

14 November 2017

Committee	Executive
Date	Wednesday, 22 November 2017
Time of Meeting	2:00 pm
Venue	Committee Room 1

ALL MEMBERS OF THE COMMITTEE ARE REQUESTED TO ATTEND



**for Sara J Freckleton
Borough Solicitor**

Agenda

1. ANNOUNCEMENTS

When the continuous alarm sounds you must evacuate the building by the nearest available fire exit. Members and visitors should proceed to the visitors' car park at the front of the building and await further instructions (during office hours staff should proceed to their usual assembly point; outside of office hours proceed to the visitors' car park). Please do not re-enter the building unless instructed to do so.

In the event of a fire any person with a disability should be assisted in leaving the building.

2. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

To receive apologies for absence and advise of any substitutions.



Item	Page(s)
3. DECLARATIONS OF INTEREST	
<p>Pursuant to the adoption by the Council on 26 June 2012 of the Tewkesbury Borough Council Code of Conduct, effective from 1 July 2012, as set out in Minute No. CL.34, Members are invited to declare any interest they may have in the business set out on the Agenda to which the approved Code applies.</p>	
4. MINUTES	1 - 9
<p>To approve the Minutes of the meeting held on 11 October 2017.</p>	
5. ITEMS FROM MEMBERS OF THE PUBLIC	
<p>To receive any questions, deputations or petitions submitted under Rule of Procedure 12.</p> <p><i>(The deadline for public participation submissions for this meeting is 16 November 2017).</i></p>	
6. EXECUTIVE COMMITTEE FORWARD PLAN	10 - 14
<p>To consider the Committee's Forward Plan.</p>	
7. FINANCIAL UPDATE - QUARTER TWO PERFORMANCE	15 - 35
<p>To consider and scrutinise the Council's financial performance information for the second quarter of 2017/18.</p>	
8. MEDIUM TERM FINANCIAL STRATEGY 2018/19-2022/23	36 - 60
<p>To recommend the Medium Term Financial Strategy to Council for adoption.</p>	
9. SUPPORT FOR NEIGHBOURHOOD PLANNING	61 - 72
<p>To consider the way forward in respect of support for neighbourhood planning.</p>	
10. AFFORDABLE HOUSING ALLOCATIONS ON STRATEGIC SITES	73 - 81
<p>That the proposed lettings and sales arrangements be recommended to Council for adoption.</p>	
11. TEWKESBURY BOROUGH COUNCIL DOMESTIC WASTE AND RECYCLING COLLECTION SERVICES POLICY AND PROCEDURES	82 - 96
<p>Following a recommendation from Overview and Scrutiny Committee, to adopt the Tewkesbury Borough Council Domestic Waste and Recycling Collection Services Policy and Procedures.</p>	

12. SEPARATE BUSINESS

The Chairman will move the adoption of the following resolution:

That under Section 100(A)(4) Local Government Act 1972, the public be excluded for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act.

13. DISPOSAL OF LAND AT STAVERTON

97 - 103

(Exempt –Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 –Information relating to the financial or business affairs of any particular person (including the authority holding that information))

To consider the disposal of land at Staverton.

14. DISPOSAL OF LAND, WINCHCOMBE

104 - 110

(Exempt –Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 –Information relating to the financial or business affairs of any particular person (including the authority holding that information))

To consider the disposal of land in Winchcombe.

DATE OF NEXT MEETING**WEDNESDAY, 3 JANUARY 2018****COUNCILLORS CONSTITUTING COMMITTEE**

Councillors: K J Berry, R A Bird (Vice-Chair), G F Blackwell, M Dean, R Furolo, J Greening, E J MacTiernan, J R Mason and D J Waters (Chair)

Substitution Arrangements

The Council has a substitution procedure and any substitutions will be announced at the beginning of the meeting.

Recording of Meetings

Please be aware that the proceedings of this meeting may be recorded and this may include recording of persons seated in the public gallery or speaking at the meeting. Please notify the Democratic Services Officer if you have any objections to this practice and the Chairman will take reasonable steps to ensure that any request not to be recorded is complied with.

Any recording must take place in such a way as to ensure that the view of Councillors, Officers, the public and press is not obstructed. The use of flash photography and/or additional lighting will not be allowed unless this has been discussed and agreed in advance of the meeting.

TEWKESBURY BOROUGH COUNCIL

**Minutes of a Meeting of the Executive Committee held at the Council Offices,
Gloucester Road, Tewkesbury on Wednesday, 11 October 2017 commencing
at 2:00 pm**

Present:

Chair	Councillor D J Waters
Vice Chair	Councillor R A Bird

and Councillors:

K J Berry, M Dean, J Greening, E J MacTiernan and J R Mason

also present:

Councillor P W Awford

EX.43 ANNOUNCEMENTS

- 43.1 The evacuation procedure, as noted on the Agenda, was taken as read.
- 43.2 The Chair welcomed Councillor P W Awford to the meeting and advised that he was in attendance - as Chair of the Overview and Scrutiny Committee - for Item 7, Performance Management Report – Quarter One 2017/18, and Item 8, Review of Tewkesbury Borough News.
- 43.3 The Chair advised that he had used his discretion to accept an urgent item of business which would be considered as Item 12 on the Agenda. The item was urgent due to the fact that, as a group of authorities, Gloucestershire was actively investigating the potential to bid to become a 100% retained business rate pilot for 2018/19 and the bid needed to be submitted before the end of October. The report requested delegation to the Chief Executive and the S151 Officer to complete the assessment process and to formally enter the bid on behalf of the Council before the deadline expired.

EX.44 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

- 44.1 Apologies for absence had been received from Councillors G F Blackwell and R Furolo. There were no substitutions for the meeting.

EX.45 DECLARATIONS OF INTEREST

45.1 The Committee's attention was drawn to the Tewkesbury Borough Council Code of Conduct which was adopted by the Council on 26 June 2012 and took effect from 1 July 2012.

45.2 The following declaration was made:

Councillor	Application No./Item	Nature of Interest (where disclosed)	Declared Action in respect of Disclosure
D J Waters	Item 7 – Performance Management Report – Quarter One 2017/18.	Was a Severn Vale Housing Society Board Member.	Would speak and vote.

45.3 There were no further declarations made on this occasion.

EX.46 MINUTES

46.1 The Minutes of the meeting held on 30 August 2017, copies of which had been circulated, were approved as a correct record and signed by the Chair.

EX.47 ITEMS FROM MEMBERS OF THE PUBLIC

47.1 There were no items from members of the public on this occasion.

EX.48 EXECUTIVE COMMITTEE FORWARD PLAN

48.1 Attention was drawn to the Committee's Forward Plan, circulated at Pages No. 12-16. Members were asked to consider the Plan.

48.2 Accordingly, it was

RESOLVED: That the Committee's Forward Plan be **NOTED**.

EX.49 PERFORMANCE MANAGEMENT REPORT - QUARTER ONE 2017/18

49.1 The report of the Overview and Scrutiny Committee Chair, circulated at Pages No. 17-53, asked Members to review and, if appropriate, take action on the observations of the Overview and Scrutiny Committee following its review of the 2017/18 quarter one performance management information.

49.2 Attention was drawn to the observations made by the Overview and Scrutiny Committee, attached at Appendix 1 to the report, and to the Council Plan Performance Tracker, attached to the report at Appendix 2.

49.3 The Overview and Scrutiny Committee Chair explained that progress on Council performance for the first quarter of 2017/18 was generally good with some key areas of excellent performance including the introduction of a new business grants scheme with a new online form available; four successful fly-tipping/duty of care prosecutions; and a tenant having been secured for a third of the top floor of the Public Services Centre. While the performance report indicated that actions were

looking positive for the year ahead, given the wide range of performance that was reported on, Members had also been made aware of areas that were not progressing as planned. A Member had questioned whether a plan to regenerate Spring Gardens was on track and the Committee had been informed that a report was being taken to the Executive Committee in the near future which would set out the proposed way forward. It had been noted that, at a recent East Area Place Programme meeting it had come to light that Officers were unclear as to who owned the assets in areas across the Borough and a Member had raised concerns around this. In response, the Head of Finance and Asset Management had provided reassurance that the Asset Management Team had identified everything the Council owned in the Borough and, in addition, work was ongoing with the County Council and the NHS to enable the plotting of all the assets owned by those organisations, and the Council, onto one system. Under the action to deliver the Council's asset plan, a Member had asked for an update on the disposal of the garage sites and it was explained that, unfortunately, it had not happened as quickly as had been hoped; this was largely due to the capacity of the team but a plan was in place to go to the market in the New Year. Under the same action, a Member had questioned when work was going to start on the Vineyards play area and the Head of Finance and Asset Management had confirmed that the work had now commenced. Under the Key Performance Indicator (KPI) for outstanding sundry debt which was in excess of 12 months old, a Member had questioned whether the debt for £10,973 was likely to be recovered. In response, the Head of Finance and Asset Management had explained that it was close to a resolution and he was confident of receiving the full sum in due course. In terms of customer-focused services, a Member had raised concern around parking at the Public Services Centre site and Members were advised that ensuing there was adequate parking remained a priority; a final scheme design for the depot was being looked at to see how many spaces could be provided.

49.4 During the discussion which ensued, a Member referred to Page No. 51 of the report and questioned whether crime was actually increasing or rather that reporting of crime was increasing. She was aware that a lot of crime was not reported so the figures were not always a true reflection of what was happening in neighbourhoods across the Borough. In response, the Head of Community Services undertook to speak to the Inspector about this issue. He knew there was more resource going into the Borough and he felt the figures were in line with the national increase but he would look into this and confirm. In terms of the possible letting of the top floor of the Public Services Centre to Severn Vale Housing Society, the Deputy Chief Executive indicated that the Board had now confirmed that it was keen to consider all of the options available for its future and, as such, it would not be moving into the building in the short term. Officers would therefore be moving forward with the marketing of the space to other organisations.

49.5 Accordingly, it was

RESOLVED: That the Overview and Scrutiny Committee's comments on the Performance Management Report for Quarter One of 2017/18 be **NOTED**.

EX.50 REVIEW OF TEWKESBURY BOROUGH NEWS

- 50.1 The report of the Chair of the Tewkesbury Borough News Review Working Group, circulated at Pages No. 54-73, set out the final recommendations of the Working Group following its review of the Borough News. Members were advised that the report had been considered by the Overview and Scrutiny Committee and the Executive Committee was now asked to agree the recommendations from that meeting.
- 50.2 The Overview and Scrutiny Committee Chair explained that, in 2016, a Member workshop had been held to gain feedback on corporate communications. As part of that workshop, the Tewkesbury Borough News had been discussed in detail including its cost, quality, regularity of production and format; however, no formal conclusions had been reached. Given the extent of the discussion, and the high profile nature of the newspaper, it was agreed that a formal review of the newspaper was needed and that an Overview and Scrutiny Committee Working Group could undertake that work. The Terms of Reference of the Group were set out at Appendix 1 to the report and during June and July it had met over three sessions, the details of which were attached to the report at Appendix 2. The report and final recommendations of the Working Group had been presented to the Overview and Scrutiny Committee in September and that Committee had recommended to Executive Committee that it approve the findings as set out at Page No. 54 of the report.
- 50.3 During the discussion which ensued, a Member expressed the view that the Borough News was a fantastic tool for relaying waste and recycling matters to residents. There was a constant need to re-educate and the Borough News offered a way to do this which was relatively inexpensive to the Council. For this reason, he would not like to see it reduced to less than two editions per year. In response, the Chair of the Working Group advised that, in the new format, he felt it would be used by more people as it would have more value as a publication. Increasingly residents were looking for information online and the new publication would be in a more prominent position on the Council's website to make it more user-friendly. Another Member expressed concern about changing the current format of the Borough News as it was something that many residents liked very much. He could not see that any fundamental benefits had been identified to support a change from a newspaper distributed three times a year to a bi-annual magazine and he felt the original objective to save money had not really been achieved. He was of the view that, to change the current well regarded brand would not be sensible and he felt that regularity of communication was key to ensuring residents knew what the Council was doing on their behalf within the Borough. In offering an alternative view, a Member felt the advantage of a magazine format was that people would be more likely to retain it which would also have the hidden benefit of residents not needing to contact Customer Services for information. In addition, she was of the view that it would look more professional in a magazine format which, in terms of reputation, would be great for the Council.

50.4 The Working Group Chair reassured Members that his Group had fully considered all matters and he thanked those Members for their dedication in attending the meetings. Particular consideration had been given to whether it was better to have two or three editions per year but it had been agreed that the third edition was largely redundant anyway. The Notes of those meetings were available should Members wish to see them and they showed the detailed financial information which had been discussed and which had helped the Group reach its recommendations. In terms of the pros and cons of a newspaper format vs a magazine format, a Member drew attention to Page No. 64 which set those out in detail. It was felt that, as the recommendation was for a 12 month trial period, there would be scope to review the new arrangements prior to making any permanent decisions and, accordingly, it was

- RESOLVED:**
1. That two magazine editions of Tewkesbury Borough News be published per year with a one-flick PDF online version placed in a prominent position on the Council's website.
 2. That the Head of Corporate Services be authorised:
 - a. to enter into a contract with Wychavon District Council for a 12 month trial period and to waive the Council's Contract Procedure Rules accordingly;
 - b. to engage with Parish Councils which do not currently submit news articles; and
 - c. to seek to work to maximise advertising income.

EX.51 LOCAL DEVELOPMENT SCHEME

51.1 The report of the Head of Development Services, circulated at Pages No. 74-80, outlined the revised timetable for preparing the Borough's statutory development plan documents. Members were asked to adopt the updated Local Development Scheme to take effect immediately.

51.2 Members were advised that the purpose of the Local Development Scheme was to outline the documents which would be prepared by Tewkesbury Borough Council to comprise the Local Plan. It also gave details as to what the documents would contain and their production schedule. The Head of Development Services advised that it was important that the plans for the Borough were produced in a timely and efficient manner as, if they were not, development that was necessary for the Borough's continued growth and prosperity may be delayed or abandoned.

51.3 Having considered the report before them, it was

- RESOLVED:** That the updated Local Development Scheme for Tewkesbury Borough, as attached at Appendix 1 to the report, be **ADOPTED** with immediate effect.

EX.52 TEWKESBURY BOROUGH PLAN WORKING GROUP TERMS OF REFERENCE

- 52.1 The report of the Tewkesbury Borough Plan Working Group, circulated at Pages No. 81-84, requested that the Terms of Reference of the Working Group be amended to include the Lead Members for Built Environment and Economic Development/Promotion in its membership.
- 52.2 The Head of Development Services explained that the Tewkesbury Borough Plan Working Group had been set up to oversee the production of the Tewkesbury Borough Plan and, initially, the Terms of Reference had been agreed by the Executive Committee on 26 April 2017. Following the first two meetings of the Working Group it was suggested that the Terms of Reference needed amendment to include within the membership the Lead Members for Built Environment and Economic Development/Promotion. The changes put forward by the Working Group needed to be agreed by the Executive Committee.
- 52.3 Accordingly, it was

RESOLVED: That the Tewkesbury Borough Plan Working Group Terms of Reference be amended so that membership comprises seven Members including the Lead Members for Built Environment and Economic Development/Promotion.

EX.53 FIXED PENALTY POLICY AND FINE LEVELS FOR ENVIRONMENTAL OFFENCES

- 53.1 The report of the Principal Environmental Health Officer, circulated at Pages No. 85-99, attached the Fixed Penalty Policy and proposed fine levels for environmental offences which Members were asked to approve.
- 53.2 The Head of Community Services explained that Fixed Penalty Notices were available as a tool for the Council to use in connection with a variety of environmental offences including fly-tipping, dog fouling and abandoned vehicles. The use of such a Notice provided the Council with an efficient and proportionate means for the disposal of low level environmental offences without recourse to court action. The statutes governing environmental offences prescribed a maximum fine level, minimum fine level and minimum discounted level. For some offences the Council had discretion to set the fine levels within a statutory minimum and maximum level; as well as having discretion over several operational and procedural elements relating to Fixed Penalty Notices such as the minimum age of persons on whom Notices would be served, payment options and the offering of a non-statutory appeals process.
- 53.3 Page No. 87 of the report set out the statutory default fine level, together with the minimum, maximum and discount fine levels which were prescribed for the range of environmental offences. The Head of Community Services felt that the proposed policy, and fine levels, offered Officers a better way to tackle enviro-crimes and would also be useful in reducing Officer time. The burden of proof was the same as that needed to take an offender to Court but, if the offender admitted the crime, there was no need to go through the lengthy and more costly Court process.

- 53.4 A Member noted that the Policy recommended a fine of £400 for fly-tipping but a discount for early payment which would bring that down to £200. She was of the view that the Council should be aiming to maximise the fine and, accordingly, its impact on people that committed the offence. The Head of Community Services indicated that he was happy to be guided by Members in that regard; Officers had felt the discount to be fair but if Members did not share that view he welcomed their comments. The maximum fine level for fly-tipping was £400 - so the Council could not go above that limit – but the suggested early payment discount was discretionary so Members could reduce/remove that as they wished. Members agreed that the early payment discount for fly-tipping offences was not appropriate and that it should therefore be removed. The Deputy Chief Executive explained that the Council needed a robust process for following up on the Notices which were issued and this was included in the Policy. In terms of early payment, there was government guidance which suggested discounts for early payment of fines was a model that local authorities should offer as there was some evidence to show that it got people to pay fines; however, this was entirely within the gift of individual local authorities.
- 53.5 In response to a query regarding the transfer of waste, Members were advised that if someone was not a registered carrier they could not transfer waste. It was possible to fine one person twice, e.g. if they failed to produce a waste transfer note and were caught fly-tipping, but it was not possible to issue a Fixed Penalty Notice to someone that was suspected of fly-tipping if there was no evidence. The Council had the power to seize vehicles if appropriate and Officers were currently looking into how that worked. In terms of fly-posting, a Member questioned whose responsibility it was to remove planning site notices as she was concerned the Council could be seen to be fly-posting itself. In response, the Member was advised that the people putting up notices had to seek the landowner's permission. Where people posted in public areas, such as telephone boxes etc., a Fixed Penalty Notice could be issued. In terms of planning site notices, the Head of Development Services explained that generally the practice was that the applicant would take the notices down as it would otherwise be quite resource intensive for the Council. However, if planning officers saw any when they were out around the Borough they would obviously remove them as appropriate. Members felt that this should be made clear to applicants as they often did not seem to realise it was their responsibility. In terms of enforcement action against enviro-crimes, the Deputy Chief Executive explained that the Council did not have a dedicated team but the Head of Community Services was looking to implement a multi-skilled approach to enviro-crimes so that Officers across the Council could assist as appropriate with serving Fixed Penalty Notices etc. A Member questioned whether the Council had adopted the Clean Neighbourhoods and Environment Act. In response, the Head of Community Services advised that he understood it was an Act that the Council could use rather than having to adopt the provisions but he undertook to look into the issue.
- 53.6 A Member thanked the Community Services Team for the report; he expressed the view that dog fouling and fly-tipping were a blight on the Borough and the more tools the Council had to combat it the better. Accordingly, it was

RESOLVED: That, subject to there being no discount offered for the payment of fines for fly-tipping, the fixed penalty fine levels for environmental offences and the Fixed Penalty Policy be **APPROVED** as set out within the report.

EX.54 100% BUSINESS RATES RETENTION PILOTS

- 54.1 Attention was drawn to the urgent report of the Head of Finance and Asset Management which had been circulated separately at Pages No. 1-5. Members were advised that the item had been accepted as urgent due to the fact that, as a group of authorities, Gloucestershire was actively investigating the potential to bid to become a 100% retained business rate pilot for 2018/19. This bid needed to be submitted before the end of October and the report before the Committee requested delegation to the Chief Executive and the S151 Officer to complete the assessment process and to formally enter a bid on behalf of the Council before that deadline expired.
- 54.2 The Head of Finance and Asset Management explained that the government had issued a 100% business rates retention pilot prospectus and an invitation for bid applications. The pilot would provide an opportunity for both the government and local authorities to explore how 100% retention could operate across different economic and geographic areas and with different types of local authority. The government was particularly keen to gain a better understanding of how this could work in a two-tier local authority area such as Gloucestershire. The prospectus indicated that the 2018/19 pilots would last for one year only and that they would need to incorporate all local authorities within the natural geographical/economical area; for Gloucestershire, that would mean Tewkesbury would need to be included within any bid even though it was not currently a member of the Gloucestershire business rates pool. Under the pilot, local authorities would be expected to forego revenue support grant and rural services delivery grant as well as other grant funding streams. The Chief Finance Officers in Gloucestershire were working with Pixel (external advisors) on estimating the likely additional amount of funding that would be retained within Gloucestershire under the 100% pilot but initial estimates had suggested approximately £17.4 million. The modelling would take into account the current level of business rates income but would also assess the financial risk from appeals, losses and changes in reliefs. A key difference for the new pilots was that the government had asked authorities to include details of how they would work together to manage risk in line with their pooling arrangements in the event that the 2018/19 pilots programme did not include a 'no detriment' clause. Applicants would have to make it clear whether or not they would be willing to become a 100% business rates retention pilot if the 2018/19 pilots were expected to operate without the benefit of 'no detriment'. This was an important issue to consider as proceeding without the clause introduced additional financial risks to pilot members. In offering reassurance to the Committee, the Head of Finance and Asset Management explained that the report before it was merely to gain approval to be part of the bid should the financial assessments prove to be acceptable; if the bid was successful, and Gloucestershire was chosen as a pilot, the Council would need to consider whether or not to join.

