

3rd December 2020

REPORT OF THE LEADER OF THE COUNCIL

DRAFT BASE BUDGET FORECASTS 2021/22 to 2025/26

Purpose

To inform Members of the re-priced base budget for 2021/22, base budget forecasts for the period 2021/22 to 2025/26 (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 2021/22 & indicative budgets to 2025/26 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 2021/22, as detailed within the report; and**
- 4. in compliance with the Constitution of the Council, note that the Leader's Budget Workshop considered the budget proposals contained within this report on 2nd December 2020.**

Executive Summary

The following detailed budget information is contained within the report:

- Re-priced base budget information (& the associated technical adjustments) for 2021/22 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 2021/22 to 2025/26.

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.

Currently projections identify:

1. A shortfall in General Fund balances of £1.6m over 3 years – with a shortfall of £4.9m to 2024//25 increasing to £8.6m over 5 years (the shortfall was previously forecast at £6.9m in 2024/25), including the minimum approved level of £0.5m;
2. HRA balances of £2.5m over 3 years with balances of £2m over the 4 years to 2024/25 reducing to £1.7m in 2025/26 (balances were previously forecast at £1.1m in 2024/25) including the minimum recommended balances of £0.5m.

Further savings of around £1.7m p.a. will be required over the next 5 years (£0.5m p.a. over 3 years), based on annual £5 increases in Council Tax. On an annualised basis this would equate to a year on year ongoing saving of £0.6m over 5 years (£0.3m year on year over 3 years).

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

- Future Revenue Support Grant levels for future years - the budget setting process has faced significant constraints in Government funding in recent years - over 50% reduction since 2010.

When the current budget and MTFs were approved, future levels of funding for the Council were uncertain pending the most significant changes in Local Government funding for a generation. The reforms were planned to be in place by 2020/21 but were deferred until 2021/22. The Government has confirmed that the longer-term reforms for the local government finance system (including the move to 75% Business Rates Retention and Fairer Funding Review of Relative Needs and Resources) will be deferred again as a result of the current situation, although no timescales have been released. In addition, the next planned national Business Rates Revaluation, planned for 2021 will take effect from 2023.

On 21st July 2020, the Chancellor launched the 2020 Comprehensive Spending Review (CSR). The aim of the Review, which will be published in the autumn, was to set out the government's spending plans for the parliament – UK Government departments' resource budgets for the years 2021/22 to 2023/24 and capital budgets for the years 2021/22 until 2024/25, and devolved administrations' block grants for the same period. However, on 21st October, the Treasury formally announced that the Spending Review would be narrowed in scope to cover one year only, setting departments' resource and capital budgets for 2021/22. The NHS, schools, and 'priority infrastructure projects' (e.g. HS2 and hospital building) will still be fully funded for multi-year resource settlements.

Previously, the Chancellor confirmed that departmental spending (both capital and resource) will grow in real terms across the CSR period and that the government will deliver on the commitments made at Budget to level up and invest in the priorities of the British people. Given the impact COVID-19 has had on the economy, the Chancellor was clear there will need to be tough choices in other areas of spending at the review. As part of their preparations for the CSR departments have been asked to identify opportunities to reprioritise and deliver savings. Departments will also be required to fulfil a series of conditions in their returns, including providing evidence they are delivering the government's priorities and focussing on delivery.

The Government has said it will keep an open dialogue with the local authorities about the best approach to the next financial year, including how to treat accumulated business rates growth of £2m p.a. (pending the planned business rates baseline reset) and the approach to the 2021/22 local government finance settlement. It is also the Government's intention to look again at the New Homes Bonus for 2021/22 and explore the most effective way to incentivise housing growth. They planned to consult widely on proposals prior to implementation. In the longer-term, the Government remains committed to reform and want to take time to work with local authorities to make sure that the approach is right following the planned reviews:

- **Fair Funding Review (FFR)** of the distribution methodology including:
 - changes to the needs assessment (which will determine each Council's share of the national funding for Local Government – it is likely that this will reflect the impact of Social Care demands and that funding will be redistributed to Unitary and County Councils to the detriment of District Councils);
 - treatment of relative resources (to determine how much each Council can fund locally through income from fees and charges and council tax); and
 - any transitional arrangements to protect Councils from significant reductions in funding – and the impact from their unwinding.
- **Spending Review 2020 (SR20)** – where the total spending allocation for Government Departments will be set – including national control totals for Local Government spending. It has already been announced that significant additional funding will be diverted to the NHS which could mean further reductions for other Departments including Local Government;
- The ongoing **review of the Business Rates Retention (BRR) scheme** – the Government announced that Councils will be able to retain 75% of business rates collected rather than 100% as previously planned with work progressing on the design of the new system including the impact of 'rolling in' grants such as Housing Benefit administration and New Homes Bonus;
- The planned **reset of the Business Rates baseline** for each Council and redistribution of the growth achieved since 2013 of up to £2m p.a.;
- Uncertainty over the ongoing funding for the **New Homes Bonus scheme**, local growth in housing numbers and share of the national pool (including potential increases to the 'deadweight' for which Councils no longer receive grant). The Government have confirmed that the 4-year legacy payments for New Homes Bonus (NHB) will continue to be paid after 2020/21, but there still remains uncertainty regarding new payments.

It is the Government's intention to look again at the New Homes Bonus scheme for 2021/22 and explore the most effective way to incentivise housing growth. They plan to consult widely on proposals prior to implementation.

While we are aware of these forthcoming changes, little to no information is available on the potential impact for individual Councils' finances.

- In 2016-17, at the start of the four-year offer made to local government, the Government introduced a separate council tax referendum principle for shire districts, to address particular pressures on these authorities. This principle meant that districts could increase council tax by the core principle (now announced as 2% for 2020/21 – this was previously 3%) or £5, whichever is greater. The Government has continued to grant this flexibility and is likely to continue for 2021/22.
- For 2019/20 a 2% increase in Local Government pay was agreed and included the introduction of a new pay spine on 1st April 2019 based on a bottom rate of £17,364 with additions, deletions and changes to other spinal column points. A 2.75% increase has been agreed for 2020/21 but future years remain uncertain. A 2.5% p.a. increase from 2021/22 has been assumed.
- The impact of any further uncertainty over future interest rate levels and their impact on investment income / treasury management;
- No one can know what the effect of the Covid-19 crisis will have on the economy and ultimately the impact for the Council's finances. It will be many months before we have a clearer idea on how the economy has responded to the recovery process – including any lasting effects for individual businesses and their employees. Social distancing measures will remain in place for the foreseeable future – impacting mainly on the Council's ongoing income receipts.

Measures taken to control Covid-19 are leading to heavy economic losses and this has and will continue to affect collection rates, as some individuals and businesses experience financial effects of the pandemic. The uncertainties created by the pandemic have also significantly increased volatility and uncertainty in markets. This applies not only to non-current operational and non-operational property assets held by authorities, but also to investment properties, financial assets and many assets held by pension funds.

There are further uncertainties arising from the finalisation of the Brexit process following the transition period which may also lead to a suppression of investment and achievement of the anticipated business rates income – in line with the assumed baseline and tariff levels set.

Options Considered

As part of the budget setting process a number of options for the council tax increase levels for 2021/22 and future years have been modelled / considered.

Council Tax	Option Modelled / Considered
Model 1	£5.00 increase in Council tax in 2021/22 (followed by increases of £5.00 p.a.)
Model 2	2.99% increase in Council tax in 2021/22 (followed by increases of c.2.99% p.a.)
Model 3	£1 increase in Council tax in 2021/22 (followed by increases of £1 p.a.)
Model 4	2.5% increase in Council tax in 2021/22 (followed by increases of 2.5% thereafter)
Model 5	0% increase in Council tax in 2021/22 (followed by increases of 0% thereafter)
Model 6	1.99% increase in Council tax in 2021/22 (followed by increases of 1.99% thereafter)

Rent	Option Modelled / Considered
CPI plus 1%	The Government has now confirmed that social housing rents can increase to include 'up to' a factor of the consumer price index (CPI) measure of inflation plus 1% for five years from 2020, following the conclusion of a consultation on the new rent standard
CPI	General increase in line with CPI
No increase	No general increase in annual rent

Resource Implications

The detailed financial & budgetary implications are outlined within the report.

The Forecast projects a shortfall in General Fund balances of £1.6m over 3 years – with a shortfall of £4.9m to 2024//25 increasing to £8.6m over 5 years (the shortfall was previously forecast at £6.9m in 2024/25), including the minimum approved level of £0.5m;

Further savings of around £1.7m p.a. will be required over the next 5 years (£0.5m p.a. over 3 years), based on annual £5 increases in Council Tax - in line with the cap set by the Ministry for Housing, Communities & Local Government (MHCLG).

On an annualised basis this would equate to a year on year ongoing saving of £0.6m over 5 years (£0.3m year on year over 3 years).

The current forecast projects Housing Revenue Account (HRA) balances of £2.5m over 3 years with balances of £2m over the 4 years to 2024/25 reducing to £1.7m in 2025/26 (balances were previously forecast at £1.1m in 2024/25) including the minimum recommended balances of £0.5m.

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 Leaders Budget Workshop has been arranged for 2nd December 2020. 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 27th January 2021.

Proposed amendments to the 2020/21 base budget, approved by Council on 25th February 2020, are detailed within the report.

Key Risks

- The effect of the Covid-19 crisis on the economy and ultimately the impact for the Council's finances – including any lasting effects for individual businesses and their employees. Social distancing measures will remain in place for the foreseeable future – impacting mainly on the Council's ongoing income receipts.

Measures taken to control Covid-19 are leading to heavy economic losses and this has and will continue to affect collection rates, as some individuals and businesses experience financial effects of the pandemic. The uncertainties created by the pandemic have also significantly increased volatility and uncertainty in markets. This applies not only to non-current operational and non-operational property assets held by authorities, but also to investment properties, financial assets and many assets held by pension funds.

- There are further uncertainties arising from the finalisation of the Brexit process following the transition period which may also lead to a suppression of investment and achievement of the anticipated business rates income – in line with the assumed baseline and tariff levels set.
- The Government has confirmed that the longer-term reforms for the local government finance system (including the move to 75% Business Rates Retention and Fairer Funding Review of Relative Needs and Resources) will be deferred again as a result of the pandemic, although no timescales have been released. In addition, the next planned national Business Rates Revaluation, planned for 2021 will take effect from 2023.

The Government has said it will keep an open dialogue with the local authorities about the best approach to the next financial year, including how to treat accumulated business rates growth of £2m p.a. (pending the planned business rates baseline reset) and the approach to the 2021/22 local government finance settlement.

There is a high risk that these reforms, including the planned Business Rates Reset (when a proportion of the growth in business rates achieved since 2013/14 will be redistributed), will have a significant effect on the Council's funding level from 2021/22;

- Delivery of the planned Commercial Investment Strategy actions and associated improved investment returns of 4% p.a. arising from the investment of £24m from the capital receipt received over the period 2016 – 2018 from the sale of the former golf course (to support the MTFs in the long term);
- Uncertainty over the ongoing funding for the **New Homes Bonus scheme**, achievement of anticipated growth in new homes within the Borough and the associated dependency on the New Homes Bonus income to address / reduce the funding shortfall for the General Fund. The Government have confirmed that the 4-year legacy payments for New Homes Bonus (NHB) will continue to be paid after 2020/21, but there still remains uncertainty regarding new payments.

It is the Government's intention to look again at the New Homes Bonus scheme for 2021/22 and explore the most effective way to incentivise housing growth. They planned to consult widely on proposals prior to implementation. As the roll forward is for one year, with any funding beyond 2020/21 subject to the 2020 Spending Review and potential new proposals, the Government have said that the new allocations in 2020/21 will not result in legacy payments being made in subsequent years on those allocations.

- Challenge to continue to achieve high collection rates for council tax, business rates and housing rents – in light of the welfare benefit reforms and the impact of the pandemic on economic conditions and uncertainty.

