.40%	2.50%	2.50%	2.50%	2.50%	2.60%
50yr PWLB rate	2.10%	2.10%	2.20%	2.20%	2.20%	2.20%	2.30%	2.30%	2.30%	2.30%	2.40%

Capita Asset Services undertook a quarterly review of its interest rate forecasts after the MPC meeting of 4th August cut Bank Rate to 0.25% and gave forward guidance that it expected to cut Bank Rate again to near zero before the year end. The above forecast therefore includes a further cut to 0.10% in November this year and a first increase in May 2018, to 0.25%, but no further increase to 0.50% until a year later. Mark Carney, has repeatedly stated that increases in Bank Rate will be slow and gradual after they do start. The MPC is concerned about the impact of increases on many heavily indebted consumers, especially when the growth in average disposable income is still weak and could well turn negative when inflation rises during the next two years to exceed average pay increases.

The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently. An eventual world economic recovery may also see investors switching from the safe haven of bonds to equities. However, we have been experiencing exceptional levels of volatility in financial markets which have caused significant swings in PWLB rates. Our PWLB rate forecasts are based on the Certainty Rate (minus 20 bps) which has been accessible to most authorities since 1st November 2012.

The overall balance of risks to economic recovery in the UK remains to the downside. Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Monetary policy action reaching its limit of effectiveness and failing to stimulate significant sustainable growth, combat the threat of deflation and reduce high levels of debt in some major developed economies, combined with a lack of adequate action from national governments to promote growth through structural reforms, fiscal policy and investment expenditure.
- Weak capitalisation of some European banks.
- A resurgence of the Eurozone sovereign debt crisis.
- Geopolitical risks in Europe, the Middle East and Asia, increasing safe haven flows.
- Emerging country economies, currencies and corporates destabilised by falling commodity prices and / or Fed. rate increases, causing a further flight to safe havens (bonds).
- UK economic growth and increases in inflation are weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU and US.

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- The pace and timing of increases in the Fed. funds rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.

- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

2. Treasury Management Strategy Statement and Annual Investment Strategy Update

The Treasury Management Strategy Statement (TMSS) for 2016/17 was approved by Council on 23rd February 2016.

There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

3. The Council's Capital Position (Prudential Indicators)

This part of the report is structured to update:

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

3.1 Prudential Indicator for Capital Expenditure

This table below shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the Budget.

Capital Expenditure by Service	2016/17 Original Programme	Budget B'fwd from 2015/16	Virements to Programme in Year	Total 2016/17 Budget	Actual Spend @ Period 6	2016/17 Revised Estimate*
	£m	£m	£m	£m	£m	£m
General Fund	4.535	2.686	(1.069)	6.152	0.991	6.152
HRA	10.217	6.844	-	17.061	2.983	17.041
Total	14.752	9.530	(1.069)	23.213	3.974	23.193

* Includes potential expenditure slippage into 2017/18

3.2 Changes to the Financing of the Capital Programme

The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. Any borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision).

This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

Capital Expenditure	2016/17 Estimate £m	2016/17 Revised Estimate * £m
Unsupported	2.242	3.242
Supported	12.510	19.951
Total spend	14.752	23.193
Financed by:		
Grants - Disabled Facilities	0.224	0.224
Coalfields Grant	-	0.250
Section 106's	0.284	0.375
GF Receipts	0.461	0.806
GF Reserve	-	0.209
Sale of Council House Receipts	0.090	0.438
HRA Receipts	0.868	0.868
HLF Assembly Rooms Lottery	0.579	0.759
Grants - SCC (Assembly Rooms / Gateways)	0.040	-
Grants - Assembly Rooms (SLGF)	1.962	1.530
Public Contributions (Assembly Rooms)	0.025	0.025
HLF/SCC/Donation - Castle Mercian Trail	0.480	0.536
Grants - Gateways (SLGF)	0.390	-
MRR	4.407	5.651
HRA 1-4-1 Replacements Receipts	0.780	0.898
HRA Reserve	0.679	3.311
HRA Regeneration Fund	1.241	3.578
HCA Grant	-	0.493
Total Financing	12.510	19.951
Borrowing need	2.242	3.242

* includes potential expenditure slippage into 2017/18

3.3 Changes to the Prudential Indicators for the Capital Financing Requirement, External Debt and the Operational Boundary

The table shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period. This is termed the Operational Boundary.

Prudential Indicator – Capital Financing Requirement

We are on target to achieve the original forecast Capital Financing Requirement.

Prudential Indicator – the Operational Boundary for External Debt

Prudential Indicator	2015/16 Outturn £m	2016/17 Original Estimate £m	2016/17 Revised Estimate £m
CFR – Non Housing	1.001	0.665	0.943 *
CFR – Housing	68.041	70.283	70.283
Total CFR	69.042	70.948	71.226
Net movement in CFR	(0.241)	2.208	2.184
Operational Boundary			
Expected Borrowing	73.268	73.268	73.268
Other long term liabilities	-	-	-
Total debt 31 March	73.268	73.268	73.268

* The actual level of additional Voluntary Repayment of principal in relation to the capitalisation value of outstanding Icelandic debt was lower than previously forecast within the 2016/17 original estimate.

3.4 Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2016/17 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

Activity	2015/16 Outturn £m	2016/17 Original Estimate £m	2016/17 Revised Estimate £m
Gross borrowing	65.060	67.302	65.060
Plus other long term liabilities	-	-	-
Less investments	39.715	35.194	51.200
Net borrowing	25.345	32.108	13.860
CFR (year end position)	69.042	70.948	71.226

The Executive Director Corporate Services reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator.

A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Authorised Limit for External Debt	2016/17 Original Indicator	Current Position	2016/17 Revised Indicator
Borrowing	89.112	89.112	89.112
Other Long Term Liabilities	3.000	3.000	3.000
Total	92.112	92.112	92.112

4. Investment Portfolio 2016/17

In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As set out in Section 1, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the current 0.25% Bank Rate. The continuing potential for a re-emergence of a Eurozone sovereign debt crisis, together with other risks which could impact on the creditworthiness of banks, prompts a low risk strategy. Given this risk environment, investment returns are likely to remain low.

The Council held £55.7m of investments as at 30th September 2016 (£39.715m at 31st March 2016) and the investment portfolio yield for the first six months of the year is 0.59% against a benchmark of the 3 months LIBID of 0.38%. A full list of investments held as at 30th September 2016 is detailed in **APPENDIX 1**.

The Executive Director Corporate Services confirms that on one occasion during the first six months of 2016/17 that the approved limits within the Annual Investment Strategy were breached by £29k. This occurred when a payment was received late in the day, resulting in £1.029m being held within the Lloyds Bank account overnight, which exceeded the approved limit of £1m.

The Council's budgeted investment return for 2016/17 is £362k, and performance for the year is projected to be £83k below budget, due to the recent reduction in interest rates.

CIPFA Benchmarking Club

The Council is a member of the CIPFA Treasury Management Benchmarking Club which is a means to assess our performance over the year against other members. Our average return for In House Investments for the period October 2015 to September 2016 was 0.65% compared to the group average of 0.95% (information from CIPFA Benchmarking Draft Report Q2 2016/17) excluding the impaired investments in Icelandic banks. This is considered to be a reasonable result in light of the current financial climate, our lower levels of deposits/funds and shorter investment time-lines due to Banking sector uncertainty, when compared to other Authorities.

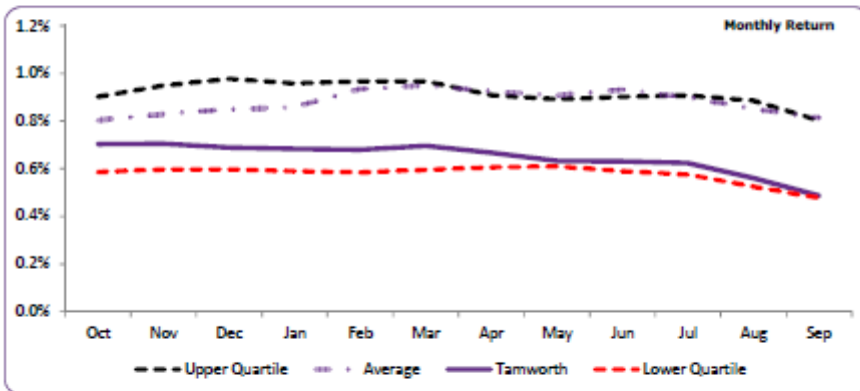
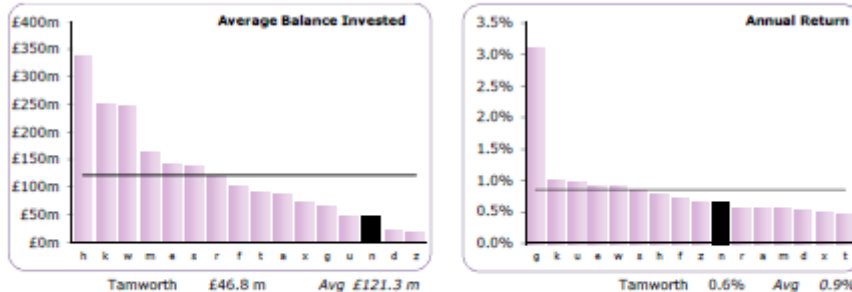
This can be analysed further into the following categories:

Category	Average Balance Invested		Average Annual Return Received	
	£m		%	
	Tamworth Borough Council	CIPFA Benchmarking Club	Tamworth Borough Council	CIPFA Benchmarking Club
Fixed Investments (up to 30 days)	-	1.4	-	0.2
Fixed Investments (between 31 and 90 days)	-	6.2	-	0.2
Fixed Investments (between 91 and 364 days)	25.2	42.3	0.7	0.8
Fixed Investments (between 1 year and 5 years)	-	26.6	-	1.8
Fixed Investments (Over 5 years)	-	0.3	-	2.7
Callable and Structured Deposits	-	6.3	-	2.6
Notice Accounts	6.5	31.2	0.8	0.5
Money Market Funds (Constant Net Asset Value)	13.1	25.9	0.4	0.5
Money Market Funds (Variable Net Asset Value)	-	21.0	-	0.7
DMADF	-	1.7	-	0.1
CD's, Gilts and Bonds	2.0	25.4	0.8	0.8
Average of all investments (Managed in House)	46.8	121.3	0.6	0.9

The data above and graphs below display that despite the Council being a small investor in the markets, performance is only marginally lower in those areas where both the Council and other member authorities invest.

The main variances arise from longer term fixed investments (in excess of 1 year) and instruments that the council do not currently get involved with i.e. Callable and Structured Deposits which are longer term deposits which (in line with our use of the Capita Asset Services methodology and our approved specified limits in our Treasury Management strategy) are currently prohibited for Tamworth Borough Council and affirms our 'low appetite for risk' in the continuing unsettled markets.

COMBINED IN-HOUSE INVESTMENTS (excluding impaired investments)



Monthly Return (Oct 15 - Sept 16)	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Sept	Year
Av Bal £'m	44.51	43.97	47.94	49.33	48.35	44.14	44.66	43.90	45.06	45.90	48.35	55.09	46.77
Earned £'k	26.6	25.5	28.0	28.6	26.1	26.1	24.5	23.6	23.4	24.3	23.0	22.0	301.7
Upper Quartile	0.90%	0.95%	0.98%	0.96%	0.97%	0.97%	0.91%	0.89%	0.90%	0.91%	0.89%	0.80%	0.90%
Average	0.80%	0.83%	0.85%	0.86%	0.93%	0.95%	0.92%	0.91%	0.93%	0.90%	0.85%	0.81%	0.85%
% Return	0.70%	0.70%	0.69%	0.68%	0.68%	0.70%	0.67%	0.63%	0.63%	0.62%	0.56%	0.49%	0.65%
Lower Quartile	0.59%	0.60%	0.60%	0.59%	0.58%	0.59%	0.61%	0.61%	0.59%	0.57%	0.52%	0.48%	0.56%
% Diff from Av	-0.10%	-0.13%	-0.16%	-0.18%	-0.25%	-0.25%	-0.26%	-0.28%	-0.30%	-0.28%	-0.29%	-0.33%	

Investment Counterparty Criteria

The current investment counterparty criteria selection approved in the TMSS and as amended at Council on the 23rd February 2016 will meet the requirement of the Treasury Management function.

5. Borrowing

The Council's estimated revised capital financing requirement (CFR) for 2016/17 is £71.226m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. Table 3.4 shows the Council will have estimated borrowings of £65.060m and has utilised £6.166m of cash flow funds in lieu of borrowing. This is a prudent and cost effective approach in the current economic climate.

In the first half of the year the Council had no PWLB debt maturing, with £2m due to mature in February 2017. In addition, the capital programme requires additional unsupported borrowing of £3.2m.

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is relatively high.

Use of internal funds is a more efficient use of resources as borrowing rates are significantly higher than investment returns. However, as and when resources are depleted or utilised, the opportunity to use internal balances will decrease and interest charges will increase.