54.3 Members were generally happy that the bid should be submitted and accordingly it was

RESOLVED: That authority be delegated to the Chief Executive, in consultation with the Head of Finance and Asset Management, to agree Tewkesbury Borough Council's involvement in the submission of a Countywide bid to become a 100% Business Rates Retention Pilot in 2018/19 subject to:

1. the satisfactory assessment, in the opinion of the Head of Finance and Asset Management, of the benefits and risks of the pilot bid prior to making an application; and
2. a further report to Council for full consideration of the pilot if the bid is successful and before formal acceptance of the pilot takes place.

The meeting closed at 3:15 pm

EXECUTIVE COMMITTEE FORWARD PLAN 2017/18

REGULAR ITEM:

- **Forward Plan – To note the forthcoming items.**

Addition to 22 November 2017

- Affordable Housing Allocations on Strategic Sites.
- Support for Neighbourhood Planning.
- Confidential Item: Disposal of Land at Winchcombe.

Removal from 22 November 2017

- Confidential Item: Spring Gardens/Oldbury Road Regeneration – will be brought forward at a later date due to the need for additional resources to be brought in.

Committee Date: 3 January 2018

Agenda Item	Overview of Agenda Item	Lead Officer	Has agenda item previously been deferred? Details and date of deferment required
Performance Management Report – Quarter Two 2017/18 (Annual).	To receive and respond to the findings of the Overview and Scrutiny Committee’s review of the quarter two performance management information.	Graeme Simpson, Head of Corporate Services.	No.
Tewkesbury Borough Plan Consultation.	To approve the Tewkesbury Borough Plan for consultation purposes.	Annette Roberts, Head of Development Services.	No.
Flood and Water Management Supplementary Planning Document Adoption.	To recommend the Flood and Water Management Supplementary Planning Document to Council for adoption.	Annette Roberts, Head of Development Services.	No.
Workforce Development Strategy.	To approve the Workforce Development Strategy.	Janet Martin, Human Resources Manager.	Yes deferred from 11 October 2017.

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Agenda Item 6

Committee Date: 3 January 2018			
Agenda Item	Overview of Agenda Item	Lead Officer	Has agenda item previously been deferred? Details and date of deferment required
Housing Strategy Review Action Plan (Annual)	To approve the Housing Strategy Review Action Plan for Year Two.	Paula Baker, Housing Services Manager.	No.
Confidential Item: Disposal of Land at Bishops Cleeve.	To consider the information provided and agree a way forward.	Simon Dix, Head of Finance and Asset Management.	Yes deferred from 22 November 2017 for further discussion.
(To be considered in private because of the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 – Information relating to the financial or business affairs of any particular person (including the authority holding that information)).			

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Committee Date: 31 January 2018			
Agenda Item	Overview of Agenda Item	Lead Officer	Has agenda item previously been deferred? Details and date of deferment required
Budget 2017/18 (Annual) including Treasury Management Strategy.	To recommend a budget for 2017/18 to the Council.	Simon Dix, Head of Finance and Asset Management.	No.
Financial Update – Quarter Three 2017/18 Performance (Annual).	To consider the quarterly budget position.	Simon Dix, Head of Finance and Asset Management.	No.
Data Protection Policy.	To approve the Council's Data Protection Policy.	Shirin Wotherspoon, Principal Solicitor.	No.
Risk Management Strategy.	To approve the Risk Management Strategy.	Graeme Simpson, Head of Corporate Services.	No.

Committee Date: 14 March 2018			
Agenda Item	Overview of Agenda Item	Lead Officer	Has agenda item previously been deferred? Details and date of deferment required
Equalities Policy.	To approve the Equalities Policy.	Graeme Simpson, Head of Corporate Services.	No.

Committee Date: 25 April 2018			
Agenda Item	Overview of Agenda Item	Lead Officer	Has agenda item previously been deferred? Details and date of deferment required
Performance Management Report – Quarter Three 2017/18 (Annual).	To receive and respond to the findings of the Overview and Scrutiny Committee’s review of the quarter three performance management information.	Graeme Simpson, Head of Corporate Services.	No.
Flood Risk Management Group Terms of Reference and Action Plan (Annual).	To undertake an annual review of the Terms of Reference of the Flood Risk Management Group and action plan.	Peter Tonge, Head of Community.	Updated in line with the term of the Council instead.
Council Plan Update 2016/17 – Year Three (Annual).	To consider the Council Plan and make a recommendation to Council.	Graeme Simpson, Head of Corporate Services.	No.
High Level Service Plan Summaries (Annual).	To consider the key activities of each service grouping during 2017/18.	Graeme Simpson, Head of Corporate Services.	No.
ICT Strategy.	To approve the ICT Strategy.	Graeme Simpson, Head of Corporate Services.	No.

PENDING ITEMS

Agenda Item	Overview of Agenda Item
Confidential Item: Spring Gardens/Oldbury Road Regeneration	To consider the information provided and agree a way forward.

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive Committee
Date of Meeting:	22 November 2017
Subject:	Financial Update – Quarter Two Performance Report
Report of:	Simon Dix, Head of Finance and Asset Management
Corporate Lead:	Rob Weaver, Deputy Chief Executive
Lead Member:	Councillor R Furolo, Lead Member for Finance and Asset Management
Number of Appendices:	Four

Executive Summary:

The budget for 2017/18 was approved by Council in February 2017 with the reserves being approved at Executive Committee in June 2017. This report is the first quarterly monitoring report of the Council's financial performance for the year.

The report highlights a quarter 2 surplus of £315,331 on the revenue budget and details the expenditure to date against both the capital programme and the approved reserves.

Recommendation:

Executive Committee is asked to consider the financial performance information for the half year in 2017/18 and note the half year treasury management report.

Reasons for Recommendation:

The Executive Committee is responsible for recommending the budget to Council and for the management and delivery of the approved budget during the financial year.

The quarterly financial report is to notify Members of any known significant variations to budgets for the current financial year, highlight any key issues and to inform Members of any corrective action to be taken if required.

Resource Implications:

As detailed within the report.

If the budget is in deficit at year-end then the Council will have to use reserves to fund the overspend, meaning that these resources are not available to fund other activities or future financial management of the Council's projected medium term budgets. The Council currently has a £450,000 General Fund balance, £330,000 to cover shortfalls in the medium term financial plan and a £250,000 retained business rates reserve.

Legal Implications:

None associated with the report.

Risk Management Implications:

A financial deficit will result in the utilisation of the limited reserves available to the Council. The financial performance of the Council is monitored on a monthly basis and reported to Members quarterly. Active management of the budget takes place to reduce the projected deficit whilst maintain delivery of services.

Performance Management Follow-up:

Budgets will continue to be monitored on a regular basis by budget holders supported by Finance. Quarterly monitoring reports will be presented to Members with the outturn position reported to the Committee in June 2018.

Environmental Implications:

None.

1.0 INTRODUCTION/BACKGROUND

1.1 This report provides the Quarter 2 (Q2) monitoring position statement for the financial year 2017/18. The purpose of this report is to notify Members of any known significant variations to budgets for the current financial year, highlight any key issues and to inform Members of any action to be taken if required.

2.0 REVENUE BUDGET POSITION

2.1 The financial budget summary for Q2 shows a £315,331 surplus (£225,836 – Q1) against the profiled budget. Below is a summary of the expenditure position for the Council split out between the main expenditure types.

2.2 Services expenditure	Full Year Budget £	Budget £	Actual £	Underspend/ (overspend) £
Employees	8,643,704	4,168,148	4,082,341	85,807
Premises	518,412	329,093	320,804	8,290
Transport	169,250	83,615	63,333	20,282
Supplies & Services	1,816,164	1,074,198	1,060,017	14,181
Payments to Third Parties	4,957,932	2,733,984	2,689,068	44,915
Housing Benefits	19,627,180	10,551,573	10,501,573	50,000
Income	(25,884,278)	(2,780,571)	(2,672,560)	(108,011)
Support Services	(17,954)	0	0	0
Capital Charges	992,592	0	0	0
	10,823,002	16,160,039	16,044,575	115,464

Corporate Codes

Treasury Mgt Activity	57,086	28,543	(60,272)	88,815
Investment Properties	(1,179,467)	(600,992)	(554,545)	(46,447)
Corporate Savings Targets	(60,000)	(30,000)	0	(30,000)
New Homes Bonus	47,300	0	0	0
Business rates	0	0	187,500	187,500
	9,687,921	15,557,590	15,429,759	315,331

Note: With regards to savings and deficits, items in brackets and red are overspends

- 2.3** The budget position in relation to the Heads of Service responsibility shows an underspend of £115,464 as at the end of September (£157,537 – Q1). As can be seen there are three main areas of savings - employees of £85,807, payments to contractors of £44,915 and the Housing Benefit service of £50,000.
- Employee costs savings are generated mainly through staff vacancies and maternity leave. Services have managed vacancies in the short term with limited use of agency staff and help from current staff to cover work.
- The underspend on payments to contractors is generated from small savings across all services, with the most significant saving being on the current MRF recycling contract as a result of a lower than anticipated gate fee per tonne.
- The Benefits Service performance on ensuring that we keep up-to-date on processing claims and changes as well as targeting overpayments means that we are recovering more subsidy on our expenditure than was budgeted.
- 2.4** In terms of overspends being reported at the half year stage there are two significant overspends which need to be reported to Members. Planning income has been consistently below target during Q2 leading to a deficit of £146k against budget. Garden waste is also below budget which appears to be as a result of the changes to the charging structure whereby customers are making pro-rata payments for this financial year. This is expected to be a one-off issue relating to the change to a single renewal date for all customers and the introduction of a sticker system for bin collections. Car Parking and Licensing are performing well so far this financial year, which is offsetting the issues reported above.
- 2.5** Attached at Appendix A is a summary of the position for each Head of Service, which shows the current variance against their budget. Where the main types of expenditure headings within the Head of Service's responsibility have a variance over £10,000, a short explanation for the reason for the variance has been provided.
- 2.6** Although the Head of Service's position is underspent, the budget report also recognises the need to achieve savings from the base budget in terms of salaries and procurement savings. These savings targets are currently held on the corporate budget codes on the ledger. No savings are recognised against these plans as they accumulate through the year within service groupings. This has the effect of reducing the underspend on services by £30,000

- 2.7** Also detailed under corporate budgets is the retained income from the Business Rates Scheme. This is showing a surplus of £187,500. This is a prudent prediction of the year-end position although it should be noted that there has been so far very little activity with regards to processing appeals either from past appeal listings or ones against the new 2017 list. The Council has set aside a significant provision to cover additional appeals which is hoped to be sufficient in meeting successful appeals, therefore allowing the Council to benefit from wider increases in business rates income.
- 2.8** The Council also has a target for the acquisition of additional investment property. The Council has bid on properties in Q1 and early Q2 but was unsuccessful on these particular occasions meaning that the Council is currently £46,447 behind target income for this area of activity. However, in recent weeks, Council has successfully acquired three new commercial properties at a cost of £13.6m. These new properties, once the transfers are completed, will generate nearly £820,000 of income per year and will mean that the Council exceeds its budget target for the current year.
- 2.9** We have now also added in the impact of treasury management activity during the year, which previously was only reported at year-end. So far this year we are £88,815 ahead of budget. Through access to cheap borrowing rates, and the use of more lucrative funds for our cash investments, our treasury management activity is providing a much better return than expected.
- 2.10** Taking into account the positive position on the corporate accounts, the overall position of the Council at the end of Q2 is a surplus of £315,331.

3.0 CAPITAL BUDGET POSITION

- 3.1** Appendix 2 shows the capital budget position as at Q2. This is currently showing a significant underspend against the profiled budget.
- 3.2** The underspend is as a result of certain projects such as the refurbishment of the Council offices not starting in the expected timescales. There is also consistent underspend against expectations on disabled facilities grants.

4.0 RESERVES POSITION

- 4.1** Appendix 3 provides a summary of the current usage of available reserves.
- 4.2** Reserves have been set aside from previous years to fund known future costs and the strategic planning of the authorities operation. The information in the Appendix does not take account of reserves which have been committed, but not yet paid.
- 4.3** Whilst the Q2 position shows that there remains a significant balance on the reserves, the expectation is that the balances will be spent in the future. Finance has asked for updates from all departments about their plans to ensure that earmarked reserves are either used for their intended purpose, or released back to the general fund.

5.0 MID YEAR TREASURY MANAGEMENT REPORT

- 5.1** At the half year point of the financial year, treasury investment activities have resulted in an average return of 1.08% on its investments which, at the end of September, totalled £17,575,000. This performance and level of return has generated interest of £77,000 in the first half of the year against the budget estimate of £13,800 resulting in a surplus of £63,200. This is considered to be an excellent return given the impact of the sustained low rates during the investment period and is commensurate with the risk taken on investments.

5.2 The Council's investment performance has been boosted by the investment of £2m into the CCLA property investment fund. The fund, which is supplemental to the Council's direct property investment, is now worth over £3/4 billion and is producing monthly income returns of circa 4.6%. There were upfront costs of joining the fund which has meant that the capital value of the original investment has reduced, which also impacts upon the reported rate of return, but given the longer term nature of this investment, officers are confident that the capital value will return to the investment level in the near future and growth will be enjoyed thereafter.

5.3 The Council's drive to invest in commercial property has resulted in a requirement to borrow funds to cover direct investments and day-to-day cashflow. The budget had anticipated a borrowing cost of £42,000 at the mid-year point but as a result of the delay in property purchase, the efficient management of borrowing requirements and the extremely low borrowing rates available to the council (0.25% for £10m), actual borrowing costs have only totalled £17,000, a saving of £25,000. Brokerage fees totalling £4,700 have also been incurred in the period, again substantially less than budgeted for.

5.4 Overall, the Council's treasury management activities in the first half of the year have been efficiently managed and resulted in a surplus of nearly £89,000 on budget. The Council has also taken steps to safeguard its professional investor status with the implementation of the MiFID II requirements.

6.0 CONSULTATION

6.1 Budget-holders have been consulted about the budget outturn for their service areas. The feedback has been incorporated in the report to explain differences between budgets and actual income and expenditure.

7.0 RELEVANT COUNCIL POLICIES/STRATEGIES

7.1 Budget monitoring is on the approved budget for 2017/18 which has been prepared in line with the Medium Term Financial Strategy.

8.0 RELEVANT GOVERNMENT POLICIES

8.1 None.

9.0 RESOURCE IMPLICATIONS (Human/Property)

9.1 None.

10.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)

10.1 None.

11.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)

11.1 None.

12.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

12.1 None.

Background Papers: None.

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Appendices: Appendix A – Quarter 2 Revenue Position by Service.
Appendix B – Quarter 2 Capital Position.
Appendix C – Quarter 2 Earmarked Reserves Update.
Appendix D – Mid-Year Treasury Management Report.

AP6 Budget Report

Appendix A

Chief Executive

	Full Year Budget	Budget	Actual	Savings / (Deficit)	Budget Variance
	£	£	£	£	%
Employees	241,157	120,426	120,370	56	0.0
Premises	0	0	0	0	0.0
Transport	2,898	1,454	777	677	46.6
Supplies & Services	4,132	2,484	1,426	1,058	42.6
Payments to Third Parties	2,000	0	195	(195)	0.0
Support Services	(250,187)	0	0	0	0.0
Income	0	0	0	0	0.0
TOTAL	0	124,364	122,768	1,597	1.3

Community Services

	Full Year Budget	Budget	Actual	Savings / (Deficit)	Budget Variance	
	£	£	£	£	%	
Employees	1,012,703	506,550	488,138	18,412	3.6	1
Premises	2,500	1,252	325	927	74.0	
Transport	35,284	17,655	14,789	2,866	16.2	
Supplies & Services	155,744	96,905	89,941	6,964	7.2	
Payments to Third Parties	4,197,547	2,413,128	2,392,124	21,003	0.9	2
Support Services	445,907	0	0	0	0.0	
Depreciation	542,291	0	0	0	0.0	
Income	(1,824,380)	(1,156,422)	(1,139,970)	(16,452)	1.4	3
TOTAL	4,567,596	1,879,068	1,845,348	33,719	1.8	

1) Employee savings relate to a number of small savings made on individuals due to staff turnover, maternity and sickness.

2) Savings on payments to third parties are as a result of gains on the MRF fee for the first half of the year as costs have been less than budgeted.

3) The under recovery of income relates to garden waste income, which is down by £50K. This is being offset mainly by gains on recycling credits and licence activity. The underrecovery on garden waste is partly due to one off impact of moving to a single renewal date.

Corporate Services

	Full Year Budget	Budget	Actual	Savings / (Deficit)	Budget Variance
	£	£	£	£	%
Employees	970,086	484,931	485,358	(427)	(0.1)
Premises	0	0	0	0	0.0
Transport	8,538	4,279	3,310	969	22.6
Supplies & Services	332,682	211,171	205,011	6,160	2.9
Payments to Third Parties	84,970	42,724	34,558	8,166	19.1
Support Services	(757,833)	0	0	0	0.0
Depreciate	14,889	0	0	0	0.0
Income	(3,600)	(1,440)	(25)	(1,415)	98.3
TOTAL	649,732	741,665	728,211	13,454	1.8

Democratic Services

	Full Year Budget	Budget	Actual	Savings / (Deficit)	Budget Variance	
	£	£	£	£	%	
Employees	247,331	125,323	98,250	27,073	21.6	4
Premises	0	0	0	0	0.0	
Transport	17,888	8,952	6,397	2,555	28.5	
Supplies & Services	449,510	225,952	211,477	14,475	6.4	5
Payments to Third Parties	36,700	16,584	12,023	4,561	27.5	
Support Services	913,191	0	0	0	0.0	
Depreciation	21,021	0	0	0	0.0	
Income	(500)	(252)	(6,719)	6,467	(2,566.5)	
TOTAL	1,685,141	376,559	321,427	55,132	14.6	

4) Savings in the department being made from the vacant post, which is offsetting the additional overtime and salary costs from running the election

5) Small underspends across a variety of expenditure codes has resulted in an overall saving on this budget.

Deputy Chief Executive

	Full Year Budget	Budget	Actual	Savings / (Deficit)	Budget Variance
	£	£	£	£	%
Employees	106,036	53,038	52,660	378	0.7
Premises	0	0	0	0	0.0
Transport	3,440	1,728	931	797	46.1
Supplies & Services	4,350	3,732	2,376	1,356	36.3
Support Services	(113,826)	0	0	0	0.0
Income	0	0	0	0	0.0
TOTAL	0	58,498	55,967	2,531	4.3

Development Services

	Full Year Budget	Budget	Actual	Savings / (Deficit)	Budget Variance	
	£	£	£	£	%	
Employees	1,637,208	819,846	812,201	7,645	0.9	
Premises	43,230	8,392	9,137	(745)	(8.9)	
Transport	56,072	28,057	23,391	4,666	16.6	
Supplies & Services	165,030	121,752	135,463	(13,711)	(11.3)	6
Payments to Third Parties	217,825	129,668	114,134	15,534	12.0	7
Support Services	438,685	0	0	0	0.0	
Depreciation	20,614	0	0	0	0.0	
Income	(1,472,081)	(717,835)	(579,694)	(138,141)	19.2	8
TOTAL	1,106,583	389,880	514,632	(124,752)	(32.0)	

6) There are two main reasons for overspend on supplies and services. Firstly, £6K was spent on advertising of vacant posts. Departments are not given a budget for this expense. In addition, Computer annual renewals were higher than expected in the year.

7) The saving made on payments to third parties are as a result of a £9K gain on building control and a £7K saving on planning agency fees. This is expected with low planning income so far in 17/18

8) Planning income is £145k down on what we'd predicted in the budget at Q2. There are some other small income gains that have offset this slightly however at present it does not appear that we will obtain the budgeted income for the year

Finance and Asset

	Full Year Budget	Budget	Actual	Savings / (Deficit)	Budget Variance	
	£	£	£	£	%	
Employees	2,382,270	1,045,808	1,039,268	6,540	0.6	
Premises	472,682	319,449	311,342	8,107	2.5	
Transport	15,142	7,597	4,732	2,865	37.7	
Supplies & Services	474,561	262,538	266,732	(4,194)	(1.6)	
Payments to Third Parties	241,680	114,262	126,022	(11,760)	(10.3)	8
Support Services	(753,235)	0	0	0	0.0	
Depreciation	384,530	0	0	0	0.0	
Income	(1,274,495)	(597,088)	(623,935)	26,847	(4.5)	9
TOTAL	1,943,135	1,152,566	1,124,160	28,406	2.5	

8) Small overspend being reported which relates to the new counter fraud service being used, which was only partially funded for the first year of operation. Income achieved from the team's investigations have more than offset this overspend.

9) A range of small gains on income targets, with car parking delivering the largest element of this gain.

