

TEWKESBURY BOROUGH COUNCIL

**Minutes of a Meeting of the Executive Committee held at the Council Offices,
Gloucester Road, Tewkesbury on Wednesday, 6 February 2019 commencing at
2:00 pm**

Present:

Chair
Vice Chair

Councillor R A Bird
Councillor J R Mason

and Councillors:

K J Berry, G F Blackwell, M Dean, R Furolo, M A Gore, J Greening and E J MacTiernan

also present:

Councillor R E Allen

EX.66 ANNOUNCEMENTS

- 66.1 The evacuation procedure, as noted on the Agenda, was taken as read.
- 66.2 The Chair welcomed Councillor R E Allen to the meeting who was in attendance as an observer.

EX.67 DECLARATIONS OF INTEREST

- 67.1 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.
- 67.2 There were no declarations of interest made on this occasion.

EX.68 MINUTES

- 68.1 The Minutes of the meeting held on 16 January 2019, copies of which had been circulated, were approved as a correct record and signed by the Chair.

EX.69 ITEMS FROM MEMBERS OF THE PUBLIC

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

EX.70 EXECUTIVE COMMITTEE FORWARD PLAN

- 70.1 Attention was drawn to the Committee's Forward Plan, circulated at Pages No. 9-11. Members were asked to consider the Plan.
- 70.2 A Member questioned when the Spring Gardens/Oldbury Road item would be ready for consideration. In response, the Head of Finance and Asset Management explained that the team was currently targeting the July meetings of Executive Committee and Council.

70.3 Accordingly, it was

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

EX.71 FINANCIAL UPDATE - QUARTER THREE 2018/19

71.1 The report of the Head of Finance and Asset Management, circulated at Pages No. 12-21, provided the financial performance information for the third quarter of 2018/19 which Members were asked to consider.

71.2 The Head of Finance and Asset Management explained that the report highlighted a quarter three surplus of £664,478 on the revenue budget as well as detailing the expenditure to date against both the capital programme and approved reserves. The summary of the expenditure position for the Council, split out between the main expenditure types, was shown at Paragraph 2.2 of the report. The budget position in relation to the Heads of Service responsibility showed a budget surplus of £311,964 as at the end of December. The majority of the savings (£337,960) related to employee costs, mainly through staff vacancies. In addition, there were a range of smaller savings being made across the headings of 'premises' and 'transport and supplies' which were also contributing to the overall surplus reported. The surplus on income was £127,444 much of which was from Community Services, mainly in relation to the garden waste service which had seen income above target due to the changes made in respect of the new sticker system and the fixed renewal date of 1 April. There was also additional income shown in Corporate Services which related to grant income for the Benefits Team from central government which had not been budgeted for. The positive income position was being offset by planning application income which was below the expected target and, although a surplus had been returned in quarter three, there remained a deficit against the target. In terms of the corporate codes, these were generally doing well apart from the deficit noted on the 'corporate savings target' heading which related to the expected savings in employee costs throughout the year; however, given the surplus on the employees line, that had more than been met.

71.3 In respect of the deficits being reported, the most significant related to the Ubico contract which had a projected overspend of £230,887 – this was a significant increase from the £141,622 position which had been reported in quarter two. It was hoped the projected deficit would be smaller when the final position was reported. The reasons for the overspend were reported by Ubico as being increased employee costs of £89,818, mostly for the use of agency staff to cover increasing numbers of long-term sickness; and transport costs of £99,620 of which the majority related to the maintenance of the recycling and grounds maintenance equipment and vehicles with increased fuel costs across all service areas; and an overspend on tyres of £59,000. In addition, there was an increased cost associated with the grounds maintenance service as a result of the difficulties encountered at the start of the grass cutting season in 2018. The projected full-year overspend of £230,887 was being met by the surplus generated in other service areas and corporate activities, and Officers were working with Ubico to understand its accounting procedure and how overspends were approved etc.