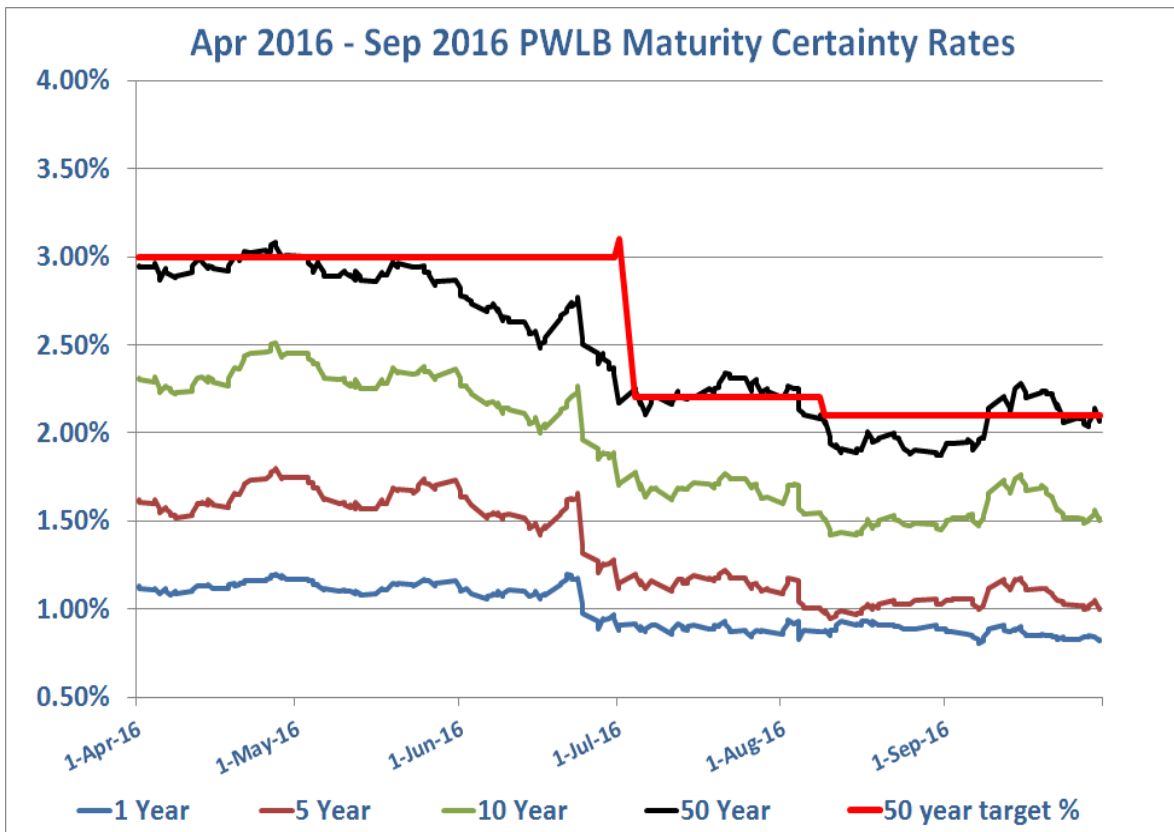
Against this background and the risks within the economic forecast, caution will be adopted with the 2016/17 treasury operations. The Director of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- * *if it was felt that there was a significant risk of a sharp FALL in long and short term rates (e.g. due to a marked increase of risks around recession or risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.*
- * *if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they will be in the next few years.*

Given the current economic forecasts for the coming years, it is unlikely that any additional borrowing will be undertaken during 2016/17.

The table and graph below show the movement in PWLB (Certainty Rates) for the first six months of the year to 30.9.16:

	1 Year	5 Year	10 Year	25 Year	50 Year
1/4/16	1.13%	1.62%	2.31%	3.14%	2.95%
30/9/16	0.83%	1.01%	1.52%	2.27%	2.10%
Low	0.81%	0.95%	1.42%	2.08%	1.87%
Date	07/09/2016	10/08/2016	10/08/2016	12/08/2016	30/08/2016
High	1.20%	1.80%	2.51%	3.28%	3.08%
Date	27/04/2016	27/04/2016	27/04/2016	27/04/2016	27/04/2016
Average	0.99%	1.33%	1.92%	2.69%	2.46%



6. Debt Rescheduling

Debt rescheduling opportunities have been limited in the current economic climate and consequent structure of interest rates. No debt rescheduling was undertaken during the first six months of 2016/17.

7. Icelandic Banks Update

Appendix 2 contains details of the situation with Icelandic investments as at 30th September 2016.

Expectations of future receipts and timeframes based on current information regarding each bank are given below;

- Glitnir

On 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 £777k, 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.

- Heritable

As at the end of September the Council had received £1.475m against our claim of £1.505m, a total recovery of 98%. The administrators are currently retaining a reserve to cover final Administrator's costs until closure of the administration of an outstanding legal case. This may allow for a further small distribution once resolved.

- Kaupthing, Singer and Friedlander

As at the end of September the Council had received £2.659m 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 during 2016/17 and 2017/18.

REPORT AUTHOR

Please contact Stefan Garner, Director of Finance or Jo Goodfellow, Management Accountant extension 241.

LIST OF BACKGROUND PAPERS

<i>Background Papers -</i>	<i>Local Government Act 2003</i>
	<i>CIPFA Code of Practice on Treasury Management in Public Services 2011</i>
	<i>Annual Report on the Treasury Management Service and Actual Prudential Indicators 2015/16 – Council 15th September 2016</i>
	<i>Treasury Management Strategy & Prudential Indicators Report 2016/17 - Council 23rd February 2016</i>
	<i>Budget & Medium Term Financial Strategy 2016/17 - Council 23rd February 2016</i>
	<i>Financial Healthcheck Period 6, September 2016</i>
	<i>CIPFA Treasury Management Benchmarking Club Report Quarter 2, September 2016</i>

APPENDICES

APPENDIX 1 Current Investment List

APPENDIX 2 Icelandic Banking Situation

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APPENDIX 1

Treasury Management Update – Period 6 - 2016/17

Investments held as at 30th September 2016:

Borrower	Deposit £m	Rate %	From	To	Notice
Coventry BS	1.00	0.60	05/04/2016	05/10/2016	-
Sumitomo Mitsui Banking Corporation	2.00	0.70	19/04/2016	18/10/2016	-
Lloyds Bank	1.00	0.80	29/04/2016	28/10/2016	-
Nationwide	1.00	0.71	09/05/2016	09/11/2016	-
Nationwide	1.00	0.71	31/05/2016	30/11/2016	-
Lloyds Bank	1.00	0.80	01/06/2016	01/12/2016	-
Bank of Scotland	2.00	0.80	30/06/2016	30/12/2016	-
Lloyds Bank	2.00	0.65	01/07/2016	03/10/2016	-
Coventry BS	1.00	0.50	07/07/2016	09/01/2017	-
Nationwide	2.00	0.42	08/07/2016	10/10/2016	-
Nationwide	1.00	0.49	15/07/2016	13/01/2017	-
Coventry BS	1.00	0.42	20/07/2016	20/01/2017	-
Lloyds Bank	1.00	0.65	09/08/2016	09/02/2017	-
Bank of Scotland	2.00	0.65	10/08/2016	10/02/2017	-
Barclays Bank	1.00	0.40	10/08/2016	10/02/2017	-
Barclays Bank	3.00	0.42	01/09/2016	01/03/2017	-
Barclays Bank	1.00	0.41	05/09/2016	06/03/2017	-
Barclays Bank	1.00	0.41	07/09/2016	07/03/2017	-
Barclays Bank	1.00	0.42	12/09/2016	13/03/2017	-
Coventry BS	4.00	0.37	12/09/2016	13/03/2017	-
Leeds	1.00	0.32	12/09/2016	13/03/2017	-
Nationwide	1.00	0.42	15/09/2016	15/03/2017	-
Nationwide	1.00	0.42	30/09/2016	31/03/2017	-
Santander UK plc	1.00	0.15	-	-	On call
Santander UK plc	6.00	0.65	-	-	On call
MMF - Ignis	8.00	0.32	-	-	On call
MMF - PSDF	6.32	0.29	-	-	On call
MMF - Deutsche	1.38	0.30	-	-	On call
TOTAL	55.70	0.48 (avg)			

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

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ICELANDIC BANKING SITUATION AS AT 30/09/2016

	Deposit with;	Ref Number	Date Invested	Amount
1	GLITNIR	1696	10/10/07	1,000,000
	GLITNIR	1715	31/08/07	1,000,000
	GLITNIR	1754	14/12/07	1,000,000
	Total Principal			3,000,000
	Estimated of Contractual or Interest due to point of administration (subject to currency exchange rate fluctuations)			331,000
	Total of Claim			3,331,000
	Repayments Received to date			(2,554,432)
	Outstanding at 30/09/2016			776,568
	Estimated Remaining			776,568

On the 15th March 2012, the Council received £2.554m being the majority of our deposits with The balance of our approved claim, equating to £777k, is being held in an interest bearing ESC account. The release of these funds is dependent on a change in Icelandic Law which currently allow the distribution of ISK outside the country. Interest will accrue on these funds until the date of settlement. which is still unknown.

2	Heritable Bank	1802	12/09/08	500,000
	Heritable Bank	1803	15/09/08	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)
	Outstanding at 30/09/2016			30,103
	Estimated Remaining			-

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

3	Singer & Friedlander	1716	31/08/07	1,000,000
	Singer & Friedlander	1740	31/10/07	1,000,000
	Singer & Friedlander	1746	14/01/08	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			(2,659,277)
	Outstanding at 30/09/2016			515,979
	Estimated Remaining			47,629

As at the end of September the Council had received £2.659m against our claim of £3.175m.

estimates given by the Administrator project a total recovery of 85.25% or approximately £2.70 majority of repayments estimated to be received by March 2017.

Summary			
Total Principal			7,500,000
Interest			511,383
Total of Claim			8,011,383
Repayments Received to date			(6,688,733)
Outstanding at 30/09/2016			1,322,650
Estimated Remaining			824,197

- 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)	7,512,930
Total Estimated % Remaining	93.78%

Check Total Repayments

Above	(6,688,733)
Reconciliation on Investment Database	-6589099
Icelandic Monitoring Spreadsheet	-6688733

	%
*	76.69
**	

the bank.
 CROW
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	98.00

a total
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	83.75

Current

7m, with the

	83.49

TUESDAY, 13 DECEMBER 2016

REPORT OF THE PORTFOLIO HOLDER FOR ASSETS AND FINANCE**LOCAL COUNCIL TAX REDUCTION SCHEME 2017/18 ONWARDS AND CONSULTATION RESULTS****EXEMPT INFORMATION**

This proposal is not exempt information for the purposes of Part 1 of Schedule 12 (A) of the Local Government Act 1972

PURPOSE

To advise Members of the results and feedback from the recently undertaken consultation on the proposed Local Council Tax Reduction Scheme from 2017 onwards. To review the consultation feedback when considering potential changes to be applied in the 2017/18 onwards Local Council Tax Reduction Scheme;

To advise members that the Local Council Tax Reduction Scheme for working age customers for 2017/18 should include continued alignment to Applicable Amounts with those of Housing Benefit;

That Council endorses the proposed change, moderately supported by the consultation results, to restrict Council Tax Reduction awards to a maximum of 4 weeks only where the claimant(s) are abroad.

RECOMMENDATIONS

- 1 That Council consider the results of the public consultation on the current scheme, carried out 15 August to 14 October 2016, and endorse or otherwise the proposed recommended change detailed below:**
- 2 The base scheme goes forward with the following;**
 - a) That the Local Council Tax Reduction Scheme for working age customers for 2017/18 will continue to be aligned to Applicable Amounts with those of Housing Benefit, and**
 - b) That Council Tax Reduction awards will be restricted to a maximum of 4 weeks *only* where the claimant(s) are abroad.**

EXECUTIVE SUMMARY

This report details the key issues arising from the Local Council Tax Reduction Scheme.

The Welfare Reform Act abolished Council Tax Benefit from 1 April 2013. It was replaced by a new Local Council Tax Reduction Scheme for working age customers. A national scheme of regulations was introduced for pensioners, which mirrors the obsolete Council Tax Benefit Scheme.

Grant funding was reduced and is distributed by the Department for Communities and Local Government rather than the Department for Work and Pensions. Outturn on the 2015/16 scheme is £4.04m of which the Authority's share was £436k (10.8% of the impact on the Collection Fund). At inception, the scheme design was modelled to ensure that the Authority complied with the Central Government requirement to achieve a 10% reduction in benefit cost but without increasing the burden of cost to the Council tax Payer. However, grant funding predictions are expected to reduce further in future years and future years' Revenue Support Grant (RSG) projections indicate an ongoing reduction in grant funding to the Authority from 2017/18 and will mean that RSG will cease to be paid by 2020 and that the Council will have to fund the scheme from its own resources and retained Business Rates income in the future.

The impact of grant funding and expenditure is closely monitored on a regular basis to identify whether the scheme is achieving its objectives but also not increasing cost burdens to the Medium Term Financial Strategy. The current maximum level of award under the existing scheme is 75%. Current financial modelling indicates that although grant levels are reducing the scheme maxima should not be changed for the 2017/18 scheme consultation as it would add further potential hardship to claimants. This position is under regular review. Members should be aware of the impact of the Central Government Grant reductions when formulating the scheme for 2017/18 as any subsequent changes to the scheme governance arrangements, not consulted on would require a further consultation exercise.

Continued alignment of the scheme with applicable amounts for the Housing Benefit scheme should be considered. This is not a legislative requirement for those of working age, but a decision for this Council. This will prevent confusion between schemes and reduce administrative burdens. Furthermore, it would reflect any cost of living rises allowed by the Government.

In compliance with the above, a web based consultation exercise was carried out between 15 August to 14 October 2016. The results are attached at **Appendix 1**. Local Community Groups were notified of the consultation and two press releases also encouraged responses. 84 responses were received. The proposal to reduce Council Tax Reduction awards to a maximum of 4 weeks where the claimant and any partner are abroad was moderately supported.

OPTIONS CONSIDERED

The current scheme for most working age customers bases an award on a maximum of 75% of their Council Tax liability. Those who receive a Severe Disability Premium, or who have a disabled child and those who receive a War Widows/War Disability Pension or Armed Forces Compensation Scheme payment have their awards based on 100% of their liability.

Pensioners also continue, under the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, to have their awards based on 100% of their Council Tax liability.

Appendix 1 confirms that current policy principles and the proposed change to restrict entitlement to 4 weeks where the claimant is abroad are supported.

