

COUNCIL

28th February 2012

Report of the Leader of the Council

CORPORATE VISION, PRIORITIES PLAN, BUDGET & MEDIUM TERM FINANCIAL STRATEGY 2012/13 TO 2015/16 INCLUDING TREASURY MANAGEMENT STRATEGY STATEMENT, TREASURY MANAGEMENT POLICY STATEMENT, MINIMUM REVENUE PROVISION POLICY STATEMENT AND ANNUAL INVESTMENT STATEMENT 2012/13

Purpose

- To approve the Single Corporate Vision & Strategic Priorities for 2012/13 (**attached at Appendix A**).

- To approve the recommended package of budget proposals (**attached at Appendix B**) to enable the Council to agree the:
 - General Services Revenue Budget and Council Tax for 2012/13;
 - Housing Revenue Account (HRA) Budget for 2012/13;
 - Four Year Capital Programme;
 - Four Year Medium Term Financial Strategy (MTFS) for the General Fund (GF) & HRA.

- 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**).

This is a key decision as it affects two or more wards and involves expenditure over £50k.

Recommendations

That Council approve:

1. the Single Corporate Vision & Strategic Priorities for 2012/13 (Appendix A);
2. the proposed revisions to Service Revenue Budgets (Appendix C);
3. the sum of £26,262 be applied from Collection Fund surpluses in reducing the Council Tax demand in 2012/13 (Appendix E);
4. it be noted that on 23rd November 2011, the Council calculated the Council Tax Base 2012/13 for the whole Council area as 23,378 [Item T in the formula in Section 31B(3) of the Local Government Finance Act 1992, as amended (the "Act")];
5. calculate that the Council Tax requirement for the Council's own purposes for 2012/13 is £3,496,180 (Appendix E);
6. the following amounts as calculated for the year 2012/13 in accordance with Sections 31 to 36 of the Act:
 - a. £48,551,140 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. £45,054,960 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act (Income excluding internal GF recharges);
 - c. £3,496,180 being the amount by which the aggregate at 6(a) above exceeds the aggregate at 6(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year (Item R in the formula in Section 31A(4) of the Act);
 - d. £149.55 being the amount at 6(c) above (Item R), all divided by Item T (2 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;
7. a freeze in the Council Tax level for Tamworth Borough Council for 2012/13 at £149.55 (the same level as in 2011/12) at Band D with compensatory funding from the Government for 2012/13 only;
8. an aggregate Council Tax (comprising the respective demands of Tamworth Borough Council, Staffordshire County Council, Staffordshire Police Authority and Stoke-on-Trent and Staffordshire Fire and Rescue Authority) of £1,423.61 at Band D for 2012/13 be noted (Appendix H);
9. the Council Tax levels at each band for 2012/13 (Appendix H);
10. the sum of £770,420 be transferred from General Fund Revenue Balances in 2012/13 (Appendix E);
11. the Summary General Fund Revenue Budget for 2012/13 (Appendix E);

- 12. the Provisional Budgets for 2013/14 to 2015/16, summarised at Appendix G, as the basis for future planning;**
- 13. the minimum level for balances of £500k to be held for each of the General Fund, Housing Revenue Account, General Capital Fund & Housing Capital Fund;**
- 14. 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;**
- 15. the proposed HRA Expenditure level of £14,130,530 for 2012/13 (Appendix D);**
- 16. rents for Council House Tenants in 2012/13 be increased by an average of £5.17 per week (7.1%), in line with the Governments Rent Restructuring rules;**
- 17. the HRA deficit of £1,119,710 be financed through a transfer from Housing Revenue Account Balances in 2012/13 (Appendix D);**
- 18. the proposed 4 year General Fund Capital Programme as detailed in Appendix I to the report;**
- 19. the proposed 4 year Housing Capital Programme as detailed in Appendix J to the report;**
- 20. 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;**
- 21. the Treasury Management Strategy Statement, the Treasury Management Policy Statement, Minimum Revenue Provision Strategy and Annual Investment Statement 2012/13 (as detailed at Appendix N);**
- 22. the Prudential and Treasury Indicators and Limits for 2012/13 to 2014/15 contained within Appendix N;**
- 23. the adoption of the Treasury Management Practices contained within ANNEX 7;**
- 24. the detailed criteria of the Investment Strategy 2012/13 contained in the Treasury Management Strategy within ANNEX 3.**

Executive Summary

This budget report incorporates the Single Corporate Vision & Strategic Priorities of the Authority which are reflected within the Budget 2012/13 & Medium Term Financial Strategies (both Revenue & Capital). The Single Corporate Vision & Corporate Priorities are clear and accessible by stating what we aim to achieve, how we will do it and the resources we will use to support these aims.

The Single Vision is focused on longer term, aspirational goals of the Council. The Strategic Priorities identify, in the short to medium term, the key areas for improvement which will change in future years as the Council aligns local aspirations, central government policy and its performance.

In light of the national economic situation and the significant constraints in public spending & the pace of further grant funding reductions following the 2010 Comprehensive Spending Review (CSR) in these times of Government austerity - a measured approach to budget setting was approved by Cabinet on 21st September 2011 as any growth proposals would require compensating reductions in other budget areas & services.

A commitment was made as part of the 2011/12 budget process to protect front line services (as far as possible) together with locality working (with ongoing support for the most vulnerable and those affected by the recession).

The Council has sufficient funds held in reserves and balances to allow it to plan its approach to budget setting in the short term following the voluntary redundancy programme and series of short-term and long-term activity reviews identified to help the Council cope with grant & income reductions in the coming years.

The MTFS includes planned efficiency savings arising from the Corporate Change Programme (including Agile Working, Customer Relationship Management (CRM), Website improvements, Electronic Document & Records Management System (EDRMS), Service Process Reviews & the Support Services Options Appraisal) which has helped to mitigate future estimated grant (Revenue Support Grant & Business rate retention) and income reductions. This process is ongoing and is expected to deliver further efficiencies for future budget considerations.

This budget and associated forecast will ensure that appropriate resources are focussed on areas we have identified as priorities. This is an ongoing process and work is continuing to identify further areas where resources can be realigned to priority areas based on the views of local people.

Through Performance Management the Council will identify the key performance measures to ensure we deliver the improvements highlighted in our Strategic Priorities.

These measures will be regularly monitored and published so that the Council can demonstrate progress and be held accountable for its performance.

The Localism Act 2011 has made significant changes to the Local Government Finance Act 1992, and now requires the billing authority to calculate a council tax requirement for the year, not its budget requirement as previously.

The headline figures for 2012/13 are:

- A General Services Net Revenue Council Tax requirement of £3,496,180;
- A transfer of £770,420 from General Fund (GF) balances;
- A transfer of £1,119,710 from Housing Revenue Account (HRA) balances;
- The Band D Council Tax would be set at £149.55, the same level as in 2011/12;
- An average rent of £76.47 which represents an increase of £5.17. This equates to 7.1% on the current average rent in line with the Government's Rent Restructuring rules (based on a 50 week rent year), equating to £73.53 on an annualised 52 week basis;
- A General Fund Capital Programme of £5,733,200;
- A Housing Capital Programme of £29,744,810.

The budget incorporates the Council's commitment to minimising the effects of the economic downturn on key service provision. An important part of our budget process is identifying areas of our work where we can make savings by reviewing the way we deliver services to make them more efficient.

As raised at the Executive Management Team Away Day, there are a number of key challenges affecting the medium term financial planning process (as detailed within the report), which add a high level of uncertainty to budget projections.

The medium term financial planning process is being challenged by the economic downturn / recession & Government austerity measures. The accomplishment of a balanced four year Medium Term Financial Strategy is a major achievement as the Council, like others, has planned to deliver its budget process in light of unprecedented adverse economic conditions with a great deal of uncertainty over future investment & income levels such as car parking, land charges and corporate property rents. It is also facing increased financial demands from Central Government for service improvements in areas such as local democracy and transparency – as well as substantial reductions in Government grant support in the future.

In addition, fundamental changes have been announced in respect of Local Government finance which have added additional complexities as there are a number of factors which require legislative clarification – localisation of the retention of Business Rates & Support for Council Tax (Council Tax Benefit). In order to assist in the estimate of the impact on the MTFs, a number of models have been assessed (using external advisors) to arrive at a prudent projection.

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

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

The assumptions made in the production of the MTFs are based on the best information available at the time and are subject to change. These will be monitored and reviewed on an ongoing process.

The Treasury Management Strategy Statement & report attached at **Appendix N** outlines the Council's prudential indicators for 2012/13 – 2014/15 and sets out the expected Treasury operations for this period.

The main issues for Members to note are:

- That Members understand the implications on treasury operations when setting the budget and Medium Term Financial Strategy;
- Members should be provided with access to relevant training – Members are also personally responsible for ensuring they have the necessary skills and training.

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

- With regard to Counterparty selection for investment, rather than adopt a Lowest Common Denominator (LCD) methodology, a broader Counterparty evaluation criteria is used as recommended by Sector (the Council's Treasury Management consultants).
- Members should be aware of the changes by the Government to the Housing Revenue Account Subsidy system. Under the new rules, Councils keep all the rents they collect. In return for this greater freedom, the Council will take on additional housing debt (in the region of £45m) which required a substantial increase in our borrowing limits and formal approval from Council (in December 2011).

Resource Implications

A summary table of all the budget proposals is shown at the end of the report. The General Services Summary Revenue Budget for 2012/13, appears at **Appendix E**. A summary of the resulting budgets over the 4 year period appears at **Appendix G**. Closing balances over 4 years for the General Fund (GF) are estimated at £0.5m, the minimum approved level.

The Summary HRA Revenue Budget for 2012/13 appears at **Appendix D** (including a summary of the resulting budgets over the 4 year period). Closing balances over 4 years for the HRA are estimated at £0.5m – the proposed minimum approved level of £0.5m.

The 4-year General Fund programme has been formulated based on the predicted available resources. Assuming that the anticipated capital receipts will be received, this leaves a balance of £0.5m available (the minimum approved level).

The Council's uncommitted housing capital resources will effectively be reduced to £0.5m (the approved minimum level) assuming that the planned savings are realised to release the additional revenue contributions to capital spending.

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 Corporate Director-Resources' view, the budget proposals enclosed within this report include estimates which take into account circumstances and events which are reasonably foreseeable at the time of preparing the budget. In his view, the level of reserves remains adequate for the Borough 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 24th January 2012. In line with the constitution a Joint Scrutiny Budget Workshop was held on 19th December 2011.

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

Proposed amendments to the 2011/12 base budget, approved by Council on 22nd February 2011, 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.

