

CABINET

17th February 2022

COUNCIL

22nd February 2022

Report of the Leader of the Council

Corporate Vision, Priorities Plan, Budget & Medium Term Financial Strategy 2022/23

Purpose

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

- To approve the **Vision Statement, Priority Themes, Corporate Priorities and Plans** and their inclusion in the **Corporate Plan (attached at Appendix A)**.

- To approve the recommended package of budget proposals (**attached at Appendix B**) to enable the Council to agree the:
 - General Fund (GF) Revenue Budget and Council Tax for 2022/23;
 - Housing Revenue Account (HRA) Budget for 2022/23;
 - 5 Year General Fund Capital Programme (2022/27);
 - 5 Year HRA Capital Programme (2022/27);
 - 3 Year General Fund Medium Term Financial Strategy (MTFS) (2022/25); and
 - 5 Year HRA Medium Term Financial Strategy (MTFS) (2022/27).

- To comply with the requirement of the Council's Treasury Management Policy in reporting to Council the proposed strategy for the forthcoming year and the Local Government Act 2003 with the reporting of the Prudential Indicators (**attached at Appendix N**) and the requirement to prepare an annual Corporate Capital Strategy (**attached at Appendix O**).

Recommendations

That Council approve:

1. the Vision Statement, Priority Themes, Corporate Priorities and Outcomes for 2022/23 (Appendix A);
2. the proposed revisions to Service Revenue Budgets (Policy Changes) (Appendix C);
3. the sum of £74,584 be applied from Council Tax Collection Fund surpluses in reducing the Council Tax demand in 2022/23 (Appendix E);
4. the sum of £1,200,215 be applied to Business Rates Collection Fund deficits in 2021/22, in part offset by a transfer from the Business Rates reserve of £939,376 (Appendix E);
5. that on 2nd December 2021, the Cabinet calculated the Council Tax Base 2022/23 for the whole Council area as 22,968 [Item T in the formula in Section 31B(3) of the Local Government Finance Act 1992, as amended (the "Act")];
6. that the Council Tax requirement for the Council's own purposes for 2022/23 is £4,407,330 (Appendix E);
7. the following amounts as calculated for the year 2022/23 in accordance with Sections 31 to 36 of the Act:
 - a. £48,399,016 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act (Outgoings excluding internal GF Recharges);
 - b. £43,991,686 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act (Income excluding internal GF Recharges);
 - c. £4,407,330 being the amount by which the aggregate at 7(a) above exceeds the aggregate at 7(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year (Item R in the formula in Section 31A(4) of the Act);
 - d. £191.89 being the amount at 7(c) above (Item R), all divided by Item T (at 5 above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year;
8. the Council Tax level for the Borough Council for 2022/23 of £191.89 (an increase of £5 (2.68%) on the 2021/22 level of £186.89) at Band D;
9. an aggregate Council Tax (comprising the respective demands of the Borough Council, Staffordshire County Council, Office of the Police and Crime Commissioner Staffordshire and Stoke-on-Trent and Staffordshire Fire and Rescue Authority) of £1,922.11 at Band D for 2022/23 be noted (£1,864.86 in 2021/22) (Appendix H);
10. the Council Tax levels at each band for 2022/23 (Appendix H);
11. the sum of £257,591 be transferred from General Fund Revenue Balances in 2022/23 (Appendix E);
12. the Summary General Fund Revenue Budget for 2022/23 (Appendix E);

13. the Provisional General Fund Budgets for 2023/24 to 2024/25, summarised at Appendix G, as the basis for future planning;
14. minimum level for balances of £500k to be held for each of the General Fund, Housing Revenue Account, General Capital Fund and Housing Capital Fund;
15. Cabinet be authorised to release funding from the General Contingency budget and that the release of funding for Specific Contingency items be delegated to the Corporate Management Team in consultation with the Leader of the Council;
16. proposed HRA Expenditure level of £16,640,270 for 2022/23 (Appendix D);
17. rents for Council House Tenants in General Accommodation for 2022/23 be set at an average of £92.87 (2021/22 £89.21), over a 48 week rent year (including a 4.1% increase);
18. rents for Council House Tenants due for 52 weeks in 2022/23 be collected over 48 weeks;
19. the HRA deficit of £1,950,690 be financed through a transfer from Housing Revenue Account Balances in 2022/23 (Appendix D);
20. the proposed 5 year General Fund Capital Programme of £18.837m, as detailed in Appendix I to the report;
21. the proposed 5 year Housing Capital Programme of £46.454m, as detailed in Appendix J to the report;
22. to delegate authority to Cabinet to approve/add new capital schemes to the capital programme where grant funding is received or there is no net additional cost to the Council;
23. the Treasury Management Strategy Statement, the Treasury Management Policy Statement, Minimum Revenue Provision Strategy and Annual Investment Statement 2022/23 (as detailed at Appendix N);
24. the Prudential and Treasury Indicators and Limits for 2022/23 to 2024/25 contained within Appendix N;
25. adoption of the Treasury Management Practices contained within ANNEX 8;
26. the detailed criteria of the Investment Strategy 2022/23 contained in the Treasury Management Strategy within ANNEX 4; and
27. the Corporate Capital Strategy and associated Action Plan (as detailed at Appendix O).

Executive Summary

The headline figures for 2022/23 are:

- A General Fund Net Cost of Services of £6,580,410;
- A transfer of £257,591 from General Fund balances;
- The Band D Council Tax would be set at £191.89, an increase of £5 (2.68% - c.£0.10 per week) on the level from 2021/22 of £186.89;
- A General Fund Capital Programme of £18.837m for 5 years;
- a Housing Revenue Account (HRA) Expenditure level of £16,640,270 for 2022/23 (excluding interest & similar charges);
- A transfer of £1,950,690 from HRA balances;
- Rents will be set in line with the approved Rent Setting Policy including a 4.1% increase in average rent (on the 2021/22 average rent of £89.21 based on a 48 week rent year) in line with Government confirmation 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, equating to an average rent of £92.87 based on a 48 week rent year;
- A Housing Capital Programme of £46.454m for 5 years.

Closing balances over 3 years for the General Fund (GF) are estimated at £2.8m – compared to the minimum approved level of £0.5m. The draft Budget and Medium Term Financial Strategy is based on a council tax increase of £5 (2.68%) for 2022/23 (the maximum permitted under the Government set limits to trigger a referendum is the greater of £5 or 2.0%) followed by increases of £5 p.a. thereafter & in line with statutory requirements.

The Summary HRA Revenue Budget for 2022/23 appears at **Appendix D** (including a summary of the resulting budgets over the 5 year period). Closing balances over 5 years for the HRA are estimated at £1.8m (compared to the minimum approved level of £0.5m).

The minimum approved level of GF capital balances is £0.5million and, should the programme progress without amendment, would mean additional borrowing of £0.5m over the next 5 years (£0.3m over 3 years). There has been an increase of c.£3m over 5 years since the provisional programme was approved (including new year 5 costs of c.£0.77m, Balancing Ponds £0.85m, ICT £0.15m, Audio/Visual technology for the Town Hall £87k, Play area refurbishment £55k, increased contingencies £130k and Recovery & Reset costs of £1.27m). The current GF Capital Financing Requirement (CFR) stands at £3.6m with planned borrowing in 2021/22 of £1.5m.

There have 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 2026/27.

The updated forecast resources given the significant changes in spend over the 4 years of c.£12.3m means there will be a significant funding gap for the HRA capital programme of c.£5m.

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 have continued impacting mainly on the Council's ongoing income receipts.

There are further uncertainties arising from the finalisation of the Brexit process following the transition period. The national shortage of HGV drivers has not had a direct impact on services but it is likely that it could compound the likely price increases for supplies that are required for building or construction/maintenance works – which both the Government and the Bank of England consider to be a temporary issue.

There are also likely to be price rises for the Council's energy supplies. This will not have an immediate effect as supplies are bought in market price 'baskets' negotiated between Oct and March for units rates charged for the year commencing April. It is likely that the basket rates next year will experience a significant increase unless the current situation changes.

- For two years, the government has only held single-year Spending Reviews, with 2019 being a single year due to the political turbulence around Brexit, and 2020 being a single year, given the COVID-19 pandemic. However, on 7th September 2021, the Chancellor wrote to Secretaries of State to confirm the government's intention to complete a multi-year Spending Review (SR2021), setting revenue and capital budgets for 2022/23 to 2024/25.

As part of the recent Spending Review, no announcement was made about the government's plans for funding reform or a reset of the Business Rates Retention (BRR) system, both of which were originally expected to be implemented in 2019/20, but which have been delayed a number of times.

The 2022/23 local government finance settlement has now been published, for one year only and is based on the Spending Review 2021 (SR21) funding levels. This is the first time since 2015 that, in the context of a multi-year Spending Review, the government has only provided local authorities with a single-year settlement.

No detailed announcements are made on funding reform, though the following statement is made:

Government is committed to ensuring that funding allocations for councils are based on an up-to-date assessment of their needs and resources. The data used to assess this has not been updated in a number of years, dating from 2013-14 to a large degree, and even as far back as 2000.

Over the coming months, we will work closely with the sector and other stakeholders to update this and to look at the challenges and opportunities facing the sector before consulting on any potential changes.

As part of this we will look at options to support local authorities through transitional protection. Councils should note the one-off 2022/23 Services Grant provided in the Local Government Finance Settlement in 2022/23 will be excluded from potential transitional protections.

While this means the Council will be able to retain its business rate growth for 2022/23, it also means that the uncertainty continues and potentially the Council still faces losing this growth from 2023/24 as, over the coming months, the Government have stated that they will work with the sector before consulting on funding reform.

There is a high risk that these reforms will have a significant effect on the Council's funding level from 2023/24.

- Uncertainty over the ongoing funding for the **New Homes Bonus scheme**, as it has been 'rolled over' for another year, with allocations made and the final 2019/20 legacy payment honoured. There is no planned legacy payment for 2022/23 (as in 2020/21 and 2021/22).

The Government consulted on the future of the New Homes Bonus in 2021 and plan to publish their response early in 2022. The Government remains committed to reform and will use the additional year to carefully consider how to ensure the incentive is more focused and targeted on ambitious housing delivery and which complements wider Government priorities.

- 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.

Background

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.

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Efficiency Statement – Recovery and Reset programme

Financial resilience is and has been the key requirement for local authorities at any time, but in the current crisis it has assumed unprecedented importance.

In light of the ongoing impact of Covid-19 on the Council's Medium Term Financial Strategy, Managers were again asked to review their budgets and identify all non-essential spending for 2021/22 as part of the quarter 3 projections at 31st December 2021 – as part of a managed underspend plan.

Cabinet on 22nd October 2020 approved the Recovery and Reset programme which 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.

An update including recommendations for the next steps was approved at Cabinet 29th July 2021 including the continuing work the agreed actions to address the financial position in future years:

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.

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

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 Council remains committed to promoting and stimulating economic growth and regeneration; meeting our housing needs; creating a vibrant town centre economy and protecting those most vulnerable in our communities. The Council is responding to these challenges by considering the opportunities to make further savings and /or grow our income. We are ambitious with our commercial view and will continue to work hard to identify income streams that enable us to continue to meet the needs of our residents. More than ever, we recognise that our financial capacity will be less than in previous years which means that we will need to maintain our approach to innovation, collaboration and transformation.

This approach will change the organisation and how it works; will require Members to put evidence and insight at the heart of our decision making to ensure that we are transparent about the rationale for our decisions and plans; will involve managed risks and will sustain essential services critical in supporting the most vulnerable in our communities at a time when demand is increasing and resources reducing.

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

By adopting this approach, supporting its implementation and measuring its progress, it will enable the Council to achieve its Vision and Priorities and fulfil its obligations.

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

As part of the budget process Policy Changes are required in order to amend base budget provision. As grant and other income levels are reducing, where increased costs are unavoidable then managers should identify compensatory savings. Where savings are identified they must be accompanied by a robust implementation plan.

Robust business case templates are submitted to Cabinet and CMT for all Policy Change submissions (Revenue and Capital).

The attached forecast is based on a 5 year period, but does contain a number of uncertainties. It is suggested that, given the uncertainty, there should be no knee jerk reactions – with a clear plan to focus on balancing the next 3 years’ budget position, in compliance with the Prudential Code, by which time the impact should be clearer.

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

- a) 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 Council approved the 2021/22 Budget and Medium Term Financial Strategy on 23rd February 2021, the impact of the Covid-19 pandemic on the economy and ultimately the impact for the Council’s finances was uncertain - including any lasting effects for individual businesses and their employees. Social distancing measures have continued impacting mainly on the Council’s ongoing income receipts.

In addition, future levels of funding for the Council were uncertain pending the Government’s planned reforms to Local Government funding. 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 2022/23 local government finance settlement has now been published, for one year only and is based on the Spending Review 2021 (SR21) funding levels. This is the first time since 2015 that, in the context of a multi-year Spending Review, the government has only provided local authorities with a single-year settlement.

While this means the Council will be able to retain its business rate growth for 2022/23, it also means that the uncertainty continues and potentially the Council still faces losing this growth from 2023/24 as, over the coming months, the Government have stated that they will work with the sector before consulting on funding reform.

In addition, there is continued uncertainty over the ongoing funding for the **New Homes Bonus scheme**, as it has been ‘rolled over’ for another year, with allocations made and the final 2019/20 legacy payment honoured. There is no planned legacy payment for 2022/23 (as in 2020/21 and 2021/22).

The Government consulted on the future of the New Homes Bonus in 2021 and plan to publish their response early in 2022. The Government remains committed to reform and will use the additional year to carefully consider how to ensure the incentive is more focused and targeted on ambitious housing delivery and which complements wider Government priorities.

- b) 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 2022/23) or £5, whichever is greater.
- c) 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. An offer of a 1.75% increase is subject to union ballot and is still to be agreed for 2021/22 and future years also remain uncertain. A 2.5% p.a. increase from 2022/23 has been assumed.
- d) The impact of any further uncertainty over future interest rate levels and their impact on investment income / treasury management.
- e) 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 have continued impacting mainly on the Council's ongoing income receipts.
- f) There are further uncertainties arising from the finalisation of the Brexit process following the transition period. The national shortage of HGV drivers has not had a direct impact on services but it is likely that it could compound the likely price increases for supplies that are required for building or construction/maintenance works – which both the Government and the Bank of England consider to be a temporary issue.
- g) There are also likely to be price rises for the Council's energy supplies. This will not have an immediate effect as supplies are bought in market price 'baskets' negotiated between Oct and March for units rates charged for the year commencing April. It is likely that the basket rates next year will experience a significant increase unless the current situation changes.
- h) Energy efficiency is likely to be a significant future across all of our property portfolio including Council Housing. The commitment to achieve zero carbon within our own operations will present difficulties when considering our historic buildings like the Assembly Rooms, Castle and Town Hall. It is likely that investment in the property portfolio will be needed which has not yet been quantified and will need to be considered in future, in line with the Corporate Capital Strategy objectives.

It is anticipated that amendments to the Decent Homes Standard will look at building safety and energy efficiency for Council Housing. The cost is likely to be significant and could mean exploration of new ways of funding such as the application of service charges and as included within the 2022/23 capital programme, through grants available.

There is also likely to be a significant demand for the installation (& ongoing maintenance) of electric vehicle (EV) charging points in car parking areas and at places such as the sheltered schemes and individual residential properties (some work has started for former garage sites).

- i) Budgets for remedial works associated with the Building Safety Bill have been included within the Capital Programme for higher risk properties, however, it is likely that the requirements will extend to other buildings such as the low and medium rise blocks along with sheltered schemes. A Building Safety Manager as required by the Building Safety Bill is included in the budget but if the requirement extends then additional resource is likely to be needed, including for more frequent building inspections and it is likely that these inspections will result in an increase in the number of repairs being identified.
- j) Although the volume of repairs has remained fairly consistent during the pandemic as it has been in previous years we know that the average job cost is lower than previous years and is lower than industry average. It could well be that this is the new normal position and that the investment made in property over the years means has resulted in lower repair costs. However, there is a risk that fewer repairs are being reported due to the pandemic and that at some point in the future a backlog of unidentified repairs will present itself. At the moment this is considered a low risk as it would appear that our tenants are reporting repairs as and when they occur.
- k) An increase in the cost of repairs has been included due to the current market cost pressures. The RICS through their BCIS cost indicator service are predicting increasing tender prices over the next 5 years so this is likely to impact on existing contracts. There is the risk that if costs continue to increase in excess of CPI contractors will seek further uplifts. The impact on planned work is that less work will be done, this will extend the renewal period for key components which will increase demand on responsive. The volume of responsive repairs is unlikely to change.
- l) Income from the commercial/industrial portfolio has held up during the pandemic, but underlying market issues and the increase in online shopping (increased by the pandemic) mean that there is an immediate risk in relation to the income achievable from the Council's commercial property portfolio including the Ankerside Shopping Centre and NCP car park, while not known at present, could result in a significant loss of income.

