

TEWKESBURY BOROUGH COUNCIL

**Minutes of a Meeting of the Executive Committee held at the Council Offices,
Gloucester Road, Tewkesbury on Wednesday, 1 February 2017 commencing at
2:00 pm**

Present:

Chair
Vice Chair

Councillor R J E Vines
Councillor D J Waters

and Councillors:

R E Allen, Mrs K J Berry, R A Bird, D M M Davies, M Dean, Mrs E J MacTiernan and J R Mason

also present:

Councillor Mrs G F Blackwell

EX.73 ANNOUNCEMENTS

- 73.1 The evacuation procedure, as set out on the Agenda, was taken as read.
- 73.2 The Chair welcomed Councillor Mrs Gill Blackwell to the meeting. Councillor Blackwell was in attendance as Vice-Chair of the Overview and Scrutiny Committee for Agenda Item 7 – Performance Management Report – Quarter Two 2016/17.

EX.74 DECLARATIONS OF INTEREST

- 74.1 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.
- 74.2 There were no declarations of interest made on this occasion.

EX.75 MINUTES

- 75.1 The Minutes of the meeting held on 23 November 2016, copies of which had been circulated, were approved as a correct record and signed by the Chair.

EX.76 ITEMS FROM MEMBERS OF THE PUBLIC

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

EX.77 EXECUTIVE COMMITTEE FORWARD PLAN

- 77.1 Attention was drawn to the Committee's Forward Plan, circulated at Pages No. 13-16. Members were asked to consider the Plan.
- 77.2 It was noted that an amendment needed to be made to show that the Lead Officer for the item entitled 'Joint Core Strategy Strategic Allocation Sites: Allocation of Affordable Housing' was Paula Baker not Paul Baker.
- 77.3 Accordingly, it was

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

EX.78 PERFORMANCE MANAGEMENT REPORT - QUARTER TWO 2016/17

- 78.1 The report of the Head of Corporate Services, circulated at Pages No. 17-50, asked Members to review and, if appropriate, take action on the observations of the Overview and Scrutiny Committee following its review of the 2016/17 quarter two performance management information.
- 78.2 Attention was drawn to the observations made by the Overview and Scrutiny Committee, attached to the report at Appendix 1, and to the Council Plan Performance Tracker, attached at Appendix 2 to the report.
- 78.3 In the absence of the Chair, the Overview and Scrutiny Committee Vice-Chair explained that this was the Committee's second review of the new Council Plan. At the request of the Committee, and to make the tracker more robust, target implementation dates for each action had now been added which should enable more effective scrutiny going forward. The contents of the Officer report had been noted by the Committee, including the progression of significant activities since the last quarter - those included a commercial property investment; the demolition of Cascades; a successful bid to the Local Enterprise Partnership (LEP) to host a Growth Hub; the implementation of the new website; and the achievement of milestones in relation to the procurement of a new vehicle fleet. At the meeting specific questioning around the Council Plan actions had included the perceived lack of progress in respect of the regeneration of Spring Gardens and whether the Spring Gardens and Oldbury Road Regeneration Member Reference Panel needed to be convened to discuss alternatives; whether more resources needed to be put into enviro-crimes given the number of reported incidents and the need to tackle those issues; and whether assurance could be given that, as the Public Service Centre expanded, there would be adequate car parking provision. Members had been advised that the Spring Gardens and Oldbury Road Regeneration Member Reference Panel would meet in the New Year and would be provided with an overview of the current situation – Members felt it would be important to remember that whatever was put into place would be there for a long time so it was essential that it was right. In terms of enviro-crimes, the Vice-Chair offered assurance that this continued to be monitored by the Overview and Scrutiny Committee and that it would be receiving a monitoring report at its meeting on 7 February which would provide progress on the appointment of an Environmental Warden and discuss the opportunities to review the Council's approach to enviro-crimes once the new management structure was in place. In terms of car parking provision at the Public Services Centre, the Head of Finance and Asset Management had advised Overview and Scrutiny Committee Members that this was within the scope of the project through proposed improvements to the Lower Lode Depot. The Overview and Scrutiny Committee had also noted the issues around the Joint Core Strategy and the knock on effects to other projects such as the Borough Plan but it was recognised that these were subject to

consideration by the wider Membership. With regards to key performance indicators, the Committee had noted that there had been a significant improvement in the processing of major planning applications since quarter one and it was expected that the target of 80% would be achieved; there had been improved performance of processing of minor and other planning applications compared with 2015/16, although the 90% target for minor applications remained a challenge; there had been a significant improvement in the number of days of sickness absence since quarter one as a result of a reduction in long term sickness; and, with regards to recycling, the outlook remained positive.