Risks to Forecasts:

	Risk	Control Measure
1.	Local Government Resource Review - major variances to the level of grant / subsidy from the Government, in light of economic downturn (including specific grants e.g. Benefits admin.);	An estimated reduction in grant levels of 5% p.a. for 2013/14 & 2014/15 has been included;
2.	Localisation of Support for Council Tax – impact of 10% Government grant reduction / adverse impact on Rent & Council Tax collection levels;	Review in early stages – consultation to be put in place on system to deliver savings; Proactive review of arrears in line with credit policies / debt advice;
3.	New Homes Bonus grant levels lower than estimated;	Future levels included on a risk based approach in order to offset further grant reductions / uncertainty over additional property numbers;
4.	Potential ‘capping’ of council tax increases by the Government;	Council tax forecasts are included within this report (2.5% p.a. from 2013/14) – current indications are that increases above 2.5% may risk ‘capping’ (confirmed as 3.5% for 2012/13);
5.	The achievement of substantial savings / efficiencies will be needed to ensure sufficient resources will be available to deliver the Council’s objectives through the 4 year budget e.g. Transforming Tamworth & Support Services Options Appraisal workstreams;	A robust & critical risk based review of the budget proposals contained within this report has been undertaken;
6.	The planned removal of the Housing Subsidy system, the introduction of self financing for the HRA and the level of debt allocation the Council would have to take together with the associated impact on the revenue account;	A detailed review of the consultation proposals has been undertaken & the model updated to identify the impact for the HRA;
7.	Pay awards greater than forecast;	Forecast assumes a pay freeze for 2 years followed by a 1% limit for 2 years, in line with Government announcements, with CPI increases thereafter;
8.	Pension costs higher than planned / Hutton review;	Increases of 0.5% pa have been included with agreement made with Pension Fund following triennial review for next 3 years;
9.	Variation or further reduction in the sales of Council Houses / National changes to Right to Buy process;	A prudent approach has been taken in the estimation of future sales – 5 p.a.;
10.	Increasing demand for Disabled Facilities Grants / associated financing	Additional funding of £0.5m included in 2012/13; Prioritisation in line with need;
11.	Increased demand on Council Services arising from austere times	Monitor / demand analysis & prioritise resources for key services
12.	The recovery of the council’s investments in Icelandic banks, which have been identified ‘at risk’.	The latest estimates for repayment have been included within the forecasts.

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

Report Author:

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

Background Papers:-	Budget & Medium Term Financial Strategy 2011/12 – 2014/15, Council 22nd February 2011
	Budget and Medium Term Financial Planning Process, Cabinet 21st September 2011
	Budget Consultation Report, Cabinet 13th October 2011
	Draft Base Budget Forecasts 2012/13 to 2016/17, Cabinet 23rd November 2011
	Budget and Medium Term Financial Strategy 2012/13 to 2016/17, Cabinet 11th January 2012
	Treasury Management Strategy Statement & Annual Investment Strategy Mid-year Review Report 2011/12, Council 13th December 2011
	Treasury Management Practices 2011/12 (Operational Detail)

Summary of Appendices

Description	Appendix
Single 'Vision' for Tamworth	A
Detailed Considerations	B
Policy Changes 2012/13 – 2015/16	C
HRA Budget Summary 2012/13 – 2015/16	D
General Fund Summary Revenue Budget 2012/13	E
General Fund Technical Adjustments 2012/13 (before policy changes)	F1
HRA Technical Adjustments 2012/13 (before policy changes)	F2
General Fund 4 Year Revenue Budget Summary	G
Council Tax Levels at Each Band 2012/13	H
General Fund Capital Programme 2012/13 – 2015/16	I
Housing Capital Programme 2012/13 – 2015/16	J
Main Assumptions	K
Sensitivity Analysis	L
Contingencies 2012/13 – 2015/16	M
Treasury Management Strategy Statement, Treasury Management Policy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Statement 2012/13	N

A SINGLE 'VISION' FOR TAMWORTH

“One Tamworth, Perfectly Placed” (the People) (the Place)

This single, shared “Vision” for Tamworth is endorsed by all key partners in the local Partnership arena and underpinned by high level, evidence based priorities that focused upon both Tamworth (the place) and the communities served by the partner organisations (the people).

Strategic Priority 1

To Aspire and Prosper in Tamworth

Primary Outcome

To create and sustain a thriving local economy and make Tamworth a more aspirational and competitive place to do business.

To achieve this, we will:

- Raise the aspiration and attainment levels of young people
- Create opportunities for business growth through developing and using skills and talent
- Promote private sector growth and create quality employment locally
- Brand and market “Tamworth” as a great place to “live life to the full”
- Create the physical and technological infrastructure necessary to support the achievement of this primary outcome.

Strategic Priority 2

To be healthier and safer in Tamworth

Primary Outcome

To create a safe environment in which local people can reach their full potential and live longer, healthier lives.

To achieve this, we will:

- Address the causes of poor health in children and young people;
- Improve the health and well being of older people by supporting them to live active, independent lives;
- Reduce the harm and wider consequences of alcohol abuse on individuals, families and society;
- Implement ‘Total Place’ solutions to tackling crime and ASB in designated localities;
- Develop innovative early interventions to tackle youth crime and ASB; and
- Create an integrated approach to protecting those most vulnerable in our local communities

Detailed Considerations

Introduction

The Council's approach to medium term planning aims to integrate the Council's service and financial planning processes. In accordance with that approach this report contains firm proposals for 2012/13 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 2011/12 budget to arrive at the starting point for 2012/13. 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 2012/13 budget, aimed both to deal with a challenging financial position and to find resources to address the Council's corporate priorities. The approved package was based upon:

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

Financial Background

The medium term financial planning process is being challenged by the unprecedented economic / world events which have lead to the economic downturn / recession.

There are a number of challenges affecting the Medium Term Financial Planning process for the period from 2012/13 to 2015/16 which add a high level of uncertainty to budget projections.

As raised at the Executive Management Team Away Day, there are a number of key challenges affecting the medium term financial planning process, which add a high level of uncertainty to budget projections:

- a) Future Revenue Support Grant levels including the impact from the proposals to localise business rates and future support through New Homes Bonus Grant;
- b) Proposed changes set out in the Welfare Reform Bill and the introduction of Universal Credit – potential impact on Housing and Council Tax Benefits (including support for Council Tax Benefits) and associated income receipts of the Council;
- c) The planned removal of the Housing Subsidy system, the introduction of self financing for the HRA and the level of debt allocation the Council would have to take together with the associated impact on the revenue account.
- d) The impact of any further uncertainty over future interest rate levels and their impact on investment income / treasury management;

- e) The severity of the recession and the impact it has had and still could have on the Council's income streams;
- f) While the Government announced a pay freeze for 2011/12 & 2012/13, the impact of inflation on pay settlements and other contractual arrangements for future years is less certain, although the Chancellor as part of the Autumn Forecast Statement announced a 1% limit for the following 2 years;
- g) Finalisation of the expected outcomes and impact on the Council's financial position from the programme of short-term and long-term workstream reviews commissioned by Cabinet to identify measures to help the Council cope with grant & income reductions in the coming years;
- h) While the Council capitalised the estimated impairment loss from the Council's investments in Icelandic Banks in 2009/10, finalisation of the financial impact is still subject to the likely impact of repayment levels in future years;
- i) Potential implications of the planned Stock condition survey & consultation with tenants on future capital investment programme requirements;
- j) Potential impact from the finalisation of proposals for the reinvigoration of the Right to Buy process; and
- k) Review and finalisation of the revised budgets/policy changes and feedback from the Scrutiny process.

Material Legislative Changes Impacting on the MTFs - Methodology

In addition, fundamental changes have been announced in respect of Local Government finance which have added additional complexities as there are a number of factors which require legislative clarification. The Secretary of State for Communities and Local Government has announced a Local Government Resource Review (LGRR) and, as part of this Review (from 2013-14) Formula Grant will cease and will be replaced solely by retaining a proportion of Local Business Rates Income collected.

In order to assist in the estimate of the impact on the MTFs, a number of models have been assessed (using external advisors) to arrive at a prudent projection – an annual reduction of 5% has been assumed for 2013/14 & 2014/15 (static thereafter) which would equate, using the modelling, to negative growth of 0.4% in non-domestic rate income over the MTFs. If, however, on the other hand, the actual figures are better than forecast, the Council's financial position will be improved.

Uncertainties include the assessment of the Non-domestic rate baseline, tariff payment levels (linked to RPI), set aside (for Police & Fire Authorities, New Homes Bonus & other Government control totals) & the amount of a levy to be applied to fund a safety net. The calculation of the baseline is fundamental to the system and the consultation response does not fully set out the methodology for calculating the baseline. This means even though Government has published its response there is still a high degree of risk to any financial projections. It has also been confirmed that the baseline will only be reviewed on a 10 year rolling basis.

Where an authority incurs exceptional hardship (i.e. a material reduction in rateable values) then this may be subject to review (to be confirmed). Government has also reviewed New Homes Bonus and this funding is now directly linked to Business Rates.

At the same time, with effect from 1 April 2013, Support for Council Tax (Council Tax Benefit) will be localised, together with a national reduction of 10% in Grant Funding. The impact of the localisation of the support for council tax benefit has been assumed as cost neutral within the MTFs at this stage as it is anticipated that the required 10% saving will be delivered through changes in the benefits system and mitigated by the fact that preceptors will pay their share. This will be subject to ongoing review. Any net shortfall will be met by the appropriate Authority with the Council's share met by the General Fund.

The Council will be required to set up a local scheme (by 31st January 2013) and as the Billing authority it will be the lead authority. Consultation on any local scheme will be with the general public and the other Precepting Bodies including Staffordshire County Council, Fire and Police. Risks of localisation of Support for Council Tax will be shared with the other Precepting bodies. The consultation process will allow them to influence the design of the local scheme. The Council will be allocated and paid in advance a Government grant to enable support for Council Tax. The Government is proposing that the grant will be paid to billing and major Precepting Authorities. This will have the effect of reducing each authority's Council Tax Requirement and so helping to off-set the reduction in the Council Tax Base as a result of the creation of new discounts. Government wants Authorities to build on existing approaches especially safeguarding pensioners and vulnerable groups.

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

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:	x% + / -	Impact over 1 year +/- £'000	Impact over 3 years +/- £'000	Impact over 4 years + / - £'000	Impact
Pay Award / National Insurance (GF)	0.5	42	259	436	M
Pension Costs	0.5	0	56	170	L/M
Council Tax	0.5	18	109	184	L/M
Inflation / CPI	0.5	39	237	399	M
Government Grant	0.5	0	65	127	L/M
Investment Interest	0.5	79	414	702	M/H
Key Income Streams	0.5	26	156	260	M
New Homes Bonus	10	24	168	300	M
Total		228	1,464	2,578	M

GENERAL FUND

The Local government finance settlement figures for Tamworth for 2012/13 have recently been announced and there is no change from those provisionally released in the 2-year financial settlement issued last year. The settlement for 2012/13 shows that Government financial support (revenue support grant (RSG) plus redistributed national non-domestic rate income) totals £4.605m (excluding Council Tax freeze grant), a reduction of 11.7%, which means that Government support will decrease by £0.6m over last year.