Without investment our commercial/industrial property could become unlettable. In addition future management costs of the portfolio could be as high as 15% of the annual rental value which would have a significant impact on rental income.

- m) It was hoped that the current ongoing costs associated with Covid-19 could be reduced as we returned to pre-Covid normality but as the current Omicron issue has shown we don't yet know when this will be. It is likely that these costs will continue until the pandemic ends, or attitudes change and policy makers accept that additional precautions are no longer required.

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

Vision, Strategic Priorities & Plans

Set in the beautiful county of Staffordshire, Tamworth is a vibrant town with a rich heritage. Located in the centre of Britain, with a growing population of over 77,000 people. Tamworth is a borough with much to be proud of. Our transport links, unique shopping experience, developing town centre, green spaces, leisure offer, including our cultural and wide ranging outdoor events programme, as well as our historic buildings, all help make it a great place to live, work and visit.

In addition to all that Tamworth already has to offer, exciting times are ahead as we are about to embark on a period of significant transformation. Multi-million pound projects, such as the Future High Streets development, will help to bring about lasting change and improvements for the future.

This will assist with our mission to restore Tamworth town centre as the beating heart of the community, a place that people want to visit, rather than a place they have to visit.

Although it has not been possible as a council to undertake the usual levels of face-to-face engagement during this past year, we have continued to listen to our residents and partners. This has included carrying out a brand new Residents Survey to find out what matters most to people. The valuable information gained from the 'Talk To Us Tamworth' survey, together with the Budget Consultation and previous 'Tamworth What's Next' workshops, has been used to shape this new Corporate Plan and ensure it addresses those important issues.

We know, for example, that people value now more than ever having access to parks and outdoor spaces and that they are concerned about the economy and particularly their own financial security. With the backdrop of Covid and the announcements of ever-changing variants, the Council will continue to deliver what is important to its residents, businesses, communities and those most vulnerable in Tamworth.

Looking back

Over the past 18 months, individuals and organisations across the borough have had to adapt to new ways of living and working. As a Council we too have had to adapt in the way we deliver our services in response to the crisis and we will apply our learning to shaping our approaches for the future.

Working with a wide range of partners, and with an outstanding community response, we have continued to develop so that we can provide the best possible services, with the main aim of ensuring people have opportunities to live healthy and fulfilling lives in safe, thriving families and communities.

We know the challenges of the last 18 months will have a lasting impact on us all, but particularly on the wellbeing of children and young people and their education. With this in mind, we will continue to work closely with our partners and stakeholders to ensure this is prioritised. Where the Council does not have direct responsibilities, such as skills and education, in these areas we will use our influence with the relevant public bodies.

We also recognise the impact of the virus on elderly and vulnerable residents and will continue to work with our partners to help keep people safe with access to the services that are most critical to their needs.

Whilst the long-term impacts of the crisis provide an additional reason for people to avoid urban/town centres for a sustained period, we are already seeing the economic impact with reduction in footfall in the town centre, reduced use of car parks and fewer people visiting hospitality venues including Tamworth Assembly Rooms and Tamworth Castle.

Looking forward

That being said, we have plenty to be optimistic about, with lots of exciting projects and continuing partnership work on the agenda for the next 12 months and beyond.

This work has all been brought together by councillors, during a number of councillor-led workshops and seminars, into a new refocused vision to reflect new priorities. This year more collaborative budget setting workshops were held to ensure all councillors were able to have involvement in what is important to them and their residents.

Our new vision is **'Tamworth – celebrating our heritage, creating a better future'**

In order to achieve that vision, we have developed this new Corporate Plan which will be delivered with a workforce and organisation that has adapted to an unprecedented national challenge, working hand in hand with our partners and communities.

This new vision, together with our new Corporate Plan, details five areas of focus for the borough; including the key outcomes we are seeking to achieve and how we will work to achieve them.

Our primary areas of focus will be:

- **The Environment**
- **The Economy**
- **Infrastructure**
- **Living in Tamworth**
- **The Town Centre**

Each priority has a number of supporting areas of focus and progress will be achieved through the delivery of corporate and transformational projects; each having clearly defined objectives and outcomes.

1. The Environment

Enforcement and education with regard to litter and fly-tipping
Development of infrastructure for acting on Climate Change
Support more people to recycle and to reduce waste
Working with partners to protect, maintain and improve the green space offer

2. The Economy

Development of business initiatives to promote start up and growth
Support business growth to generate employment opportunities by working with businesses
Provision of good quality and affordable housing
Improve tourism in terms of good access to information for visitors to help local businesses and Tamworth as a destination as a whole, maximise and improve the quality of the visitor experience

3. Infrastructure

Review Local Plan to improve the transport links within Tamworth
Improve existing walkways and cycling routes
Ensure more people can access council services digitally/digital enhancement with partners and within Council housing stock

4. Living in Tamworth

Ensure adequate supply of affordable housing through the Local Plan review
Investment in Neighbourhood and Place environment
Through our Economic Development team, we will support job creation and business retention and expansion through interventions and advice, and seek to protect the local economy where we can influence this.
Improve and promote Tamworth's historic and cultural assets and events
Community Safety focus on neighbourhoods and place
Working with partners to ensure the fear of crime within Tamworth is reduced

5. Town Centre

Continue to develop street market and extend supporting events around the market to add vibrancy within the town centre
Create a branding scheme for "created in Tamworth"
Provide the infrastructure to improve evening and night time economy
Embrace Tamworth's history and culture so as to build a sense of local pride and support our children's education and understanding of the significant part Tamworth played in British history
Continue to promote all outdoor events
Development of a new Tamworth Enterprise Centre as part of the structural transformation of the town centre
Make the town centre more accessible
Provide the environment where the leisure and food offer can grow and flourish
Working with others seek to improve the night-time transport offer to support the overall night-time economy

Our Corporate Plan involves transformational projects intended to shape the long term future for Tamworth the place, its communities and economy. Included are comprehensive plans for the regeneration of the town and fundamental changes to the way the Council operates:

- **Future High Street Fund** which consists of an incredible £21.65m being awarded to transform the town centre into the busy, thriving heart of the community. When combined with funding from external partners and Tamworth Borough Council, the projects represents a combined investment in the town of around **£40million**.

There are five core elements of the project:

- **College Quarter**: The relocation of Tamworth College, part of South Staffordshire College, to a new building on the site of the Tamworth Co-operative Society department store
 - **Enterprise Hub**: Refurbishment of the locally-listed part of the Tamworth Co-operative Society department store (the Colehill frontages) into a new enterprise centre for small businesses
 - **Middle Entry Refurbishment**: Refurbishment and improvements to Middle Entry including a new semi-permanent structure for start-ups and niche businesses
 - **Castle Gateway**: An improved entrance between the town centre and the Castle Grounds by enhancing the Castle Gatehouse area and adjoining Market Street properties
 - **St Editha's Square**: The transformation of St Editha's Square into a multi-purpose outdoor space for entertaining and events
- The **Gungate Development** is a project that will regenerate a multi-million pound vacant edge of town centre site, in the ownership of the Council and external stakeholders. Development of the land north and south of Spinning School Lane into a mixed use site including residential, which will support the town centre by delivering uses that complement the existing offer and increase footfall, choice and prosperity.
 - **Finance and Commerciality** work will continue including the delivery of our Medium Term Financial plan as well as seeking to remove historic underspends and adopt an in-service approach to rigorous and controlled spending.

- **Reset & Recovery Programme** will include:
 - Smart Working – Exploration of the business impacts around current levels of home working and what the future is for agile working.
 - Marmion House, future 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.
 - 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 where appropriate
 - Service Re-design – 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
 - 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.

Our short to medium projects will be delivered within a two to four year timescale and include the:

- Development of an Organisational Development Strategy
- Town Centre Masterplan
- Place Investment Strategy
- Corporation Street Gateway Project
- Development of our Housing Revenue Account Business Plan
- Garage Site Development
- Asset Management Strategy
- Town Hall Development
- Completion of the Local Government Boundary Review
- Development of Tourism Strategy

Much has changed over the last 18 months and difficult decisions have had to be made. Our service delivery has continued and has been supported by new approaches of SMART working. In facing the challenges presented by the pandemic, we have been proactive, responding with urgency and confidence, seeking to ensure the safety and wellbeing of our residents and workforce. This Plan sets our direction for the next five years and will be constantly scrutinised, reviewed, evaluated and adapted as needed.

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

The Treasury Management Strategy Statement and report attached at **Appendix N** outlines the Council's Prudential Indicators for 2022/23 to 2024/25 and sets out the expected Treasury operations for this period.

Under the requirements of the CIPFA Code of Practice and associated Guidance Notes 2017, the following four clauses have been adopted:

- a) This Council will create and maintain, as the cornerstones for effective treasury management:
 - A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities; and
 - Suitable treasury management practices (TMPs) setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- b) This Council will receive reports on its treasury management policies, practices and activities, including as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close.
- c) This Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to Cabinet, and for the execution and administration of treasury management decisions to the Executive Director Finance, who will act in accordance with the organisation's policy statement and TMPs.
- d) This Council nominates the Audit and Governance Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

Options Considered

As part of the budget setting process a number of options for the council tax increase levels for 2022/23 and future years have been modelled / considered.

| Council Tax | Option Modelled / Considered |
|-------------|---|
| Model 1 | £5.00 increase in Council tax in 2022/23 (followed by increases of £5.00 p.a.) |
| Model 2 | 2.99% increase in Council tax in 2022/23 (followed by increases of c.2.99% p.a.) |
| Model 3 | £1 increase in Council tax in 2022/23 (followed by increases of £1 p.a.) |
| Model 4 | 2.5% increase in Council tax in 2022/23 (followed by increases of 2.5% thereafter) |
| Model 5 | 0% increase in Council tax in 2022/23 (followed by increases of 0% thereafter) |
| Model 6 | 1.99% increase in Council tax in 2022/23 (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 |

These are detailed within the Base Budget report to Cabinet on 1st December 2021 and the Draft Medium Term Financial Strategy report to Cabinet on 20th January 2022 and Joint Scrutiny Committee (Budget) on 26th January 2022.

Resource Implications

A summary table of all the budget proposals is shown at the end of the report. The General Fund Summary Revenue Budget for 2022/23 appears at **Appendix E**. A summary of the resulting budgets over the 3 year period appears at **Appendix G**.

Closing balances over 3 years for the General Fund (GF) are estimated at £2.8m – compared to the minimum approved level of £0.5m. The draft Budget and Medium Term Financial Strategy is based on a council tax increase of £5 (2.68%) for 2022/23 (the maximum permitted under the Government set limits to trigger a referendum is the greater of £5 or 2.0%) followed by increases of £5 p.a. thereafter & in line with statutory requirements.

The Summary HRA Revenue Budget for 2022/23 appears at **Appendix D** (including a summary of the resulting budgets over the 5 year period). Closing balances over 5 years for the HRA are estimated at £1.8m (compared to the minimum approved level of £0.5m).

The minimum approved level of GF capital balances is £0.5million which, should the programme progress without amendment, would mean £0.5m in borrowing would be needed over the next 5 years (£0.3m over 3 years, £0.4m over 4 years).

There have 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 2026/27.

Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides. In the view of the Executive Director Finance, the budget proposals enclosed within this report include estimates which take into account circumstances and events which are reasonably foreseeable at the time of preparing the budget. In his view, the level of reserves remains adequate for the Council based on this budget and the circumstances in place at the time of preparing it.

Legal / Risk Implications

The Council's constitution requires Cabinet publish initial proposals for the budget, having first canvassed the views of local stakeholders as appropriate - budget proposals were considered at the Joint Scrutiny Committee (Budget) meeting on 26th January 2022. In line with the constitution a Leaders Budget Workshop was held on 1st December 2021 to outline the issues affecting the MTFS arising from the base budget forecast.

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

Proposed amendments to the 2021/22 base budget, approved by Council on 23rd February 2021, are detailed within the report.

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

Key Risks to Revenue and Capital Forecasts:

| 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 2022/23 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) | Confirmed that increases of over 2% or £5 risk ‘capping’ (was 2% or £5 for District Councils in 2021/22); (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. An offer of 1.75% for 2021/22 has not yet been agreed. Increases of 2.5% p.a. assumed from 2022/23; (Medium / Low) |
| Pension costs higher than planned / adverse performance of pension fund; (Medium) | 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; (Medium/Low) |
| <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;</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> |

| Risk | Control Measure |
|--|--|
| (High) | (High / Medium) |
| Local Council Tax Reduction scheme potential yield changes and maintenance of collection levels due to increases in unemployment caused by the pandemic; (High) | Robust estimates included. Ongoing proactive management & monitoring (including a quarterly healthcheck on the implications on the organisation – capacity / finance) will continue; (High / Medium) |
| Achievement of income streams in line with targets in light of the economic conditions e.g. treasury management interest, car parking, planning, commercial & industrial rents etc.; (High / Medium) | Robust estimates using a zero based budgeting approach have been included; (Medium) |
| Delivery of the capital programme (GF / HRA – including Regeneration schemes) dependent on funding through capital receipts and grants (including DFG funding through the Better Care Fund); (High / Medium) | Robust monitoring and evaluation – should funds not be available then schemes would not progress; (Medium) |
| Dependency on partner organisation arrangements and contributions e.g. Waste Management (SCC/LDC). (High / Medium) | Memorandum of Understanding in place with LDC. (Medium) |
| Delivery of the planned Commercial Investment Strategy actions - recent review of the Treasury Management Investment Guidance / Minimum Revenue Provision Guidance carried out - with a potential restriction of investments by Councils given increased risk exposure. (High/Medium) | The main issue seems to be the increased risks associated with those Councils who are borrowing large sums to invest in commercial property activities. Property Fund investment review carried out 2021. (Medium) |
| 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% p.a. but this is not guaranteed. | 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. |

| Risk | Control Measure |
|---|---|
| <p>The value of the funds are also subject to fluctuation – which could mean a capital loss in one year (as well as expected gains).</p> <p>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.</p> <p>(High/Medium)</p> | <p>It is suggested that risk be mitigated (although not eliminated) through investment in a diversified portfolio using a range of property funds.</p> <p>The Council used the secondary market for purchases to potentially gain access to a fund at a lower level of cost than via the primary route.</p> <p>Mitigation regulations are in place to defer any potential principal loss for 5 years.</p> <p>Property Fund investment review carried out 2021.</p> <p>(Medium)</p> |

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

Sustainability Implications

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

Budget provision of £105k was included in the proposals for 2020/21 to fund emerging Climate Emergency initiatives, but was been deferred due to the pandemic. In addition, specific actions contained within this report including Energy Efficiency Upgrades to Commercial and Industrial Units, energy efficient street lighting and improvements to the Council’s housing stock. These include ongoing central heating upgrades and renewals, neighbourhood regeneration (including environmental works), insulation works and energy efficiency improvements – and £3.2m for Decarbonisation works in 2022/23 with a further £7.5m over 3 years from 2024/25.

In addition, planned spend in 2021/22 (deferred from 2019/20) includes improvements to Public Open Space, Local Nature Reserves and the Amington Community Woodland and Cycleway.

