

17 November 2015

<b>Committee</b>	Executive
<b>Date</b>	Wednesday, 25 November 2015
<b>Time of Meeting</b>	2:00 pm
<b>Venue</b>	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 (staff should proceed to their usual assembly point). 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)
<b>3.</b>	<b>DECLARATIONS OF INTEREST</b>	
	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.	
<b>4.</b>	<b>MINUTES</b>	1 - 8
	To approve the Minutes of the meeting held on 14 October 2015.	
<b>5.</b>	<b>ITEMS FROM MEMBERS OF THE PUBLIC</b>	
	To receive any questions, deputations or petitions submitted under Rule of Procedure 12.	
	<i>(The deadline for public participation submissions for this meeting is 19 November 2015)</i>	
<b>6.</b>	<b>EXECUTIVE COMMITTEE FORWARD PLAN</b>	9 - 11
	To consider the Committee's Forward Plan.	
<b>7.</b>	<b>MEDIUM TERM FINANCIAL STRATEGY 2016/17 - 2020/21</b>	12 - 36
	To recommend to Council the adoption of the Medium Term Financial Strategy 2016/17 – 2020/21	
<b>8.</b>	<b>ASSET STRATEGY</b>	37 - 61
	To adopt an updated and comprehensive Asset Strategy covering the next 4 years and the Council's entire asset portfolio	
<b>9.</b>	<b>VOLUNTEERING POLICY FOR EMPLOYEES OF TEWKESBURY BOROUGH COUNCIL</b>	62 - 80
	That the Volunteering Policy for Employees at Tewkesbury Borough Council be approved with effect from 1 December 2015	
<b>10.</b>	<b>TRANSFER OF PUBLIC OPEN SPACE LAND OFF STARLING ROAD TO WHEATPIECES PARISH COUNCIL</b>	81 - 85
	To consider the transfer of public open space to Wheatpieces Parish Council	
<b>11.</b>	<b>JOINT CORE STRATEGY UPDATE</b>	86 - 96
	To receive an update on the Joint Core Strategy	

**DATE OF NEXT MEETING****WEDNESDAY, 13 JANUARY 2016****COUNCILLORS CONSTITUTING COMMITTEE**

Councillors: R E Allen, Mrs K J Berry, R A Bird, D M M Davies, M Dean, Mrs E J MacTiernan, J R Mason, R J E Vines (Chairman) and D J Waters (Vice-Chairman)

**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, 14 October 2015 commencing at  
2:00 pm**

**Present:**

Chairman  
Vice Chairman

Councillor R J E Vines  
Councillor D J Waters

**and Councillors:**

R E Allen, Mrs K J Berry, R A Bird, Mrs G F Blackwell (Substitute for D M M Davies), M Dean,  
Mrs E J MacTiernan and J R Mason

**also present:**

Councillors P W Awford and Mrs J Greening

**EX.36 ANNOUNCEMENTS**

- 36.1 The evacuation procedure, as noted on the Agenda, was advised to those present.
- 36.2 The Chairman welcomed Councillors P W Awford and Mrs J Greening to the meeting. Councillor Greening was attending as an observer and Councillor Awford was in attendance, as Chairman of the Overview and Scrutiny Committee, to introduce Agenda Item 7, Performance Management Report – Quarter One 2015/16.

**EX.37 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

- 37.1 An apology for absence had been received from Councillor D M M Davies. Councillor Mrs G F Blackwell would be acting as a substitute for the meeting.

**EX.38 DECLARATIONS OF INTEREST**

- 38.1 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.
- 38.2 There were no declarations of interest made on this occasion.

**EX.39 MINUTES**

- 39.1 The Minutes of the meeting held on 2 September 2015, copies of which had been circulated, were approved as a correct record and signed by the Chairman.

**EX.40 ITEMS FROM MEMBERS OF THE PUBLIC**

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

**EX.41 EXECUTIVE COMMITTEE FORWARD PLAN**

- 41.1 Attention was drawn to the Committee's Forward Plan, circulated at Pages No. 10-13. Members were asked to consider the Plan.
- 41.2 Accordingly, it was

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

**EX.42 PERFORMANCE MANAGEMENT REPORT - QUARTER ONE 2015/16**

- 42.1 The report of the Chairman of the Overview and Scrutiny Committee, circulated at Pages No. 14-70, asked Members to review and, if appropriate, take action against the observations of the Overview and Scrutiny Committee following its review of the 2015/16 quarter one performance management information.
- 42.2 The Chairman of the Overview and Scrutiny Committee explained that, from a Chairman's perspective, he felt the report was balanced and gave a fair reflection in terms of delivery of the actions. Given the transparency of the Overview and Scrutiny Committee's report, questions from Members had been limited with the main concern in relation to customer service and the fact that, on occasions, it was difficult for Members to contact certain Officers with calls going to voicemail. The Corporate Services Group Manager had responded that everything the Council did was about good customer service and he would champion that with services where expectations were not always met. A Customer Services Strategy, which incorporated corporate customer service standards, was currently being looked at. In respect of the key performance indicators, it had been explained that a clearer picture would emerge within the quarter two data but currently the areas of interest included: the significant improvement in the average number of sick days compared to the previous year; the improvement in the average time taken to process benefit applications; the number of reported enviro-crimes which looked like they would be on the same level as the previous year; and the increase of overall crime which was shown to be 8.44% in the 12 month rolling total as at July 2015. In terms of the crime figures, the Overview and Scrutiny Committee Chairman indicated that this should be balanced by the fact that, overall, crime in Tewkesbury Borough was low. At the same meeting, the Committee had received an interesting presentation from Chief Inspector Goga who had explained the new Police operating structure and was confident that the figure would reduce as a result; although this view had not necessarily been shared by the Council's representative on the Gloucestershire Police and Crime Panel. The financial summary review had been noted except for a general question around the planning obligation reserve.
- 42.3 The Executive Committee Chairman thanked Councillor Awford for his update and, with there being no further questions from the Committee, it was

**RESOLVED:** That the Overview and Scrutiny Committee's comments on the Performance Management Report for Quarter One of 2015/16 be **NOTED**.