RESOURCE IMPLICATIONS

Council Tax Benefit subsidy awarded for 2012/13 was £5.38m. The current scheme was modelled on delivering an estimated benefit reduction in the region of £700k for 2013/14, necessitated by grant cuts of 10% and protection for Pensioners and other vulnerable groups. The final amount awarded for 2013/14 was £4.427m, £4.156m for 2014/15 and £4.04m for 2015/16.

Latest figures confirm that £4.03m has so far been awarded in Local Council Tax Reduction (LCTR) for 2016/17, to both working age and pensioner customers. The live caseload has reduced by approximately 12% since April 2013, which is attributable to customers finding employment, becoming financially self sufficient and contributes to the lesser amount now awarded. Furthermore, welfare reforms have also reduced the amount awarded to some claimants who are no longer entitled to the Severe Disability Premium, thus their award is now based on a maximum of 75% rather than 100% of their Council Tax liability.

It is impossible to predict what savings the restriction of Council Tax Reduction awards to the first 4 weeks only of absences where the claimant is abroad would be. However it is envisaged that the savings will be nominal.

LEGAL/RISK IMPLICATIONS BACKGROUND

The Department for Communities and Local Government have confirmed that consultation on the scheme is not required annually if it is not amended. However, the Council has decided it wise to consult even when changes are not proposed. Notwithstanding this, as an amendment to the scheme is proposed for 2017/18, consultation was mandatory for the 2017/18 scheme.

Appendix 1 confirms the public consultation results, gauging views on each of the current policy elements of the scheme as well as views on proposed changes.

Section 13 A(2) and Schedule 1A of the Local Government Finance Act 1992, as well as Schedule 1A, paragraph 16 of the Local Government Finance Act 2012 legislate that the scheme must be agreed annually by full Council.

Full Equality Impact Assessments were considered and taken into account when the scheme was initially finalised and agreed.

SUSTAINABILITY IMPLICATIONS

Funding for the replacement of the previous Council Tax Benefit scheme was changed from AMEY (unrestricted reimbursement of Council Tax Benefit subsidy) to DEL (restricted, pre allocated grant figure). The Council must be aware that there must

continue to be a contingency if, for instance, a major local employer goes administration.

BACKGROUND INFORMATION

The Welfare Reform Act 2012

http://www.legislation.gov.uk/ukpga/2012/5/pdfs/ukpga_20120005_en.pdf

The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Regulations) 2012

http://www.legislation.gov.uk/uksi/2012/2885/pdfs/uksi_20122885_en.pdf

REPORT AUTHOR

Karen Taylor x529/J Wheatley x252

LIST OF BACKGROUND PAPERS

Local Council Tax Reduction Scheme 2013/14 Report, presented to Council on 13th December 2012 <http://democracy.tamworth.gov.uk/mglIssueHistoryHome.aspx?Id=2548>

Local Council Tax Reduction Scheme 2014/15 Report, presented to Council on 17th December 2013 <http://democracy.tamworth.gov.uk/mglIssueHistoryHome.aspx?Id=3849>

Local Council Tax Reduction Scheme 2015/16 report, presented to Council on 16th December 2014
<http://democracy.tamworth.gov.uk/documents/s10311/LOCAL%20COUNCIL%20TAX%20REDUCTION%20SCHEME%20FROM%20201516.pdf>

Local Council Tax Reduction Scheme 2016/17 report, presented to Council on 15th December 2015
<http://democracy.tamworth.gov.uk/documents/s12836/Local%20Council%20Tax%20Reduction%20Scheme%202016%20onwards.pdf>

APPENDICES

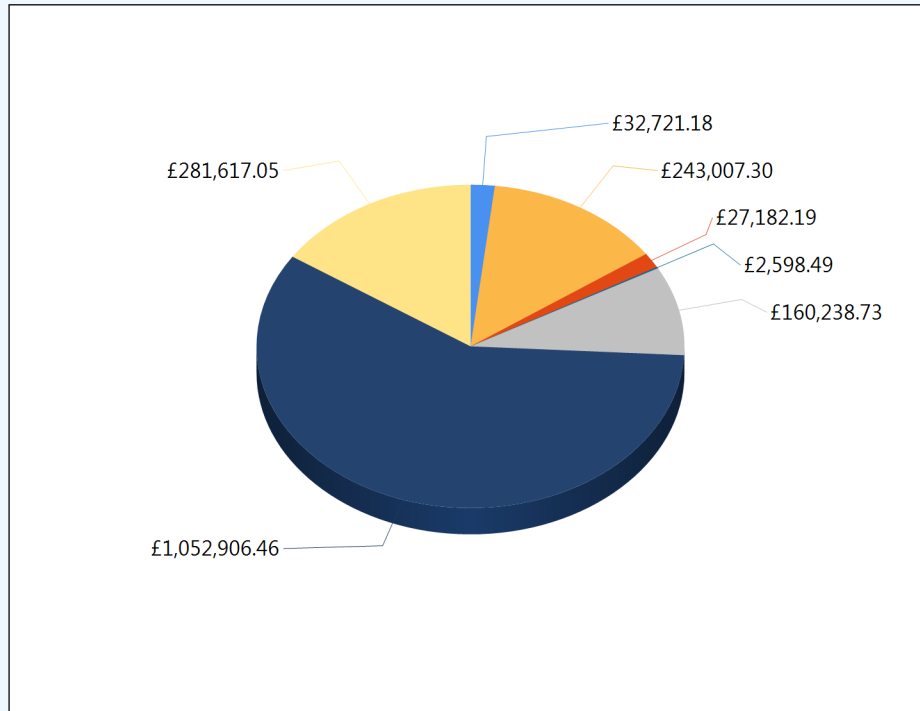
Appendix 1 Local Council Tax Reduction Scheme Consultation Summary report 2016

Appendix 2 Council Tax Reduction Working Age Expenditure summary

Appendix 3 Council Tax Reduction Caseload summary

Appendix 4 Equality Impact Assessment

CTS Expenditure as of 2016-2017

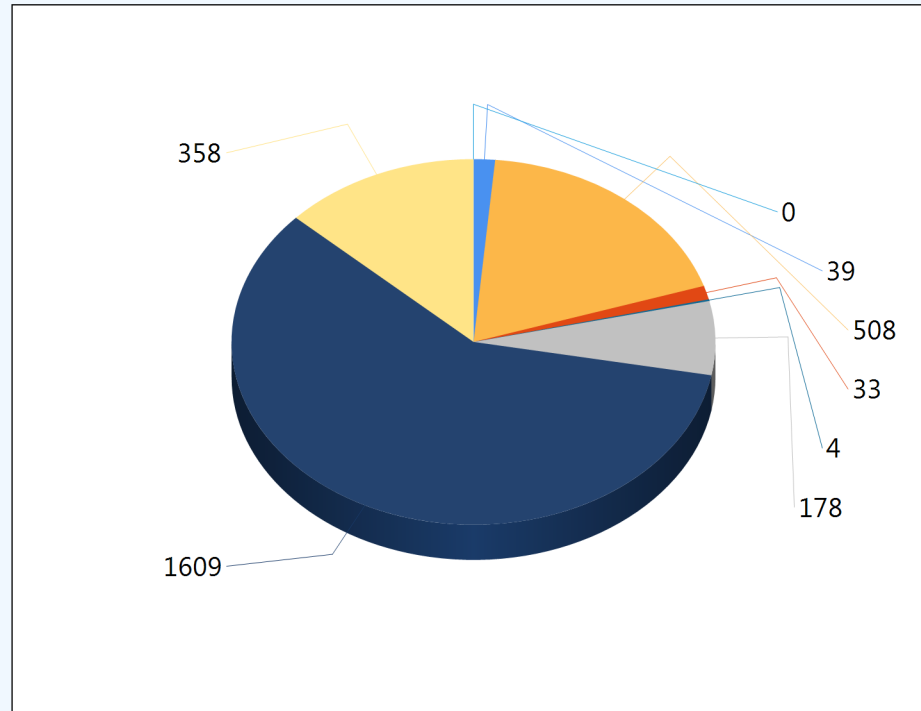


Group Description

- Working Age-Non-Passported-Disabled Child Premium
- Working Age-Non-Passported-Other
- Working Age-Non-Passported-Severe Disability
- Working Age-Non-Passported-War Pensioners
- Working Age-Passported-Disabled Child Premium
- Working Age-Passported-Other
- Working Age-Passported-Severe Disability

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CTS Caseload as of 24.10.2016



Group Legend

- Working Age-Non-Passported-Disabled Child Premium
- Working Age-Non-Passported-Other
- Working Age-Non-Passported-Severe Disability
- Working Age-Non-Passported-War Pensioners
- Working Age-Passported-Disabled Child Premium
- Working Age-Passported-Other
- Working Age-Passported-Severe Disability
- Working Age-Passported-War Pensioners

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Equality Impact Assessment Template – Protecting Pensioner Cases and Severely Disabled Working Age Claimants

Name of policy/ procedure/ practice to be assessed	Introduction of Localised Council Tax Support (Council Tax Reduction)		Date of Assessment	October 2016	
Is this a new or existing policy/ procedure/ practice?	New	Officer responsible for the Assessment	Karen Taylor Head of Benefits	Department	Benefit Services
1. Briefly describe the aims, objectives and purpose of the policy/ procedure/ practice?	<p>The national Council Tax Benefit (CTB) scheme came to an end on 1st April 2013 was replaced by a locally determined system of Council Tax Reduction (CTR). The funding available for the new scheme will be cash limited. The aim of the new support scheme is to provide financial assistance to council taxpayers who have low incomes.</p> <p>Persons who are of state pension age are protected under the scheme in that the calculation of the reduction they receive has been set by Central Government.</p> <p>For working age applicants however the help they receive is to be determined by the local authority.</p> <p>This equality impact assessment looks at the ongoing potential for not only protecting pensioners (as required under the legislation) but also providing full support to all working age claimants who are considered severely disabled within the current Council Tax Benefit scheme. The definition of severely disabled is where the claimant or partner is in receipt of a severe disability premium, within either their Council Tax Reduction, Housing Benefit or other means tested benefit;</p> <p>The objective in continuing to adopt this policy would be to protect a specific section of the existing claimant group deemed to be highly vulnerable and independently verified as being the most seriously sick and not likely to be able to obtain work.</p> <p>The main issue for the Council is that the funding for support has been reduced</p>				

	<p>significantly. However exempting this one additional group (bearing in mind that pensioners are already protected under the scheme by Central Government) would increase the shortfall in funding to be borne by working age claimants who are not deemed severely disabled.</p> <p>Central Government has not been prescriptive in how an authority should protect vulnerable groups but points to the Council's existing responsibilities including the Child Poverty Act 2010, the Disabled Person Act 1986 and the Housing Act 1996 as well as the public sector equality duty in section 149 of the Equality Act 2010. No definition has been given as to the level of disability which would lead to protection being given, although it is acknowledged that where a person is in the longer term able to undertake work, that they should be incentivised to do so. This would not apply to those who are deemed severely disabled.</p> <p>The current level of assistance provided to pension age claimants and to working age severely disabled claimants is given at the end of this assessment.</p>
<p>2. Are there any associated policy/ procedure/ practice which should be considered whilst carrying out this equality impact assessment?</p>	<p>The authority is required to continue maintaining a full Housing Benefit scheme and also to continue to process claims for benefit alongside the introduction of the new scheme for Council Tax Reduction.</p>
<p>3. Who is intended to benefit from this policy/ procedure/ practice and in what way?</p>	<p>All persons within the Borough who have a low income may apply for support and assistance with their Council Tax.</p> <p>By making an application, providing evidence of their income and household circumstances, their potential entitlement for support will be calculated in line with Central Government prescribed requirements for the Council Tax Reduction scheme.</p> <p>In the case of all claimants, it will be essential for the authority to correctly process claims for support based on the regulatory requirements and to ensure that all existing benefit claimants continue to receive support through the transition and onwards.</p>

<p>4. What are the desired outcomes from this policy/ procedure/ practice?</p>	<p>The desired outcomes are as follows;</p> <p>Pension Age Claimants</p> <ul style="list-style-type: none"> • That existing pensioner claimants for Council Tax Benefit (up until 31st March 2013) were successfully transferred to the new Council Tax Reduction scheme; • That all pensioners receive the level of support required by regulations set by Central Government (Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012); • That all new pensioner claimants or existing working age claimants who rise to pension age are able to receive Council Tax Reduction in line with the regulations; and • That all pensioner claimants continue to receive the correct level of support at all times. <p>Severely Disabled Working Age Claimants</p> <ul style="list-style-type: none"> • That existing severely disabled working age claimants who attract a Severe Disability Premium for Council Tax Benefit (up until 31st March 2013) were successfully transferred to the new Council Tax Reduction scheme; • That all working age severely disabled claimants who attract a Severe Disability Premium continue to receive the level of support previously provided under the Council Tax Benefit scheme • That all new working age severely disabled claimants who attract a Severe Disability Premium or existing working age claimants who become severely disabled and attract a Severe Disability Premium are able to receive Council Tax Reduction in line with the previous Council Tax Benefit scheme; and • That all working age severely disabled claimants who attract a Severe Disability Premium continue to receive the correct level of support at all times.
<p>5. What factors/ forces could contribute/ detract from the outcomes?</p>	<p>There are a number of factors which contribute to the outcomes of the new process namely;</p> <ul style="list-style-type: none"> • That the new Council Tax Reduction scheme broadly replicates the previous Council Tax Benefit scheme for pension age claimants; • That management and staff are experienced in delivering means tested support / benefit schemes; and • That there is on going consultation where required, which ensures that delivery of