Risks to Capital and Revenue Forecasts:

Risk	Control Measure
Major variances to the level of grant / subsidy from the Government (including specific grants e.g. Benefits administration, Business Rates Section 31 funding); (High)	Sensitivity modelling undertaken to assess the potential impact in the estimation of future Government support levels; (High / Medium)
New Homes Bonus grant levels lower than estimated; Continuation of the scheme for 2020/21 has been confirmed – doubt over its continuation in future years; (High/Medium)	Future levels included based on legacy payments only; (Medium/Low)
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' (2% or £5 for District Councils in 2020/21); (Low)
The achievement / delivery of substantial savings / efficiencies will be needed to ensure sufficient resources will be available to deliver the Council's objectives through years 4 to 5. Ongoing; (High)	A robust & critical review of savings proposals will be required / undertaken before inclusion within the forecast; (High/Medium)
Pay awards greater than forecast; (Medium)	Public sector pay cap was lifted from 2018/19 with pay awards of 2% p.a. for 2 years & 2.75% in 2020/21. Increases of 2.5% p.a. assumed from 2021/22; (Medium / Low)

Risk	Control Measure
<p>Pension costs higher than planned / adverse performance of pension fund;</p> <p>(Medium)</p>	<p>Regular update meetings with Actuary; Following an option to 'freeze' the 'lump sum' element for the 3 years from 2020/21 (after the triennial review during 2019), 2% p.a. year on year increases have been included from 2023/24;</p> <p>(Medium/Low)</p>
<p>Assessment of business rates collection levels to inform the forecast / budget (NNDR1) and estimates of appeals, mandatory & discretionary reliefs, cost of collection, bad debts and collection levels;</p> <p>New burdens (Section 31) grant funding for Central Government policy changes – including impact on levy calculation;</p> <p>Potential changes to the Business Rates Retention system following the announcement for Councils to keep 75% (previously up to 100%) of the business rates collected; (High)</p>	<p>Robust estimates included to arrive at collection target. Ongoing proactive management & monitoring will continue;</p> <p>Business Rates Collection Reserve - provision of reserve funding to mitigate impact of any changes in business rate income levels;</p> <p>Monitoring of the situation / regular reporting;</p> <p>(High / Medium)</p>
<p>Local Council Tax Reduction scheme potential yield changes and maintenance of collection levels due to increases in unemployment caused by the pandemic; (High)</p>	<p>Robust estimates included. Ongoing proactive management & monitoring (including a quarterly healthcheck on the implications on the organisation – capacity / finance) will continue; (High / Medium)</p>
<p>Achievement of income streams in line with targets in light of the economic conditions e.g. treasury management interest, car parking, planning, commercial & industrial rents etc.; (High / Medium)</p>	<p>Robust estimates using a zero based budgeting approach have been included;</p> <p>(Medium)</p>
<p>Delivery of the capital programme (GF / HRA – including Regeneration schemes) dependent on funding through capital receipts and grants (including DFG funding through the Better Care Fund); (High / Medium)</p>	<p>Robust monitoring and evaluation – should funds not be available then schemes would not progress;</p> <p>(Medium)</p>
<p>Dependency on partner organisation arrangements and contributions e.g. Waste Management (SCC/LDC). (High / Medium)</p>	<p>Memorandum of Understanding in place with LDC.</p> <p>(Medium)</p>
<p>Delivery of the planned Commercial Investment Strategy actions - recent review of the Treasury Management Investment Guidance / Minimum Revenue Provision Guidance carried out by MHCLG - with a potential restriction of investments by Councils given increased risk exposure. (High/Medium)</p>	<p>The main issue seems to be the increased risks associated with those Councils who are borrowing large sums to invest in commercial property activities.</p> <p>Property Fund investment review carried out 2020.</p> <p>(Medium)</p>

Risk	Control Measure
Maintenance and repairs backlog for corporate assets – and planned development of long term strategic plan to address such. (High / Medium)	Planned development of long term strategic corporate capital strategy and asset management plan to consider the requirements and associated potential funding streams. (Medium)
Significant financial penalties arising from the implementation of the General Data Protection Regulations (GDPR). (High / Medium)	Implementation plan in place with corporate commitment and good progress. (Medium)
Property funds are not risk free - as such a risk based approach will need to be adopted – to balance risk against potential yield or return. Based on past performance there is the potential for returns of c.4 to 5% p.a. but this is not guaranteed. The value of the funds are also subject to fluctuation – which could mean a capital loss in one year (as well as expected gains). The initial cost associated with the purchase of the investment in the funds is expected to be in the region of 5% - which would have to be recovered over the life of the investment (either from annual returns or capital appreciation). There is a real risk of a revenue loss therefore in the first year. (High/Medium)	Any investment in funds which are deemed as capital expenditure will require the necessary capital programme budgets to be approved by full Council. Risk is inherent in Treasury Management and as such a risk based approach will need to be adopted – to balance risk against potential yield or return. It is suggested that risk be mitigated (although not eliminated) through investment in a diversified portfolio using a range of property funds. The Council will also endeavour to use the secondary market for purchases to potentially gain access to a fund at a lower level of cost than via the primary route. Mitigation regulations are in place to defer any potential principal loss for 5 years. Property Fund investment review carried out 2020 (Medium)

Report Author

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

Background Papers:-	Corporate Vision, Priorities Plan, Budget & Medium Term Financial Strategy 2019/20, Council 25 th February 2020
	Budget and Medium Term Financial Planning Process, Cabinet 20 th August 2020
	Budget Consultation Report, Cabinet 12 th November 2020

Base Budget Forecast 2021/22 to 2025/26

Revisions / updates have been made to the 2020/21 base budget in order to produce an adjusted base for 2021/22 and forecast base for 2022/23 onwards.

General Fund Revenue

Forecast – When the budget for 2020/21, and indicative budgets for 2021/22 to 2022/23, were approved by Council in February 2020 it was anticipated that balances would remain above the minimum approved level of £0.5m for the 3 year period.

The Forecast projects a shortfall in General Fund balances of £1.6m over 3 years – with a shortfall of £4.9m to 2024//25 increasing to £8.6m over 5 years (the shortfall was previously forecast at £6.9m in 2024/25), including the minimum approved level of £0.5m.

The forecast has been updated to include:

- Additional balances brought forward due to an additional underspend in 2019/20 of £0.2m;
- The projected outturn underspend of £0.6m in 2020/21 – following the mitigating actions and additional Covid-19 grant funding of £0.5m (now increased to £1.25m plus an estimated £0.5m from the projected fees and charges income support grant);
- Ongoing savings from the non-essential spend review of £0.75m p.a. (previously forecast at £0.2m p.a.);
- Lower treasury management investment interest of £0.6m over 3 years from 2021/22, offset by lower interest payable to the HRA of £0.3m (£0.75m and £0.4m respectively over 5 years) – as previously forecast increases in the Bank of England base rate have been deferred due to the ongoing economic uncertainty. This has also delayed some of the planned property fund investments with an associated reduction in planned income of £0.2m in 2021/22;
- For future years, it has been assumed that the retained growth will be redistributed as part of the CSR 2020 / business rates reset and therefore business rates received will be equivalent to the tariff payable – meaning the Council will only retain the Government assessed Business Rates Baseline;
- The previously approved policy changes are included within this forecast – Assistant Directors were issued with the provisional information in August to review, confirm & resubmit by the end of September;
- Future Pension contribution levels – following an option to ‘freeze’ the ‘lump sum’ element for the 3 years from 2020/21 (after the triennial review during 2019), 2% p.a. year on year increases have been included from 2023/24;

- A marginal increase in cost due to the proposed pay award of 2.75% (compared to 2.5% budgeted) in 2020/21. A 2.5% p.a. pay award increase has been included within the MTFS from 2021/22 – no change has been assumed.

Should the Government let District Councils keep the accumulated growth in business rates (as they did last year) then that would benefit the MTFS – but that would be subject to the effect of the pandemic on future business rate income.

Balances held within earmarked reserves for Transformation and Business rates retention will also be available to support the development of the budget and MTFS.

Implications & Options

Further savings of around £1.7m p.a. will be required over the next 5 years (£0.5m p.a. over 3 years), based on annual £5 increases in Council Tax. On an annualised basis this would equate to a year on year ongoing saving of £0.6m over 5 years (£0.3m year on year over 3 years).

Work is continuing on a number of actions to address the financial position in future years:

- The Recovery and Reset programme approved by Cabinet aims to consider how we can tackle the financial challenges facing the council as a result of the coronavirus pandemic. This will include reviewing services, reducing waste demand on services (basically this is any action or step in a process that does not add value to the customer), exploring opportunities for income generation and identifying any further savings. The overriding goal is to make sure our organisation remains fit for the future, while protecting services to the most vulnerable in our community.

The Recovery and Reset programme outlines that this work be split into eight projects:

1. **Financial Management and Commerciality** – Seeking to remove historic underspends and adopt an in-service approach to rigorous and controlled spending.
2. **Smart Working** – Exploration of the business impacts around current levels of home working and what the future is for AGILE working.
3. **Building Requirements and Utilisation** – Consideration of the best use of all our property assets to ensure the council's resources are focused on front line service delivery.
4. **Front Reception and Customer Service Offer** – Exploration of customer service models to assess the impact of front reception closing during the pandemic and how acceleration of digitising services can be delivered whilst ensuring our most vulnerable customers retain face to face services.
5. **Service Re-design and Review** – An organisational wide review of each service to identify short, medium and longer-term opportunities to improve delivery of services central to the council's core purpose and strategic aims.

6. **Third Sector Support and Vulnerability Strategy** – Recognising that one of the most positive outcomes to the Pandemic is the overwhelming ability of ‘anchor organisations and communities’ to mobilise and support each other, this project will explore how the Council’s commissioning framework can be aligned to build on these foundations going forward and how we define and develop our vulnerability strategy, building on the baseline assessment commissioned over the summer.
7. **Economy and Regeneration** - Work has continued on the future of our high street and alongside this the economic recovery and regeneration of Tamworth is central to our future Recovery and Reset.
8. **Heritage** – This project will attempt to define and establish a baseline of all of our heritage assets and review all opportunities to celebrate, nurture and protect our local heritage.

Together with any opportunities arising from the response to the Covid-19 pandemic, for Member consideration during the budget process.

- Ongoing lobbying of Government to provide additional support, in light of the financial impact of the pandemic, and clarity over future funding arrangements – including discussions with the MP and continued Local Government Association (LGA) representation and parliamentary briefings.

Monthly completion of Covid-19 financial monitoring returns to MHCLG and sales, fees and charges income loss compensation scheme claims.

This has led to additional Covid-19 related grants and the income protection scheme - in addition to the unringfenced grant of £1.25m, it is also expected that over £0.5m will be received from the projected fees and charges income support grant.

- Non-essential spend review identified £1.2m in 2020/21 (including Vacancies of £0.5m) and ongoing year on year savings included in the base budget of c.£0.75m (from the £1.2m identified in 2020/21) comprising £0.362m ongoing vacant posts which will not now be filled (from the £0.512m identified in 2020/21) and £0.386m unspent budgets (from £0.674m identified in 2020/21). In light of the financial situation facing the Council, managers were tasked with identifying low level non-essential budgets for removal from the budget.
- Recruitment freeze for all but essential posts (which are subject to robust re-justification process).
- Review of Property fund investment options to generate improved returns of c. 4% to 5% p.a. (plus asset growth). A savings target to return c.4% p.a. from the planned investment of £12m in Diversified Property Funds has already been included from 2021/22.
- Review of reserves – planned for November (including ensuring adequate provision for the funding uncertainties) / creation of fund for transformation costs).

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 2020/21, and indicative budgets for 2021/22 to 2024/25, were approved by Council in February 2020 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.

The forecast projects HRA balances of £2.5m over 3 years with balances of £2m over the 4 years to 2024/25 reducing to £1.7m in 2025/26 (balances were previously forecast at £1.1m in 2024/25) including the minimum recommended balances of £0.5m.