Report Author:

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

| | |
|----------------------------|--|
| Background Papers:- | Corporate Vision, Priorities Plan, Budget & Medium Term Financial Strategy 2021/22, Council 23rd February 2021 |
| | Budget and Medium Term Financial Planning Process, Cabinet 19th August 2021 |
| | Budget Consultation Report, Cabinet 2nd December 2021 |
| | Leaders Budget Workshop, 1st December 2021 |
| | Draft Base Budget Forecasts 2022/23 to 2026/27, Cabinet 2nd December 2021 |
| | Treasury Management Strategy Statement & Annual Investment Strategy Mid-year Review Report 2021/22, Council 13th December 2021 |
| | Draft Budget and Medium Term Financial Strategy 2022/23 to 2026/27, Cabinet 20th January 2022 / Joint Scrutiny Committee (Budget) 26th January 2022 |
| | Business Rates Income Forecast (NDR1 return), Cabinet 20th January 2022 |
| | Treasury Management Practices 2022/23 (Operational Detail) |
| | |

Summary of Appendices

| Description | Appendix |
|---|-----------------|
| Corporate Vision for Tamworth | A |
| Detailed Considerations | B |
| Policy Changes | C |
| HRA Budget Summary 2022/23 – 2026/27 | D |
| General Fund Summary Revenue Budget 2022/23 | E |
| General Fund Technical Adjustments 2022/23 (before policy changes) | F1 |
| HRA Technical Adjustments 2022/23 (before policy changes) | F2 |
| General Fund 3 Year Revenue Budget Summary | G |
| Council Tax Levels at each Band 2022/23 | H |
| General Fund 5 Year Capital Programme 2022/23 – 2026/27 | I |
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| Main Assumptions | K |
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'Corporate Plan – On a Page'

TAMWORTH BOROUGH COUNCIL: VISION*'Tamworth - celebrating our heritage, creating a better future'*

| OUR PRIORITIES | AREAS OF FOCUS |
|---------------------------|---|
| 1. The Environment | <ul style="list-style-type: none"> • Enforcement and education with regard to litter and fly-tipping • Development of infrastructure for acting on climate change • Support more people to recycle and to reduce waste • Working with partners to protect, maintain and improve the green space offer |
| 2. The Economy | <ul style="list-style-type: none"> • Development of business initiatives to promote start up and growth • Support business growth to generate employment opportunities by working with businesses • Provision of good quality and affordable housing • Improve tourism in terms of good access information for visitors to help local businesses and Tamworth as a destination as a whole, maximise and improve the quality of the visitor experience |
| 3. Infrastructure | <ul style="list-style-type: none"> • Review Local Plan to improve the transport links within Tamworth • Improve existing walkways and cycling routes • Ensure more people can access council services digitally / digital enhancement with partners and within Council housing stock |

| | |
|-------------------------------------|---|
| <p>4. Living in Tamworth</p> | <ul style="list-style-type: none"> • Ensure adequate supply of affordable housing through the Local Plan review • Investment in Neighbourhood and Place environment • Through our Economic Development team, we will support job creation and business retention and expansion through interventions and advice, and seek to protect the local economy where we can influence this. • Improve and promote Tamworth's historic and cultural assets and events • Community safety focus on neighbourhoods and place • Working with partners to ensure the fear of crime within Tamworth is reduced |
| <p>5. Town Centre</p> | <ul style="list-style-type: none"> • Continue to develop street market and extend supporting events around the market to add vibrancy within the town centre • Create a branding scheme for "created in Tamworth" • Provide the infrastructure to improve evening and night time economy • Embrace Tamworth's history and culture so as to build a sense of local pride and to support our children education and understanding of the significant part Tamworth played in British history • Continue to promote all outdoor events • Development of a new Tamworth Enterprise Centre as part of the structural transformation of the town centre • Make the town centre more accessible • Improve leisure and food offer • Improve night time transport |

Our plan also includes short to medium term projects as well as longer term transformational and change projects:

| Short to Medium Term Projects | Transformational Change and longer term projects |
|---|--|
| <ul style="list-style-type: none"> • Development of an Organisational Development Strategy | <ul style="list-style-type: none"> • Future High Street Funds |
| <ul style="list-style-type: none"> • Town Centre Masterplan | <ul style="list-style-type: none"> • Gungate Development |
| <ul style="list-style-type: none"> • Place investment Strategy | <ul style="list-style-type: none"> • Medium Term Financial Strategy and delivery plan |
| <ul style="list-style-type: none"> • Corporation Street Gateway Project | <ul style="list-style-type: none"> • Reset and Recovery Programme |
| <ul style="list-style-type: none"> • Development of Hosing Revenue Account Business Plan | |
| <ul style="list-style-type: none"> • Garage Site Development | |
| <ul style="list-style-type: none"> • Asset Management Strategy | |
| <ul style="list-style-type: none"> • Town Hall Development | |
| <ul style="list-style-type: none"> • Completion of the Local Government Boundary Review | |
| <ul style="list-style-type: none"> • Development of Tourism Strategy | |

Detailed Considerations

Introduction

The Council's approach to medium term planning aims to integrate the Council's Corporate and financial planning processes. In accordance with that approach this report contains firm proposals for 2022/23 and provisional proposals for the following years.

It is intended that all aspects of the budget should be agreed by Members and so this report details each amendment which is proposed to the 2021/22 budget to arrive at the starting point for 2022/23. The report deals in turn with each of the key elements and towards the end of each section is a summary table. Each of these tables is brought together in the summary and conclusions section at the end of the report.

The Council's MTFS used as the basis for the 2022/23 budget, aimed both to deal with a challenging financial position and to find resources to address the Council's corporate priorities. The approved package was based upon:

- The need to compensate for reduced income levels arising from the continuing economic uncertainty and austerity measures;
- Injecting additional resources into Corporate Priorities;
- Increasing income from council tax and fees and charges;
- Making other savings and efficiencies.

Financial Background

The medium term financial planning process is being challenged by the uncertain economic conditions. The forecast grant reductions and continuing uncertainty have put significant pressure on the ability of the Council to publish a balanced MTFS.

It is suggested that, given the uncertainty, there should be no knee jerk reactions – with a clear plan to focus on balancing the next 3 years' budget position, in compliance with the Prudential Code (minimum balances of £0.5m) by which time the impact should be clearer.

There are a number of other challenges affecting the Medium Term Financial Planning process for the period from 2022/23 which add a high level of uncertainty to budget projections.

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

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

| Effect of x% movement: | % + / - | Impact over 1 year +/- | Impact over 3 years +/- | Impact over 5 years + / - | Risk |
|-------------------------------------|------------|---------------------------|----------------------------|---------------------------------|------|
| | | £'000 | £'000 | £'000 | |
| Pay Award / National Insurance (GF) | 0.5% | 46 | 283 | 721 | M |
| Pension Costs | 0.5% | 0 | 188 | 640 | L |
| Council Tax | 0.5% | 42 | 203 | 477 | L |
| Inflation / CPI | 0.5% | 66 | 379 | 943 | H |
| Government Grant | 1.0% | 47 | 216 | 486 | L |
| Investment Interest | 0.5% | 203 | 810 | 1,625 | H |
| Key Income Streams | 10% | 192 | 1,228 | 3,177 | H |
| Business Rates | 0.5% | 75 | 454 | 1,149 | H |

GENERAL FUND

Future Revenue Support Grant & Business Rate income

On 7th February 2022, the Secretary of State for the Department for Levelling Up, Housing and Communities (DLUHC), Rt. Hon. Michael Gove MP, released a written statement to Parliament on the final local government finance settlement 2022/23.

With the 2022/23 figures being for a single year only and the deferral on the Fair Funding Review, New Homes Bonus reform and the Business Rates Reset for a further year, the 2022/23 settlement is similar to the 2021/22 settlement; albeit, with an additional £1.8bn of funding (including the grant increase of £1.6bn and the Adult Social Care Reform funding of £0.2bn, as announced at Spending Review).

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; the new Lower Tier Services Grant and the Adult Social Care Support Grant. The table shows the national changes to Core Spending Power between 2015/16 and 2022/23. It shows an increase of 7.4% for 2022/23 and an overall increase for the period 2015/16 to 2022/23 of 21.2%.

| Core Spending Power | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| National Position | £m | £m | £m | £m | £m | £m | £m | £m |
| Settlement Funding Assessment | 21,250 | 18,602 | 16,633 | 15,574 | 14,560 | 14,797 | 14,810 | 14,882 |
| Under-indexing business rates multiplier | 165 | 165 | 175 | 275 | 400 | 500 | 650 | 1,275 |
| Council Tax | 22,036 | 23,247 | 24,666 | 26,332 | 27,768 | 29,227 | 30,327 | 31,742 |
| Improved Better Care Fund | - | - | 1,115 | 1,499 | 1,837 | 2,077 | 2,077 | 2,140 |
| New Homes Bonus | 1,200 | 1,485 | 1,252 | 947 | 918 | 907 | 622 | 556 |
| Rural Services Delivery Grant | 16 | 81 | 65 | 81 | 81 | 81 | 85 | 85 |
| Lower Tier Services Grant | - | - | - | - | - | - | 111 | 111 |
| 2022/23 Services Grant | - | - | - | - | - | - | - | 822 |
| Transition Grant | - | 150 | 150 | - | - | - | - | - |
| Adult Social Care Support Grant | - | - | 241 | 150 | - | - | - | - |
| Winter pressures Grant | - | - | - | 240 | 240 | - | - | - |
| Social Care (Support) Grant | - | - | - | - | 410 | 1,410 | 1,710 | 2,347 |
| Market Sustainability & Fair Cost of Care | - | - | - | - | - | - | - | 162 |
| Core Spending Power | 44,666 | 43,730 | 44,296 | 45,098 | 46,213 | 48,999 | 50,392 | 54,122 |
| Change % | | (2.1)% | 1.3% | 1.8% | 2.5% | 6.0% | 2.8% | 7.4% |
| Cumulative change % | | (2.1)% | (0.8)% | 1.0% | 3.5% | 9.7% | 12.8% | 21.2% |

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 2022/23 (after the deferral from 2021/22) but were 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 was deferred again, although no timescales were been released.

It has now been announced that the business rates multiplier will be frozen again for 2022/23. Therefore the three elements of the Business Rates Retention system (Baseline Need, NNDR Baseline and Tariff/Top Up amounts) remains at 2020/21 levels. However, the under-indexing multiplier grant has been increased, in order that local authorities do not lose what would have been the increase to the multiplier (as per previous years when a cap was applied) – reflected in additional section 31 grant. The business rates tariff for Tamworth was left unchanged at £10.4m – which means that due to the retention of business rates growth since 2013 of £2m, the Council benefits from net additional funds for 2022/23.

As part of the 2021 Spending Review, no announcement was made about the government's plans for funding reform or a **reset** of the Business Rates Retention (BRR) system, both of which were originally expected to be implemented in 2019/20, but which have been delayed a number of times.

The following statement is made:

Government is committed to ensuring that funding allocations for councils are based on an up-to-date assessment of their needs and resources. The data used to assess this has not been updated in a number of years, dating from 2013-14 to a large degree, and even as far back as 2000. Over the coming months, we will work closely with the sector and other stakeholders to update this and to look at the challenges and opportunities facing the sector before consulting on any potential changes.

As part of this we will look at options to support local authorities through transitional protection. Councils should note the one-off 2022/23 Services Grant provided in the Local Government Finance Settlement in 2022/23 will be excluded from potential transitional protections.

While this means the Council will be able to retain its business rate growth for 2022/23, it also means that the uncertainty continues and potentially the Council still faces losing this growth from 2023/24 as, over the coming months, the Government have stated that they will work with the sector before consulting on funding reform.

There is a high risk that these reforms will have a significant effect on the Council's funding level from 2023/24.

For future years (post 2022/23), it has been assumed that there will be a reduction in Revenue Support Grant to nil following the planned reforms, as detailed below.

| BASE BUDGET | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|-----------------------------|----------------|----------------|----------------|----------------|
| | £ | £ | £ | £ |
| Revenue Support Grant | 188,572 | 194,648 | - | - |
| % Increase / (Reduction) | 0.6% | 3.2% | (100)% | - |

Business Rates

The 2022/23 finance settlement represents the tenth 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. For 2020/21, this level was reduced due to the pandemic – with a levy payable of £495k.

The latest estimates for 2021/22 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.£3m in additional relief has been granted in 2021/22 due to the pandemic – meaning that retail, leisure and hospitality businesses will pay reduced levels of business rates in 2021/22.

The Government 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 (pending the planned business rates baseline reset) – the Government have confirmed that the reset will be deferred which means District Councils keep the accumulated growth in business rates (as they did last year) – subject to the effect of the pandemic on future business rate income.

For future years, it has been assumed that the retained growth will be redistributed as part of the 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.

New Burdens (Section 31) Grant is receivable for additional reliefs given by the Government relating to business rates from 1st April 2013 e.g. Small Business Rate Relief – of which 50% of any in excess of the baseline will be payable in levy to the pool. A prudent approach has been taken in respect of any new burdens funding – and, due to uncertainties & risk, the creation of an associated Business Rates Collection reserve to mitigate fluctuation in income. The forecast Section 31 Grants and levy payments included within the base budget forecasts are detailed below – and will be updated following finalisation of the business rates forecast for 2022/23 during January.

| Levy / Section 31 Grant | 2022/23 £ | 2023/24 £ | 2024/25 £ |
|--------------------------------|---------------------|---------------------|---------------------|
| NNDR Levy payment | 1,262,640 | - | - |
| Section 31 Grant income | - | - | - |

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

| BASELINE | 2022/23 £ | 2023/24 £ | 2023/24 £ |
|--|---------------------|---------------------|---------------------|
| Provisional LGFS (December 2021): | | | |
| Retained Business Rates | 12,744,347 | 15,217,244 | 15,521,589 |
| Less: Tariff payable | (10,405,841) | (12,769,033) | (13,024,414) |
| Total SFA | 2,338,506 | 2,448,211 | 2,497,175 |
| % Increase | - | 4.7% | 2.0% |
| Provisional LGFS (December 2021): | | | |
| Retained Business Rates | 12,744,347 | 15,217,244 | 15,521,589 |
| Less: Tariff payable | (10,405,841) | (12,769,033) | (13,024,414) |
| Total SFA | 2,338,506 | 2,448,211 | 2,497,175 |
| % Increase | - | 4.7% | 2.0% |
| Increase / (Decrease) | - | - | - |

Due to the variable nature of the BRR element of local authority funding, the provisional settlement no longer provides the absolute funding level for authorities. 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 is subject to confirmation / finalisation over the next few weeks – the latest estimates are detailed below:

| FINAL MTFS | 2022/23 | 2023/24 | 2024/25 |
|---|---------------------|---------------------|---------------------|
| | £ | £ | £ |
| Provisional LGFS (December 2021): | | | |
| Retained Business Rates | 14,918,867 | 15,217,244 | 15,521,589 |
| Less: Tariff payable | (10,405,841) | (12,769,033) | (13,024,414) |
| Total | 4,513,026 | 2,448,211 | 2,497,175 |
| % Increase | 63.5% | (45.8)% | 2.0% |
| Final NNDR1 Forecast (January 2022): | | | |
| Retained Business Rates | 13,252,313 | 15,217,244 | 15,521,589 |
| Less: Tariff payable | (10,405,841) | (12,769,033) | (13,024,414) |
| Total | 2,846,472 | 2,448,211 | 2,497,175 |
| % Increase | 3.1% | (14.0)% | 2.0% |
| Increase / (Decrease) | (1,666,554) | - | - |

Based on this Government financial support will change as shown below:

| FINAL MTFS | 2022/23 | 2023/24 | 2024/25 |
|---|---------------------|---------------------|---------------------|
| | £ | £ | £ |
| Provisional LGFS (December 2021): | | | |
| Revenue Support Grant | 194,648 | - | - |
| Retained Business Rates | 14,918,867 | 15,217,244 | 15,521,589 |
| Less: Tariff payable | (10,405,841) | (12,769,033) | (13,024,414) |
| Total | 4,707,674 | 2,448,211 | 2,497,175 |
| % Increase | 59.6% | (48.0)% | 2.0% |
| % RSG Increase / (Decrease) | 3.2% | (100.0)% | 0.0% |
| Final NNDR1 Forecast (January 2022): | | | |
| Revenue Support Grant | 194,648 | - | - |
| Retained Business Rates | 13,252,313 | 15,217,244 | 15,521,589 |
| Less: Tariff payable | (10,405,841) | (12,769,033) | (13,024,414) |
| Total | 3,041,120 | 2,448,211 | 2,497,175 |
| % Increase | 3.1% | (19.5)% | 2.0% |
| % RSG Increase / (Decrease) | 3.2% | (100.0)% | 0.0% |
| Increase / (Decrease) | (1,666,554) | - | - |

The table shows that funding should be c.£1.7m lower than expected in 2022/23.

The retained Business Rates forecast is based on the statutory NNDR1 return – approved by Cabinet on 20th January 2022 – prior to final sign off by the statutory deadline of 31st January 2022.

The estimated net yield of £13,252,313 retained by the Council (after the Preceptors and Central Share) is held within the Collection Fund. This is reduced by the tariff payable of £10,405,841 in 2022/23 and the 50% levy on business rates in excess of the Government assessed baseline.

A net overall increase in funding of £175,384 is reported when compared to the Draft MTFS forecast.

Increased S.31 Grant income of £2,017,322 is reported (due to the inclusion of the announced reliefs which serve to reduce business rates collectable by £1,666,554 offset by the increased S.31 grant income), subject to an increased levy payment of £175,384.

A deficit of £3,652,635 is reported for 2021/22 (before the reduction relating to the continuation of the 3 year spreading of the 2020/21 deficit of £652,098 to be paid in 2023/24). This will be reduced by additional section 31 grant (received in the General Fund) for the extended retail relief in 2021/22 due to the pandemic, but will need to be transferred to reserve and released during 2021/22 in line with Collection Fund accounting practice.

There are still significant uncertainties - specifically the treatment of:

- Forecast levels of growth / contraction in business rates – including the level of void properties and unpaid business rates for 2022/23 following the impact of the pandemic on local businesses;
- The estimated level of mandatory and discretionary reliefs;
- The estimated level of refunds of Business Rates following the Appeal process – especially following the pandemic;
- the treatment of Section 31 grant funding (including Small Business Rate Relief Grant) – which could affect the calculation of any levy payment and thereby reduce retained Business Rate income; and
- The impact of the Business Rates Retention scheme review, Baseline reset (the Council's baseline need level), the Fair Funding Review and the Spending Review on the likely tariff levels for future years.

In addition, the next planned national Business Rates Revaluation will take effect from 2023 – with latest indications that the Government will also aim to introduce a centralised system for business rate appeals at the same time to cover future changes arising from the 2023 valuation list.

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

New Homes Bonus (NHB)

There remains significant uncertainty over the ongoing funding for the New Homes Bonus scheme, as it has been 'rolled over' for another year, with allocations made and the final 2019/20 legacy payment honoured. There is no planned legacy payment for 2022/23 (as in 2020/21 and 2021/22).