	<p>the scheme is in line with legislative requirements.</p> <p>The factors / forces that could detract from these outcomes are as follows;</p> <ul style="list-style-type: none"> • The failure of Central Government to approve the necessary legislation on time; • The failure of the Council’s software suppliers to deliver the necessary changes to existing software systems to enable the continued processing of the new support; and • The failure to deliver the significant means tested scheme on time.
<p>6. Who are the main stakeholders in relation to the policy/ procedure/ practice?</p>	<p>In respect of the pension age and working age severely disabled claimants who attract a Severe Disability Premium for Council Tax Reduction, the main stakeholders are as follows;</p> <p>External Stakeholders;</p> <ul style="list-style-type: none"> • Major Precepting authorities – County Council, Police Authority and Fire and Rescue Authority; • Parish Councils (local precepting authorities); • Pension Age claimants; • Working age severely disabled claimants • Potential pension age claimants; • Potential working age severely disabled claimants • Interested Groups such as Citizens Advice Bureau, Age Concern and Age UK, Disabled Persons Groups, RNIB, Action on hearing loss etc. • Council Taxpayers generally <p>Internal Stakeholders;</p> <ul style="list-style-type: none"> • Staff
<p>7. Which individuals/ groups have been/ will be consulted with on this policy/ procedure/ practice?</p>	<p>All major precepting authorities were consulted on the implementation of the new Council Tax Support scheme in 2012.</p> <p>A further full consultation with the public was undertaken August-October 2016 as required by the legislation (Local Government Finance Act 2012). Whilst pension age claimants are protected, the authority still, as part of the consultation process, looked to pension age claimants and pensioners generally</p>

	<p>to respond to the consultation itself.</p> <p>In respect of working age severely disabled claimants who attract a Severe Disability Premium, it was essential to consult with the group as, being of working age, they will be directly affected by any changes decided by the Council.</p> <p>For working age claimants who are not classified as severely disabled within this policy, it was essential that extensive consultation is undertaken to obtain their views given that the level of support they receive will be reduced significantly in relation to the continued alignment of applicable amounts with those of Housing Benefit. This means it is proposed to remove the family premium from any new claims for Council Tax Reduction for new, means tested claimants, from a date to be advised by Central Government (legislation not yet laid).</p> <p>The consultation process was comprehensive and encouraged a full response to the new support scheme itself (notwithstanding the fact that the authority is obliged to implement the scheme determined by Central Government for pension age claimants).</p> <p>Groups representing the disabled or chronically sick were directly consulted as part of the process.</p> <p>Public consultation took place during the period August 2016 until October 2016.</p>	
<p>8. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact on racial groups?</p>	<p>Y</p>	<p>N ✓</p> <p>This proposed change to Council Tax Reduction should not affect the overall level of support to pension age claimants or working age severely disabled claimants who attract a Severe Disability Premium any differently to all other client groups and there would be no differential impact due to race</p>

<p>9. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to gender?</p>	Y	N ✓	<p>This proposed change to Council Tax Reduction should not affect the overall level of support to pension age claimants or working age severely disabled claimants who attract a Severe Disability Premium any differently to all other client groups and there would be no differential impact due to gender</p>
<p>10. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to them being transgender or transsexual?</p>	Y	N ✓	<p>This proposed change to Council Tax Reduction should not affect the overall level of support to pension age claimants or working age severely disabled claimants who attract a Severe Disability Premium any differently to all other client groups and there would be no differential impact due to a person being transgender or transsexual</p>
<p>11. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to disability?</p>	Y ✓	N	<p>This proposed change to Council Tax Reduction should not affect the overall level of support to pension age claimants any differently to any other client groups and - where there is a Severe Disability Premium, this would maintain the level of support given to working age claimants due to the following;</p> <ul style="list-style-type: none"> • The award of additional premiums for severe disablement; • Disregarding higher levels of income where a claimant is in remunerative work and is severely disabled; and • There is no requirement to have non dependant deductions where a claimant is severely disabled <p>Likewise any working age claimants who do not attract a Severe Disability Premium would not benefit from the policy any differently to all other client groups and would receive a reduction in support.</p>
<p>12. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to sexual orientation?</p>	Y	N ✓	<p>This proposed change to Council Tax Reduction should not affect the overall level of support to pension age or working age severely disabled claimants who attract a Severe Disability Premium any differently to all other client groups and there would be no differential impact due to sexual orientation</p>

<p>13. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to age?</p>	<p>Y ✓</p>	<p>N</p>	<p>This proposed change to Council Tax Reduction should not affect the overall level of support to pension age claimants or working age severely disabled claimants who attract a Severe Disability Premium any differently to all other client groups – however there is a differential impact due to age;</p> <p>For working age applicants the reduction they receive is to be determined by the local authority.</p> <p>To provide financial assistance for the scheme, Central Government is to provide funding to each billing authority in England, However the level of funding provided is to be less than the amount currently provided to support the existing Council Tax Benefit scheme.</p> <p>If working age severely disabled claimants who attract a Severe Disability Premium are to be protected in full, along with pension age claimants (as required by Central Government) there would be a decrease in the level of support available to all other working age claimants although this would be a large group over which the reduction could be spread.</p> <p>In the case of Tamworth Borough Council, the shortfall to be borne by working age claimants not deemed to be severely disabled who attract a Severe Disability Premium would amount to 25% per annum</p>
<p>14. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to religious belief?</p>	<p>Y</p>	<p>N ✓</p>	<p>This proposed change to Council Tax Reduction should not affect the overall level of support to pension age claimants or working age severely disabled claimants who attract a Severe Disability Premium any differently to all other client groups and there would be no differential impact due to religious belief</p>

<p>15. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact on Gypsies/ Travellers?</p>	<p>Y</p>	<p>N ✓</p>	<p>This proposed change to Council Tax Reduction should not affect the overall level of support to pension age claimants or working age severely disabled claimants who attract a Severe Disability Premium any differently to all other client groups and there would be no differential impact to gypsies or travellers</p>
<p>16. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to dependant/caring responsibilities?</p>	<p>Y ✓</p>	<p>N</p>	<p>This proposed change to Council Tax Reduction should not affect the overall level of support to pension age claimants or working age severely disabled claimants who attract a Severe Disability Premium any differently to all other client groups</p>
<p>17. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to them having an offending past?</p>	<p>Y</p>	<p>N ✓</p>	<p>This change to Council Tax Reduction should not affect the overall level of support to pension age claimants or working age severely disabled claimants who attract a Severe Disability Premium any differently to all other client groups and there would be no differential impact due having an offending past</p>
<p>18. Are there concerns that the policy/ procedure/ practice could have an impact on children or vulnerable adults?</p>	<p>Y</p>	<p>N ✓</p>	<p>This proposed change to Council Tax Reduction should not affect the overall level of support to pension age claimants or working age severely disabled claimants who attract a Severe Disability Premium any differently to all other client groups and there would be no differential impact due to children or vulnerable adults being in the household</p>
<p>19. Does any of the differential impact identified cut across the equality strands (e.g. elder BME groups)?</p>	<p>Y</p>	<p>N ✓</p>	<p>This proposed change to Council Tax Reduction should not affect the overall level of support to pension age claimants or working age severely disabled claimants who attract a Severe Disability Premium any differently to all other client groups and there would be no differential impact identified that cut across equality strands</p>

<p>20. Could the differential impact identified in 8 – 19 amount to there being the potential for adverse impact in this policy/ procedure/ practice?</p>	<p>Y</p>	<p>N ✓</p>	<p>The adoption of this policy would, for pension age groups and working age severely disabled claimants who attract a Severe Disability Premium have no adverse impacts any differently to all other client groups. However the Council will continue to encourage pensioners and working age disabled persons to make claims for assistance.</p>
<p>21. Can this adverse impact be justified:</p> <ul style="list-style-type: none"> • on the grounds of promoting equality of opportunity for one group? • For any other reason? 	<p>Y ✓</p>	<p>N</p>	<p>The inclusion of just working age severely disabled claimants who attract a Severe Disability Premium, as a protected group would provide significant additional protection without overburdening the remaining working age claimant base</p>
<p>22. As a result of carrying out the equality impact assessment is there a requirement for further consultation?</p>	<p>Y</p>	<p>N ✓</p>	<p>There will be no requirement to undertake further consultation</p>
<p>23. As a result of this EIA should this policy/ procedure/ practice be recommended for implementation in it's current state?</p>	<p>Y ✓</p>	<p>N</p>	<p>It is the Council's opinion that this policy to protect both pension age and all working age severely disabled claimants who attract a Severe Disability Premium, whilst them being subject to a maximum of 4 weeks' Council Tax Reduction where the claimant(s) are abroad would be equitable and would ensure continued protection in all other aspects of the scheme to the most vulnerable within the Borough.</p>

Equality Impact Assessment Action Plan

Complete the action plan demonstrating the changes required in order to meet TBC's commitment to equality and diversity. The action plan must contain monitoring arrangements, the publishing of results and the review period required for this policy.

ACTION/ ACTIVITY	RESPONSIBILITY	TARGET	PROGRESS
Introduction of the Council Tax Reduction scheme for pensioners as prescribed by the Local Government Finance Act 2012 and defined within the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012	Karen Taylor	01/04/17	Ongoing
Monitoring arrangements:		Data collected quarterly	
Full monitoring of scheme implementation on a monthly basis in line with the accepted project plan	Karen Taylor	Monthly and quarterly collection of data to be undertaken by the Benefits Service	Ongoing
Publication:			
The revised Council Tax Reduction scheme is to be published by the Council by April 2016, after consideration at Cabinet and then full Council in December 2016.	Karen Taylor		Ongoing
Review Period:		Reviewed 12 monthly unless otherwise stated	
The scheme will be reviewed annually by both Central Government and the Borough Council	Karen Taylor		Ongoing

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Local Council Tax Reduction Scheme Consultation Summary Report 2016

DOCUMENT DETAILS

This document has been produced on behalf of Tamworth Borough Council by the Staffordshire County Council Insight Team



Title	Localisation of Council Tax Consultation Summary Report
Date created	October 2016
Description	The purpose of this document is to provide Tamworth Borough Council with the consultation results on their proposals for localising their Council Tax Benefit Scheme.
Produced by	Heather Collier, Research Co-ordinator, Insight, Planning and Performance Team, Staffordshire County Council Tel: 01785 277450 Email: heather.collier@staffordshire.gov.uk
Geographical coverage	Tamworth Borough
Format	PDF and Publisher files
Status	Final (Version 1)
Usage statement	This product is the property of Tamworth Borough Council. If you wish to reproduce this document either in whole, or in part, please acknowledge the source and the author(s).
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CONTENTS

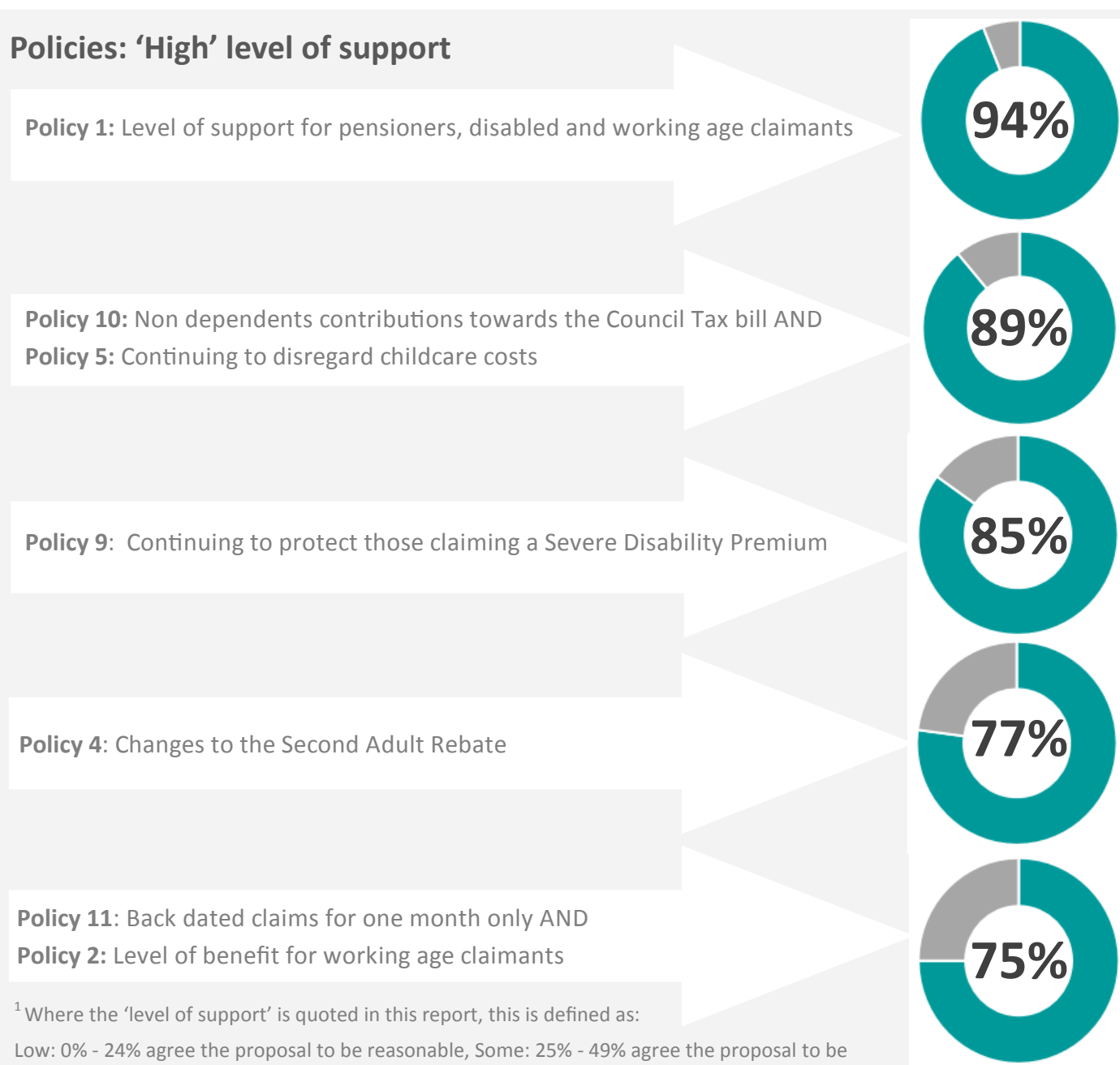
Title	Page
<i>Document Details</i>	2
<i>Contents</i>	3
1 Executive Summary	4
2.1 Introduction	6
2.2 Methodology	6
2.3 Respondent Profile	7
3 Results: Principles	8
4 Results: Policies	8
• Policy 1: Level of support for pensioners, disabled and working age claimants	8
• Policy 2: Level of benefit for working age claimants	9
• Policy 3: Council Tax Benefit and property band	9
• Policy 4: Changes to the Second Adult Rebate	9
• Policy 5: Continuing to disregard childcare costs	10
• Policy 6: Claimants and the level of savings allowed	10
• Policy 7: Continuing to exclude Child Benefit payments	10
• Policy 8: Including Child Maintenance payments	11
• Policy 9: Continuing to protect those claiming a Severe Disability Premium	11
• Policy 10: Non dependents contributions towards the Council Tax bill	12
• Policy 11: Back dated claims for one month only	12
• Policy 12: Claims for temporary absences	12
5. Impact of the changes	13
6. Appendix 1: Respondent profile	16

1. EXECUTIVE SUMMARY

Principles: There was a high level of support for both principles with 91% agreeing with key principle 2, 'The Local Council Tax Reduction Scheme should encourage people to work' and 89% agreeing with key principle 1, 'Every household with working age members should pay something towards their Council Tax bill'.