One Legal

	Full Year Budget	Budget	Actual	Savings / (Deficit)	Budget Variance	
	£	£	£	£	%	
Employees	1,351,330	631,764	609,295	22,469	3.6	10
Premises	0	0	0	0	0.0	
Transport	21,575	9,569	5,660	3,908	40.8	
Supplies & Services	83,142	74,149	73,502	647	0.9	
Payments to Third Parties	150,460	5,230	1,260	3,970	75.9	
Support Services	(362,170)	0	0	0	0.0	
Income	(1,244,337)	(124,351)	(119,490)	(4,862)	3.9	
TOTAL	0	596,360	570,228	26,132	4.4	

10) Employee costs have been offset by extraordinary work which generates income. This income is being used to reduce the employee costs shown.

Revenues and Benefits

	Full Year Budget	Budget	Actual	Savings / (Deficit)	Budget Variance	
	£	£	£	£	%	
Employees	695,583	380,462	376,802	3,660	1.0	
Transport	8,413	4,324	3,345	979	22.6	
Supplies & Services	147,013	75,515	74,089	1,426	1.9	
Payments to Third Parties	26,750	12,388	8,753	3,636	29.3	
Transfer Payments - Benefits Service	19,627,180	10,551,573	10,501,573	50,000	0.5	11
Support Services	421,514	0	0	0	0.0	
Depreciation	9,247	0	0	0	0.0	
Income	(20,064,885)	(183,183)	(202,727)	19,544	(10.7)	12
TOTAL	870,815	10,841,079	10,761,834	79,245	0.7	

11) calculations at the half year point, indicate that the subsidy being received on benefits paid means that we are ahead of target. This is a prudent assessment of the position against budget

12) Income is up mainly due to receiving additional new burdens grants which were not in budget, these have not yet been spent

Analysis of Capital Budget

Appendix B

	Q2 Budget Position £	Q2 Actual Position £	(Over) / Under spend £	% Slippage	Comments
Council Land & Buildings	170,000	9,113	160,887	95	Expenditure in Q1 is in relation to starting the refurbishment of the public services centre. This work has slipped from the anticipated start date with main refurbishment work starting in October 2017.
Vehicles & Equipment	611,299	507,382	103,917	17	The expenditure on vehicles is on budget and now delivered. The variance is primarily due to waste bin purchases. Expenditure is currently behind the budget profile, but it is likely that the budget will be used during the 2nd half of the year.
Capital Investment Fund	0	0	0	0	Officers are investigating opportunities for commercial capital investments and will conclude £13.6m of investment in the third quarter
23 Community Grants	8,073	5,165	2,908	36	Payments in Q2 are in line with expectations.
Housing & Business Grants	350,000	144,475	205,525	59	Spend on Disabled Facilities grants continue to be lower than expected in the budget. However the team are processing all requests received.
	1,139,372	666,135	473,237	42	

Revenue Reserves for 17/18

Appendix C

Reserve	Balance 31st March 2017	Spent in Reserve Quarter 2	Reserve Remaining	Note
Service Reserves				
Asset Management Reserve	521,892	16,006	505,886	
Borough Regeneration Reserve	6,934	-	6,934	
Business Support Reserve	232,299	21,884	210,416	
Business Transformation Reserve	322,070	70,731	251,339	1
Community Support Reserve	127,362	54,659	72,703	2
Development Management Reserve	103,800	40,437	63,363	3
Development Policy Reserve	296,884	41,688	255,196	4
Elections Reserve	63,000	-	63,000	
Flood Support and Protection Reserve	43,731	10,672	33,059	
Health & Leisure development reserve	28,046	13,682	14,364	
Housing & Homeless Reserve	18,160	573	17,587	
IT Reserve	14,726	2,495	12,231	
Organisational Development Reserve	14,458	2,086	12,372	
Risk Management Reserve	7,703	5,100	2,603	
Transport Initiatives Reserves	342,046	26,911	315,135	
Waste & Recycling development Reserve	28,750	1,313	27,438	
	<u>2,171,862</u>	<u>308,237</u>	<u>1,863,625</u>	
Corporate Management Reserves				
Business Rates Reserve	1,491,301	-	1,491,301	
MTFS Equalisation Reserve	1,167,617	-	1,167,617	5
	<u>2,658,918</u>	<u>-</u>	<u>2,658,918</u>	
Totals	£4,830,779	£308,237	£4,522,543	

Notes to Reserves

- 1 Expenditure incurred on a range of initiatives including General Data Protection Requirements, replacement of income systems and the replacement of on-line forms
- 2 Expenditure against balance of community grants brought forward
- 3 Costs resulting from planning appeals and temporary staff to support major planning studies (externally funded)
- 4 Expenditure relating to the advancement of the Borough Plan and other initiatives
- 5 £837,000 of this reserve is being used to support the base budget in 2017/18 with the balance supporting future years

Treasury Management Mid-Year Report 2017/18

Introduction

In February 2012 the Authority adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* (the CIPFA Code) which requires the Authority to approve treasury management semi-annual and annual reports.

The Authority's treasury management strategy for 2017/18 was approved at a meeting of the Authority on 21st February 2017. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.

External Context

Economic backdrop: Commodity prices fluctuated over the period with oil falling below \$45 a barrel before inching back up to \$58 a barrel. UK Consumer Price Inflation (CPI) index rose with the data print for August showing CPI at 2.9%, its highest since June 2013 as the fall in the value of sterling following the June 2016 referendum result continued to feed through into higher import prices. The new inflation measure CPIH, which includes owner occupiers' housing costs, was at 2.7%.

The unemployment rate fell to 4.3%, its lowest since May 1975, but the squeeze on consumers intensified as average earnings grew at 2.5%, below the rate of inflation. Economic activity expanded at a much slower pace as evidenced by Q1 and Q2 GDP growth of 0.2% and 0.3% respectively. With the dominant services sector accounting for 79% of GDP, the strength of consumer spending remains vital to growth, but with household savings falling and real wage growth negative, there are concerns that these will be a constraint on economic activity in the second half of calendar 2017.

The Bank of England made no change to monetary policy at its meetings in the first half of the financial year. The vote to keep Bank Rate at 0.25% narrowed to 5-3 in June highlighting that some MPC members were more concerned about rising inflation than the risks to growth. Although at September's meeting the Committee voted 7-2 in favour of keeping Bank Rate unchanged, the MPC changed their rhetoric, implying a rise in Bank Rate in "the coming months". The Council's treasury advisor Arlingclose is not convinced the UK's economic outlook justifies such a move at this stage, but the Bank's interpretation of the data seems to have shifted.

In contrast, near-term global growth prospects improved. The US Federal Reserve increased its target range of official interest rates in June for the second time in 2017 by 25bps (basis points) to between 1% and 1.25% and, despite US inflation hitting a soft patch with core CPI at 1.7%, a further similar increase is expected in its December 2017 meeting. The Fed also announced confirmed that it would be starting a reversal of its vast Quantitative Easing programme and reduce the \$4.2 trillion of bonds it acquired by initially cutting the amount it reinvests by \$10bn a month.

Geopolitical tensions escalated in August as the US and North Korea exchanged escalating verbal threats over reports about enhancements in North Korea's missile programme. The provocation from both sides helped wipe off nearly \$1 trillion from global equity markets but benefited safe-haven assets such as gold, the US dollar and the Japanese yen. Tensions remained high, with North Korea's threat to fire missiles towards the US naval base in Guam, its recent missile tests over Japan and a further testing of its latent nuclear capabilities.

Prime Minister Theresa May called an unscheduled General Election in June, to resolve uncertainty but the surprise result has led to a minority Conservative government in coalition with the Democratic Unionist Party. This clearly results in an enhanced level of political uncertainty. Although the potential for a so-called hard Brexit is diminished, lack of clarity over future trading partnerships, in particular future customs agreements with the rest of the EU block, is denting business sentiment and investment. The reaction from the markets on the UK election's outcome was fairly muted, business confidence now hinges on the progress (or not) on Brexit negotiations, the ultimate 'divorce bill' for the exit and whether new trade treaties and customs arrangements are successfully concluded to the UK's benefit.

In the face of a struggling economy and Brexit-related uncertainty, Arlingclose expects the Bank of England to take only a very measured approach to any monetary policy tightening, any increase will be gradual and limited as the interest rate backdrop will have to provide substantial support to the UK economy through the Brexit transition.

Financial markets: Gilt yields displayed significant volatility over the six-month period with the appearing change in sentiment in the Bank of England's outlook for interest rates, the push-pull from expectations of tapering of Quantitative Easing (QE) in the US and Europe and from geopolitical tensions, which also had an impact. The yield on the 5-year gilts fell to 0.35% in mid-June, but then rose to 0.80% by the end of September. The 10-year gilts similarly rose from their lows of 0.93% to 1.38% at the end of the quarter, and those on 20-year gilts from 1.62% to 1.94%.

The FTSE 100 nevertheless powered away reaching a record high of 7548 in May but dropped back to 7377 at the end of September. Money markets rates have remained low: 1-month, 3-month and 12-month LIBID rates have averaged 0.25%, 0.30% and 0.65% over the period from January to 21st September.

Credit background: UK bank credit default swaps continued their downward trend, reaching three-year lows by the end of June. Bank share prices have not moved in any particular pattern.

There were a few credit rating changes during the quarter. The significant change was the downgrade by Moody's to the UK sovereign rating in September from Aa1 to Aa2 which resulted in subsequent downgrades to sub-sovereign entities including local authorities. Moody's downgraded Standard Chartered Bank's long-term rating to A1 from Aa3 on the expectation that the bank's profitability will be lower following management's efforts to de-risk their balance sheet. The agency also affirmed Royal Bank of Scotland's and NatWest's long-term ratings at Baa1, placed Lloyds Bank's A1 rating on review for upgrade, revised the outlook of Santander UK plc, and Nationwide and Coventry building societies from negative to stable but downgraded the long-term rating of Leeds BS from A2 to A3.

S&P also revised Nordea Bank's outlook to stable from negative, whilst affirming their long-term rating at AA-. The agency also upgraded the long-term rating of ING Bank from A to A+.

Ring-fencing, which requires the larger UK banks to separate their core retail banking activity from the rest of their business, is expected to be implemented within the next year. In May, following Arlingclose's advice, the Authority reduced the maximum duration of unsecured investments with Bank of Scotland, HSBC Bank and Lloyds Bank from 13 months to 6 months as until banks' new structures are finally determined and published, the different credit risks of the 'retail' and 'investment' banks cannot be known for certain.

The new EU regulations for Money Market Funds were finally approved and published in July and existing funds will have to be compliant by no later than 21st January 2019. The key features include Low Volatility NAV (LVNAV) Money Market Funds which will be permitted to maintain a constant dealing NAV, providing they meet strict new criteria and minimum liquidity requirements. MMFs will not be prohibited from having an external fund rating (as had been suggested in draft regulations). Arlingclose expects most of the short-term MMFs it recommends to convert to the LVNAV structure and awaits confirmation from each fund.

Regulatory Updates

MiFID II: Local authorities are currently treated by regulated financial services firms as professional clients who can "opt down" to be treated as retail clients instead. But from 3rd January 2018, as a result of the second Markets in Financial Instruments Directive (MiFID II), local authorities will be treated as retail clients who can "opt up" to be professional clients, providing that they meet certain criteria. Regulated financial services firms include banks, brokers, advisers, fund managers and custodians, but only where they are selling, arranging, advising or managing designated investments. In order to opt up to professional, the authority must have an investment balance of at least £10 million and the person authorised to make investment decisions on behalf of the authority must have at least one year's relevant professional experience. In addition, the firm must assess that that person has the expertise, experience and knowledge to make investment decisions and understand the risks involved.

The main additional protection for retail clients is a duty on the firm to ensure that the investment is “suitable” for the client. However, local authorities are not protected by the Financial Services Compensation Scheme nor are they eligible to complain to the Financial Ombudsman Service whether they are retail or professional clients. It is also likely that retail clients will face an increased cost and potentially restricted access to certain products including money market funds, pooled funds, treasury bills, bonds, shares and to financial advice. The Authority has declined to opt down to retail client status in the past as the costs were thought to outweigh the benefits.

The Authority meets the conditions to opt up to professional status and intends to do so in order to maintain their current MiFID status.

CIPFA Consultation on Prudential and Treasury Management Codes: In February 2017 CIPFA canvassed views on the relevance, adoption and practical application of the Treasury Management and Prudential Codes and after reviewing responses launched a further consultation on changes to the codes in August with a deadline for responses of 30th September 2017.

The proposed changes to the Prudential Code include the production of a new high-level Capital Strategy report to full council which will cover the basics of the capital programme and treasury management. The prudential indicators for capital expenditure and the authorised borrowing limit would be included in this report but other indicators may be delegated to another committee. There are plans to drop certain prudential indicators, however local indicators are recommended for ring fenced funds (including the HRA) and for group accounts. Other proposed changes include applying the principles of the Code to subsidiaries.

Proposed changes to the Treasury Management Code include the potential for non-treasury investments such as commercial investments in properties in the definition of “investments” as well as loans made or shares brought for service purposes. Another proposed change is the inclusion of financial guarantees as instruments requiring risk management and addressed within the Treasury Management Strategy. Approval of the technical detail of the Treasury Management Strategy may be delegated to a committee rather than needing approval of full Council. There are also plans to drop or alter some of the current treasury management indicators.

CIPFA intends to publish the two revised Codes towards the end of 2017 for implementation in 2018/19, although CIPFA plans to put transitional arrangements in place for reports that are required to be approved before the start of the 2018/19 financial year. The Department of Communities and Local Government (DCLG) and CIPFA wish to have a more rigorous framework in place for the treatment of commercial investments as soon as is practical. It is understood that DCLG will be revising its Investment Guidance (and its MRP guidance) for local authorities in England; however there have been no discussions with the devolved administrations yet.

Local Context

On 31st March 2017, the Authority had net borrowing/investments of £1.898m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in table 1 below.

Table 1: Balance Sheet Summary

	31.3.17 Actual £m
General Fund CFR	15.14
Total CFR	15.14
Less: Other debt liabilities	0.0
Internal borrowing	0.14
External borrowing	15.0
Borrowing CFR	15.14
Less: Usable reserves	-11.323
Less: Working capital	-5.715
Net investments	1.898

The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low. The treasury management position as at 30th September 2017 and the change over the period is show in table 2 on following page.

Table 2: Treasury Management Summary

	31.3.17 Balance £m	Movement £m	30.9.17 Balance £m	30.9.17 Average Rate %
Long-term borrowing	0.0	0.0	0.0	N/A
Short-term borrowing	15.0	-5.0	10.0	0.37
Total borrowing	15.0	-5.0	10.0	0.37
Long-term investments	2.0	-2.0	0.0	1.35%
Short-term investments	4.0	3.857	7.857	1.76%
Cash and cash equivalents	10.898	-1.18	9.718	0.40%
Total investments	16.898	0.677	17.575	1.08
Net borrowing / investments	1.898	5.677	7.575	0.68%

Borrowing Strategy during the half year

At 30/9/2017 the Authority held £10.0m of loans, (a decrease of £5.0m on 31/3/2017), as part of its strategy for funding previous years' capital programmes. The 30th September 2017 borrowing position is show in table 3 below.

Table 3: Borrowing Position

	31.3.17 Balance £m	Movement £m	30.9.17 Balance £m	30.9.17 Rate %
Public Works Loan Board	0.0	0.0	0.0	N/A
Banks	0.0	0.0	0.0	N/A
Local authorities	15.0	-5.0	10.0	0.25
Total borrowing	15.0	-5.0	10.0	0.25

The Authority's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective.

In furtherance of these objectives, new borrowing was kept to a minimum while existing loans were allowed to mature without replacement. This strategy enabled the Authority to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.

The "cost of carry" analysis performed by the Authority's treasury management advisor Arlingclose did not indicate any value in borrowing in advance for future years' planned expenditure and therefore none was taken.

Investment Activity

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the first half of 2017/18 the Authority's investment balance ranged between £11.895 and £17.575 million due to timing differences between income and expenditure. The investment position during the half year is shown in table 4 below.

Table 4: Investment Position

	31.3.17 Balance £m	Movement £m	30.9.17 Balance £m	30.9.17 Rate %
Banks & building societies(unsecured)	6.021	2.99	9.011	0.83
Covered bonds (secured)	0.0	0.0	0.0	N/A
Government (incl. local authorities)	0.0	0.0	0.0	N/A
Corporate bonds and loans	2.0	-1.0	1.0	1.20
Money Market Funds	4.88	-1.17	3.71	0.24
Other Pooled Funds	3.997	-0.143	3.854	2.06
Total investments	16.898	0.677	17.575	1.08

Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

In furtherance of these objectives, and given the increasing risk and falling returns from short-term unsecured bank investments, the Authority has further diversified into higher yielding asset classes. £2m that is available for longer-term investment was moved from medium term cash plus funds into a pooled property fund. As a result, investment risk was diversified while the average rate of return has increased by 0.36% to 1.08%. The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking in table 5 below.

Table 5: Investment Benchmarking

	Credit Score	Credit Rating	Bail-in Exposure	WAM* (days)	Internal Investment Return	External Investment Income	External Investment Gains/Losses	External Investment Return	Rate of Return
31.03.2017	5.25	A+	84%	77	0.73%	0.66%	0.13%	0.79%	0.75
30.06.2017	5.62	A	77%	72	0.91%	1.62%	-1.93%	-0.30	0.48
30.09.2017	5.41	A+	93%	68	0.64%	1.78%	-1.97%	-0.18%	0.46
Similar LAs	4.39	AA-	65%	108	0.51%	3.56%	0.99%	1.17%	1.43
All LAs	4.44	AA-	64%	40	0.48%	3.48%	4.54%	4.65%	1.12

**Weighted average maturity*

Scoring:

-AAA = highest credit quality = 1

-D = lowest credit quality = 26

-Aim = A- or higher credit rating, with a score of 7 or lower, to reflect current investment approach with main focus on security

The Authority's credit score and rating remains above target levels set, offering high levels of liquidity, and gaining an above average rate of return. The bail-in exposure would appear to be high; however this has been discussed with the Council's advisers who have not shown concern in this area. The Authority's internal investments are predominantly short term and invested with counterparty's with high credit ratings. Since the end of the quarter £5m of investments have been made with other local authorities who have no bail-in exposure.

The Authority's £4m of externally managed pooled cash plus and property funds generated an average total return of -0.18%, comprising a 1.78% income return which is used to support services in year, and -1.97% of capital losses. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives are regularly reviewed. The current losses of 1.97% are attributed to the initial 5% property purchase fees and taxes when the recent investment with the CCLA Property fund was placed. However, this investment is expected to be invested for at least ten years, and is currently yielding an income return of 4.7%. In light of their performance and the Authority's latest cash flow forecasts, investment in these funds has been maintained.

Other Investment Activity

Although not currently classed as treasury management activities and therefore not covered by the CIPFA Code, the Authority also holds £19.55m of investments in directly owned property. This represents an increase of £16.01m on the previous year due to new investment in Challenge House.

These non-treasury investments generated £0.550m of investment income for the Authority in the first half of the year, representing a rate of return of 6.31%. This is higher than the return earned on treasury investments, but reflects the additional risks to the Authority of holding such investments.

If CIPFA's proposed amendments to the Treasury Management Code are adopted in the revised Code from 2018/19, these will henceforth be included in the expanded definition of "investments".

Performance Report

The Authority measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship to benchmark interest rates, as shown in table 6 below.

Table 6: Performance

	Actual £	Budget £	Over/ Under £	Actual %	Benchmark %	Over/ under
Treasury Investments	77,000	13,800	63,200	1.08	0.11	0.97
Property Investments	550,000	594,000	-44,000	6.31	0.52	5.79
Total investments	627,000	607,800	19,200	3.83	0.11	3.72
Borrowing	21,700	42,000	-20,300	0.37	0.11	0.25
Total debt	21,700	42,000	-20,300	0.37	0.11	0.25
GRAND TOTAL	605,300	565,800	39,500	n/a	n/a	n/a

Compliance Report

The Head of Finance and Asset Management is pleased to report that all treasury management activities undertaken during the first half of 2017/18 complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 7 below.

Table 7: Investment Limits

	H1 Maximum	30.9.17 Actual	2017/18 Limit	Complied
Any single organisation, except the UK Central Government	£2m	£2m	£2m each	✓
UK Central Government	£0m	£0m	unlimited	✓
Any group of organisations under the same ownership	£2m	£2m	£2m per group	✓
Any group of pooled funds under the same management	£2m	£2m	£2m per manager	✓
Negotiable instruments held in a broker's nominee account	£0m	£0m	£4m per broker	✓
Foreign countries	£0m	£0m	£2m per country	✓
Registered Providers	£2m	£1m	£4m in total	✓
Unsecured investments with Building Societies	£1m	£1m	£2m in total	✓
Loans to unrated corporates	£2m*	£1m	£1m in total	✓
Money Market Funds	£6m	£3.71m	£6m in total	✓

** This investment was made in 2016/17 when the limit was set at £2m. This was reduced to £1m at the first possible opportunity in line with the 2017/18 strategy.*

Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 8 below.

Table 8: Debt Limits

	H1 Maximum	30.9.17 Actual	2017/18 Operational Boundary	2017/18 Authorised Limit	Complied
Borrowing	£	£10.0m	£29.0m	£35.0m	✓
Total debt		£10.0m	£29.0m	£35.0m	✓

Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure. Total debt was above the operational boundary for 0 days during the first half of 2017/18.