71.4 Appendix B to the report set out the capital budget position and Appendix C showed the current usage of available reserves. In terms of capital, there was an underspend against the profiled budget the main reason for which was that the commercial property investment to date had been less than the profiled budget expectation. It was unlikely that it would be spent in the current financial year and so would be rolled over into 2019/20 as the Council continued to look for investment opportunities. In addition, the refurbishment of the Council Offices was

almost complete and was showing an overspend against the agreed budget. The overall costs had increased due to issues such as the discovery of asbestos but contributions from partners and revenue resources were being used to offset any additional cost. In addition, the allocation between revenue and capital resources would take place at year-end and would reduce the cost currently shown on the capital programme. Reserves were set aside from previous years to fund known future costs and the strategic planning of the authority's operation. Whilst the quarter three position showed a significant balance remained on reserves, the expectation was that the balances would be spent in future. The finance team had asked for updates from all departments about their plans to ensure earmarked reserves were either used for their intended purpose or released back to the general fund.

- 71.5 Members expressed particular concerns about the Ubico overspend and the responsibility it took for those. In response, the Head of Finance and Asset Management explained that the income from the garden waste service was kept separate from the Ubico contract but some/all of it could be used to offset the Ubico overspend if necessary. One of the elements that the finance team was looking at was Ubico's authorisation process for overspends and how they were managed. It was understood that some elements were out of Ubico's control i.e. the grass cutting issues at the start of 2018 and diesel prices; however, there was certainly a need to look at the elements that were within its control. He confirmed that each of the partner authorities within Ubico were billed in the same way and many were also reporting overspends. It was felt that Ubico needed to undertake its own authorisations in order that it could run its business efficiently and effectively; however, there were areas of the process which Tewkesbury Borough Council needed to be part of, such as agreeing overspends. Officers were currently establishing the facts in respect of the chain of decision-making as quarterly reports should certainly not come as a surprise to the Council. How faults were rectified would be dependent on their nature and this would be established through the investigatory process which was currently underway. Members were surprised to hear about an overspend on tyres and questioned how this could happen. In response, the Head of Finance and Asset Management explained that he was unaware of the reason for the overspend but it was likely to be damage to tyres. The Lead Member for Clean and Green Environment explained that this was not necessarily due to pot holes in the roads, or the state of the access road to the tip, it could be happening when the vehicles were driving over the actual site. When the vehicles were delivering to the energy from waste plant this issue should be much improved.
- 71.6 A Member advised that Brockworth Parish Council had recently asked Ubico to quote for some grass cutting work and had been surprised that it was not interested in the work. The Head of Finance and Asset Management undertook to investigate the reasons for that response as it would be disappointing if Ubico was not promoting commercialisation to the fullest extent.
- 71.7 Accordingly, it was

RESOLVED: That the financial performance information for the third quarter of 2018/19 be **NOTED**.

EX.72 BUDGET 2019/20

- 72.1 The report of the Head of Finance and Asset Management, circulated at Pages No. 22-36, set out the proposed budget for 2019/20. Members were asked to recommend the budget to Council for approval along with a Band D Council Tax of £119.36; the use of New Homes Bonus as proposed at Paragraph 3.5 of the report; and the capital programme as proposed in Appendix A to the report.
- 72.2 The Head of Finance and Asset Management advised that the Council had considered its financial position, as shown in the Medium Term Financial Strategy, at its meeting on 16 January 2019. That Strategy had outlined the budget pressures facing the Council currently, and in future years, and explained that the deficit over the next five years was estimated to be around £3.5 million with a gap of £691,000 suggested for 2019/20. The report currently before Members brought together the general information on the financial climate with the detailed figures associated with the 2019/20 budget, and the work undertaken by the Transform Working Group, and made a proposal for a balanced budget and resultant Council Tax. In setting the budget for 2019/20, the same level of service as in previous years had been assumed; however, future budget-setting may not find increased income and financing streams as plentiful, so it was likely that the Council would be faced with some tough decisions on its operation over forthcoming years, including reducing or stopping some services and taking further risks on its commercial activities.
- 72.3 A Member suggested that current vacancies in One Legal meant costs would have to increase in the next year to enable it to employ the staff necessary to cover additional income-earning work and she questioned how this would be addressed. In response, the Head of Finance and Asset Management explained that employees had seen a substantial underspend this year. One Legal would be asking for reserves from those underspends to offset savings it could not make due to vacancies and it was felt an equalisation reserve would need to be set up. It was agreed by Members that, whilst it was great to have savings in employee costs, the downside was a decrease in performance if there were not enough staff to deliver the services.
- 72.4 Accordingly, it was

RESOLVED:That it be **RECOMMENDED TO COUNCIL** that:

1. a net budget of £8,772,830 be **APPROVED**;
2. a Band D Council Tax of £119.36, an increase of £5.00 per annum, be **APPROVED**;
3. the use of New Homes Bonus, as proposed in Paragraph 3.5 of the report, be **AGREED**; and
4. the capital programme, as proposed in Appendix A to the report, be **AGREED**.