**EX.43 PROSECUTION POLICY FOR THE COUNCIL TAX REDUCTION SCHEME**

- 43.1 The report of the Revenues and Benefits Group Manager, circulated at Pages No. 71-86, set out the current position regarding the Prosecution Policy for the Council Tax Reduction Scheme. Members were asked to adopt the revised Prosecution Policy as attached to the report at Appendix 2.
- 43.2 The Committee was advised that the Borough Council was no longer required to investigate and prosecute Housing Benefit and Council Tax Benefit fraud; those functions were now being carried out by the Single Fraud Investigation Service and the Crown Prosecution Service. The Borough Council did, however, still have a responsibility to investigate Council Tax Reduction Scheme fraud, which was the replacement for Council Tax Benefit and, where appropriate, to prosecute. This meant that there was a need to revisit the existing Prosecution Policy to make the appropriate changes. The Council's Audit Committee had met on 30 September 2015 to review those changes and had subsequently recommended a revised Policy to the Executive Committee for adoption.
- 43.3 Referring to Paragraph 2.2 of the report, the Revenues and Benefits Group Manager explained that the main changes would remove any reference made to Housing Benefit and Council Tax Benefit and replace them with the wording 'Council Tax Reduction Scheme'; include Council Tax Reduction Scheme offences, which were similar to those for Housing Benefit and Council Tax Benefit fraud; change the title of the Revenues and Benefits Manager to read 'Revenues and Benefits Group Manager'; make changes to the section covering administrative penalties to reflect the Council Tax reduction penalty requirements and delete the section on collection of the penalty – both done via the most appropriate method; and include a section on other penalties where the Borough Council could impose a penalty of £70.00 – this was for cases where it was determined that fraud had not been committed and the person had either been negligent in making an incorrect statement, or had no reasonable excuse in failing to notify the Borough Council of a change in circumstances.
- 43.4 A Member indicated that this was a very interesting report and he questioned what the Single Fraud Investigation Service was, where it was based and whether the Council had a duty to notify it of fraud that it believed was happening. In response, the Revenues and Benefits Group Manager explained that currently the Service was based in Gloucestershire but could work from anywhere in the Country. The Single Fraud Investigation Service had taken over social security and tax benefit frauds. The Council was obliged to notify the Service whenever it believed fraud had been committed which meant it was still undertaking a lot of work on identifying fraud, even though the Single Fraud Investigation Service had taken over the responsibility for investigating it, therefore it would retain its Fraud Investigation Officer. In terms of the penalty of £70.00, a Member questioned how the Council would define 'negligent' and 'reasonable' and whether there was an appeals process when someone was found to have been negligent in making an incorrect statement or had no reasonable excuse in failing to notify the Council of a change in circumstances. In response, the Benefits and Revenues Group Manager explained that the Benefits Team was extremely careful when considering whether to impose a penalty. It certainly was not a blanket policy and each case would be considered on its merits; the Council would not normally prosecute except in extreme circumstances. There was a right of appeal and this was explained throughout the process; people that appealed could go all the way to a tribunal which offered a good checking process on the Council's powers. The caution used in these circumstances was not the same as a Police caution but was a specific one used for benefit purposes. The caution was administered by the Council and had previously been notified to the Police but the Group Manager understood that

this was no longer a requirement. A Member indicated that she thought cautions for benefit fraud were also included in the declaration that people had to make when applying for a Taxi Licence through the Licensing Policy. In response, the Revenues and Benefits Group Manager indicated that he would look into this issue; although he thought that this did not apply in the same way that it used to since the requirement to advise the Police of the cautions had been removed. In terms of cautions, Members were advised that, when it was given, it was explained that it went against a person's record in terms of benefits; the Government was potentially considering introducing a 'three strikes' requirement so this could be quite serious for claimants that were fraudulent.

- 43.5 In terms of recovering the benefits falsely claimed, the Revenues and Benefits Group Manager advised that the Council did endeavour to recover these payments. The Government had set down the levels by which the Council was allowed to reduce benefits to get money back so Officers had to be mindful of that; the idea was that the penalty system was there as a deterrent so that the Council did not find itself in the situation whereby it had to reclaim benefits made.
- 43.6 Referring to the recent Institute of Revenue and Ratings Valuation (IRRV) Awards, Members were advised that the Revenues Team and the Benefits Team had both been nominated for awards for Best Team. Unfortunately they had not won on this occasion but had been placed in the top five which was a real achievement; both Teams had been clear that they wanted to win next year which showed a great sense of teamwork and of wanting to do the best for the community. The Committee extended its congratulations to the staff involved.
- 43.7 Accordingly, it was

**RESOLVED:** That the revised Prosecution Policy be **ADOPTED**.

#### **EX.44 GLOUCESTERSHIRE BUSINESS RATES POOL**

- 44.1 The report of the Finance and Asset Management Group Manager, circulated at Pages No. 87-91, detailed a way forward in respect of the Council's membership of the Gloucestershire Business Rates Pool. Members were asked to approve the Council's withdrawal from the Pool for the financial year 2016/17; to delegate authority to manage, on an ongoing basis, the Council's position with regard to Pool membership; to delegate the agreement of any amendments in relation to the existing pooling agreement as a result of the Council's withdrawal; and to authorise the Borough Solicitor, in consultation with the Section 151 Officer, the Chief Executive and the Lead Member for Finance and Asset Management, to enter into revised Pooling agreements on such terms as she considered appropriate.
- 44.2 The Finance and Asset Management Group Manager explained that the Council had been a member of the Gloucestershire Business Rates Pool since the inception of the retained Business Rates Scheme in April 2013. During the 2014/15 financial year, the Council had suffered significant losses within the Scheme, mainly as a result of successful appeals by Virgin Media. This had resulted in the Pool incurring a substantial deficit which had been met by the individual Authorities of Gloucestershire including Tewkesbury. The appeals list held by Tewkesbury contained a number of outstanding appeals by Virgin Media and a request had also been made by Virgin Media to have its individual assessments across the Country combined into one single assessment; this could mean that, in future, there could be no Virgin Media business rates collected in Tewkesbury Borough or that all of them could fall within the Borough - it was just unknown at this stage. Both of those factors presented an ongoing risk to the Council and the Pool and, in order to mitigate some of that risk, it was recommended that Tewkesbury Borough Council should withdraw from the Pool until such time as the risk had been

significantly reduced.