The forecast has been updated to include:

- Additional balances brought forward due to an additional underspend in 2019/20 of £1.5m;
- The projected outturn overspend of £95k in 2020/21;
- Lower treasury management investment interest of £0.3m over 3 years from 2021/22 (£0.4m over 5 years) – as previously forecast increases in the Bank of England base rate have been deferred due to the ongoing economic uncertainty;
- The previously approved policy changes are included within this forecast – Assistant Directors were issued with the provisional information in August to review, confirm & resubmit by the end of September;
- Future Pension contribution levels – following an option to ‘freeze’ the ‘lump sum’ element for the 3 years from 2020/21 (after the triennial review during 2019), 2% p.a. year on year increases have been included from 2023/24;
- A marginal increase in cost due to the proposed pay award of 2.75% (compared to 2.5% budgeted).

It is currently anticipated that the rent loss arising from delays in letting void properties, increase in universal credit applications and temporary suspension of deductions from Universal Credit for rent arrears can be managed within budget for 2020/21. No further rent reductions have been assumed – with no changes to the current rent free weeks.

Detailed Considerations

Base Budget Forecasts 2021/22 to 2025/26

Revisions / updates have been made to the 2020/21 base budget in order to produce an adjusted base for 2021/22 and forecast base for 2022/23 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	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Base Budget B/Fwd	9,153	8,645	9,095	10,096	10,613
Committee Decisions	(805)	250	280	(8)	0
Inflation	20	33	35	35	35
Other	24	(137)	395	208	288
Pay Adjustments (Including pay award / 7.5% reduction for vacancy allowance)	253	304	291	282	266
Revised charges for non-general fund activities	0	0	0	0	0
Virements	0	0	0	0	0
Total / Revised Base Budget	8,645	9,095	10,096	10,613	11,202

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

On 20th December 2019, the Secretary of State for the Ministry for Housing, Communities and Local Government, Rt. Hon. Robert Jenrick MP, made a written statement to Parliament on the provisional local government finance settlement (LGFS) 2020/21. This was confirmed in a written statement to Parliament on 6th February 2020.

The updated National Core Spending Power figures are detailed below and include the Settlement Funding Assessment (SFA); Council Tax; the Improved Better Care Fund; New Homes Bonus (NHB); Transitional Grant; Rural Services Delivery Grant; and the Adult Social Care Support Grant. The table shows the national changes to Core Spending Power between 2015/16 and 2020/21. It shows an increase of 6.3% for 2020/21 and an overall increase for the period 2015/16 to 2020/21 of 10%.

Core Spending Power National Position	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Settlement Funding Assessment	21,250	18,602	16,633	15,574	14,560	14,797
Under-indexing business rates multiplier	165	165	175	275	400	500
Council Tax	22,036	23,247	24,666	26,332	27,768	29,370
Improved Better Care Fund	-	-	1,115	1,499	1,837	2,077
New Homes Bonus	1,200	1,485	1,252	947	918	907
Rural Services Delivery Grant	16	81	65	81	81	81
Transition Grant	-	150	150	-	-	-
Adult Social Care Support Grant	-	-	241	150	-	-
Winter pressures Grant	-	-	-	240	240	-
Social Care Support Grant	-	-	-	-	410	1,410
Core Spending Power	44,666	43,730	44,296	45,098	46,213	49,142
Change %		(2.1)%	1.3%	1.8%	2.5%	6.3%
Cumulative change %		(2.1)%	(0.8)%	1.0%	3.5%	10.0%

However, there remains a high degree of uncertainty arising from the most significant changes in Local Government funding for a generation. The planned reforms were due to be in place by 2021/22 (after the deferral from 2020/21) but have now been deferred again.

Given the pandemic, the work on the review of local government funding, fair funding review, future of new homes bonus and business rates retention will be deferred again, although no timescales have been released.

The government previously stated its intention to hold a new Spending Review in 2019, covering the period 2020/21 to 2022/23. However, a one-year Spending Round was carried out, covering the financial year 2020/21; and this will again now be followed in 2020 by a one year Spending Review.

For future years (post 2021/22), it has been assumed that there will be a reduction in Revenue Support Grant to nil, as detailed below.

BASE BUDGET	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	£	£	£	£	£	£
Revenue Support Grant	187,335	190,536	-	-	-	-
% Reduction	1.7%	1.6%	(100)%	-	-	-

Business Rates

The 2021/22 finance settlement represents the ninth year in which the Business Rates Retention (BRR) scheme is the principal form of local government funding. As in the previous years, the provisional settlement provides authorities with a combination of provisional grant allocations and their baseline figures within the BRR scheme.

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

The Council received additional business rates during 2013/14 (above forecast / baseline) and had to pay a levy of £356k to the Greater Birmingham & Solihull Local Enterprise Partnership (GBSLEP). No levy was payable for 2014/15 due to the significant increase in appeals during March 2015 – which meant an increase in the provision from £1m to almost £4m. The Council received additional business rates during 2015/16, 2016/17, 2017/18 and 2018/19 (above forecast / baseline) and had to pay a levy of £534k, £612k, £1.17m and £992k respectively. For 2019/20, due to the pilot arrangement, no levy was payable although growth over baseline was £1.97m.

The latest estimates for 2020/21 indicate additional business rates receivable above the baseline – of which the Council will receive 40% less the Government set tariff payment of c.£10m (plus an agreed share of the surplus from the Staffordshire pool arrangement - after deduction of the 25% Central Share, 9% County & 1% Fire & Rescue Authority shares). It should be noted that c.£17.7m in additional relief has been granted in 2020/21 due to the pandemic – meaning that retail, leisure and hospitality businesses will pay no business rates in 2020/21.

For future years, it has been assumed that the retained growth will be redistributed as part of the CSR 2020 / business rates reset and therefore business rates received will be equivalent to the tariff payable – meaning the Council will retain the Government assessed Business Rates Baseline.

The Government has said it will keep an open dialogue with the local authorities about the best approach to the next financial year, including how to treat accumulated business rates growth of £2m p.a. (pending the planned business rates baseline reset) and the approach to the 2021/22 local government finance settlement – this will not be known until late December when the settlement is published. Should the Government let District Councils keep the accumulated growth in business rates (as they did last year) then that would benefit the MTFs – but that would be subject to the effect of the pandemic on future business rate income.

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

BASELINE	2021/22	2022/23	2023/24	2024/25	2025/26
	£	£	£	£	£
February 2020 MTFS:					
Retained Business Rates	15,403,818	15,704,865	16,011,414	16,331,642	16,658,275
Less: Tariff payable	(13,041,378)	(13,294,366)	(13,582,302)	(13,853,948)	(14,131,027)
Total SFA	2,362,440	2,410,499	2,429,112	2,477,694	2,527,248
% Reduction	(6.5)%	2.0%	0.8%	2.0%	2.0%
Base Budget Forecast (November 2020):					
Retained Business Rates	14,637,102	14,918,867	15,217,244	15,521,589	15,832,021
Less: Tariff payable	(12,282,227)	(12,518,660)	(12,769,033)	(13,024,414)	(13,284,902)
Total SFA	2,354,876	2,400,207	2,448,211	2,497,175	2,547,119
% Reduction	(6.8)%	1.9%	2.0%	2.0%	2.0%
Increase / (Decrease)	(7,564)	(10,292)	19,099	19,481	19,871

Due to the variable nature of the BRR element of local authority funding, the baseline settlement no longer provides the absolute funding level for authorities.

The Government's assessed Business Rates Baseline for the authority is only based on an adjusted average income figure, and therefore is not representative of the actual Business Rates Baseline. The business rates forecast income estimates are detailed below:

BASE BUDGET	2021/22	2022/23	2023/24	2024/25	2025/26
	£	£	£	£	£
February 2020 MTFS:					
Retained Business Rates	15,403,818	15,704,865	16,011,414	16,331,642	16,658,275
Less: Tariff payable	(13,041,378)	(13,294,366)	(13,582,302)	(13,853,948)	(14,131,027)
Total	2,362,440	2,410,499	2,429,112	2,477,694	2,527,248
% Reduction*	(34.6)%	2.0%	0.8%	2.0%	2.0%
Base Budget Forecast (November 2020):					
Retained Business Rates	14,637,102	14,918,867	15,217,244	15,521,589	15,832,021
Less: Tariff payable	(12,282,227)	(12,518,660)	(12,769,033)	(13,024,414)	(13,284,902)
Total	2,354,876	2,400,207	2,448,211	2,497,175	2,547,119
% Reduction	(34.8)%	1.9%	2.0%	2.0%	2.0%
Increase / (Decrease)	(7,564)	(10,292)	19,099	19,481	19,871

* The reduction in retained business rates for the base budget reflects the assumed re-distribution of accumulated growth with retained business rates falling to baseline from 2021/22 (previously £3.6m for 2020/21).

Based on this Government financial support is shown below:

DRAFT MTFS	2021/22	2022/23	2023/24	2024/25	2025/26
	£	£	£	£	£
February 2020 MTFS:					
Revenue Support Grant	-	-	-	-	-
Retained Business Rates	15,403,818	15,704,865	16,011,414	16,331,642	16,658,275
Less: Tariff payable	(13,041,378)	(13,294,366)	(13,582,302)	(13,853,948)	(14,131,027)
Total	2,362,440	2,410,499	2,429,112	2,477,694	2,527,248
% Reduction	(34.6)%	2.0%	0.8%	2.0%	2.0%
Base Budget Forecast (November 2020):					
Revenue Support Grant	190,536	-	-	-	-
Retained Business Rates	14,637,102	14,918,867	15,217,244	15,521,589	15,832,021
Less: Tariff payable	(12,282,227)	(12,518,660)	(12,769,033)	(13,024,414)	(13,284,902)
Total	2,545,412	2,400,207	2,448,211	2,497,175	2,547,119
% Reduction	(29.5)%	(5.7)%	2.0%	2.0%	2.0%
Increase / (Decrease)	182,972	(10,292)	19,099	19,481	19,871

New Homes Bonus (NHB)

There remains significant uncertainty over the future operation of the scheme with recent announcements that it will be considered as part of the review of Fair Funding review and the Business Rates retention scheme – which have been further deferred.

The Government have confirmed that the 4-year legacy payments for New Homes Bonus (NHB) will continue to be paid after 2020/21, but there still remains uncertainty regarding new payments.

It is the Government's intention to look again at the New Homes Bonus scheme for 2021/22 and explore the most effective way to incentivise housing growth. They planned to consult widely on proposals prior to implementation. As the roll forward was for one year, with any funding beyond 2020/21 subject to the 2020 Spending Review and potential new proposals, the Government have said that the new allocations from 2020/21 will not result in legacy payments being made in subsequent years on those allocations.

New Homes Bonus income forecasts have been included within the base budget as follows – with future levels included based on legacy payments only.

BASE BUDGET	2021/22	2022/23	2023/24	2024/25	2025/26
NHB	£	£	£	£	£
Base Budget Forecast	230,910	211,750	-	-	-
Revised Risk Weighting applied (legacy payments only)	100%	100%	0%	0%	0%

Forecast

Using the funding forecast and assuming increases in Council Tax of £5 per annum for 2021/22 onwards, the five year base budget forecast is as follows:

Summary	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/25 £'000
Estimated Net Cost of Services	8,645	9,096	10,096	10,613	11,202
Proposed Policy Changes / Additional Costs Identified	381	132	(38)	(30)	22
Net Expenditure	9,026	9,228	10,058	10,583	11,224
Financing:					
RSG	191	-	-	-	-
Collection Fund Surplus - NNDR	33	33	33	33	33
Tariff Payable	(12,282)	(12,519)	(12,769)	(13,024)	(13,285)
Non Domestic Ratepayers	14,637	14,919	15,217	15,522	15,832
Council Tax Income (Model 1)	4,253	4,430	4,600	4,758	4,917
Gross Financing	6,832	6,863	7,081	7,289	7,497
Surplus(-)/Deficit	2,194	2,365	2,977	3,294	3,727
Balances Remaining (-) / Overdrawn	(4,219)	(1,854)	1,123	4,417	8,144
Per Council, 25 th February 2020	(2,362)	(518)	-	-	-
Band D Equivalents	22,757	23,085	23,365	23,565	23,765

Indicating a potential shortfall in General fund balances of approx. £1.6m over 3 years (with a shortfall of £4.9m over 4 years & £8.6m over the 5 year period) - including the minimum approved level of £0.5m.