Policies: The level of endorsement attributed to each of the policies was varied. Policy 1, which provides total protection for pensioners and those working age claimants classed as severely disabled received the highest level of support, with 94% agreeing it was 'reasonable'. This policy also received the highest level of support in 2014.

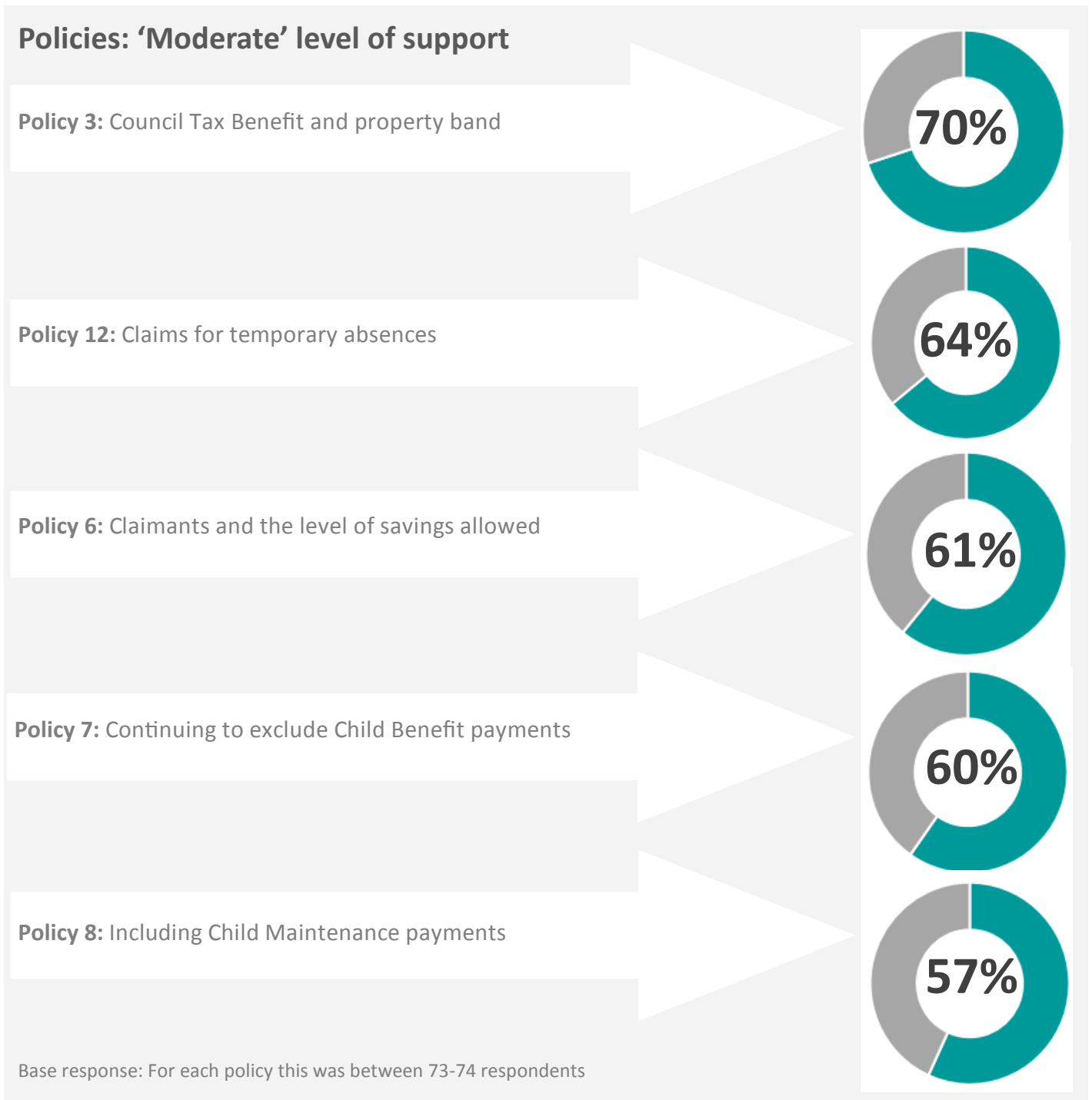
Least endorsement was received for Policy 8. This policy disregards maintenance payments as income when calculating a Working Age claimant's Council Tax Reduction entitlement, in order to provide an incentive for parents to stay in work or return to work. Whilst least supported, this policy did still receive a 'moderate' level of support (57%). Overall, there was a 'high'¹ level of endorsement for seven out of the twelve policies and the details of these are outlined below:



¹ Where the 'level of support' is quoted in this report, this is defined as:

Low: 0% - 24% agree the proposal to be reasonable, Some: 25% - 49% agree the proposal to be reasonable, Moderate: 50% - 74% agree the proposal to be reasonable, High: 75% - 100% agree the proposal to be reasonable.

Five of the 12 proposals received a **'moderate'** level of support and details of these are outlined below:



Impact of the changes: Changes to Council Tax Benefit can affect individuals and key groups in society and consequently these impacts were a key component of this research. Of the survey respondents, 60% indicated that the changes had a 'low' impact upon them, 21% said the impact had been 'medium' and 19% said it had been 'high'. Those respondents who received a Council Tax reduction were far more likely to feel that the impact upon them was 'high' (43%) than non claimants were. 9% of non claimants said the effect upon them was 'high'.

Whilst caution should be applied to statistical analysis of these responses, as the level of responses was relatively low (84 responses were received), research by the [Joseph Rowntree Foundation](#)² does suggest that claimants are more likely to be affected and it outlines the wider impacts which claimants are likely to face. An analysis of local arrears and bailiff referrals linked to non payment of Council Tax would also enable a deeper understanding of the impacts of reform at the local level.

² The Impact of Localising Council Tax Benefit, Joseph Rowntree Foundation, March 2013

2.1 INTRODUCTION

Tamworth Borough Council is seeking people's views on a proposed change to its Local Council Tax Reduction Scheme. The proposed change is for claims to be paid for up to four weeks of temporary absence only when the claimant (and any partner) has gone abroad. Under the existing scheme, entitlement would normally be for up to 13 weeks.

The Council also took the opportunity to gauge opinion on the rest of its Local Council Tax Reduction Scheme which has been in operation since 1st April 2013. The initial scheme had previously been shaped by a 2012 public consultation which was carried out prior to the introduction of the scheme.

The results of the latest 2016 consultation have been analysed by Staffordshire County Council on behalf of Tamworth Borough Council and these bring together analysis and key themes of all responses received.

These responses will be considered by Cabinet and full Council who will finalise the Local Council Tax Reduction Scheme. Agreed changes would take effect from 1st April 2017.

2.2 METHODOLOGY

The Council launched its consultation on Monday 15th August 2016 and respondents were provided with a nine week window in which they could respond by electronic survey. The deadline for responses was Friday 14th October 2016.

The consultation was widely promoted using the following methods;

- Press releases in the local newspaper, The Tamworth Herald
- Tamworth Borough Council website (prominent feature on the homepage)
- Twitter
- Facebook
- Tamworth Borough Council blog
- Gov delivery
- E-mailed to TBC citizens panel
- E-mailed to TBC tenants, (Open House e-zine recipients)
- Tamworth Informed
- Touch FM
- TCR FM
- BBC Radio WM

2.3 RESPONDENT PROFILE

A total of 84 respondents completed the online survey. This equates to 0.1% of the adult population of Tamworth³ and compares similarly to last years response rate of 77 responses.

In statistical terms, the 95% confidence level has been applied to the survey results. This means that if the survey was repeated, in 95 out of 100 cases, the same response would be achieved.

Citizens and communities responses have an overall confidence interval of +/-10.5% meaning that the percentage responses they have given to any questions could fall in the range of 10.5% higher or 10.5% lower than their actual response. A confidence interval of +/-3-4% is fairly typical for a statistically robust survey⁴.

As such, some caution should be applied when interpreting the results, because of the relatively low response rate. The results should not be regarded as representative of the overall communities which they represent but they do provide a flavour of responses.

A full respondent profile can be found in Appendix 1, but some key points include:

- All respondents (100%) identified themselves as a resident of Tamworth.
- The majority of respondents were between the ages of 45-74 years of age (82%). The age groups within the 45-74 year old bracket were over represented when compared to the Mid Year 2015 Population Estimates (MYPE) for Tamworth. All other age groups were under represented in this respect⁵.
- 29% of survey respondents had a disability, that's 11 percentage points higher than the disability level reported for Tamworth in the 2011 census⁶.

³ The adult population of Tamworth includes those residents who are aged 18 and above in the Mid Year Population Estimates, 2015 (MYPE, 2015).

⁴ To achieve a +/-4% confidence interval for the survey results, 500 responses would need to be achieved and to achieve a +/-3% confidence interval, 800 responses would be needed.

⁵ Mid Year Population Estimates, 2015, Office of National Statistics (MYPE, 2015).

⁶ Census 2011, Office of National Statistics.

3. RESULTS—PRINCIPLES

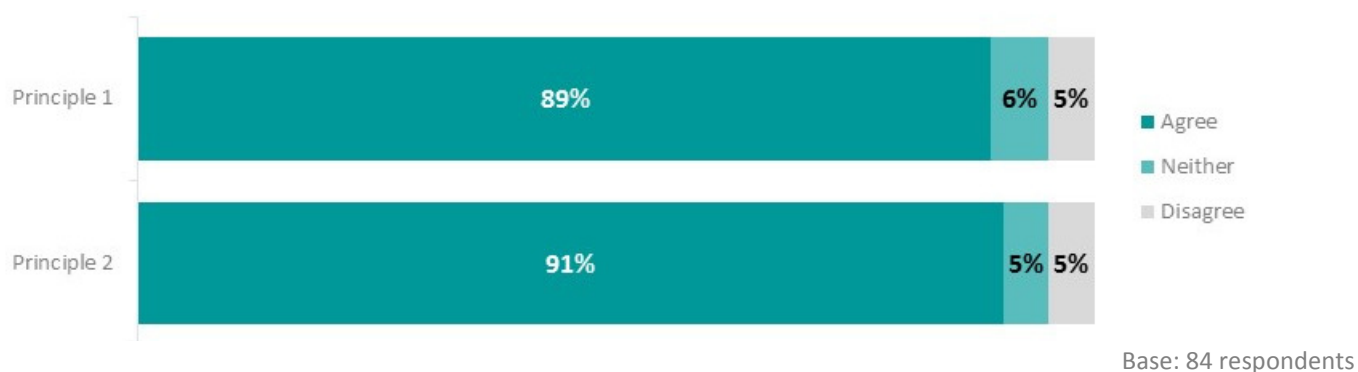
Respondents were invited to indicate to what extent they agreed or disagreed with the following two principles:

Principle 1: Every household with working age members should pay something towards their Council Tax bill.

Principle 2: The Local Council Tax Reduction Scheme should encourage people to work.

As the graph below illustrates, there was a ‘high’ level of support for each of the two principles with 89% of respondent ‘agreeing’ with Principle 1 and 91% agreeing with Principle 2. Two thirds or more ‘strongly agreed’ with both of the principles.

Figure 3.1: Level of agreement with the principles



4. RESULTS—POLICIES

Respondents were invited to state to what extent they felt the following policies were either ‘reasonable’ or ‘unreasonable’ and their responses are documented below:

Local Council Tax Reduction Scheme: Policy 1

Pensioners receive support for up to 100% of their Council Tax bill as they are protected by the Government under a national scheme. We also protect working age claimants classed as severely disabled and in receipt of a Severe Disability Premium, claimants with disabled children and claimants receiving a War Pension or Armed Forces Compensation Scheme payment in the Local Council Tax Reduction Scheme. This means that pensioners, claimants classed as severely disabled, claimants with disabled children and claimants receiving a War Pension or Armed Forces Compensation Scheme payment are the only claimants that receive support for up to 100% of their Council Tax bill. All other working age claimants pay something towards their Council Tax bill and applicable amounts continue to be aligned with those of Housing Benefit.

There was a ‘high’ level of support for policy 1, with 94% of respondents feeling that it was ‘reasonable’. Two thirds of this proportion (67%) felt that it was ‘very reasonable’.