- 44.3 The Pool had been impacted as it was responsible for the safety net payment in the event it was required. This also meant that Tewkesbury Borough, as a member of the Pool, was liable for part of the safety net payment. As an individual Authority the Borough Council would not have to make any of the safety net payment as the whole of it would have been met by the Government. The safety net payment met from the Gloucestershire Pool had totalled £3.95million and the impact of that payment had been to eliminate the growth generated in other Districts; the utilisation of the Pool's small reserve; and contributions of £2.1million of revenue balances from across all Gloucestershire Authorities. Currently, it was suggested that the Council withdraw from the Pool for 2016/17 and that the position continue to be reassessed to understand whether it was possible to go back into the Pool in future or whether the Council should come out of it completely.
- 44.4 The Finance and Asset Management Group Manager advised that the recommendations within the report had been discussed with Gloucestershire colleagues and they had indicated support for them. If the Committee agreed with the recommendations, the Finance and Asset Management Group Manager would make the necessary declaration to the Department for Communities and Local Government (DCLG) by the end of the month as required. A Member indicated that he had attended Leadership Gloucestershire's last meeting and the members there had also been supportive of Tewkesbury leaving the Pool. They had seen Tewkesbury Borough as being a benefit to the Pool with the growth that was likely to happen in the Borough but, unfortunately, given the Virgin Media appeals, it was felt that the Borough Council should leave. In terms of the appeals, the Finance and Asset Management Group Manager explained that currently Virgin Media had put in a request for review and had been asked to provide a lot of evidence to support its case. The Valuation Office had indicated that it would be at least 12 months until the issue was resolved but further than that the timescale was unknown.
- 44.5 Accordingly, it was

**RESOLVED:**

1. That Tewkesbury Borough Council withdraw from the Gloucestershire Business Rates Pool for the financial year 2016/2017.
2. That authority be delegated to the S151 Officer, in consultation with the Chief Executive and Lead Member for Finance and Asset Management, to manage, on an ongoing basis, the Council's position with regard to Pool membership.
3. That authority be delegated to the S151 Officer, in consultation with the Chief Executive and Lead Member for Finance and Asset Management, to agree any amendments in relation to the existing pooling agreement as a result of the Council's withdrawal.
4. That the Borough Solicitor be authorised to enter into revised pooling agreements, on such terms as she considers appropriate, in consultation with the S151 Officer, Chief Executive and Lead Member for Finance and Asset Management.



**EX.45 TEWKESBURY RUGBY CLUB LEASE**

- 45.1 The report of the Finance and Asset Management Group Manager, circulated at Pages No. 92-97, asked Members to agree to grant a lease to Tewkesbury Rugby Club for an additional parcel of land off Despenser Road, as hatched on the Plan appended to the report. The purpose of the addition would be to provide a pitch for the Under 12 section of the Rugby Club.
- 45.2 The land requested was currently public open space and was large enough to accommodate one full size rugby pitch, running parallel with Despenser Road, between the road and the dead ball line of the Club's first team pitch. It would allow two junior games to be played at the same time within the safe confines of the Club grounds. Youth rugby games involved no kicking and offered the opportunity for young players to develop their passing, catching and handling skills. Members were advised that the Council had recently supported improvements at the Rugby Club with a £70,000 grant, as part of a wider capital grant project application, to support the provision of a new self-contained changing facility. This had allowed the Club to extend its activities and use of facilities for its own range of sports and age groups in addition to supporting other local community events and sports clubs.
- 45.3 In terms of other uses for the land, the Council had considered whether it might be suitable for future development. However, since the land was located within Flood Zone Two, potential development opportunities were restricted and, by agreeing to include the additional land parcel within a lease to the Rugby Club, the Council was increasing the benefit of outdoor sporting activities to the young community. Officers had spoken to the Club about other sites for its junior provision and it had stated that, whilst it had considered land at the Vineyards, this had raised a safeguarding issue regarding the safety of the children accessing the facilities as they were off-site. If the land off Despenser Road was leased to the Club, young players would be able to access and use the Club facilities within the safe confines of the grounds and under the guidance of two coaches.
- 45.4 Given that the land in question was public open space, the Council had a statutory duty to advertise its intention to dispose of it in the local press on two occasions for two consecutive weeks. Tewkesbury Town Council had also received a copy of the Intention Notice. A letter of objection, accompanied by 37 signatures, had been received from a Despenser Road resident along with an email of reservations and suggestions from another. The objections were summarised in Paragraph 3.2 of the report and included: the financial effect on property and road; damage to cars from flying balls; possible unsightly fencing; excessive noise on training days and match days; the volume of Club cars parked on Despenser Road when the Vineyards entrance was flooded; an accessible pitch already being available on the Vineyards; disposal of the land by the Council was being suggested to avoid the upkeep of grass cutting; lack of publicity on Club's entrance gates; problems with Club Members allegedly urinating in the area; parking needs of the 13 Despenser Road houses facing the land needed to be considered e.g. painting house numbers on permanently allocated spaces or a drop down bollard system; suitable and safe fencing that was not an eye-sore should be provided; and a request had been made for a meeting with residents as no notices of the proposed disposal had been displayed at the Rugby Club. A summary of the Council's responses were set out at Paragraph 3.3 of the report and indicated that the use of the land would be for junior rugby games only which involved no ball kicking, only passing and handling skills – this would negate any concerns regarding damage to cars from flying balls; if, in the event it was considered fencing would be required, the terms of the lease would stipulate that the correct planning, design and safety processes were followed; the Council did not own the existing parking spaces on

Dispenser Road so had no control over the marking or placing of bollards on them; any additional parking created would be accommodated within the Club's main car park and access arrangements would be controlled by the terms of the lease to avoid local concerns about flooding at Gander Lane; and the use of pitches at the Vineyards had been considered by the Club but had raised safeguarding issues for the young players. The Club had undertaken to arrange a meeting to listen to concerns from local residents which Officers felt would be extremely helpful. On balance, Officers were of the view that the request to extend the current lease was acceptable.

45.5 In terms of the length of lease and revenue to be expected, the Finance and Asset Management Group Manager indicated that there would be a 10% revenue increase and the new lease would run in line with the term of the current lease. A Member expressed the view that he fully supported the request from the Rugby Club and felt that this was exactly the kind of thing that the Council should be doing. The Club wanted to invest in the future and this should be encouraged; he hoped it would stop anti-social behaviour, promote healthy lifestyles and encourage activity in the young people involved.

45.6 Having considered the information provided, it was

**RESOLVED:**

1. That the parcel of land, hatched on the plan appended to the report, be included within an additional lease to Tewkesbury Rugby Club, at market rent and for a term expiring no later than the expiry date of the Club's existing lease.
2. That the Finance and Asset Management Group Manager be authorised, in consultation with the Lead Member for Finance and Asset Management, to negotiate the remainder of the heads of terms at market rent.
3. That the Borough Solicitor be authorised to complete the lease upon the heads of terms set out in the report, and additionally negotiated by the Finance and Asset Management Group Manager, and on such other terms as she considers necessary or advisable, in consultation with the Finance and Asset Management Group Manager.

**EX.46 ESTABLISHMENT OF BOUNDARY REVIEW WORKING GROUP**

46.1 The report of the Democratic Services Group Manager, circulated at Pages No. 98-101, asked the Committee to approve the setting up of a Boundary Review Working Group, in line with the Terms of Reference attached to the report at Appendix 1, which would allow the Council to formulate its expectations in terms of the review of the Council's electoral arrangements.