The Government consulted on the future of the New Homes Bonus in 2021 and plan to publish their response early in 2022. The Government remains committed to reform and will use the additional year to carefully consider how to ensure the incentive is more focused and targeted on ambitious housing delivery and which complements wider Government priorities.

New Homes Bonus income forecasts had been included within the base budget as follows – with future levels included based on legacy payments only. However, following the announcement of additional funding for 2022/23, forecasts have subsequently been updated:

| BASE BUDGET NHB | 2022/23 £ | 2023/24 £ | 2024/25 £ |
|--|----------------------|----------------------|----------------------|
| Base Budget Forecast (November 2021) | 212,700 | - | - |
| Revised MTFS forecast (December 2021) | 917,070 | - | - |
| Increased / (Reduced) income | 704,370 | - | - |

This results in an overall gain to the MTFS of £0.7m for 2022/23, resulting from the growth in new homes in the borough to October 2021.

The national baseline for housing growth below which New Homes Bonus will not be paid was unchanged at 0.4% (reflecting a percentage of housing that would have been built anyway).

Technical Adjustments

Revisions have been made to the 2021/22 base budget in order to produce an adjusted base for 2022/23 and forecast base for 2023/24 onwards. These changes, known as technical adjustments have been calculated to take account of:

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

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

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

| Technical Adjustments | 2022/23 £'000 | 2023/24 £'000 | 2024/25 £'000 |
|--|--------------------------|--------------------------|--------------------------|
| Base Budget B/Fwd | 258 | 9,024 | 9,604 |
| Committee Decisions | 8,788 | (88) | 2 |
| Inflation | 25 | 19 | 18 |
| Other | (295) | 340 | 267 |
| Pay Adjustments (Including pay award / 7.5% reduction for vacancy allowance) | 248 | 309 | 300 |
| Total / Revised Base Budget | 9,024 | 9,604 | 10,191 |

* () denotes saving in base budget

Policy Changes

The policy changes provisionally agreed by Council in February 2021 have been included within the technical adjustments for 2022/23 onwards. **A list of the proposed new policy changes for 2022/23 is summarised below:**

| Item No | Policy Changes Identified – General Fund | 2022/23 £'000 | 2023/24 £'000 | 2024/25 £'000 |
|---------|---|------------------|------------------|------------------|
| OR1 | Increased cost Legal Shared Service (less ongoing underspend on current budget plus use of retained funds in years 1 and 2) | - | 8.5 | 11.0 |
| OR2 | Funding required for ongoing costs associated with Audio/Visual technology to support council meetings at the Town Hall. Budget will cover streaming hours and support/maintenance for the solution | - | 12.0 | - |
| PE1 | HR - Increase in long service award budget to meet profiled expenditure for the next three years | 4.9 | (1.3) | 2.6 |
| PE2 | Customer Services - Extension of temporary contracts for CSA staff due to finish 31st March 2022 for a further year | 74.4 | (74.4) | - |
| PE3 | Move of iTrent to MHR Cloud services. The current iTrent on premise environment requires a complete reinstall due to end of life version of Windows and SQL server. | 15.0 | - | - |
| PE4 | Customer Services - Hire of Security - extension of contract to December 2022 (also impact on HRA) | 12.3 | (12.3) | - |
| PE5 | Communications & Marketing – Make Head of Communication a permanent full time role | 19.6 | - | - |
| OPS1 | Pleasure Grounds - remove income streams from the activity centre | 27.0 | - | (25.8) |
| OPS2 | To reinstate the full budget of £30k for the purchase of flowers for Tamworth. The budget was reduced to £15k during the pandemic as only selected sites were planted. A further £10k is requested for 2022/23 so as to enable additional floral displays to enhance the Queens Platinum Jubilee celebrations throughout the town | 25.0 | (10.0) | - |
| OPS3 | A budget of £15k be created to provide each member with £500 per annum to use to aid environmental improvements in their ward. | 15.0 | - | - |
| OPS4 | Additional revenue budgets for the purchase of vehicles and mechanical sweepers for the authority | 56.2 | 27.6 | - |
| OPS5 | Assembly Rooms - costed maintenance plan for 2022/23 is £35k, however with the current supply chain and market forces it is recommended that this be increased by 20% to ensure all costs are covered, bringing the figure to £42k | 33.0 | - | - |

| Item No | Policy Changes Identified – General Fund | 2022/23 £'000 | 2023/24 £'000 | 2024/25 £'000 |
|-----------------|--|--------------------------|--------------------------|--------------------------|
| OPS6 | The reopening of the Assembly Rooms in 2021 commenced in July and phased the return of staff building as the Covid restrictions lifted. In the report that went to Cabinet and Appointments and Staffing, (6th April 2021) it was identified that c.£98k would be need to fully support this structure from 2022/23. | 101.0 | (101.0) | - |
| OPS7 | Reduced income - the Council have undertaken 8 annual cuts of SCC grass verges and associated green spaces for many years. In 2018 they indicated that the funding for the service was to be reduced and it was agreed that the fee would now relate to 6 annual cuts plus some new developments. | 28.3 | - | - |
| FIN1 | Revised New Homes Bonus | (704.4) | 704.4 | - |
| FIN2 | Business Rates Levy payment | 1,262.6 | (1,262.6) | - |
| FIN3 | Lower Tier Grant | (107.0) | 104.9 | - |
| FIN4 | Business Rates Relief Section 31 Grant | (2,017.3) | 2,017.3 | - |
| FIN5 | Local Government Services grant | (161.2) | 161.2 | - |
| FIN6 | Revenue Implications of Capital Programme | 11.0 | 2.0 | 1.0 |
| FIN7 | West Midlands Combined Authority contribution (WMCA) - Proposed increase in the annual contribution levels | 5.0 | 5.0 | - |
| FIN8 | Transfer from Business Rates Equalisation Reserve, including estimated contributions in 2021/22 | (939.4) | 939.4 | - |
| PAR1 | To maintain the level of potential income on car park enforcement at pandemic levels | 57.8 | (57.8) | - |
| AST1 | Valuation of General Fund Assets - auditors have identified some key areas of improvement which will require additional investment | 50.0 | - | - |
| AST2 | Increase in BRF to reflect market cost changes - Upward price pressures from the construction market has forced an increase in contractor costs | 65.6 | - | - |
| AST3 | Servicing of castle grounds toilet facilities - reflects the increase ongoing cost of servicing and cleansing | 1.5 | - | - |
| AST4 | Restructure of Assets Team | 51.4 | - | - |
| G&R1 | A c.30% drop in planned revenue in car parking revenue for financial year 2022/23 compared to 2019/20 | 256.6 | (256.6) | - |
| G&R2 | Providing additional salary to budget to underpin the costs of a new post Heritage and Facilities Officer, approved earlier in the year. The Castle is required to provide 25% of the costs. | 10.0 | (10.0) | - |

| Item No | Policy Changes Identified – General Fund | 2022/23 £'000 | 2023/24 £'000 | 2024/25 £'000 |
|---------|---|------------------|------------------|------------------|
| G&R3 | The proposal is to permanently extend the hours of our Public Health Officer post from 30 hours per week to 37 hours per week. This change is currently being funded through reserve budgets and it is requested that a Policy change be agreed to make this permanent. | 7.2 | - | - |
| G&R4 | The proposal is to remove the predicted reduction in general admission income at the castle as we emerge from pandemic restrictions. Given the positive indications in 2021/22 it is recommended that the full budget be reinstated for 2022/23. | (54.6) | 54.6 | - |
| G&R5 | Castle Staffing Review - Additional costs arising from the castle report | 6.4 | 1.7 | - |
| | Total New Items / Amendments | (1,787.3) | 2,254.7 | (11.2) |
| | Cumulative | (1,787.3) | 467.4 | 456.2 |
| | Cumulative 3 years | | | (863.7) |

In addition, the following savings are proposed arising from Phase 1 of the Recovery and Reset programme:

| Item No | Proposal/(Existing Budget) | 2022/23 £'000 | 2023/24 £'000 | 2024/25 £'000 |
|---------|---|------------------|------------------|------------------|
| R&R1 | Digitalisation of CST service savings from use of portal (10% salary savings) | - | - | (50.0) |
| R&R2 | Corporate review of Postage - Targeted saving | (20.0) | - | - |
| R&R3 | Shopmobility - Cease funding | (10.0) | - | - |
| R&R4 | Mobile Phone contract review | (8.0) | - | - |
| R&R5 | Review of all IT software contacts | (5.0) | - | - |
| R&R6 | Health Insurance, Occupational Health and Listening Service – targeted saving from re-procurement | (10.0) | - | - |
| R&R7 | Highways Reverse Agency Agreement – budget review | (86.0) | - | - |
| R&R8 | Expand street scene Service to cover all Corporate properties - castle outside | (3.0) | - | - |
| R&R9 | Treasury Management income – targeted saving | (30.0) | - | - |
| R&R10 | Review of Cross subsidy- Charge removed whilst under review (max of 2 years) | (229.6) | - | 200.0 |
| R&R11 | Private Sector Leasing (PSL) savings from cessation of scheme | (30.0) | - | - |
| R&R12 | Flexible Housing Support Grant - Saving on Reserve Account | (80.0) | 80.0 | - |

| Item No | Proposal/(Existing Budget) | 2022/23 £'000 | 2023/24 £'000 | 2024/25 £'000 |
|---------|---|------------------|------------------|------------------|
| R&R13 | Review of Income - Planning fees and enforcement | (20.0) | - | - |
| R&R14 | Increase service offer - planning advice , site appraisals and TPOs | (10.0) | - | - |
| R&R15 | Review of planning Income - Re-active service at present need to scope and review | (10.0) | - | - |
| R&R16 | Street trading - Reduction in income budget | 15.0 | - | - |
| R&R17 | Corporate Management - Targeted savings from Ph.2 R&R service review | (100.0) | | (90.0) |
| | Total New Items / Amendments | (636.6) | 80.0 | 60.0 |
| | Cumulative | (636.6) | (556.6) | (496.6) |
| | Cumulative 3 years | | | (1,689.8) |

Capping / Local Referendum

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

The principles for 2022/23 require authorities to seek the approval of their local electorate in a referendum if, compared with 2020/21, they set council tax increases that are equal to or exceed the greater of 2% or £5. Consideration of the likely level of Council Tax increases over the 5-year period is needed to avoid the potential costs of holding a referendum and to ensure that balances are maintained at the minimum approved level of £0.5m. The indications are that a potential threshold will be the greater of 2.0% or £5 in future years - the impact of a £5 p.a. increase is outlined below.

Council Tax

Last year's medium term financial plan identified ongoing increases of £5 per annum from 2022/23 - 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 2021/22).

Each £1 increase in the band D Council Tax would raise approximately £22k per annum. For each 1% increase in Council Tax, the Council will receive c. £40k additional income per annum. The Council's provision for collection losses for 2022/23 has been approved at 2.1% (the same level as 2021/22). In order to meet the on-going expenditure requirements the Council will have to increase the underlying income base.

The Band D Council Tax would increase to £191.89 for 2022/23 (£186.89 – 2021/22). Future levels of Council Tax and the projected impact on the General Fund revenue account forecast would be as follows:

| Year: | 2022/23 | 2023/24 | 2024/25 |
|---|----------------|----------------|----------------|
| Forecast: | £'000 | £'000 | £'000 |
| Surplus (-) /Deficit | 257 | 2,765 | 2,873 |
| Balances Remaining (-) / Overdrawn | (8,434) | (5,669) | (2,796) |
| | | | |
| £ Increase | 5.00 | 5.00 | 5.00 |
| % Increase | 2.68% | 2.61% | 2.54% |
| Note: Resulting Band D Council Tax | 191.89 | 196.89 | 201.89 |

which indicates potential balances of £2.8m (compared to the minimum approved level of £0.5m) is forecast as remaining over the 3 year period. As current capping guidance indicates a 'capping' threshold of 2% or £5, this is considered a low risk option.

Also available to the Council to support expenditure otherwise funded from Council Tax are surpluses arising from the Council's share of surpluses within the Council Tax or Business Rates elements of the Collection Fund – subject to the projected impact of the pandemic these may be significantly reduced or could mean a deficit position which would have to be funded in 2022/23 by the preceptors (subject to the Government commitment to allow any deficit arising from the pandemic to be spread over 3 years).

It is proposed that surpluses / deficits be included (and that the relevant amounts be made available to the other precepting authorities – the County Council, Fire & Rescue and Office of the Police & Crime Commissioner (OPCC)).

These were impacted in 2020/21 by the effects of the pandemic resulting in a deficit position which was funded in 2021/22 by the preceptors (& subject to the Government requirement to allow any deficit arising from the pandemic to be spread over 3 years).

It is estimated that there will be a surplus of £0.75m for Council Tax, – this has been reduced by the 2020/21 projected deficit (spread over 3 years) of £0.3m.

A deficit of £3,652,635 is reported for 2021/22 (before the reduction relating to the continuation of the 3 year spreading of the 2020/21 deficit of £652,098 to be paid in 2023/24). This will be reduced by additional section 31 grant (received in the General Fund) for the extended retail relief in 2021/22 due to the pandemic, but will need to be transferred to reserve and released during 2021/22 in line with Collection Fund accounting practice.

In addition, due to the pandemic, the Council is required by regulation to spread the deficit over 3 years (net of the additional section 31 grant income) – as follows:

| Local Government Share of Deficit after Section 31 grants | Budget 2021/22 | Budget 2022/23 | Budget 2023/24 |
|--|-----------------------|-----------------------|-----------------------|
| <u>Transfer Estimated Balance</u> | | | |
| SCC share of Estimated Deficit | £1,599,749 | £270,048 | £58,689 |
| Staffordshire Fire share of Estimated Deficit | £178,430 | £30,005 | £6,521 |
| TBC Share of Estimated Deficit | £7,137,191 | £1,200,215 | £260,839 |
| Sub Total | £8,915,370 | £1,500,268 | £326,049 |
| <u>Section 31 Grants for additional Business Rate Reliefs</u> | | | |
| SCC share | (£1,541,060) | (£211,359) | |
| Staffordshire Fire | (£171,909) | (£23,484) | |
| TBC Share | (£6,876,352) | (£939,376) | |
| Sub Total | (£8,589,321) | (£1,174,219) | - |
| <u>Estimated Balance after Section 31 grants</u> | | | |
| SCC share | £58,689 | £58,689 | £58,689 |
| Staffordshire Fire | £6,521 | £6,521 | £6,521 |
| TBC Share | £260,839 | £260,839 | £260,839 |
| Sub Total | £326,049 | £326,049 | £326,049 |

The resulting surplus/deficits for the Council are as follows.

| Year: | 2022/23 | 2023/24 | 2024/25 |
|--|---------|---------|---------|
| Council Tax | £'000 | £'000 | £'000 |
| Council Tax Income | (4,407) | (4,577) | (4,734) |
| Collection Fund (Surplus) / Deficit (Council Tax) | (75) | 30 | (33) |
| Collection Fund (Surplus) / Deficit (Business Rates) | 1,200 | 261 | - |

The County Council, Staffordshire OPCC and Staffordshire Commissioner Fire & Rescue Authority are due to finalise their budgets for 2022/23 during February 2022. The impact of the Borough Council tax proposals is shown for each Council Tax Band in **Appendix H**.

Balances

At the Council meeting on 29th February 2000 Members approved a minimum working level of balances of £0.5m. At 31st March 2022 General Fund Revenue Balances are estimated to be £8.7m, compared with £6.5m anticipated a year ago. The minimum level of balances for planning purposes will remain at £0.5m.

Summary and Conclusions

These budget proposals reflect the need to compensate for reduced income levels arising from the economic uncertainty (arising from the pandemic) and potential significant reductions in Government funding, a desire to continue to address the Council's priorities / issues identified by Members and at the same time to seek continuous improvement in service delivery.

In addition, there remains a degree of uncertainty in a number of areas including future income levels following the pandemic, local authority pay settlements, the potential for interest rate changes and the future local government finance settlements. A summary of all the budget proposals is shown in the table below. The summary Revenue Budget for 2022/23 appears at **Appendix E**. A summary of the resulting budgets over the 3 year period appears at **Appendix G**.

| GF Summary | 2022/23 £'000 | 2023/24 £'000 | 2024/25 £'000 |
|--|--------------------------|--------------------------|--------------------------|
| Estimated Net Cost of Services | 9,024 | 9,604 | 10,191 |
| Proposed Policy Changes | (2,424) | (89) | (40) |
| Change in Recharges | (20) | (19) | (20) |
| Inflationary impact of policy changes | - | 3 | 7 |
| Net Expenditure | 6,580 | 9,499 | 10,138 |
| Financing: | | | |
| RSG | (195) | - | - |
| Collection Fund (Surplus) / Deficit – Council Tax | (75) | 30 | (33) |
| Collection Fund Surplus / Deficit – Business Rates | 1,200 | 261 | - |
| Non Domestic Ratepayers | (13,252) | (15,217) | (15,522) |
| Tariff Payable | 10,406 | 12,769 | 13,024 |
| Council Tax Income (Model 1) | (4,407) | (4,577) | (4,734) |
| Gross Financing | (6,323) | (6,734) | (7,265) |
| Surplus(-)/Deficit | 257 | 2,765 | 2,873 |
| Balances Remaining (-) / Overdrawn | (8,434) | (5,669) | (2,796) |
| Per Council, 23rd February 2021 | (3,845) | (526) | - |
| Band D Equivalents | 22,968 | 23,247 | 23,447 |

Indicating potential General fund balances of approx. £2.8m over 3 years - including the minimum approved level of £0.5m.