Figure 4.1: Views on Policy 1

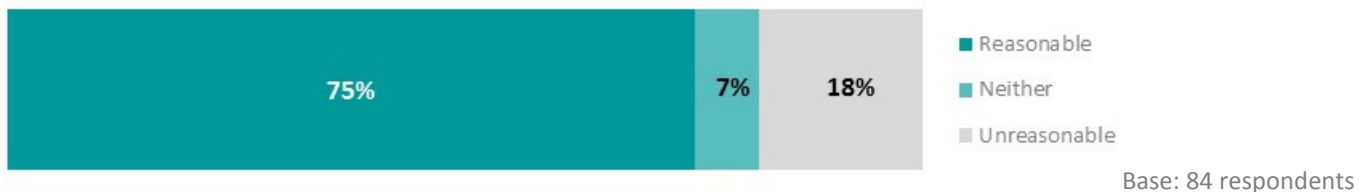


Local Council Tax Reduction Scheme: Policy 2

All working age claimants that are not protected have to pay at least 25% of their Council Tax bill. To mitigate future grant reductions, the scheme could ask working age claimants to pay at least 30% of their Council Tax bill. This means that working age claimants who are not protected would get less help than they do now.

There was a 'high' level of support for this policy with three quarters (75%) of respondents indicating that it was 'reasonable'. 37% felt it was 'very reasonable' and 38% 'reasonable'.

Figure 4.2: Views on Policy 2



Local Council Tax Reduction Scheme: Policy 3

Council Tax Reduction is limited to the level that is given for a smaller house. We limit the maximum support offered based on 75% of the Council Tax bill for a Band D property, even if the claimant lives in a property with a higher banding than D. This means that any claimant who lives in a property with a banding higher than D has their Reduction calculated as if they lived in a Band D property.

There was 'moderate' support for this policy with 70% of respondents stating that they felt it was 'reasonable'. Of this proportion, 29% felt it was 'very reasonable' and 41% felt it was 'reasonable'.

Figure 4.3: Views on Policy 3



Local Council Tax Reduction Scheme: Policy 4

Before April 2013, some customers were not entitled to Council Tax Benefit in their own right because their own income was too high or they had too much in savings. However, they could claim a Second Adult Rebate, for a reduction of up to 25% off their bill, because they had another adult living with them who was on a low income.

From April 2013, Second Adult Rebate was removed under the Local Scheme. This means that all those of Working Age who were previously entitled to a Second Adult Rebate have to pay 100% of their Council Tax bill (Second Adult Rebate can still be claimed by pensioners as it is in the national rules).

A 'high' level of respondents were in agreement with Policy 4 (77%). Of these, 39% felt the policy was 'very reasonable' and 38% felt it was 'reasonable'.

Figure 4.4: Views on Policy 4



Local Council Tax Reduction Scheme: Policy 5

Child care costs are allowed as an expense when calculating Council Tax Reduction. This does not contribute to any reductions but provides an incentive for parents to stay in work or return to work.

There was a 'high' level of agreement with policy 5 (89%), with 41% feeling that it was 'very reasonable' and 48% feeling that it was 'reasonable'.

Figure 4.5: Views on Policy 5



Base: 83 respondents

Local Council Tax Reduction Scheme: Policy 6

Claimants are able to have savings of up to £16,000 and still receive support towards their Council Tax Bill.

There was a 'moderate' level of support for policy 6 with 61% of respondents agreeing that it was 'reasonable'. Of this proportion, 30% felt the proposal was 'very reasonable' and 31% felt it was 'reasonable'.

Figure 4.6: Views on Policy 6



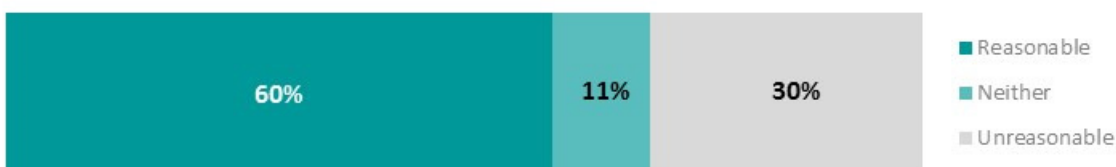
Base: 84 respondents

Local Council Tax Reduction Scheme: Policy 7

Child Benefit is not included as income when calculating a claimant's Council Tax Reduction entitlement.

There was a 'moderate' level of support expressed for policy 7 with 60% of respondents indicating that it was 'reasonable'. Of this proportion, 37% felt the policy was 'very reasonable' and 23% felt it was 'reasonable'.

Figure 4.7: Views on Policy 7



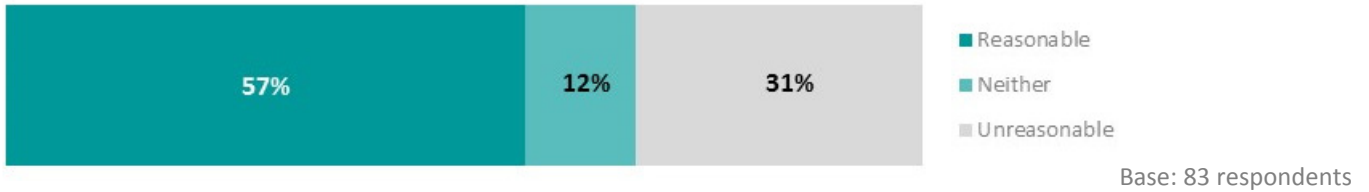
Base: 84 respondents

Local Council Tax Reduction Scheme: Policy 8

We disregard maintenance payments as income when calculating a Working Age claimant's Council Tax Reduction entitlement to provide an incentive for parents to stay in work or return to work.

There was a 'moderate' level of support for this policy, with 57% indicating that it was 'reasonable'. 28% of these felt it was 'very reasonable' and 29% felt it was 'reasonable'. Compared to other policies, a higher proportion of respondents felt this policy was 'unreasonable', with just under one third indicating this was the case.

Figure 4.8: Views on Policy 8



Local Council Tax Reduction Scheme: Policy 9

If a Working Age person receives Disability Living Allowance, a Care Component may be added if they require help with day to day tasks or if they need frequent personal care. A lower, middle or higher rate is paid depending on the care needs of the claimant. Single claimants that receive a middle or higher rate Care Component are classed as severely disabled and can attract a Severe Disability Premium too, as long as no one lives with them and no one receives a Carers Allowance for looking after them. Couples can also receive this premium as long as they both are eligible for a middle or higher rate Care Component, no one lives with them and no one receives a Carers Allowance for looking after either of them.

A Severe Disability Premium is also payable if a Working Age person (and their partner if they have one) receives a Personal Independence Payment at the Enhanced Daily Living rate and no one lives with them and no one receives a Carers Allowance for looking after them.

Claimants who are eligible for Severe Disability Premium can receive a Reduction for up to 100% of their Council Tax bill.

There was a 'high' level of agreement with this policy with 85% of respondents indicating their support for it. Of this proportion, 42% felt it was 'very reasonable' and 43% felt it was 'reasonable'.

Figure 4.9: Views on Policy 9



Local Council Tax Reduction Scheme: Policy 10

Any non-dependants living in a Working Age claimant's household are expected to contribute towards the Council Tax bill. If the non-dependant is not working then their contribution would be £5 per week. If the non-dependant is working then their contribution would be £10 per week.

There was a 'high' level of support for policy 10, with 89% indicating that it was 'reasonable'. Of this proportion, 46% felt the policy was 'very reasonable' and 43% said it was 'reasonable'.

Figure 4.10: Views on Policy 10

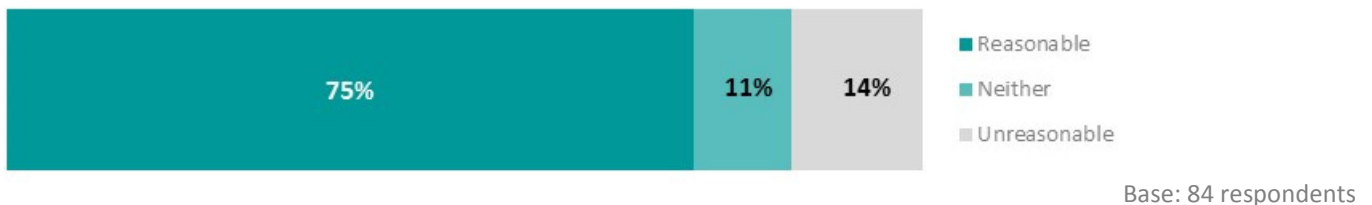


Local Council Tax Reduction Scheme: Policy 11

From April 2016, the scheme was amended to allow a claim to be backdated for up to one month only.

This policy, received a 'high' level of support, with three quarters of respondents agreeing that it was 'reasonable'. Of this proportion, 38% felt it was 'very reasonable' and 37% felt it was 'reasonable'.

Figure 4.11: Views on Policy 11

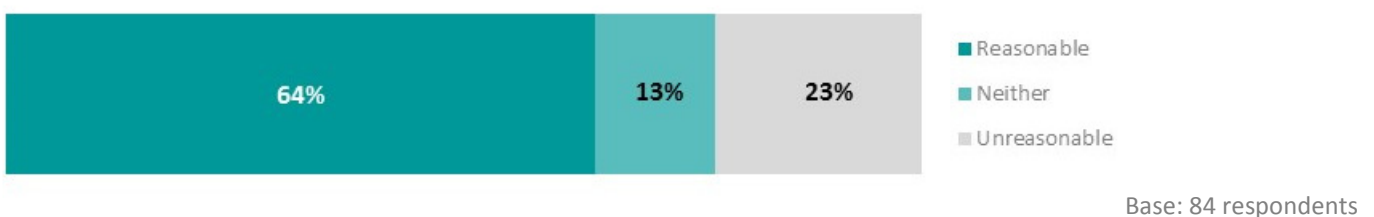


Local Council Tax Reduction Scheme: Policy 12

It is proposed that from April 2017 to allow a claim to be paid for up to 4 weeks of temporary absence only when the claimant (and any partner) have gone abroad.

There was a 'moderate' level of support for this policy with nearly two thirds (64%) agreeing that it was 'reasonable'. Of this proportion, the majority (46%) felt the policy was 'very reasonable' and 18% said it was 'reasonable'.

Figure 4.12: Views on Policy 12



Comments on the policies

Nearly a quarter of respondents (24% or 20 respondents) chose to comment. The vast majority of these related to policy 12 on allowing claims to be paid for up to 4 weeks of temporary absence only when the claimant (and any partner) have gone abroad.

There was a general consensus amongst those commenting that if people can afford “*extended periods of overseas travel it seems likely they can afford to pay their Council Tax*” and “*you should not pay for any absence whilst people are abroad*”. 11 of the 20 respondents commenting, remarked on this.

Some of those commenting, however did agree with the notion of paying for temporary absences and suggested that there should be some exceptions to the policy, for example for people in “*the forces*”, people in “*hospital*”, those receiving “*health treatment overseas*”, people who are “*caring for family*” and for those “*attending a funeral*”.

5. RESULTS—IMPACT OF THE CHANGES

Respondents were asked a series of questions to ascertain how they felt the changes implemented from April 2013 have impacted both their individual circumstances and/or key groups. This section displays the results from these questions.

Does your household receive Council Tax Reduction?

Over two thirds of respondents live in a household that does not receive a Council Tax reduction (68%).

Figure 5.1: Does your household receive a Council Tax reduction?



Consequently, as the graph below shows, the impacts felt on individual financial situations have been ‘low’ for the largest proportion of respondents (60%). However, some caution should be applied when interpreting these responses as they may not be representative of the wider Tamworth population that they are seeking to represent.

What level of impact have the changes had on you and your household?

Figure 5.2: Impact of the changes



Base: 73 respondents

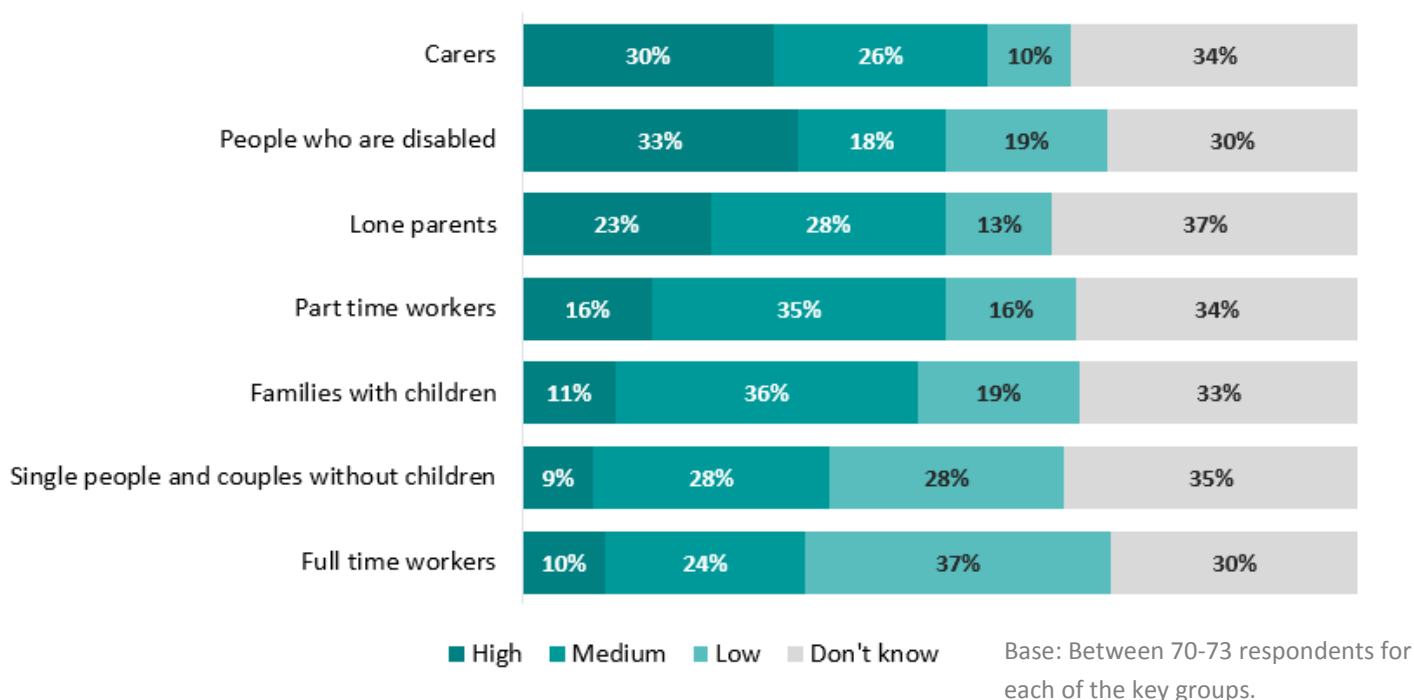
Four respondents shared their comments on the impacts of the changes and these related to people’s experiences including those impacts on working age couples and disabled people who are unfit for work⁷. Their comments are documented below;

- *“I get £120 pounds a week to live on from the government any money removed from that lowers my living standard and ability to pay my bills”.*
- *“The scheme has a specific drawback in how it processes a Working Age couple who are both unfit for work. Living apart is rewarded, but at a higher cost to the Council Tax Reduction scheme. More people would live together and thus bring about savings if the penalties for cohabitation were not so heavy”.*
- *“Disabled people unfit for work are penalised for seeking to fulfil their right to a home and family life, which includes the right to live as a couple. In fact concessions are only made to severely disabled people if they choose to live with other severely disabled people. That might be considered discriminatory. Most disabled couples live alone in their separate properties. This incurs much greater overall cost. I would like to see less penalising of couples in our situation. I believe that a less harsher scheme would actually bring about savings overall”.*
- *“I understand the need for the measures proposed but vulnerable people may well slip through the net of the agency ‘tick boxing’ applications. Some instances of this have already been seen with post-Disability Living Allowances”.*

Please tell us whether you think the changes had a ‘high’, ‘medium’ or ‘low’ impact on each of these groups.