The operation of the floor (which damps the results so that no Council loses significantly) means that the Council will be paid additional grant of £173k in 2012/13, when compared with the level which would be due if floors were not in force.

For future years, in light of indications of further grant reductions, it has been assumed that there will be a reduction in formula grant at a year on year rate of 5.0% per annum until 2014/15. It is expected that should grant levels deteriorate further than anticipated, this would be mitigated as new homes bonus funding has been included on a risk based approach.

Based on current indications contained within the Consultation regarding the Localisation of Business Rates, the Council should not receive, from 2015/16, less grant than the 2014/15 formula grant level.

Based on this and coupled with the anticipated growth in Tamworth's tax base, Government financial support will reduce over the period, as shown in the table below.

Revenue Support Grant / Non-domestic Rates retention	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000
Revenue Support Grant / Non-domestic Rates retention	4,605	4,375	4,156	4,156

Technical Adjustments

Revisions have been made to the 2011/12 base budget in order to produce an adjusted base for 2012/13 and forecast base for 2013/14 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;
- The '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	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000
Base Budget B/Fwd	9,416	9,064	9,543	9,783
Committee Decisions	*(270)	173	(47)	87
Inflation	82	89	92	89
Other	7	(29)	(47)	(288)
Pay Adjustments (Including pay award / 5% vacancy allowance)	(86)	246	242	232
Revised charges for non-general fund activities	(85)	-	-	-
Total / Revised Base Budget	9,064	9,543	9,783	9,903

* () denotes saving in base budget

Policy Changes

The policy changes provisionally agreed by Council in February 2011 have been included within the technical adjustments. **A list of the revised policy changes is attached at Appendix C and summarised below:**

	Policy Changes	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000
Chief Executives Office	Chief Executive	-	(2)	(2)	-
	Assistant Chief Executive	-	(1)	(1)	-
	Customer Services	12	35	(5)	-
	Organisational Development	(10)	(1)	(1)	-
	Performance & Corporate Relations	(8)	(2)	(2)	-
	Solicitor to the Council	19	(15)	(3)	-
Resources	Corporate Director	-	(1)	(1)	-
	DD Corporate Finance	(116)	(320)	(118)	(57)
	AD Business Processes	(40)	(5)	(5)	-
	Internal Audit Services	(2)	(1)	(1)	-
	Benefits	-	(6)	(6)	-
Community Services	Corporate Director	(80)	(3)	(3)	(3)
	DD Assets & Environmental	(49)	(30)	(31)	-
	DD Housing & Health	-	(2)	(2)	-
	DD Partnerships & Community Development	105	(142)	(19)	-
	Total Cost / (Saving)	(169)	(496)	(200)	(60)
	Cumulative Cost / (Saving)	(169)	(665)	(865)	(925)

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 proposed principles for 2012/13 are that authorities will be required to seek the approval of their local electorate in a referendum if, compared with 2011/12, they set council tax increases that exceed 3.5%.

Last year the Government indicated that it would offer grant support for the 4 year Comprehensive Spending Review (CSR) period should Councils freeze Council Tax levels for 2011/12. There is no mention that this arrangement would continue thereafter. A similar offer has been announced for 2012/13 but with grant support limited to one year only. Tamworth's Council tax is currently £149.55 which is £43 below the average of the Council Tax charges of similar councils (from the Cipfa nearest neighbour grouping).

Consideration of the likely level of Council Tax increases over the 4-year period is needed to avoid the potential costs of holding a referendum and to ensure that balances are maintained at the minimum approved level of £500k. The indications are that a potential threshold will be 2.5% in future years - the impact of a 2.5% p.a. (with no increase in 2012/13) is outlined below.

Council Tax

Last years' medium term financial plan identified ongoing increases of 2.0% per annum from 2012/13.

For 2011/12 Tamworth's Band D Council Tax stands at £149.55. This is the second lowest of 16 similar Councils in the Cipfa 'nearest neighbour' family group and is approx. £43 below the group average.

The Council's provision for collection losses currently stands at 1.5% and no change is proposed. In order to meet the on-going expenditure requirements the Council will have to increase the underlying income base.

A 1% change in Band D Council Tax equates to approximately £35k per annum. Each £1 increase in the Band D Council Tax would raise approximately £23k per annum. ***A Council Tax freeze in 2012/13 at £149.55 is proposed (with a minimum increase in line with inflation of 2.5% per annum thereafter).***

The Band D Council Tax would remain at £149.55 for 2012/13. Future levels of Council Tax and the projected impact on the General Fund revenue account forecast would be as follows:

Year:	2012/13	2013/14	2014/15	2015/16
Forecast:	£'000	£'000	£'000	£'000
(Surplus)/Deficit	771	896	1,045	989
Balances Remaining / (Overdrawn)	3,441	2,545	1,500	511
£ Increase	0.00	3.75	3.85	3.95
% Increase	0.0%	2.5%	2.5%	2.5%
Note: Resulting Band D Council Tax	149.55	153.30	157.15	161.10

which indicates potential balances over £500k (the minimum approved level) forecast as remaining over the 4-year period. As current capping guidance indicates a potential 'capping' threshold of 3.5%, 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 Collection Fund. It is proposed that all available surpluses be used, as shown in the table below (and that the relevant sums be made available to the other precepting authorities – the County Council, Fire & Rescue and Police Authority).

Year:	2012/13	2013/14	2014/15	2015/16
Council Tax	£'000	£'000	£'000	£'000
Council Tax Income	3,496	3,599	3,705	3,815
Collection Fund Surplus	26	10	10	10

The County Council, Police Authority and Fire & Rescue Authority are due to finalise their budgets for 2012/13 during February 2012.

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 £500k. At 31 March 2012 general fund revenue balances are estimated to be £4.2m, compared with £3.2m anticipated a year ago.

The minimum level of balances for planning purposes will remain at £500k.

Summary and Conclusions

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

In addition, there remains a degree of uncertainty in a number of areas including future local authority pay settlements, the potential for interest rate changes, the future local government finance settlements and the outcome of the Icelandic Banks situation.

A summary of all the budget proposals is shown in the table below. The summary Revenue Budget for 2012/13, appears at **Appendix E**. A summary of the resulting budgets over the 4 year period appears at **Appendix G**.

Summary	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000
Base Budget	9,064	9,543	9,783	9,903
Policy Changes	(169)	(665)	(865)	(925)
Inflationary & recharge impact of policy changes	3	2	(2)	(8)
Net Expenditure	8,898	8,880	8,916	8,970
Financing:				
RSG/NNDR	4,605	4,375	4,156	4,156
Collection Fund Surplus	26	10	10	10
Council Tax Income	3,496	3,599	3,705	3,815
Total Financing	8,127	7,984	7,871	7,981
Net (Surplus) / Deficit	771	896	1,045	989
Balances Remaining / (Overdrawn)	3,441	2,545	1,500	511

HOUSING REVENUE ACCOUNT

Technical Adjustments

The 2011/12 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 2012/13.

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

Technical Adjustments	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000
Base Budget	679	(1,371)	(927)	(557)
Committee Decisions	(423)	217	135	(1)
Inflation	169	205	210	206
Other	(1,946)	(8)	8	(39)
Pay Adjustments	73	23	17	14
Revised charges for non-general fund activities	77	7	-	-
(Surplus) / Deficit	(1,371)	(927)	(557)	(377)

Revisions have been made to the 2011/12 base budget in order to produce an adjusted base for 2012/13 and forecast base for 2013/14 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 4 years are detailed at **Appendix C**.

The proposals will mean that balances will remain above the approved minimum level of £500k (as recommended) over the 4 year period.

Summary	Projected 2012/13 £'000	Projected 2013/14 £'000	Projected 2014/15 £'000	Projected 2015/16 £'000
Net (Surplus) / Deficit	(1,371)	(927)	(557)	(377)
Proposed Policy Changes (Income) / Cost	2,527	1,549	1,143	2,389
Inflationary & recharge impact of policy changes	(36)	(44)	(44)	(45)
(Surplus) / Deficit	1,120	578	542	1,967
Balances Remaining	3,588	3,010	2,468	501

When the budget for 2011/12, and indicative budgets for 2012/13 to 2014/15, were approved by Council in February 2011, it was highlighted that there would be a need to identify significant savings (approx £0.8m p.a. was estimated from 2011/12 onwards) over the longer term.

A number of service reviews have / are being undertaken aimed at ensuring quality and effectiveness of the service as well as the identification of potential cost savings in order to address the previously projected shortfall over 10 years. Minimum recommended balances are £250k but given the move to self financing this should be reviewed and it is recommended that this be increased to £500k - in line with the General Fund

Although the self financing determination has been received, there is a degree of uncertainty over the future financial position of the HRA. This arises from:

- The finalisation of the planned service review programme including the results of the planned consultation with tenants over the future capital investment needs for the housing stock;
- Impact on the budget of the results of the planned stock condition survey.

Rent Restructuring

The introduction of rent restructuring in April 2003 requires 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.

On 25th February 2003 the Council received a report detailing the implications of the rent restructure framework. This framework removes the flexibility to independently set rent levels from Social Landlords and replaces this with a fixed formula based on the value of the property and local incomes. It is the aim of the framework 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 are annually set a "limit rent" which restricts the level of rent increase in any one year.

Housing rents have been increased in accordance with the Rent Restructuring Framework.

Balances

The forecast level of balances at 31st March 2012 is £4.7m. The impact on balances of the adjustments outlined in this report would be as follows:

Balances	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000
Proposed Withdrawal from / (Addition) to Balances	1,120	578	542	1,967
Balances Remaining	3,588	3,010	2,468	501

This would mean that closing balances, over the 4 year period, would be over the approved minimum level of £250k & proposed revised minimum level of £500k.

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

CAPITAL PROGRAMME 2012/13 to 2015/16

Following a review of the four year Capital Programme approved by Council on 22nd February 2011, a revised programme has been formulated including additional schemes which have been put forward for inclusion.

Each scheme has been assessed with regard to:

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

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

General Fund

It is estimated that approximately £5.7m (excluding the £0.5m approved minimum balance) will be available during the period to 2015/16 for future capital spending (including the useable capital receipts generated from the sale of council housing).

The draft General Fund programme has been formulated based on the predicted available resources. Assuming that the anticipated capital receipts will be received, this leaves a balance of £500k (the minimum approved level).

The capital reserve / receipts value is deemed to include the value of any minor disposals up to a value of £100k per annum in line with the Acquisitions and Disposals Policy.

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

The proposed programme includes a contribution from sale of council house receipts of £0.8m over the four years.

Housing

The proposed 4 year Housing Capital Programme is attached at **Appendix J**.

It is estimated that approximately £29.7m (excluding the £0.5m approved minimum balance) will be needed during the period to 2015/16 for future capital spending (including revenue contributions from the HRA of £13.9m).