HOUSING REVENUE ACCOUNT

Technical Adjustments

The 2021/22 approved budget has been used as a base to which amendments have been made reflecting the impact of technical adjustments. The impact of the policy led changes, will be added to this figure to produce the HRA budget for 2022/23.

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

| Technical Adjustments | 2022/23 £'000 | 2023/24 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2026/27 £'000 |
|---|------------------|------------------|------------------|------------------|------------------|
| Base Budget B/Fwd | 343 | 1,212 | (133) | 51 | (122) |
| Committee Decisions | 1,198 | (1,121) | 335 | 0 | 0 |
| Inflation | 201 | 178 | 181 | 187 | 193 |
| Other | (605) | (493) | (421) | (444) | (487) |
| Pay Adjustments (Including pay award / reduction of 7.5% for vacancy allowance) | 75 | 91 | 89 | 84 | 84 |
| Revised charges for non-general fund activities | 0 | 0 | 0 | 0 | 0 |
| Virements | 0 | 0 | 0 | 0 | 0 |
| Total / Revised Base Budget | 1,212 | (133) | 51 | (122) | (332) |

Revisions have been made to the 2021/22 base budget in order to produce an adjusted base for 2022/23 and forecast base for 2023/24 onwards. These changes, known as technical adjustments, are largely beyond the control of the Council and have been calculated to take account of:

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

and are summarised in **Appendix F2**.

Proposals

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

| Item No | Policy Changes Identified – Housing Revenue Account | 22/23 £'000 | 23/24 £'000 | 24/25 £'000 | 25/26 £'000 | 26/27 £'000 |
|---------|---|----------------|----------------|----------------|----------------|----------------|
| HRA1 | Increase in response repairs budget to reflect upward price pressures from the construction market | 292.6 | - | - | - | - |
| HRA2 | Servicing of specialist disabled equipment installed as part of Disabled Facilities Adaptation - Failure to service and maintain equipment installed as party of a DFA will result in increased costs of renewals | 15.0 | - | - | - | - |
| HRA3 | Revenue Implications of Capital Programme | - | - | - | 50.0 | 50.0 |
| HAS1 | Add cost of cleaners van to HRA Estates budget - used across the HRA estates | 2.0 | 2.0 | - | - | - |
| HAS2 | Restructure of Assets Team | 70.3 | - | - | - | - |
| HNEI1 | Former Tenancy Arrears Officer - extending the temporary full-time post `Former Tenancy Arrears Officer` to address the recovery of HRA's wide range of former arrears until March 2023 | 14.6 | (14.6) | - | - | - |
| HNEI2 | Resident Support Worker – Eringden Block - extending the temporary post `Resident Support Worker` for a further year until March 2023 | 34.4 | (34.4) | - | - | - |
| HNEI3 | Valuation of Housing Revenue Account Assets - auditors have identified some key areas of improvement which will require additional investment | 25.0 | - | - | - | - |
| HNEI4 | Customer Services - Hire of Security - extension of contract to December 2022 | 12.3 | (12.3) | - | - | - |
| HNEI5 | Extending the temporary post `Housing Regulatory & High Rise Co-ordinator` a further year until March 2023 | 33.7 | (33.7) | - | - | - |
| HOPS1 | Create 3.5 FTE positions within housing maintenance operatives | 95.0 | - | - | - | - |
| HOPS2 | Increased cost of HMO van to HRA budget | 3.0 | 3.0 | - | - | - |
| HOPS3 | Required annually to provide ongoing additional waste collections to HRA flatted areas, to be facilitated by the Councils waste provider | 20.0 | - | - | - | - |
| HOPS4 | Budget provision to cover the cost of a wide range of neighbourhood works required; eviction storage of items, contaminated rubbish removals, clean following estate incidents etc. | 15.0 | (15.0) | - | - | - |

| Item No | Policy Changes Identified – Housing Revenue Account | 22/23 £'000 | 23/24 £'000 | 24/25 £'000 | 25/26 £'000 | 26/27 £'000 |
|-------------------------------------|---|----------------|-----------------|-----------------|----------------|----------------|
| HPEO1 | Customer Services Housing Repairs - Extension of temporary contract for temporary member of staff due to finish 31 st March 2022 for a further 2 years | 27.0 | - | (27.0) | - | - |
| R&R10 | Review of Cross subsidy- Charge removed whilst under review (max of 2 years) | 229.6 | - | (200.0) | - | - |
| Total New Items / Amendments | | 889.44 | (104.98) | (227.00) | 50.0 | 50.0 |
| Cumulative | | 889.44 | 784.46 | 557.46 | 607.46 | 657.46 |
| Cumulative 5 years | | 3,496.3 | | | | |

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

| Summary | 2022/23 £'000 | 2023/24 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2026/27 £'000 |
|---|------------------|------------------|------------------|------------------|------------------|
| Estimated Net (Surplus) / Deficit | 1,212 | (133) | 51 | (122) | (332) |
| Proposed Policy Changes | 889 | 784 | 557 | 607 | 657 |
| Change in Recharges / inflationary impact | (150) | (142) | (134) | (126) | (117) |
| Surplus (-) / Deficit | 1,951 | 509 | 474 | 360 | 208 |
| Balances Remaining (-) / Overdrawn | (3,384) | (2,875) | (2,401) | (2,041) | (1,833) |
| Per Council, 23 rd February 2021 | (3,160) | (3,069) | (2,790) | (2,665) | - |

Indicating Housing Revenue Account (HRA) balances of £2.4m over 3 years (with balances of £1.8m over 5 years) including the minimum recommended balances of £0.5m.

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.

The effect of the reduction in Social Housing Rents announced in the Summer Budget 2015 means that rents were 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 2022/23 (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 4.1% increase (followed by forecast increases of 3% p.a.), due to the increased cost pressures currently being experienced (although they may be temporary). The MTFs included a forecast increase of 3% p.a. based on the formula allowed under the Rent Setting Guidance of CPI plus 1%.

Given the current level of CPI of 3.1% (September 2021), the forecast increase for 2022/23 will be 4.1% in line with the maximum allowed by the Government's Rent Standard (that social housing rents can increase to include 'up to' a factor of the consumer price index (CPI) measure of inflation (for September of the preceding year) plus 1% for five years from 2020) - in order to support the continued investment in the housing stock. Each 1% increase would equate to additional income of c.£200k p.a. (£1m over 5 years).

The following options have been modelled:

| | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
|--|---------|----------------------|------------------|----------------|------------------|------------------|
| | £ | £ | £ | £ | £ | £ |
| Option 1: CPI + 1% | | | | | | |
| Rent (52 Weeks) | 82.35 | 85.72 | 88.30 | 91.09 | 93.67 | 96.48 |
| Rent (48 Weeks) | 89.21 | 92.87 | 95.65 | 98.52 | 101.48 | 104.52 |
| % Increase | 1.5% | 4.1% | 3.0% | 3.0% | 3.0% | 3.0% |
| | 0 | 0 | 0 | 0 | 0 | 0 |
| Option 2: CPI | | | | | | |
| Rent (52 Weeks) | 82.35 | 84.90 | 86.60 | 88.47 | 90.10 | 91.90 |
| Rent (48 Weeks) | 89.21 | 91.98 | 93.82 | 95.69 | 97.61 | 99.56 |
| % Increase | 1.5% | 3.1% | 2.0% | 2.0% | 2.0% | 2.0% |
| Reduced Rent compared to Option 1 | - | 187,670 | 384,780 | 601,910 | 802,380 | 1,023,300 |
| | | 5 year impact | | | | 3,000,040 |
| Option 3: No increase | | | | | | |
| Rent (52 Weeks) | 82.35 | 82.35 | 82.35 | 82.48 | 82.35 | 82.35 |
| Rent (48 Weeks) | 89.21 | 89.21 | 89.21 | 89.21 | 89.21 | 89.21 |
| % Increase | 1.5% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Reduced Rent compared to Option 1 | - | 769,400 | 1,348,520 | 431,640 | 2,541,280 | 3,155,410 |
| | | 5 year impact | | | | 8,246,250 |
| Inflation at CPI + 1% | 1.5% | 4.1% | 3.0% | 3.0% | 3.0% | 3.0% |

Balances

The forecast level of balances at 31st March 2022 is £5.3m. The impact on balances of the adjustments outlined in this report would be as follows:

| Balances | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
|---|----------------|----------------|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Proposed Withdrawal from / Addition to (-) Balances | 1,951 | 509 | 474 | 360 | 208 |
| Balances Remaining (-) / Overdrawn | (3,384) | (2,875) | (2,401) | (2,041) | (1,833) |

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

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

CORPORATE CAPITAL STRATEGY 2020/21 to 2024/25

The Council has an ongoing capital programme of over £52m for 2021/22 and an asset base valued at £252m (as at 31st March 2021).

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.

Corporate Management Team (CMT) and the Asset Strategy Steering Group (ASSG) review capital bids. Once capital bids have been prioritised, Executive Management Team will review the outcome of the deliberations of CMT / 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 23rd February 2021, 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).

The minimum approved level of GF capital balances is £0.5million and, should the programme progress without amendment, would mean additional borrowing of £0.5m over the next 5 years (£0.3m over 3 years). There has been an increase of c.£3m over 5 years since the provisional programme was approved (including new year 5 costs of c.£0.77m, Balancing Ponds £0.85m, ICT £0.15m, Audio/Visual technology for the Town Hall £87k, Play area refurbishment £55k, increased contingencies £130k and Recovery & Reset costs of £1.27m). The current GF Capital Financing Requirement (CFR) stands at £3.6m with planned borrowing in 2021/22 of £1.5m.

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 2026/27.

The updated forecast resources given the significant changes in spend over the 4 years of c.£12.3m means there will be a significant funding gap for the HRA capital programme of c.£5m.

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 £69.893m with planned borrowing in 2021/22 of £703k.

With regard to the contingency schemes/allocation **£220k** remains in current year contingency funds (£120k GF/ £100k HRA) - which will be re-profiled into 2022/23 to provide additional Capital Contingency funding.

Policy Changes Summary

| SERVICE AREA | Sheet No. | Budget Changes 22/23 £'000 | Budget Changes 23/24 £'000 | Budget Changes 24/25 £'000 |
|-----------------------------------|-----------|-------------------------------|-------------------------------|-------------------------------|
| EXECUTIVE DIRECTOR ORGANISATION | 1 | - | 20.50 | 11.00 |
| PEOPLE | 2 | 73.14 | (87.94) | (47.41) |
| OPERATIONS AND LEISURE | 3 | 213.88 | (83.44) | (25.80) |
| EXECUTIVE DIRECTOR FINANCE | | - | - | - |
| FINANCE | 4 | (2,780.62) | 2,673.62 | (89.00) |
| EXECUTIVE DIRECTOR COMMUNITIES | | - | - | - |
| NEIGHBOURHOODS | 5 | (110.00) | 80.00 | - |
| PARTNERSHIPS | 6 | (171.73) | (57.82) | 200.00 |
| ASSETS | 7 | 147.15 | - | - |
| CHIEF EXECUTIVE | | - | - | - |
| GROWTH & REGENERATION | 8 | 204.37 | (210.23) | - |
| TOTAL | | (2,423.81) | 2,334.69 | 48.79 |
| Cumulative Cost / (Saving) | | (2,423.81) | (89.12) | (40.33) |

| HOUSING REVENUE ACCOUNT | Sheet No. | Budget Changes 22/23 £'000 | Budget Changes 23/24 £'000 | Budget Changes 24/25 £'000 | Budget Changes 25/26 £'000 | Budget Changes 26/27 £'000 |
|-----------------------------------|-----------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| HRA - SUMMARY | 9 | 537.16 | - | (200.00) | 50.00 | 50.00 |
| HRA - ASSETS | 10 | 72.30 | 2.00 | - | - | - |
| HRA - NEIGHBOURHOODS | 11 | 119.98 | (94.98) | - | - | - |
| HRA - OPERATIONS | 12 | 133.00 | (12.00) | - | - | - |
| HRA - PEOPLE | 13 | 27.00 | - | (27.00) | - | - |
| TOTAL | | 889.44 | (104.98) | (227.00) | 50.00 | 50.00 |
| Cumulative Cost / (Saving) | | 889.44 | 784.46 | 557.46 | 607.46 | 657.46 |

Policy Changes Summary Staffing Implications

| SERVICE AREA | Sheet No. | Budget Changes 22/23 FTE | Budget Changes 23/24 FTE | Budget Changes 24/25 FTE |
|---|-----------|--------------------------|--------------------------|--------------------------|
| EXECUTIVE DIRECTOR ORGANISATION | 1 | - | - | - |
| PEOPLE | 2 | 3.2 | (3.0) | - |
| OPERATIONS AND LEISURE EXECUTIVE DIRECTOR FINANCE | 3 | 2.6 | (2.6) | - |
| FINANCE | 4 | - | - | - |
| EXECUTIVE DIRECTOR COMMUNITIES | | - | - | - |
| NEIGHBOURHOODS | 5 | - | - | - |
| PARTNERSHIPS | 6 | - | - | - |
| ASSETS | 7 | 1.0 | - | - |
| CHIEF EXECUTIVE | | - | - | - |
| GROWTH & REGENERATION | 8 | 0.5 | (0.3) | - |
| TOTAL | | 7.3 | (5.9) | - |

| HOUSING REVENUE ACCOUNT - ASSETS | Sheet No. | Budget Changes 22/23 FTE | Budget Changes 23/24 FTE | Budget Changes 24/25 FTE | Budget Changes 25/26 FTE | Budget Changes 26/27 FTE |
|----------------------------------|-----------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| HRA - SUMMARY | 9 | - | - | - | - | - |
| HRA - ASSETS | 10 | 2.0 | - | - | - | - |
| HRA - NEIGHBOURHOODS | 11 | 3.0 | (3.0) | - | - | - |
| HRA - OPERATIONS | 12 | 3.5 | - | - | - | - |
| HRA - PEOPLE | 13 | 1.0 | - | (1.0) | - | - |
| TOTAL | | 9.5 | (3.0) | (1.0) | - | - |

EXECUTIVE DIRECTOR ORGANISATION

| Item No | Proposal/(Existing Budget) | Implications | Budget Change | Budget Change | Budget Change |
|-------------------------------------|---|---|---------------|---------------|---------------|
| | | | 22/23 | 23/24 | 24/25 |
| | | | £'000 | £'000 | £'000 |
| OR1 | Increased cost Legal Shared Service (less ongoing underspend on current budget plus use of retained funds in years 1 and 2) | | - | 8.50 | 11.00 |
| OR2 | Funding required for ongoing costs associated with Audio/Visual technology to support council meetings at the Town Hall. Budget will cover streaming hours and support/maintenance for the solution | Additional budget required to fund the annual streaming hours for web casted council meetings and for associated solution support and maintenance. Without the streaming annual hours, we would be unable to live stream council meetings and instead, record and publish following the meeting. The leader has requested live streaming be included in the specification subject to confirmation of final costs. | - | 12.00 | - |
| Total New Items / Amendments | | | - | 20.50 | 11.00 |

STAFFING IMPLICATIONS

| Item No | Proposal/(Existing Budget) | Implications | 22/23 | 23/24 | 24/25 |
|--------------|----------------------------|--------------|----------|----------|----------|
| | | | FTE | FTE | FTE |
| | | | | | |
| | | | | | |
| | | | | | |
| TOTAL | | | - | - | - |