Balances are forecast to be £6.4m at 31st March 2021.

A detailed summary of the budget for 2021/22 is attached at **Appendix F** with 5 years attached at **Appendix G**.

Future Strategy

Due to the adverse financial forecast in the longer term, 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 £181.89.

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 from 2013/14 to 2016/17 (followed by c.3% or £5 p.a. to 2020/21). The impact of a £5 p.a. increase (Band D) is outlined below:

Model 1 Impact of £5 increase in Council Tax in 2021/22 (followed by £5 p.a.)

Year:	2021/22	2022/23	2023/24	2024/25	2025/26
Forecast:	£'000	£'000	£'000	£'000	£'000
Surplus (-) /Deficit	2,194	2,365	2,977	3,294	3,727
Balances Remaining (-) / Overdrawn	(4,219)	(1,854)	1,123	4,417	8,144
£ Increase	5.00	5.00	5.00	5.00	5.00
% Increase	2.75%	2.68%	2.61%	2.54%	2.48%
Note: Resulting Band D Council Tax	186.89	191.89	196.89	201.89	206.89

Indicating a potential shortfall in General fund balances of approx. £1.6m over 3 years (with a shortfall of £4.9m over 4 years & £8.6m over the 5 year period) - including the minimum approved level of £0.5m. Further savings of approx. £1.7m per annum over 5 years would have to be identified.

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

Model 2 Impact of 2.99% increase in Council Tax in 2021/22 (followed by increases of 2.99% p.a. thereafter)

Year:	2021/22	2022/23	2023/24	2024/25	2025/26
Forecast:	£'000	£'000	£'000	£'000	£'000
(Increase) in Council Tax £	(10)	(24)	(42)	(65)	(91)
Revised Surplus (-) /Deficit	2,184	2,341	2,935	3,229	3,636
Balances Remaining (-) / Overdrawn	(4,229)	(1,888)	1,047	4,276	7,912
£ Increase	5.45	5.61	5.78	5.96	6.11
% Increase	3.00%	2.99%	3.00%	3.00%	2.99%
Note: Resulting Band D Council Tax	187.34	192.95	198.73	204.69	210.80

Indicating a potential shortfall in General fund balances of approx. £1.5m over 3 years (with a shortfall of £4.8m over 4 years & £8.4m over the 5 year period) - including the minimum approved level of £0.5m. Further savings of approx. £1.7m per annum over 5 years would have to be identified.

Model 3 Impact of £1 increase in Council Tax in 2021/22 (followed by increases of £1 p.a. thereafter)

Year:	2021/22	2022/23	2023/24	2024/25	2025/26
Forecast:	£'000	£'000	£'000	£'000	£'000
Reduction in Council Tax £	91	183	276	370	465
Revised Surplus (-) /Deficit	2,285	2,548	3,253	3,664	4,192
Balances Remaining (-) / Overdrawn	(4,128)	(1,580)	1,673	5,337	9,529
£ Increase	1.00	1.00	1.00	1.00	1.00
% Increase	0.55%	0.55%	0.54%	0.54%	0.54%
Note: Resulting Band D Council Tax	182.89	183.89	184.89	185.89	186.89

Indicating a potential shortfall in General fund balances of approx. £2.2m over 3 years (with a shortfall of £5.8m over 4 years & £10m over the 5 year period) - including the minimum approved level of £0.5m. Further savings of approx. £2m per annum over 5 years would have to be identified.

Model 4 Impact of 2.5% increase in Council Tax in 2021/22 (followed by increases of 2.5% p.a. thereafter)

Year:	2021/22	2022/23	2023/24	2024/25	2025/26
Forecast:	£'000	£'000	£'000	£'000	£'000
Reduction in Council Tax £	10	18	23	26	26
Revised Surplus (-) /Deficit	2,204	2,383	3,000	3,320	3,753
Balances Remaining (-) / Overdrawn	(4,209)	(1,826)	1,174	4,494	8,247
£ Increase	4.54	4.65	4.77	4.89	5.01
% Increase	2.5%	2.5%	2.5%	2.5%	2.5%
Note: Resulting Band D Council Tax	186.43	191.08	195.85	200.74	205.75

Indicating a potential shortfall in General fund balances of approx. £1.7m over 3 years (with a shortfall of £5m over 4 years & £8.8m over the 5 year period) - including the minimum approved level of £0.5m. Further savings of approx. £1.7m per annum over 5 years would have to be identified.

Model 5 Impact of 0% increase in Council Tax in 2021/22 (followed by increases of 0% thereafter)

Year:	2021/22	2022/23	2023/24	2024/25	2025/26
Forecast:	£'000	£'000	£'000	£'000	£'000
Reduction in Council Tax £	114	229	346	464	583
Revised Surplus (-) /Deficit	2,308	2,594	3,323	3,758	4,310
Balances Remaining (-) / Overdrawn	(4,105)	(1,511)	1,812	5,570	9,880
£ Increase	0.00	0.00	0.00	0.00	0.00
% Increase	0.00%	0.00%	0.00%	0.00%	0.00%
Note: Resulting Band D Council Tax	181.89	181.89	181.89	181.89	181.89

Indicating a potential shortfall in General fund balances of approx. £2.3m over 3 years (with a shortfall of £6.1m over 4 years & £10.4m over the 5 year period) - including the minimum approved level of £0.5m. Further savings of approx. £2.1m per annum over 5 years would have to be identified.

Model 6 Impact of 1.99% increase in Council Tax in 2021/22 (followed by increases of 1.99% p.a. thereafter)

Year:	2021/22	2022/23	2023/24	2024/25	2025/26
Forecast:	£'000	£'000	£'000	£'000	£'000
Reduction in Council Tax £	31	61	90	117	143
Revised Surplus (-) /Deficit	2,225	2,426	3,067	3,411	3,870
Balances Remaining (-) / Overdrawn	(4,188)	(1,762)	1,305	4,716	8,586
£ Increase	3.62	3.69	3.76	3.84	3.91
% Increase	1.99%	1.99%	1.99%	1.99%	1.99%
Note: Resulting Band D Council Tax	185.51	189.20	192.96	196.80	200.71

Indicating a potential shortfall in General fund balances of approx. £1.8m over 3 years (with a shortfall of £5.2m over 4 years & £9.1m over the 5 year period) - including the minimum approved level of £0.5m. Further savings of approx. £1.8m per annum over 5 years would have to be identified.

2) *Potential Savings / additional costs*

Potential revenue policy changes are highlighted below:

Item No	Policy Changes Identified	21/22 £'000	22/23 £'000	23/24 £'000	24/25 £'000	25/26 £'000
PAR1	Reduction in Civil Parking Enforcement income and expenditure predictions due to COVID-19 pandemic	39.0	(39.0)	-	-	-
A&G1	Review of Elections budgets from a zero-base, factoring in the anticipated schedule of elections. It is anticipated that additional costs relating to running elections in 2021 in a Covid secure manner will be offset by Government Grant already received	62.0	(7.3)	(71.4)	7.8	57.0
A&G2	Savings as a result of deletion from the establishment of vacant principal Auditor and Audit Assistant posts - less virement of £38k to External Support re externalisation of internal audit support to Lichfield DC	(24.5)	-	-	-	-
G&R1	Reduced predicted income from car parking services based on the post pandemic trends.	213.1	(213.1)	-	-	-
G&R2	Reduced predicted education income from the operation of the castle as we move into Pandemic recovery	16.4	-	(16.4)	-	-
G&R3	Reduced predicted income from the operation of the castle as we move into Pandemic recovery	71.8	-	(71.8)	-	-
G&R4	The creation of a budget to support business engagement and business support activities through the Economic Development function	5.5	-	-	-	(5.5)
G&R4	Termination of Economic Development shared service with Lichfield DC	(22.0)	-	-	-	-
G&R5	£10k for the period of April 2022 to end of March 2023 (1 financial year), to match fund against a European funded project, to enable businesses and individuals to start up	-	10.0	(10.0)	-	-
G&R6	Subject to award of Future High Streets Fund, monitor and evaluate the success and impact of the project and its components, and the wider medium term change in the Town Centre	20.0	-	-	-	-
	Total New Items / Amendments	381.3	(249.4)	(169.6)	7.8	51.5
	Cumulative	381.3	131.9	(37.7)	(29.9)	21.6

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 27th January 2021) 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 2021.

Housing Revenue Account – Technical Adjustments Summary

Technical Adjustments	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Base Budget B/Fwd	1,337	527	1,548	275	463
Committee Decisions	(502)	1,198	(1,133)	335	0
Inflation	128	195	170	172	178
Other	(540)	(462)	(397)	(401)	(410)
Pay Adjustments (Including pay award / reduction of 7.5% for vacancy allowance)	104	90	87	82	79
Revised charges for non-general fund activities	0	0	0	0	0
Virements	0	0	0	0	0
Total / Revised Base Budget	527	1,548	275	463	310

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 increases in Rent in line with the maximum allowed by the Government's Rent Standard (CPI plus 1% p.a.) in order to support investment in the housing stock, the five year base budget forecast is as follows:

Summary	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Estimated Net (Surplus) / Deficit	527	1,548	275	463	310
Proposed Policy Changes / Additional Costs Identified	-	-	-	-	-
Surplus (-) / Deficit	527	1,548	275	463	310
Balances Remaining (-) / Overdrawn	(4,291)	(2,743)	(2,468)	(2,005)	(1,695)

Per Council, 25 th February 2020	(3,013)	(1,586)	(1,447)	(1,131)	-
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The updated HRA base budget forecast now shows that over the 3 year period to 2023/24, balances will remain above the approved minimum of £0.5m at £2.5m with balances of £2m over the 4 years to 2024/25 reducing to £1.7m in 2025/26.

There are no revenue policy changes proposals for the HRA.

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

Rent Setting Policy

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.

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.

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 effect of the reduction in Social Housing Rents announced in the Summer Budget 2015 means that rents have been reduced by 1% a year for the four years from 2016/17.

The Government has now confirmed that social housing rents can increase to include 'up to' a factor of the consumer price index (CPI) measure of inflation plus 1% for five years from 2020, following the conclusion of a consultation on the new rent standard.

On 30th November 2017, Cabinet considered and approved amendments to the Council's Rent Setting Policy to include arrangements to charge affordable rents on new and affordable housing.

The policy provides a framework within which Tamworth Borough Council will set rents and service charges and draws on the Department for Communities and Local Government Guidance on Rent Setting for Social Housing.

In setting the rent setting policy the Council had full regard to legislation, regulations and associated rent setting guidance including the Welfare Reform and Work Act 2016 which gave effect to the Government's 1% rent reduction for four years up to 2020/21.

For 2021/22 (and in the medium term), rents will be set in line with the approved policy including a general increase of the consumer price index (CPI) measure of inflation of plus 1% - equating to a 1.5% increase (followed by forecast increases of 3% p.a.).

The following options have been modelled:

	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £
Option 1: CPI + 1%						
Rent (52 Weeks)	81.17	82.38	84.86	87.40	90.02	92.72
Rent (48 Weeks)	87.93	89.25	91.93	94.68	97.52	100.45
% Increase	2.70%	1.50%	3.00%	3.00%	3.00%	3.00%
	0	0	0	0	0	0
Option 2: CPI						
Rent (52 Weeks)	81.17	81.57	83.20	84.87	86.56	88.30
Rent (48 Weeks)	87.93	88.37	90.14	91.94	93.78	95.65
% Increase	2.70%	0.50%	2.00%	2.00%	2.00%	2.00%
Reduced Rent compared to Option 1	0	184,560	373,650	570,130	774,190	986,080
			5 year impact			2,888,610
Option 3: No increase						
Rent (52 Weeks)	81.17	81.17	81.17	81.17	81.17	81.17
Rent (48 Weeks)	87.93	87.93	87.93	87.93	87.93	87.93
% Increase	2.70%	0%	0%	0%	0%	0%
Reduced Rent compared to Option 1	0	276,840	834,500	1,403,120	1,982,890	2,574,090
			5 year impact			7,071,440
Inflation at CPI + 1%	2.70%	1.50%	3.00%	3.00%	3.00%	3.00%

Corporate Capital Strategy

The Council has an ongoing capital programme of over £40m for 2020/21 and an asset base valued at £250m (as at 31st March 2020).