- 78.4 During the discussion which ensued, a Member referred to Page No. 22 of the report and asked that Members be provided with a breakdown of the active applications on the housing register so that they could see whether there was a problem or whether the figures were over exaggerated in the way they were presented. She questioned how quickly the gold level and emergency applicants were moving along the list; how many had been on the register for a long time just because they wanted to move rather than actually being in real need of moving; and the number of people on the register at each level. In response, the Head of Corporate Services advised that this information could be provided going forward as he was in the midst of compiling the quarter three data and so would be able to incorporate that information. Referring to Page No. 44 of the report, the Member questioned why the information in respect of the total number of people within the Borough who were assisted by the Citizens' Advice Bureau was broken down in the way it was. She advised that she would prefer to see the figures for the whole of Churchdown and the whole of Bishop's Cleeve rather than just one Ward of each. In response, the Head of Corporate Services advised that he would see if such a split could be provided.
- 78.5 In terms of the processing rates in the planning service, a Member expressed the view that one of the biggest problems occurred when the Council was slow to react in respect of large applications. In response, the Deputy Chief Executive advised that it did not matter whether the application was for a conservatory or a large multi-national organisation, the key was communication. It was essential that applicants were kept informed at all levels and stages. He felt there was a need in general for a performance management culture in planning services and he was keen that this was introduced as an integral part of any review. A Member indicated that there had been huge resource issues in the planning department but, as this was now being addressed, it seemed like the right time to look at furthering the improvements already being made.
- 78.6 The Executive Committee Chair thanked the Overview and Scrutiny Committee for its work and, accordingly, it was

RESOLVED: That the Overview and Scrutiny Committee's comments on the Performance Management Report for Quarter Two of 2016/17 be **NOTED**.

EX.79 BUDGET 2017/18

- 79.1 The report of the Head of Finance and Asset Management, circulated at Pages No. 51-83, set out a proposed budget for 2017/18 which Members were asked to recommend to the Council for approval along with a proposed Band D Council Tax of £109.36; the use of New Homes Bonus as proposed in Paragraph 3.8 of the report; the Capital Programme, as proposed in Appendix A to the report; capital prudential indicators, as proposed in Appendix B to the report; the annual Minimum Revenue Provision statement, as contained in Appendix B to the report; and the 2017/18 Treasury Management Strategy as set out in Appendix C to the report.
- 79.2 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 6 December 2016 and that Strategy outlined the budget pressures facing the Council, both now and in future years. The deficit over the five years of the Medium Term Financial Strategy was estimated to be in the order of £3.3 million with a gap, in 2017/18, of approximately £2,050,000. Since the Medium Term Financial Strategy had been produced, the Chancellor had given his autumn statement, the Council had been accepted for a four year funding deal from the government and the details of the provisional local government settlement for 2017/18 had been received.
- 79.3 The report currently before Members brought together general information on the financial climate with the detailed figures associated with the 2017/18 budget and the work undertaken by the Transform Working Group and made a proposal for a balanced budget and resultant Council Tax. Members were advised that Section 25 of the Local Government Act 2003 required that the Chief Financial Officer make a statement to the Council on the robustness of the estimates, and adequacy of financial reserves, and that statement was set out within the report at Paragraph 10. The Council had a statutory obligation to have regard to that when making its decision on the proposed budget. In setting the budget for 2017/18, the Head of Finance and Asset Management explained that the Council had continued to provide the same level of service as in previous years and, in many areas, to provide an enhanced service with much of the deficit being met through increased income and financing streams, restructure of management and services, increased commercial activity and increased Council Tax. It was felt that future budget setting may not find those areas as plentiful and Members and Officers would be faced with tough decisions on the operation of the Council including reducing or stopping some services and taking further risks in its commercial activities. Members were reminded that, at a recent meeting of the Transform Working Group, it had been suggested that £50,000 be taken away from community grants and instead be put into an IT and property management reserve; this amendment had been made in the current report and this was also drawn to Members' attention.
- 79.4 Referring to business rates retention, the Head of Finance and Asset Management explained that the last two financial years had seen the Council in a safety net position as a result of the scheme. This meant that no income had been retained by the Council and that losses had been made. As a result of the position in respect of appeals etc., Tewkesbury had withdrawn from the Gloucestershire pool for the start of 2016/17 and would continue to operate independently for 2017/18; in that circumstance the safety net position was financed by central government rather than the Gloucestershire pool. In respect of New Homes Bonus funding, as had been expected, the government had decided to reduce the number of years for which the bonus was paid from the current six year allocation down to four years. That transition would happen over two years with a five year allocation being paid in 2017/18 and the four year allocation being paid in 2018/19. However, what had not been expected was the introduction of a growth baseline below which

