

24th November 2016

REPORT OF THE LEADER OF THE COUNCIL

DRAFT BASE BUDGET FORECASTS 2017/18 to 2021/22

Purpose

To inform Members of the re-priced base budget for 2017/18, base budget forecasts for the period 2017/18 to 2021/22 (the 5 Year Medium Term Planning Period) and the underlying assumptions and to consider the future strategy to address the financial trends.

Recommendations

That:

- 1. the technical adjustments and re-priced base budget figures for 2017/18 & indicative budgets to 2021/22 be approved (as attached at Appendix B, C, D, E, F, G & H);**
- 2. consideration be given to the proposed Policy Changes and Capital Programmes, as detailed within the report;**
- 3. consideration be given to the planned changes to Council Tax and Housing Rent for 2017/18, as detailed within the report; and**
- 4. in compliance with the Constitution of the Council, the Joint Scrutiny Budget Workshop be asked to consider the budget proposals contained within this report.**

Executive Summary

The following detailed budget information is contained within the report:

- Re-priced base budget information (& the associated technical adjustments) for 2017/18 in respect of the General Fund (GF) and Housing Revenue Account (HRA);
- A five year, medium term financial forecast for the General Fund and HRA;
- The associated strategy to address the financial trends & projection;
- The Provisional Capital Programmes for the General Fund and Housing Revenue Account for the period 2017/18 to 2021/22.

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

Since the 2016/17 MTFS was approved in February 2016, the people of the UK have taken the decision to leave the European Union.

What happens next – and the implications for businesses and organisations in the UK – is less clear. There will be a wide range of dynamic factors at play over the coming months and years that will impact on the Council.

After initial market volatility, we can expect a period of instability and uncertainty. It is important to bear in mind that very little changes immediately and so, the Council, along with businesses, charities and other public bodies, should start considering the mid to long term opportunities whilst the dust settles.

It should be noted that we are still in the early days following the EU vote and that the economic situation is still very uncertain.

The updated economic forecast shows a prolonged period of low (if not negative) interest rates – which could potentially mean a significant impact to the MTFs, given the current investment balances and the receipt of the funds from the sale of the former golf course to support the MTFs.

It is suggested that, given the uncertainty, there should be no knee jerk reactions – with a clear plan to focus on balancing the next 3 years' budget position, in compliance with the Prudential Code (by which time the economic impact, if any, should be clearer).

Currently projections identify:

1. a General Fund shortfall of £2.2m over 3 years (with a shortfall of £7.7m over 5 years), including the minimum approved level of £0.5m;

Further savings of around £0.75m p.a. will be required over the next 3 years (based on annual £5 increases in Council Tax) with savings of £1.5m p.a. required over 5 years. On an annualised basis this would equate to a year on year ongoing saving of £370k over 3 years (£510k over 5 years).

2. a HRA surplus of £2.9m over 3 years (with a surplus of £2.2m over 5 years) including the minimum recommended balances of £0.5m.

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

- a) Potential changes to future New Homes bonus levels following the Government consultation on the scheme including the potential to reduce payments from 6 years to either 5 or 4 years in future and / or to apply a 'deadweight' level of growth whereby payments would be made should housing growth be over and above this level;
- b) Future Revenue Support Grant levels for future years following the vote to leave the EU. The budget setting process has faced significant constraints in Government funding in recent years - over 50% reduction since 2010.

The 4 year Local Government Finance Settlement confirmed in February 2016 that austerity measures are to continue with Revenue Support Grant (RSG) all but eradicated for most Councils by 2020.

The Government made a clear commitment to provide central funding allocations for each year of the Spending Review period by making an offer to any council that wished to take it up, of a four-year funding settlement to 2019/20 – and also said that, as part of the move to a more self-sufficient local government, these multi-year settlements can provide a degree of funding certainty and stability.

Council on 23rd February approved acceptance of this offer and as such, this was notified to the Department for Communities and Local Government (DCLG) in March 2016 – however, the DCLG stated that they would not be able to formally confirm acceptance of the offer until shortly after the deadline for submissions in October 2016.

The impact for the Council will be confirmed by DCLG as part of the *Local Government Finance Settlement* in February 2017 following a provisional announcement in December 2016;

- c) The impact of Business Rate Reform from 1st April 2013 and the associated forecast business rates receivable in 2016/17 and future years – of which the Council's budget will receive 40% (subject to 20% levy reduction on 'excess' rates payable to the Greater Birmingham & Solihull Local Enterprise Partnership (GBSLEP) after deduction of the 50% central share, 9% County Council and 1% Fire & Rescue Authority share).

Uncertainty remains over the revaluation in 2017 (and the associated impact on the Council's business rates income and associated baseline and tariff levels) and the work progressing on the system for Councils to keep 100% of the business rates collected by 2020.

In addition, the calculation of the level of business rate appeal costs will impact on the forecast level of retained business rates – of which the Council has to fund 40% from its own budgets – a provision of £4.3m was set aside at the end of 2015/16 (40% of which relates to the Council);

- d) Future Pension contribution levels - following the triennial review carried out by the Actuaries employed by the Pension Fund - indicative *ongoing* annual increases in Employer's contributions of c. £200k p.a. have been included. This now includes an ongoing lump sum (with an annual increase) relating to past liabilities and a set rate for future employer contributions of 16.5% p.a.
- e) The impact of Pension Auto-Enrolment and the single tier pension from 2016/17 – no additional cost associated with auto enrolment has been included as salary budgets are prepared on a full cost basis (and then reduced by the 5% vacancy allowance);
- f) While the Government announced a pay cap for 2014/15 & 2015/16, a 2.2% increase (plus other changes) was agreed from 1st January 2015. As part of the Summer Budget announcements in 2015, a 1% pay cap for public sector workers for the next 4 years was set.

In addition, from April 2016, a new compulsory National Living Wage for the over 25s was introduced to replace the National Minimum Wage. The National Living Wage was set at £7.20 with effect from April 2016, and it will rise over the next four years to £9.00 per hour in 2020.

- g) Proposed changes set out in the Welfare Reform Act 2012 and the introduction of Universal Credit – impact on housing benefits and associated income receipts (including Housing Rents and Council Tax) of the Council;
- h) The impact of any further uncertainty over future interest rate levels and their impact on investment income / treasury management;
- i) Due to uncertainties around the Better Care Fund, a significant risk on the current grant funding for Disabled Facilities Grants (DFG) is highlighted after 2016/17. A grant of £224k p.a. has been assumed to be redistributed – in line with the funding notified for 2015/16 & 2016/17;
- j) Waste Management - reduction in recycling credit payments from Staffordshire County Council (SCC) arising from savings budgeted within their MTFS, c. £223k p.a. from 2019/20 (& potentially earlier) - subject to investigation of potential mitigating actions.

According to the SCC MTFS the current spend on Recycling credits is around £8.5m. There is already a SCC MTFS proposal around reducing this spend by £1.5m p.a. by 2019/20 in conjunction with the Districts specifically with regard to the treatment of Green Waste.

- k) The effect of the reduction in Social Housing Rents announced in the Summer Budget 2015 – rents are to be reduced by 1% a year for four years from 2016/17, requiring local authorities and housing associations to make savings, and this will mean a reduction in HRA Rent Income of c.£600k p.a. each year for 4 years (cumulative);
- l) The impact that Social Tenants with household incomes of at least £40k in London and at least £30k elsewhere, will have to pay a market or near market rent. Local Authorities will have to repay the rent subsidy that they recover from high income tenants to the Exchequer;
- m) Any impact from the sale of high value council housing scheme;
- n) Finalisation of the expected outcomes and impact on the Council's financial position from the programme of short-term and medium-term workstream reviews commissioned by Cabinet in August 2013 as part of the 'Plan for a Sustainable Future' overarching strategy to identify measures to help the Council cope with grant & income reductions in the coming years - potential savings arising from the Sustainability Plan workstreams have been included;
- o) Inclusion of expected outcomes from development of the Commercial Investment Strategy;
- p) Review and finalisation of the revised budgets/policy changes and feedback from the scrutiny process – including the Council Tax increase for 2017/18.

Options Considered

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

Council Tax	Option Modelled / Considered
Model 1	£5.00 increase in Council tax in 2017/18 (followed by increases of £5.00 p.a.)
Model 2	1.99% increase in Council tax in 2017/18 (followed by increases of c.1.99% p.a.)
Model 3	0% increase in Council tax in 2017/18 (followed by increases of c.1.99% p.a.)
Model 4	2.5% increase in Council tax in 2017/18 (followed by increases of 2.5% thereafter)
Model 5	0% increase in Council tax in 2017/18 (followed by increases of 0% thereafter)
Model 6	1% increase in Council tax in 2016/17 (followed by increases of 1% thereafter)

Rent	Option Modelled / Considered
Statutory Requirement	Reduction of 1% (in line with the statutory requirement)

Resource Implications

The detailed financial & budgetary implications are outlined within the report, however:

- The Forecast projects a General Fund shortfall of £2.2m over 3 years (£7.7m over 5 years), including the minimum approved level of £0.5m – assuming annual Council Tax increases of £5 p.a. - in line with the cap set by the Department for Communities & Local Government (DCLG) for 2016/17.