Treasury Management Indicators

The Authority measures and manages its exposures to treasury management risks using the following indicators.

Security: The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	30.9.17 Actual	2017/18 Target	Complied
Portfolio average credit rating	A+	A	✓

Interest Rate Exposures: This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the amount of net principal borrowed was:

	30.9.17 Actual	2017/18 Limit	Complied
Upper limit on fixed interest rate exposure	£0m	£35m	✓
Upper limit on variable interest rate exposure	£10m	£35m	✓

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

Maturity Structure of Borrowing: This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing were:

	30.9.17 Actual	Upper Limit	Lower Limit	Complied
Under 12 months	100%	100%	0%	✓
12 months and within 24 months	0%	100%	0%	✓
24 months and within 5 years	0%	100%	0%	✓
5 years and within 10 years	0%	100%	0%	✓
10 years and above	0%	100%	0%	✓

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment

Principal Sums Invested for Periods Longer than 364 days: The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	2017/18	2018/19	2019/20
Actual principal invested beyond year end	£0m	£0m	£0m
Limit on principal invested beyond year end	£2m	£1m	£1m
Complied	✓	✓	✓

Outlook for the remainder of 2017/18

The UK economy faces a challenging outlook as the minority government continues to negotiate the country's exit from the European Union. Both consumer and business confidence remain subdued. Household consumption growth, the driver of UK GDP growth, has softened following a contraction in real wages. Savings rates are at an all-time low and real earnings growth (i.e. after inflation) struggles in the face of higher inflation.

The Bank of England's Monetary Policy Committee met on 2nd November 2017, and voted by 7-2 to raise interest rates by 0.25% to 0.50%. The Governor of the Bank of England, Mark Carney, has indicated that there will be a further two rises over the next two to three years, and by 2020 interest rates will be at 1%.

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive Committee
Date of Meeting:	22 November 2017
Subject:	Medium Term Financial Strategy 2018/19 – 2022/23
Report of:	Simon Dix, Head of Finance and Asset Management
Corporate Lead:	Robert Weaver, Deputy Chief Executive
Lead Member:	Councillor Ron Furolo, Lead Member for Finance & Asset Management
Number of Appendices:	One

Executive Summary:

The Medium Term Financial Strategy (MTFS) attached, at Appendix A, provides the financial plan for the Council for the period 2018/19–2022/23. It sets out the Council’s estimates of its commitment expenditure, identifies the spending pressures it faces and the budget savings needed to achieve the recommended Council Tax levels for each of the five years of the plan.

Recommendation:

To RECOMMEND TO THE COUNCIL that the Medium Term Financial Strategy 2018/19 – 2022/23 be ADOPTED.

Reasons for Recommendation:

The agreement of a five year financial plan is crucial to the Council in ensuring sufficient resources are allocated to priority areas and that the Council remains financially sustainable.

Resource Implications:

The Council faces a deficit in its base budget of over £2.99m in the next five years. The MTFS sets out some of the strategies that will need to be considered to deal with the deficit.

Legal Implications:

None.

Risk Management Implications:

Set out in in MTFS.

Performance Management Follow-up:

The MTFS will be kept under continual review, and amended in line with significant policy changes, and performance will be monitored against the plan by Members through the quarterly performance monitoring reports.

Environmental Implications:

None.

1.0 INTRODUCTION/BACKGROUND

1.1 Financial planning is fundamental to good financial management and the five year MTFS sets out resource availability within recommended Council Tax levels.

2.0 MEDIUM TERM FINANCIAL STRATEGY

2.1 The Medium Term Financial Strategy (MTFS) is a key element within the Council's overall strategic planning framework. The Strategy takes a five year perspective and is reviewed, updated and rolled forward annually to set a framework for how budget pressures and priorities will be managed within the best estimates of available capital and revenue resources.

2.2 The MTFS outlines the budget that will be delivered over the medium to long-term. A further report, specifically on the 2018/19 detailed budget, will be presented to both Executive Committee and Council in February 2018 for Member approval.

2.3 The position of local government finance has been uncertain for long period of time and successive MTFS's have tried to outline a medium term plan against this uncertain backdrop. In producing this year's strategy, there is continued uncertainty. Some of the issues contributing towards this include:

- The Government's approach to public spending and reducing the fiscal deficit.
- Economic impacts resulting from the country's decision to leave the European Union.
- Local Government finance post-2020.
- Further consultation over the future of the New Homes Bonus scheme.
- The Government's approach to 100% retained business rates.
- The Government's commitment to devolution.

2.4 In addition to the national uncertainty the Council faces with regards to its financial plans, both corporate and service related financial pressures continue to have a significant impact on the Council's forward projections of its financial position. These include:

- Further reduction in core government grant of £385,000 in the next two years.
- Salary growth pressure in excess of the 1% 'cap'.
- Further significant financial contributions required for the local government pension scheme.
- The new General Data Protection Requirements.
- Increasing demand for additional resources to meet a range of service requirements and pressures.

- 2.5** The MTFS also contains important strategic planning in a number of areas including the increase of Council Tax and the use of New Homes Bonus (NHB). The headline recommendations of the strategy are as follows:
- Council Tax to be increased by £5 for 2018/19 and with £5 increases thereafter.
 - NHB support to the base budget should increase by £200,000 per annum subject to available funding through the scheme.
 - Tewkesbury Borough Council to operate outside of the Gloucestershire Business Rates Pool in 2018/19 and until such a time as the risk from Virgin Media is mitigated.
 - A target for retained business rates income be reintroduced to the base budget.
 - Local Council Tax Scheme to remain unchanged at the default scheme for 2018/19 but a review of the scheme to take place in the first half of the new financial year.
- 2.6** Best estimates have been made of the future financial position of the Council within the attached MTFS based on current assumptions of both government and local policy. Clearly the projections within the MTFS are subject to potentially significant change as a result of government policy on local government finance and therefore strategic financial management of this authority will need to be flexible to be able to respond to the rapidly moving agenda.
- 3.0 OTHER OPTIONS CONSIDERED**
- 3.1** None.
- 4.0 CONSULTATION**
- 4.1** Statutory consultation will be carried out with businesses and a public consultation is carried out through the Autumn.
- 5.0 RELEVANT COUNCIL POLICIES/STRATEGIES**
- 5.1** MTFS sets out the level of resource availability to meet the Council priorities and pledges which form the Council Plan.
- 6.0 RELEVANT GOVERNMENT POLICIES**
- 6.1** Council Tax levels must be set within government limits to avoid the need to hold a referendum on 'excessive' increases.
- 7.0 RESOURCE IMPLICATIONS (Human/Property)**
- 7.1** Some of the savings streams identified may have implications on staffing levels and the asset portfolio. These will be set out specifically within the detailed reports surrounding proposed saving actions.
- 8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)**
- 8.1** These will be set out specifically within the detailed reports surrounding proposed saving actions.

9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)

9.1 These will be set out specifically within the detailed reports surrounding proposed saving actions.

10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

10.1 None.

Background Papers: None.

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Tel: 01684 272005 Email: simon.dix@teWKesbury.gov.uk

Appendices: A - Medium Term Financial Strategy 2018/19–2022/23.

Medium Term Financial Strategy 2018/19 to 2022/23



“Tewkesbury Borough, a place where a good quality of life is open to all.”

Tewkesbury Borough Council

November 2017

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1.0 BACKGROUND

- 1.1 The Medium Term Financial Strategy (MTFS) provides a financial framework for the council's strategic planning and decision making. The MTFS 2018-23 incorporates key factors such as the changes in Government funding, our spending plans, the level of savings and increased income that are likely to be needed. By anticipating financial pressures now, we can plan ahead early to meet the significant challenges in a way that ensures financial resources are targeted to the council's highest priorities and have the minimum impact on services.
- 1.2 These are unprecedented times for budget setting, with significant cuts in public spending. The Chancellor's Autumn Budget is to be delivered on 22nd November and the local government finance settlement in December, both of which will shape our financial profile over the medium term and give us a better understanding of the challenges facing the Council. In addition, the government is again consulting about further changes to the New Homes Bonus scheme following amendments introduced for the current financial year. The future direction of travel with regards to 100% business rates retention is unclear following the Queen's Speech but the government have invited further pilots bids for 2018-19. Until these outcomes are known, there is considerable uncertainty about the extent and profile of financial deficits. Once again, financial planning has to be made without a stable footing and core assumptions are made on the basis of what is actually known at the current time and best estimates of the future direction of financing the council.
- 1.3 It is therefore essential that we continue to set our annual budget within the context of a rolling five year resource strategy. A longer term strategic view must be taken when decisions are made that have a financial impact beyond the annual budget as it enables us to assess the sustainability of such decisions. The financial strategy is linked to our key strategic objectives and incorporates both national and local improvement priorities which have been included in our individual service plans and strategies.
- 1.4 The 2017-2018 approved budget provides the base position for the financial strategy from which projections can be made to give an overall forecast of expenditure and income levels for the coming years. It is also necessary to maintain a minimum level of reserves to provide working capital and act as a contingency to meet any unforeseen needs.
- 1.5 In order to progress towards our aims and objectives, as contained within The Council Plan 2016 – 2020, we need to prioritise our spending plans. This involves not only considering the financial pressures identified, but also undertaking a strategic review of existing services; identifying new ways of working and areas where reduced levels of activity or discontinuation should be pursued.
- 1.6 Whilst effectively managing spending will help to reduce the deficit over the medium term, it will not address the financial challenge in its totality. The council will need to consider how it can increase income, both within its core services and from its financing streams, and therefore grow its way towards financial sustainability and perhaps in the medium to long term be able to be self-sufficient and insulated from economic shock and central government funding decisions.
- 1.7 To meet this challenge, the Council will need to think differently, have a strong risk appetite and be prepared to venture into new and innovative ways of tackling the funding gap.

2.0 THE COUNCIL PLAN 2016-2020

2.1 In April 2016, the new Council Plan for 2016 – 2020 was approved. The document is a statement of intent to drive forward our vision:

“Tewkesbury Borough, a place where a good quality of life is open to all.”

2.2 To deliver this vision and provide focus we have established four priorities and a number of objectives within each priority. We will:

Finance & Resources:

- Maintain a low council tax.
- Start on the path to being financially independent of the government’s core grants.
- Investigate and take appropriate commercial opportunities.
- Use our assets to provide maximum financial return.

Economic development:

- Be the primary growth engine of Gloucestershire’s economy.
- Identify and deliver employment land within the borough, in accordance with the Joint Core Strategy (JCS) and Tewkesbury Borough Plan.
- Maximise the growth potential of the M5 junctions within the borough.
- Deliver regeneration for Tewkesbury town.

Housing:

- Increase the supply of suitable housing across the borough to support growth and meet the needs of our communities.
- Achieve a five year supply of land.
- Deliver the homes and necessary infrastructure to create new sustainable communities in key locations.
- Deliver affordable homes to meet local need.

Customer focused services:

- Maintain and improve our culture of continuous service improvement.
- Develop our customer service ethos to ensure that we deliver to the needs of residents.
- Further expansion of the Public Services Centre (bring in other partners).
- Improve and expand our partnerships both public and private sector and explore opportunities to do this.
- To improve customer access to our services and service delivery through digital methods.

2.3 In addition to the priorities and objectives, which are aimed at delivering our vision, the council has adopted a set of values which we apply across all of our services and activities. We are a council that:

- **Puts customers first:** We will put the needs of our customers at the heart of what we do and listen to what they say, treating people fairly and without bias.
- **Is positive about working with others:** We recognise we cannot achieve our vision by working alone. We will continue to develop productive working relationships with other organisations and our communities, including the voluntary sector, town and parish councils and neighbourhood groups to achieve common goals.
- **Values our employees:** We will support, praise and invest in our workforce to develop our organisation.

3.0 NATIONAL CONTEXT

- 3.1 In a 7-2 vote at the beginning of November 2017, the MPC increased Bank Rate in line with market expectations to 0.5%. Dovish accompanying rhetoric prompted investors to lower the expected future path for interest rates. The minutes re-emphasised that any prospective increases in Bank Rate would be expected to be at a gradual pace and to a limited extent.
- 3.2 Further potential movement in Bank Rate is reliant on economic data and the likely outcome of the EU negotiations. Policymakers have downwardly assessed the supply capacity of the UK economy, suggesting inflationary growth is more likely. However, the MPC will be wary of raising rates much further amid low business and household confidence.
- 3.3 The UK economy faces a challenging outlook as the minority government continues to negotiate the country's exit from the European Union. While recent economic data has improved, it has done so from a low base: UK Q3 2017 GDP growth was 0.4%, after a 0.3% expansion in Q2.
- 3.4 Household consumption growth, the driver of recent UK GDP growth, has softened following a contraction in real wages, despite both saving rates and consumer credit volumes indicating that some households continue to spend in the absence of wage growth. Policymakers have expressed concern about the continued expansion of consumer credit; any action taken will further dampen household spending.
- 3.5 Some data has held up better than expected, with unemployment continuing to decline and house prices remaining relatively resilient. However, both of these factors can also be seen in a negative light, displaying the structural lack of investment in the UK economy post financial crisis. Weaker long term growth may prompt deterioration in the UK's fiscal position.
- 3.6 The MPC has increased Bank Rate, largely to meet expectations they themselves created. Future expectations for higher short term interest rates are subdued. On-going decisions remain data dependant and negotiations on exiting the EU cast a shadow over monetary policy decisions.

- 3.7 The Arlingclose central case is for Bank Rate to remain at 0.5% over the medium term, with risks to the forecast being broadly balanced on both sides. Table 1 details the ‘flat’ forecast of the Bank of England base rate.

Table 1 – Base rate forecast

Official Bank Rate	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Upside risk	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Arlingclose central forecast	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	0.00	0.00	0.00	0.00	0.00	-0.25	-0.25	-0.25	-0.25	-0.25

4.0 LOCAL GOVERNMENT FINANCE SETTLEMENT

- 4.1 As part of the 2016/17 Provisional Local Government Finance Settlement, the Government offered a 4 year settlement to Councils to provide certainty over grant funding during the spending period. For Tewkesbury, the settlement would only cover the Revenue Support Grant (RSG) element of the overall settlement plus the Rural Services Delivery Grant (RSDG). The Government would also have the discretion to re-open the settlement if there were significant changes in the overall funding available to local government.
- 4.2 In October 2016, the Council formally applied to Government for the 4 year funding deal with the submission of an Efficiency Plan. The deal was effectively confirmed with the 2017/18 Local Government Finance Settlement and firm projections of funding have been built into financial modelling up to and including 2019-20.
- 4.3 The four year deal, whilst providing certainty, did also confirm further substantial reductions in funding over the period. The next two years will see reductions in RSG of £232,000 and £260,000 whilst it is anticipated that RSDG will remain at current levels. At the same time, and providing some offset against RSG losses, the business rate baseline is expected to increase in line with assumed inflation. These future projections follow on from cash losses of circa £3.2m during the ‘austerity’ period of the last seven years.
- 4.4 Whilst certainty over funding is given until 2019-20, funding after this point is unknown and estimates have been made on the most likely scenario based on previous government statements such as the Autumn Statement in 2016. It has been assumed that core funding will continue to fall post 2020, resulting in a tariff on RSG for Tewkesbury, followed by modest increases from 2022.

- 4.5 Table 2 outlines the levels of core government funding assumed in the MTFP based on the confirmed 4 year funding deal to 2019-20 and assumptions about the future direction of travel for core government funding.

Table 2 – Core Government support 2017 – 2023

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Support Grant	515	283	23	-48	-104	-134
Business Rates baseline	1,723	1,774	1,830	1,877	1,907	1,938
Rural Support Delivery Grant	11	9	11	11	11	11
Total	2,249	2,066	1,864	1,840	1,814	1,815
Change	-342	-183	-202	-24	-26	1
Change %	-13.2%	-8.1%	-9.8%	-1.3%	-1.4%	0.1%

5.0 NEW HOMES BONUS

- 5.1 New Homes Bonus (NHB) was introduced in 2011 and provides funding of a sum equivalent to the average annual council tax for every new home built, once occupied. The Borough Council retains 80% of the funding with the County Council receiving 20%. This sum was payable for six years with an additional bonus of £350 for every affordable home occupied. The final scheme design included the principles of the funding being both permanent and flexible. There was no ring-fencing of the funding and no specific requirements for its use.
- 5.2 Tewkesbury is in a very fortunate position in that it has been able to benefit from relatively large amounts of NHB accumulating in the first six years of operation of the scheme. In 2016/17, the amount of NHB received was £3.4m and was split between supporting the base budget with £2.21m (65%) and providing one-off funding of £1.19m (35%) to various corporate requirements and council ambitions.
- 5.3 Following an extended period of consultation, the government announced in the Provisional Local Government Settlement for 2017/18 its intention to amend the NHB scheme by reducing the number of years of benefit from six to four years. This was widely anticipated. More surprisingly, was the announcement of a 'deadweight' of 0.4% of baseline properties below which no NHB would be paid. The government believe that house building will take place naturally, regardless of local authorities encouragement or otherwise, and therefore local authorities should not be rewarded with NHB for this natural level of growth.

- 5.4 As a result of these scheme amendments, the Council's projections of NHB have been downgraded. It is estimated that these scheme amendments will cost the council over £1.5m per annum in lost NHB contributions. The government is also consulting again this Autumn about further changes to the NHB scheme. The consultation revisits the possibility of not providing NHB for properties built following appeal and also explores the possibility of changing the level of deadweight in the scheme, citing the national average rate of growth of 0.8%. Conclusions from this latest round of consultation will not be known until late December when the Provisional Settlement is announced.

Table 3 shows the funding currently received by the council from NHB and a forecast of potential future receipts based on the currently agreed NHB scheme.

Table 3 – Forecast New Homes Bonus

	2017/18	2018/19 Projection	2019/20 Projection	2020/21 Projection	2021/22 Projection	2022/23 Projection
Year 3 actual income	£294,622	£0	£0	£0	£0	£0
Year 4 actual income	£638,205	£0	£0	£0	£0	£0
Year 5 actual income	£871,491	£871,491	£0	£0	£0	£0
Year 6 actual income	£659,431	£659,431	£659,431	£0	£0	£0
Year 7 actual income	£749,839	£749,839	£749,839	£749,839	£0	£0
Year 8 projected income	£0	£878,221	£878,221	£878,221	£878,221	£0
Year 9 projected income	£0	£0	£947,267	£947,267	£947,267	£947,267
Year 10 projected income	£0	£0	£0	£1,346,871	£1,346,871	£1,346,871
Year 11 projected income	£0	£0	£0	£0	£1,429,487	£1,429,487
Year 12 projected income	£0	£0	£0	£0	£0	£1,422,756
	£3,213,588	£3,158,982	£3,234,758	£3,922,198	£4,601,846	£5,146,381

- 5.5 As can be seen in table 3, despite the reduction in reward currently agreed, the Council's level of NHB remains reasonably constant over the next couple of years followed by substantial increases in the latter few years as the level of house building within the Borough increases. This projection is however subject to potential positive and negative variances dependent on the government's desire to amend the scheme again and actual levels of housebuilding, so should be treated with caution.
- 5.6 During the current budget cycle, the Council agreed to increase the NHB support to the base budget by £200,000 per year over the life of the MTFP dependent on overall NHB funding being available. This decision was taken in reaction to the continuance of austerity over the MTFFS period and the unknown future of local government funding. The decision also acknowledges the rising cost of providing services to an expanding Borough. As a result of this decision, base funding from NHB increased to £2.4m in 2017/18.

The following table indicates the level of support to the ongoing budget and one-off programme based on current forecasts and this proposed strategy.

Table 4 – Forecast split usage of NHB

	2017/18	2018/19 Projection	2019/20 Projection	2020/21 Projection	2021/22 Projection	2022/23 Projection
Support to base budget	£2,410,755	£2,610,755	£2,810,755	£3,010,755	£3,210,755	£3,410,756
% of total NHB	75%	83%	87%	77%	70%	66%
One-off's available	£802,833	£548,227	£424,003	£911,443	£1,391,091	£1,735,625
% of total NHB	25%	17%	13%	23%	30%	34%
Total NHB	£3,213,588	£3,158,982	£3,234,758	£3,922,198	£4,601,846	£5,146,381

6.0 RETAINED BUSINESS RATES

- 6.1 The current Business Rates Retention scheme was introduced in 2013 and is intended to provide incentives for local authorities to drive economic growth, as the authorities will be able to retain a share of the growth generated in business rates revenue in their areas.
- 6.2 The last three financial years have seen Tewkesbury incur substantial losses under the scheme as the burden of part funding successful appeals, some dating back as far as 2005, has far outweighed the growth within the Borough. In the first two financial years, the council has received safety net payments from the Gloucestershire Pool in order to cover its losses, therefore depriving Gloucestershire communities of the financial benefits of business growth. Given this position, Tewkesbury withdrew from the Gloucestershire Pool for 2016-17 and as a result of further successful appeals again ended the financial year in a safety net position, but this time with a safety net payment from the government.
- 6.3 With the continuing uncertainty over some outstanding appeals, Tewkesbury continues to operate outside of the Gloucestershire Pool in the current year. Despite this uncertainty and with very little information known on appeals against the new valuation list for 2017, the first half of the current financial year has seen a positive position on retained rates being reported with circa £200,000 currently being retained and reflecting both growth in the Borough and a reduction in the amount of successful appeals being processed.
- 6.4 Looking forward, prospects for growth in the business rate base look reasonable in comparison to previous years and are supported by substantial provisions to help deal with future successful appeals. Coupled with this are a number of renewable energy installations within the Borough and now appearing on rating lists, whereby the business rates are retained locally rather than being shared with the government, and also the termination of the spreading of the appeals provision from the first year of operation of the scheme. These two aspects, alongside a more positive view of growth and appeals, mean that the projection of retained rates in the short term is strong with increasing amounts being introduced to support the base budget. Further clarity on the position will be known in the Provisional Local Government Settlement in December when figures for the central tariff, following the transitional year, will be set out.