no New Homes Bonus would be paid. Having consulted on introducing a 0.25% baseline, and with 80% of respondents against the proposal, the government had introduced a baseline of 0.4% from 2017/18. All growth below that baseline, which was measured against the number of properties on the current tax base, would be ignored for calculating New Homes Bonus payments; for Tewkesbury this had resulted in 151 properties being disregarded and a reduction in the Council's payment by over £180,000 for the next year. The revised projection of New Homes Bonus payments was included at Table 2 on Page No. 55 of the report. As with the current year, the government had set an excessive Council Tax threshold which meant that increases above £5 or 2% for District Councils would trigger a local referendum. The thresholds set for upper tier authorities included a standard Council Tax increase of 2% but also the ability to raise a social care levy of up to 3%. Whilst the government had consulted on the introduction of thresholds for Town and Parish Councils, it had decided to refrain from introducing them for the next financial year. Given the reductions in core funding, New Homes Bonus and retained business rates, as well as the investment needed in service areas due to the expansion of the Borough, it was necessary to recommend that the Council increased its Band D Tax by £5 per year which would bring the total Council Tax to £109.36 for 2017/18. However, in proposing that increase, the Council would retain its position within the lowest charging authorities thereby honouring its commitment to maintain a low Council Tax. The impact of the proposals was shown on Table 3, Page No. 58, of the report. The base estimates for the Council in 2017/18 had been compiled and were shown at Table 5 of the report.

79.5 In terms of risks, the Head of Finance and Asset Management explained that the Council's budget was prepared using best estimates for the level and timing of expenditure, budget and efficiency savings and available resources. However, a number of uncertainties existed which could have an impact on the budget of the Council including the fact that the government support settlement was only provisional and therefore could be subject to change; the fact that further changes to New Homes Bonus funding could not be ruled out; the review of the business rates scheme and the detail of the 100% retained rates scheme being unknown; the fact that interest rates remained at a historically low level; the roll out of universal credit; the savings plan targets being met; the possibility of a salary award being agreed which was higher than the assumed 1%; and income assumptions being correct. The current capital programme was attached the report at Appendix A and covered estimates of expenditure in the current year along with forward forecasts of the next four years; the Treasury Management Strategy, attached to the report at Appendix C, set the framework in which day-to-day and strategic treasury activities were operated; and the Minimum Revenue Provision Statement for the 2017/18 financial year was set out at Appendix B. 2017/18 would be the first year where charges would be necessary following the purchase of a commercial property in Tewkesbury which had been funded by prudential borrowing.

79.6 Having considered the report, and information provided, it was

RESOLVED:

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

1. a net budget of £9,913,693 be **APPROVED**;
2. a Band D Council Tax of £109.36, an increase of £5.00 per annum, be **APPROVED**;
3. the use of New Homes Bonus, as proposed in Paragraph 3.8 of the report, be **APPROVED**;
4. the Capital Programme, as proposed in Appendix A to the report, be **APPROVED**;

5. the Capital Prudential Indicators, as proposed in Appendix B to the report, be **APPROVED**;
6. the annual Minimum Revenue Provision (MRP) statement, as contained in Appendix B to the report, be **APPROVED**; and
7. the 2017/18 Treasury Management Strategy, as proposed in Appendix C to the report, be **APPROVED**.