The strategy sets out the Council's approach to capital investment and the approach that will be followed in making decisions in respect of the Council's Capital assets.

Capital investment is an important ingredient in ensuring the Council's vision is achieved and given that capital resources are limited it is critical that the Council makes best use of these resources.

This Strategy sets the policy framework for the development, management and monitoring of this investment and forms a key component of the Council's planning alongside the Medium Term Financial Strategy.

The Capital Strategy will:

- Reflect Members' priorities as set out in the Corporate Plan;
- Balance the need to maintain the Council's existing asset base against its future ambition and associated long term asset needs and consolidate assets where appropriate;
- Recognise that growth is the strategic driver for financial self-sufficiency;
- Be affordable in the context of the Council's MTFS;
- Seek to ensure value for money through achieving a return on investment or by supporting service efficiency and effectiveness;
- Be flexible to respond to evolving service delivery needs;
- Seek to maximise investment levels through the leveraging of external investment;
- Recognise the value of assets for delivering long-term growth as opposed to being sold to finance capital expenditure;
- Recognise the financial benefits and risks from growth generated through investment to support investment decisions; and
- Reflect the service delivery costs associated with growth when assessing the level of resources available for prudential borrowing.

The capital strategy feeds into the annual revenue budget and MTFS by informing the revenue implications of capital funding decisions. The implications for the MTFS are fully considered before any capital funding decisions are confirmed.

Equally, the availability of prudential borrowing means that capital and revenue solutions to service delivery can be considered, and ranked, alongside each other as part of an integrated revenue and capital financial strategy.

The Capital Strategy further sets out the Council's approach to the allocation of its capital resources and how this links to its priorities at a corporate and service level. It describes how the Council has responded to the opportunities provided by prudential borrowing and other new sources of finance.

All proposed schemes requiring capital investment should have as a minimum the following information:

- A description of the scheme;
- The estimated financial implications, both capital and revenue;
- The expected outputs, outcomes and contribution to corporate objectives;
- The nature and outcome of consultation with stakeholders and customers (as applicable);
- Any impacts on efficiency and value for money;
- Risk assessment implications and potential mitigations; and
- Any urgency considerations (e.g. statutory requirements or health and safety issues).

All capital bids should be prepared in light of the following list of criteria, and the proposed investment should address and be assessed with regard to:

- the contribution its delivery makes towards the achievement of the Council's Corporate Priorities;
- the achievement of Government priorities and grant or other funding availability;
- the benefits in terms of 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.

It is important that capital investment decisions are not made in isolation and instead are considered in the round through the annual budget setting process.

Corporate Management Team and Service Managers identify the potential need for capital investment. This will take account of issues including the condition of council owned assets (including reference to the Council's Asset Management Plan), health and safety requirements, statutory obligations of the Council, operational considerations and emerging opportunities for investment including possible sources of external financing.

The Asset Strategy Steering Group (ASSG) review capital bids prior to consideration by Members. Once capital bids have been prioritised, Executive Management Team will review the outcome of the deliberations of the ASSG and will make recommendations to Cabinet through an updated Medium Term Financial Strategy (MTFS) report on a proposed budget package which will include capital budget proposals.

The MTFS report (including capital budget proposals) will ultimately be considered by Budget Setting Council each year.

Following a review of the Capital Programme approved by Council on 25th February 2020, a revised programme has been formulated including additional schemes which have been put forward for inclusion.

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

A number of new schemes have been proposed and the forecast has highlighted that insufficient resources are available to finance all of the GF schemes submitted which means, should the schemes progress either:

- 1) the Council would need to use supported borrowing to fund the shortfall – funding from borrowing would impact on the revenue budget through interest costs on the debt at c.2 to 3% p.a. plus debt repayment costs of 4% p.a. (based on a 25 year asset life); or
- 2) the potential use of part of the capital receipt from the Golf Course sale – which would mean the resources would no longer be available for investment through the Commercial Investment Strategy projects (and therefore impact on the revenue account through loss of potential investment income at c.4% p.a.); or
- 3) Fund the spend from revenue through a direct contribution to the capital programme.

The minimum approved level of GF capital balances is £0.5million which, should the programme progress without amendment, would mean £1.7m in borrowing would be needed (or use of the capital receipt) over the next 5 years (£1.25m over 3 years, £1.5m over 4 years) – a reduction £0.3m over 3 years (& £0.4m over 4 years) since the provisional programme was approved, due to higher levels of DFG grant income.

There has been some significant changes in the Housing capital programme from that provisionally approved – with a number of new schemes proposed. It has also been updated to include the new year 5 costs for 2025/26.

Given the significant reduction in spend over the 4 years of c.£4m (c.£10m reduction less the re-profiling of £6m from years 2,3,4 & 5 into 2020/21 to allow for the acquisition of housing property [£1.5m from each year from Regeneration & Affordable Housing]) then funding remaining within the HRA capital reserves is forecast at £7m, pending the results of the planned stock condition surveys.

It should be noted that there are no debt repayment costs for the HRA and the Government has now lifted the previous debt cap (of £79.407m). The current HRA Capital Financing Requirement (CFR) stands at £68.53m with planned borrowing in 2020/21 of £2m relating to the Tinkers Green and Kerria Regeneration projects – reduced from £7.2m due to receipt of Homes England grant of c.£5m.

With regard to the contingency schemes/allocation **£235k** remains in current year contingency funds (£135k GF/ £100k HRA) - which will be re-profiled into 2021/22 to provide General Contingency funding.

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

General Fund

The minimum approved level of GF capital balances is £0.5million which, should the programme progress without amendment, would mean £1.7m in borrowing would be needed (or use of the capital receipt) over the next 5 years (£1.25m over 3 years, £1.5m over 4 years) – a reduction £0.3m over 3 years (& £0.4m over 4 years) since the provisional programme was approved, due to higher levels of DFG grant income.

1) **Technology Replacement – Infrastructure upgrade/Network Security/Refresh of Thin Clients**

Project Score: 72

An updated capital submission had been prepared for £60kp.a. – revised to £60k for 2 years then £30k p.a.

Significantly increased reliance on ICT has resulted in a commitment to *ongoing, large scale upgrade and maintenance to the TBC infrastructure, in line with technology lifecycles. The Council is also on a journey towards digital transformation and self service for customers, demand for flexible resilient and available ICT services to support this requires continued investment into the authorities hardware and associated software.* The organisation is also establishing new, more flexible and agile ways of working which requires investment into technology to support ongoing effectiveness. *External factors including legislative requirements from central government in the guise of the Public Sector Network (PSN) Code of Connection, and the increase in required investment into cyber security to keep the councils network secure and available means continued investment is essential. It should be noted that corporate applications are excluded from this schedule of planned work.*

An annual £60k budget was approved for 2020/21 with an expectation that budgets from 2021/22 onwards would be informed by the conclusions of the priority review and ICT Strategy (including a detailed breakdown of the proposed spend).

No savings / payback from the investment have been identified. The section for Consultation and project plan has not been completed.

2) **V13 Income Management System & 3 D Secure**

Project Score: 48

A new capital submission had been prepared for potential spend of £27.4k in 2021/22 for an upgrade of the payment management system to V13 & implementation of 3D Secure to meet mandatory customer authentication system as required by the FCA.

The appraisal identifies additional hosting costs of £8.5k p.a. A Cloud hosted solution is available with an additional revenue budgetary impact for the hosting fee, but, including capital impact, over 5 years savings will be around £6k. Annual revenue commitments associated with the system will increase but there will be no capital outlay required for upgrades over the longer year term. Savings could also be made in associated on premise hardware maintenance. However, the Cloud solution proposed is subject to review. An up to date income system is needed and switching to another system would be more costly in terms of implementation, training, interfaces, etc

3) **Off Street Car Parking Infrastructure Update**

Project Score: 24

A new capital submission had been prepared for potential spend of £50k in 2021/22 to update all car parking machines across the Council's Town Centre car parking estate in order to ensure:

- less maintenance costs;
- lower staff resource required;
- full back end reporting system;
- cashless paying on machines;
- less vulnerable to criminal activity;
- consistent machines across all estate,
- ability to generate more income through less down time and more user friendly interface.

£68k of current budgets/reserves in 2020/21 will be used to start this project. The capital allocation in this bid is to complete the project.

Use of an existing Growth and Enterprise officer (0.6 FTE) at a cost of £24k p.a. is included in the revenue implications – offset by increased income of £52k p.a.

Implementation, for one year only, will be funded through the use of existing Officers.

The effect of the pandemic on income levels needs to be considered – which will affect the additional income forecasts.

The business case makes reference to more efficient working / less management and collection costs but no savings have been included.

3) **Refurbishment of Castle Grounds Tennis Courts**

Project Score: 48

A new capital submission had been prepared for potential spend of £125k (fully funded from Section 106 monies of £120k and a £5k revenue contribution) in 2021/22 for resurfacing of existing tennis courts in castle grounds with an all weather type surface to provide multi sport access and hire all year round for tennis, 5 a side football, basketball etc. Will also include changes/improvements to access gates and external fencing and lighting.

The current surface is in a poor condition and only suitable for tennis and has a limited life for use. The COVID19 pandemic has resulted in people requiring more high quality outdoor facilities for exercise and recreation.

There will be ongoing maintenance costs of £1k from 2022/23 which can be met from existing budgets, together with increased income of £2k p.a..

***A £2k p.a. return on the investment seems low given the projected demand / quality of the facilities outlined.
The section for Consultation has not been completed.***

4) With regard to the provisional programme:

a) Endpoint Protection and Web-Email Filter

Project Score: 60

An updated appraisal has not been prepared for spend of £40k in 2023/24 following the 3 year contracts for Endpoint Protection (covering Anti Virus, Anti Malware and Encryption and the contract for Web and Email filtering).

b) 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. The profile reflects the HRA related element of the costs.

c) Replacement Castle Grounds Play Area

An updated appraisal has not been prepared following inclusion of £375k for 2021/22.

d) Disabled Facilities Grants (DFG)

The provisional programme included £650k p.a. part funded by redistributed Better Care Fund (BCF) grant of £481k (increased from £400k p.a.).

An update regarding the Government review is requested (including options for managing / mitigating costs (e.g. use of the Regulatory Reform Order – RRO - approach) and current demand levels).

The c.£0.2m p.a. net funding is be funded via capital receipts (with an associated revenue loss of investment interest), borrowing (with revenue interest/debt repayment costs) or a revenue contribution.

e) Energy Efficiency Upgrades to Commercial & Industrial Units

An updated appraisal has not been prepared following inclusion of a rolling programme with an annual spend of £75k required from 2017/18 for 5 years. To fund a degree of improvement to industrial units when they become vacant in order to be able to re-let them – as, with effect from April 2018, it will not be possible to enter into long term lease agreements for commercial and industrial units with and EPC rating of 'E' or less.

Depending on void levels, we could expect to lose around £20k p.a. increasing by £20k p.a. for the next 5 years (c.£300k over 5 years).

If we are able to let on License or Tenancy at Will arrangements we may be able to maintain a level of income but there will be an increase in other costs such as NNDR payments, repair costs, security costs and the like.

Investment in enveloping works to improve energy efficiency will prolong the life of the estate at the current rent levels but ultimately Sandy Way phase 2 will require a more significant investment project to give a long life expectancy.

f) Major repair to Castle Elevations

Project Score: 8

An updated capital submission has not been prepared for spend of £150k in 2021/22 (£250k in 2020/21) for major repairs to castle elevation walls, roof areas and walkways.

g) CCTV Upgrades

Following approval of the Shared Service, Capital budgets of £45,714 p.a. have been included from 2021/22 – part funded by OPCC grant of £24k p.a.