6.5 The long-term future direction of retained business rates remains unclear. During 2016 progress was made in relation to introducing a 100% retained scheme from 2019. However, the failure to include a Local Government Finance Bill within the Queens Speech in 2017 looked to be the end of 100% retention and left the future funding of local government unclear. However, in September 2017, the government announced a further round of 100% pilots for 2018/19, which may signal their intention to move forward with this agenda but without requiring the need for primary legislation. Tewkesbury, alongside the other Gloucestershire authorities, has submitted a pilot bid and expects to have confirmation of its success or otherwise before Christmas. It is also unclear whether the planned scheme reset 2021, whereby growth enjoyed by authorities will be redistributed, will go ahead and whether it will be a full or partial reset. The MTFs has assumed a partial reset for 2021/22.

7.0 GROWTH PRESSURES

7.1 In addition to the pressures on the council's finances already mentioned, the council continues to face rising costs. Whilst the budget is prepared on a standstill basis, in that no price inflation is added other than to contractual commitments and the cost of energy, other areas of rising and potential cost can have a major impact on the council's budget as highlighted in the following paragraphs.

7.2 The cost of employees is the Councils biggest area of expenditure and increases can be significant. In the Summer 2015 Budget, the Chancellor announced a pay award cap of 1% per annum for 4 years from 2016/17 for public sector workers. Pay awards in local government are covered by collective bargaining between employers and trade unions and this is not subject to direct control from central government. However, it has been reasonable to assume that the local government employers will mirror what happens in the rest of the public sector and this has been the case for the last two years with 1% pay awards agreed. As we approach the 2018 pay settlement however, there has been a marked change in the rhetoric around pay awards and it appears that we are approaching the end of the pay cap.

7.3 In addition to this, employers' organisations have undertaken to review the whole spinal column point structure within local government pay following many years of above inflation increases on the bottom scale points and the introduction of the national living wage. These changes have led to a distortion of the pay scales resulting in similar wages being paid for markedly different jobs.

7.4 Whilst both the negotiations and review are on-going it would be prudent to make different assumptions within the MTFs towards increasing pay costs than the previously held expectation of 1% annual uplifts. The latest information suggests that a two year pay deal is most likely with a 'usual' 1% agreed in the first year with a more substantial increase, possibly 3%, being agreed for the second year. This assumption has now been reflected in the MTFs with 2% thereafter being factored in.

7.5 This is a significant increase in the cost of employees as compared to previous MTFs assumptions. Even with this uplift, the actual final cost of the pay award and/or reworking of the pay scales may be more than this assumption, with each additional 1% cost adding approximately £70,000 to the Council's on-going cost.

- 7.6 Next financial year will be the second year of impact from the triennial valuation of the Gloucestershire Local Government Pension scheme undertaken in 2016. Pension costs for current employees rose significantly in 2017/18 with the cost per employee rising from 14.7% of payroll cost to 17.5%, adding approximately £130,000 to pension costs. On top of this, an increase of £50,000 per annum contribution towards the pension deficit was levied. For the next two years, the cost of current employees will remain at 17.5% but further increases to the pension deficit of £192,000 per year are included. It is expected that the total annual cost of pensions to this council will hit £3m by 2020 - £2m towards the past deficit and £1m for current employees. Given the increases associated with this valuation and following discussions with actuaries, it is not expected that contribution rates will increase under the next valuation in 2019 and this position has been factored into the MTFS.
- 7.7 As part of the Council's Business Transformation programme, the Council has successfully acquired a number of commercial properties which will deliver an on-going net revenue stream to support the Council's services. However, it is important that the Council prepares itself to manage these properties on an ongoing basis and sets aside sums to cover future costs of voids and refurbishment as well as the ongoing day-to-day management of these properties. In the short term, where margins are significantly enhanced by low interest rates, the excess return can be accumulated to start to fund the required reserves but going forward it is suggested that a sum of £125,000 per annum over the life of this MTFS is set aside to lift the reserve to necessary levels and protect the council from sharp decreases in income in future years.
- 7.8 New requirements for the General Data Protection Requirement (GDPR) have already been assessed and approved at Council with additional resources of £70,000 per annum added to the base on-going budget of the Council to meet these requirements.
- 7.9 It is also expected that a number of service areas will require growth in base budgets in future years to meet demands and expectations. These growth requests will be dealt with on an annual basis but the MTFS makes assumptions about the general need for growth each year for the next five years. Growth of £200,000 rising to £370,000 over and above what has previously been disclosed is included within the MTFS to cover the potential areas of need. Of immediate concern is the potential for further increases to the cost of homelessness, increased resource requirement for the Ubico contract, capacity within the Asset Management team, regeneration skills and resource requirements to support the council's digital agenda.
- 7.10 The current year budget saw a substantial deficit in its construction of approximately £2m as a result of reductions in funding and growth pressures such as pensions and the waste and recycling service. As a result, the council contributed approximately £1.2m in ongoing savings and increased income towards the deficit but this left a balance of over £800,000 being funded from reserves. This unfunded deficit is carried forward into the new MTFS and will add to the new deficit facing the council in the medium term.

8.0 CAPITAL PROGRAMME

- 8.1 The capital expenditure of the council has an impact on the revenue budget and is part of the overall preparation of the revenue proposals for the coming year.

- 8.2 It is estimated that £19.4m will be spent on Capital Programme schemes during 2017/2018 which are to be funded by a combination of usable capital receipts reserve (£3.26m), capital grants (£0.88m), revenue resources (£0.30m) and external borrowing (£15.0m). The programme includes the acquisition of further properties to the Council's portfolio, the refurbishment of the Public Service Centre and the final payments towards the new vehicle fleet.
- 8.3 Looking ahead, the total value of the currently approved Capital Programme over the following five years is approximately £4.58m and is mainly focussed on the ongoing delivery of Disabled Facilities Grants and the start of replacing the vehicle fleet from 2021 onwards. Table 5 summarises the planned capital expenditure for future years, together with information on the funding of that expenditure.

Table 5 – Capital programme

	2017/18 £'000	2018/19 £,000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	TOTAL £'000
Capital expenditure	19,434	1,363	680	580	980	980	24,017
Funded by:							
Capital receipts reserve	3,257	693	100	0	0	0	4,050
Capital Grants	877	590	500	500	500	500	3,467
External Borrowing	15,000	0	0	0	0	0	15,000
Revenue Reserves	300	80	80	80	480	480	1,500
Total	19,434	1,363	680	580	980	980	24,017

- 8.4 Annual expenditure on Disabled Facilities Grants (DFG's) has traditionally required a commitment of circa £200,000 from the councils own resources to support the grant available from central government. Following changes to the way the government allocate DFG funding, the current year allocation, and future years, is wrapped up in the Better Care Funding (BCF) received by the County Council and passported onto the District Council. The BCF allocation for the current year, and future projections of this allocation, has been increased substantially and it is therefore not expected that the Council's own resources will be required to 'top-up' the government allocation going forward. This is therefore a significant reduction in the on-going requirement for the council's own capital resources.
- 8.5 The capital programme is likely to see increases in planned expenditure in future years as new investment plans are brought forward and the on-going vehicle replacement programme, funded from revenue reserves, is activated. The capital programme will be updated with these plans as and when they receive approval from full Council.

9.0 MEDIUM TERM FINANCIAL PROJECTION

- 9.1 The council's Medium Term Financial Projection includes the impact of all known capital and revenue commitments between 2018/19 and 2022/23 and includes the assumptions on financing streams previously highlighted. This is summarised in table 6.

Table 6 – Medium Term Financial Projection

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure:						
Employees	8,496	8,898	9,397	9,603	9,781	9,948
Premises	518	525	531	537	544	551
Transport	167	149	151	155	159	162
Supplies and services	6,477	6,513	6,647	6,772	6,900	7,032
Housing benefits	19,627	19,627	19,627	19,627	19,627	19,627
Income	-26,956	-26,961	-26,966	-26,971	-26,976	-26,982
Treasury activity	410	763	1,013	1,019	1,004	959
Transfers to / (from) reserves	-468	370	370	370	370	370
Total (Base budget)	8,273	9,884	10,770	11,113	11,408	11,667
Growth	0	377	397	667	687	707
Approved savings plan	0	-1002	-1033	-1033	-1033	-1033
Net budget	8,273	9,259	10,134	10,747	11,062	11,341
Financed by:						
Settlement Funding	-2,239	-2,056	-1,853	-1,829	-1,803	-1,804
Collection Fund Surplus	-67	-75	-75	-75	-75	-75
Retained Business Rates	0	0	0	0	0	0
New Homes Bonus	-2,411	-2,411	-2,411	-2,411	-2,411	-2,411
Council tax income	-3,556	-3,614	-3,722	-3,834	-3,944	-4,062
Use of reserves	0	0	0	0	0	0
Total financing	-8,273	-8,156	-8,061	-8,149	-8,233	-8,352
Deficit (cumulative)	0	1,103	2,073	2,598	2,829	2,989
Deficit (annual)	0	1,103	971	525	231	160

9.2 The table illustrates a funding gap of £2.989m over the five year life of the MTFs. In order for the council to remain financially sustainable over the medium term, a number of financial strategies will need to be followed to bridge the gap as well as allowing for the use of alternative funding streams such as New Homes Bonus and retained Business Rates, as already discussed.

10.0 COUNCIL TAX

- 10.1 The current Band D council tax for the authority is £109.36 per annum and is the fifth lowest in England for a District Council. The current year charge was an increase of £5 or 4.8% over the previous year, the largest increase allowed by the government before the increase is deemed excessive and would be subject to a local referendum. This was the second year that the council has decided to increase its council tax by the maximum available following on from a period of six years of frozen council tax.
- 10.2 The government are currently consulting on its preferred excessive council tax limits and are likely again to agree an increase of £5 or 2%, whichever is higher, for a District Council.
- 10.3 Previous financial strategies have suggested that council tax levels should increase in line with the referendum limits and given the size of the deficit faced by the council it is recommended that this strategy is continued for 2018/19 recognising the likely need for further increases in future years. Increasing the council tax level by the current referendum limit of £5 per annum over the life of the MTFs would generate an additional £877,000 of income against projections of the likely council tax base in each year. Table 7 highlights the proposed charge and the additional income derived.

Table 7 – Council Tax Projections

Year	2018/19	2019/20	2020/21	2021/22	2022/23	Total
Band D Council Tax	£114.36	£119.36	£124.36	£129.36	£134.36	
Council tax income generated	£165,235	£170,182	£175,307	£180,327	£185,732	£876,783

- 10.4 The next table extrapolates table 7 and shows the proposed charge against all bandings for each of the five years. It also highlights how many households there are currently in each band.

Table 8 – Impact of charges per council tax band

Year	Number of properties	% of total	2018/19	2019/20	2020/21	2021/22	2022/23
Band A charge	6,416	15.90%	£76.24	£79.57	£82.91	£86.24	£89.57
Band B charge	6,470	16.04%	£88.95	£92.84	£96.72	£100.61	£104.50
Band C charge	11,224	27.82%	£101.65	£106.10	£110.54	£114.99	£119.43
Band D charge	5,937	14.71%	£114.36	£119.36	£124.36	£129.36	£134.36
Band E charge	5,043	12.50%	£139.77	£145.88	£152.00	£158.11	£164.22
Band F charge	3,204	7.94%	£165.19	£172.41	£179.63	£186.85	£194.08
Band G charge	1,858	4.61%	£190.60	£198.93	£207.27	£215.60	£223.93
Band H charge	195	0.48%	£228.72	£238.72	£248.72	£258.72	£268.72

- 10.5 The proposed council tax for the next financial year of £114.36 is still likely to be approximately £40 below the bottom quartile threshold and £60 below the national average for a District Council.
- 10.6 For a number of years, this Council has retained the default scheme as its preferred position for the Local Council Tax Scheme. By adopting this position, the council continues to provide council tax discount at an equivalent level to the previous council tax benefit scheme that was in place until 2013. Tewkesbury is one of a few authorities, although there are a number in Gloucestershire, to still retain this default position due to the reduced funding levels associated with the new scheme. A full review of the Council's position will be undertaken early in 2018/19 so that any potential change can be fed into the budget cycle for the year after. The Council will also take the opportunity to review a number of its council tax discounts and exemptions as well as considering options such as empty properties premium.

11.0 BUSINESS TRANSFORMATION STRATEGY

- 11.1 Over the period of the last government, the council has responded to the financial challenges facing local authorities through the introduction of a wide range of efficiency and service improvement measures. It has also implemented and developed shared services and shared service arrangements to meet business and budget needs. This approach has resulted in reduced costs and staffing whilst maintaining service levels.
- 11.2 A more strategic and planned approach to meet the significant challenges posed by continuing public sector funding reductions was necessary and therefore the Business Transformation Strategy was developed. This would help the council to plan and implement innovative or radical change to the range, scope, shape and practices of current council services. The council has embarked on a journey to re-shape itself and its partnerships to fit the resources available and now needs to accelerate the pace of change and take bigger steps. This work will also help the council to prepare for the changing agenda around public sector reform and the rethinking of the relationship between public services, people, place and economy.
- 11.3 The Business Transformation Strategy was refreshed in 2016 and a fifth theme, commercialisation, added to the existing four themes. The following sections explain achievements and forward plans in each of the five themes:

11.4 Partnerships and commissioning

The Council has been involved in the setting up of a number of shared services in recent years such as One Legal and Building Control. It is also a shareholder in Ubico Ltd who provide the Council's waste and recycling, street cleaning and grounds maintenance requirements. In addition the Council has attracted a number of partners to operate out of the Public Service Centre in Tewkesbury. These partners include the County Council, Department of Works and Pensions and Gloucestershire Police. This has provided better services to our residents but also delivered an ongoing income stream to the Council.

The Council will build on this culture by looking for further opportunities to partner with other local authorities in the provision of its services and will also consider outsourcing opportunities if appropriate. Given this Council's relatively low expenditure on services, it is not envisaged that large levels of savings from efficiency would be made on entering a shared service or outsourcing. The opportunities are more likely to be beneficial in terms of service resilience and building future opportunities for income generation from those service areas. Therefore the estimates of likely financial benefit from these opportunities

have been restricted.

The Council also hopes to attract additional rent paying public sector partners to its building in Tewkesbury following the completion of the refurbishment project although it will consider parties from other sectors if appropriate. An income target for this has already been established within the base budget.

11.5 Use of buildings

In addition to the sharing of premises with public sector partners, the council has also invested in photovoltaics at the Public Service Centre which is reducing the cost of energy consumed. It has also completed the £7.5m development of a new leisure centre and receives an annual contract sum from the centre operator.

Building on the established commercial investment portfolio, members agreed to further acquisition of another £15m worth of commercial property. In recent weeks, the purchase of three properties, totalling £13.6m across a number of different sectors and geographical locations has been completed. These properties will produce an annual rental income of £817,000 and mean that the full portfolio produces an income of £1.92m in 2018/19. This is equivalent to a yield of 6.17% on the initial investment. Other properties will now be sourced with the remaining balance in order to complete the portfolio.

11.6 Using technology

The Council hopes to make better use of technology in order to provide a better customer experience, a more efficient process for staff and revenue savings towards the budget deficit. As an example, the council's new website, costing just £150, went live in December 2016 and supported all of those aforementioned ambitions. The Council has invested in Office 365 and is starting to roll out its full functionality which, in time, will mean the Council is able to rationalise the independent products it currently purchases.

There are many other areas that the Council has plans to review and would benefit from either new technology, replacement of existing technology or simply making more out of the systems currently available. Projects are currently ongoing to replace and upgrade income systems and on-line forms whilst a new Human Resources package will increase efficiency in managing staff.

The Council is also exploring the possibility of providing electronic bills and reminders for its council tax and business rate customers. It currently spends £60,000 per year in printing and posting these bills.

11.7 People and culture

Plans are in place to create and implement a workforce development strategy whilst improving the flexibility of working arrangements for staff will help with recruitment and the delivery of services to the customer.

Changes in the culture of the public service will put more focus on performance and commercial orientation and different approaches to some aspects of service delivery will have a knock on financial benefit for the council.

The council will explore opportunities for making its business travel more efficient and cost effective. It will also respond to national agenda's, such as the roll out of Universal Credit, to make sure its resource allocation is appropriate.

11.8 Commercialisation

The newly added theme of commercialisation hopes to embed a change of culture within the organisation so that commercial opportunities are sought and delivered as part of normal business. This includes reviewing our current commercial activities such as trade waste to ensure they are operating at the optimum commercial level and exploring completely new opportunities such as a housing development company or the operation of a crematorium. It is important with all of these ventures to establish viability as quickly as possible and if it can't be established to move onto other ideas.

In addition our core services will review what they can offer on a commercial basis and what trading opportunities may exist. The Council's Planning Policy and Development Service functions are both highly skilled and it is believed that, given sufficient capacity, these are areas that could be readily traded and offer a good return for the level of resource and commitment provided. The Council will explore the potential for this over the next twelve months.

Ensuring current fees and charges are maximised within the permitted legislation is crucial to covering the current cost of services and the new fees and charges strategy will set a framework for delivering a robust and systematic approach to annual fee setting.

Where discretionary services are still provided to the public, it is important to try to deliver these as a cost neutral service. This means the service will need to bring in sufficient income to cover the cost of providing the service.

12.0 REVENUE RESERVES

- 12.1 The General Fund 'working balance' and the earmarked reserves are a significant element of the council's financial resources, and as such it is important that they are aligned to priority areas as well as mitigating against potential financial risks to the authority.
- 12.2 The council's 'Working Balance' is the revenue reserve that is set aside to cover any significant business risks and emergencies that might arise outside of the normal set budget. This reserve had been increased in previous years from £500,000 to £600,000 which equated to approximately 8.5% of net revenue budget for the year 2010/11. At the end of 2012/13, it was necessary to reduce the balance to £450,000 in order to accommodate a specific reserve to guard against the risk inherent in the new retained business rates scheme.
- 12.3 The external auditor does not provide specific guidance on what the level of council reserves should be other than that they should be adequate to cover potential risks. It is considered that the £450,000 currently in the working balance is adequate to cover potential unknown risks provided sufficient earmarked reserves are provided to mitigate other known risks.
- 12.4 As at the 31 March 2017, the council had £4.83m in useable earmarked reserves, although it should be noted that £1.49m of this reserve is not useable as it covers the timing difference in business rate payments to the government and a proportion of the balance is held on behalf of third parties for specific purposes.
- 12.5 It is suggested that the level of these reserves are adequate to cover medium levels of risk. Further expansion of the risk management reserves should be considered at the earliest opportunity in order to provide enhanced levels of confidence and reassurance in the financial affairs of the council. This is particularly relevant to the increased risk and responsibility associated with managing commercial investment properties.

12.6 Given the £2.99m deficit faced by the council in the next five years and in particular the frontloading of that deficit with over £2.07m due to be found in the next two years, it will be necessary to continue to use a substantial amount of reserves to help smooth the deficit. As illustrated in table 9 in section 13 it is estimated that around £30,000 of one-off support from reserves will be required to enable the Council to set a balanced budget for 2018-19 and a total of £680,000 over the life of the MTFs. This can be met from the current MTFs reserve of £330,000 and uncommitted new homes bonus in the current year of £400,000. It is currently estimated that the need to use reserves to support the base budget can be reduced and eliminated by 2022/23.

12.7 Section 25 of the Local Government Act 2003 required the Chief Finance Officer to report to the council, as part of the budget and tax setting report, their view on the robustness of estimates and the adequacy of reserves. This view will be given in the report to council in February 2018.

13.0 SUMMARY DEFICIT REDUCTION PROGRAMME

13.1 In order to summarise both the overall deficit and the various strategies which have been highlighted to tackle the deficit, a five year projection of the suggested deficit reduction programme has been compiled. This is shown in table 9 below.