46.2 The Borough Solicitor indicated that the Council had originally been programmed into the Local Government Boundary Commission for England's Work Programme for 2014/15. However, upon consideration by the Executive Committee, a response had been sent to the Commission suggesting that the Council would prefer to be included in the 2015/16 Work Programme so that the new Council had the opportunity to play a major part in the review; to allow the position in relation to electoral imbalances to be clearer; to assess the impact of Individual Electoral Registration; and to allow for more certainty on the impact of current and future development. In response, the Commission had originally stated that the review would still take place in 2014/15. However, subsequently it had reviewed its Work

Programme and decided that, given the next available election at which the electoral review could be implemented was 2019, it would be reasonable to postpone the start of the review until after the General Election in May 2015. The Council had now been advised that its review was scheduled to commence in August 2016 with completion towards the end of 2017.

46.3 Members had previously discussed the need for the Council to be proactive and not wait until the review commenced to start work on its electoral arrangements. Members had been advised that there would be a six month lead in to the review but were keen to establish a Working Group to examine what was required. Bearing in mind the Commission would base its work around the electorate contained within the revised Electoral Register to be published on 1 December 2015, and five year Ward projections, it was likely to want to meet the Council in March/April 2016; it was therefore suggested that the Working Group should begin to meet in the New Year.

46.4 Accordingly, it was

**RESOLVED:** That a Boundary Review Working Group, comprising nine Members of the Council, be established in accordance with the Terms of Reference set out at Appendix 1 to the report, with the political composition being determined by the Leader and Deputy Leader of the Council and Group Leaders being invited to make nominations to the Group as appropriate.

The meeting closed at 2:40 pm

## EXECUTIVE COMMITTEE FORWARD PLAN

**NOVEMBER 2015 TO APRIL 2016 (No Meeting in December or March)**

**REGULAR ITEM:**

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

**Addition to 25 November 2015**

- Transfer of public open space off Starling Road to Wheatpieces Parish Council.
- Joint Core Strategy Update.

**Deletion from 25 November 2015**

- Housing Benefit and Council Tax Benefit Take-Up Strategy - Issue of take up has effectively changed so there is a need to move consideration of this to June 2016.
- Review of Safeguarding Children Policy – New guidance means the County procedures are being reviewed so the revised Policy is delayed.

**Committee Date: 12 January 2016**

Agenda Item	Overview of Agenda Item	Lead Officer	Has agenda item previously been deferred? Details and date of deferment required
Budget 2015/16.	To recommend a budget for 2015/16 to Council.	Simon Dix, Finance and Asset Management Group Manager.	No.
Performance Management Report – Quarter Two 2015/16.	To receive and respond to the findings of the Overview and Scrutiny Committee’s review of the quarter one performance management information.	Graeme Simpson, Corporate Services Group Manager.	No.
Cemetery Provision in Tewkesbury.	To review the options for the provision of cemetery facilities within Tewkesbury.	Simon Dix, Finance and Asset Management Group Manager.	No.
Customer Services Strategy.	To approve a Strategy that will set out how the Council will provide a high quality customer service so we serve our customers in an open, inclusive and efficient manner.	Graeme Simpson, Corporate Services Group Manager.	Yes deferred from October meeting to allow for the completion of the review of Customer Services.

6

Agenda Item 6

<b>Committee Date: 12 January 2016</b>			
<b>Agenda Item</b>	<b>Overview of Agenda Item</b>	<b>Lead Officer</b>	<b>Has agenda item previously been deferred? Details and date of deferment required</b>
Waste Review & Vehicle Procurement.	To consider the Waste Review & Vehicle Procurement and make a recommendation to Council.	Val Garside, Environmental and Housing Services Group Manager.	No.
<b>Revisions to the Redundancy and Redeployment Policy.</b>	<b>To approve amendments to the Redundancy and Redeployment Policy.</b>	<b>Graeme Simpson, Corporate Services Group Manager.</b>	No.

<b>Committee Date: 17 February 2016</b>			
<b>Agenda Item</b>	<b>Overview of Agenda Item</b>	<b>Lead Officer</b>	<b>Has agenda item previously been deferred? Details and date of deferment required</b>
Treasury Management Strategy (Annual).	To consider the Treasury Management Policy.	Simon Dix, Finance and Asset Management Group Manager.	No.

**Committee Date: 6 April 2016**

<b>Agenda Item</b>	<b>Overview of Agenda Item</b>	<b>Lead Officer</b>	<b>Has agenda item previously been deferred? Details and date of deferment required</b>
Performance Management Report – Quarter Three 2015/16.	To receive and respond to the findings of the Overview and Scrutiny Committee's review of the quarter one performance management information.	Graeme Simpson, Corporate Services Group Manager.	No.
Flood Risk Management Group Terms of Reference and Action Plan (Annual Review).	To undertake an annual review of the Terms of Reference of the Flood Risk Management Group and action plan.	Val Garside, Environmental and Housing Services Group Manager.	No.
Council Plan Update 2015/16 (Annual).	To recommend to Council.	Graeme Simpson, Corporate Services Group Manager.	No.
High Level Service Plan Summaries (Annual).	To consider the key activities of each service grouping during 2016/17.	Graeme Simpson, Corporate Services Group Manager.	No.
Policy for Localism Agenda on Revenues and Benefits.	To consider a new discretionary relief for Business rates under the Localism Agenda.	Richard Horton, Revenues and Benefits Group Manager.	No.

11

## TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Executive Committee
<b>Date of Meeting:</b>	25 November 2015
<b>Subject:</b>	Medium Term Financial Strategy 2016/17–2020/21
<b>Report of:</b>	Simon Dix, Finance and Asset Management Group Manager
<b>Corporate Lead:</b>	Rachel North, Deputy Chief Executive
<b>Lead Member:</b>	Councillor D J Waters, Lead Member for Finance and Asset Management
<b>Number of Appendices:</b>	One

**Executive Summary:**

The Medium Term Financial Strategy (MTFS), attached at Appendix A, provides the financial plan for the Council for the period 2016/17–2020/21. 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:**

**The Committee is asked to RECOMMEND TO THE COUNCIL the adoption of the Medium Term Financial Strategy 2016/17–2020/21.**

**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 £2.9m in the next 5 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 Medium Term Financial Strategy 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 2016/17 detailed budget, will be presented to both Executive Committee and Council in January 2016 for Member approval.