7) General Fund Capital Contingency Budget

The remaining 2020/21 contingency budget of £135k will be rolled forward to 2021/22.

Housing

There has been some significant changes in the Housing capital programme from that provisionally approved – with a number of new schemes proposed. It has also been updated to include the new year 5 costs for 2025/26.

Given the significant reduction in spend over the 4 years of c.£4m (c.£10m reduction less the re-profiling of £6m from years 2,3,4 & 5 into 2020/21 to allow for the acquisition of housing property [£1.5m from each year from Regeneration & Affordable Housing]) then funding remaining within the HRA capital reserves is forecast at £7m, pending the results of the planned stock condition surveys.

It should be noted that there are no debt repayment costs for the HRA and the Government has now lifted the previous debt cap (of £79.407m). The current HRA Capital Financing Requirement (CFR) stands at £68.53m with planned borrowing in 2020/21 of £2m relating to the Tinkers Green and Kerria Regeneration projects – reduced from £7.2m due to receipt of Homes England grant of c.£5m.

Housing Revenue Account

The provisional capital programme has been reviewed and updated:

a) Regeneration and New Affordable Housing

Funding of £1.75m p.a. from 2021/22 had been provisionally approved.

This has been reduced to £250k for 2021/22 to 2024/25 (due to the re-profiling of £6,000,000 from years 2,3,4 & 5 into 2020/21 to allow for the acquisition of housing property [£1,500,000 from each year] with £1.75m added for 2025/26.

b) Street Lighting

HRA share of £76k for year 5 has been included in line with the approved programme.

c) High Rise Lift Renewal (£180k in 2021/22) and Insulation (£17.9k p.a.) budgets have been removed as no new bids have been received. Capital salaries have remained at £200k p.a.

Detailed Programme Changes:

Housing Revenue Account Capital Programme	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £	Total £
Structural Works	(100,000)	(100,000)	(100,000)	(100,000)	200,000	(200,000)
Bathroom Renewals	(350,000)	-	-	-	567,800	217,800
Gas Central Heating Upgrades and Renewals	-	-	(302,900)	(302,900)	685,500	79,700
Kitchen Renewals	(250,000)	-	-	-	1,037,500	787,500
Major Roofing Overhaul and Renewals	200,000	-	(284,800)	(284,800)	911,400	541,800
Window and Door Renewals	(250,400)	(248,900)	(331,900)	(331,900)	400,000	(763,100)
Neighbourhood Regeneration	(249,100)	(249,100)	(249,100)	(249,100)	500,000	(496,400)
Disabled Facilities Adaptations	350,000	-	-	-	212,500	562,500
Electrical upgrade & Rewire	(212,200)	(212,200)	(212,200)	(212,200)	150,000	(698,800)
CO / Smoke Detectors	-	-	(16,000)	(16,000)	64,000	32,000
Insulation	(17,900)	(17,900)	(17,900)	(17,900)	-	(71,600)
Replacement of High Rise Soil Stacks	805,000	-	-	-	-	805,000
High Rise Lift Renewal	-	(180,000)	-	-	-	(180,000)
Replacement of High Rise Ventilation System	120,000	-	-	-	-	120,000
Sheltered Schemes	-	-	(40,000)	(40,000)	100,000	20,000
Energy Efficiency Improvements	-	-	-	-	70,000	70,000
Capital Salaries	-	-	-	-	200,000	200,000
Street Lighting	-	-	-	-	76,420	76,420
Improvements to Retained Garage Sites	50,000	50,000	(700,000)	(700,000)	-	(1,300,000)
Construction of new build properties - Caledonian depot site	1,507,900	-	-	-	-	1,507,900
Regeneration and New Affordable Housing	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	1,750,000	(4,250,000)
Telecare system upgrades	35,500	30,000	-	-	-	65,500
Total HRA Capital	138,800	(2,428,100)	(3,754,800)	(3,754,800)	6,925,120	(2,873,780)

	Revised Bids Part 1
	Revised Bids Part 2
	New Scheme Bids
	Amended Bid
	To be removed / amended?

New Capital Appraisals have been received:

1) Improvements to Retained Garage Sites

Project Score: 12

A new capital submission had been prepared for potential spend of £750k in 2021/22 and 2022/23 (previously approved programme included £700k p.a.) for Improvements to garage sites identified for retention following completion of survey work during 2020.

2) Construction of new build properties on Caledonian depot site

Project Score: 40

A new capital submission had been prepared for potential spend of £1.508m in 2021/22 for the construction of new build properties on Caledonian depot site.

Rental income of £48k p.a. is forecast with additional repairs and investment costs of £2.5k p.a.

3) Telecare system upgrades

A new capital submission had been prepared for potential spend of £65.5k over 2 years for the upgrade of telecare systems to sheltered schemes and high-rise to make them digitally compatible in time for the BT digital switchover in 2025.

Main Assumptions

Inflationary Factors	2021/22	2022/23	2023/24	2024/25	2025/26
Inflation Rate - Pay Awards	2.50%	2.50%	2.50%	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%	2.50%	2.50%
Inflation Rate (CPI)	1.60%	1.93%	2.00%	2.00%	2.00%
Investment Rates	0.25%	0.25%	0.50%	1.00%	1.25%
Base Interest Rates	0.10%	0.25%	0.50%	0.50%	0.50%

1. For 2019/20 a 2% increase in Local Government pay was agreed and included the introduction of a new pay spine on 1st April 2019 based on a bottom rate of £17,364 with additions, deletions and changes to other spinal column points. A 2.75% increase has been agreed for 2020/21 but future years remain uncertain. A 2.5% p.a. increase from 2021/22 has been assumed.
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. At this stage no changes to the level of recharges between funds has been included;
5. A reduction in Revenue Support Grant levels to zero from 2022/23 after an inflationary increase for 2021/22, following the deferral of the funding reforms. The impact for the Council will be confirmed by MHCLG as part of the *Local Government Finance Settlement* with a provisional announcement in December 2020.
6. Only continuation of the New Homes Bonus scheme legacy payments relating to 2017/18 and 2018/19 pending consultation on the future of the scheme;
7. Lower investment income returns due to delayed forecast interest rate increases;
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 2020/21);
9. The major changes to the previously approved policy changes are included within this forecast – Assistant Directors were issued with the provisional information in August to review, confirm & resubmit by the end of September;
10. Future Pension contribution levels – following an option to 'freeze' the 'lump sum' element for the 3 years from 2020/21 (after the triennial review during 2019), 2% p.a. year on year increases have been included from 2023/24;

11. Increase in rent levels by CPI plus 1% - the Government has confirmed that social housing annual rent increases can rise by up to the consumer price index (CPI) measure of inflation plus 1% for five years from 2020, following the conclusion of a consultation on the new rent standard. Current indications that sales of council houses will be approximately 30 per annum.
12. Forecasts have been informed by the Bank of England Inflation report (August 2020), HM Treasury – Forecasts for the UK Economy (August 2020), Office for Budget Responsibility Economic & Fiscal Outlook (March 2020). Any significant variances will be considered later in the budget setting process.

Technical Adjustments Analysis – General Fund 2020/21

	£	£	£
Chief Executive			
Virements		(26,130)	
Committee Decisions			
2017/18 Policy Change Vacancy Allowance Increase	(3,590)		
2019/20 Policy Change CEXEC 1 Revised Waste Management Costs	20,540		
2020/21 Policy Change A&G1 Elections	(63,000)		
2020/21 Policy Change WM1 Potential Waste Management Cost Increases	99,700	53,650	
Inflation		(6,630)	
Other			
2021/22 BWP 002 Salaries Vacancy Allowance Increases	4,930		
2021/22 BWP 010 NNDR Charges for TBC Properties	10		
2021/22 BWP 037 CMT Savings Review	(2,640)	2,300	
Pay Adjustments		14,040	
Changes in Recharges		-	
			37,230
Assistant Director Growth and Regeneration			
Virements		(70,270)	
Committee Decisions			
2017/18 Policy Change Vacancy Allowance Increase	(10,260)		
2018/19 Policy Change AE 11 Vacant Posts Review	(670)		
2018/19 Policy Changes AE 4 Tamworth Enterprise Centre	(23,310)		
2019/20 Policy Change GROW 1 Review of the Tamworth Local Plan 2006-2031	(105,000)	(139,240)	
Inflation		(8,280)	
Other			
2021/22 BWP 002 Salaries Vacancy Allowance Increases	460		
2021/22 BWP 010 NNDR Charges for TBC Properties	12,270		
2021/22 BWP 012 Bank Charges and Cash Collection	(170)		
2021/22 BWP 017 Gas and Electricity	3,680		
2021/22 BWP 033 Depreciation	(700)		
2021/22 BWP 037 CMT Savings Review	(15,700)		
2021/22 BWP 045 Master Income Review	75,720	75,560	
Pay Adjustments		40,210	
Changes in Recharges		-	
			(102,020)

	£	£	£
Executive Director Organisation			
Virements		37,590	
Committee Decisions			
2017/18 Policy Change Vacancy Allowance Increase	(2,160)		
2018/19 Policy Change SOL 1 Democratic Services Restructure	1,100	(1,060)	
Inflation		8,420	
Other			
2021/22 BWP 002 Vacancy Allowance	(190)		
2021/22 BWP 004 Members Allowances	710		
2021/22 BWP 006 Land Charges	8,000		
2021/22 BWP 023 Mayoral Allowance	20		
2021/22 BWP 037 CMT Savings Review	(5,420)	3,120	
Pay Adjustments		10,400	
Changes in Recharges		-	
			58,470
Assistant Director People			
Virements		-	
Committee Decisions			
2017/18 Policy Change Vacancy Allowance Increase	(11,790)		
2017/18 Policy Change TCP 3 Revenue Implications of Capital Scheme	4,000		
2018/19 Policy Change TC1 Marmion House Security	(15,000)	(22,790)	
Inflation		12,060	
Other			
2021/22 BWP 002 Salaries Vacancy Allowance Increases	(4,780)		
2021/22 BWP 012 Bank Charges and Cash Collection	(1,230)		
2021/22 BWP 033 Depreciation	12,600		
2021/22 BWP 037 CMT Savings Review	(220,250)		
2021/22 BWP 038 Procurement Savings	(12,910)	(226,570)	
Pay Adjustments		44,250	
Changes in Recharges		-	
			(193,050)
Assistant Director Operations and Leisure			
Virements		(85,100)	
Committee Decisions			
2017/18 Policy Change Vacancy Allowance Increase	(16,610)		
2018/19 Policy Change AE 11 Vacant Posts Review	(1,560)		
2018/19 Policy Change AE 8 Revised Assembly Rooms Budgets	(230)		
2020/21 Policy Change OPS3 Assembly Rooms	(62,250)	(80,650)	
Inflation		500	
Other			
2021/22 BWP 002 Salaries Vacancy Allowance	5,190		