Key issues arising from the base budget review are detailed within the report and summarised below:

- a) Impact of Committee decisions on the 2016/17 budget – a General Fund (GF) net cost increase of £35k;
- b) Base Budget review 2017/18:
 - Increased pensions costs of c. £200k p.a. year on year (c.£180k p.a. GF) following the triennial review as at 31st March 2016 (there is also a potential discount of £157k (£120k GF) for payment in advance if agreement can be reached);
 - Lower interest from continued low rates arising from the current economic situation, c. £102k p.a.
 - Revised new homes bonus levels following proposed changes to the scheme and updated forecast new home build levels– reduced grant income of c. £231k;

- Reduced car park income due to changes in the management of the Lower Gungate Car Park, c. £83k, and
 - Increased bad debt provision / costs arising from the increased use of temporary accommodation for homelessness, c. £44k.
- The current forecast projects a Housing Revenue Account (HRA) surplus of £2.9m over 3 years with a surplus of £2.2m over 5 years including the minimum recommended balances of £0.5m.

Key issues arising from the base budget review are detailed within the report and summarised below:

a) Impact of Committee decisions on the 2015/16 budget – a net cost of £0.4m;

b) Base Budget review:

- The budgeted increase in bad debts due to the impact of Welfare Benefit Reforms is being contained by robust and effective arrears recovery – pending implementation of Universal Credit – reduced cost of c. £254k.
- Increased pensions costs of c. £200k p.a. year on year (c.£56k p.a. HRA) following the triennial review as at 31st March 2016 (there is also a potential discount of £157k (£37k HRA) for payment in advance if agreement can be reached), and
- Lower Interest payments due to the continued low rates, c. £128k.

Legal / Risk Implications

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

In line with the constitution a Joint Scrutiny Budget Workshop has been arranged for 1st December 2016.

In order to allow Scrutiny Committees to respond to the Cabinet on the outcome of their deliberations, a meeting of the Scrutiny Committee (Budget) has been arranged for 24th January 2017.

Proposed amendments to the 2016/17 base budget, approved by Council on 23rd February 2016, are detailed within the report.

Risks to Capital and Revenue Forecasts:

Risk	Control Measure
Major variances to the level of grant / subsidy from the Government (including specific grants e.g. Benefits administration, Business Rates Section 31 funding); (High)	Sensitivity modelling undertaken to assess the potential impact in the estimation of future grant levels; (Medium / High)
New Homes Bonus grant levels lower than estimated; Continuation of the scheme in its current form is uncertain – further changes are subject to finalisation by DCLG. (High/Medium)	Future levels included on a risk based approach in order to offset further grant reductions / uncertainty over additional property numbers; (Medium)
Potential ‘capping’ of council tax increases by the Government or local Council Tax veto / referendum; (Medium)	Current indications are that increases of 2% or £5 and above risk ‘capping’ (confirmed as 2% or £5 for District Councils for 2016/17); (Low)
The achievement / delivery of substantial savings / efficiencies will be needed to ensure sufficient resources will be available to deliver the Council’s objectives through years 4 to 5. Ongoing; (High)	A robust & critical review of savings proposals will be required / undertaken before inclusion within the forecast; A minimum General Fund capital balance of £0.5m is a requirement – this has been financed in the past by revenue contributions (held in a revenue reserve). (High/Medium)
Pay awards greater than forecast; (Medium)	Public sector pay cap announced as part of the Summer Budget 2015 - 1% increase p.a. for 4 years from 2016/17; (Medium / Low)
Pension costs higher than planned / adverse performance of pension fund; (Medium)	Regular update meetings with Actuary; Increases of c.£200k p.a. with a new ‘lump sum’ element have been included following triennial review (during 2016 for 2017/18) for 3 years; (Medium)
Assessment of business rates collection levels to inform the forecast / budget (NNDR1) and estimates of appeals, mandatory & discretionary reliefs, cost of collection, bad debts and collection levels; New burdens (Section 31) grant funding for Central Government policy changes – including impact on levy calculation; Potential changes to the Business Rates Retention system by the DCLG following the announcement for Councils to keep 100% of the business rates collected by 2020; (High)	Robust estimates included to arrive at collection target. Ongoing proactive management & monitoring will continue; Business Rates Collection Reserve - provision of reserve funding to mitigate impact of any changes in business rate income levels; Monitoring of the situation / regular reporting; (High / Medium)

Risk	Control Measure
Local Council Tax Reduction scheme implementation – potential yield changes and maintenance of collection levels; (High)	Robust estimates included. Ongoing proactive management & monitoring (including a quarterly healthcheck on the implications on the organisation – capacity / finance) will continue; (High / Medium)
Achievement of income streams in line with targets e.g. treasury management interest, car parking, planning, commercial & industrial rents etc.; (High / Medium)	Robust estimates using a zero based budgeting approach have been included; (Medium)
Delivery of the capital programme (GF / HRA – including Regeneration schemes) dependent on funding through capital receipts and grants (including DFG funding through the Better Care Fund); (High / Medium)	Robust monitoring and evaluation – should funds not be available then schemes would not progress; (Medium)
Dependency on partner organisation arrangements and contributions e.g. Waste Management (SCC/LDC). (High / Medium)	Memorandum of Understanding in place. (Medium)

Report Author

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

Background Papers:-	Corporate Vision, Priorities Plan, Budget & Medium Term Financial Strategy 2016/17, Council 23 rd February 2016
	Budget and Medium Term Financial Planning Process, Cabinet 28 th July 2016
	Budget Consultation Report, Cabinet 3 rd November 2016

Base Budget Forecast 2017/18 to 2021/22

Revisions / updates have been made to the 2016/17 base budget in order to produce an adjusted base for 2017/18 and forecast base for 2018/19 onwards.

General Fund Revenue

Forecast – When the budget for 2016/17, and indicative budgets for 2017/18 to 2018/19, were approved by Council in February 2016 it was anticipated that balances would remain above the minimum approved level of £0.5m for the 3 year period.

However, a number of issues have now arisen & will need to be considered:

- Increased pensions costs of c. £200k p.a. year on year (c.£180k p.a. GF) following the triennial review as at 31st March 2016 (there is also a potential discount of £157k (£120k GF) for payment in advance if agreement can be reached);
- Lower interest from continued low rates arising from the current economic situation, c. £102k p.a.
- Revised new homes bonus levels following proposed changes to the scheme and updated forecast new home build levels– reduced grant income of c. £231k;
- Reduced car park income due to changes in the management of the Lower Gungate Car Park, c. £83k;
- Increased bad debt provision / costs arising from the increased use of temporary accommodation for homelessness, c. £44k.

Issues for the Medium Term

The Forecast projects a General Fund shortfall of £2.2m over 3 years (£7.7m over 5 years), including the minimum approved level of £0.5m – assuming annual Council Tax increases of £5 p.a. - in line with the cap set by the Department for Communities & Local Government (DCLG) for 2016/17.

Implications & Options

It is currently estimated that further savings of around £0.75m p.a. will be required over the next 3 years (based on annual £5 increases in Council Tax) with savings of £1.5m p.a. required over 5 years.

On an annualised basis this would equate to a year on year ongoing saving of £370k over 3 years (£510k over 5 years).

Work is continuing on a number of actions to address the GF shortfall:

- Delivering Quality Services project – the demand management approach to shift demand to more efficient methods of service delivery - online, automation (Interactive voice response, IVR);
- recruitment freeze – temporary 12 month appointments are now only being made; there is a robust re-justification process in place for all vacant posts with a requirement to investigate alternative options including restructuring to fill vacancies / looking at what we can stop doing;
- Spend freeze – Managers have previously been require to restrict / limit spending to essential spend only (there was a £2m underspend in 2015/16 – although the majority was windfall income, c. £0.75m was lower level underspend). A review is underway on where spend has not be made in the last 2 years to identify potential efficiencies for agreement by CMT;
- Alternative investment options arising from commercial investment strategy;
- Review of reserves / creation of fund for transformation costs (if needed), and
- Targeted Savings – Members to identify potential areas for review.

Consideration of the level of Council tax increases over the 5-year period is also needed to account for potential ‘capping’ by the Government or a local referendum / veto and to ensure that balances are maintained at the minimum approved level of £0.5m.

Decisions on future funding will need to be made with reference to the Council’s Corporate Priorities together with the feedback & issues raised by the budget consultation exercise. There is a need to consider how the limited resources can be ‘prioritised’ (& whether service improvements in a priority area should be met from service reductions elsewhere).

Responses / indications from Scrutiny Committees on priority areas for the future allocation of resources will be sought, as part of the consultation required by the constitution.