EX.73 COUNCIL TAX DISCOUNTS 2019/20

- 73.1 The report of the Head of Corporate Services, circulated at Pages No. 37-40, provided Members with an update on proposed Council Tax discounts effective from 1 April 2019 and sought approval for their recommendation to Council.
- 73.2 Members were advised that local Council Tax discounts should be reviewed on an annual basis to ensure they continued to meet the requirements of legislation; there were also financial implications as they impacted directly on the Council's

income from Council Tax. The current proposal was to leave the discounts at their existing level for 2019/20 but with the intention to review them early in 2019/20, alongside the Council Tax Reduction Scheme, and bring forward proposals on all. In respect of empty homes, there were currently 43 properties within the Borough that had been unoccupied and unfurnished for over two years and those were currently subject to a 50% long-term empty homes premium. The government had introduced the Rating (Property in Common Occupation) and Council Tax Empty Dwellings Act 2018 on 1 November 2018 which allowed billing authorities, from 1 April 2019, to apply a premium of up to an additional 100% of the Council Tax due where a dwelling had been empty for at least two years; from 1 April 2020, to apply a premium of up to an additional 200% of the Council Tax due where the dwelling had been empty for five years and over; and, from 1 April 2021, to apply a premium of an additional 300% where the dwelling had been empty for 10 years and over. As the current long-term empty properties premium had only been in place since 1 April 2018, it was recommended that the same level of premium continue for 2019/20 and that the amount levied in the future be reviewed as part of the general review of discounts prior to the 2020/21 budget-setting process.

- 73.3 A Member expressed the view that the empty property surcharge should be amended in line with the amount allowed by the government. Other Members agreed with that view considering that, not only would it be revenue to the Council, but would also encourage empty properties back into use. Alternative views expressed indicated that any amendments to the scheme should be made via the Transform Working Group following thorough consideration. Another Member questioned whether there also needed to be consideration given to implementing a premium for second homes. In response, the Revenues and Benefits Manager explained that, to be a second home, the house had to be furnished and the new rules only provided the ability to charge the premium for unfurnished properties. During the discussion which ensued, it was understood that there were different reasons for properties remaining empty and unfurnished some of which were outside of the owner's control; however, there was a housing shortage which could be partially addressed by bringing empty properties back into use. There was some concern expressed that research needed to be undertaken to understand the reasons for the properties being empty; whether it was likely they would be brought back into use; and to give owners an appropriate amount of notice about the Council Tax increase. In terms of the number of empty properties that were awaiting the finalisation of probate, the Revenues and Benefits Manager indicated that she could advise Members of that information following the meeting.
- 73.4 It was proposed and seconded that an empty homes premium of an additional 100% be levied on properties that remained unoccupied and substantially unfurnished for more than two years. Upon being put to the vote the amendment was carried and, accordingly, it was

RESOLVED:

That it be **RECOMMENDED TO COUNCIL** that the following discounts be effective from 1 April 2019:

- the Council Tax discount for unoccupied furnished properties (second homes) is zero;
- the discount for unoccupied and substantially unfurnished properties is 100% for a period of one month then 25% for the following five months;
- the discount for dwellings which are vacant and undergoing major repair work to render them habitable will be 25% for a maximum period of 12 months; and

- an empty homes premium of an additional 100% is levied on properties that have remained unoccupied and substantially unfurnished for more than two years.