Policy Changes Summary

DIRECTORATE	Service	Sheet No.	Budget Changes 12/13 £'000	Budget Changes 13/14 £'000	Budget Changes 14/15 £'000	Budget Changes 15/16 £'000
Chief Executive	Chief Executive	1	-	(1.7)	(1.8)	-
	Assistant Chief Executive	2	-	(0.9)	(0.9)	-
	Customer Services	3	12.0	35.3	(4.9)	-
	Organisational Development	4	(10.0)	(1.3)	(1.3)	-
	Performance & Corporate Relations	5	(8.1)	(1.9)	(2.0)	-
	Solicitor to the Council	6	18.9	(15.2)	(3.3)	-
Resources	Corporate Director Resources	7	-	(1.0)	(1.0)	-
	DD Finance, Exch. & Revenues	8	(116.0)	(319.4)	(117.7)	(57.0)
	AD Business Processes	9	(40.0)	(4.8)	(4.9)	-
	Internal Audit Services	10	(2.0)	(1.0)	(1.1)	-
	Benefits	11	-	(6.2)	(6.3)	-
Community Services	Corporate Director	12	(80.0)	(3.0)	(3.0)	(3.0)
	DD Assets and Environment	13	(49.0)	(30.2)	(31.0)	-
	DD Housing & Health - GF	14	-	(2.2)	(2.3)	-
	DD Communities, Planning & Partnerships	15	105.0	(142.1)	(18.7)	-
TOTAL			(169.2)	(495.6)	(200.2)	(60.0)

DIRECTORATE	Service	Sheet No.	Budget Changes 11/12 £'000	Budget Changes 12/13 £'000	Budget Changes 13/14 £'000	Budget Changes 14/15 £'000
Community Services	Housing Revenue Account	16	2,527.4	(978.6)	(405.3)	1,245.4
TOTAL			2,527.4	(978.6)	(405.3)	1,245.4

Policy Changes Summary Staffing Implications

DIRECTORATE	Service	Sheet No.	Budget Changes 12/13 FTE	Budget Changes 13/14 FTE	Budget Changes 14/15 FTE	Budget Changes 15/16 FTE	
Chief Executive	Chief Executive	1	-	-	-	-	
	Assistant Chief Executive	2	-	-	-	-	
	Customer Services	3	-	-	-	-	
	Organisational Development	4	-	-	-	-	
	Performance & Corporate Relations	5	-	-	-	-	
	Solicitor to the Council	6	-	-	-	-	
	Resources	Corporate Director Resources	7	-	-	-	-
		DD Finance, Exch. & Revenues	8	(0.5)	-	-	-
		AD Business Processes	9	-	-	-	-
		Internal Audit Services	10	-	-	-	-
		Benefits	11	-	-	-	-
	Community Services	Corporate Director	12	(1.0)	-	-	-
		DD Assets and Environment	13	-	-	-	-
		DD Housing & Health - GF	14	-	-	-	-
		DD Communities, Planning & Partnerships	15	-	-	-	-
TOTAL			(1.5)	-	-	-	

DIRECTORATE	Service	Sheet No.	Budget Changes 11/12 FTE	Budget Changes 12/13 FTE	Budget Changes 13/14 FTE	Budget Changes 14/15 FTE
Community Services	Housing Revenue Account	16	-	-	-	-
TOTAL			-	-	-	-

Budget Process 2012/13 - Policy Changes

Sheet 1

DIRECTORATE:		Service				
Chief Executive		Chief Executive				
Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change
			12/13 £'000	13/14 £'000	14/15 £'000	15/16 £'000
Savings / Increased Income (Reduced expenditure, increased income streams)						
CE1	Pay award capping - Autumn Forecast Statement	Revised forecast pay award increase (to 1% from 2% for 2013/14 & 2014/15) arising from Autumn Forecast Statement.		(1.7)	(1.8)	
Total Savings / Increased Income			-	(1.7)	(1.8)	-
Legislative & Statutory Requirements (not optional i.e. Concessionary Fares, Grant)						
Total Legislative & Statutory Requirements			-	-	-	-
VFM (Investment to deliver medium/long term expenditure savings, increased income streams and/or improved service provision (max payback 3 years))						
Total VFM			-	-	-	-
Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change
			12/13 £'000	13/14 £'000	14/15 £'000	15/16 £'000
Corporate Priorities & Objectives in line with the vision)						
Total Corporate Priorities & Objectives in line with the vision)			-	-	-	-
Other Expenditure (optional)						
Total Other Expenditure			-	-	-	-
Total New Items / Amendments			-	(1.7)	(1.8)	-

STAFFING IMPLICATIONS

		12/13 FTE	13/14 FTE	14/15 FTE	15/16 FTE
	TOTAL	-	-	-	-

Budget Process 2012/13 - Policy Changes

Sheet 2

DIRECTORATE:		Service				
	Chief Executive	Assistant Chief Executive				
Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change
			12/13 £'000	13/14 £'000	14/15 £'000	15/16 £'000
Savings / Increased Income (Reduced expenditure, increased income streams)						
ACE1	Pay award capping - Autumn Forecast Statement	Revised forecast pay award increase (to 1% from 2% for 2013/14 & 2014/15) arising from Autumn Forecast Statement.		(0.9)	(0.9)	
Total Savings / Increased Income			-	(0.9)	(0.9)	-
Legislative & Statutory Requirements (not optional i.e. Concessionary Fares, Grant						
Total Legislative & Statutory Requirements			-	-	-	-
VFM (Investment to deliver medium/long term expenditure savings, increased income streams and/or improved service provision (max payback 3 years)						
Total VFM			-	-	-	-
Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change
			12/13 £'000	13/14 £'000	14/15 £'000	15/16 £'000
Corporate Priorities & Objectives in line with the vision)						
Total Corporate Priorities & Objectives in line with the vision)			-	-	-	-
Other Expenditure (optional)						
Total Other Expenditure			-	-	-	-
Total New Items / Amendments			-	(0.9)	(0.9)	-

STAFFING IMPLICATIONS

			12/13 FTE	13/14 FTE	14/15 FTE	15/16 FTE
	TOTAL		-	-	-	-

Budget Process 2012/13 - Policy Changes

Sheet 3

DIRECTORATE:		Service				
	Chief Executive	Customer Services				
Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change
			12/13 £'000	13/14 £'000	14/15 £'000	15/16 £'000
Savings / Increased Income (Reduced expenditure, increased income streams)						
CS1	Reinstatement of annual Staffs Connects Partnership Contributions to fund replacement CRM system. 'Cloud computing' system therefore revenue cost of licences required.	Costs of 2012-13 contributions to be offset with current year underspend c/f in reserve (subject to approval). Ongoing requirement approx £52k. Revised forecast pay award increase (to 1% from 2% for 2013/14 & 2014/15) arising from Autumn Forecast Statement.	12.0	40.0		
CS2	Pay award capping - Autumn Forecast Statement		(4.7)	(4.9)		
Total Savings / Increased Income			12.0	35.3	(4.9)	-
Legislative & Statutory Requirements (not optional i.e. Concessionary Fares, Grant						
Total Legislative & Statutory Requirements			-	-	-	-
VFM (Investment to deliver medium/long term expenditure savings, increased income streams and/or improved service provision (max payback 3 years)						
Total VFM			-	-	-	-
Corporate Priorities & Objectives in line with the vision)						
Total Corporate Priorities & Objectives in line with the vision)			-	-	-	-
Other Expenditure (optional)						
Total Other Expenditure			-	-	-	-
Total New Items / Amendments			12.0	35.3	(4.9)	-

STAFFING IMPLICATIONS

			12/13 FTE	13/14 FTE	14/15 FTE	15/16 FTE
	TOTAL		-	-	-	-

Budget Process 2012/13 - Policy Changes

Sheet 4

DIRECTORATE:		Service				
	Chief Executive	Organisational Development				
Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change
			12/13 £'000	13/14 £'000	14/15 £'000	15/16 £'000
Savings / Increased Income (Reduced expenditure, increased income streams)						
OD1	Support Services Options Appraisal - Savings in support service costs identified through process carried out during 2011.	Training budget - reduced by 10% & combined with deployment of e-learning solution Revised forecast pay award increase (to 1% from 2% for 2013/14 & 2014/15) arising from Autumn Forecast Statement.	(10.0)	(1.3)	(1.3)	
OD2	Pay award capping - Autumn Forecast Statement					
Total Savings / Increased Income			(10.0)	(1.3)	(1.3)	-
Legislative & Statutory Requirements (not optional i.e. Concessionary Fares, Grant)						
Total Legislative & Statutory Requirements			-	-	-	-
VFM (Investment to deliver medium/long term expenditure savings, increased income streams and/or improved service provision (max payback 3 years))						
Total VFM			-	-	-	-
Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change
			12/13 £'000	13/14 £'000	14/15 £'000	15/16 £'000
Corporate Priorities & Objectives in line with the vision)						
Total Corporate Priorities & Objectives in line with the vision)			-	-	-	-
Other Expenditure (optional)						
Total Other Expenditure			-	-	-	-
Total New Items / Amendments			(10.0)	(1.3)	(1.3)	-

STAFFING IMPLICATIONS

			12/13 FTE	13/14 FTE	14/15 FTE	15/16 FTE
	TOTAL		-	-	-	-

Budget Process 2012/13 - Policy Changes

Sheet 5

DIRECTORATE:		Service				
	Chief Executive	Performance & Corporate Relations				
Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change
			12/13 £'000	13/14 £'000	14/15 £'000	15/16 £'000
Savings / Increased Income (Reduced expenditure, increased income streams)						
PCR1	Support Services Options Appraisal - Savings in support service costs identified through process carried out during 2011.	Removal of Comprehensive Area Assessment budget as no longer required	(2.5)			
		Cease printing of Annual Review document (Website only in future)	(4.75)			
		Cease Covalent models modules	(0.87)			
PCR2	Pay award capping - Autumn Forecast Statement	Revised forecast pay award increase (to 1% from 2% for 2013/14 & 2014/15) arising from Autumn Forecast Statement.		(1.9)	(2.0)	
Total Savings / Increased Income			(8.12)	(1.9)	(2.0)	-
Legislative & Statutory Requirements (not optional i.e. Concessionary Fares, Grant						
Total Legislative & Statutory Requirements			-	-	-	-
VFM (Investment to deliver medium/long term expenditure savings, increased income streams and/or improved service provision (max payback 3 years)						
Total VFM			-	-	-	-
Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change
			12/13 £'000	13/14 £'000	14/15 £'000	15/16 £'000
Corporate Priorities & Objectives in line with the vision)						
Total Corporate Priorities & Objectives in line with the vision)			-	-	-	-
Other Expenditure (optional)						
Total Other Expenditure			-	-	-	-
Total New Items / Amendments			(8.12)	(1.9)	(2.0)	-