Fifty percent or more felt the changes had a ‘high’ or ‘medium’ impact on each of the following four groups; ‘carers’, ‘people who are disabled’, ‘lone parents’ and ‘part-time workers’. Respondents were most likely to feel that the changes had a ‘high’ impact on people who are ‘disabled’ (33%) and upon ‘carers’ (30%).

Figure 5.3: Impact of the changes on key groups



⁷ We would expect responses to this question to be relatively low as the majority of respondents have previously acknowledged that they do not receive Council Tax reduction and were not impacted by the changes.

Respondents were invited to share their views on any other groups who may be affected by the changes. This year, very few respondents chose to comment on this question. In total, two respondents commented on those groups who may be affected. These included a comment on general concerns as well as one on the impacts for disabled people. The comments shared have been outlined below;

- *“The issue with answering the above question is that these groups can cross over”.*
- *“I have a son with disabilities and receive Disability Living Allowance at a medium rate, Carers Allowance. I have been unemployed for the last four years and have a self employed partner. I pay full Council Tax and find the rates quite unfair”.*

6. APPENDIX 1: RESPONDENT PROFILE⁸

Are you a resident of Tamworth?

Survey responses		
	No's	%
Yes	84	100%
No	0	0%

Does your name appear on the Council Tax

Survey responses		
	No's	%
Yes	77	92%
No	7	8%
Don't know	0	0%

Are you submitting your views as....

Survey responses					
	No's	%		No's	%
Resident of Staffordshire	63	75%	Voluntary organisation	0	0%
None of these	8	10%	Community group	0	0%
Resident outside of Tamworth	2	2%	Housing Association	0	0%
Other	2	2%	Private landlord	0	0%
A relative of a Council Tax Reduction claimant	1	1%	Nationally or locally elected member/MP	0	0%
A friend of a Council Tax Reduction claimant	1	1%	Partner organisation	0	0%

Does your household receive any of the following benefits?

Survey responses		
	No's	%
DLA/PIP	11	13%
Housing Benefit	9	11%
Employment and Support Allowance	8	10%
Carers Allowance	5	6%
Child Benefit	5	6%
Child Tax Credit	4	5%
Income Support	1	1%
Attendance Allowance	0	0%
Job Seeker Allowance	0	0%

Do any of the following describe your household?

Survey responses		
	No's	%
A household with full and/or part-time workers	29	35%
None of these	25	30%
A single person household or a couple without children	14	17%
A household that includes someone who is disabled	11	13%
A family with one or two dependant children	8	10%
A family with three or more dependant children	0	0%
A lone parent household	0	0%

Are you receiving a retirement Pension/Pension Credit?

Survey responses					
	No's	%		No's	%
Yes	30	36%	Prefer not to say	5	6%
No	48	58%			

⁸ Where responses for single response questions do not add up to 100% exactly this is due to rounding to the nearest decimal place.

Do you regularly provide unpaid support caring for someone?

Survey responses		
	No's	%
Yes	22	28%
No	57	72%

Are you male or female?

	Survey responses		Tamworth MYE 2015
	No's	%	%
Female	35	42%	52%
Male	47	56%	48%
Prefer not to say	2	2%	N/A

Do you consider yourself to have a disability?

	Survey responses		Tamworth 2011 Census comparison
	No's	%	%
Yes	23	29%	18%
No	52	65%	82%
Prefer not to say	5	6%	N/A

What type of disability do you have?

	Survey responses	
	No's	%
Physical	11	48%
Mental health	8	35%
Mobility	7	30%
Other	4	17%
Hearing	2	9%
Communication	1	4%
Visual	1	4%
Learning	0	0%

What is your age?

	Survey		Tamworth MYE 2015
	No's	%	%
18-24	0	0%	10%
25-34	3	4%	17%
35-44	4	5%	17%
45-54	22	26%	18%
55-64	29	35%	16%
65-74	18	21%	13%
75+	5	6%	9%
Prefer not to say	3	4%	N/A

What is your relationship status?

	Survey responses	
	No's	%
Single	25	30%
Married	44	52%
Living as a couple	8	10%
Civil Partnership	0	0%
None of these	4	5%
Prefer not to say	3	4%

What is your ethnicity?

	Survey responses		Tamworth 2011 census comparison
	No's	%	%
Asian/Asian British	0	0%	0.8%
Black/Black British	0	0%	0.51%
Chinese	0	0%	0.2%
Mixed Heritage	0	0%	1.0%
White British	73	89%	95%
White-Other	4	5%	2.3%
Other	0	0%	0.1%
Prefer not to say	5	6%	N/A

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COUNCIL

TUESDAY, 13 DECEMBER 2016

REPORT OF THE CHIEF EXECUTIVE

AMENDMENT TO POLLING STATION SCHEME

EXEMPT INFORMATION

None

PURPOSE

To inform Members of the need to relocate two polling stations for the Parliamentary Constituency that falls within the Borough of Tamworth.

RECOMMENDATIONS

That the Council

1. Endorse the officer recommendations together with reasons for said proposals for the new locations as detailed below:
 - a) CA3 Castle Ward – move from The Phillip Dix Centre to the Community Meeting Room at St John's RC Church and;
 - b) ME1 Mercian Ward – move from the Mercian Ward Community Centre to St Andrew's Methodist Church Hall.
2. Publish such information as prescribed in compliance with the legislation and;
3. Where required make appropriate recommendations for consideration by Cabinet in the Budget Setting Process 2017/18.

EXECUTIVE SUMMARY

The Electoral Administration Act 2006 (EAA 2006) introduced a duty upon all local authorities to review their parliamentary polling districts and polling places at least once in every four year period. The last such review was completed at the end of 2013.

Local Authorities are required to divide every constituency into polling districts for the purpose of Parliamentary elections and to designate a polling place for each polling district. Polling places should be within the polling district unless special circumstances make it necessary to designate an area outside this.

Due to circumstances beyond the control of the Acting Returning Officer for Tamworth, the premises currently used as polling places for the CA3 and ME1 polling districts will be unavailable for any future elections. As such a new polling place for each polling district has been identified. The proposed locations are located in the immediate vicinity of the current

polling stations. **Appendix B** contains the proposed polling station visit report for St Andrew's Methodist Church Hall. At present the Community Meeting Room at St John's RC Church is under construction. All works will be completed early in the New Year and confirmation has been received that the building would be available for polling days.

No responses were received from Members. The Acting Returning Officer's comments are contained in **Appendix A**.

RESOURCE IMPLICATIONS

In a perfect world all polling districts would have an ideally situated building. In reality this is not the case. Therefore, it is best to use the buildings that we have available. These may be slightly away from the centre of the polling district but will offer better facilities for electors and staff alike. They are also more cost effective.

Appendix B contains the visit report for the potential relocated polling stations for ME1. A polling station survey will be completed for the Community Meeting Room at St John's RC Church once the building works have been completed. The cost implications for relocating the said polling stations would be negligible. The advantages include continued dedicated accessibility for disabled people ensuring that we meet our equalities requirements.

Any additional costs will be contained within allocated budget provision.

LEGAL/RISK IMPLICATIONS BACKGROUND

Perhaps the most fundamental point to make here is that there is no such thing within the Borough or possibly the country as a purpose built polling station. Secondly, none are owned/under the control of the Returning Officer but are instead hired for the day of poll. The premises that are used within the Borough range from church halls, schools, to community centres and finally temporary stations. It is important to remember the elector when selecting suitable premises for the poll. This can at times cause conflict between what premises are available and providing a fully accessible polling station that is convenient to use.

The Representation of the People Act 1983 places an obligation on local authorities, so far as reasonable and practicable, to designate polling places that are accessible to disabled people and keep them under review. When selecting a polling place it is essential that regard should be given to ensure it offers accessibility for disabled people as stated by the Equalities and Human Rights Commission. If the Authority was to move away from a perfectly accessible building in favour of a temporary station so that the location is slightly more convenient it could open the door for a claim regarding disability discrimination. Also, the generators that the temporary stations use tend to be loud and can cause difficulties for those that are hard of hearing as well as being unpleasant for polling staff. Conversely, if the Authority was to turn down the use of an accessible building in favour of one that is not as suitable for use by disabled people this could also increase the risk of a claim for disability discrimination. It is important to remember that despite the growth in absent voting the majority of electors (86%) still choose to attend their local polling station.

SUSTAINABILITY IMPLICATIONS

These have been considered as part of the officer determinations. The review has also considered disability and equality legislation on arriving at our conclusion and recommendations.

BACKGROUND INFORMATION

The current scheme has been in place since the last review and took effect from the 2014 elections. It is not tenable financially or from an accessibility point of view to move to

temporary stations when a perfectly suitable building can be used within or close to the polling district. In fact, it is the Electoral Commission’s view that the use of temporary stations should be avoided if at all possible.

REPORT AUTHOR

Bernadette Flanagan – Senior Elections Officer

LIST OF BACKGROUND PAPERS

The Representation of People Act 1983
(<http://www.legislation.gov.uk/ukpga/1983/2/contents>)

The Electoral Administration Act 2006
(<http://www.legislation.gov.uk/ukpga/2006/22/section/16>)

The Electoral Registration and Administration Act 2013
(<http://www.legislation.gov.uk/ukpga/2013/6/contents>)

Electoral Commission – Review of polling districts, polling places and polling stations
(http://www.electoralcommission.org.uk/_data/assets/word_doc/0020/161633/Polling-district-review-guidance.doc)

APPENDICES

Appendix A	Submissions received from Members and Acting Returning Officer Comments
Appendix B	Potential Polling Place Visit Report for St Andrew’s Church Hall

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Appendix A

Submissions received from Members and Acting Returning Officer Comments

Ward	PD Ref	Number of Electors (excluding postal voters)	Number of Responses Received	Members' Comments	Acting Returning Officer Comments	Recommendation
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">76 page Castle</p>	CA3	654	0	None received	<p>Due to the loss of polling place for CA3 polling district it has been necessary to identify and assign a new polling place. The Community Meeting Room at St John's RC Church accessed from St John Street has been identified as a suitable alternative. The Community Meeting Room at St John's RC Church is located close to the current polling place. Therefore, electors will not have a significant distance to travel to their new polling station in order to cast their vote.</p>	<p>That the polling place for the CA3 polling district is relocated from The Philip Dix Centre to The Community Meeting Room at St John's RC Church.</p>

Ward	PD Ref	Number of Electors (excluding postal voters)	Number of Responses Received	Members' Comments	Acting Returning Officer Comments	Recommendation
<p style="text-align: center;">86 of 98</p> <p style="text-align: center;">Mercian</p>	ME1	1,255	0	None received	<p>Due to the loss of the polling place for the ME1 polling district it has been necessary to identify and assign a new polling place. St Andrew's Methodist Church Hall in Thackeray Drive has been identified as a suitable alternative. It is currently used as the polling place for the SP4 polling district. The hall is large enough to accommodate the additional double station from the ME1 polling district. The polling place is also in the close vicinity so electors will not have a significant distance to travel to their new polling station in order to cast their vote.</p>	<p>That the polling place for the ME1 polling district is relocated from The Mercian Ward Community Centre to St Andrew's Methodist Church Hall.</p>