**2.3** 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. The headline recommendations of the Strategy are as follows:

- Council Tax to be increased by 2% for 2016/17 and with 2% increases thereafter.
- NHB support to the base budget should not exceed 65% of the total allocation in any one year.
- Tewkesbury Borough Council to operate outside of the Gloucestershire Business Rates Pool in 2016/17 and until such a time as the risk from Virgin Media is mitigated.
- The Local Council Tax Support scheme to remain unchanged for 2016/17.

**2.4** 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 even more uncertainty. Some of the issues contributing towards this include:

- The continued reduction in public spending to help produce a national budget surplus by the end of the current Parliament.
- The outcome of the Comprehensive Spending Review due on 25 November.
- The recent announcement by the Chancellor of local authorities retaining 100% growth in business rates by the end of the current Parliament in return for reduced Government grant funding and increased responsibilities.
- The ongoing discussions surrounding a devolution deal.

**2.5** 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 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. The Transform Working Group has also been consulted on the make up of the MTFS.

### **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.

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**Background Papers:** None.

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**Appendices:** A - Medium Term Financial Strategy 2016/17–2020/21.

# Medium Term Financial Strategy 2016/17 to 2020/21



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

**Tewkesbury Borough Council**  
November 2015

## **Foreword to Medium Term Financial Strategy 2016 - 2021**

The Medium Term Financial Strategy is a forecast supported by assumptions and what impact those may have on the finances in the future. It is a tool we use to assist in the preparation of the detailed budgets for 2016-17 and frames the considerations, particularly the savings and additional incomes, required over the forecast period.

It has always been important to plan for the future, particularly in regard to finances. Over the past five years under the Government's Austerity measures this has become increasingly difficult but even more important.

As a Council we try to plan ahead for five years but recognise that a plan is subject to change, especially in the more distant future. This year, these problems have been exacerbated due to a number of uncertainties, such as the outcomes from the Comprehensive Spending Review, Autumn Statement and Revenue Support Grant settlement. We do not yet know what the impact on the Council's financial situation will be following the announced welfare reforms.

This strategy is a tool that can and will be modified to help us adapt to an uncertain future to ensure our finances are robust and support the services our residents and businesses expect us to deliver.

What is certain is that our Medium Term Financial Strategy will change and will change more rapidly than at anytime in the past.

Councillor Dave Waters  
Deputy Leader of the Council  
Lead Member for Finance and Asset Management

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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 2016/21 incorporates key factors such as the changes in Government funding, our spending plans and the level of savings that are likely to be needed to keep council tax affordable. 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 Comprehensive Spending Review is to be announced on 25<sup>th</sup> 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. Until both 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 In addition, the recent announcement by the Chancellor of the Exchequer with regards to the full retention of business rates by the end of the current Parliament in return for additional responsibilities and the phasing out of core government support will have a significant impact on the way the council operates and the way it finances its services to the public.
- 1.4 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.
- 1.5 The 2015/2016 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.
- 1.6 In order to progress towards our aims and objectives, as contained within The Council Plan 2012 – 2016, 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 2012-2016**

2.1 In May 2012, the new Council Plan for 2012 – 2016 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 five priorities and a number of objectives within each priority. We will:

### **Use resources effectively and efficiently:**

- Maintain low council tax.
- Provide value for money service delivery.
- Provide customer focused services measured by output against customer needs.
- Regularly review the effectiveness of customer focused services.

### **Promote economic development:**

- Promote Tewkesbury Borough to attract large scale businesses.
- Provide support to help new start-ups, young and growing businesses.
- Work with the Local Enterprise Partnership to promote economic growth.
- Ensure the Core Strategy makes provision for sufficient employment land.

### **Improve recycling and care for the environment:**

- Focus on continuous improvement in recycling and waste collection.
- Work towards achieving a 60% recycling target.
- Focus on continuous improvement in street cleansing.
- Promote activities to reduce litter and fly tipping.
- Continue work with partners to provide flood resilience measures.

### **Provide customer focused community support:**

- Support and promote joint working arrangements with Gloucestershire County Council's Child and Family Support Services, Gloucestershire Constabulary and other agencies to achieve better outcomes for residents.
- Simplify and standardise business processes for the benefit of customers.
- Work with town and parish councils to deliver the localism agenda.
- Work with partners to reduce the level and perception of crime.
- Support the health and well-being of our residents.

### **Develop housing relevant to local needs:**

- Develop a Core Strategy to meet current and future housing needs
- Promote initiatives to make quality housing more affordable and accessible.
- Work with all stakeholders to promote specific housing types to meet defined shortages.
- Improve the quality of the housing stock

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.

2.4 Work has begun with the new membership of the council aimed at refreshing the Council Plan for the period up to 2020. The new Council Plan is expected to be approved early in 2016.

### 3.0 NATIONAL CONTEXT

3.1 The national economic background in recent years has seen a period of stagnation following on from the recession of previous years. More recently the UK economic recovery has continued apace and now appears more sustainable. UK economic growth is expected to average 2.5% of GDP in the current year mainly driven by household spending but the outlook for business investment is tempered by the impending EU referendum and uncertainty surrounding global growth and recent financial market shocks.

3.2 The council's treasury advisors, Arlingclose, forecast the first rise in official interest rates to be in Q2 2016, which is later than general market sentiment. There is clear momentum in the economy, but inflation is benign and currently sits below target. Expectations are for this situation to persist for some time, reducing the need for immediate monetary tightening.

A slow rise in the Bank Rate is predicted. The pace of interest rate rises will be gradual and the extent of rises limited; the normalised level of Bank Rate, post-crisis, is likely to range between 2.5% and 3.5%. The table below shows expectations in the medium term.

**Table 1 – Base rate forecast**

Official Bank Rate	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Upside risk		0.25	0.25	0.50	0.25	0.25	0.25	0.25	0.25	0.50
<b>Arlingclose central forecast</b>	0.50	0.50	0.75	0.75	1.00	1.00	1.25	1.25	1.50	1.50
Downside risk				-0.25	-0.50	-0.50	-0.75	-0.75	-1.00	-1.00

- 3.3 Following the General Election in May this year, the new Government announced a Summer Budget which outlined cuts to welfare spending along with further aspirations for tackling tax avoidance and a raft of policy changes for pensions and employment. There were no details about unprotected departmental spending including Local Government.
- 3.4 The Chancellor instructed Government Departments to model the effects of 25% and 40% cuts to departmental spending which sets the tone and gives a strong indication that ongoing and significant reductions in Local Government funding will be the headline of the Spending Review announcement in November.
- 3.5 The next few years will also see the development of the Chancellor's plan to allow local authorities to retain 100% of business rates. At the time of writing, no details about how the scheme will work or the additional responsibilities for local government have been released. In addition, there is uncertainty about the elimination of core government funding in terms of the scope of the statement. A significant risk to this council will be if New Homes Bonus is included within the scope as this is currently worth around £3.3m annually to Tewkesbury.