Table 9 – Summary deficit reduction programme

	18/19	19/20	20/21	21/22	22/23	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Anticipated annual deficit	-1,103	-970	-525	-232	-159	-2,989
Increased financing streams:						
- Council tax	165	170	175	180	186	877
- New Homes Bonus	200	200	200	200	200	1,000
- Retained Business rates	158	100	100	-149	100	309
- Council tax policies and premiums	0	10	0	0	0	10
- Use of reserves	30	225	-40	-35	-180	0
Procurement opportunities	10	10	10	10	10	50
Income opportunities	394	70	55	25	25	569
Digital opportunities	47	35	0	0	0	82
Commercial opportunities	105	95	0	0	0	200
Other opportunities	0	75	25	0	0	100
Net surplus / (shortfall)	7	20	0	0	181	208

14.0 RISK AND SENSITIVITY ANALYSIS

- 14.1 The MTFS is based on a series of estimates and assumptions about future expenditure and income levels as well as government funding and local financing. These estimates and assumptions are based on the best information available at the time but will obviously be susceptible to fluctuations and changes to both national and local policy. It is therefore important not only to model different scenarios but also be aware of individual sensitivities within the figures. Table 10 analyses the risk around some of the key assumptions within the MTFS.
- 14.2 As with all plans and strategies, it is prudent to set aside some monies in order to deal with unforeseen issues and for deviations from the set budget as a result of changes to the assumptions underpinning the plan.
- 14.3 It is therefore recommended that the use of New Homes Bonus, where sufficient sums exist, continues to allow for an uncommitted sum to cover the general risks in setting a budget within the current financial climate and/or specific risks such as increased pay awards. Any unspent monies from these set asides should be accumulated within reserves at the year end to provide further on-going security.

Table 10 – sensitivity analysis

Description	2018/19	2019/20	2020/21	Sensitivity
Pay	1.00%	3.00%	2.00%	+/- 1.00% = £70,000
General inflation	2.00%	2.00%	2.00%	+/- 0.50% = £25,000
Energy – increases	2.00%	2.00%	2.00%	+/- 5.00% = £4,400
Income - fees and charges	2.00%	2.00%	2.00%	+/- 0.50% = £28,000
Return on council investments	0.41%	0.43%	0.43%	+/- 0.10% = £6,000
Total sensitivity / risk re: changes to the above expenditure and income assumptions				+/- £133,400
Resources				Sensitivity
Council tax	4.57%	4.37%	4.19%	+/- 1.00% = £33,600
Funding Settlement decrease	8.10%	9.90%	1.30%	+/- 1.00% = £20,570

New Homes Bonus	-1.70%	2.40%	21.30%	+/- 5.00% = £158,000
Tax base	1.64%	2.99%	3.01%	+/- 0.5% = £17,800
Collection fund surplus	£75,000	£75,000	£75,000	+/- 10.0% = £7,500
Total sensitivity / risk re: changes to the above resource assumptions:				+/- £237,470

15.0 PUBLIC AND STAKEHOLDER CONSULTATION

- 15.1 The production of the Medium Term Financial Strategy and the annual budget report is carried out with reference to the Transform Working Group, with views of members taken into account when compiling both reports.
- 15.2 In addition, consultation with both the general public and local businesses will continue to take place on budget principles and specific budget proposals.

16.0 TREASURY STRATEGY AND MINIMUM REVENUE PROVISION (MRP)

- 16.1 The council has previously enjoyed debt free status and been in a position to invest significant sums in treasury markets. As a result of the current capital programme, the majority of capital balances will be expended in the current year as projects, such as the public service centre refurbishment, are completed and investment properties purchased. This will mean that the council will need to borrow monies in order to fund its future investment ambitions unless further capital receipts can be generated.
- 16.2 Given this status, the Treasury Management Strategy will place a greater focus on borrowing strategies whilst still ensuring that the cash flow balances the Council does have available are invested appropriately to ensure liquidity and minimisation of risk where possible.
- 16.3 The Councils borrowing requirement has increased rapidly in the past twelve months mainly as a result of commercial property investment. This requirement will run into tens of millions and therefore having in place an efficient borrowing strategy will be important in minimising the annual cost of borrowing that the revenue account will bear.
- 16.4 Borrowing rates currently remain low with rates for Public Works Loan Board 40 year loans 2.5% to 2.6% in recent months when taken in conjunction with the certainty rate discount available. This offers excellent value when considering capital investment opportunities but it may be possible to secure even better rates by using a mixture of short term and pre-arranged long term borrowing and securing agreements with other financial institutions. All options will need to be considered as the investment requirements are progressed over the life of the MTFs and the markets respond to external influences. In the short term, there remains value in keeping borrowing requirements on short term deals currently around 0.55% for 1 year.

- 16.5 In addition to the interest rate payable, the council must also make provision for the repayment of principal borrowed. It is required to make a revenue charge each year to provide for this repayment. This has been historically based on regulations stating that 4% of the Non-HRA capital financing requirement at the end of each year be charged to revenue in the following year.

An amendment to the Government's Capital Financing Regulations, replaces the present rules with a simple duty for an authority each year to make an amount of Minimum Revenue Provision (MRP) which it considered to be "prudent". The prudent provision is to ensure that debt is repaid over a period reasonably commensurate with that over which the capital expenditure provides benefits.

Under the new regulations, the authority is required before the start of each financial year to prepare a statement of its policy on making MRP and submit it to the Full Council. The approved policy for 2017/18 is as follows:

For unsupported capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant assets in equal instalments or as the principal repayment on an annuity with an annual interest rate, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.

MRP will be charged in the year after the capital expenditure has been incurred.

- 16.6 The new Treasury Management Strategy and the MRP statement will form part of the overall budget proposals put to Council in February 2018.

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive
Date of Meeting:	22 November 2017
Subject:	Support for Neighbourhood Planning
Report of:	Paul Hardiman, Planning Policy Officer
Head of Service:	Annette Roberts, Head of Development Services
Lead Member:	Councillor E J MacTiernan, Lead Member for Built Environment
Number of Appendices:	One

Executive Summary

Following a reduction in funding for Neighbourhood Development Plans (NDPs), from the Department of Communities and Local Government (DCLG), it is necessary to review the decision of Executive Committee (4 September 2013) providing grant funding to Parishes developing NDPs.

Recommendation:

It is RESOLVED that:-

- 1. Grants (£2,000), from Tewkesbury Borough Council, are no longer offered to Parishes who start preparing a Neighbourhood Development Plan. However, Officers will continue to support Parishes in seeking funding opportunities to aid the delivery of their Neighbourhood Development Plans.**
- 2. The offer of grant funding to Parishes that have already started to develop a Neighbourhood Development Plan, having had a Neighbourhood Area designated prior the date of this decision, is honoured.**

Reasons for Recommendations

Reduced Funding from DCLG - Changes to central government funding to Local Planning Authorities (LPAs) for Neighbourhood Planning, in the financial year 2017/18, with an overall reduction of £10,000 per plan for new plans, from £30,000 to £20,000.

Resource Implications

Financial Resources - This action is required to reduce the projected deficit in funding received by Tewkesbury Borough Council (TBC) for Neighbourhood Planning from the DCLG.

Human Resources - The reduction in grant aid is likely to have an increased demand for direct support and assistance, in particular during the early stages of the preparation of a NDP. The human resource implications of our statutory obligations remain and require corporate contributions including: Development Services; Community Development; Financial Services; Democratic Services; and One Legal.

Legal Implications

Statutory Duty - TBC has a duty to undertake this work under the Localism Act 2011 and the Neighbourhood Planning (General) Regulations 2012 as amended (2015).

Meeting Expectations – Our legal duty is to provide support rather than specifically grant funding. However, Parishes that have already had 'Neighbourhood Areas' designated have undertaken their financial planning on the basis that they will be eligible to claim a total of £2,000 of grants from TBC.

Risk Management Implications

Legal Requirements - Providing financial assistance is discretionary with the legal obligation being to 'advise and assist' Parishes who chose to prepare a NDP.

Mitigating Factors - Withdrawal of grant aid will be partially compensated by a parallel increase in funding available to Parishes, directly from central government through 'Locality' in the financial year 2017/18.

Residual Implications - The remaining reduction in grant aid is likely to have human resource implications with an increased demand for direct support and assistance.

Medium Term Implications – The current DCLG funding period runs from 2015 to 2018 after which further changes could occur. On 19 September 2017, the government announced that funding of £5.5m per year would be made available for Neighbourhood Planning in England up to 2022. Whilst further information on how much neighbourhood planning groups and LPAs will be eligible to claim have not yet been announced, further reductions are likely as this represents a reduction from £7.5m per year in the 2015 to 2018 period.

Long Term Implications – Though a statutory duty, funding has only been committed until 2022 and the trend from 2012 to 2022 has been to reduce funding to LPAs in relation to NDP funding.

Performance Management Follow-up

External Influences - The early stages in the development of a NDP is dependent on the timescales of the relevant Parish, as the 'Qualifying/Responsible Body' and it is during this period that the LPA is required to advise and assist, which includes carrying out certain statutory tasks within given timescales.

Internal Influences - Once a draft NDP has been properly submitted to the LPA as a 'Plan Proposal' the responsibility for meeting the given timescales and funding each of the subsequent stages of 'Public Consultation', 'Independent Examination', 'Community Referendum' and 'Making the Plan' by bringing it into legal force, lies with the Borough Council.

Environmental Implications

Legal Framework - No additional environmental implications are predicted as they will continue to be considered by the Qualifying Body and Tewkesbury Borough Council which, as LPA, has a statutory duty under the Environmental Assessment of Plans and Programmes Regulations 2004 and the Conservation of Habitats and Species Regulations 2010.

1.0 INTRODUCTION/BACKGROUND

1.1 Neighbourhood planning was introduced in the Localism Act 2011 with specific legislation (the Neighbourhood Planning (General) Regulations 2012) coming into effect in April 2012, whilst amendments have been made in subsequent legislation this is still the Primary Act and main Statutory Instrument.

2.0 FUNDING FOR NEIGHBOURHOOD PLANS

2.1 DCLG funding to LPAs from DCLG was on a three stage payment set out as follows:-

1st payment - £5,000 on designation of a Neighbourhood Area.

2nd payment - £5,000 following submission of a plan to the LPA for consultation and independent examination.

3rd payment - £20,000 following a referendum.

This amounts to a total of £30,000 per plan.

2.2 However, in a letter from the Chief Planning Officer on 22 February 2017, the government announced changes to this funding, for the financial year 2017 to 2018, as follows:-

1st payment – £5,000 up to a limit of five NDPs (however, as we have already received 11 payments, whilst we will not be required to pay back any funding claimed prior to the change, we will not be eligible for any future funding at this stage).

2nd payment – Nil. The second £5,000 has been completely withdrawn.

3rd payment - £20,000 once a plan has completed a successful Independent Examination and a date is set for the Community Referendum.

This means that the maximum per NDP is now £20,000.

2.3 At the same time funding available to Parish Councils direct from DCLG, through locality, has increased from £7,000 in 2015/16 to £8,000 in 2016/17 and now £9,000 in 2017/18.

2.4 As the LPA, Tewkesbury Borough Council has a statutory duty to:

- Advise and assist communities in the preparation of NDPs.
- Assist in screening their potential environmental impact.
- Carry out legal checks and, if successful, public consultation on plan proposals.
- Take them through a process of independent examination.
- Submit them to public referendum.
- Make a decision on bringing them into legal force, making and publishing decisions at each stage throughout the process.

2.5 The Localism Act 2011 sets out the LPA's responsibilities:

- On application from a Parish Council, designate a Neighbourhood Area for which a plan will be prepared, which may involve a period of statutory consultation.
- Advise and assist communities in the preparation of their Plan.
- Assist in the screening of the draft Plan for environmental impact.
- Respond to statutory consultation undertaken by the Parish Council.
- Check submitted plans meet the legal requirements.

- Carry out statutory consultation on the plan as a proposal.
- Arrange for, and take the plan through, Independent Examination.
- Determine whether the final Plan, taking on board any of the Examiner's recommendations, meets the basic conditions and other legal requirements.
- Arrange a referendum of all those in the local community that have the right to vote in local elections.
- Subject to the results of the referendum, bring the plan into legal force.

3.0 NEIGHBOURHOOD PLAN COSTS

3.1 Three NDPs in the Borough have progressed to adoption: Winchcombe & Sudeley; Highnam; and Gotherington. The average costs at key stages of the Plan are as follows:

Costs to date:

Examination - £9,198.10.

Referendum - £4,087.53.

Legal - £5,083.80.

3.2 This demonstrates the new grant of £20,000, which the LPA receives to produce NDPs, will only just cover the cost that the local authority has to meet. The Council also supports Parishes through the Gloucestershire Rural Community Council funded from the community development budget and through dedicated Officer time in the preparation of Plans. The progress being made on Plan production is set out below:

TEWKESBURY BOROUGH COUNCIL

7.0 CONCLUSION

7.1 Given the reduction in grant from the DCLG to LPAs and the corresponding increase in funding to Parishes of £2,000, it is considered that the Council can no longer support the preparation of the NDPs through the grant aid of £2,000. The LPA will continue to meet its legal requirements in the preparation of Plans, support Parishes with professional support and help Parishes in seeking funding opportunities.

8.0 RELEVANT COUNCIL POLICIES/STRATEGIES

8.1 Tewkesbury Borough Council Plan 2012/16 seeks to support the delivery of homes and jobs to deliver community aspirations which is a key function of the NDP process.

9.0 RELEVANT GOVERNMENT POLICIES

9.1 The National Planning Policy Framework (2012) - Paragraphs 183 – 185.

10.0 RESOURCE IMPLICATIONS (Human/Property)

10.1 See above.

11.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)

11.1 Neighbourhood planning gives communities direct power to develop a shared vision for their neighbourhood and deliver the sustainable development they need. Parishes and neighbourhood forums can use neighbourhood planning to set planning policies to ensure that communities get the right types of development for their area within the overarching framework set by the local plan.

12.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)

12.1 Neighbourhood plan process requires evidence of involvement by hard to reach groups. This is a matter for the relevant, qualifying body preparing the plan to address.

13.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

13.1 At Executive Committee on 4 September 2013 it was resolved that:

“The Borough Council will allocate funding for neighbourhood area designations in three stages as follows:-

- 1) £500 on approval of a neighbourhood area designation;
- 2) £500 on publication of the neighbourhood plan for examination; and,
- 3) £1,000 on successful completion of the neighbourhood plan examination”.

Background Papers: Executive Committee Report ‘Support for Neighbourhood Planning and Community Planning’ 4 September 2013.

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Appendices: 1 – Executive Committee Report – 4 September 2013.

TEWKESBURY BOROUGH COUNCIL

Appendix 1

Report to:	Executive Committee
Date of Meeting:	4 September 2013
Subject:	Support for Neighbourhood Planning and Community Planning
Report of:	Julie Wood, Development Services Group Manager
Corporate Lead:	Rachel North, Deputy Chief Executive
Lead Member:	Councillor D M M Davies: Built Environment Councillor Mrs S E Hillier-Richardson: Community Development
Number of Appendices:	None

Executive Summary:

Many Parishes in Tewkesbury Borough are currently undertaking, or are considering undertaking, either neighbourhood plans or less formal community plans. This report sets out proposals to support those Parishes, with financial and, or, professional/technical support.

The Borough Council wishes to encourage and support Parishes undertaking neighbourhood plans, especially as these will form part of the development plan beneath the emerging Joint Core Strategy and alongside the Tewkesbury Borough Plan. Work done at neighbourhood level could help support policy preparation for the Tewkesbury Borough Plan.

It is proposed that direct funding support is offered to Parishes to support them through the neighbourhood plan process as set out in the recommendation. The funding support will amount to a total of £2,000 per neighbourhood plan and will be based on the phased payments and allocation of funding to local planning authorities which is currently only confirmed for 2013/2014.

Not all Parishes, however, wish to undertake the formal neighbourhood planning process, as this can be quite demanding on time and resource; many of our Parishes are currently, therefore, opting to produce forms of community led plans. These can vary from Housing Needs Assessments, Visual Design Statements or more general community plans. In order to support all of our Parishes it is proposed that the Borough Council enter into a £5,000 one year Service Level Agreement with Gloucestershire Rural Community Council to enable them to support all Parishes.

Recommendation:

It is RECOMMENDED that:-

- 1) the Borough Council allocates funding for neighbourhood area designations in three stages as follows:-
Stage 1 - £500 on approval of a neighbourhood area designation
Stage 2 - £500 on publication of the neighbourhood plan for examination; and,
Stage 3 - £1,000 on successful completion of the neighbourhood plan examination.
- 2) these payments are subject to successful completion of each stage of the neighbourhood plan process and will be subject to the receipt of the government allocation by the local planning authority and on production of evidence of relevant expenditure by the neighbourhood area.
- 3) the payments apply to the lead Parish of the designated neighbourhood plan area.
- 4) this support is subject to funding being made available by the government as set out in the report.

It is further RECOMMENDED that:-

- 1) an annual Service Level Agreement is entered into with Gloucestershire Rural Community Council at a cost of £5,000 per annum. The Service Level Agreement will be reviewed on an annual basis and will be subject to monitoring of support delivery.
- 2) that monitoring of the annual Service Level Agreement be undertaken by the Development Services Group Manager in consultation with the Lead Member for Community Development.

Reasons for Recommendation:

To offer support to parishes to help deliver the localism agenda.

Resource Implications:

The Neighbourhood Plan funding will form part of the government allocation to local authorities and can be used to help offset costs incurred by Tewkesbury Borough Council in supporting Parishes. The Service Level Agreement will be funded through earmarked reserves for 2013/14 and through the MTFs in future should it be renewed.

Legal Implications:

The Service Level Agreement will need to be monitored for delivery.

Risk Management Implications:

The neighbourhood plan funding will only be made available whilst appropriate government funding is available.

Performance Management Follow-up:

The SLA will require performance monitoring.

Environmental Implications:

None.

1.0 BACKGROUND

1.1 Neighbourhood planning was introduced through the Localism Act 2011 with specific legislation (the Neighbourhood Planning (General) Regulations 2012 (“the 2012 Regulations”) coming into effect in April 2012. A neighbourhood plan is a statutory community-led framework for guiding the future development and growth of an area. A neighbourhood plan can establish general planning policies for the development and use of land in a neighbourhood, for example where new homes and offices should be built and what they should look like. The plan can be detailed or general, depending what local people want.

1.2 Tewkesbury Borough currently has two designated neighbourhood areas. These are as follows:-

- a) Churchdown and Innsworth.
- b) Winchcombe and Sudeley.

A third neighbourhood plan designation is subject to a separate report on this Executive Committee Agenda.

1.3 Many other areas within the Borough are currently considering the option of applying for neighbourhood area designation; equally, however, many areas are opting to undertake less formal community planning exercises. All of these positive approaches will also support the development of the Tewkesbury Borough Plan.

2.0 NEIGHBOURHOOD PLANS - EXISTING SUPPORT

2.1 Local Planning Authorities have a statutory duty to advise or assist communities in the preparation of neighbourhood development plans (NDP). The Localism Act 2011 (the Act) and the Neighbourhood Planning (General) Regulations 2012 set out the local planning authority’s (LPA) responsibilities including designating neighbourhood plan areas. Neighbourhood plans form the 3rd tier of statutory planning (in a non-unitary scenario) as follows:-

- 1) Strategic level plan – Joint Core Strategy.
- 2) District/Borough level plan - Tewkesbury Borough Plan.
- 3) Neighbourhood Plans.

2.2 Local authorities are not required to fund neighbourhoods that develop neighbourhood plans (formally known as Neighbourhood Development Plans/NDP) but are required to advise and assist. The Localism Act 2011 sets out the following local authority responsibilities:-

- Designating the area of the NDP.
- Advising or assisting communities in the preparation of a neighbourhood plan.
- Checking a submitted plan meets legal requirements.
- Arranging for the independent examination of the plan.

- Determining whether the neighbourhood plan meets the basic conditions and other legal requirements.
- Arranging a referendum to ensure that the local community has the final say on whether an NDP comes into force in their area.
- Subject to the results of the referendum, bringing the plan into force.

2.3 Support to areas undertaking neighbourhood plans is currently offered in the form of officer support and advice.

2.4 The costs of producing neighbourhood plans cannot be underestimated with emerging evidence from the Department of Communities and Local Government (DCLG) suggesting that the average cost of producing neighbourhood plans ranges from between £17,000 to £63,000, depending on the size of the plan; although DCLG also expect that some larger neighbourhood plans could cost as much as £200,000. DCLG also recognise that there are significant resource costs placed upon local planning authorities; for example, the cost of running a local referendum is estimated by DCLG to be £1.50 per head.

2.5 Recognising these resource implications the government has provided some financial support to local planning authorities to support the neighbourhood plan process. This funding is currently available for 2013/14. In total, local planning authorities can claim up to £30,000 for each neighbourhood plan. The first payment of £5,000 can be claimed following designation of a neighbourhood area; a second payment of £5,000 can be claimed when the local authority publicises the neighbourhood plan prior to examination; and the third payment of £20,000 will be made on successful completion of the independent examination.

2.6 Neighbourhood areas are also able to apply directly for grants provided by DCLG for between £500 and £7,000. This grant fund, as well as other guidance and advice is being administered and provided through 'Locality' (a consortium of planning advice groups). This support is through the Supporting Communities and Neighbourhoods in Planning Programme.

2.7 Gloucestershire Rural Community Council (GRCC) has also been supporting Parishes with professional support through an externally funded 'Accelerator Project'. The funding for this project ceases in September 2013.

3.0 NEIGHBOURHOOD PLAN – PROPOSAL FOR FUNDING SUPPORT

3.1 Whilst there is no statutory duty to financially support Parishes undertaking neighbourhood plans, some local authorities are using some of the neighbourhood plan funding provided by government to support neighbourhood areas; for example, Wychavon District has recently announced a funding support package for neighbourhood areas.