Housing Revenue Account

Forecast – When the budget for 2016/17, and indicative budgets for 2017/18 to 2020/21, were approved by Council in February 2016 it was anticipated that balances would remain above the minimum approved level of £0.5m for the 5-year period, with significant planned contributions to a regeneration reserve.

Base Budget

Key issues arising from the base budget review are detailed within the report and summarised below:

- The budgeted increase in bad debts due to the impact of Welfare Benefit Reforms is being contained by robust and effective arrears recovery – pending implementation of Universal Credit – reduced cost of c. £254k;

- Increased pensions costs of c. £200k p.a. year on year (c.£56k p.a. HRA) following the triennial review as at 31st March 2016 (there is also a potential discount of £157k (£37k HRA) for payment in advance if agreement can be reached), and
- Lower Interest payments due to the continued low rates, c. £128k.

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

- Finalisation of the costs (following tender) / income associated with the regeneration / redevelopment schemes – to inform the likely need from the Regeneration Reserve;
- The effect of service charges implementation;
- The impact of Welfare Benefit Reform on rent collection levels – limited so far but further measures are to be rolled out (e.g. Universal Credit);
- The effect of the reduction in Social housing rents announced in the Summer Budget 2015 – rents are to be reduced by 1% a year for four years from 2016/17, requiring local authorities and housing associations to make savings and will mean a reduction in HRA rent income of c.£0.6m p.a. each year for 4 years (cumulative);
- The impact that Social tenants with household incomes of at least £40k in London and at least £30k elsewhere, will have to pay a market or near market rent. Local authorities will have to repay the rent subsidy that they recover from high income tenants to the Exchequer;
- Any impact from the Sale of high value council housing scheme, and
- Future impact of the Government's increased discounts to promote Right to Buy sales on housing stock numbers and associated income levels – 50 sales p.a. have been assumed in future years. There is also still uncertainty over retained receipt levels (pending further Government guidance) and spending plans.

The current forecast projects a HRA surplus of £2.9m over 3 years with a surplus of £2.2m over 5 years) including the minimum recommended balances of £0.5m.

Detailed Considerations

Base Budget Forecasts 2017/18 to 2021/22

Revisions / updates have been made to the 2016/17 base budget in order to produce an adjusted base for 2017/18 and forecast base for 2018/19 onwards. These changes, known as technical adjustments, have been informed by feedback from budget managers and calculated to take account of:

- virements approved since the base budget was set;
- the removal of non-recurring budgets from the base;
- the effect of inflation;
- changes in payroll costs and annual payroll increments;
- changes in expenditure and income following decisions made by the Council;
- other changes outside the control of the Council such as changes in insurance costs and reduction in grant income;
- The 'Zero base budgeting' review of income levels.

General Fund – Technical Adjustments Summary

Technical Adjustments	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Base Budget B/Fwd	8,460	9,330	9,448	8,607	8,999
Committee Decisions	35	(3)	(722)	323	74
Inflation	34	32	31	49	53
Other	841	16	(268)	(215)	(167)
Pay Adjustments (Including pay award / reduction of 5% for vacancy allowance)	6	73	118	235	227
Revised charges for non-general fund activities	(46)	-	-	-	-
Total / Revised Base Budget	9,330	9,448	8,607	8,999	9,186

The technical adjustments are shown in detail at **Appendix B** with a summary by Directorate at **Appendix D**. The key assumptions made during the exercise are summarised at **Appendix A**.

Future Revenue Support Grant & Business Rate Income

The final Local Government Finance Settlement figures for 2016/17 to 2019/20 were confirmed on 9th February 2016 following an announcement in Parliament on 8th February – with no change from those provisionally released in December 2015.

The Government also offered any council that wishes to take it up, a four-year funding settlement to 2019-20. Council in February 2016 approved acceptance of this offer - as part of the move to a more self-sufficient local government, these multi-year settlements can provide a degree of funding certainty and stability.

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

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

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

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

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

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

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

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

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

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

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

For future years, it has been assumed that there will be a reduction in Revenue Support Grant in line with that notified within the Final Local Government Finance Settlement for 2016/17, as detailed below.

BASE BUDGET	2017/18	2018/19	2019/20	2020/21	2021/22
	£	£	£	£	£
Revenue Support Grant	770,996	493,964	184,529	-	-
% Reduction	(36)%	(36)%	(63)%	(100)%	-

Business Rates

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

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

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

BASELINE	2017/18	2018/19	2019/20	2020/21	2021/22
	£	£	£	£	£
Retained Business Rates	13,031,478	13,415,916	13,844,713	14,176,987	14,517,235
Less: Tariff payable	(10,849,222)	(11,169,283)	(11,526,273)	(11,802,904)	(12,086,174)
Retained Business Rates	2,182,256	2,246,633	2,318,440	2,374,083	2,431,061

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

BASE BUDGET	2017/18	2018/19	2019/20	2020/21	2021/22
	£	£	£	£	£
Retained Business Rates	13,982,727	14,103,007	14,224,161	14,346,404	14,469,882
Less: Tariff payable	(10,849,222)	(11,169,283)	(11,526,273)	(11,802,904)	(12,086,174)
Retained Business Rates	3,133,505	2,933,724	2,697,888	2,543,500	2,383,708
Growth over Baseline	951,249	687,091	379,448	169,417	(47,353)

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

BASE BUDGET	2017/18	2018/19	2019/20	2020/21	2021/22
	£	£	£	£	£
Revenue Support Grant	770,996	493,964	184,529	-	-
Retained Business Rates	13,982,727	14,103,007	14,224,161	14,346,404	14,469,882
Less: Tariff payable	(10,849,222)	(11,169,283)	(11,526,273)	(11,802,904)	(12,086,174)
Total	3,904,501	3,427,688	2,882,417	2,543,500	2,383,708
Change %	1.89%	(12.21)%	(15.91)%	(11.76)%	(6.28)%

This has meant that the following budgets have been included within the base budget forecasts – representing the 50% levy on growth above baseline including additional Section 31 grant income receivable:

Levy / Section 31 Grant	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £
NNDR Levy payment to GBSLEP (20%)	632,819	507,236	359,692	261,545	160,013
Section 31 Grant income	(314,389)	(327,382)	(339,937)	(353,673)	(367,379)

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

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

- The estimated level of refunds of Business Rates following the Appeal process, and
- Provision of Section 31 grant funding (including Small Business Rate Relief Grant) – which could affect the calculation of any levy payment and thereby reduce retained Business Rate income.

New Homes Bonus

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

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

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

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

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

Modelling	2016/17	2017/18	2018/19
	£'000	£'000	£'000
Reduction in scheme payments from 6 to 5 Years from 2017/18:			
Revised Forecast	651	601	697
(Increase) / Decrease in grant	(2)	40	(78)
(Increase) / Decrease over 3 years			(40)
Reduction in scheme payments from 6 to 4 Years from 2017/18:			
Revised Forecast	651	493	697
(Increase) / Decrease in grant	(2)	149	(78)
(Increase) / Decrease over 3 years			69
As above plus a 'Deadweight' allowance of 0.25% of Taxbase:			
Budgeted	651	445	602
(Increase) / Decrease in grant	(2)	197	17
(Increase) / Decrease over 3 years			212

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

New Homes Bonus income forecasts have subsequently been updated (including changes in forecast new home increases) and included within the base budget as follows:

BASE BUDGET	2017/18	2018/19	2019/20	2020/21	2021/22
	£	£	£	£	£
New Homes Bonus	320,336	415,927	651,128	757,264	837,230
Variance from 2016/17 MTFS – Reduced / Additional (-) income	321,254	202,423	(48,778)	(154,914)	(234,880)
MTFS Budget	641,590	618,350	602,350	602,350	602,350
Risk Weighting applied	100%	75%	50%	50%	50%

Forecast

Using the funding forecast and assuming increases in Council Tax of £5 per annum for 2017/18 onwards, the five year base budget forecast is as follows:

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Estimated Net Cost of Services	9,330	9,448	8,607	8,999	9,186
Proposed Policy Changes / Additional Costs Identified	437	207	207	208	208
Net Expenditure	9,767	9,655	8,814	9,207	9,394
Financing:					
RSG	(771)	(494)	(185)	-	-
Collection Fund Surplus (Council Tax)	-	-	-	-	-
Collection Fund Surplus (Business Rates)	-	-	-	-	-
Tariff Payable	10,849	11,169	11,526	11,803	12,086
Non Domestic Ratepayers	(13,983)	(14,103)	(14,224)	(14,346)	(14,470)
Council Tax Income (Model 1)	(3,493)	(3,652)	(3,844)	(4,026)	(4,189)
Gross Financing	(7,398)	(7,080)	(6,727)	(6,569)	(6,573)
Surplus(-) / Deficit	2,369	2,575	2,087	2,638	2,821
Balances Remaining (-) / Overdrawn	(2,928)	(353)	1,733	4,372	7,193
Per Council, 23 rd February 2016	(2,334)	(608)	-	-	-
Band D equivalents	20,951	21,266	21,751	22,147	22,430

Indicating a potential shortfall in General fund balances of approx. £2.2m over 3 years (£4.9m over 4 years & £7.7m over the 5 year period) - including the minimum approved level of £0.5m.