	£	£	£
Increases			
2021/22 BWP 010 NNDR Charges for TBC Properties	(7,390)		
2021/22 BWP 012 Bank Charges and Cash Collection	6,330		
2021/22 BWP 017 Gas and Electricity	(7,250)		
2021/22 BWP 033 Depreciation	(22,450)		
2021/22 BWP 037 CMT Savings Review	<u>(129,550)</u>	(155,120)	
Pay Adjustments		22,160	
Changes in Recharges		-	
			<u>(298,210)</u>
Executive Director Finance			
Virements		-	
Committee Decisions			
2017/18 Policy Change Vacancy Allowance Increase	<u>(790)</u>	(790)	
Inflation		120	
Other			
2021/22 BWP 002 Vacancy Allowance	(20)		
2021/22 BWP 037 CMT Savings Review	<u>(650)</u>	(670)	
Pay Adjustments		3,150	
Changes in Recharges		-	
			<u>1,810</u>
Assistant Director Finance			
Virements		34,640	
Committee Decisions			
2017/18 Policy Change Vacancy Allowance Increase	(10,750)		
2017/18 Policy Change DF 5 New Homes Bonus	(36,650)		
2017/18 Policy Change DF 9 Contribution from Building Repairs Fund	53,200		
2017/18 Policy Change DF10 Revenue Implications from Capital Scheme	283,800		
2017/18 Policy Change DF 12 Business Rates Levy Payment	62,000		
2017/18 Policy Change DF 13 Business Rates Section 31 Grant Income	9,000		
2018/19 Policy Change DF 2 Property Funds Investment	60,000		
2018/19 Policy Change DF 8 New Homes Bonus	5,900		
2018/19 Policy Change DF 9 Business Rates Levy	49,520		
2018/19 Policy Change DF 10 Business Rates S31 Grant Income	(5,910)		
2019/20 Policy Change FIN 5 Revenue Implications of Capital Programme	13,000		
2019/20 Policy Change FIN 6 Revenue Implications of Capital Programme	21,000		
2019/20 Policy Change FIN 10 Contingency for Pay award impact 2019/20	(10,000)		
2020/21 Policy Change FIN 1 Reduce Contingency Budget	(105,000)		
2020/21 Policy Change FIN 2 New Homes Bonus	33,980		

	£	£	£
2020/21 Policy Change FIN 3 Revenue Implications of Capital Programme	19,000		
2020/21 Policy Change FIN 4 Revenue Implications of Capital Programme	30,000		
2020/21 Policy Change FIN 5 Pension Costs	(2,700)		
2020/21 Policy Change FIN 6 Business Rates Levy Payment	284,930		
2020/21 Policy Change FIN 7 Business Rates Section 31 Grant Income	(12,840)		
2020/21 Policy Change FIN 8 Transformation Reserve	(1,000,000)		
2020/21 Policy Change FIN 9 Climate Emergency Initiatives	(105,000)	(363,520)	
Inflation		4,600	
Other			
2020/21 BWP 005 Pensions Lump Sum	(28,400)		
2020/21 BWP 006 New Homes Bonus	414,660		
2020/21 BWP 007 NNDR Forecast - Levy payment	(1,486,470)		
2020/21 BWP 007 NNDR Forecast - Returned Levy	549,980		
2020/21 BWP 007 NNDR Forecast - Section 31 Grants	1,105,300		
2021/22 BWP 002 Salaries Vacancy Allowance Increases	340		
2020/21 BWP 013 Interest SOCH/HAA	20		
2021/22 BWP 005 Benefits Estimates	8,420		
2021/22 BWP 009 NNDR Cost of Collection Grant	2,410		
2021/22 BWP 011 Revenues Court Cost Income	51,940		
2021/22 BWP 012 Bank Charges and Cash Collection	(2,910)		
2021/22 BWP 015 Treasury Management	(16,530)		
2021/22 BWP 020 Superannuation Allowances	(1,350)		
2021/22 BWP 025 Audit Fee	3,280		
2021/22 BWP 026 Apprenticeship Levy	2,460		
2021/22 BWP 033 Depreciation	20,870		
2021/22 BWP 037 CMT Savings Review	(229,450)	394,570	
Pay Adjustments		61,120	
Changes in Recharges		-	
			131,410
Executive Director Communities			
Virements		-	
Committee Decisions		-	
Inflation		-	
Other		-	
Pay Adjustments		-	
Changes in Recharges		-	
			-
Assistant Director Assets			
Virements		-	
Committee Decisions			
2017/18 Policy Change Vacancy Allowance	(1,550)		

	£	£	£
Increase			
2020/21 Policy Change AST 2 Condition Survey	(100,000)		
2020/21 Policy Change AST 7 Marmion House Accommodation	800		
2020/21 Policy Change AST 9 AccessAble Guides	(15,000)	(115,750)	
Inflation		10,870	
Other			
2020/21 BWP 045 Car Allowances	2,060		
2021/22 BWP 002 Salaries Vacancy Allowance Increases	(2,610)		
2021/22 BWP 010 NNDR Charges for TBC Properties	(8,630)		
2021/22 BWP 017 Gas and Electricity	(2,010)		
2021/22 BWP 021 Community Centres Income	(1,000)		
2021/22 BWP 022 Marmion House Rents and Service Charges	6,070		
2021/22 BWP 033 Depreciation	(9,050)		
2021/22 BWP 037 CMT Savings Review	(15,720)	(30,890)	
Pay Adjustments		8,550	
Changes in Recharges		-	
			(127,220)
Assistant Director Neighbourhoods			
Virements		(63,260)	
Committee Decisions			
2017/18 Policy Change Vacancy Allowance Increase	(3,850)		
2018/19 Policy Change DHH 2 Homelessness Prevention Services	(140,000)		
2018/19 Policy Change DHH 4 Funding for Homelessness through S31	26,000		
Cabinet 02/07/19 CCTV - Service Review Setting Out Future Delivery Options	(12,850)	(130,700)	
Inflation		840	
Other			
2021/22 BWP 002 Salaries Vacancy Allowance Increases	5,000		
2021/22 BWP 017 Gas and Electricity	10		
2021/22 BWP 033 Depreciation	(1,270)		
2021/22 BWP 037 CMT Savings Review	(37,500)		
2021/22 BWP 041 Bad Debt Provision	102,500	68,740	
Pay Adjustments		12,730	
Changes in Recharges		-	
			(111,650)
Assistant Director Partnerships			
Virements		172,530	
Committee Decisions			
2017/18 Policy Change Vacancy Allowance Increase	(4,310)	(4,310)	
Inflation		(2,380)	
Other			
2021/22 BWP 002 Salaries Vacancy Allowance	(17,910)		

	£	£	£
Increases			
2021/22 BWP 012 Bank Charges and Cash Collection	(190)		
2021/22 BWP 017 Gas and Electricity	10		
2021/22 BWP 027 Off Street Car Parking	950		
2021/22 BWP 037 CMT Savings Review	(89,300)		
2021/22 BWP 043 Private Sector Leasing Schemes	(250)	(106,690)	
Pay Adjustments		36,070	
Changes in Recharges		-	
		<u>95,220</u>	
TOTAL			<u>(508,010)</u>

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	£	£	£
HRA Summary			
Virements		(117,000)	
Committee Decisions			
2020/21 Policy Change HRA 8 Building Surveys	(140,000)		
2020/21 Policy Change HRA 9 Fire Risk Assessments	(65,000)		
2020/21 Policy Change HRA 10 Fire Safety Manuals	(70,000)		
2020/21 Policy Change HRA 16 FTA Officer	26,000		
2020/21 Policy Change HRA 19 Pensions	(830)	(249,830)	
Inflation			98,530
Other			
2018/19 BWP 027 Debt Management	430		
2019/20 BWP 016 Treasury Management	(21,810)		
2020/21 BWP 005 Pensions Lump Sum	(8,680)		
2020/21 BWP 013 Interest SOCH/HAA	60		
2021/22 BWP 007 Garage Rents	19,490		
2021/22 BWP 008 Housing Rents	(533,390)		
2021/22 BWP 026 Apprenticeship Levy	220		
2021/22 BWP 028 HRA Service Charges	2,900		
2021/22 BWP 033 Depreciation	(700)		
2021/22 BWP 041 Bad Debt Provision	5,500	(535,980)	
Pay Adjustments			-
Changes in Recharges			-
			<u>(804,280)</u>
ED Communities			
Virements			74,980
Committee Decisions			
2017/18 Policy Change HRA 3 Increase Vacancy Allowance	(790)	(790)	
Inflation			40
Other			
2021/22 BWP 002 Vacancy Allowance	(20)	(20)	
Pay Adjustments			3,150
Changes in Recharges			-
			<u>77,360</u>
AD People			
Virements			117,000
Committee Decisions			
2020/21 Policy Change HRA 12 Repairs Call Handling	(9,490)	(9,490)	
Inflation			120
Other			
2021/22 BWP 002 Vacancy Allowance	(10,610)	(10,610)	
Pay Adjustments			15,140
Changes in Recharges			-
			<u>112,160</u>

	£	£	£
AD Operations & Leisure			
Virements			-
Committee Decisions			
2017/18 Policy Change HRA 3 Increase Vacancy Allowance	(680)	(680)	
Inflation			260
Other			
2021/22 BWP 002 Vacancy Allowance	(570)		
2021/22 BWP 017 Gas and Electricity	330		
2021/22 BWP 030 Alarm Call Contract	(80)		
2021/22 BWP 038 Procurement Savings	1,450		1,130
Pay Adjustments			10,020
Changes in Recharges			-
			10,730
AD Assets			
Virements			-
Committee Decisions			
2017/18 Policy Change HRA 3 Increase Vacancy Allowance	(5,250)	(5,250)	
Inflation			2,310
Other			
2021/22 BWP 002 Vacancy Allowance	310		
2021/22 BWP 010 NNDR Charges for TBC Properties	(810)		
2021/22 BWP 017 Gas and Electricity	930		
2021/22 BWP 030 Alarm Call Contract	40		470
Pay Adjustments			23,940
Changes in Recharges			-
			21,470
AD Neighbourhoods			
Virements			(74,980)
Committee Decisions			
2017/18 Policy Change HRA 3 Increase Vacancy Allowance	(12,440)		
2018/19 Policy Change HRA 4 Security Marmion House	(15,000)		
2018/19 Policy Change HRA 7 Removal of Vacant Admin Post	(890)		
2020/21 Policy Change HRA 2 High Rise Stock Condition Survey	(75,000)		
2020/21 Policy Change HRA 3 Non Trad Stock Condition Survey	(50,000)		
2020/21 Policy Change HRA 4 Stock Condition Survey	(60,000)		
2020/21 Policy Change HRA 15 Support Worker Eringden	(33,800)		
2020/21 Policy Change HRA 16 FTA Officer Cabinet 02/07/19 CCTV - Service Review Setting Out Future Delivery Options	40,000	(235,530)	
Inflation			26,040

	£	£	£
Other			
2019/20 BWP 014 Sheltered Housing Heating Charges	1,530		
2021/20 BWP 020 Superannuation Allowances	210		
2021/22 BWP 002 Vacancy Allowance	6,720		
2021/22 BWP 010 NNDR Charges for TBC Properties	760		
2021/22 BWP 012 Bank Charges and Cash Collection	(7,860)		
2021/22 BWP 017 Gas and Electricity	3,860		
2021/22 BWP 025 Audit Fee	3,150		
2021/22 BWP 028 HRA Service Charges	(3,000)		
2021/22 BWP 030 Alarm Call Contract	(50)		
2021/22 BWP 040 Enhanced Housing Management Charges	(40)	5,280	
Pay Adjustments		51,330	
Changes in Recharges		-	
			(227,860)
Housing Repairs			
Virements		-	
Committee Decisions		-	
Inflation		-	
Other		-	
Pay Adjustments		-	
Changes in Recharges		-	
			-
TOTAL			(810,420)

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General Fund – Technical Adjustments 2021/22

	Technical Adjustments								Total Adjusted Base 2021/22
	Budget 2020/21 £	Virements £	Committee Decisions £	Inflation £	Other £	Pay Adjustments £	Changes in Recharges £	Total Adjustments £	
Chief Executive	1,639,680	(26,130)	53,650	(6,630)	2,300	14,040	-	37,230	1,676,910
AD Growth & Regeneration	555,720	(70,270)	(139,240)	(8,280)	75,560	40,210	-	(102,020)	453,700
ED Organisation	433,340	37,590	(1,060)	8,420	3,120	10,400	-	58,470	491,810
AD People	2,003,870	-	(22,790)	12,060	(226,570)	44,250	-	(193,050)	1,810,820
AD Operations & Leisure	3,016,790	(85,100)	(80,650)	500	(155,120)	22,160	-	(298,210)	2,718,580
ED Finance	84,790	-	(790)	120	(670)	3,150	-	1,810	86,600
AD Finance	(120,600)	34,640	(363,520)	4,600	394,570	61,120	-	131,410	10,810
ED Communities	-	-	-	-	-	-	-	-	-
AD Assets	(468,260)	-	(115,750)	10,870	(30,890)	8,550	-	(127,220)	(595,480)
AD Neighbourhoods	1,144,420	(63,260)	(130,700)	840	68,740	12,730	-	(111,650)	1,032,770
AD Partnerships	863,650	172,530	(4,310)	(2,380)	(106,690)	36,070	-	95,220	958,870
Grand Total	9,153,400	-	(805,160)	20,120	24,350	252,680	-	(508,010)	8,645,390