#### **4.0 LOCAL GOVERNMENT FINANCE SETTLEMENT**

- 4.1 Following the election in May 2010, the coalition government embarked on a deficit reduction programme. Local authorities were targeted with estimated reduced funding of approximately 21.1% during the period of 2011 to 2015. The actual reduction for Tewkesbury Borough was in excess of 37% which equated to approximately £1.84m. In addition, the austerity programme was extended into 2015/16 and saw a further reduction in core funding of £550,000 giving a total reduction of nearly £2.4m or around 44%. If reductions in other grants such as Housing Benefit Administration subsidy are factored in, this figure would be closer to a 50% reduction.
- 4.2 As outlined earlier, reductions to the funding available for public services continue into the new Parliament with the Conservative government pushing forward with plans to create a national budget surplus. Whilst departments are modelling funding reductions to departmental expenditure of both 25% and 40%, with it widely expected that the DCLG will be expected to reduce expenditure by the higher amount, the impact on individual councils could be far higher than this in the medium term.
- 4.3 There are two elements to the finance settlement. The first is the business rates baseline which contributed £1.676m to Tewkesbury in 2015-16 and will continue to rise each year. The second element is the Revenue Support Grant (RSG), currently worth £1.319m to Tewkesbury, and it is this element that will continue to see significant reductions.
- 4.4 In line with current expectations, our forecast of RSG suggests steep reductions in the next two years with continued reductions in the two years thereafter. We have gone a step further than many have previously suggested in that the modelling actually eliminates all RSG support by 2019/20. This forecast is in line with an ambition to be self-sufficient and also now in line with the Chancellor's plan to reshape local government finances in the medium term.
- 4.5 Table 2 below outlines the levels of core government funding assumed in the MTFP.



**Table 2 – Core Government support 2015 – 2021**

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Revenue Support Grant	1,319	731	337	180	0	0
Business Rates baseline	1,676	1,718	1,761	1,805	1,850	1,896
<b>Total</b>	<b>2,995</b>	<b>2,448</b>	<b>2,097</b>	<b>1,985</b>	<b>1,850</b>	<b>1,896</b>
Change		-546	-351	-113	-135	46

**5.0 NEW HOMES BONUS**

- 5.1 New Homes Bonus (NHB) was introduced in 2011 and provides funding of a sum equivalent to 80% of the average annual council tax for every new home built, once occupied. This sum is 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 five years of operation of the scheme. There has been a resurgence in house building activity in the borough in recent years and with further substantial expansion planned in a number of locations in forthcoming years, the amount of NHB received on an annual basis could accelerate.
- 5.3 The next financial year, 2016/17, is the final additional year of the rolling six year support offered by NHB and is therefore the last substantial increase. Future years will either see growth or contraction dependent on the level of NHB generated against the NHB that is lost as the first years start to drop out. Table 3 shows the funding currently received by the council from NHB and a forecast of potential future receipts.

**Table 3 – Forecast New Homes Bonus**

	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2015/16	2016/17 Est	2017/18 Est	2018/19 Est	2019/20 Est	2020/21 Est
Year 1 actual income	526,818	526,818	0	0	0	0
Year 2 actual income	410,595	410,595	410,595	0	0	0
Year 3 actual income	294,622	294,622	294,622	294,622	0	0
Year 4 actual income	638,205	638,205	638,205	638,205	638,205	0
Year 5 actual income	871,491	871,491	871,491	871,491	871,491	871,491
Year 6 projected income	0	630,000	630,000	630,000	630,000	630,000
Year 7 projected income	0	0	600,000	600,000	600,000	600,000
Year 8 projected income	0	0	0	600,000	600,000	600,000
Year 9 projected income	0	0	0	0	600,000	600,000
Year 10 projected income	0	0	0	0	0	600,000
<b>Sub-total</b>	<b>2,741,731</b>	<b>3,371,731</b>	<b>3,444,913</b>	<b>3,634,318</b>	<b>3,939,696</b>	<b>3,901,491</b>

- 5.4 NHB has become a key feature of local government funding, particularly at District level. The expected level of receipt for Tewkesbury in 2016/17 will, for the first time, eclipse the level of core government support. This means there is an ongoing dependence on NHB to support both the Council's base budget but also provide monies towards transformational activities. The Council has previously agreed to cap the level of general support to the base budget at 65% of NHB receipts in order to avoid over reliance. This is a prudent strategy and one that should be continued unless the impact of the austerity programme is so severe that additional NHB would be required. The following table indicates the level of support to the ongoing budget and one-off programme based on current forecasts.

**Table 4 – Forecast split useage of NHB**

	2015/16	2016/17 Projection	2017/18 Projection	2018/19 Projection	2019/20 Projection	2020/21 Projection
Total New Homes Bonus	£2,741,731	£3,371,731	£3,444,913	£3,634,318	£3,939,696	£3,901,491
65% support to base budget	£1,782,125	£2,191,625	£2,239,193	£2,362,307	£2,560,802	£2,535,969
35% one-off programme	£959,606	£1,180,106	£1,205,720	£1,272,011	£1,378,894	£1,365,522

- 5.5 Even though a cap of 65% has been set for general support to the budget, this useage to balance the budget presents a risk to the Council. Any changes to the scheme itself or the distribution methodology would have a significant adverse impact on the Council's finances. Although there has been no specific announcement on any changes, it is clear that the NHB scheme is on the government's agenda as it remodels local government finance.

## **6.0 RETAINED BUSINESS RATES**

- 6.1 The new scheme of Business Rates Retention 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 Local Government Finance Act also allows local authorities to form pools for the purpose of business rates retention. Tewkesbury has signed up with the other Gloucestershire districts and the county council to be designated as a Gloucestershire pool. Pooling offers the potential to deliver more benefits to Gloucestershire and promote closer working between authorities.
- 6.3 The first year of operation of the pool proved very successful in retaining additional monies for Gloucestershire. Unfortunately in the second year 2014/15 the pool suffered significant loss due to the impact of backdated appeals on rateable values and, in particular, the successful backdated appeal of Virgin Media in Tewkesbury. The final position of the pool reported a deficit of £2.3m following a safety net payment of £3.9m to Tewkesbury. The cost of this deficit was borne by the members of the Pool.
- 6.4 Despite its successful appeals in 2014/15, Virgin Media still has a number of appeals outstanding and, in addition, a request for a single assessment made against all of its 68 independent assessments across the country. The potential risk arising from this is that Tewkesbury could lose all of the rateable value for Virgin Media backdated to 2010. The single assessment is due to be heard first by the Value Office Agency although this is unlikely to happen during 2015/16.