Balances are forecast to be £5.3m at 31st March 2017.

A detailed summary of the budget for 2017/18 is attached at **Appendix F** with 5 years attached at **Appendix G**.

Future Strategy

Due to the adverse financial forecast, there is a need to reconsider the inclusion of items contained within the forecast / budget:

1) Variations to Council Tax Policy/Strategy

For future years potential 'capping' of the increase by the Government or a proposed local council tax referendum/veto needs to be considered when setting future Council Tax increases. The Council's Council Tax is currently £161.75 which is below the average of the Council Tax charges of similar Councils (from the Cipfa nearest neighbour grouping).

The indication is that the 'capping' threshold for District Councils will be the higher of £5 or 2.0% - following a freeze in 2011/12 & 2012/13 and a below 2% increase since then. The impact of a £5 p.a. increase (Band D) is outlined below:

Model 1 Impact of £5 increase in Council Tax in 2017/18 (followed by £5 p.a.)

Year:	2017/18	2018/19	2019/20	2020/21	2021/22
Forecast:	£'000	£'000	£'000	£'000	£'000
Surplus (-) /Deficit	2,369	2,575	2,087	2,638	2,821
Balances Remaining (-) / Overdrawn	(2,928)	(353)	1,733	4,372	7,193
£ Increase	5.00	5.00	5.00	5.00	5.00
% Increase	3.09%	3.00%	2.91%	2.83%	2.75%
Note: Resulting Band D Council Tax	166.75	171.75	176.75	181.75	186.75

which indicates a potential shortfall in balances of £2.2m over 3 years (£7.7m over 5 years) further savings of approx. £0.75m per annum over 3 years would have to be identified.

In order to consider alternative options, the following scenarios have been modelled:

Model 2 Impact of 1.99% increase in Council Tax in 2017/18 (followed by increases of 1.99% thereafter)

Year:	2017/18	2018/19	2019/20	2020/21	2021/22
Forecast:	£'000	£'000	£'000	£'000	£'000
Reduction in Council Tax £	37	73	109	144	178
Revised Surplus (-) /Deficit	2,406	2,648	2,196	2,782	2,999
Balances Remaining (-) / Overdrawn	(2,891)	(243)	1,952	4,735	7,734
£ Increase	3.22	3.29	3.35	3.41	3.49
% Increase	1.99%	1.99%	1.99%	1.99%	1.99%
Note: Resulting Band D Council Tax	164.97	168.26	171.61	175.02	178.51

which indicates a potential shortfall in balances of £2.5m over 3 years (with a shortfall of £8.2m over 5 years) further savings of approx. £0.8m per annum over 3 years would have to be identified.

Model 3 Impact of 0% increase in Council Tax in 2017/18 (followed by increases of 1.99% thereafter)

Year:	2017/18	2018/19	2019/20	2020/21	2021/22
Forecast:	£'000	£'000	£'000	£'000	£'000
Reduction in Council Tax £	105	143	180	217	252
Revised Surplus (-) /Deficit	2,474	2,718	2,267	2,855	3,073
Balances Remaining (-) / Overdrawn	(2,823)	(105)	2,161	5,017	8,090
£ Increase	0.00	3.22	3.28	3.35	3.42
% Increase	0.00%	1.99%	1.99%	1.99%	1.99%
Note: Resulting Band D Council Tax	161.75	164.97	168.25	171.6	175.02

which indicates a potential shortfall in balances of £2.7m over 3 years (£8.6m over 5 years) further savings of approx. £0.9m per annum over 3 years would have to be identified.

Model 4 Impact of 2.5% increase in Council Tax in 2016/17 (followed by increases of 2.5% thereafter)

Year:	2017/18	2018/19	2019/20	2020/21	2021/22
Forecast:	£'000	£'000	£'000	£'000	£'000
Reduction in Council Tax £	19	37	53	67	81
Revised Surplus (-) /Deficit	2,388	2,612	2,140	2,705	2,902
Balances Remaining (-) / Overdrawn	(2,909)	(297)	1,842	4,548	7,450
£ Increase	4.10	4.20	4.30	4.40	4.40
% Increase	2.5%	2.5%	2.5%	2.5%	2.5%
Note: Resulting Band D Council Tax	165.85	170.05	174.35	178.75	183.15

which indicates a potential shortfall in balances of £2.3m over 3 years (£8.0m over 5 years) further savings of approx. £0.8million per annum would have to be identified.

Model 5 Impact of 0% increase in Council Tax in 2016/17 (followed by increases of 0% thereafter)

Year:	2017/18	2018/19	2019/20	2020/21	2021/22
Forecast:	£'000	£'000	£'000	£'000	£'000
Reduction in Council Tax £	105	211	320	431	543
Revised Surplus (-) /Deficit	2,474	2,786	2,407	3,069	3,364
Balances Remaining (-) / Overdrawn	(2,823)	(37)	2,369	5,439	8,803
£ Increase	0.00	0.00	0.00	0.00	0.00
% Increase	0.0%	0.0%	0.0%	0.0%	0.0%
Note: Resulting Band D Council Tax	161.75	161.75	161.75	161.75	161.75

which indicates a potential shortfall in balances of £2.9m over 3 years (£9.3m over 5 years) further savings of approx. £1million per annum would have to be identified.

Model 6 Impact of 1% increase in Council Tax in 2016/17 (followed by increases of 1% thereafter)

Year:	2017/18	2018/19	2019/20	2020/21	2021/22
Forecast:	£'000	£'000	£'000	£'000	£'000
Reduction in Council Tax £	71	143	216	290	364
Revised Surplus (-) /Deficit	2,440	2,718	2,303	2,928	3,185
Balances Remaining (-) / Overdrawn	(2,857)	(139)	2,163	5,092	8,277
£ Increase	1.61	1.63	1.65	1.66	1.68
% Increase	1.00%	1.00%	1.00%	1.00%	1.00%
Note: Resulting Band D Council Tax	163.36	164.99	166.64	168.30	169.98

which indicates a potential shortfall in balances of £2.7m over 3 years (£8.8m over 5 years) further savings of approx. £0.9million per annum would have to be identified.

2) *Potential Savings / additional costs*

Potential revenue policy changes are highlighted below:

Policy Changes Identified	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Contingency budget to allow for 'in year' decisions to be made by Cabinet & to provide for any potential further reductions in income as a result of the financial climate	100.0	-	-	-	-
Apprenticeship Levy - Amount required under Government legislation (GF impact)	33.0	33.0	33.0	34.0	34.0
Deferral of savings from review of Senior Management - net of the removal of the DCPD vacant post	200.0	70.0	70.0	70.0	70.0
West Midlands Combined Authority (WMCA) - contribution towards ongoing costs	25.0	25.0	25.0	25.0	25.0
To extend the current temporary two-year contract of the Training Officer by a year, funded by income generated by providing training courses to external organisations.	10.0	18.0	-	-	-
Income budget to be established to offset additional cost of above proposal	(10.0)	(18.0)	-	-	-
To make the post of Scrutiny & Corporate Support Officer a permanent full-time position on the establishment	13.5	13.5	13.5	13.5	13.5
To provide additional ongoing funding to support the provision of the Shopmobility service currently provided by MAP	5.0	5.0	5.0	5.0	5.0
Removal of the DCPD vacant post	(70.0)	(70.0)	(70.0)	(70.0)	(70.0)
Homelessness Prevention activity – proposals to add 2 members of staff for enhanced service delivery arrangements within the Housing Solutions Team	70.5	70.5	70.5	70.5	70.5
It is proposed to make the existing temporary regeneration post a permanent role	-	-	45.0	46.0	46.0
Staffing costs associated with the capital programme / disposal, creation or acquisition of assets can be capitalised	-	-	(45.0)	(46.0)	(46.0)
Revised Waste Management arrangement costs - Reflects impact of reduction in income from sale of recycle	60.0	60.0	60.0	60.0	60.0
Total New Items / Amendments	437.00	207.00	207.00	208.00	208.00

As part of the planned review & scrutiny process leading up to formal presentation of the budget, Executive Management Team will consider feedback received from the Budget Consultation process, the Joint Scrutiny Budget workshop and the Joint Budget Scrutiny Committee (planned for 24th January 2017) in order to inform the next stages of the budget process:

- a review of the proposals including:
 - Reference to the Council's corporate priorities together with the feedback & issues raised by the budget consultation exercise, and
 - Consideration of how the limited resources can be 'rationed' (& whether service improvements in a priority area should be met from service reductions elsewhere).
- Inclusion of any further potential savings in order to mitigate the forecast budget shortfall. This process is ongoing and will be reported as policy changes in the next phase of the budget process in order to formulate a balanced medium term financial strategy for approval by Cabinet & Council in February 2017.