2022/23 Budget Process - Policy Changes

Sheet 2

PEOPLE

| Item No | Proposal/(Existing Budget) | Implications | Budget Change | Budget Change | Budget Change |
|-------------------------------------|--|--|---------------|----------------|----------------|
| | | | 22/23 | 23/24 | 24/25 |
| | | | £'000 | £'000 | £'000 |
| PE1 | HR - Increase in long service award budget to meet profiled expenditure for the next three years | | 4.87 | (1.29) | 2.59 |
| PE2 | Customer Services - Extension of temporary contracts for CSA staff due to finish 31st March 2022 for a further year | | 74.40 | (74.40) | - |
| PE3 | Move of iTrent to MHR Cloud services. The current iTrent on premise environment requires a complete reinstall due to end of life version of Windows and SQL server. Ongoing hosting costs are £15k pa est. | Move to utilising more cloud-based services in line with approved ICT Strategy, improved business continuity of essential system, reduce resource required for application upgrades/patches/maintenance, reduce resources required maintain iTrent server environment and databases – both allowing ICT to focus on delivery of other projects/Strategy related value-add activities. MHR Cloud services will also give greater flexibility of access/availability for iTrent. | 15.00 | - | - |
| PE4 | Customer Services - Hire of Security - extension of contract to December 2022 (also impact on HRA) | | 12.25 | (12.25) | - |
| PE5 | Communications & Marketing - Revised Staffing Arrangements | To make Head of Corporate Communications a permanent full time role | 19.62 | - | - |
| R&R1 | Digitalisation of CST service | Improved use of portal and targeted front of house (10% salary savings) | - | - | (50.00) |
| R&R2 | Corporate review of Postage | Targeted saving - Annual budget is £100k on postage (not including amounts in software / printing / statements etc) | (20.00) | - | - |
| R&R3 | Shopmobility | Cease funding | (10.00) | - | - |
| R&R4 | Mobile Phone contract | Review of corporate phones | (8.00) | - | - |
| R&R5 | Review of all IT software contacts | Saving achieved from contract reviews | (5.00) | - | - |
| R&R6 | Health Insurance, Occupational Health and Listening Service | Services to be re-procured & targeted savings to be included | (10.00) | - | - |
| Total New Items / Amendments | | | 73.14 | (87.94) | (47.41) |

| STAFFING IMPLICATIONS | | | | | |
|------------------------------|--|---|------------------|------------------|------------------|
| Item No | Proposal/(Existing Budget) | Implications | 22/23 FTE | 23/24 FTE | 24/25 FTE |
| PE2 | Five temporary Gr B staff to be retained to 31st March 2023 (112.2 hours in total) | | 3.03 | (3.03) | - |
| PE5 | Communications & Marketing - Revised Staffing Arrangements | To make Head of Corporate Communications a permanent full time role | 0.19 | - | - |
| TOTAL | | | 3.22 | (3.03) | - |

OPERATIONS AND LEISURE

| Item No | Proposal/(Existing Budget) | Implications | Budget Change | Budget Change | Budget Change |
|---------|--|--|----------------|----------------|----------------|
| | | | 22/23 £'000 | 23/24 £'000 | 24/25 £'000 |
| OPS 1 | Remove income streams from the activity centre | To remove the income lines for both the crazy golf and the gym within the activity centre. Which will increase bottom line costs | 0.58 | - | - |
| | | | 26.40 | - | (25.80) |
| OPS 2 | Increase purchase of plants budget | To reinstate the full budget of £30k for the purchase of flowers for Tamworth. The budget was reduced to £15k during the pandemic as only selected sites were planted | 15.00 | - | - |
| | | A further £10k is requested for 2022/23 so as to enable additional floral displays to enhance the Queens Platinum Jubilee celebrations throughout the town | 10.00 | (10.00) | - |
| OPS 3 | A budget of £15k be created to provide Members Environmental Improvement Grants. | To provide each member with £500 per annum to use to aid environmental improvements in their ward. The grant can be pooled with other ward members and can be rolled over for up to four financial years to enable larger improvements to be made. | 15.00 | - | - |
| OPS 4 | An additional revenue budgets required for the purchase of vehicles and mechanical sweepers for the authority. | Additional revenue budgets for the purchase of vehicles and mechanical sweepers for the authority. | 56.16 | 27.56 | - |
| OPS 5 | Assembly Rooms - Increase maintenance revenue budget by £33k | The costed maintenance plan for 2022/23 is £35k, however with the current supply chain and market forces it is recommended that this be increased by 20% to ensure all costs are covered, bringing the figure to £42k. Existing budget is £9k, therefore the increase required is £33k | 33.00 | - | - |

| Item No | Proposal/(Existing Budget) | Implications | Budget Change | Budget Change | Budget Change |
|-------------------------------------|---|---|----------------|----------------|----------------|
| | | | 22/23 £'000 | 23/24 £'000 | 24/25 £'000 |
| OPS 6 | Create additional budget of £98k for salaries at the Assembly Rooms. | The reopening of the Assembly Rooms in 2021 commenced in July and phased the return of staff building as the Covid restrictions lifted. In the report that went to Cabinet and Appointments and Staffing, (6 th April 2021) it was identified that £98k would be need to fully support this structure from 2022/23. It was agreed at that point that this would be considered within the budget process | 101.00 | (101.00) | - |
| OPS 7 | Reduction in Income from Staffs County Council | The Council have undertaken 8 annual cuts of SCC grass verges and associated green spaces for many years. In 2018 they indicated that the funding for the service was to be dramatically reduced to the equivalent of two cuts pa. The Council rejected this as not sustainable or safe and after lengthy negotiation it was agreed that the fee would now relate for 6 annual cuts plus payment for the grass cutting of some additional spaces from new developments. | 28.28 | - | - |
| AST2 | Increase in BRF to reflect market cost changes | Upward price pressures from the construction market has forced an increase in contractor costs. This will be reviewed bi-annually | 14.46 | - | - |
| R&R7 | Highways Reverse Agency Agreement | Review full service/savings identified | (86.00) | - | - |
| Total New Items / Amendments | | | 213.88 | (83.44) | (25.80) |

STAFFING IMPLICATIONS

| | | | 22/23 FTE | 23/24 FTE | 24/25 FTE |
|--------------|---|--|--------------|---------------|--------------|
| OPS 6 | 4 posts at assembly rooms, 3 duty managers 1.84 FTE and 0.75 FTE of leisure services post | | 2.60 | (2.60) | - |
| TOTAL | | | 2.60 | (2.60) | - |

FINANCE

| Item | Proposal/(Existing Budget) | Implications | Budget | Budget | Budget |
|-------------------------------------|---|--|-------------------|-----------------|----------------|
| | | | 22/23 £'000 | 23/24 £'000 | 24/25 £'000 |
| FIN1 | Revised New Homes Bonus | Updated NHB grant notification following confirmation of continuation of scheme for 2022/23 | (704.37) | 704.37 | - |
| FIN2 | Business Rates Levy payment | Inclusion of budget for levy payment following deferral of the Business Rates reset | 1,262.64 | (1,262.64) | - |
| FIN3 | Lower Tier Grant | Inclusion of income budget for Lower Tier grant notified for 2022/23 | (106.98) | 106.98 | - |
| FIN4 | Business Rates Relief Section 31 Grant | New Burdens funding for Government scheme to reduce business rates charges following deferral of the reset | (2,017.32) | 2,017.32 | - |
| FIN5 | Local Government Services grant | Inclusion of income budget for new, one-off Services grant notified for 2022/23 | (161.21) | 161.21 | - |
| FIN6 | Revenue Implications of Capital Programme | Repayment of debt (4%) on unsupported borrowing / lost investment income | 11.00 | 2.00 | 1.00 |
| FIN7 | West Midlands Combined Authority contribution (WMCA) - Proposed increase in the annual contribution levels for 2022/23 (£30k) and 2023/24 (£35k). | Non-constituent membership fees have remained flat at £25k per authority since the establishment of the WMCA in June 2016. The contributions from Non-Constituent Authorities reflect their ability to access regeneration funds as well as wider benefits delivered by the WMCA | 5.00 | 5.00 | - |
| FIN8 | Transfer from Business Rates Equalisation Reserve, including estimated contributions in 2021/22 | Section 31 Grant received in 2021/22 to fund additional Business Rates Relief for small, retail, hospitality and leisure businesses | (939.38) | 939.38 | - |
| R&R 9 | Treasury Management | Targeted saving / income from review of team / active management | (30.00) | - | - |
| R&R 17 | Corporate Management | Targeted savings from Ph.2 R&R service review | (100.00) | - | (90.00) |
| Total New Items / Amendments | | | (2,780.62) | 2,673.62 | (89.00) |

NEIGHBOURHOODS

| Item No | Proposal/(Existing Budget) | Implications | Budget Change | Budget Change | Budget Change |
|-------------------------------------|-------------------------------------|--|-----------------|----------------|----------------|
| | | | 22/23 £'000 | 23/24 £'000 | 24/25 £'000 |
| R&R 11 | Private Sector Leasing (PSL) scheme | Revenue savings from cessation of scheme | (30.00) | - | - |
| R&R 12 | Flexible Housing Support Grant | Saving on Reserve Account to be returned to balances | (80.00) | 80.00 | - |
| Total New Items / Amendments | | | (110.00) | 80.00 | - |

STAFFING IMPLICATIONS

| Item No | Proposal/(Existing Budget) | Implications | Budget Change | Budget Change | Budget Change |
|--------------|----------------------------|--------------|---------------|---------------|---------------|
| | | | 22/23 FTE | 23/24 FTE | 24/25 FTE |
| TOTAL | | | - | - | - |

PARTNERSHIPS

| Item No | Proposal/(Existing Budget) | Implications | Budget Change | Budget Change | Budget Change |
|-------------------------------------|--|---|-----------------|----------------|----------------|
| | | | 22/23 £'000 | 23/24 £'000 | 24/25 £'000 |
| PAR1 | To maintain the level of potential income on car park enforcement at agreed pandemic level of £57,750 plus inflation for 2022/23 | | 57.82 | (57.82) | - |
| R&R 10 | Review of Cross subsidy | Notional owner occupier costs - Charge removed whilst under review (max of 2 years) | (229.55) | - | 200.00 |
| Total New Items / Amendments | | | (171.73) | (57.82) | 200.00 |

STAFFING IMPLICATIONS

| Item No | Proposal/(Existing Budget) | Implications | 22/23 | 23/24 | 24/25 |
|--------------|----------------------------|--------------|-------|-------|-------|
| | | | FTE | FTE | FTE |
| TOTAL | | | - | - | - |

ASSETS

| Item No | Proposal/(Existing Budget) | Implications | Budget Change | Budget Change | Budget Change |
|-------------------------------------|--|--|----------------|----------------|----------------|
| | | | 22/23 £'000 | 23/24 £'000 | 24/25 £'000 |
| AST1 | Valuation of General Fund Assets | There is a requirement to value assets on an annual basis for the accounts. Our auditors have identified some key areas of improvement which will require additional investment. | 50.00 | - | - |
| AST2 | Increase in BRF to reflect market cost changes | Upward price pressures from the construction market has forced an increase in contractor costs. This will be reviewed bi-annually | 44.25 | - | - |
| AST3 | Servicing of castle grounds toilet facilities | This reflects the increase ongoing cost of servicing and cleansing of the castle ground toilets in order to keep them operational. | 1.50 | - | - |
| AST4 | Restructure of Assets Team | Restructuring of Assets Team to meet service delivery needs. Includes addition team members to address compliance works along with changes to head of service roles to provide greater resilience and more clarity around areas of responsibility. The costs are split across HRA and GF budgets. Additional resource to assist in the management of commercial and industrial properties has been included. | 51.40 | - | - |
| Total New Items / Amendments | | | 147.15 | - | - |

STAFFING IMPLICATIONS

| Item No | Proposal/(Existing Budget) | Implications | 22/23 FTE | 23/24 FTE | 24/25 FTE |
|--------------|----------------------------|--------------|--------------|--------------|--------------|
| AST4 | Restructure of Assets Team | | 1.0 | - | - |
| TOTAL | | | 1.0 | - | - |

GROWTH & REGENERATION

| Item | Proposal/(Existing Budget) | Implications | Budget | Budget | Budget |
|------|---|--|--------|----------|--------|
| | | | 22/23 | 23/24 | 24/25 |
| | | | £'000 | £'000 | £'000 |
| G&R1 | A c 30% drop in planned revenue in car parking revenue for financial year 2022 / 2023 compared to 2019/2020. | The COVID-19 pandemic has closed significant portions of the economy and as such in 2020/2021 and parts of 2021/ 2022 has had a significant impact on car park income to date. Wider projects across the Town Centre, indicate that usage and footfall is still only at best 70% of pre pandemic levels. At this time it is difficult to predict likely impact on car parking revenue throughout 2022 / 2023. It is thought high likely that revenue will be still be impacted as people swap habits as a result of the pandemic and the affects construction in the Town centre as a result of FHSF projects is unclear. The budget for the current financial year, expects a 40% decrease in anticipated revenue against pre pandemic levels. Estimates for fy 2022 / 2023 are a c 70% return based on 2019 / 2020 income projections. | 240.00 | (240.00) | - |
| | | | 16.55 | (16.55) | - |
| | | | | | |
| G&R2 | Providing additional salary to budget to underpin the costs of a new post, approved earlier in the year. The Castle is required to provide 25% of the salary plus on costs which for the next financial year is £10,065. The request is for ongoing budget to support the position of ss Heritage and Facilities Officer. | A new post of Heritage and Leisure Facilities Officer was approved at the April 2021 Appointment and Staffing Committee. The post ensures that venues such as the Assembly Rooms, Castle, Town Hall and Activity centre are well maintained and fit for audiences, removing the duties from the Arts & Events staff and Castle Manager thus enabling these roles to fully concentrate on delivering their specific agendas. | 10.00 | (10.00) | - |
| G&R3 | The proposal is to permanently extend the hours of our Public Health Officer post from 30 hours per week to 37 hours per week. This change is currently being funded through reserve budgets and it is requested that a Policy change be agreed to make this permanent. | The previous post holder had previously reduced their hours to 30 hours per week and retired in 2021. This post is essential to the Environmental Health service and is heavily involved in dealing with infectious diseases, Covid-19 outbreaks, dealing with Illegal Traveller Encampments and Licensing Applications. When we recruited a replacement it was essential for the team that this be a full time post and a business case was agreed to fulfil this need using reserve budgets. It is essential that sufficient Officer capacity is maintained in the Environmental Health Service and if approved, this Policy change will be make a big difference. | 7.15 | | - |

| Item No | Proposal/(Existing Budget) | Implications | Budget Change | Budget Change | Budget Change |
|---------|--|---|---------------|-----------------|---------------|
| | | | 22/23 | 23/24 | 24/25 |
| | | | £'000 | £'000 | £'000 |
| G&R4 | The proposal is to remove the predicted reduction in general admission income at the castle as we emerge from pandemic restrictions. Adjustment to 2021/22 policy change | When the policy change recommendations were made in respect of visitor admissions the recovery of this aspect of the service was anticipated to take several years. Given the positive indications in 21/22 it is recommended that the full budget be reinstated for 22/23. | (54.64) | 54.60 | - |
| G&R5 | Castle Staffing Review | Additional costs arising from the castle report | 6.42 | 1.72 | - |
| AST2 | Increase in BRF to reflect market cost changes | Upward price pressures from the construction market has forced an increase in contractor costs. This will be reviewed bi-annually | 6.89 | - | - |
| R&R8 | Expand street scene Service to cover all Corporate properties - castle outside | Efficiencies from in house service provision | (3.00) | - | - |
| R&R13 | Review of Income | Planning fees and enforcement | (20.00) | - | - |
| R&R14 | Increase service offer | planning advice , site appraisals and TPOs | (10.00) | - | - |
| R&R15 | Review of Income | Re-active service at present need to scope and review | (10.00) | - | - |
| R&R16 | Street trading | Reduction in income budget | 15.00 | - | - |
| | | | | | |
| | | | | | |
| | Total New Items / Amendments | | 204.37 | (210.23) | - |
| | | | | | |
| | STAFFING IMPLICATIONS | | | | |
| | | | | | |
| | | | 22/23 | 23/24 | 24/25 |
| | | | FTE | FTE | FTE |
| G&R2 | 0.25 FTE towards leisure services officer under the Assembly rooms | | 0.25 | (0.30) | - |
| G&R3 | 0.2 FTE on environmental health | | 0.20 | - | - |
| | | | | | |
| | TOTAL | | 0.45 | (0.30) | - |

HOUSING REVENUE ACCOUNT - SUMMARY

| Item No | Proposal/(Existing Budget) | Implications | Budget Change | Budget Change | Budget Change | Budget Change | Budget Change |
|-------------------------------------|--|---|----------------|----------------|-----------------|----------------|----------------|
| | | | 22/23 £'000 | 23/24 £'000 | 24/25 £'000 | 25/26 £'000 | 26/27 £'000 |
| HRA1 | Increase in response repairs budget to reflect market cost changes | Upward price pressures from the construction market has forced an increase in contractor costs. This | 292.61 | - | - | - | - |
| HRA2 | Servicing of specialist disabled equipment installed as part of Disabled Facilities Adaptation | Failure to service and maintain equipment installed as part of a DFA will result in increased costs of renewals | 15.00 | - | - | - | - |
| HRA3 | Revenue Implications of Capital Programme | Repayment of debt (4%) on unsupported borrowing / lost investment income | - | - | - | 50.00 | 50.00 |
| R&R 10 | Review of Cross subsidy | Notional owner occupier costs - Charge removed whilst under review (max of 2 years) | 229.55 | - | (200.00) | - | - |
| Total New Items / Amendments | | | 537.16 | - | (200.00) | 50.00 | 50.00 |