Housing Revenue Account – Technical Adjustments 2021/22

	Budget 2020/21	Technical Adjustments						Total Adjusted Base 2021/22	
		Virements £	Committee Decisions £	Inflation £	Other £	Pay Adjustments £	Changes in Recharges £		Total Adjustments £
HRA Summary	(2,790,440)	(117,000)	(249,830)	98,530	(535,980)	-	-	(804,280)	(3,594,720)
ED Communities	27,410	74,980	(790)	40	(20)	3,150	-	77,360	104,770
AD People	49,570	117,000	(9,490)	120	(10,610)	15,140	-	112,160	161,730
AD Operations & Leisure	166,570	-	(680)	260	1,130	10,020	-	10,730	177,300
AD Assets	271,770	-	(5,250)	2,310	470	23,940	-	21,470	293,240
AD Neighbourhoods	3,612,330	(74,980)	(235,530)	26,040	5,280	51,330	-	(227,860)	3,384,470
Housing Repairs	-	-	-	-	-	-	-	-	-
Grand Total	1,337,210	-	(501,570)	127,300	(539,730)	103,580	-	(810,420)	526,790

General Fund Summary Budgets – 2021/22

<i>Figures exclude internal recharges which have no bottom line impact.</i>	Base Budget 2020/21 £	Technical Adjustments £	Policy Changes £	Budget 2021/22 £
Chief Executive	1,639,680	37,230	37,580	1,714,490
AD Growth & Regeneration	1,234,150	(780,450)	304,780	758,480
ED Organisation	433,340	58,470	-	491,810
AD People	2,003,870	(193,050)	-	1,810,820
AD Operations & Leisure	2,338,360	380,220	-	2,718,580
ED Finance	84,790	1,810	-	86,600
AD Finance	(120,600)	131,410	-	10,810
ED Communities	-	-	-	-
AD Assets	(468,260)	(127,220)	-	(595,480)
AD Neighbourhoods	1,144,420	(111,650)	-	1,032,770
AD Partnerships	863,650	95,220	39,000	997,870
Total Cost of Services	9,153,400	(508,010)	381,360	9,026,750
Transfer to / (from) Balances	(1,074,572)	(1,120,711)	-	(2,195,283)
Revenue Support Grant	(187,535)	(3,001)	-	(190,536)
Retained Business Rates	(13,828,842)	(808,260)	-	(14,637,102)
Less: Tariff payable	10,405,841	1,876,386	-	12,282,227
Collection Fund Surplus (Council Tax)	(77,339)	44,339	-	(33,000)
Collection Fund Surplus (Business Rates)	(322,619)	322,619	-	-
Council Tax Requirement	(4,068,334)	196,638	(381,360)	(4,253,056)

General Fund Summary Budgets – 2020/21 to 2025/26

<i>Figures exclude internal recharges which have no bottom line impact.</i>	Base Budget 2020/21 £	Budget 2021/22 £	Budget 2022/23 £	Budget 2023/24 £	Budget 2024/25 £	Budget 2025/26 £
Chief Executive	1,639,680	1,714,490	2,125,660	2,162,760	2,143,040	2,205,330
AD Growth & Regeneration	1,234,150	758,480	568,250	513,460	546,810	571,980
ED Organisation	433,340	491,810	507,970	523,510	539,220	554,480
AD People	2,003,870	1,810,820	1,833,500	1,895,050	1,955,310	2,013,450
AD Operations & Leisure	2,338,360	2,718,580	2,761,100	2,835,120	2,907,050	2,975,190
ED Finance	84,790	86,600	89,460	92,370	95,370	98,430
AD Finance	(120,600)	10,810	(25,080)	605,190	900,600	1,246,190
ED Communities	-	-	-	-	-	-
AD Assets	(468,260)	(595,480)	(574,480)	(552,880)	(532,130)	(511,030)
AD Neighbourhoods	1,144,420	1,032,770	956,920	978,120	999,740	1,020,390
AD Partnerships	863,650	997,870	984,500	1,006,080	1,028,210	1,049,290
Total Cost of Services	9,153,400	9,026,750	9,227,800	10,058,780	10,583,220	11,223,700
Transfer to / (from) Balances	(1,074,572)	(2,195,283)	(2,364,812)	(2,977,234)	(3,295,506)	(3,726,840)
Revenue Support Grant	(187,535)	(190,536)	-	-	-	-
Retained Business Rates	(13,828,842)	(14,637,102)	(14,918,867)	(15,217,244)	(15,521,589)	(15,832,021)
Less: Tariff payable	10,405,841	12,282,227	12,518,660	12,769,033	13,024,414	13,284,902
Collection Fund Surplus (Council Tax)	(77,339)	(33,000)	(33,000)	(33,000)	(33,000)	(33,000)
Collection Fund Surplus (Business Rates)	(322,619)	-	-	-	-	-
Council Tax Requirement	(4,068,334)	(4,253,056)	(4,429,781)	(4,600,335)	(4,757,539)	(4,916,741)

* Figures include proposed Policy Changes

Housing Revenue Account 2020/21 to 2025/26

<i>Figures exclude internal recharges which have no bottom line impact.</i>	Base Budget 2020/21 £	Budget 2021/22 £	Budget 2022/23 £	Budget 2023/24 £	Budget 2024/25 £	Budget 2025/26 £
HRA Summary	(2,790,440)	(3,594,720)	(2,659,350)	(4,040,930)	(3,956,130)	(4,211,350)
ED Communities	27,410	104,770	107,550	110,390	113,320	116,310
AD Operations & Leisure	216,140	339,030	323,350	331,470	339,880	348,010
AD Assets	271,770	293,240	318,630	341,550	363,070	384,970
AD Neighbourhoods	3,612,330	3,384,470	3,457,390	3,532,280	3,603,080	3,671,690
Housing Repairs	-	-	-	-	-	-
Grand Total	1,337,210	526,790	1,547,570	274,760	463,220	309,630

* Figures include proposed Policy Changes

Draft General Fund Capital Programme 2021/22 to 2025/26

General Fund Capital Programme	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £	Total £
Off Street Car Parking Infrastructure Update	50,000	-	-	-	-	50,000
Technology Replacement	60,000	60,000	30,000	30,000	30,000	210,000
V13 Income Management System & 3 D Secure	27,400	-	-	-	-	27,400
Endpoint Protection and Web-Email Filter	-	-	40,000	-	-	40,000
Street Lighting	-	-	233,560	119,940	50,940	404,440
Replacement Castle Grounds Play Area	375,000	-	-	-	-	375,000
Refurbishment of Castle Grounds Tennis Courts	120,000	-	-	-	-	120,000
Private Sector Grants - Disabled Facilities Grants	650,000	650,000	650,000	650,000	650,000	3,250,000
Energy Efficiency Upgrades to Commercial and Industrial Units	75,000	75,000	75,000	75,000	75,000	375,000
Major repair to Castle Elevations	150,000	-	-	-	-	150,000
CCTV Upgrades	45,710	45,710	45,710	45,710	45,710	228,550
Total General Fund Capital Proposed Financing:	1,553,110	830,710	1,074,270	920,650	851,650	5,230,390
	-	-	-	-	-	-
	-	-	-	-	-	-
Grants - Disabled Facilities	481,000	481,000	481,000	481,000	481,000	2,405,000
Section 106 Receipts	120,000	-	-	-	-	120,000
General Fund Capital Receipts	50,000	4,400	4,400	4,400	4,400	67,600
Sale of Council House Receipts	212,400	150,200	150,000	150,000	150,000	812,600
Other Contributions	24,000	24,000	24,000	24,000	24,000	120,000
Unsupported Borrowing	665,710	171,110	414,870	261,250	192,250	1,705,190
Total	1,553,110	830,710	1,074,270	920,650	851,650	5,230,390

Draft Housing Revenue Account Capital Programme 2021/22 to 2025/26

Housing Revenue Account Capital Programme	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £	Total £
Structural Works	200,000	200,000	200,000	200,000	200,000	1,000,000
Bathroom Renewals	217,800	567,800	567,800	567,800	567,800	2,489,000
Gas Central Heating Upgrades and Renewals	685,500	685,500	685,500	685,500	685,500	3,427,500
Kitchen Renewals	787,500	1,037,500	1,037,500	1,037,500	1,037,500	4,937,500
Major Roofing Overhaul and Renewals	1,111,400	911,400	911,400	911,400	911,400	4,757,000
Window and Door Renewals	398,500	400,000	400,000	400,000	400,000	1,998,500
Neighbourhood Regeneration Disabled Facilities Adaptations	500,000	500,000	500,000	500,000	500,000	2,500,000
	562,500	212,500	212,500	212,500	212,500	1,412,500
Electrical upgrade & Rewire	150,000	150,000	150,000	150,000	150,000	750,000
CO / Smoke Detectors	64,000	64,000	64,000	64,000	64,000	320,000
Insulation	-	-	-	-	-	-
Replacement of High Rise Soil Stacks	1,750,000	-	-	-	-	1,750,000
High Rise Lift Renewal	-	-	-	-	-	-
Replacement of High Rise Ventilation System	120,000	-	-	-	-	120,000
Sheltered Schemes	100,000	100,000	100,000	100,000	100,000	500,000
Energy Efficiency Improvements	70,000	70,000	70,000	70,000	70,000	350,000
Capital Salaries	200,000	200,000	200,000	200,000	200,000	1,000,000
Street Lighting	-	-	350,330	179,910	76,420	606,660
Improvements to Retained Garage Sites	750,000	750,000	-	-	-	1,500,000
Construction of new build properties on Caledonian depot site	1,507,900	-	-	-	-	1,507,900
Regeneration and New Affordable Housing	250,000	250,000	250,000	250,000	1,750,000	2,750,000
Telecare system upgrades	35,500	30,000	-	-	-	65,500
Total HRA Capital	9,460,600	6,128,700	5,699,030	5,528,610	6,925,120	33,742,060
Proposed Financing:						
Major Repairs Reserve	2,809,430	2,804,670	2,804,800	2,804,300	2,804,800	14,028,000
HRA Capital Receipts	600,000	600,000	525,330	175,000	-	1,900,330
Revenue Contribution	3,959,770	2,186,930	1,859,900	2,294,400	3,595,320	13,896,320
Capital Receipts from Additional Council House Sales (1-4-1)	527,370	75,000	75,000	75,000	525,000	1,277,370
Regeneration Reserve	1,564,030	462,100	434,000	179,910	-	2,640,040
Total	9,460,600	6,128,700	5,699,030	5,528,610	6,925,120	33,742,060

Contingencies 2021/22 - 2025/26

Revenue	2021/22	2022/23	2023/24	2024/25	2025/26
Specific Earmarked &	£'000	£'000	£'000	£'000	£'000
General					
General Fund					
<i>General Contingency*</i>					
<i>General Contingency re Income Targets</i>	169	169	169	169	169
Total General Contingency	169	169	169	169	169
Total GF Revenue	169	169	169	169	169
Housing Revenue Account					
<i>HRA - General Contingency</i>	130	130	130	130	130
Total HRA Revenue	130	130	130	130	130

* Reduced by £165k as part of Qtr 1 unspent budget review

Capital	2021/22	2022/23	2023/24	2024/25	2025/26
Specific Earmarked &	£'000	£'000	£'000	£'000	£'000
General					
General Fund					
General Contingency	135	-	-	-	-
	-	-	-	-	-
Total GF Capital	135	-	-	-	-
Housing Revenue Account					
General Contingency	100	-	-	-	-
Total HRA Capital	100	-	-	-	-

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