Housing Revenue Account – Technical Adjustments Summary

Technical Adjustments	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Base Budget	368	357	1,455	491	367
Committee Decisions	441	633	(933)	49	-
Inflation	127	131	134	153	157
Other	(650)	280	(209)	(404)	(325)
Pay Adjustments	48	54	44	78	74
Revised charges for non-general fund activities	23	-	-	-	-
Total / Revised Base Budget	357	1,455	491	367	273

The detail of the technical adjustments are shown in Appendix C with a more detailed summary of the HRA Technical Adjustments at Appendix E. Assuming reductions in Rent in line with the Government's announcement in the Summer Budget 2015 (a 1.0% reduction per annum for 4 years from 2016/17), the five year base budget forecast is as follows:

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Estimated Net (Surplus) / Deficit	357	1,455	491	367	273
Proposed Policy Changes / Additional Costs Identified	10	10	10	11	11
Surplus (-) / Deficit	367	1,465	501	378	284
Balances Remaining (-) / Overdrawn	(4,831)	(3,366)	(2,865)	(2,487)	(2,203)

Per Council, 23 rd February 2016	(2,330)	(1,059)	(1,045)	(875)	-
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Indicating a Housing Revenue Account (HRA) surplus of £2.9m over 3 years (with a surplus of £2.2m over the next 5 years) including the minimum recommended balances of £0.5m.

A summary of the HRA over the 5 year period is shown at **Appendix H**.

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

- Finalisation of the costs (following tender) / income associated with the regeneration / redevelopment schemes – to inform the likely need from the Regeneration Reserve;
- Delivery of regeneration programme to planned timescales;
- The effect of service charges implementation;

- The impact of Welfare Benefit Reform on rent collection levels – limited so far but further measures are to be rolled out (e.g. Universal Credit);
- The effect of the reduction in Social housing rents announced in the Summer Budget 2015 – rents are to be reduced by 1% a year for four years from 2016/17, requiring local authorities and housing associations to make savings and will mean a reduction in HRA rent income of c.£600k p.a. each year for 4 years (cumulative);
- The impact that Social tenants with household incomes of at least £40k in London and at least £30k elsewhere, will have to pay a market or near market rent. Local authorities will have to repay the rent subsidy that they recover from high income tenants to the Exchequer;
- Any impact from the Sale of high value council housing scheme, and
- Future impact of the Government’s increased discounts to promote right to buy sales on housing stock numbers and associated income levels – 50 sales p.a. have been assumed in future years. There is also still uncertainty over retained receipt levels (pending further Government guidance) and spending plans.

Potential revenue policy changes for the HRA are highlighted below:

Policy Changes Identified	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Apprentice Levy	10	10	10	11	11

Rent Restructuring

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

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

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

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

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

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

Following various articles in the professional press, particularly reports from National Housing Federation (NHF) in January 2016; DCLG sent an update to Local Authorities on 8th February 2016. The Government's note set out further detail in relation to the sale of high value vacant housing (detailed in the Housing & Planning Bill) and further clarification with regard to the 1% reduction in social rents for 4 years (2016-2020).

The Government announced that it will put in place a one-year exemption for all supported accommodation whilst they review this area of supported accommodation. The exact definition of what is 'supported accommodation' is to be detailed in regulations not yet available or drafted. In the interim and to offer some clarity the Government identified a range of accommodation which would benefit from the exclusion - for Tamworth this includes its sheltered housing and supported accommodation for young people – totalling 385 units of council owned stock.

The Government has referred LA's to the 'Housing our Ageing population: Panel for innovation' report, as well as to rent guidance and amendments allowing for a 10% increase above social rents for supported accommodation.

The Government's expectation is that rents will not increase by more than CPI + 1% where the exemption is applied.

Rents for Supported Accommodation were frozen at 2015/16 levels.

For 2017/18 to 2019/20, it has been assumed at all rents will fall by 1%.

Capital Programme

Following a review of the Capital Programme approved by Council on 23rd February 2016, a revised programme has been formulated including additional schemes which have been put forward for inclusion.

Each scheme has been assessed with regard to:

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

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

A schedule of the capital scheme appraisals for the General Fund (GF) & Housing Revenue Account (HRA) received for consideration is attached at **Appendix A – General Services and Appendix B – Housing**, together with the likely available sources of funding (capital receipts / grants / supported borrowing etc.).

With regard to the contingency schemes/allocation, **£50k** remains in current year GF contingency funds and **£100k** remains in current year HRA contingency funds (which will be re-profiled into 2017/18 to provide contingency funding).

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

General Fund

The forecast has highlighted that sufficient resources will be available to finance all of the GF schemes submitted – subject to use of part of the capital receipt from the Golf Course sale (c.£100k).

The minimum approved level of capital balances is £0.5million with GF capital balances of **£846k** predicted by 2021/22, **£855k** over the 3 years to 2019/20 (including £445k tranche 1 Golf Course capital receipts), **net £410k**. This excludes the further tranches of Golf Course capital receipt payments of £24.2m (less the revenue interest element).

It is estimated that approximately £4.4m (excluding the £0.5m approved minimum balance) will be needed during the period to 2021/22 for future capital spending (including the usable capital receipts generated from the sale of council housing).

Details of the proposed capital programme are shown in **Appendix I**.

The capital programme has been reviewed and updated:

General Fund

a) Technology Replacement

A revised capital submission had been prepared for £77k in 2017/18 (with £60k p.a. from 2018/19) for ongoing, large scale upgrade and maintenance to the TBC infrastructure, in line with agreed device lifecycles. Additional to this internal demand, external factors including legislative requirements from central government in the guise of the Public Sector Network (PSN) and Government Code of Connection, have resulted in required investment into static and mobile device management and security (the provisional programme included £60k p.a. from 2017/18). Payback through savings of c. £10k p.a. from year 2.

b) BID Software

An additional scheme for £17.4k in 2017/18 has been included following a report to Cabinet seeking Members approval to progress a Business Improvement District for Tamworth Town Centre and Ventura Park (with payback of additional income of c. £12k p.a. from year 2).

Should a BID progress (subject to further feasibility work / a ballot of local businesses) the Council will be responsible for billing, collection and recovery for the BID Levy.

There will be an initial capital requirement to set up the BID billing system, which will include a module add-on for our current Capita system and consultancy support to get this module operational.

ICT are to be consulted on the new software requirements.

c) Self service

An additional scheme for £115k in 2017/18 has been included to enable customers to self-serve routine and basic enquires via our telephony systems and via an online portal without the need for an officer's intervention.

There are 2 elements to the scheme:

- 1) automated Direct Debits (Telephony system), £65k;
- 2) automated Direct Debits for on-line portal, £50k

There are planned savings of £100k p.a. from year 2 (less £20k p.a. ongoing costs) in addition to those already included with the base budget (of which customer services had already delivered c.£50k);

- The additional savings (4 FTE) are expected to be delivered from Revenues, Benefits & Housing service areas – however, this is subject to further clarification / confirmation as:
 - There appears to have been a lack of consultation with those service areas;
 - Housing already have an online portal via the Orchard system;
 - Benefits already have an online e-forms;
 - The front line staff for the demand identified for Benefits and Revenues has already transferred to the Customer Services Team.

d) Civil Contingencies Technology

An additional scheme for £19k in 2017/18 has been included as Tamworth Borough Council is a Tier 1 Responder under the Civil Contingencies Act and as such, must provide a level of preparedness and ability to respond in the event of an incident. One of the key requirements of this service is the ability to operate Incident Control facilities which can be deployed by ourselves, or any other public body. Little investment has been made in this arena and recent multi agency activities have re-enforced the need for this investment to ensure the organisation can fulfill legislative obligations.

It was clarified that this scheme was for the technological infrastructure only and did not include for any refurbishment / furniture.

e) New Time Recording System

An additional scheme for £15k in 2017/18 has been included to source a replacement product for the current clocking system including new hardware. The current contract expires on 31st March 2017.

The new product will need to integrate with the current Itrent HR & Payroll to prevent double entry of data and provide a user friendly employee and manager experience using self service module. Solution will also need to be able to roster and predict resource levels to meet customer demand.

It was clarified that there is an option to extend given the 31st March contract expiry.

The appraisal suggests efficiencies will be made by avoiding duplication – potential non-cashable savings to be quantified / a return on the investment achieved.

f) Disabled Facilities Grants

The provisional programme included £250k p.a.

Due to uncertainties around the Better Care Fund and budgetary issues at SCC, a significant risk on the current grant funding was highlighted. An ongoing £224k p.a. has been assumed to be redistributed.

g) CCTV Camera Renewals

An updated appraisal has not been prepared – AB clarified the funding is required for the rolling replacement of cameras, subject to the results of a condition survey during 2016/17. A budget of £29k is currently available in 2016/17 following re-profiling from 2015/16.

h) Street Lighting

An updated appraisal has not been prepared – following inclusion of a rolling programme with an annual spend required from 2016/17. The Council has its own stock of street lighting across the borough, mainly in housing areas and other communal parts such as play areas and car parks. The street lighting assets are inspected and maintained by Eon on behalf of the Council under the terms of Staffordshire County Council PFI contract with Eon.