STAFFING IMPLICATIONS

			12/13 FTE	13/14 FTE	14/15 FTE	15/16 FTE
	TOTAL		-	-	-	-

Budget Process 2012/13 - Policy Changes

Sheet 6

DIRECTORATE:		Service				
	Chief Executive	Solicitor to the Council				
Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change
			12/13 £'000	13/14 £'000	14/15 £'000	15/16 £'000
Savings / Increased Income (Reduced expenditure, increased income streams)						
SOL1	Pay award capping - Autumn Forecast Statement	Revised forecast pay award increase (to 1% from 2% for 2013/14 & 2014/15) arising from Autumn Forecast Statement.		(3.2)	(3.3)	
Total Savings / Increased Income			-	(3.2)	(3.3)	-
Legislative & Statutory Requirements (not optional i.e. Concessionary Fares, Grant etc.)						
SOL2	Absent voter refresh	Need for refresh every 5 years Impact of Review following Council consideration of consultation responses	15.0	(10.0)		
SOL3	Polling Stations Review		3.9	(2.0)		
Total Legislative & Statutory Requirements			18.9	(12.0)	-	-
VFM (Investment to deliver medium/long term expenditure savings, increased income streams and/or improved service provision (max payback 3 years))						
Total VFM			-	-	-	-
Corporate Priorities & Objectives in line with the vision)						
Total Corporate Priorities & Objectives in line with the vision)			-	-	-	-
Other Expenditure (optional)						
Total Other Expenditure			-	-	-	-
Total New Items / Amendments			18.9	(15.2)	(3.3)	-

STAFFING IMPLICATIONS

			12/13 FTE	13/14 FTE	14/15 FTE	15/16 FTE
	TOTAL		-	-	-	-

Budget Process 2012/13 - Policy Changes

Sheet 7

DIRECTORATE:		Service				
Resources		Corporate Director Resources				
Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change
			12/13 £'000	13/14 £'000	14/15 £'000	15/16 £'000
Savings / Increased Income (Reduced expenditure, increased income streams)						
CDR1	Pay award capping - Autumn Forecast Statement	Revised forecast pay award increase (to 1% from 2% for 2013/14 & 2014/15) arising from Autumn Forecast Statement.		(1.0)	(1.0)	
Total Savings / Increased Income			-	(1.0)	(1.0)	-
Legislative & Statutory Requirements (not optional i.e. Concessionary Fares, Grant etc.)						
Total Legislative & Statutory Requirements			-	-	-	-
VFM (Investment to deliver medium/long term expenditure savings, increased income streams and/or improved service provision (max payback 3 years))						
Total VFM			-	-	-	-
Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change
			12/13 £'000	13/14 £'000	14/15 £'000	15/16 £'000
Corporate Priorities & Objectives in line with the vision)						
Total Corporate Priorities & Objectives in line with the vision)			-	-	-	-
Other Expenditure (optional)						
Total Other Expenditure			-	-	-	-
Total New Items / Amendments			-	(1.0)	(1.0)	-

STAFFING IMPLICATIONS

			12/13 FTE	13/14 FTE	14/15 FTE	15/16 FTE
	TOTAL		-	-	-	-

Budget Process 2012/13 - Policy Changes

DIRECTORATE:		Service				
Resources		DD Finance, Exch. & Revenues				
Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change
			12/13 £'000	13/14 £'000	14/15 £'000	15/16 £'000
Savings / Increased Income (Reduced expenditure, increased income streams)						
FER1	New Homes Bonus Grant income	Within the current MTFS a prudent approach had been taken to the inclusion of NHB after 2012/13 especially as formula grant levels in future years were uncertain. As part of the current process, now there is more certainty over this new funding, we have re-assessed this approach & included the potential income.	(38.0)	(328.0)	(58.0)	(57.0)
FER2	Council Tax freeze grant	Grant receivable should the Council agree to freeze the Council Tax for 2012/13 at 2011/12 levels. <i>(It should be noted that subsequently the Government have confirmed that this grant will be for one year only (2012/13)).</i>	(87.0)	87.0		
FER3	Icelandic Investment Repayment	Reduced capitalisation requirement & thereby annual repayment of sum capitalised following improvement in repayment levels after successful conclusion to challenge through Icelandic legal process.	(150.0)			
FER4	Audit Fee saving	One off saving in Audit Fees as a result of efficiencies - as advised by the Audit Commission.	(6.0)	6.0		
FER5	Support Services Options Appraisal - Savings in support service costs identified through process carried out during 2011.	Staffing efficiencies arising from revised working practices & extended use of financial planning system	(20.0)			
FER6	Pay award capping - Autumn Forecast Statement	Revised forecast pay award increase (to 1% from 2% for 2013/14 & 2014/15) arising from Autumn Forecast Statement.		(9.4)	(9.7)	
FER7	Corporate Change Programme / Transforming Tamworth	Continuation of change process to highlight more efficient working practices		(50.0)		
Total Savings / Increased Income			(301.0)	(294.4)	(67.7)	(57.0)
Legislative & Statutory Requirements (not optional i.e. Concessionary Fares, Grant etc.)						
Total Legislative & Statutory Requirements			-	-	-	-

Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change
			12/13 £'000	13/14 £'000	14/15 £'000	15/16 £'000
VFM (Investment to deliver medium/long term expenditure savings, increased income streams and/or improved service provision (max payback 3 years))						
Total VFM			-	-	-	-
Corporate Priorities & Objectives in line with the vision)						
Total Corporate Priorities & Objectives in line with the vision)			-	-	-	-
Other Expenditure (optional)						
FER7	Corporate Finance - General Contingency	Inclusion of a contingency budget to allow for 'in year' decisions to be made by Cabinet & to provide for any potential further reductions in income as a result of the economic situation. Contingency budget	170.0	(10.0)	(50.0)	-
FER8	Health Project Contingency		15.0	(15.0)		
Total Other Expenditure			185.0	(25.0)	(50.0)	-
Total New Items / Amendments			(116.0)	(319.4)	(117.7)	(57.0)

STAFFING IMPLICATIONS

			12/13 FTE	13/14 FTE	14/15 FTE	15/16 FTE
FER5	Support Services Review	Reduction in 0.5 FTE To be identified as reviews progress	(0.5)	TBA		
FER7	Corporate Change Programme / Transforming Tamworth					
TOTAL			(0.5)	-	-	-

Budget Process 2012/13 - Policy Changes

Sheet 9

DIRECTORATE:		Service				
Resources		AD Business Processes				
Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change
			12/13 £'000	13/14 £'000	14/15 £'000	15/16 £'000
Savings / Increased Income (Reduced expenditure, increased income streams)						
BP1	Support Services Options Appraisal - Savings in support service costs identified through process carried out during 2011.	Additional income through provision of shared services to partners	(40.0)			
BP2	Pay award capping - Autumn Forecast Statement	Revised forecast pay award increase (to 1% from 2% for 2013/14 & 2014/15) arising from Autumn Forecast Statement.		(4.8)	(4.9)	
Total Savings / Increased Income			(40.0)	(4.8)	(4.9)	-
Legislative & Statutory Requirements (not optional i.e. Concessionary Fares, Grant etc.)						
Total Legislative & Statutory Requirements			-	-	-	-
VFM (Investment to deliver medium/long term expenditure savings, increased income streams and/or improved service provision (max payback 3 years))						
Total VFM			-	-	-	-
Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change
			12/13 £'000	13/14 £'000	14/15 £'000	15/16 £'000
Corporate Priorities & Objectives in line with the vision)						
Total Corporate Priorities & Objectives in line with the vision)			-	-	-	-
Other Expenditure (optional)						
Total Other Expenditure			-	-	-	-
Total New Items / Amendments			(40.0)	(4.8)	(4.9)	-

STAFFING IMPLICATIONS

	12/13 FTE	13/14 FTE	14/15 FTE	15/16 FTE
TOTAL	-	-	-	-

Budget Process 2012/13 - Policy Changes

Sheet 10

DIRECTORATE:		Service				
Resources		Internal Audit Services				
Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change
			12/13 £'000	13/14 £'000	14/15 £'000	15/16 £'000
Savings / Increased Income (Reduced expenditure, increased income streams)						
IA1	Support Services Options Appraisal - Savings in support service costs identified through process carried out during 2011.	Reduced external support budget through efficiencies from extended use of covalent system	(2.0)			
IA2	Pay award capping - Autumn Forecast Statement	Revised forecast pay award increase (to 1% from 2% for 2013/14 & 2014/15) arising from Autumn Forecast Statement.		(1.0)	(1.1)	
Total Savings / Increased Income			(2.0)	(1.0)	(1.1)	-
Legislative & Statutory Requirements (not optional i.e. Concessionary Fares, Grant etc.)						
Total Legislative & Statutory Requirements			-	-	-	-
VFM (Investment to deliver medium/long term expenditure savings, increased income streams and/or improved service provision (max payback 3 years))						
Total VFM			-	-	-	-
Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change
			12/13 £'000	13/14 £'000	14/15 £'000	15/16 £'000
Corporate Priorities & Objectives in line with the vision)						
Total Corporate Priorities & Objectives in line with the vision)			-	-	-	-
Other Expenditure (optional)						
Total Other Expenditure			-	-	-	-
Total New Items / Amendments			(2.0)	(1.0)	(1.1)	-

STAFFING IMPLICATIONS

	12/13 FTE	13/14 FTE	14/15 FTE	15/16 FTE
TOTAL	-	-	-	-

Budget Process 2012/13 - Policy Changes

Sheet 11

DIRECTORATE:		Service				
Resources		Benefits				
Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change
			12/13 £'000	13/14 £'000	14/15 £'000	15/16 £'000
Savings / Increased Income (Reduced expenditure, increased income streams)						
BEN1	Pay award capping - Autumn Forecast Statement	Revised forecast pay award increase (to 1% from 2% for 2013/14 & 2014/15) arising from Autumn Forecast Statement.		(6.2)	(6.3)	
Total Savings / Increased Income			-	(6.2)	(6.3)	-
Legislative & Statutory Requirements (not optional i.e. Concessionary Fares, Grant etc.)						
Total Legislative & Statutory Requirements			-	-	-	-
VFM (Investment to deliver medium/long term expenditure savings, increased income streams and/or improved service provision (max payback 3 years))						
Total VFM			-	-	-	-
Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change
			12/13 £'000	13/14 £'000	14/15 £'000	15/16 £'000
Corporate Priorities & Objectives in line with the vision)						
Total Corporate Priorities & Objectives in line with the vision)			-	-	-	-
Other Expenditure (optional)						
Total Other Expenditure			-	-	-	-
Total New Items / Amendments			-	(6.2)	(6.3)	-