- 6.5 As a result of the ongoing uncertainty and level of risk surrounding Virgin Media, Tewkesbury and its partners have agreed, on a temporary basis, for Tewkesbury to be removed from the Pool from April 2016 onwards. In doing so, local authorities will not be responsible for any safety net payment required by Tewkesbury and can therefore retain the growth created in Gloucestershire.
- 6.6 For Tewkesbury itself, outstanding appeals and in particular Virgin Media, mean that forecasting future business rates income is very difficult and levels retained can be volatile. The council has set itself an income target of £255,000 per annum from retained business rates but as a result of the ongoing appeals issue was unable to deliver this in 2014/15 and is unlikely to do so in the current year. The growth that has been delivered in the Borough has been exceeded by the extraordinary level of appeals in the last two years and has necessitated the use of substantial reserves to balance the budget and insulate against the risk.
- 6.7 Future uncertainty remains within the scheme with a national revaluation impacting in 2017 and a full reset of the system planned for 2020. Despite this and the appeals issue, income from business rates offers significant potential for growth over the medium to long-term as aspirations for the development of Junction 9 and 10 and also the redevelopment of the Town Centre become reality. Retained business rates is therefore an area where the council can look to maximise income. Growing and retaining the business rate base in Tewkesbury should be a key priority for the Council and even more so since the announcement of retaining 100% of business rates in the future.

## **7.0 LOCAL COUNCIL TAX SUPPORT SCHEME**

- 7.1 From 1 April 2013, the council tax benefit scheme was replaced by a Localised Council Tax Discount Scheme (LCTS). The new scheme only attracted funding of 90% of the previous scheme and is subject to the overall reduction in government support in the years since its inception. Councils can set their own scheme but must protect certain groups e.g. pensioners, from any effect of a new scheme. Therefore the burden of any reduced scheme would fall on the working age claimants. Tewkesbury has agreed not to amend the default scheme and therefore all claimants are still entitled to receive the same level of council tax benefit/discount.
- 7.2 Tewkesbury amended its discounts and exemptions on second homes and empty properties in order to cover the costs of LCTS. Costs were covered in 2013/14 and are projected to be covered in the current year. Evidence from the first two years of operation of the scheme suggests that authorities who chose to change their scheme are seeing an increase in council tax arrears and also an increase in the cost of collecting council tax as a result of the changes made. Given this emerging picture, Tewkesbury along with four of the other five Councils in Gloucestershire are of the opinion that there is little to be gained from amending the current scheme. There is also no strong political pressure from the County or Police to amend the scheme.
- 7.3 Parish and town councils were also brought under the umbrella of these changes and therefore receive a grant to compensate for some of the loss. Tewkesbury Borough administers the grant on behalf of the government and passes on the grant given in full to the parish and town councils.

## **8.0 GROWTH PRESSURES**

- 8.1 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.
- 8.2 The cost of employees is the Council's 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 is reasonable to assume that the local government employers will mirror what happens in the rest of the public sector and this assumption has been built into the projections. Pay settlements for the years 2016/17 onwards are estimated to be 1% per annum.
- 8.3 The forecast for pay awards of 1% follows on from pay awards of 1% in the last three years and a number of years of pay freeze prior to that. Suppression of pay in local government presents a risk to Tewkesbury in being able to recruit and retain suitable staff in some key areas. The Council will need to consider the ongoing impact of pay restraint and may need to increase key salaries or provide market supplements in order to attract qualified and experienced staff capable of taking the council forward on its transformational journey. In addition, a reserve for any increased pay award following negotiation should be established to mitigate the impact in the first year.
- 8.4 The creation of a single tier state pension and the end of contracting out of the second state pension will negatively impact on employers providing defined pension schemes such as the Local Government Pension Scheme. Currently, providing that such pension schemes meet statutory requirements, employers pay a reduced national insurance contribution – the reduction is 3.4%. This reduction will be removed from April 2016 and it has been estimated that additional employer national insurance contributions for Tewkesbury will be £150,000.
- 8.5 The triennial valuation of the Gloucestershire Local Government Pension scheme took place in 2013 and saw the value of the liabilities within the fund increase dramatically as a result of falling expectations of future government gilt yields. This resulted in an increased deficit of the fund which required further funding. Tewkesbury's contribution towards this deficit increased by £200,000 in 2014/15 and will need to continue to increase by this level for the next two years to meet the deficit requirement. The annual contribution to the pension deficit is expected to be in excess of £1.5m by 2016/17. The results of the next triennial valuation will be known in late 2016 and will again be largely dependent on the gilts market.
- 8.6 The cost of providing the waste and recycling service could see significant change over the course of the MTF5. The fall in prices obtained for selling recyclate will have a significant impact on the price the council pays to a contractor for processing its collected recyclables. In addition, new regulations will expect to see the separation of glass from the other recyclables collected. The expansion in the number of domestic properties within the Borough will also put pressure on the services capacity and at some point additional rounds will need to be provided.

8.7 A detailed workstream is currently ongoing to review the requirements of maintaining both our land and property portfolio and our IT infrastructure. Neither service area currently has a long term view on asset requirements and has relied in the past on ad hoc approaches to council for funds to maintain and improve the assets. The development of a long term strategy is both sensible and prudent but will require the Council to set aside annual sums to cover the costs associated with the maintenance and replacement programme.

## 9.0 CAPITAL PROGRAMME

9.1 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.

9.2 It is estimated that £9.05m will be spent on Capital Programme schemes during 2015/2016 which are to be funded by a combination of grants and contributions (£0.45m) and the usable capital receipts reserve (£8.6m). The programme includes expenditure on a new leisure centre, refurbishment of the Roses Theatre, disabled facility grants and property investment.

9.3 Looking ahead, the total value of the Capital Programme over the following five years is approximately £14.18m. Table 5 summarises the planned capital expenditure for future years, together with information on the funding of that expenditure.