Eon have produced a replacement street lighting programme which spans 40 years and includes the replacement of all the lighting columns based on 'their life expectancy' and a lighting head replacement programme based on providing more efficient low energy lighting heads.

There is no requirement for 2021/22.

i) Cultural Quarter / Assembly Rooms

The scheme business case has not been revised to reflect the current situation.

Revised figures (excluding SCC spend) are being prepared for inclusion.

j) Gateways

An updated appraisal has not been prepared – the provisional programme included £70k (net cost to the Council) in 2017/18 and 2018/19 which will draw in funding and professional support from SCC – with plans for significant capital works in future years (funded mainly by SCC through the Regional Growth Fund / section 106 receipts. SCC spend removed from TBC budgets. AB to confirm S106 funding.

Housing

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

The majority of the Housing capital programme has not changed from that provisionally approved (pending updated stock conditional survey information). It has been updated to include the new year 5 costs for 2021/22 (at the same level as 2020/21) and an additional scheme for Garage refurbishments.

It is estimated that the proposed Housing capital programme can be financed from forecast usable capital receipts, the major repairs allowance and revenue contributions/reserves. It is estimated that approx. **£0.5m** will remain in housing capital resources by 2019/20 with **£1.0m** at the end of the 5 year programme.

It is estimated that approximately £50.5m (excluding the £0.5m approved minimum balance) will be needed during the period to 2021/22 for future capital spending (the 'headroom' in line with the HRA Government Debt Cap is £11.3m).

The capital programme has been reviewed and updated:

Housing Revenue Account

a) Retention of Garage Sites

An additional scheme for 3 years from 2017/18 has been included to invest in retained garages to meet demand and to provide alternative uses including parking areas.

It was agreed that a feasibility study is needed in 2017/18 to identify:

- Where there is demand for garage sites;
- Where there is demand for parking areas; and
- Alternative uses where there is no demand (new build, disposal etc.);

to inform a business case for refurbishment / demolition. A budget of £150k for 2017/18 followed by £500k for 2 the following years has been included.

b) Tinkers Green / Kerria

The budget will be updated following the tender results.

c) Development Housing on Garage Sites / Other Acquisitions

Funding of £3m p.a. from 2017/18 has been provisionally approved for Redevelopment of Garage Sites for housing with £0.5m p.a. for other housing acquisitions. It was agreed that the funding balance needs to be reviewed to reflect potential redevelopment / acquisition levels.

d) Neighbourhood Regeneration – £100k included for 2017/18 only.

Key

Can proceed to next stage

Further information to be provided to inform next stage

Project request rejected

Main Assumptions

Inflationary Factors	2017/18	2018/19	2019/20	2020/21	2021/22
Inflation Rate - Pay Awards	1.00%	1.00%	1.00%	2.50%	2.50%
National Insurance	9.50%	9.50%	9.50%	9.50%	9.50%
Superannuation	16.50%	16.50%	16.50%	16.50%	16.50%
Inflation Rate (RPI)	2.50%	2.50%	2.50%	2.75%	2.75%
Inflation Rate (CPI)	2.30%	2.23%	2.00%	2.00%	2.00%
Investment Rates	0.50%	0.60%	0.75%	1.00%	1.00%
Base Interest Rates	0.20%	0.25%	0.50%	1.00%	1.00%

1. Pay award – it has been assumed that public sector pay will be capped at 1% for 4 years from 2016/17, in line with the announcement in the Summer Budget 2015, and is estimated at 2.5% thereafter.
2. Overall Fees and Charges will rise generally by 2.5% annually except where a proposal has otherwise been made (car parking charges, corporate & industrial property rental income, statutory set planning fees, leisure fees);
3. Revised estimates for rent allowance / rent rebate subsidy levels have been included;
4. Changes to the level of recharges between funds has been included;
5. A reduction in Revenue Support Grant levels to zero by 2020 as confirmed within the 4 year Local Government Finance Settlement in February 2016. The impact for the Council will be confirmed by DCLG as part of the *Local Government Finance Settlement* with a provisional announcement in December 2016.
6. Continuation of the New Homes Bonus scheme (at the lower payment levels outlined within the latest consultation) including additional receipts from new developments (including Anker Valley and the Former Golf Course Site);
7. Lower investment income returns due to lower interest rate forecasts;
8. An increase of £5 p.a. in Council Tax - current indications are that increases of 2% or £5 and above risk 'capping' (confirmed as 2% or £5 for District Councils for 2016/17);
9. The major changes to the previously approved policy changes are included within this forecast – Directors were issued with the provisional information in August to review, confirm & resubmit by the end of September;
10. Annual year-on-year pension cost increases of c. £200k p.a. via the pension lump sum element for past liabilities have been included (following initial indications from the SCC triennial review in 2016).
11. Reduction in rent levels by 1% per the statutory requirement & current indications that sales of council houses will be approximately 50 per annum.
12. Forecasts have been informed by the Bank of England Inflation report (August 2016), HM Treasury – Forecasts for the UK Economy (August 2016), Office for Budget Responsibility Economic & Fiscal Outlook (March 2016). Any significant variances will be considered later in the budget setting process.

Technical Adjustments Analysis – General Fund

	£	£	£
Chief Executive			
Virements		-	
Committee Decisions		-	
Inflation		140	
Other			
2017/18 BWP 030 Corporate Services Car Allowances	400		
2017/18 BWP 041 Insurances	(40)		
2017/18 BWP 044 Vacancy Allowance	(220)	140	
Pay Adjustments		4,300	
Changes in External Recharges		(4,580)	
			-
Executive Director Corporate Services			
Virements		(31,460)	
Committee Decisions		-	
Inflation		(2,080)	
Other			
2017/18 BWP 028 Benefits Estimates	57,550		
2017/18 BWP 030 Corporate Services Car Allowances	(260)		
2017/18 BWP 033 Bank Charges and Cash Collection	(10)		
2017/18 BWP 041 Insurances	(1,160)		
2017/18 BWP 044 Vacancy Allowance	1,990	58,110	
Pay Adjustments		(8,360)	
Changes in External Recharges		(15,800)	
			410
Director of Finance			
Virements		(26,030)	
Committee Decisions			
2013/14 Policy Change DF 1 New Homes Bonus	98,440		
2014/15 Policy Change DF 1 New Homes Bonus	(1,000)		
2015/16 Policy Change DF 2 Senior Management Review	(200,000)		
2016/17 Policy Change DF 1 Corporate Finance - General Contingency	(100,000)		
2016/17 Policy Change DF 3 West Midlands Combined Authority (WMCA) - contribution towards set up costs	(25,000)		
2016/17 Policy Change DF 4 Business Rates Levy Payment	93,330		
2016/17 Policy Change DF 5 Business Rates Section 31 Grant Income	121,960		
2016/17 Policy Change DF 6 Cultural Quarter - Potential Prudential Borrowing Financing Costs	86,000	73,730	
Inflation		2,460	

	£	£	£
Other			
2016/17 BWP 025 Revenues Income	130		
2016/17 BWP 034 NNDR Estimates	15,820		
2016/17 BWP 043 Treasury Mgmt	102,240		
2017/18 BWP 003 NNDR Cost of Collection Grant	380		
2017/18 BWP 005 Interest SOCH Mortgages	20		
2017/18 BWP 008 Superannuation Allowances	(5,220)		
2017/18 BWP 019 Depreciation Charges	(15,850)		
2017/18 BWP 030 Corporate Services Car Allowances	850		
2017/18 BWP 033 Bank Charges and Cash Collection	1,800		
2017/18 BWP 035 Pensions	180,360		
2017/18 BWP 037 New Homes Bonus	231,070		
2017/18 BWP 040 External Audit Fee	(1,980)		
2017/18 BWP 041 Insurances	170		
2017/18 BWP 043 Treasury Management	(4,790)		
2017/18 BWP 044 Vacancy Allowance	1,790	506,790	
Pay Adjustments		(10,020)	
Changes in External Recharges		8,470	
			555,400
Director of Technology & Corporate Programmes			
Virements		-	
Committee Decisions		-	
Inflation		11,930	
Other			
2017/18 BWP 019 Depreciation	41,900		
2017/18 BWP 030 Corporate Services Car Allowances	70		
2017/18 BWP 041 Insurances	(90)		
2017/18 BWP 044 Vacancy Allowance	120	42,000	
Pay Adjustments		(2,360)	
Changes in External Recharges		(51,240)	
			330
Solicitor to the Council			
Virements		-	
Committee Decisions		-	
Inflation		4,660	
Other			
2017/18 BWP 004 TBC NNDR Liabilities	(270)		
2017/18 BWP 006 Gas and Electricity Costs	100		
2017/18 BWP 030 Corporate Services Car Allowances	350		
2017/18 BWP 032 Members Allowances	3,920		
2017/18 BWP 033 Bank Charges and Cash Collection	50		
2017/18 BWP 041 Insurances	170		
2017/18 BWP 044 Vacancy Allowance	(170)	4,150	
Pay Adjustments		3,200	
Changes in External Recharges		25,900	
			37,910