STAFFING IMPLICATIONS

			12/13 FTE	13/14 FTE	14/15 FTE	15/16 FTE
	TOTAL		-	-	-	-

Budget Process 2012/13 - Policy Changes

Sheet 12

DIRECTORATE:		Service				
	Community Services	Corporate Director				
Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change
			12/13 £'000	13/14 £'000	14/15 £'000	15/16 £'000
Savings / Increased Income (Reduced expenditure, increased income streams)						
DCE1	Senior Mgt Restructure saving	Potential saving arising from review of Senior Management arrangements.	(80.0)	(3.0)	(3.0)	(3.0)
Total Savings / Increased Income			(80.0)	(3.0)	(3.0)	(3.0)
Legislative & Statutory Requirements (not optional i.e. Concessionary Fares, Grant etc.)						
Total Legislative & Statutory Requirements			-	-	-	-
VFM (Investment to deliver medium/long term expenditure savings, increased income streams and/or improved service provision (max payback 3 years))						
Total VFM			-	-	-	-
Corporate Priorities & Objectives in line with the vision)						
Total Corporate Priorities & Objectives in line with the vision)			-	-	-	-
Other Expenditure (optional)						
Total Other Expenditure			-	-	-	-
Total New Items / Amendments			(80.0)	(3.0)	(3.0)	(3.0)

STAFFING IMPLICATIONS

			12/13 FTE	13/14 FTE	14/15 FTE	15/16 FTE
DCE1	Senior Mgt Restructure saving	Potential saving arising from review of Senior Management arrangements.	(1.0)			
	TOTAL		(1.0)	-	-	-

Budget Process 2012/13 - Policy Changes

Sheet 13

DIRECTORATE:		Service				
	Community Services	DD Assets and Environment				
Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change
			12/13 £'000	13/14 £'000	14/15 £'000	15/16 £'000
Savings / Increased Income (Reduced expenditure, increased income streams)						
AE1	Reduction in Contribution to Building Repairs Fund	Reduced funding for building maintenance works Revised forecast pay award increase (to 1% from 2% for 2013/14 & 2014/15) arising from Autumn Forecast Statement.	(49.0)			
AE2	Pay award capping - Autumn Forecast Statement		(30.2)	(31.0)		
Total Savings / Increased Income			(49.0)	(30.2)	(31.0)	-
Legislative & Statutory Requirements (not optional i.e. Concessionary Fares, Grant etc.)						
Total Legislative & Statutory Requirements			-	-	-	-
Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change
			12/13 £'000	13/14 £'000	14/15 £'000	15/16 £'000
VFM (Investment to deliver medium/long term expenditure savings, increased income streams and/or improved service provision (max payback 3 years))						
Total VFM			-	-	-	-
Corporate Priorities & Objectives in line with the vision)						
Total Corporate Priorities & Objectives in line with the vision)			-	-	-	-
Other Expenditure (optional)						
Total Other Expenditure			-	-	-	-
Total New Items / Amendments			(49.0)	(30.2)	(31.0)	-

STAFFING IMPLICATIONS

			12/13 FTE	13/14 FTE	14/15 FTE	15/16 FTE
	TOTAL		-	-	-	-

Budget Process 2012/13 - Policy Changes

Sheet 14

DIRECTORATE:		Service				
	Community Services	DD Housing & Health - GF				
Item No	Proposal/(Existing Budget) (in priority order within Sections)	Implications (In terms of delivering Corp.Priorities Continuous Improvement)	Budget Change	Budget Change	Budget Change	Budget Change
			12/13 £'000	13/14 £'000	14/15 £'000	15/16 £'000
Savings / Increased Income (Reduced expenditure, increased income streams)						
HH1	Pay award capping - Autumn Forecast Statement	Revised forecast pay award increase (to 1% from 2% for 2013/14 & 2014/15) arising from Autumn Forecast Statement.		(2.2)	(2.3)	
Total Savings / Increased Income			-	(2.2)	(2.3)	-
Legislative & Statutory Requirements (not optional i.e. Concessionary Fares, Grant etc.)						
Total Legislative & Statutory Requirements			-	-	-	-
VFM (Investment to deliver medium/long term expenditure savings, increased income streams and/or improved service provision (max payback 3 years))						
Total VFM			-	-	-	-
Item No	Proposal/(Existing Budget)	Implications	Budget Change	Budget Change	Budget Change	Budget Change
			12/13 £'000	13/14 £'000	14/15 £'000	15/16 £'000
Corporate Priorities & Objectives in line with the vision						
Total Corporate Priorities & Objectives in line with the vision			-	-	-	-
Other Expenditure (optional)						
Total Other Expenditure			-	-	-	-
Total New Items / Amendments			-	(2.2)	(2.3)	-

STAFFING IMPLICATIONS

			12/13 FTE	13/14 FTE	14/15 FTE	15/16 FTE
	TOTAL		-	-	-	-

Budget Process 2012/13 - Policy Changes

Sheet 15

DIRECTORATE:		Service				
	Community Services	DD Communities, Planning & Partnerships				
Item No	Proposal/(Existing Budget) (in priority order within Sections)	Implications (In terms of delivering Corp.Priorities / Continuous Improvement)	Budget Change	Budget Change	Budget Change	Budget Change
			12/13 £'000	13/14 £'000	14/15 £'000	15/16 £'000
Savings / Increased Income (Reduced expenditure, increased income streams)						
CPP1	Reversal of policy item CPP7 2011/12 process. Budget required 12/13 rather than 13/14			(40.0)	40.0	
CPP2	Community Infrastructure Levy		40.0	(40.0)		
CPP3	Building Control Shared Service arrangement	Savings arising from expansion of Shared Service arrangements in line with Cabinet report.		(5.0)	(5.0)	
CPP4	Reduction in Contribution to Building Repairs Fund	Reduced funding for building maintenance works	(11.0)			
CPP5	Pay award capping - Autumn Forecast Statement	Revised forecast pay award increase (to 1% from 2% for 2013/14 & 2014/15) arising from Autumn Forecast Statement.		(17.1)	(17.7)	
Total Savings / Increased Income			29.0	(102.1)	17.3	-
Legislative & Statutory Requirements (not optional i.e. Concessionary Fares, Grant etc.)						
Total Legislative & Statutory Requirements			-	-	-	-
VFM (Investment to deliver medium/long term expenditure savings, increased income streams and/or improved service provision (max payback 3 years))						
Total VFM			-	-	-	-
Corporate Priorities & Objectives in line with the vision)						
Total Corporate Priorities & Objectives in line with the vision)			-	-	-	-
Other Expenditure (optional)						
CPP5	Olympic event	Events in 2012	40.0	(40.0)		
CPP6	Locality working	Maintenance of CDO post for 2 years	36.0		(36.0)	
Total Other Expenditure			76.0	(40.0)	(36.0)	-
Total New Items / Amendments			105.0	(142.1)	(18.7)	-

STAFFING IMPLICATIONS

			12/13 FTE	13/14 FTE	14/15 FTE	15/16 FTE
	TOTAL		-	-	-	-

Budget Process 2012/13 - Policy Changes

Sheet 16

DIRECTORATE:		Service				
	Community Services	Housing Revenue Account				
Item No	Proposal/(Existing Budget) (in priority order within Sections)	Implications (In terms of delivering Corp.Priorities / Continuous Improvement)	Budget Change	Budget Change	Budget Change	Budget Change
			12/13 £'000	13/14 £'000	14/15 £'000	15/16 £'000
Savings / Increased Income (Reduced expenditure, increased income streams)						
HRA1	Pay award capping - Autumn Forecast Statement	Revised forecast pay award increase (to 1% from 2% for 2013/14 & 2014/15) arising from Autumn Forecast Statement.		(23.0)	(23.6)	
Total Savings / Increased Income			-	(23.0)	(23.6)	-
Legislative & Statutory Requirements (not optional i.e. Concessionary Fares, Grant etc.)						
HRA2	Impact of Final Determination	a) Revenue Contributions to Capital b) Rents c) Provision for Depreciation/MRR d) Interest costs e) Provision for Bad Debts	1,410.8 (1,127.4) 1,737.8 47.0 119.2	(264.4) (658.3) 107.1	(106.9) (681.4) 109.6	(712.2) (704.4) 112.2 3.7
Total Legislative & Statutory Requirements			2,187.4	(815.6)	(381.7)	(1,300.6)
VFM (Investment to deliver medium/long term expenditure savings, increased income streams and/or improved service provision (max payback 3 years))						
HRA3	Removal of Service Charges	Originally due for implementation wef 1/4/11	100.0			
Total VFM			100.0	-	-	-
Corporate Priorities & Objectives in line with the vision)						
HRA4	Service improvements in line with tenant priorities developed within HRA business plan		100.0			
HRA5	Develop Asset Management strategy		40.0	(40.0)		
HRA6	General Contingency	Inclusion of a contingency budget to allow for 'in year' decisions to be made by Cabinet & to provide for any potential further reductions in income as a result of the economic situation.	100.0	(100.0)		
HRA7	Contribution to Reserve	To provide funds for future redevelopment schemes				2,546.0
Total Corporate Priorities & Objectives in line with the vision)			240.0	(140.0)	-	2,546.0
Other Expenditure (optional)						
Total Other Expenditure			-	-	-	-
Total New Items / Amendments			2,527.4	(978.6)	(405.3)	1,245.4

STAFFING IMPLICATIONS

			12/13 FTE	13/14 FTE	14/15 FTE	15/16 FTE
	TOTAL		-	-	-	-

HOUSING REVENUE ACCOUNT BUDGET SUMMARY 2012/13

	Base Budget 12/13 £	Technical Adjustments £	Policy Changes £	Revised Budget 12/13 £	Revised Budget 13/14 £	Revised Budget 14/15 £	Revised Budget 15/16 £
Income							
Dwelling Rents	(15,983,940)	-	(1,127,430)	(17,111,370)	(17,769,620)	(18,451,020)	(19,155,380)
Non-Dwelling Rents	(480,300)	29,830	-	(450,470)	(461,640)	(473,080)	(484,810)
Charges for Services & Facilities	(635,610)	(9,250)	-	(644,860)	(665,730)	(687,290)	(708,590)
Contributions Towards Expenditure	(816,250)	68,960	-	(747,290)	(747,610)	(747,940)	(748,260)
Subtotal	(17,916,100)	89,540	(1,127,430)	(18,953,990)	(19,644,600)	(20,359,330)	(21,097,040)
Expenditure							
Repairs & Maintenance	4,382,330	101,980	-	4,484,310	4,594,600	4,707,340	4,865,440
Supervision & Management	4,859,930	(262,120)	340,000	4,937,810	4,872,250	4,943,590	5,036,280
Rents, Rates, Taxes & Other Charges	36,450	1,250	-	37,700	38,960	40,280	41,560
Increase in Provision for Bad Debts	53,820	-	119,180	173,000	173,000	470,000	470,000
Housing Subsidy Payable	3,276,130	(3,276,130)	-	-	-	-	-
Depreciation	2,996,720	(88,960)	1,574,300	4,482,060	4,589,110	4,698,720	4,810,940
Debt Management Costs	12,570	3,080	-	15,650	16,180	16,720	18,270
Subtotal	15,617,950	(3,520,900)	2,033,480	14,130,530	14,284,100	14,876,650	15,242,490
Net cost of HRA Services per Authority I&E	(2,298,150)	(3,431,360)	906,050	(4,823,460)	(5,360,500)	(5,482,680)	(5,854,550)
HRA share of Corporate & Democratic Core	2,890	850	-	3,740	3,860	3,990	4,120
HRA share of other amounts included in the whole authority Net Cost of Services but not allocated to specific services	5,480	150	-	5,630	5,630	5,630	5,630
Net Cost of HRA Services	(2,289,780)	(3,430,360)	906,050	(4,814,090)	(5,351,010)	(5,473,060)	(5,844,800)
Interest Payable & Similar Charges	1,562,260	1,423,060	47,030	3,032,350	3,032,350	3,032,350	3,004,380
Amortisation of Premiums	32,840	(30,280)	-	2,560	-	-	-
Interest & Investment Income	(49,870)	(8,210)	-	(58,080)	(64,560)	(57,590)	(67,070)
Surplus/ Deficit for the year	(744,550)	(2,045,790)	953,080	(1,837,260)	(2,383,220)	(2,498,300)	(2,907,490)