EX.74 COUNCIL TAX DISCOUNT FOR CARE LEAVERS

- 74.1 The report of the Head of Corporate Services, circulated at Pages No. 41-48, proposed that a class be determined for Gloucestershire care leavers between the ages of 18 and 21 years who were residing in the Tewkesbury Borough Council area; recommended the adoption of the Council Tax Discount Scheme for Care Leavers to be effective from 1 April 2019; and delegated authority to the Head of Corporate Services to apply the discount for care leavers, with any dispute being subject to an internal reconsideration by the Deputy Chief Executive.
- 74.2 Members were advised that Section 13A of the Local Government Finance Act 1992 gave the Council discretionary powers to reduce the amount of Council Tax payable for individual cases, or by class, and that included reduction of the amount payable to zero. In addition, the government had made recommendations within its Care Leavers' Strategy that local authorities should consider exempting care leavers from Council Tax using those discretionary powers. Care leavers were considered to be a particularly vulnerable group for Council Tax debt as moving to independent accommodation and managing finances for the first time was challenging. To that end, the six District Councils and Gloucestershire County Council had been working together to provide a common Council Tax Discount Scheme for Care Leavers which provided a consistent approach across the County.
- 74.3 It was noted that any discount awarded using the discretionary power must be funded by the billing authority; however, with the agreement of the County Council, it would fund its share of the cost of any care leaver discounts awarded. The latest information suggested there were eight care leavers who would be eligible for the discount and the proposal was that the discount for care leavers should be 100% where they lived alone and 50% where they lived with others. In response to a query, the Revenues and Benefits Manager explained that, where the care leaver was 'living with others', the scenario envisaged was a house share rather than a family environment. Another Member questioned why Tewkesbury Borough Council would be picking up the bill for Parishes and the Police. In response, the Chief Executive confirmed that the statutory duty to put together a package for care leavers lay with the billing authority. In addition, the amount it would cost would be minimal, and difficult to reclaim from the Parishes and Police, but it could make a big difference to the care leaver.
- 74.4 Accordingly, it was

RESOLVED:

1. That a class be determined for Gloucestershire care leavers between the ages of 18 and 21 for the purposes of Section 13A(1)(c) of the Local Government Finance Act 1992.
2. That it be **RECOMMENDED TO COUNCIL** that the Council Tax Discount Scheme for Care Leavers be **ADOPTED** effective from 1 April 2019.
3. That authority be delegated to the Head of Corporate Services to apply the discount for care leavers, with any dispute being subject to an internal reconsideration by the Deputy Chief Executive.

EX.75 DEERHURST NEIGHBOURHOOD PLAN DESIGNATION AND SCHEME OF DELEGATION

- 75.1 The report of the Planning Policy Officer, circulated at Pages No. 49-60, set out an application from Deerhurst Parish Council for the designation of a new neighbourhood area and also sought approval to amend the Council's Scheme of Delegation so that future neighbourhood area designations could be delegated to the Head of Development Services for approval subject to them following their Parish Council boundary.
- 75.2 The Head of Development Services advised that the application from Deerhurst Parish Council had been assessed and found to be valid and, accordingly, the Council had an obligation to designate it as a neighbourhood area so that it could commence its neighbourhood plan. This obligation had been introduced with the amended regulations of the Neighbourhood Planning (General) and Development Management Procedure (Amendment) Regulation 2016. This now meant the Council had to determine neighbourhood area applications within 13 weeks and, where they related to an entire Parish or area, had a default duty to designate. It was for these reasons that a delegation was sought to speed up the Council's process.
- 75.3 Having considered the information provided, it was

RESOLVED:

1. That a neighbourhood area covering the Parish of Deerhurst be **APPROVED** for designation.
2. That the Scheme of Delegation be amended to delegate authority to the Head of Development Services to approve the designation of neighbourhood areas where a relevant body proposes a neighbourhood area that follows their Parish Council boundary meeting the requirements of Regulation 5A of Statutory Instrument 2012/637 (The Neighbourhood Planning (General) Regulation 2012).

EX.76 TEWKESBURY MOP FAIR OPENING TIME - VARIATION TO AGREEMENT

- 76.1 The report of the Community and Economic Development Manager, circulated at Pages No. 61-63, requested that the arrangement to open the Mop Fair at an earlier time of 4pm be made permanent by a formal variation of the licence between the fair operator and the Borough Council.
- 76.2 The Head of Development Services explained that, in 2018, the Fair Operator had requested that the Mop Fair open at 4pm instead of the usual time of 6pm. Temporary arrangements had been made to allow this to happen for one year so that the change could be assessed. Following that arrangement, the Fair Operator had requested it to be formalised and made permanent through a formal variation of the licence. It was therefore recommended that this be agreed, subject to the annual approval of the emergency services.

76.3 Accordingly, it was

RESOLVED: That, subject to the annual approval of the emergency services, a variation to the current licence agreement be **APPROVED** to facilitate a 4pm opening of the Mop Fair with effect from 2019.

The meeting closed at 3:15 pm