	£	£	£
Director of Transformation & Corporate Performance			
Virements		57,490	
Committee Decisions		-	
Inflation		2,860	
Other			
2017/18 BWP 011 TIC Room Hire & Rent Income	46,120		
2017/18 BWP 030 Corporate Services Car Allowances	(260)		
2017/18 BWP 031 Staff Health Insurance	2,680		
2017/18 BWP 033 Bank Charges	(420)		
2017/18 BWP 041 Insurances	(800)		
2017/18 BWP 044 Vacancy Allowance	(3,620)	43,700	
Pay Adjustments		7,690	
Changes in External Recharges		(130,680)	
			(18,940)
Director of Communities, Planning & Partnerships			
Virements		-	
Committee Decisions			
Appt & Staffing 18/04/16 Senior Management Interim Arrangements		(20,330)	
Inflation		60	
Other			
2017/18 BWP 030 Corporate Services Car Allowances	20		
2017/18 BWP 041 Insurances	(50)		
2017/18 BWP 044 Vacancy Allowance	(10)	(40)	
Pay Adjustments		190	
Changes in External Recharges		20,270	
			150
Director of Communities, Partnerships & Housing			
Virements		-	
Committee Decisions			
2013/14 Policy Change CPP 3 Small Grants	700		
Appt & Staffing 18/04/16 Senior Management Interim Arrangements	5,080	5,780	
Inflation		1,590	
Other			
2017/18 BWP 002 Salaries	2,320		
2017/18 BWP 006 Gas and Electricity Costs	390		
2017/18 BWP 030 Corporate Services Car Allowances	160		
2017/18 BWP 038 Bad Debt Provision Temporary Accommodation	44,200		
2017/18 BWP 041 Insurances	(70)		
2017/18 BWP 044 Vacancy Allowance	(20)	46,980	
Pay Adjustments		340	
Changes in External Recharges		8,750	
			63,440

	£	£	£
Director of Growth, Assets & Environment			
Virements		-	
Committee Decisions			
2013/14 Policy Change CPP 3 Small Grants	1,000		
2014/15 Policy Change AE 5 Waste Management Services	(13,000)		
2015/16 Policy Change CPP 3 Community Safety Service Review	15,000		
2015/16 Policy Change CPP 5 Revenue Impact of Capital Schemes	36,750		
2015/16 Policy Change CCP 6 Revenue Impact of Capital Scheme	(80,000)		
2016/17 Policy Change CPP 1 Growth Project Officer	500		
2016/17 Policy Change CPP 2 Revenue Implications from Capital Programme	(124,300)		
2016/17 Policy Change CPP 3 Revenue Implications from Capital Programme	124,300		
Appt & Staffing 18/04/16 Senior Management Interim Arrangements	15,250	(24,500)	
Inflation		13,360	
Other			
2015/16 Policy Change CPP 3 Community Safety Service Review - RPI Adjustment	300		
2015/16 BWP 036 Waste Management Arrangement	34,290		
2017/18 BWP 004 TBC NNDR Liabilities	35,680		
2017/18 BWP 006 Gas and Electricity Costs	(5,230)		
2017/18 BWP 011 Phil Dix Centre Room Hire and Rental Income	(700)		
2017/18 BWP 013 Procurement Saving	(830)		
2017/18 BWP 016 Car Park Income and Expenditure	83,100		
2017/18 BWP 017 Community Centres Income	1,250		
2017/18 BWP 018 Civil Parking Enforcement	(7,080)		
2017/18 BWP 019 Depreciation	(26,050)		
2017/18 BWP 024 CPP Income Targets	7,200		
2017/18 BWP 026 Car Allowances	1,610		
2017/18 BWP 027 Marmion House Rents and Common Service Recharge	(39,110)		
2017/18 BWP 030 Corporate Services Car Allowances	10		
2017/18 BWP 033 Bank Charges and Cash Collection	270		
2017/18 BWP 041 Insurances	9,980		
2017/18 BWP 042 Environmental Health Income	16,290		
2017/18 BWP 044 Vacancy Allowance	(2,610)		
2017/18 BWP 049 Commercial and Industrial Rents	15,000		
2017/18 BWP 050 Business Enterprise Centre	15,830	139,200	
Pay Adjustments		10,900	
Changes in External Recharges		92,990	
			231,950
Total			870,650

() denotes saving

	£	£	£
Director of Communities, Partnerships & Housing			
Virements		-	
Committee Decisions:		-	
Inflation		29,860	
Other			
2017/18 BWP 004 TBC NNDR Liabilities	(220)		
2017/18 BWP 006 Gas and Electricity Costs	(17,460)		
2017/18 BWP 008 Superannuation Allowances	20		
2017/18 BWP 014 Alarm Call Contract	(6,010)		
2017/18 BWP 019 Depreciation	-		
2017/18 BWP 020 Enhanced Housing Management Charges	(3,320)		
2017/18 BWP 026 Car Allowances	1,730		
2017/18 BWP 031 Staff Health Insurance	1,590		
2017/18 BWP 033 Bank Charges and Cash Collection	390		
2017/18 BWP 039 Sheltered Schemes Heating Recharges	(15,520)		
2017/18 BWP 040 External Audit Fee	1,770		
2017/18 BWP 041 Insurances	3,250		
2017/18 BWP 044 Vacancy Allowance	(2,390)	(36,170)	
Pay Adjustments		47,610	
Changes in External Recharges		24,690	
			65,990
Director of Growth, Assets & Environment			
Virements		-	
Committee Decisions:		-	
Inflation		160	
Other			
2017/18 BWP 041 Insurances	(10)		
2017/18 BWP 044 Vacancy Allowance	(10)	(20)	
Pay Adjustments		260	
Changes in External Recharges		(2,030)	
			(1,630)

	£	£	£
Housing Revenue Account Summary			
Virements		-	
Committee Decisions:			
2015/16 Policy Change HRA 4B Revenue Impact of Capital Schemes	(6,300)		
2013/14 Policy Change HRA 9 Contribution to Regeneration Reserve	100,000		
2016/17 Policy Change HRA 1 Reduction in Social Housing Rents by 1%	347,010	440,710	
Inflation		97,280	
Other			
2017/18 BWP 005 Interest SOCH Mortgages	30		
2017/18 BWP 019 Depreciation	(930)		
2017/18 BWP 021 HRA Garage Rents	20,650		
2017/18 BWP 022 Housing Rental Summary	(307,450)		
2017/18 BWP 035 Pensions	55,630		
2017/18 BWP 038 Bad Debt Provision Housing Rents	(253,600)		
2017/18 BWP 043 Treasury Management	(127,900)	(613,570)	
Pay Adjustments		-	
Changes in External Recharges		-	
			(75,580)
Total			(11,220)

() denotes saving

General Fund – Technical Adjustments 2017/18

	Budget 2016/17	Technical Adjustments						Total Adjustments £	Total Adjusted Base 2017/18
		Virements £	Committee Decisions £	Inflation £	Other £	Pay Adjustments £	External Recharge Changes (non-GF Activities) £		
<i>Figures include internal recharges which have no bottom line impact</i>									
Chief Executive	-	-	-	140	140	4,300	(4,580)	-	-
Executive Director Corporate Services	571,990	(31,460)	-	(2,080)	58,110	(8,360)	(15,800)	410	572,400
Director of Finance	(307,280)	(26,030)	73,730	2,460	506,790	(10,020)	8,470	555,400	248,120
Director of Technology & Corporate Programmes	16,790	-	-	11,930	42,000	(2,360)	(51,240)	330	17,120
Solicitor to the Council	789,050	-	-	4,660	4,150	3,200	25,900	37,910	826,960
Director of Transformation & Corporate Performance	268,590	57,490	-	2,860	43,700	7,690	(130,680)	(18,940)	249,650
Director of Communities, Planning & Partnerships	-	-	(20,330)	60	(40)	190	20,270	150	150
Director of Communities, Partnerships & Housing	1,744,930	-	5,780	1,590	46,980	340	8,750	63,440	1,808,370
Director of Growth, Assets & Environment	5,375,750	-	(24,500)	13,360	139,200	10,900	92,990	231,950	5,607,700
Grand Total	8,459,820	-	34,680	34,980	841,030	5,880	(45,920)	870,650	9,330,470

Housing Revenue Account – Technical Adjustments 2017/18

	Budget 2016/17	Technical Adjustments						Total Adjustments £	Total Adjusted Base 2017/18
		Virements £	Committee Decisions £	Inflation £	Other £	Pay Adjustments £	External Recharge Changes (non-GF Activities) £		
<i>Figures include internal recharges which have no bottom line impact.</i>									
Director of Communities, Partnerships & Housing	3,974,460	-	-	29,860	(36,170)	47,610	24,690	65,990	4,040,450
Director of Growth, Assets & Environment	(35,730)	-	-	160	(20)	260	(2,030)	(1,630)	(37,360)
HRA Summary	(3,570,630)	-	440,710	97,280	(613,570)	-	-	(75,580)	(3,646,210)
Grand Total	368,100	-	440,710	127,300	(649,760)	47,870	22,660	(11,220)	356,880