Statement of Movement on the HRA Balance

Surplus or Deficit for the year	(744,550)	(2,045,790)	953,080	(1,837,260)	(2,383,220)	(2,498,300)	(2,907,490)
Additional Items required to be taken into account:							
Capital Expenditure funded by the HRA	1,587,260	(41,090)	1,410,800	2,956,970	2,961,230	3,040,390	2,328,240
Net transfer to/ (from) earmarked reserves	-	-	-	-	-	-	2,546,000
Transfer to/ (from) the Major Repairs Reserve	(163,530)	-	163,530	-	-	-	-
(Increase)/ Decrease in HRA Balances	679,180	(2,086,880)	2,527,410	1,119,710	578,010	542,090	1,966,750

General Fund Summary Revenue Budget for 2012/13

<i>Figures exclude internal recharges & capital charges which have no bottom line impact.</i>	Base Budget 2011/12 £	Technical Adjustments £	Policy Changes £	Budget 2012/13 £
Chief Executive's Office				
Chief Executive	156,130	26,940	-	183,070
Assistant Chief Executive	108,020	(2,710)	-	105,310
Solicitor & Monitoring Officer	647,240	28,000	18,900	694,140
Head of Organisational Development	245,880	(19,240)	(10,000)	216,640
Head Performance & Corporate Relations	223,600	6,010	(8,120)	221,490
Head of Customer Services	375,980	(45,440)	12,000	342,540
Subtotal	1,756,850	(6,440)	12,780	1,763,190
Corporate Director Community Services				
Corporate Director Community Services	96,830	(16,830)	(80,000)	-
DD Assets & Environment	2,452,230	228,220	(49,000)	2,631,450
DD Communities, Planning & Partnerships	2,162,530	(27,200)	105,000	2,240,330
DD Housing & Health	854,930	(1,270)	-	853,660
Subtotal	5,566,520	182,920	(24,000)	5,725,440
Corporate Director Resources				
Corporate Director Resources	101,520	(10,490)	-	91,030
Head of Internal Audit Services	110,950	(1,210)	(2,000)	107,740
Head of Revenues	157,230	(9,970)	-	147,260
Head of Benefits	67,440	(71,710)	-	(4,270)
AD Business Processes	819,640	(75,330)	(40,000)	704,310
DD Corporate Finance	835,480	(356,360)	(116,000)	363,120
Subtotal	2,092,260	(525,070)	(158,000)	1,409,190
Total Cost of Services	9,415,630	(348,590)	(169,220)	8,897,820
Transfer to/ (-) from Balances	(699,350)	-	-	(770,420)
Revenue Support Grant/Contributions from NNDR Pool	(5,213,611)			(4,604,958)
Collection Fund Surplus	(17,560)			(26,262)
Council Tax Requirement	3,485,109	-	-	3,496,180

General Fund Technical Adjustments 2012/13

	Technical Adjustments								Total Adjusted Base 2012/13 £
	Budget 2011/12 £	Virements £	Committee Decisions £	Inflation £	Other £	Pay Adjustments £	External Recharge Changes (non-GF Activities) £	Total Adjustments £	
<i>figures exclude internal recharges & capital charges which have no bottom line impact.</i>									
Chief Executive's Office									
Chief Executive	156,130	23,540	-	40	1,940	1,020	-	26,540	182,670
Assistant Chief Executive	108,020	-	-	730	10	200	(3,680)	(2,740)	105,280
Solicitor & Monitoring Officer	647,240	(200)	46,000	1,400	15,400	(35,120)	440	27,920	675,160
Head of Organisational Development	245,880	1,000	15,300	1,380	(870)	(43,930)	5,630	(21,490)	224,390
Head Performance & Corporate Relations	223,600	-	10,000	220	(420)	(2,470)	(3,220)	4,110	227,710
Head of Customer Services	375,980	1,970	(100,500)	1,170	110	11,260	42,740	(43,250)	332,730
Subtotal	1,756,850	26,310	(29,200)	4,940	16,170	(69,040)	41,910	(8,910)	1,747,940
Corporate Director Community Services									
Corporate Director Community Services	96,830	(23,740)	-	110	(330)	240	7,300	(16,420)	80,410
DD Assets & Environment	2,452,230	(1,970)	12,670	47,510	142,240	42,130	(24,090)	218,490	2,670,720
DD Communities, Planning & Partnerships	2,162,530	(200)	(57,710)	9,290	4,480	16,940	-	(27,200)	2,135,330
DD Housing & Health	854,930	-	(110)	1,590	40	9,860	8,090	19,470	874,400
Subtotal	5,566,520	(25,910)	(45,150)	58,500	146,430	69,170	(8,700)	194,340	5,760,860
Corporate Director Resources									
Corporate Director Resources	101,520	-	-	10	(250)	(7,570)	(2,680)	(10,490)	91,030
Head of Internal Audit Services	110,950	-	-	670	(640)	(7,280)	5,720	(1,530)	109,420
Head of Revenues	157,230	520	(3,500)	220	1,140	(9,040)	2,720	(7,940)	149,290
Head of Benefits	67,440	0	(2,000)	130	(29,950)	(39,890)	-	(71,710)	(4,270)
AD Business Processes	819,640	(200)	(1,500)	16,860	3,740	(30,010)	(74,800)	(85,910)	733,730
DD Corporate Finance	835,480	(720)	(189,000)	750	(128,900)	7,910	(49,100)	(359,060)	476,420
Subtotal	2,092,260	(400)	(196,000)	18,640	(154,860)	(85,880)	(118,140)	(536,640)	1,555,620
Grand Total	9,415,630	-	(270,350)	82,080	7,740	(85,750)	(84,930)	(351,210)	9,064,420

HRA Technical Adjustments 2012/13

	Technical Adjustments								Total Adjusted Base 2012/13
	Budget 2011/12	Virements	Committee Decisions	Inflation	Other	Pay Adjustments	External Recharge Changes (non-GF Activities)	Total Adjustments	
	£	£	£	£	£	£	£	£	
Housing Revenue Account									
DD Assets & Environment	-	-	-	230	(580)	3,210	(2,860)	-	-
DD Housing & Health	3,480,040	-	(125,830)	30,630	5,730	15,930	79,820	6,280	3,486,320
HRA Summary	(2,800,860)	-	(297,090)	138,110	(1,951,510)	53,900	-	(2,056,590)	(4,857,450)
Grand Total	679,180	-	(422,920)	168,970	(1,946,360)	73,040	76,960	(2,050,310)	(1,371,130)

General Fund 4 Year Revenue Budget Summary

<i>Figures exclude internal recharges & capital charges which have no bottom line impact.</i>	Budget 2012/13 £	Projected Budget 2013/14 £	Projected Budget 2014/15 £	Projected Budget 2015/16 £
Chief Executive's Office				
Chief Executive	183,070	185,700	188,290	192,730
Assistant Chief Executive	105,310	107,270	109,290	112,220
Solicitor & Monitoring Officer	694,140	671,560	687,610	704,930
Head of Organisational Development	216,640	218,410	225,540	230,680
Head Performance & Corporate Relations	221,490	216,690	220,520	225,480
Head of Customer Services	342,540	395,200	406,930	423,440
Subtotal	1,763,190	1,794,830	1,838,180	1,889,480
Corporate Director Community Services				
Corporate Director Community Services	-	-	-	-
DD Assets & Environment	2,631,450	2,736,140	2,828,860	2,948,820
DD Communities, Planning & Partnerships	2,240,330	2,150,300	2,142,130	2,162,860
DD Housing & Health	853,660	858,290	862,890	869,850
Subtotal	5,725,440	5,744,730	5,833,880	5,981,530
Corporate Director Resources				
Corporate Director Resources	91,030	92,450	93,910	96,400
Head of Internal Audit Services	107,740	110,520	113,140	116,940
Head of Revenues	147,260	155,290	166,900	178,700
Head of Benefits	(4,270)	(3,260)	(410)	8,300
AD Business Processes	704,310	731,180	758,430	790,450
DD Corporate Finance	363,120	253,980	112,310	(91,580)
Subtotal	1,409,190	1,340,160	1,244,280	1,099,210
Total Cost of Services	8,897,820	8,879,720	8,916,340	8,970,220
Transfer to/ (-) from Balances	(770,420)	(895,830)	(1,045,080)	(989,710)
Revenue Support Grant/Contributions from NDR Pool	(4,604,958)	(4,374,710)	(4,155,980)	(4,155,980)
Collection Fund Surplus	(26,262)	(10,000)	(10,000)	(10,000)
Council Tax Requirement	3,496,180	3,599,180	3,705,280	3,814,530

Appendix H

Council Tax levels at each band for 2012/13

	Tamworth Council Tax 2011/12	Tamworth Borough Council	Staffordshire County Council	Staffordshire Police Authority	Stoke on Trent and Staffordshire Fire and Rescue Authority	Total 2012/13	Total Council Tax 2011/12
	£	£	£	£	£	£	£
Demand / Precept on Collection Fund		3,496,180	24,051,518	4,152,167	1,581,199	33,281,064	
Council Tax Band							
A	99.70	99.70	685.87	118.41	45.09	949.07	949.07
B	116.32	116.32	800.19	138.14	52.61	1,107.26	1,107.26
C	132.93	132.93	914.50	157.88	60.12	1,265.43	1,265.43
D	149.55	149.55	1,028.81	177.61	67.64	1,423.61	1,423.61
E	182.78	182.78	1,257.43	217.08	82.67	1,739.96	1,739.96
F	216.02	216.02	1,486.06	256.55	97.70	2,056.33	2,056.33
G	249.25	249.25	1,714.68	296.02	112.73	2,372.68	2,372.68
H	299.10	299.10	2,057.62	355.22	135.28	2,847.22	2,847.22