3.2 Recognising the commitment of areas within our Borough to enter into neighbourhood area designations it is proposed that some direct funding support is offered to designated areas to support them through the process; particularly to enable them to access professional support or to pay for expenses such as public consultations. The proposal is as follows:-

- 1) An funding allocation of a maximum of £2,000 per neighbourhood plan area for the year 2013/2014.
- 2) The funding will be available in 3 stages which will be based on the government allocation, and drawing down, of phased payments to local planning authorities as set out in paragraph 2.4 above. These are proposed as follows:-

Stage 1 – An allocation of £500 following designation of the neighbourhood area;

Stage 2 – An allocation of £500 when the local planning authority publicises the neighbourhood plan prior to designation; and

Stage 3 – An allocation of £1,000 following successful completion of the neighbourhood plan examination.

- 3) Payment will be based on the submission of invoices evidencing relevant expenditure.
- 4) The allocation of funding is subject to review, which will be linked to future funding announcements from government.

4.0 COMMUNITY PLANNING – EXISTING SUPPORT

4.1 Not all Parishes within the Borough wish to undertake the formal neighbourhood planning process and many of our parishes are currently opting to produce forms of community led plans. These can vary from Housing Needs Assessments, Visual Design Statements or more general community plans. Currently the Borough Council offers support to Parishes through officer time. This takes the form of providing information to Parishes, attending Parish meetings and offering advice. Gloucestershire Rural Community Council (GRCC) also offers workshops to Parishes on community planning. As set out in Paragraph 2.7 above, until September 2013 GRCC were also able to offer some enhanced support through the externally funded 'Accelerator Project'. This will no longer be available.

5.0 COMMUNITY PLANNING – PROPOSAL FOR FUNDING SUPPORT

5.1 In order to support all of our Parishes undertaking community planning it is proposed that the Borough Council enter into an annual Service Level Agreement with Gloucestershire Rural Community Council to provide professional, consistent and independent advice and support to Parishes.

5.2 Following discussions with GRCC it is proposed that a sum of £5,000 be allocated to the Service Level Agreement. This will enable professional support from GRCC for approximately one day per week for 12 months. The funding will be matched by some in kind funding from GRCC. GRCC will be flexible in this approach.

5.3 In order to monitor GRCC delivery, GRCC will provide monthly spread sheets and a 6 month monitoring report and review of the Service Level Agreement will take place prior to end of the 12 month period.

6.0 OTHER OPTIONS CONSIDERED

6.1 A range of options considered including an alternative of providing funding to GRCC for neighbourhood plan support; however, it was considered that Parishes would benefit more from receiving direct financial support.

7.0 CONSULTATION

7.1 Consultation with GRCC. Several Parishes have also asked about the type of support available from the Borough Council.

8.0 RELEVANT COUNCIL POLICIES/STRATEGIES

8.1 Council Plan.

9.0 RELEVANT GOVERNMENT POLICIES

9.1 The Localism Act 2011 with specific legislation (the Neighbourhood Planning (General) Regulations 2012 (“the 2012 Regulations”)) coming into effect in April 2012.

10.0 RESOURCE IMPLICATIONS (Human/Property)

10.1 Financial implications of £5,000 per annum.

11.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)

11.1 Neighbourhood and community planning will deliver improvements to sustainability.

12.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)

12.1 None.

13.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

13.1 Executive Committee - 3 July 2013

Designation of 2 Neighbourhood Plan Areas for : -

a) Churchdown Parish and Innsworth Parish.

b) Winchcombe Parish and Sudeley Parish.

Background Papers: None.

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Appendices: None.

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive Committee
Date of Meeting:	22 November 2017
Subject:	Affordable Housing Allocations on Strategic Sites
Report of:	Peter J Tonge, Head of Community Services
Corporate Lead:	Robert Weaver, Deputy Chief Executive
Lead Member:	Cllr E J MacTiernan, Lead Member for Built Environment Cllr J Greening, Lead Member for Health and Wellbeing
Number of Appendices:	One

Executive Summary:

The HomeseekerPlus Policy, agreed by Council, informs us that affordable rented housing built within a district is to be let to households with a local connection to that Borough. We also ensure this method is secured for sales of affordable home ownership properties, such as shared ownership, through Section 106 legal agreements.*

Under the Joint Core Strategy, the Strategic Allocations for Cheltenham Borough and Gloucester City (the urban extensions) that fall within the administrative boundary of Tewkesbury Borough are to meet the unmet housing needs, including the affordable housing needs, of Cheltenham Borough and Gloucester City respectively. Consideration is also given to the development of a site at Mitton that comes under Wychavon District Council.

In order to alter and formalise the lettings and sales arrangements on these Strategic Allocations, we are able to enter into a lettings plan on a site by site basis. These plans enable us to take into account the needs of the current and new residents to ensure a responsible letting/sale is made.

The following report outlines an allocations plan which both meets the needs of Gloucester and Cheltenham whilst retaining allocations for Tewkesbury residents in highest housing need. A further agreement regarding the Mitton site will also be outlined.

** The terms such as 'lettings' and 'sales' refer to affordable housing properties (as opposed to market properites) throughout this document.*

Recommendation:

That the proposed lettings and sales arrangements be RECOMMENDED TO COUNCIL for adoption.

Reasons for Recommendation:

To help meet the unmet affordable housing needs of Cheltenham Borough and Gloucester City respectively within the Strategic Allocations (urban extensions) that fall within the administrative boundary of Tewkesbury Borough as required by the Joint Core Strategy.

Resource Implications:

Additional staff time will be required to monitor these arrangements and are expected to be met within the existing budget allocations.

Legal Implications:

The Council is required to have in place a policy for allocating social rented housing in accordance with Part 6 Section 166A of the Housing Act 1996 where Local Housing Authorities are required to have a scheme for determining priorities and the procedure to be followed in allocating housing. The Council should also take in to account the Statutory Code of Guidance on the Allocation of Accommodation 2012, the Localism Act 2011 and the Welfare Reform Act 2012.

Risk Management Implications:

None.

Performance Management Follow-up:

Lettings and sales arrangements will be reviewed at least every 5 years by the Housing Services Manager (or equivalent post) of the three Joint Core Strategy local authorities. The arrangements will be reviewed sooner if required.

All arrangements will be monitored by the JCS Affordable Housing Partnership.

Environmental Implications:

None.

1.0 INTRODUCTION/BACKGROUND

- 1.1** The Housing Act 1996 requires all Local Housing Authorities to set out a policy for allocating social rented housing within their District. The latest HomeseekerPlus Policy was agreed by Council in 2013 with minor amendments agreed in 2015.
- 1.2** The formation of the Joint Core Strategy (JCS) Affordable Housing Partnership was supported by the JCS Cross Boundary Programme Board which is made up of Chief Executive Officers from the three local authorities. The Partnership was set up by strategic housing lead officers from Tewkesbury Borough Council, Cheltenham Borough Council and Gloucester City Council to meet regularly and discuss the issues and challenges associated with affordable housing within the proposed JCS Strategic Allocations (urban extension) sites. This report details the lettings and sales arrangements proposed by the partners.
- 1.3** The JCS specifically includes provision to support the otherwise unmet housing needs of Cheltenham Borough and Gloucester City through Strategic Allocations (urban extensions) on sites wholly or partially within the Tewkesbury Borough administrative boundary. To ensure a balanced housing market is achieved across the JCS area, any future housing provision will also include an element of affordable housing and the JCS sets out a common affordable housing policy (SD13).

- 1.4** Given that some of Cheltenham Borough's and Gloucester City's future affordable housing requirements will be provided on Strategic Allocations (urban extensions) falling within Tewkesbury Borough's administrative boundary, it was necessary to establish an Affordable Housing Partnership to oversee the delivery, allocation and management of affordable housing on proposed strategic allocations (urban extensions).
- 1.5** This is specifically recommended in the JCS document in Section 4.13.11 (page 93) of the JCS Submission Document November 2014:
- "The JCS approach to affordable housing delivery is to balance provision across the JCS area. It is, however, recognised that affordable housing need varies across the area with higher levels of need in Gloucester City than other districts. To ensure that provision meets localised needs, the JCS authorities will therefore need to employ a partnership approach to affordable housing nominations. Within the Strategic Allocations, this affordable housing partnership will have a critical role in determining the proportion of new affordable housing to be allocated to each local authority district."*
- 1.6** The Strategic Allocations (as identified by the JCS) are required to meet the housing needs of the three Councils. Through the JCS examination process the Inspector recommended (Interim Report, May 2016) that the Strategic Allocations which form urban extensions to Cheltenham and Gloucester should contribute fairly to meeting their respective unmet needs. The Strategic Allocations sites identified in the JCS will therefore require a formal lettings plan for these arrangements.

2.0 LETTINGS AND SALES ARRANGEMENTS FOR THE AFFORDABLE HOUSING ON THE JCS STRATEGIC ALLOCATIONS SITES

Current Arrangements

- 2.1.1** At present our allocations policy (the HomeseekerPlus Policy) for the letting of rented affordable housing states that the homes built in a district are to be prioritised to that district and so local connection to Tewkesbury Borough will apply to all properties within our boundaries.
- 2.1.2** Affordable housing cannot be empty i.e. not let or not sold, and as the Local Housing Authority we have a cascade mechanism in place on all of our developments to ensure the home is occupied in a timely manner. Priority is given to households with a local connection to the administrative area in which the new homes are built. Local connection then cascades out to the rest of Gloucestershire if the property cannot be occupied by the household with a local connection to the administrative area.
- 2.1.3** Section 11 of the HomeseekerPlus Policy defines local connection; it states:
- "11.1. Due to the exceptional demand for housing across the HomeseekerPlus area and the difficulty in solving local housing need, preference will usually be given to applicants with a local connection to the appropriate district.*
- "11.2. Local Connection is defined in Part VII of the Housing Act 1996 as:*
- *Those who are normally resident in the local authority area, and that residence is or was of their own choice. (Local Authority Agreement guidelines suggest this as having resided in the area for six of the last twelve months, or three of the last five years, where residence has been out of choice);*
 - *Those who are employed in the local authority area. (Local Authority Agreement guidelines suggest this as employment other than of a casual nature);*

- *Those who have family connections in the local authority area. (Local Authority Agreement guidelines suggest this as immediate family members who have themselves lived in the area for five years).*
- *Members of the armed forces have a local connection to the district of their choice (Those currently serving, served within the immediate preceding 5 years; bereaved spouse or civil partner who has recently or will cease to be entitled to Ministry of Defence accommodation following the death of their service spouse and the death was wholly or partly attributable to their service; existing or former members of the reserve forces who are suffering from a serious injury, illness or disability which is wholly or partly attributable to their service).*
- *Other special circumstances.”*

2.1.4 The Homeseeker Plus Policy also states that local lettings plans will be used where necessary to let homes in a particular way, as per Section 33 as follows:

“33.1. The Homeseeker Plus Partnership is committed to creating balanced communities. For new developments and in areas where there are known problems, such as anti-social behaviour or abandoned properties, a local lettings plan may be applied. The plan will take into account the needs of the current and new residents and the make-up of the block, street or cluster of streets, to ensure a responsible letting is made. The local authorities will review each letting plan periodically with landlords.”

2.1.5 We also use this approach for the sale of intermediate housing such as shared ownership and discounted sales to prioritise households with a local connection to the Borough.

The Proposed Arrangements

2.2.1 The JCS currently proposes 10,900 homes to be met by the Strategic Allocations within the JCS area to the year 2031.

2.2.2 The aim is to allocate the affordable housing [built within the Tewkesbury Borough administrative boundary] based on real time need in each of the districts. This will be achieved by advertising each property with a dual local connection to Tewkesbury Borough and the urban extension area and then ‘cascading’ to the third authority within the JCS partnership and finally to the rest of the County.

2.2.3 This will mean that applicants to the new rented properties within Tewkesbury Borough with a local connection to either area will be considered equally. If no applicants from either authority apply then applicants with a connection to the third partner authority will be given preference. For example: New properties built in Brockworth would be given a local connection to Tewkesbury Borough and Gloucester jointly, then Cheltenham, then Gloucestershire. Alternatively on sites closer to Cheltenham, a local connection would be awarded to Tewkesbury Borough and Cheltenham jointly then Gloucester, then Gloucestershire. The applicant’s level of housing need and length of time registered with that need will dictate their priority. This approach has been proposed to ensure that housing need across different districts drives the allocation process.

2.2.4 This approach will also help to ensure that future needs are met rather than having fixed percentages for each authority that may not be reflective of local needs in the future.

2.2.5 For the site at Mitton a planning statement agreed between Wychavon District and Tewkesbury Borough Councils includes provision of 10% of the affordable housing properties to Wychavon District for allocation and 90% for Tewkesbury Borough.

2.2.6 A number of matters to be taken forward include:

“11. Up to 10% of the total affordable housing agreed on site will be attributed to Wychavon District who will have control over the nomination rights and re-lets, and contribute towards Wychavon’s affordable housing needs. This will be reflected in any affordable housing planning obligations, affordable housing nomination agreements and planning conditions. This will also be set out though the policies and trajectory in the JCS to apportion the supply against Tewkesbury Borough’s housing requirements.”

2.2.7 Due to the fact that Wychavon District and Tewkesbury Borough do not share a common allocations scheme (unlike Tewkesbury Borough, Cheltenham Borough and Gloucester City with HomeseekerPlus), the properties delivered at Mitton cannot be allocated with a joint local connection approach.

Monitoring and Review of the Arrangements of the Strategic Allocations

2.3.1 It will be the responsibility of all involved in the lettings and sale of the affordable housing to monitor the agreement. These are, including but not exclusively, the housing enabling officer at Tewkesbury Borough Council and the Registered Provider of the affordable housing.

2.3.2 It is expected that Council officers and Registered Providers will report back to the JCS Affordable Housing Partnership at every meeting (quarterly or otherwise agreed) to review the lettings and sales arrangements.

2.3.3 The allocation of affordable housing on new Strategic Allocations (urban extensions) will be monitored and reviewed based on a new Strategic Housing Market Assessment (SHMA).

Non-Strategic Developments

2.4.1 These arrangements are proposed on the JCS Strategic Allocations (urban extensions) that fall within Tewkesbury Borough administrative area only.

2.4.2 Any development sites delivered by the three Councils as identified in their individual Local Plans, and any windfall sites, plus any Strategic Allocations (or parts of) that fall within Cheltenham or Gloucester’s administrative area, will continue to be allocated in the usual way and in accordance with the policies set by the individual Councils.

2.4.3 In addition, any cross-boundary sites outside of the JCS area, but contributing to the housing needs on one of the JCS authorities, would be subject to a separate agreement.

Non-Adoption of the JCS

2.5.1 At the time of writing the JCS is not adopted. The proposed lettings arrangements in this document are contingent on the adoption of the JCS.

2.5.2 The JCS Affordable Housing Partnership along with any arrangements and agreements outlined in this document will terminate if the JCS is not adopted.

2.5.3 It is acknowledged that alternative mechanisms need to be in place if the JCS is not adopted.

3.0 OTHER OPTIONS CONSIDERED

3.1 Several options were previously considered. These included proposals that 100% of first lets on the urban extensions were to meet the housing needs of the urban areas, and also a formulaic approach whereby first lettings were allocated on a 70:30 split to the Gloucester urban areas and a 65:35 split to the Cheltenham urban area. It was considered that this may not adequately reflect emerging housing need and the current proposal will protect the allocation of housing to those who need it most from each area.

4.0 CONSULTATION

4.1 The JCS Affordable Housing Partnership meets regularly with Registered Providers of Affordable Housing and had presented them with the proposed arrangements. The general view from Registered Providers was that arrangements agreed by the Local Authorities would be accepted.

5.0 RELEVANT COUNCIL POLICIES/STRATEGIES

5.1 HomeseekerPlus Allocations Policy.
Emerging Joint Core Strategy.
Housing Strategy 2017-2021.
Council Plan 2016-2020.

6.0 RELEVANT GOVERNMENT POLICIES

6.1 Housing Act 1996 (as amended).
Localism Act 2011.
Welfare Reform Act 2012.

7.0 RESOURCE IMPLICATIONS (Human/Property)

7.1 None.

8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)

8.1 None.

9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)

9.1 Housing is a basic human need; and through the current allocations policy all relevant groups have been considered. The proposed lettings and sales arrangements will meet the objectives of the Joint Core Strategy.

10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

- 10.1** Homeseeker Plus Policy agreed by Council in 2013 with minor amendments agreed in 2015.

Background Papers: Joint Core Strategy Submission Document 2014, the Main Modifications Document 2017 and additional papers as found on the website www.gct-jcs.org

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Appendices: Appendix 1 - Scenarios for the proposed arrangements for letting and selling affordable housing on the Joint Core Strategy Strategic Allocations sites.

Scenarios for the proposed lettings and sales arrangements for affordable housing on the Joint Core Strategy Strategic Allocations sites (urban extensions)

Scenario 1 – Cheltenham urban extensions

Urban extension sites	E.g. A5 – North West Cheltenham
Land within	Tewkesbury Borough administrative boundary

Principles for these sites

- SHMA evidence percentage split Cheltenham Borough (231) to Tewkesbury Borough (126) equates to 65% to Cheltenham Borough and 35% to Tewkesbury Borough.
- The properties developed within the Tewkesbury Borough administrative boundary will have an equal priority in terms of local connection to Cheltenham Borough AND Tewkesbury Borough. Local connection will then cascade to Gloucester City. It is thought that this approach will result in a 65/35% split between the two areas as Cheltenham Borough has a greater number of applicants with a higher housing need
- These arrangements will remain unchanged on second and subsequent lets/sales households with a local connection to Cheltenham Borough AND Tewkesbury Borough administrative areas will have equal priority.

Note: The land that is within the Cheltenham Borough administrative boundary will continue to be allocated in accordance with the current Homeseeker Plus Policy of 100% 1st priority to households with a local connection to Cheltenham Borough.

Scenario 2 – Gloucester urban extensions

Urban extension sites	E.g. A4 – Brockworth
Land within	Tewkesbury Borough administrative boundary

Principles for these sites

- SHMA evidence percentage split Gloucester City (282) to Tewkesbury Borough (126) equates to 70% to Gloucester City and 30% to Tewkesbury Borough.
- On all sites, all the land is within Tewkesbury Borough administrative boundary so the properties developed will have an equal priority in terms of local connection to Gloucester City AND Tewkesbury Borough. Local connection will then cascade to Cheltenham Borough. It is thought that this approach will result in a 70/30% split between the two areas as Gloucester City has a greater number of applicants with a higher housing need.
- On the second and subsequent lets/sales households with a local connection to Gloucester City AND Tewkesbury Borough administrative areas will have priority.

APPENDIX 1

Quick view tables

Cheltenham urban extensions

First lets and sales household local connection cascade

	Land within the Cheltenham Borough	Land within the Tewksbury Borough
1st Priority Area(s)	100% Cheltenham Borough households	Cheltenham Borough households and Tewkesbury Borough households equally
2nd Priority Area(s)	Rest of Gloucestershire	Gloucester City households
3rd Priority Area(s)	N/A	Rest of Gloucestershire

Second and subsequent lets and sales household local connection cascade

	Land within the Cheltenham Borough	Land within the Tewksbury Borough
1st Priority Area(s)	100% Cheltenham Borough households	Cheltenham Borough households and Tewkesbury Borough households equally
2nd Priority Area(s)	Rest of Gloucestershire	Gloucester City households
3rd Priority Area(s)	N/A	Rest of Gloucestershire

Gloucester urban extensions

First lets and sales household local connection cascade

1st Priority Area(s)	Gloucester City households and Tewkesbury Borough households equally
2nd Priority Area(s)	Cheltenham Borough households
3rd Priority Area(s)	Rest of Gloucestershire

Second and subsequent lets and sales household local connection cascade

1st Priority Area(s)	Gloucester City households and Tewkesbury Borough households equally
2nd Priority Area(s)	Cheltenham Borough households
3rd Priority Area(s)	Rest of Gloucestershire

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive Committee
Date of Meeting:	22 November 2017
Subject:	Tewkesbury Borough Council Waste & Recycling Collection Services Policy and Procedures
Report of:	Peter J Tonge, Head of Community Services
Corporate Lead:	Robert Weaver, Deputy Chief Executive
Lead Member:	Councillor J R Mason, Lead Member for Clean and Green Environment.
Number of Appendices:	One

Executive Summary:

Tewkesbury Borough Council has made a commitment to providing waste and recycling services that are good value for money and meet the needs of all residents in the Borough.

The waste and recycling collection services policy aims to ensure that waste and recycling services operate effectively and efficiently in order to maximise recycling rates and reduce the amount of waste going to landfill in line with the waste hierarchy.

It provides a set of rules and standards that the authority uses to deliver regular and reliable collections in a customer focused way. It takes into account the need to protect the health and safety of the public and the staff who operate the scheme.

It sets out policies and procedures that are clearly defined to avoid any uncertainty for residents, Members and officers.

Recommendation:

That the Committee APPROVE the policy annexed to this report.

Reasons for Recommendation:

The policy provides a clear guide to clear guide to members of the public and elected Members as to how the Council's waste and recycling services operate, it also provides guidance on how the waste service should be used.

Resource Implications:

None.

Legal Implications:

Whilst there is no legal requirement for the Council to adopt a waste policy it is good practice to ensure that residents have a good understanding of how waste services are delivered. The Council does not currently have a written policy on waste and recycling, although it has been working within the guidelines set out in good practice and regulations.