STAFFING IMPLICATIONS

| Item No | Proposal/(Existing Budget) | Implications | 22/23 | 23/24 | 24/25 | 25/26 | 26/27 |
|--------------|----------------------------|--------------|----------|----------|----------|----------|----------|
| | | | FTE | FTE | FTE | FTE | FTE |
| TOTAL | | | - | - | - | - | - |

HOUSING REVENUE ACCOUNT - ASSETS

| Item No | Proposal/(Existing Budget) | Implications | Budget Change | Budget Change | Budget Change | Budget Change | Budget Change |
|-------------------------------------|--|---|----------------|----------------|----------------|----------------|----------------|
| | | | 22/23 £'000 | 23/24 £'000 | 24/25 £'000 | 25/26 £'000 | 26/27 £'000 |
| HASS1 | Add cost of cleaners van to HRA Estates budget | Cleaners vans is not being used for corporate assets but is being used across the HRA estates | 2.00 | 2.00 | - | - | - |
| HASS2 | Restructure of Assets Team | Restructuring of Assets Team to meet service delivery needs. Includes addition team members to address compliance works along with changes to head of service roles to provide greater resilience and more clarity around areas of responsibility. The costs are split across HRA and GF budgets. | 70.30 | - | - | - | - |
| Total New Items / Amendments | | | 72.30 | 2.00 | - | - | - |

STAFFING IMPLICATIONS

| Item No | Proposal/(Existing Budget) | Implications | 22/23 | 23/24 | 24/25 | 25/26 | 26/27 |
|--------------|----------------------------|--------------|------------|----------|----------|----------|----------|
| | | | FTE | FTE | FTE | FTE | FTE |
| HASS2 | Restructure of Assets Team | | 2.0 | - | - | - | - |
| TOTAL | | | 2.0 | - | - | - | - |

| 2022/23 Budget Process - Policy Changes | | | | Sheet | 11 | | | |
|--|---|--|----------------|----------------|----------------|----------------|----------------|--|
| HOUSING REVENUE ACCOUNT - NEIGHBOURHOODS | | | | | | | | |
| Item No | Proposal/(Existing Budget) | Implications | Budget Change | Budget Change | Budget Change | Budget Change | Budget Change | |
| | | | 22/23 £'000 | 23/24 £'000 | 24/25 £'000 | 25/26 £'000 | 26/27 £'000 | |
| HNEI1 | Former Tenancy Arrears Officer - Budget provision to cover the cost of extending the temporary full-time post `Former Tenancy Arrears Officer` within Mike Buckland's department to address the recovery of HRA's wide range of former arrears until March 2023 on a Grade D. | | 14.65 | (14.65) | - | - | - | |
| HNEI2 | Resident Support Worker – Eringden Block - Budget provision to cover the cost of extending the temporary post `Resident Support Worker` at Eringden Block for a further year until March 2023 on a Grade D. | | 34.40 | (34.40) | - | - | - | |
| HNEI3 | Valuation of Housing Revenue Account Assets | There is a requirement to value assets on an annula basis for the accounts. Our auditors have identified some key areas of improvement which will require additional investment. | 25.00 | - | - | - | - | |
| HNEI4 | Customer Services - Hire of Security - extension of contract to December 2022 | | 12.25 | (12.25) | - | - | - | |
| HNEI5 | Extending the temporary post `Housing Regulatory & High Rise Co-ordinator` a further year until March 2023 on a Grade E. | | 33.68 | (33.68) | - | - | - | |
| Total New Items / Amendments | | | 119.98 | (94.98) | - | - | - | |
| STAFFING IMPLICATIONS | | | | | | | | |
| Item No | Proposal/(Existing Budget) | Implications | 22/23 FTE | 23/24 FTE | 24/25 FTE | 25/26 FTE | 26/27 FTE | |
| HNEI1 | Former Tenancy Arrears Officer - extending the temporary full-time post to address the recovery of HRA's wide range of former arrears until March 2023 on a Grade D | | 1.0 | (1.0) | - | - | - | |
| NEI2 | Resident Support Worker – Eringden Block - Bextending the temporary post `Resident Support Worker` at Eringden Block for a further year until March 2023 on a Grade D | | 1.0 | (1.0) | - | - | - | |
| NEI5 | Extending the temporary post `Housing Regulatory & High Rise Co-ordinator` a further year until March 2023 on a Grade E | | 1.0 | (1.0) | - | - | - | |
| TOTAL | | | 3.0 | (3.0) | - | - | - | |

HOUSING REVENUE ACCOUNT - OPERATIONS

| Item No | Proposal/(Existing Budget) | Implications | Budget Change | Budget Change | Budget Change | Budget Change | Budget Change |
|-------------------------------------|---|--|----------------|----------------|----------------|----------------|----------------|
| | | | 22/23 £'000 | 23/24 £'000 | 24/25 £'000 | 25/26 £'000 | 26/27 £'000 |
| HOPS1 | Create 3.5 FTE positions within housing maintenance operatives | circa £95k to fund three additional Housing maintenance operatives - 3 full time positions, together with a 50% share in the funding of the Waste and Environmental Officer to oversee the coordination of works within Streetscene. | 95.00 | - | - | - | - |
| HOPS2 | Add cost of HMO van to HRA budget | Increased costs of vans following tender exercise | 3.00 | 3.00 | - | - | - |
| HOPS3 | Required annually to provide ongoing additional waste collections to HRA flatted areas, to be facilitated by the Councils waste provider | | 20.00 | - | - | - | - |
| HOPS4 | Budget provision to cover the cost of a wide range of neighbourhood works required; eviction storage of items, contaminated rubbish removals, clean following estate incidents etc. | | 15.00 | (15.00) | - | - | - |
| Total New Items / Amendments | | | 133.00 | (12.00) | - | - | - |

STAFFING IMPLICATIONS

| Item No | Proposal/(Existing Budget) | Implications | 22/23 FTE | 23/24 FTE | 24/25 FTE | 25/26 FTE | 26/27 FTE |
|--------------|--|--------------|--------------|--------------|--------------|--------------|--------------|
| HOPS1 | Create 3.5 FTE positions within housing maintenance operatives | | 3.5 | - | - | - | - |
| TOTAL | | | 3.5 | - | - | - | - |

| 2022/23 Budget Process - Policy Changes | | | Sheet | 13 | | | |
|---|---|--------------|---------------|---------------|----------------|---------------|---------------|
| HOUSING REVENUE ACCOUNT - PEOPLE | | | | | | | |
| Item No | Proposal/(Existing Budget) | Implications | Budget Change | Budget Change | Budget Change | Budget Change | Budget Change |
| | | | 22/23 | 23/24 | 24/25 | 25/26 | 26/27 |
| | | | £'000 | £'000 | £'000 | £'000 | £'000 |
| HPEO1 | Customer Services Housing Repairs - Extension of temporary contract for temporary member of staff due to finish 31st March 2022 for a further 2 years | | 27.0 | - | (27.0) | - | - |
| Total New Items / Amendments | | | 27.00 | - | (27.00) | - | - |
| STAFFING IMPLICATIONS | | | | | | | |
| Item No | Proposal/(Existing Budget) | Implications | 22/23 | 23/24 | 24/25 | 25/26 | 26/27 |
| | | | FTE | FTE | FTE | FTE | FTE |
| HPEO1 | One temporary full time post to be retained to 31st March 2024 | | 1.00 | - | (1.00) | - | - |
| TOTAL | | | 1.00 | - | (1.00) | - | - |

HOUSING REVENUE ACCOUNT BUDGET SUMMARY 2022/23

| | Base Budget 2021/22 | Technical Adjustments | Policy Changes | Budget 2022/23 | Budget 2023/24 | Budget 2024/25 | Budget 2025/26 | Budget 2026/27 |
|---|------------------------|--------------------------|----------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | £ | £ | £ | £ | £ | £ | £ | £ |
| Income | | | | | | | | |
| Dwelling Rents | (18,732,250) | (784,130) | - | (19,516,380) | (19,999,200) | (20,493,410) | (20,999,270) | (21,517,040) |
| Non-Dwelling Rents | (389,980) | 19,640 | - | (370,340) | (379,110) | (388,100) | (397,310) | (406,750) |
| Charges for Services and Facilities | (838,140) | 5,270 | - | (832,870) | (845,240) | (857,390) | (869,850) | (881,740) |
| Contributions Towards Expenditure | (1,440,100) | 107,140 | 229,550 | (1,103,410) | (1,091,480) | (1,291,510) | (1,291,540) | (1,291,570) |
| Subtotal | (21,400,470) | (652,080) | 229,550 | (21,823,000) | (22,315,030) | (23,030,410) | (23,557,970) | (24,097,100) |
| Expenditure | | | | | | | | |
| Repairs and Maintenance | 5,401,510 | 1,345,020 | 334,610 | 7,081,140 | 6,085,170 | 6,161,350 | 6,333,170 | 6,507,900 |
| Supervision and Management | 6,230,220 | (180,240) | 325,280 | 6,375,260 | 6,477,810 | 6,681,340 | 6,885,490 | 7,093,010 |
| Rents, Rates, Taxes and Other Charges | 33,970 | 4,090 | - | 38,060 | 38,670 | 39,280 | 39,920 | 40,560 |
| Increase in Provision for Bad Debts | 193,200 | (7,800) | - | 185,400 | 105,600 | 105,700 | 105,900 | 106,000 |
| Depreciation and impairment of non-current assets | 2,860,230 | 73,200 | - | 2,933,430 | 2,933,430 | 2,933,430 | 2,933,430 | 2,933,430 |
| Debt Management Costs | 26,580 | 400 | - | 26,980 | 26,980 | 26,980 | 26,980 | 26,980 |
| Subtotal | 14,745,710 | 1,234,670 | 659,890 | 16,640,270 | 15,667,660 | 15,948,080 | 16,324,890 | 16,707,880 |
| Net cost of HRA Services per Authority I&E | (6,654,760) | 582,590 | 889,440 | (5,182,730) | (6,647,370) | (7,082,330) | (7,233,080) | (7,389,220) |
| Corporate and Democratic Core | 20,440 | 4,730 | - | 25,170 | 25,800 | 26,450 | 27,110 | 27,790 |
| Net Cost of HRA Services | (6,634,320) | 587,320 | 889,440 | (5,157,560) | (6,621,570) | (7,055,880) | (7,205,970) | (7,361,430) |
| Interest Payable and Similar Charges | 2,745,430 | (61,630) | - | 2,683,800 | 2,683,800 | 2,683,800 | 2,733,800 | 2,783,800 |
| Interest Receivable and Similar Income | (229,220) | 192,950 | - | (36,270) | (14,160) | (14,400) | (28,670) | (75,310) |
| Surplus/ Deficit for the year | (4,118,110) | 718,640 | 889,440 | (2,510,030) | (3,951,930) | (4,386,480) | (4,500,840) | (4,652,940) |

Statement of Movement on the HRA Balance

| | | | | | | | | |
|---|--------------------|----------------|----------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Surplus or Deficit for the year | (4,118,110) | 718,640 | 889,440 | (2,510,030) | (3,951,930) | (4,386,480) | (4,500,840) | (4,652,940) |
| Additional Items required to be taken into account: | | | | | | | | |
| Capital Expenditure funded by the HRA | 4,460,720 | - | - | 4,460,720 | 4,460,720 | 4,860,720 | 4,860,720 | 4,860,720 |
| (Increase)/ Decrease in HRA Balances | 342,610 | 718,640 | 889,440 | 1,950,690 | 508,790 | 474,240 | 359,880 | 207,780 |

Appendix E

General Fund Summary Budgets – 2022/23

| <i>Figures exclude internal recharges which have no bottom line impact.</i> | Base Budget 2021/22 £ | Technical Adjustments £ | Policy Changes £ | Budget 2022/23 £ |
|---|--------------------------------------|------------------------------------|-----------------------------|---------------------------------|
| Chief Executive | 1,716,140 | 434,320 | - | 2,150,460 |
| AD Growth & Regeneration | 765,070 | (219,980) | 204,370 | 749,460 |
| ED Organisation | 474,480 | 21,590 | - | 496,070 |
| AD People | 1,866,050 | (89,010) | 73,140 | 1,850,180 |
| AD Operations & Leisure | 2,708,480 | (2,240) | 213,880 | 2,920,120 |
| ED Finance | 86,670 | (1,390) | - | 85,280 |
| AD Finance | (1,821,470) | 1,932,460 | (1,841,240) | (1,730,250) |
| ED Communities | - | 0 | - | 0 |
| AD Assets | (588,150) | (87,960) | 147,150 | (528,960) |
| AD Neighbourhoods | 968,580 | (91,430) | (110,000) | 767,150 |
| AD Partnerships | 958,770 | (26,760) | (171,730) | 760,280 |
| Total Cost of Services | 7,134,620 | 1,869,600 | (1,484,430) | 7,519,790 |
| Transfer from Business Rates Reserve | (6,876,350) | 6,876,350 | (939,380) | (939,380) |
| Net Cost | 258,270 | 8,745,950 | (2,423,810) | 6,580,410 |
| Transfer to / (from) Balances | (206,157) | (51,434) | - | (257,591) |
| Revenue Support Grant | (188,572) | (6,076) | - | (194,648) |
| Retained Business Rates | (13,166,215) | (86,098) | - | (13,252,313) |
| Less: Tariff payable | 10,405,841 | - | - | 10,405,841 |
| Collection Fund Surplus (Council Tax) | (60,376) | (14,208) | - | (74,584) |
| Collection Fund Deficit (Business Rates) | 7,137,191 | (5,936,976) | - | 1,200,215 |
| Council Tax Requirement | (4,179,982) | (2,651,158) | 2,423,810 | (4,407,330) |

General Fund – Technical Adjustments 2022/23 (before policy changes)

| | Budget 2021/22 | Technical Adjustments | | | | | | Total Adjustments £ | Total Adjusted Base 2022/23 |
|--------------------------|-------------------|-----------------------|-----------------------------|----------------|------------------|-------------------------|---------------------------------|---------------------------|--------------------------------------|
| | | Virements £ | Committee Decisions £ | Inflation £ | Other £ | Pay Adjustments £ | Changes in Recharges £ | | |
| Chief Executive | 1,716,140 | - | 450,790 | (22,250) | (5,860) | 13,440 | - | 436,120 | 2,152,260 |
| AD Growth & Regeneration | 765,070 | - | (180,100) | (4,370) | (82,560) | 67,480 | - | (199,550) | 565,520 |
| ED Organisation | 474,480 | (3,000) | 1,100 | 12,100 | (17,480) | 6,860 | - | (420) | 474,060 |
| AD People | 1,866,050 | - | (147,400) | 15,250 | 38,710 | 33,660 | - | (59,780) | 1,806,270 |
| AD Operations & Leisure | 2,708,480 | (21,390) | (31,230) | 4,390 | (23,120) | 68,640 | - | (2,710) | 2,705,770 |
| ED Finance | 86,670 | - | - | 110 | (2,610) | 2,770 | - | 270 | 86,940 |
| AD Finance | (8,697,820) | - | 8,735,880 | 5,730 | 5,180 | 34,490 | - | 8,781,280 | 83,460 |
| ED Communities | - | - | - | - | - | - | - | - | - |
| AD Assets | (588,150) | - | 900 | 15,070 | (101,450) | 6,350 | - | (79,130) | (667,280) |
| AD Neighbourhoods | 968,580 | - | - | 1,650 | (98,700) | 14,870 | - | (82,180) | 886,400 |
| AD Partnerships | 958,770 | 24,390 | (41,980) | (2,810) | (7,100) | (310) | - | (27,810) | 930,960 |
| Grand Total | 258,270 | - | 8,787,960 | 24,870 | (294,990) | 248,250 | - | 8,766,090 | 9,024,360 |

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

HRA Technical Adjustments – 2022/23 (before policy changes)

| | Technical Adjustments | | | | | | | | Total Adjusted Base 2022/23 |
|-------------------------|-----------------------|-------------|-----------------------|----------------|------------------|-------------------|------------------------|---------------------|-----------------------------|
| | Budget 2021/22 | Virements £ | Committee Decisions £ | Inflation £ | Other £ | Pay Adjustments £ | Changes in Recharges £ | Total Adjustments £ | |
| HRA Summary | (3,619,920) | - | 1,188,850 | 158,350 | (571,020) | - | - | 776,180 | (2,843,740) |
| ED Communities | 72,720 | - | - | 50 | (210) | 2,770 | - | 2,610 | 75,330 |
| AD People | 232,950 | - | (27,310) | 220 | 2,670 | 6,530 | - | (17,890) | 215,060 |
| AD Operations & Leisure | 144,630 | - | - | 310 | 760 | 2,540 | - | 3,610 | 148,240 |
| AD Assets | 68,030 | - | 36,670 | 2,980 | (9,750) | 21,660 | - | 51,560 | 119,590 |
| AD Neighbourhoods | 3,444,200 | - | (500) | 39,370 | (27,530) | 41,520 | - | 52,860 | 3,497,060 |
| Housing Repairs | - | - | - | - | - | - | - | - | - |
| Grand Total | 342,610 | - | 1,197,710 | 201,280 | (605,080) | 75,020 | - | 868,930 | 1,211,540 |