Proposed General Fund Capital Programme 2012/13 – 2015/16

	2012/13 £	2013/14 £	2014/15 £	2015/16 £	Total £
General Fund Capital Programme					
Resources Directorate					
Technology Replacement	70,000	70,000	70,000	70,000	280,000
Transforming Tamworth - Agile working, telephony & corporate EDRMS	30,000	30,000	10,000	-	70,000
Local Land & Property Gazetteer Website	10,000	-	-	-	10,000
HR / Payroll System	30,000	-	-	-	30,000
Replacement financial system	91,000	-	-	-	91,000
	21,000	-	-	-	21,000
Subtotal	252,000	100,000	80,000	70,000	502,000
Community Services Directorate					
Private Sector Grants - Disabled Facilities Grants	240,000	240,000	240,000	240,000	960,000
Disabled Facilities Grants	500,000	-	-	-	500,000
Home Repairs Works in Default Improvements to Marmion House	120,000	123,000	126,100	129,200	498,300
CCTV Camera Renewals (£15k)	17,000	17,400	-	-	34,400
Crime Reduction & Community Safety (£10k)	15,000	15,000	15,000	15,000	60,000
Contingency	10,000	10,000	10,000	10,000	40,000
Assembly rooms development	250,000	-	-	-	250,000
Castle Mercian Trail	50,000	2,438,500	50,000	-	2,538,500
	350,000	-	-	-	350,000
Subtotal	1,552,000	2,843,900	441,100	394,200	5,231,200
Total General Fund Capital	1,804,000	2,943,900	521,100	464,200	5,733,200
Proposed Financing:					
Supported Capital Expenditure	-	-	-	-	-
Grants - Disabled Facilities	169,000	169,000	169,000	169,000	676,000
Grants - Home Repairs Works in Default	120,000	123,000	126,100	129,200	498,300
Grants - Assembly Rooms	-	2,050,000	-	-	2,050,000
Grants - Mercian HLF	100,000	-	-	-	100,000
Grants - SCC (Mercian / Assembly Rooms)	100,000	80,000	-	-	180,000
Public Contributions (Mercian / Assembly Rooms)	50,000	8,500	-	-	58,500
General Fund Capital Receipts	272,000	-	-	-	272,000
Sale of Council House Receipts	251,000	213,400	176,000	166,000	806,400
Unsupported Borrowing	-	-	-	-	-
Revenue contribution re: Finance system	21,000	-	-	-	21,000
General Fund Capital Reserve	721,000	300,000	50,000	-	1,071,000
Total	1,804,000	2,943,900	521,100	464,200	5,733,200

Proposed Housing Capital Programme 2012/13 – 2015/16

	2012/13	2013/14	2014/15	2015/16	TOTAL
	£	£	£	£	£
<u>Housing Revenue Account</u>					
<u>Capital Programme</u>					
Environmental Improvements	200,000	-	-	-	200,000
Bathroom Renewals	678,400	695,360	712,750	730,570	2,817,080
Disabled Facilities Adaptations	500,000	512,500	525,310	538,450	2,076,260
Electrical Upgrades	797,980	817,930	838,380	859,340	3,313,630
Gas Central Heating Upgrades and Renewals	1,203,440	1,233,530	1,264,370	1,295,980	4,997,320
Kitchen Renewals	1,020,360	1,045,870	1,072,020	1,098,820	4,237,070
Roofing - High Rise	40,000	41,000	42,030	-	123,030
High Rise Lift Renewal	300,000	307,500	315,190	323,070	1,245,760
Major Roofing Overhaul and Renewals	150,000	153,750	157,590	161,530	622,870
Fencing/Boundary Walls	15,000	15,380	15,760	16,150	62,290
Fire Upgrades to Flats	200,000	205,000	210,130	215,380	830,510
Enhancements to Flats	200,000	205,000	210,130	215,380	830,510
Sheltered Schemes	230,000	235,750	241,640	247,680	955,070
General Estate Works	750,000	768,750	787,970	807,670	3,114,390
Window and Door Renewals	1,159,560	1,188,550	1,218,260	-	3,566,370
Contingency	250,000	-	-	-	250,000
Capital Salaries	112,380	115,190	118,070	121,020	466,660
CDM Fees	9,060	9,280	9,510	8,140	35,990
Total HRA Capital	7,816,180	7,550,340	7,739,110	6,639,180	29,744,810
<u>Proposed Financing:</u>					
Supported Capital Expenditure	-	-	-	-	-
Grants	-	-	-	-	-
Sale of Council House Receipts	-	-	-	-	-
Major Repairs Reserve	4,482,060	4,589,110	4,698,720	4,810,940	18,580,830
Revenue Contribution to Capital					
Outlay in Year	2,956,970	2,961,230	3,040,390	1,828,240	10,786,830
HRA Capital Reserve	377,150	-	-	-	377,150
Unsupported Borrowing	-	-	-	-	-
Total	7,816,180	7,550,340	7,739,110	6,639,180	29,744,810

Main Assumptions

Inflationary Factors	2012/13	2013/14	2014/15	2015/16
Inflation Rate - Pay Awards	0.00%	1.00%*	1.00%*	2.00%
National Insurance	7.50%	7.50%	7.50%	7.50%
Superannuation	19.10%	19.60%	20.10%	20.60%
Inflation Rate (Headline)	3.40%	3.40%	3.40%	3.20%
Base Interest Rates	1.00%	1.50%	2.50%	3.00%
Investment income rate	1.50%	2.50%	3.00%	3.50%

1. Pay award – public sector pay will be frozen for 2011/12 & 2012/13 with a 1%* limit for the following 2 years (*in line with the Autumn Forecast Statement - November 2011) and is estimated to mirror the Government's inflation target of 2% thereafter.
2. Overall Fees and Charges will rise generally by 2.5% annually except where a proposal has otherwise been made (car parking charges, corporate & industrial property rental income, statutory set planning fees, leisure fees);
3. No effect of any Prudential Borrowing has been included;
4. Revised estimated for rent allowance/rent rebate subsidy levels have been included;
5. Car Parking income has been reduced in line with current income levels for 2011/12, with charges increased in future in line with the previously approved charging strategy;
6. Changes to the level of recharges between funds has been included;
7. Within the Comprehensive Spending review released on the 20th October 2010, the Government proposed cuts of 7.25% in real terms to funding streams for each of the next four years – annual grant reductions of 5% have been included.
8. The Government has indicated its policy regarding council tax bills being frozen for the next year. It has indicated that a grant equivalent to a 2.5% increase in the basic 2010/11 Council Tax, will be available to authorities that agree to freeze or reduce Council Tax in 2011/12 – it has been assumed supplementary funding for foregone income as a result of a continued freeze for the next three years. The impact of a 2.5% pa compensatory grant is outlined within the report;
9. The major changes to the previously approved policy changes are included within this forecast – Directors / AD's were issued with the provisional information in August to review, confirm & resubmit by the end of September;
10. Following the 4 year agreement, 0.5% annual year-on-year increases (as above) in pension costs following SCC triennial review negotiations.
11. Increases in rent levels are restricted by the rent restructuring guidelines & current indications that sales of council houses will be approximately 5 per annum.

Sensitivity Analysis

	Risk	Potential Budgetary Effect			
		2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000
Pay Award / National Insurance (GF)					
Impact +/- 0.5% Variance £'000	L	42	86	131	177
Budget Impact over 1 year	L	42			
Budget Impact over 3 years	L/M	259			
Budget Impact over 4 years	M	436			
Pay Award / National Insurance (HRA)					
Impact +/- 0.5% Variance £'000	L	11	23	34	47
Budget Impact over 1 years	L	11			
Budget Impact over 3 years	L	68			
Budget Impact over 4 years	L/M	115			
Subject to negotiation for Local Government pay (including any protection for low paid employees)					
Pension Costs					
Impact +/- 0.5% Variance £'000	L	0	0	56	114
Budget Impact over 1 year	L	0			
Budget Impact over 3 years	L	56			
Budget Impact over 4 years	L/M	170			
6 year agreement in place - subject to stock market changes & membership Mitigation - Public Sector pension review potential for reduced liability & increased employee contributions					
Council Tax					
Impact on Council Tax income £'000		18	36	55	75
Budget Impact over 1 year	L	18			
Budget Impact over 3 years	L	109			
Budget Impact over 4 years	L/M	184			
Inflation / CPI					
Impact +/- 0.5% Variance £'000	L	39	79	119	162
Budget Impact over 1 year	L	39			
Budget Impact over 3 years	L/M	237			
Budget Impact over 4 years	M	399			
Government Grant					
Impact +/- 0.5% Variance £'000	L	0	22	43	62
Budget Impact over 1 year	L	0			
Budget Impact over 3 years	L	65			
Budget Impact over 4 years	L/M	127			
Investment Interest					
Impact +/- 0.5% Variance £'000	L	79	139	196	288
Budget Impact over 1 year	L	79			
Budget Impact over 3 years	M	414			
Budget Impact over 4 years	H	702			

	Risk	Potential Budgetary Effect			
		2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000
Key Income Streams (GF)					
Impact +/- 0.5% Variance £'000	L	26	52	78	104
Budget Impact over 1 year	L	26			
Budget Impact over 3 years	L/M	156			
Budget Impact over 4 years	M	260			
Key Income Streams (HRA)					
Impact +/- 0.5% Variance £'000	L	91	184	282	383
Budget Impact over 1 years	L	91			
Budget Impact over 3 years	H	557			
Budget Impact over 4 years	H	940			
New Homes Bonus					
Impact +/- 10% Variance £'000	L	24	54	90	132
Budget Impact over 1 year	L	24			
Budget Impact over 3 years	L/M	168			
Budget Impact over 4 years	M/H	300			

Contingencies 2012/13 - 2015/16

Revenue	2012/13	2013/14	2014/15	2015/16
Specific Earmarked &	£'000	£'000	£'000	£'000
General				
General Fund				
<i>Specific Contingencies</i>				
Vacancy Allowance	50	50	50	50
International Financial Reporting Standards (IFRS) requirements	25	25	25	25
Health Projects Contingency	15	-	-	-
<i>General Contingency</i>	170	160	110	110
Total GF Revenue	260	235	185	185
Housing Revenue Account				
<i>HRA - General Contingency</i>	100	-	-	-
Total HRA Revenue	100	-	-	-

Capital	2012/13	2013/14	2014/15	2015/16
Specific Earmarked &	£'000	£'000	£'000	£'000
General				
General Fund				
<i>General Contingency</i>	250	-	-	-
Total GF Capital	250	-	-	-
Housing Revenue Account				
<i>General Contingency</i>	250	-	-	-
Total HRA Capital	250	-	-	-

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