Under the terms of the Environmental Protection Act 1990, Tewkesbury Borough Council is classed as a Waste Collection Authority and as such, under Section 45(1), has a statutory duty to collect household waste from all domestic properties.

Under Section 46(4) of the Act, the Council has specific powers to stipulate:

- the size and type of the collection receptacles;
- where the receptacles must be placed for collecting and emptying; and
- the materials or items which may or may not be placed within the receptacles.

The Controlled Waste Regulations 2012 gives waste collection authorities the power to charge for the collection of garden waste and the service we provide offers a convenient way for residents to dispose of their garden waste.

The waste hierarchy referred to in the Executive Summary of the Waste and Recycling Collection Services Policy and Procedures annexed to this report sets out a range of options for the treatment of waste in descending order of desirability i.e.

- (a) prevention;
- (b) preparing for re-use;
- (c) recycling;
- (d) other recovery (for example energy recovery); and
- (e) disposal.

Regulation 12(1) of the The Waste (England and Wales) Regulations 2011 requires the Council to apply the hierarchy when dealing with waste.

Risk Management Implications:

Waste services are delivered to every residents in the Borough. If the Council clearly sets out how these services are delivered and is clear on the responsibilities of residents then the risk of reputational damage should be minimised.

Performance Management Follow-up:

Regular reports on the work of the waste and recycling service are presented to the Overview and Scrutiny Committee.

Environmental Implications:

The waste and recycling collection services policy aims to ensure that waste and recycling services operate effectively and efficiently in order to maximise recycling rates and reduce the amount of waste going to landfill in line with the waste hierarchy.

1.0 INTRODUCTION/BACKGROUND

- 1.1** The Council does not currently have a waste and recycling policy.
- 1.2** The Council has a statutory duty to collect household waste from all domestic properties. It makes sense for the Council to inform members of the public about how this service operates and also how waste should be presented, stored etc.

2.0 THE POLICY

- 2.1** The proposed policy covers a range of elements of the waste and recycling collections service, including:
- Waste and recycling containers.
 - Frequency of collection.
 - How to present waste and recycling for collection.
 - Assisted collections.
 - Clinical waste services.
 - Bulky waste collections.
 - Issues with collections.
 - Complaints.
 - Contact details.
- 2.2** The policy sets out how the service should operate and is a clear guide for officers, members of the public and Councillors what they can expect from the Council, it also details types of waste that the Council expects to be reused, recycled or sent to landfill.
- 2.3** The proposed policy outlines the type of containers that should be used for the various waste streams and how and where these containers should be stored. It also details how residents who can't have wheelie bins for some reason need to store and present their waste.

3.0 PURPOSE

- 3.1** The purpose of a waste policy is to inform residents on all matters related to our waste and recycling services and encourage reuse and recycling as far to divert as much waste away from landfill as possible.
- 3.2** It is hoped that by doing this the Council will improve its already excellent recycling rates.

4.0 CONSULTATION

- 4.1** A draft version of the policy document was reviewed by the Overview and Scrutiny Committee. Members were informed that the proposed policy set out the standards that could be expected from the Council as a waste collection authority and covered a range of elements of the waste and recycling collection service e.g. frequency of collection, how to present waste and recycling for collection etc. The feedback was positive with one small addition to include emphasis that it related to the household collection of waste and recycling and not commercial waste. It was subsequently resolved that it be recommended to the Executive Committee that the draft Waste and Recycling Collection Service Policy be adopted, subject to appropriate amendments to make clear that the policy related to household waste and recycling.

4.2 The policy, if adopted, will be widely shared within the Borough to ensure that all residents are aware of the contents.

5.0 OTHER OPTIONS CONSIDERED

5.1 None.

6.0 RELEVANT COUNCIL POLICIES/STRATEGIES

6.1 Gloucestershire Joint Municipal Waste Management Strategy 2007-2020.

7.0 RELEVANT GOVERNMENT POLICIES

7.1 Waste Management Plan for England 2013 – DEFRA.

8.0 RESOURCE IMPLICATIONS (Human/Property)

8.1 None.

9.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)

9.1 It is hoped that by informing the public better on ways to make use of our waste facilities then our recycling rates would increase thus reducing the level of waste to landfill.

10.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)

10.1 None.

11.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

11.1 None.

Background Papers:	Gloucestershire Joint Municipal Waste Management Strategy 2007-2020.
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Appendices:	1. Draft Tewkesbury Borough Council Waste & Recycling Collection Services Policy

Tewkesbury Borough Council

Household Waste and Recycling Collection Service Policy and Procedures

September 2017



Introduction

Tewkesbury Borough Council has made a commitment to providing waste and recycling services that are good value for money, convenient and easy to use, and meet the needs of all residents in the borough.

In 2007 all of the local authorities in Gloucestershire developed and signed up the [Gloucestershire Joint Municipal Waste Management Strategy 2007-2020](#) and have been working since then to deliver the objectives of the strategy.

The waste and recycling collection services policy aims to ensure that services operate effectively and efficiently in support of the main strategy objectives and in line with the priority order of the waste hierarchy:

- prevention;
- preparing for re-use;
- recycling;
- other recovery (for example energy recovery);
- disposal

Working in partnership with all Gloucestershire local authorities, the council is proud to promote other waste minimisation and reuse schemes such as real nappies, home composting and reuse and repair cafes. This ensures that residents who wish to avoid sending waste to landfill are supported by the council with suitable and helpful schemes. The Recycle for Gloucestershire campaign website is the central source for all recycling information:

www.recycleforgloucestershire.com

What this policy will cover

This policy provides a set of rules and standards that the council uses to deliver regular and reliable collections in a customer focused way. It takes into account the need to protect the health and safety of the public and the staff who operate the scheme.

It lays out policies and procedures that are clearly defined to avoid any uncertainty for residents, members and officers.

Under the terms of the Environmental Protection Act 1990, Tewkesbury Borough Council is classed as a Waste Collection Authority and as such, under Section 45(1), has a statutory duty to collect household waste from all domestic properties.

Under Section 46(4) of the Act, the council has specific powers to stipulate:

- the size and type of the collection containers
- where the containers must be placed for collecting and emptying
- the materials or items which may or may not be placed within the containers.

The Controlled Waste Regulations 2012 gives waste collection authorities the power to charge for the collection of garden waste and the service we provide offers a convenient way for residents to dispose of their garden waste.

This document outlines how the Borough council works in partnership with our collections contractor to deliver the domestic refuse, food waste, recycling and garden waste collection services. It details the actions required by householders to fully participate in the services and recycle as much as possible.

The policy covers:

- Waste and recycling containers
- Frequency of collection
- How to present waste and recycling for collection
- Assisted collections
- Clinical waste services
- Bulky waste collections
- Recycling Bring Centres
- Issues with collections
 - Missed collections
 - Non Collection of bins / caddies
 - Disruption to services
 - Excess waste/ side waste
- Complaints
- Contact details

Waste and Recycling Containers

Each household is provided with the following:

For Household Refuse - 1 x 180 litre green wheeled bin

Only general waste produced by a householder should be placed in this wheeled bin. It should not contain any hazardous, recyclable, organic or compostable waste. Non-standard items such as bulky waste, excessively heavy or commercial waste should not be put in this bin.

For Household Mixed Recycling - 1 x 240 litre blue wheeled bin

The following items can be put in the blue bin for recycling:

- Paper, newspapers and magazines
- Corrugated and light cardboard - polystyrene must be removed and disposed of in the refuse bin
- Plastic bottles, pots, tubs and trays – No rigid plastics such as toys, crates
- Metal food tins, drink cans and aluminium foil – no batteries or car parts
- Empty aerosol cans
- Paper based cartons
- Glass bottles and jars. Pyrex and ceramics are not accepted.

Recycling materials placed in the bin should be clean and not contain food residue or waste or liquids. No other waste types should be put in the blue bin as this will contaminate the recycling. Further guidelines can be found on the council website at www.tewkesbury.gov.uk/bluebin

For Food Waste - 1 x 23 litre green lockable outdoor caddy and 1 x 7 litre indoor caddy

The following items can be put in the food waste caddy:

- meat and fish – raw and cooked, including bones
- all dairy products such as cheese
- raw and cooked vegetables and fruit
- bread, cake and pastries
- rice, pasta and beans
- leftover food from your plates and dishes
- tea bags and coffee grounds
- lards and fats
- paper towels

Residents should wrap or bag the food waste inside the caddy using newspaper, compostable or plastic carrier bags as this will help to keep the caddy clean.

For Garden Waste - 1 x 240 litre brown wheeled bin.

The council operates a chargeable garden waste collection service. If householders subscribe to the garden waste service a wheeled bin will be provided. Full terms and conditions of this service are detailed on the council website at www.tewkesbury.gov.uk/gardenwaste.

The following items can be put in the brown garden waste bin for composting:

- Grass cuttings
- Weeds, flowers, leaves and bark
- Hedge and shrub cuttings
- Tree stumps, twigs and branches up to 10cm in diameter
- Christmas trees cut into 3ft (90cm sections)

Bins should not contain food waste, dog waste, general waste, dry recyclables, bricks, rubble, oil, hazardous waste, or large quantities of soil.

Access and storage issues

Where residents consider that it is impractical to use the standard containers due to access or storage issues an alternative will be offered following assessment and approval from a council/joint waste team officer and a supervisor from the contractor. The assessment will primarily be based on health and safety or access grounds.

Residents living at properties that are unable to accommodate wheeled bins will be offered:

- a black bag collection service for general waste (resident supplies – maximum 3 bags to be presented on each collection)
- a blue bag collection service for recycling (rolls of 25 blue bags are provided – these are available for collection from various collection points including the council offices and parish and town council offices)
- a caddy for food waste recycling

Alternative options for flats and other multiple occupation buildings will include communal wheeled bins. The size of these bins will be dependent on capacity requirements. Separate bins will be provided for general refuse, recycling and food waste and residents are required to separate out their waste into the correct bins. A reusable bag, which can be collected from the council offices, will be offered to residents so they can store recyclables in their property.

Additional Bins

For those householders where there is a genuine need for additional waste and recycling bins due to large households or special circumstances the following criteria and charges apply:

- Where a household of five or more produces general waste which cannot be accommodated in one wheeled bin an additional 180ltr refuse bin will be offered, providing every effort to maximise recycling has been made. There is a charge for the bin which includes delivery.
- Where a member of a household has medical circumstances and produces general waste which will not fit into one bin an additional 180ltr refuse bin will be offered free of charge.

Residents are required to complete an application form for this service either by visiting the council's website or by contacting customer services.

Damaged/ Lost/ Stolen Containers

Any request to provide a new wheeled bin for refuse or recycling or food waste caddy due to damage should be made via the council's website or by contacting the council's customer services.

Wheeled bins damaged or accidentally tipped into the collection vehicle by the collection crews will be replaced free of charge. If a householder damages or loses a bin or it is stolen, there is a charge to replace a refuse bin. Food waste caddies and recycling wheeled bins will be provided free of charge. Replacement garden waste bins are free of charge but requests for replacements will be checked and authorised by reference to a valid subscription before an order is placed.

Replacement containers will be delivered as soon as possible after the request has been made. Replacement food waste caddies can be collected from the council offices.

Looking after your containers

Residents are responsible for the storage, safe keeping of the waste, recycling and food containers provided by the council and for maintaining their bins and caddies in a hygienic and serviceable condition.

Residents may personalise containers if they wish, provided it remains clear which collection it is for.

When residents move home they must leave all containers at the property ready for the new occupant to use, with the exception of the brown bin which can be taken with householders who move within the Borough. Reference should be made to the current terms and conditions for the garden waste collection service.

Frequency of Collection

The council will collect **food waste** (green caddy) on a **weekly** basis.

Household **refuse** (green bin) and **recycling** (blue bin or blue bags) will be collected on a **fortnightly** basis on alternate weeks.

Garden waste (brown bin) will be collected on a **fortnightly** basis but only if residents have paid to use this service.

During Bank Holiday weeks, collections will usually be a day late. For example, if the normal collection day is a Friday the collection will be made on a Saturday instead. The council may make exceptions to this rule, such as during the Christmas period. Where collection dates are changed householders will be notified. Collections will normally be made on Good Friday.

The council will communicate collection arrangements throughout the year and over bank holiday periods. Details of collection arrangements are available on the website at www.tewkesbury.gov.uk/calendar and may also be issued in other formats such as on calendars attached to bins.

How to Present Waste and Recycling for Collection

It is the householder's responsibility to place their waste and recycling containers or sacks at the edge of the property nearest to the highway (the curtilage - where the property meets the pavement) in a safe position or at the designated collection point by 7am on the day of collection.

Residents must put their containers out for collection no earlier than the evening before collection day and should ensure that the wheeled bin lids are closed to prevent items escaping and littering, control vermin and flies, and prevent items getting wet.

Once the bins have been emptied the crew will return them to a safe position where they were collected from.

At the earliest opportunity following collection the householder must return their bins to their property and not leave them on the pavement, highway or any other publically accessible area or right of way.

Where properties do not have pavements or a kerb adjoining their boundary, householders will be permitted to present their waste and recycling containers as close to the highway as possible, without causing a blockage or an obstruction. For properties that are located on private lanes or un-adopted roads residents are required to place their containers on the pavement or verge of the nearest public road to their property.

At properties that have communal bin stores such as flats, generally communal containers are moved to and from the storage area for collection by the collection crew but at some sites it may be the responsibility of the resident or caretaker. Residents are advised to refer to their tenancy agreement or management company. If security gates are present they must be left open to enable the collection crews to gain unrestricted access or a code or key must be provided for entry. At properties where there are communal bins, residents are responsible for ensuring that collection crews have clear and safe access to the containers. If there is no access, or unsafe access, the crew will be unable to collect and may not be able to return until the next scheduled collection. No side waste will be collected from communal areas.

Assisted Collections

An enhanced assisted collection service is available to residents who are unable to put out their waste and recycling due to ill health, infirmity or disability - and without other adults over the age of 16 in the household or neighbours who are able to assist. Residents receiving the assisted collection service will have their wheeled bins/sacks and caddy collected and returned to an agreed location on their property.

A simple application form must be completed in order to request the service and each case will be considered on its merits. Assisted collections are subject to the council being satisfied that service provision is warranted.

Each property will be risk assessed by the council's contractor for suitability for an assisted collection and the resident will be informed whether or not assisted collections are suitable and will take place. Decisions regarding special arrangements for collections will be at the discretion of the contractor and customer services.

Service provision will be subject to adequate access being available at all times on the day of collection. If the householder's circumstances change, the resident must inform the council as soon as possible.

Clinical Waste Services

Arrangements can be made for residents that require a collection of clinical waste. If the clinical waste is infectious, for example waste products from home administered haemodialysis, a special collection arrangement will be made to collect the waste in accordance with the quantity produced or the demand. The resident or the relevant hospital department should contact the council to organise the collections.

Residents who have offensive clinical waste such as peritoneal dialysis waste, incontinence pads, stoma bags and nappies can dispose of these materials within normal household refuse bins. This waste should be placed inside two bags (double bagged). If additional bins are required these will be provided under the additional bin criteria.

Sharps contained in appropriate sharps boxes should be taken one of the pharmacies across the borough that offers a take back service. A list of participating pharmacies can be found on the council's website.

Bulky Waste Collection Service

A chargeable collection services is offered to all domestic residents for bulky household waste items. Bulky household items include small and large electrical appliances, furniture such as sofas, mattresses, wardrobes, white goods such as fridges, washing machines and carpets and lino (must be rolled into less than 6ft lengths). Items which cannot be collected by the bulky waste collection service are: general refuse and green waste, building materials, kitchen units/sink tops, radiators / storage heaters, doors / windows, garage doors, bathroom suites and sheds/greenhouses.

Each booking permits the collection of up to three items. Residents who are in receipt of housing benefit, council tax reduction or Universal Credit receive a discounted rate of 50%.

Residents may order and pay for bulky waste collections using the council's website or via the customer services team where they will be provided with the cost of collection and can agree a collection date.

Booked-in bulky items must be presented outside the property on the agreed collection day by 7am and must not block or obstruct the public footpath or highway. A minimum of 24 hours notification is required to change the collection date. If items are not presented for collection on the agreed day, fees will not be refunded. Refunds are given if the collection is no longer needed and is cancelled 24 hours before the collection is due.

If the items that are no longer required are in good condition then it may be better to find another home for them rather than use the Bulky Waste Collection service. Charity Shops may take some items and the Furniture Recycling Project (FRP) also collects furniture and electrical items for reuse free of charge. Contact information for these organisations is on the council's website.

Recycling Bring Centres

Recycling bring centres are provided to enable residents to recycle more as a wider variety of materials than those collected in the blue bin can be recycled. Materials that can be recycled at these sites include textiles and shoes, batteries and lightbulbs, glass, plastic and cans, cartons, foil, paper and cardboard. Site specific information is held on the council website.

The recycling bring centres are provided for domestic recycling only. Residents should not leave items on top of or around the bring site containers as this will be treated as fly tipping.

Bring sites are inspected and emptied regularly to maintain sufficient capacity for each material. As with kerbside collection of recyclables, it is important to use bring site containers only to deposit the correct, clean materials.

Issues with Collections

Missed collections

From time to time genuine human errors by collection crews result in containers being missed for collection.

If the contractor misses a collection as a direct result of service failure they are required to return to the property to empty the bin within 5 working days of the bin being reported as missed.

Residents are required to report a missed collection within 48 hours of the collection day otherwise the contractor will not return until the next scheduled collection.

As there are separate vehicles collecting refuse, recycling, food waste and garden waste residents may have one collection earlier in the day than another so it is important to be sure that the crew has been to the area before reporting a missed collection.

On reporting a missed collection residents must be sure that they have adhered to the collection guidance:

- The bins are out on the correct collection day by 7am – collection days can be checked on the council website
- The bins are not contaminated or contain items that are not collected as part of the relevant service
- The bins are not too heavy to be tipped into the vehicle

If residents report a missed bin they are advised to leave the bin out on the edge of the property to be collected for up to 5 working days.

Refuse and recycling containers which are not collected due to obstructions such as road closures or parked cars will be logged by the crew and reported to customer services. Where possible, another attempt to collect will be made so residents are requested to leave the bins at the kerbside.

Non collection of bins or caddies

Information is given to residents so that they can participate in the services provided correctly. All waste must be presented in council approved containers to ensure it can be safely collected from the kerbside. Where residents do not follow the guidance given regarding collection requirements, the waste and/ or recycling will not be collected. A notice (sticker or bin hanger) will be left on the bin or bag explaining why the waste has not been collected and giving details of the customer services team should further advice be required.

The council will reject the collection of food waste, refuse, recycling and garden waste receptacles for the following reasons:

- Overloaded bins – too heavy to lift
- Not a council container
- Wrong containers presented - blue recycling bin presented on green refuse week or vice versa
- Contamination – wrong items in the bin or caddy

If householders do not present their waste or recyclables for collection in accordance with council requirements, they have the following options:

- Take the waste to a Household Waste Recycling Centre
- Remove the contamination and store the waste until the next collection day.

Disruption to Services due to poor weather/ road conditions

The Council will work with its contractor to minimise the disruption caused by inclement weather. The council may temporarily suspend services but will endeavour to arrange for collections to take place as soon as is safely possible to do so. All information on missed collections and plans to resume collections will be on the council's website, on social media pages and released to the press as soon as the information is available.

Excess Waste/ Side Waste

General Household Waste - The council will only collect waste contained in the council wheeled bin or for those properties that have been approved to use sacks – a maximum of 3 sacks per collection. Waste placed alongside or on top of the bins will not be collected as this extra waste does not support waste minimisation principles or encourage residents to maximise recycling.

Residents who are unable to contain their refuse within the waste bin are encouraged to recycle as much as possible. If they still have waste they cannot contain within their wheeled bin then the excess waste can be taken to their nearest Household Recycling Centre.

Recycling and Food Waste - The council encourages households to maximise the quantity of materials for recycling. Residents that have additional recyclables on a regular basis can request an additional recycling wheeled bin or food waste caddy free of charge. For those residents who have occasional additional recycling blue recycling sacks are available from the local pick up points including the council offices.

Garden waste - The council will not collect any side waste or waste placed on top of the bins with the exception of Christmas trees that do not fit inside the bin. Residents can have more than one garden waste bin but there is no discount for multiple bins.

Exceptions may apply during inclement weather and occasionally during the Christmas period, when instructions and advice will be provided by the council.

Complaints

We aim to deliver all our services correctly first time. However we know that sometimes things go wrong and when this happens, residents need to tell us so that we can take appropriate action. Residents should report problems to the council as soon as possible via the council's website or to customer services. We will respond to complaints in accordance with the council's formal complaint procedure.

Contact Details

Tewkesbury Borough Council
Public Services Centre
Gloucester Road
Tewkesbury
Gloucestershire
GL20 5TT

Customer Services: 01684 295010

Council website: www.tewkesbury.gov.uk

Report it, apply for it or pay for it: www.tewkesbury.gov.uk/do-it-online

Where fees or charges apply, these will be reviewed on an annual basis in accordance with the council's fees and charging strategy.

Agenda Item 13

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Agenda Item 14

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