EX.80 FINANCIAL UPDATE - QUARTER 3 2016/17

- 80.1 The report of the Head of Finance and Asset Management, circulated at Pages No. 84-92, provided monitoring information of the Council's financial performance for the third quarter of the 2016/17 financial year. Members were asked to scrutinise the information provided.
- 80.2 The Head of Finance and Asset Management explained that Paragraph 2 of the report detailed the third quarter position which showed a deficit of £163,749 against the profiled budget. The main areas of underspend related to employees, housing benefit payments and increased income including licensing and recycling credits. The overspends were on supplies and services and payments to third parties. A recent investigation in respect of the building control service had resulted in a £30,000 refund so this would help the quarter four position. Appendix 1 to the report showed a summary of the position for each Head of Service and set out the current variances against their budget; where the main types of expenditure headings had a variance of over £10,000 a short explanation for the variance had been provided. Although the Head of Service position was underspent, the budget report also recognised the need to achieve savings from the base budget in terms of salaries and procurement savings. Those savings targets were currently held on the corporate budget codes on the ledger and no savings were recognised against those plans as they accumulated through the year within the service groupings. The corporate ledger also detailed the retained income from the business rates scheme which was showing a deficit of £365,000 and would put the Council in the safety net position for another year. Taking into account the deficits on the corporate accounts, the overall position of the Council at the end of quarter three was a deficit of £163,749; if that position did not improve before the end of the financial year, the Council would have to use its reserves to cover that deficit. The management team had been briefed on the financial position and was seeking to limit expenditure in the final quarter of the year to reduce the deficit. Appendix 2 showed the capital position as at quarter three which detailed a significant underspend against the profiled budget and Appendix 3 provided a summary of the current use of available reserves.
- 80.3 In respect of the Ubico deficit, a Member indicated that one of the reasons the Council had joined Ubico was the promise of savings. The Joint Waste Committee had indicated that there were financial savings to be gained and he questioned whether these were being delivered in reality. In response, the Head of Finance and Asset Management explained that the overspend this year related to the additional capacity which had been required to meet the growth in the Borough so this would have needed to be addressed regardless of whether or not the Council had joined Ubico. Currently the partners were operating as individual services within Ubico as there had not been an opportunity to bring the services together as had originally been envisaged but that work was likely to be undertaken within the next phase. It was considered that the position reported was no worse than if the Council had not joined Ubico which was of some comfort. The Head of Finance and Asset Management indicated that it should be borne in mind that, when the Council's waste service had initially been handed over to Ubico, it had been a very

low cost service which made it difficult to make vast savings. The Chief Executive explained that, before the Council had agreed to join Ubico, six options had been considered and each of them had shown increased costs; joining Ubico had been the best option. In the time it had been in existence, Ubico had grown rapidly and this was good in terms of economies of scale but there had not been time to shape the company to align with the growth seen; a new Managing Director had recently been appointed and one of his tasks would be to look at the way Ubico had grown and how this could be properly managed. The Chief Executive felt that, once the new Managing Director had settled into his position, it would be a good idea to organise a seminar for all Members which would provide information on how Ubico ran, how its performance was monitored and what Members should expect from it etc. He was of the view that it was important to also focus on things that had gone well such as the growth of the business and its potential to earn money. In response to a Member's query as to whether it would be possible to provide a comparison of where the waste service was now against where it would have been if it had not joined Ubico, the Chief Executive did not feel that this would be possible to do accurately. In terms of the other authorities that had joined Ubico, the Head of Finance and Asset Management indicated that, as far as he was aware, most were reporting overspends for different reasons.

80.4 In terms of a personal experience, a Member indicated that the hedges in his area had been cut by Ubico recently and it had been done really well. He also felt the litter pickers were concentrating more on the area which had made a huge difference. The Chief Executive welcomed this feedback; he understood that Members had concerns about the service and felt it was right to monitor it closely but, as long as the contractual agreement remained in place, Ubico would continue to provide the service that the Council specified.

80.5 Accordingly, it was

RESOLVED: That the financial performance information for the third quarter of 2016/17 be **NOTED**.

EX.81 SEPARATE BUSINESS

81.1 The Chair proposed, and it was

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

EX.82 SEPARATE MINUTES

82.1 The separate Minutes of the meeting held on 23 November 2016, copies of which had been circulated, were approved as a correct record and signed by the Chair.

EX.83 REVENUES AND BENEFITS SECTION REVIEW AND RESTRUCTURE

(Exempt – Paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972 – Information relating to any individual)

83.1 The Committee noted the outcome of the service review which had been undertaken and recommended that Council approve the new staffing structure proposed for the Revenues and Benefits section.

EX.84 PUBLIC SERVICES CENTRE REFURBISHMENT - PHASE 2

(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))

- 84.1 The Committee considered the proposals for the second phase of the refurbishment of the Public Services Centre and made a recommendation to Council thereon.

The meeting closed at 3:40 pm