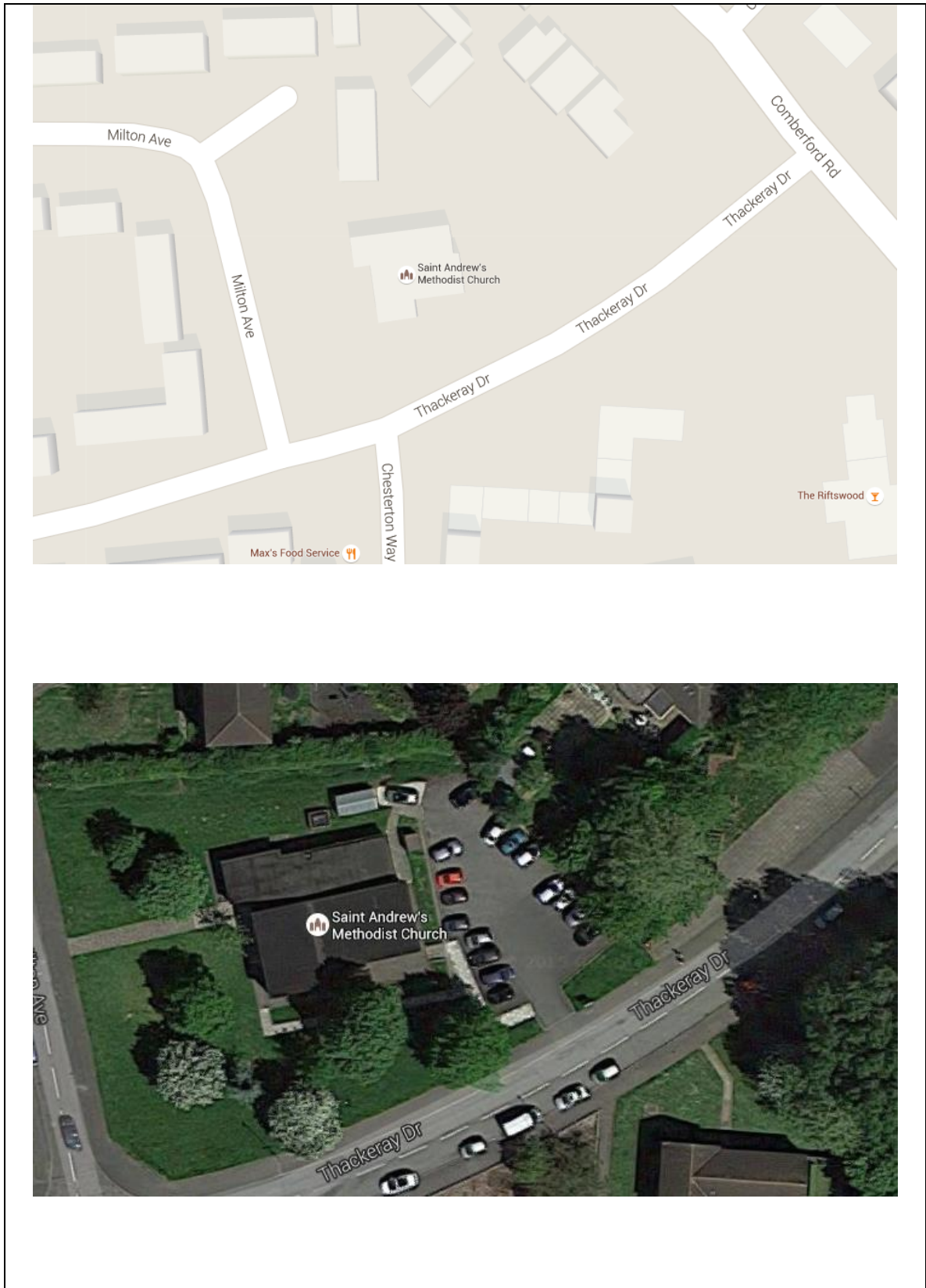
Polling Station – evaluation checklist

Part A – Current polling place details		
Polling place identifier	SP4	
Polling place name	St Andrew’s Methodist Church Hall	
Polling place address	St Andrew’s Methodist Church Hall Thackeray Drive, Tamworth B79 8HY	
Polling place review		
Check	√	Comment
• Are there suitable transport links?		Yes
• Are there any access issues regarding main/busy roads, railways, rivers, etc.?		No
• Is the polling place capable of accommodating more than one polling station together with the necessary staff and equipment? If so, could it accommodate all allocated voters going in and out of the polling stations, even where there is a high turnout?		Yes
• Is the building readily available in the event of any unscheduled elections?		Yes
• Is there any possibility that the building may be demolished as part of a new development?		No

Identify any complaints/comments received from stakeholders at previous electoral events

Part B – External areas access and facilities		
Check	(√)	Comments
• Are there good public transport links to the polling place?		Yes
• Is the approach to the building safe and free from obstructions and does it have a dropped kerb?		Yes
• Is the building clearly identifiable?		Yes
• Is additional signage required between street and entrance?		No
• Is there the facility to put up the required signage for polling day?		Yes
• Are there parking facilities for disabled people?		None designated, but ample carpark
• Are there parking facilities for polling staff?		Yes
• Does the approach to the building have external lighting?		Yes
• Does the building have level access? Yes/No. If no –		Yes
• Has a purpose built ramp been installed?		
• If so, does it have a handrail?		
• Does the ramp have a gentle slope?		
• Does the building require a temporary ramp or is there an alternative disabled access?		
• Is the entrance door wide enough for a disabled person using a motorised wheelchair?		Yes
• Are the doors light enough for frail/elderly voters to open?		Yes
• Can the 'Guidance for voters' notice be clearly displayed outside the premises, as required by the election rules?		Yes
• Are there any external security concerns?		No
• Can tellers be accommodated outside the building?		Yes

External plan – B1

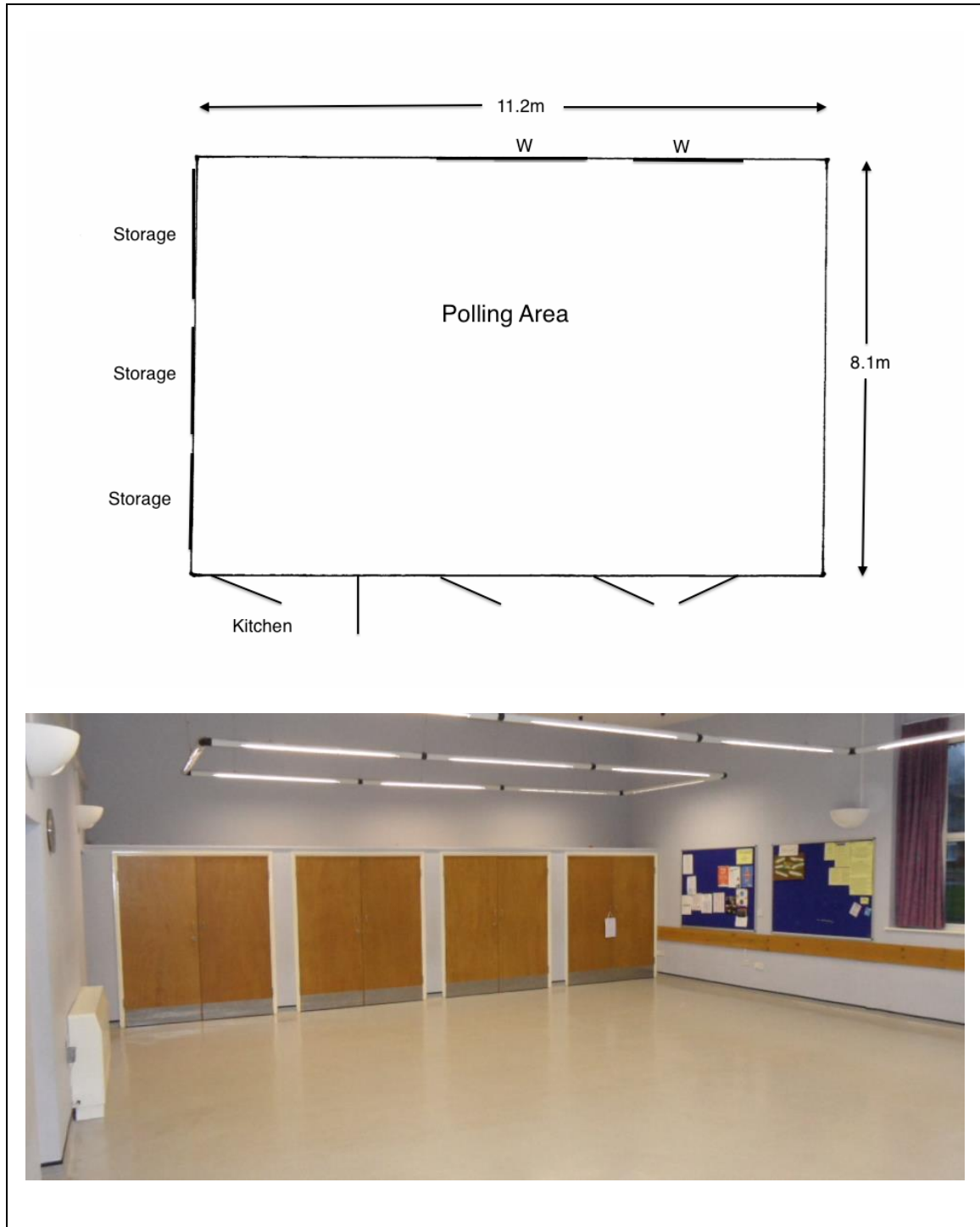




Part C – Internal areas access and facilities		
Check	(√)	Comments
• Are all doors easy to open (including by wheelchair users) or do they need to be permanently locked back?		Yes
• Are there any internal steps or obstructions/hazards?		No
• Are any doormats level with the floor?		Yes
• Is the floor covering non-slip (including in wet weather)?		Yes
• Are there any corridors that may cause access problems?		No
• Is there adequate lighting in the corridors?		Yes
• Are there toilet facilities?		Yes
• Is there a kitchen that staff can use?		Yes
• Is the area adequately lit for day and night time?		Yes
• Is there adequate space for signage?		Yes
• How many polling stations can the building accommodate?		Upto 3
• Does the building have a telephone available (land line) in the event of mobile network problems?		No

Internal access leading to polling station(s) – C1

Show internal areas of the building, excluding the actual polling station where voting will take place, including corridors that link to the polling station, kitchen and toilets, and highlight any possible signage requirements and potential hazards. Also indicate door swing direction and ease of opening, any areas of poor lighting, and any areas of uneven floor, etc.

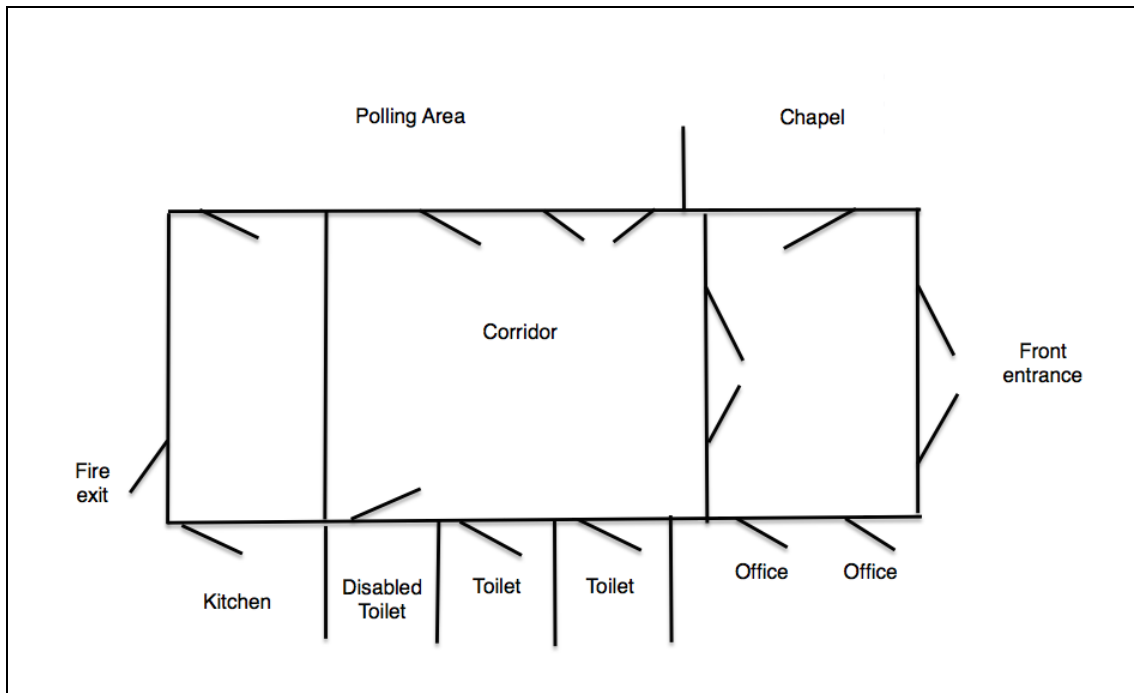




Part D – The polling station(s)		
Check	(√)	Comments
<ul style="list-style-type: none"> Is there sufficient space to accommodate and manage the flow of a high volume of electors in the case of a high turnout of electors? 		Yes
<ul style="list-style-type: none"> If multiple polling stations need to be provided, are there other rooms available, or can the space be clearly divided to provide adequate room for more than one polling station? 		Yes
<ul style="list-style-type: none"> Is there sufficient space inside the polling station to comfortably accommodate staff, voters, polling agents and observers? 		Yes
<ul style="list-style-type: none"> Could ballot booths be positioned in a way that would preserve the secrecy of the ballot, even where there may be a high volume of electors? 		Yes
<ul style="list-style-type: none"> Is there adequate lighting for day and night time? 		Yes
<ul style="list-style-type: none"> Is there suitable furniture (tables and chairs) available for all types of election for polling staff and for those voters who may need to rest? 		Yes
<ul style="list-style-type: none"> Could motorised wheelchairs be accommodated? 		Yes
<ul style="list-style-type: none"> Can the official notices be clearly displayed, including the large-print version of the ballot paper(s)? 		Yes

Internal – The polling station(s) – D1

Identify the size and shape of the area available for polling. Include the position of the door(s), any windows and how the furniture and equipment should be laid out to accommodate all those entitled to be inside the polling station, taking into account access requirements for all voters, including those in wheelchairs, and demonstrating how the space should be used to ensure the most efficient flow of voters and the effective administration of the voting process.







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By virtue of paragraph(s) 1 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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