General Fund Summary Budgets – 2017/18

<i>Figures exclude internal recharges which have no bottom line impact.</i>	Base Budget 2016/17 £	Technical Adjustments £	Policy Changes £	Budget 2017/18 £
Chief Executive	165,530	3,780	-	169,310
Executive Director Corporate Services	391,940	(3,140)	-	388,800
Director of Finance	(776,910)	583,630	358,000	164,720
Director of Technology & Corporate Programmes	901,730	22,200	-	923,930
Solicitor to the Council	602,110	13,370	13,500	628,980
Director of Transformation & Corporate Performance	877,860	74,900	5,000	957,760
Director of Communities, Planning & Partnerships	99,200	(20,120)	(70,000)	9,080
Director of Communities, Partnerships & Housing	1,657,230	63,050	70,500	1,790,780
Director of Growth, Assets & Environment	4,541,130	132,980	60,000	4,734,110
Total Cost of Services	8,459,820	870,650	437,000	9,767,470
Transfer to / (from) Balances	(1,724,806)	(644,584)	-	(2,369,390)
Revenue Support Grant	(1,209,603)	438,607	-	(770,996)
Retained Business Rates	(13,262,270)	(720,457)	-	(13,982,727)
Less: Tariff payable	10,639,952	209,270	-	10,849,222
Collection Fund Surplus (Council Tax)	(81,896)	81,896	-	-
Collection Fund Surplus (Business Rates)	560,025	(560,025)	-	-
Council Tax Requirement	(3,381,222)	324,643	(437,000)	(3,493,579)

General Fund Summary Budgets – 2016/17 to 2021/22

<i>Figures exclude internal recharges which have no bottom line impact.</i>	Base Budget 2016/17 £	Budget 2017/18 £	Budget 2018/19 £	Budget 2019/20 £	Budget 2020/21 £	Budget 2021/22 £
Chief Executive	165,530	169,310	171,650	174,020	179,240	184,630
Executive Director Corporate Services	391,940	388,800	398,460	406,310	423,080	440,390
Director of Finance	(776,910)	(193,280)	(8,060)	(855,690)	(720,040)	(765,480)
Director of Technology & Corporate Programmes	901,730	923,930	928,470	948,230	975,170	1,002,780
Solicitor to the Council	602,110	615,480	624,360	632,910	651,650	670,030
Director of Transformation & Corporate Performance	877,860	952,760	926,390	939,210	969,800	999,560
Director of Communities, Planning & Partnerships	99,200	79,080	80,040	81,010	83,410	85,860
Director of Communities, Partnerships & Housing	1,657,230	1,720,280	1,736,390	1,749,180	1,770,070	1,780,890
Director of Growth, Assets & Environment	4,541,130	4,674,110	4,590,750	4,531,350	4,666,660	4,786,880
	8,459,820	9,330,470	9,448,450	8,606,530	8,999,040	9,185,540

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Figures exclude proposed Policy Changes

Housing Revenue Account 2016/17 to 2021/22

<i>Figures exclude internal recharges which have no bottom line impact.</i>	Base Budget 2016/17 £	Budget 2017/18 £	Budget 2018/19 £	Budget 2019/20 £	Budget 2020/21 £	Budget 2021/22 £
Director of Communities, Partnerships & Housing	3,987,730	4,046,330	4,121,070	4,187,760	4,286,220	4,382,420
Director of Growth, Assets & Environment	(49,000)	(43,240)	(40,860)	(38,420)	(33,990)	(30,490)
HRA Summary	(3,570,630)	(3,646,210)	(2,625,280)	(3,658,090)	(3,884,930)	(4,078,700)
Grand Total	368,100	356,880	1,454,930	491,250	367,300	273,230

Page 48 Figures exclude proposed Policy Changes

Draft General Fund Capital Programme 2017/18 to 2021/22

	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	Total £
Technology Replacement Business Improvement District (BID) Software	77,000	60,000	60,000	60,000	60,000	317,000
	17,400	-	-	-	-	17,400
Self Service 17/18	115,000	-	-	-	-	115,000
Civil Contingencies Technology 17/18	19,000	-	-	-	-	19,000
New Time Recording System 17/18	15,000	-	-	-	-	15,000
Subtotal	243,400	60,000	60,000	60,000	60,000	483,400
Private Sector Grants - Disabled Facilities Grants	250,000	250,000	250,000	250,000	250,000	1,250,000
CCTV Camera Renewals (£15k)	15,000	15,000	15,000	15,000	15,000	75,000
Street Lighting	2,600	3,100	28,200	115,300	-	149,200
Cultural Quarter - AR	1,943,790	229,040	-	-	-	2,172,830
Gateways	170,000	70,000	-	-	-	240,000
Subtotal	2,381,390	567,140	293,200	380,300	265,000	3,887,030
Total General Fund Capital	2,624,790	627,140	353,200	440,300	325,000	4,370,430
<u>Proposed Financing:</u>						
Grants - Disabled Facilities	224,000	224,000	224,000	224,000	224,000	1,120,000
Section 106 Receipts	100,000	-	-	-	-	100,000
General Fund Capital Receipts	361,800	7,500	-	-	41,000	410,300
Sale of Council House Receipts	139,700	166,600	129,200	216,300	60,000	711,800
General Fund Capital Reserve	20,200	-	-	-	-	20,200
Grants - Assembly Rooms (SLGF)	798,260	-	-	-	-	798,260
Public Contributions (Assembly Rooms)	25,000	-	-	-	-	25,000
Unsupported Borrowing	955,830	229,040	-	-	-	1,184,870
Total	2,624,790	627,140	353,200	440,300	325,000	4,370,430

Draft Housing Revenue Account Capital Programme 2017/18 to 2021/22

	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	TOTAL £
Structural Works	100,000	100,000	100,000	100,000	100,000	500,000
Bathroom Renewals	795,540	817,420	839,900	850,000	850,000	4,152,860
Gas Central Heating Upgrades and Renewals	514,000	420,000	550,000	460,000	460,000	2,404,000
Kitchen Renewals	944,710	970,690	997,380	900,000	900,000	4,712,780
High Rise Lift Renewal	349,990	-	-	-	-	349,990
Energy Efficiency Improvements	50,000	-	-	-	-	50,000
Major Roofing Overhaul and Renewals	161,080	165,510	170,060	174,310	174,310	845,270
Window and Door Renewals	250,000	250,000	250,000	250,000	250,000	1,250,000
Works to High Rise Flats	525,000	525,000	-	-	-	1,050,000
Neighbourhood Regeneration	100,000	-	-	-	-	100,000
Disabled Facilities Adaptations	315,960	324,650	333,580	341,920	341,920	1,658,030
Retention of Garage Sites	150,000	500,000	500,000			1,150,000
Capital Salaries	173,040	176,840	180,730	180,000	180,000	890,610
CDM Fees	5,000	5,000	5,000	5,000	5,000	25,000
Regeneration Schemes						
Tinkers Green	6,640,000	1,634,000				8,274,000
Kerria	1,810,640	3,805,250				5,615,890
Redevelopment of Garage sites	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	15,000,000
Other acquisitions	500,000	500,000	500,000	500,000	500,000	2,500,000
Total HRA Capital	16,384,960	13,194,360	7,426,650	6,761,230	6,761,230	50,528,430
Proposed Financing:						
Major Repairs Reserve	4,184,320	4,855,110	4,426,650	3,466,230	5,161,230	22,093,540
HRA Capital Receipts	400,000	1,455,000	500,000	1,290,000	-	3,645,000
Regeneration Revenue Reserves	5,008,640	3,516,300	1,300,000	1,355,000	1,210,000	12,389,940
Capital Receipts from Add Council House Sales	650,000	450,000	300,000	300,000	390,000	2,090,000
Regeneration Reserve	1,170,000	2,917,950	900,000	350,000	-	5,337,950
Unsupported Borrowing	4,972,000	-	-	-	-	4,972,000
Total	16,384,960	13,194,360	7,426,650	6,761,230	6,761,230	50,528,430

Contingencies 2017/18 - 2021/22

Revenue	2017/18	2018/19	2019/20	2020/21	2021/22
Specific Earmarked &	£'000	£'000	£'000	£'000	£'000
General					
General Fund					
<i>Specific Contingencies</i>					
Vacancy Allowance	50	50	50	50	50
Waste Management	50	50	50	50	50
<i>General Contingency</i>	100	42	97	190	264
Total GF Revenue	200	142	197	290	364
Housing Revenue Account					
<i>HRA - General Contingency</i>	100	100	100	100	100
Total HRA Revenue	100	100	100	100	100

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