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

General Fund 3 Year Revenue Budget Summary

| <i>Figures exclude internal recharges which have no bottom line impact.</i> | Base Budget 2021/22 £ | Budget 2022/23 £ | Budget 2023/24 £ | Budget 2024/25 £ |
|---|---------------------------------|----------------------------|----------------------------|----------------------------|
| Chief Executive | 1,716,140 | 2,150,460 | 2,170,000 | 2,132,890 |
| AD Growth & Regeneration | 765,070 | 749,460 | 396,560 | 431,880 |
| ED Organisation | 474,480 | 496,070 | 535,360 | 566,230 |
| AD People | 1,866,050 | 1,850,180 | 1,828,200 | 1,845,120 |
| AD Operations & Leisure | 2,708,480 | 2,920,120 | 2,933,540 | 2,987,330 |
| ED Finance | 86,670 | 85,280 | 88,180 | 91,160 |
| AD Finance | (1,821,470) | (1,730,250) | 662,230 | 933,910 |
| AD Assets | (588,150) | (528,960) | (708,420) | (687,630) |
| AD Neighbourhoods | 968,580 | 767,150 | 864,500 | 885,590 |
| AD Partnerships | 958,770 | 760,280 | 727,830 | 951,140 |
| Total Cost of Services | 7,134,620 | 7,519,790 | 9,497,980 | 10,137,620 |
| Transfer from Business Rates Reserve | (6,876,350) | (939,380) | - | - |
| Net Cost | 258,270 | 6,580,410 | 9,497,980 | 10,137,620 |
| Transfer to / (from) Balances | (206,157) | (257,591) | (2,763,497) | (2,873,528) |
| Revenue Support Grant | (188,572) | (194,648) | - | - |
| Retained Business Rates | (13,166,215) | (13,252,313) | (15,217,244) | (15,521,589) |
| Less: Tariff payable | 10,405,841 | 10,405,841 | 12,769,033 | 13,024,414 |
| Business Rates S.31 Grants | | | | |
| Business Rates Levy | | | | |
| Collection Fund Surplus (Council Tax) | (60,376) | (74,584) | 30,188 | (33,000) |
| Collection Fund Deficit (Business Rates) | 7,137,191 | 1,200,215 | 260,839 | - |
| Council Tax Requirement | (4,179,982) | (4,407,330) | (4,577,299) | (4,733,917) |

Appendix H

Council Tax levels at each band for 2022/23

| Authority: | Tamworth Borough Council Tax 2021/22 | Tamworth Borough Council | * Staffordshire County Council | * Office of the Police & Crime Commissioner (OPCC) Staffordshire | * Staffordshire Commissioner Fire and Rescue Authority | Total 2022/23 | Total Council Tax 2020/21 |
|---|--|--------------------------------|---|--|---|--------------------------|------------------------------------|
| | £ | £ | £ | £ | £ | £ | £ |
| Demand/Precept on Collection Fund | | 4,407,330 | 32,185,058 | 5,709,156 | 1,845,479 | 44,147,023 | |
| Council Tax Band | | | | | | | |
| A | 124.59 | 127.93 | 934.20 | 165.71 | 53.57 | 1,281.41 | 1,243.24 |
| B | 145.36 | 149.25 | 1,089.90 | 193.33 | 62.49 | 1,494.97 | 1,450.44 |
| C | 166.12 | 170.57 | 1,245.60 | 220.95 | 71.42 | 1,708.54 | 1,657.65 |
| D | 186.89 | 191.89 | 1,401.30 | 248.57 | 80.35 | 1,922.11 | 1,864.86 |
| E | 228.42 | 234.53 | 1,712.70 | 303.81 | 98.21 | 2,349.25 | 2,279.28 |
| F | 269.95 | 277.17 | 2,024.10 | 359.05 | 116.06 | 2,776.38 | 2,693.68 |
| G | 311.48 | 319.82 | 2,335.50 | 414.28 | 133.92 | 3,203.52 | 3,108.10 |
| H | 373.78 | 383.78 | 2,802.60 | 497.14 | 160.70 | 3,844.22 | 3,729.72 |
| % increase | 2.83% | 2.68% | 2.99% | 4.19% | 1.99% | 3.07% | 3.78% |

*
Staffordshire County Council Cabinet 26th January 2022, Medium Term Financial Strategy 2022/27 and 2022/23 Budget and Council Tax (County Council, 10th February 2022)

Staffordshire Police, Fire, and Crime Panel – 31st January 2022, Proposed Police Budget and Precept 2022/23

Staffordshire Police, Fire, and Crime Panel – 14th February 2022, Fire Revenue Budget Report (incl. MTFs and Precept)

Appendix I

General Fund Capital Programme 2022/23 to 2026/27

| General Fund Capital Programme | 2022/23 £ | 2023/24 £ | 2024/25 £ | 2025/26 £ | 2026/27 £ | Total £ |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|--------------------|
| Future High Streets Fund | 9,994,600 | 1,848,810 | - | - | - | 11,843,410 |
| Replacement PC's, Servers and Printers | 60,000 | 60,000 | 60,000 | 40,000 | 40,000 | 260,000 |
| Endpoint Protection and Web-Email Filter | 40,000 | - | - | 40,000 | - | 80,000 |
| Recovery & Reset ICT requirements | 523,000 | - | - | - | - | 523,000 |
| ICT Audio/Video Technology for Town Hall | 87,000 | - | - | - | - | 87,000 |
| Street Lighting | - | 233,600 | 120,000 | 50,960 | - | 404,560 |
| Balancing Ponds | - | 230,000 | 100,000 | 300,000 | 220,000 | 850,000 |
| Refurbishment of Play Areas | 35,000 | 20,000 | - | - | - | 55,000 |
| Disabled Facilities Grant | 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 |
| Recovery and Reset Programme | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 750,000 |
| CCTV Upgrades | 45,710 | 45,710 | 45,710 | 45,710 | 45,710 | 228,550 |
| GF Contingency | 100,000 | - | - | - | - | 100,000 |
| GF Contingency Castle Curtain Wall | 30,000 | - | - | - | - | 30,000 |
| Total General Fund Capital | 11,790,310 | 3,313,120 | 1,200,710 | 1,351,670 | 1,180,710 | 18,836,520 |
| Proposed Financing: | | | | | | |
| Grants - Disabled Facilities | 546,890 | 546,890 | 546,890 | 546,890 | 546,890 | 2,734,450 |
| Capital Grants | 156,710 | 30,000 | - | - | - | 186,710 |
| General Fund Capital Receipts | 4,400 | 204,400 | 4,400 | 4,400 | 59,400 | 277,000 |
| Golf Course Receipts | - | 1,848,810 | - | - | - | 1,848,810 |
| Sale of Council House Receipts | 138,710 | 229,020 | 225,420 | 251,420 | 280,420 | 1,124,990 |
| General Fund Capital Reserve | 673,000 | 380,000 | 370,000 | 474,960 | 170,000 | 2,067,960 |
| Other Contributions | 10,018,600 | 24,000 | 24,000 | 24,000 | 24,000 | 10,114,600 |
| Unsupported Borrowing | 252,000 | 50,000 | 30,000 | 50,000 | 100,000 | 482,000 |
| Total | 11,790,310 | 3,313,120 | 1,200,710 | 1,351,670 | 1,180,710 | 18,836,520 |

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

| Housing Revenue Account Capital Programme | 2022/23 £ | 2023/24 £ | 2024/25 £ | 2025/26 £ | 2026/27 £ | TOTAL £ |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|--------------------|
| Structural Works | 275,000 | 275,000 | 275,000 | 275,000 | 275,000 | 1,375,000 |
| Bathroom Renewals | 575,000 | 575,000 | 575,000 | 575,000 | 575,000 | 2,875,000 |
| Gas Central Heating Upgrades and Renewals | 685,500 | 685,500 | 685,500 | 685,500 | 685,500 | 3,427,500 |
| Kitchen Renewals | 700,000 | 700,000 | 700,000 | 700,000 | 700,000 | 3,500,000 |
| Major Roofing Overhaul and Renewals | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 7,500,000 |
| Window and Door Renewals | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 2,000,000 |
| Neighbourhood Regeneration | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 2,500,000 |
| Disabled Facilities Adaptations | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 1,250,000 |
| Rewire | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 750,000 |
| CO2 / Smoke Detectors | 64,000 | 64,000 | 64,000 | 64,000 | 64,000 | 320,000 |
| 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 |
| Fire Risk Mitigation Works | 300,000 | 300,000 | 300,000 | - | - | 900,000 |
| Damp and Mould Works | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 500,000 |
| Decarbonisation | 3,200,000 | - | - | - | - | 3,200,000 |
| High Rise Refuse Chute Renewals | 150,000 | 150,000 | 150,000 | - | - | 450,000 |
| Works to Achieve Zero Carbon | - | - | 2,500,000 | 2,500,000 | 2,500,000 | 7,500,000 |
| Sheltered Lifts and Stairlift Renewals | 360,000 | 250,000 | 50,000 | 50,000 | 50,000 | 760,000 |
| Fire Alarm Panel Renewals | 50,000 | - | - | - | - | 50,000 |
| Scooter Storage at High Rise | 30,000 | 30,000 | - | - | - | 60,000 |
| Upgrade Pump Rooms at High Rise | 25,000 | 25,000 | - | - | - | 50,000 |
| Retention of Garage Sites | 750,000 | - | - | - | - | 750,000 |
| Capital Salaries | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 1,000,000 |
| Street Lighting | - | 350,400 | 180,000 | 76,440 | - | 606,840 |
| Telecare System Upgrades | 30,000 | - | - | - | - | 30,000 |
| Regeneration & Affordable Housing | 250,000 | 250,000 | 250,000 | 1,750,000 | 1,750,000 | 4,250,000 |
| Total HRA Capital | 10,714,500 | 6,924,900 | 8,999,500 | 9,945,940 | 9,869,500 | 46,454,340 |

| <u>Housing Revenue Account</u> | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | TOTAL |
|--|-------------------|------------------|------------------|------------------|------------------|-------------------|
| <u>Capital Programme</u> | £ | £ | £ | £ | £ | £ |
| <u>Proposed Financing:</u> | | | | | | |
| Major Repairs Reserve | 4,116,500 | 2,933,500 | 2,933,500 | 2,932,500 | 2,933,500 | 15,849,500 |
| HRA Capital Receipts | 420,000 | 350,400 | 1,250,000 | - | - | 2,020,400 |
| Regeneration Revenue Reserves | 2,648,000 | 3,341,000 | 3,136,000 | 3,811,000 | 3,886,000 | 16,822,000 |
| Capital Receipts from Additional Council House Sales (1-4-1) | 100,000 | 100,000 | 100,000 | 626,000 | 550,000 | 1,476,000 |
| Regeneration Reserve Affordable Housing | 2,430,000 | 200,000 | 180,000 | 76,440 | - | 2,886,440 |
| Reserve | - | - | 1,400,000 | - | - | 1,400,000 |
| Other | 1,000,000 | - | - | - | - | 1,000,000 |
| Unsupported Borrowing | - | - | - | 2,500,000 | 2,500,000 | 5,000,000 |
| | | | | | | |
| Total | 10,714,500 | 6,924,900 | 8,999,500 | 9,945,940 | 9,869,500 | 46,454,340 |

Main Assumptions

| Inflationary Factors | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
|-----------------------------|---------|---------|---------|---------|---------|
| Inflation Rate - Pay Awards | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| National Insurance | 10.25% | 10.25% | 10.25% | 10.25% | 10.25% |
| 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) | 2.25% | 2.10% | 2.08% | 2.00% | 2.00% |
| Investment Rates | 0.25% | 0.50% | 0.50% | 1.00% | 2.00% |
| Base Interest Rates | 0.20% | 0.40% | 0.60% | 1.00% | 1.00% |

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. An offer of a 1.75% increase is subject to union ballot and is still to be agreed for 2021/22 and future years also remain uncertain. A 2.5% p.a. increase from 2022/23 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 2023/24 after an inflationary increase for 2022/23, following the deferral of the funding reforms. The impact for the Council was confirmed by DLUHC as part of the *Local Government Finance Settlement* with a provisional announcement in December 2021.
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. An increase of £5 p.a. in Council Tax - current indications are that increases of 2% or £5 and above risk 'capping' (confirmed at £5 for District Councils for 2022/23);
8. 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;
9. 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;

10. 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.
11. Forecasts have been informed by the Bank of England Inflation report (August 2021), HM Treasury – Forecasts for the UK Economy (August 2021), Office for Budget Responsibility Economic & Fiscal Outlook (March 2021).

Sensitivity Analysis (3 years)

| | Risk | Potential Budgetary Effect 2022/23 £'000 | 2023/24 £'000 | 2024/25 £'000 |
|--|------|--|------------------|------------------|
| Pay Award / National Insurance (GF) | | | | |
| Impact +/- 0.5% Variance £'000 | L | 46 | 94 | 143 |
| Budget Impact over 1 year | L | 46 | | |
| Budget Impact over 3 years | M | 283 | | |
| Budget Impact over 5 years | M | 721 | | |

| | | | | |
|---|---|-----|----|----|
| Pay Award / National Insurance (HRA) | | | | |
| Impact +/- 0.5% Variance £'000 | L | 14 | 28 | 43 |
| Budget Impact over 1 years | L | 14 | | |
| Budget Impact over 3 years | L | 85 | | |
| Budget Impact over 5 years | M | 218 | | |

Subject to negotiation for Local Government pay (including any protection for low paid employees)

| | | | | |
|-----------------------------------|---|-----|----|-----|
| Pension Costs | | | | |
| Impact +/- 0.5% Variance £'000 | L | 0 | 62 | 126 |
| Budget Impact over 1 year | L | 0 | | |
| Budget Impact over 3 years | L | 188 | | |
| Budget Impact over 5 years | M | 640 | | |

3 year agreement in place from 2020/21 - subject to stock market & membership changes

| | | | | |
|------------------------------------|---|-----|----|----|
| Council Tax | | | | |
| Impact on Council Tax income £'000 | | 42 | 67 | 94 |
| Budget Impact over 1 year | L | 42 | | |
| Budget Impact over 3 years | L | 203 | | |
| Budget Impact over 5 years | M | 477 | | |

| | | | | |
|-----------------------------------|---|-----|-----|-----|
| Inflation / CPI | | | | |
| Impact +/- 0.5% Variance £'000 | L | 66 | 126 | 187 |
| Budget Impact over 1 year | L | 66 | | |
| Budget Impact over 3 years | L | 379 | | |
| Budget Impact over 5 years | M | 943 | | |

| | | | | |
|-----------------------------------|---|-----|----|----|
| Government Grant | | | | |
| Impact +/- 1.0% Variance £'000 | L | 47 | 72 | 97 |
| Budget Impact over 1 year | L | 47 | | |
| Budget Impact over 3 years | L | 216 | | |
| Budget Impact over 5 years | M | 486 | | |

Investment Interest

| | | Potential Budgetary Effect | | |
|-----------------------------------|------|----------------------------------|------------------|------------------|
| | Risk | 2022/23 £'000 | 2023/24 £'000 | 2024/25 £'000 |
| Impact +/- 0.5% Variance £'000 | L | 203 | 276 | 331 |
| Budget Impact over 1 year | L | 203 | | |
| Budget Impact over 3 years | H | 810 | | |
| Budget Impact over 5 years | H | 1625 | | |
| Key Income Streams (GF) | | | | |
| Impact +/- 10% Variance £'000 | L | 192 | 407 | 629 |
| Budget Impact over 1 year | L | 192 | | |
| Budget Impact over 3 years | H | 1228 | | |
| Budget Impact over 5 years | H | 3177 | | |
| Key Income Streams (HRA) | | | | |
| Impact +/- 1% Variance £'000 | L | 195 | 395 | 600 |
| Budget Impact over 1 years | L | 195 | | |
| Budget Impact over 3 years | H | 1190 | | |
| Budget Impact over 5 years | H | 3025 | | |
| Business Rates | | | | |
| Impact +/- 0.5% Variance £'000 | L | 75 | 151 | 228 |
| Budget Impact over 1 year | L | 75 | | |
| Budget Impact over 3 years | M | 454 | | |
| Budget Impact over 5 years | H | 1149 | | |

Contingencies 2022/23 - 2026/27

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

| Capital | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
|--------------------------------|------------|---------|---------|---------|---------|
| Specific Earmarked & | £'000 | £'000 | £'000 | £'000 | £'000 |
| General | | | | | |
| General Fund | | | | | |
| General Contingency | 100 | - | - | - | - |
| Return on Investment* | 20 | - | - | - | - |
| Plant & Equipment* | 100 | - | - | - | - |
| Total GF Capital | 220 | - | - | - | - |
| | | | | | |
| Housing Revenue Account | | | | | |
| | | | | | |
| General Contingency* | 100 | - | - | - | - |
| | | | | | |
| Total HRA Capital | 100 | - | - | - | - |

* Forecast to be re-profiled from 2021/22 Capital Programme