**Table 5 – Capital programme**

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	TOTAL
<b>Gross capital expenditure</b>	<b>£9.05m</b>	<b>£2.53m</b>	<b>£0.65m</b>	<b>£0.65m</b>	<b>£0.65m</b>	<b>£0.65m</b>	<b>£14.18m</b>
Funded by:							
Grants and contributions	£0.45m	£0.40m	£0.40m	£0.40m	£0.40m	£0.40m	£2.45m
Capital receipts reserve	£8.60m	£2.13m	£0.25m	£0.25m	£0.25m	£0.25m	£11.73m
Earmarked revenue reserves	£0.00m	£0.00m	£0.00m	£0.00m	£0.00m	£0.00m	£0.00m
<b>Total</b>	<b>£9.05m</b>	<b>£2.53m</b>	<b>£0.65m</b>	<b>£0.65m</b>	<b>£0.65m</b>	<b>£0.65m</b>	<b>£14.18m</b>

9.4 The current capital programme will deplete capital reserves to around £1.6m by March 2017. The council will also need to consider the purchase of a vehicle fleet for 2017. This will require an investment of around £1.5m and although partial funding can be found through use of New Homes Bonus, the majority of the investment, if approved, will utilise the final balances of the capital reserve. Any future ambitions for asset investment, town centre redevelopment and the continuation of the Disabled Facilities Grant (DFG) programme will require the utilisation of other sources of funding.

9.5 Consideration will need to be given for the disposal of some under-utilised assets in order to replenish the capital reserves. Whilst the council will investigate the use of assets to generate revenue streams, a balanced approach will be necessary so as to provide capital funding for schemes that can generate the best investment return. In addition, consideration will need to be given to using revenue streams, such as New Homes Bonus, to support the capital programme. Finally, the council will need to utilise prudential borrowing to fund both ambitions and statutory requirements in the very near future.

## 10.0 MEDIUM TERM FINANCIAL PROJECTION

10.1 The council's Medium Term Financial Projection includes the impact of all known capital and revenue commitments between 2016/17 and 2020/21. This is summarised in table 6.

**Table 6 – Medium Term Financial Projection**

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Employees	7,910	8,355	8,499	8,630	8,726	8,879
Premises	668	676	684	693	701	710
Transport	163	157	159	160	161	164
Supplies and services	6,086	6,144	6,160	6,193	6,225	6,269
Housing benefits	19,666	19,666	19,666	19,666	19,666	19,666
Income	-26,242	-26,136	-26,170	-26,178	-26,220	-26,260
<b>Base budget</b>	<b>8,250</b>	<b>8,863</b>	<b>8,998</b>	<b>9,163</b>	<b>9,258</b>	<b>9,428</b>
Growth	0	157	1,077	1,117	1,292	1,382
Approved savings plan	0	-317	-392	-415	-438	-438
<b>Net budget</b>	<b>8,250</b>	<b>8,703</b>	<b>9,683</b>	<b>9,865</b>	<b>10,112</b>	<b>10,372</b>
Financed by:						
Settlement Funding Assessment	-2,995	-2,448	-2,097	-1,985	-1,850	-1,896
Council tax freeze grant 14-16	-33	-18	-8	-5	0	0
Collection Fund Surplus	-102	-100	-75	-75	-75	-75
Retained Business Rates	-255	-261	-268	-275	-281	-289
New Homes Bonus	-1,782	-1,782	-1,782	-1,782	-1,782	-1,782
Council tax income	-3,084	-3,121	-3,192	-3,266	-3,341	-3,418
<b>Total financing</b>	<b>-8,250</b>	<b>-7,731</b>	<b>-7,423</b>	<b>-7,387</b>	<b>-7,329</b>	<b>-7,459</b>
<b>Deficit</b>	<b>0</b>	<b>972</b>	<b>2,260</b>	<b>2,478</b>	<b>2,783</b>	<b>2,913</b>

10.2 The table illustrates a funding gap of £2.9m 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.

## 11.0 COUNCIL TAX

- 11.1 For the last five years, the council has decided to freeze its Band D council tax charge at £99.36 per annum. In return for freezing the council tax, the council has received a grant from government of varying value and for different periods of time. The most recent grants have been equivalent to a 1% increase in council tax and have been rolled into the Revenue Support Grant element of core government funding to allow for ongoing support. It must be noted however that it is the RSG element of support that has been reduced under the austerity programme therefore limiting the ongoing benefit of the council tax freeze grant.
- 11.2 It is not clear whether the government's offer of a council tax freeze grant will continue into the future. It is also not clear what the government's position will be with regards to excessive council tax increases which require a local referendum for their approval. In the current year, a ceiling of 2% has been set but both this ceiling and the offer of a grant are unlikely to be known until the local government settlement is issued.
- 11.3 Previous financial strategies have suggested that council tax levels should increase from 2016/17 onwards in line with the referendum limits. This was in recognition of both the ongoing budget deficit facing the council and the freezing of council tax for the past five years. Increasing the council tax level by the current referendum limit of 2% over the life of the MTFs would generate an additional £320,900 of income and produce tax levels for residents in line with table 7.

**Table 7 – Council Tax Projections**

Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Band D Council Tax	£99.36	£101.35	£103.37	£105.44	£107.55	£109.70

- 11.4 The government may amend the referendum limit which may necessitate the council considering other levels of council tax. An indication of potential changes to referendum limits is shown in table 8.

**Table 8 – Impact of different council tax increases**

Council Tax increase	Annual Income generated	Income over MTFP 5 Years	Average Annual Increase	Tewkesbury Band D 2016/17
1.00%	£30,800	£157,300	£1.01	£100.35
1.50%	£46,300	£238,300	£1.54	£100.85
2.00%	£61,700	£320,900	£2.07	£101.35
2.50%	£77,100	£405,200	£2.61	£101.84
3.00%	£92,500	£491,100	£3.17	£102.34
4.00%	£123,300	£668,100	£4.31	£103.33
5.00%	£154,200	£851,900	£5.49	£104.33

- 11.5 The current council tax charge of £99.36 is the fifth lowest of English district councils and is over £40 below the bottom quartile threshold and £60 below the national average. Projections of future increases to council tax will ensure the council remains within the bottom quartile for council tax charges and meet its priority to maintain a low council tax.

## **12.0 BUSINESS TRANSFORMATION STRATEGY**

- 12.1 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.
- 12.2 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.
- 12.3 The Council has already achieved a great deal with Business Transformation in the last two years. A summary of some of the transformational work streams that have been delivered and those in progress is included below.
- 12.4 **Service reviews**

### Waste / operational services

In the summer of 2014, a review of the efficiency of the current operation was carried out focussing on a review of the rounds currently deployed to collect waste and recyclables and a review of the staffing establishment. The round review concluded that the current round deployment was at optimum efficiency and there was no scope for efficiency savings. The review of staffing led to savings of £30,000 being identified.

The Council formally approved the transfer of its waste collection, recycling, street cleansing and grounds maintenance services to Ubico Ltd in 2014 with the actual transfer taking place on the 1<sup>st</sup> April 2015. This decision was taken against the backdrop of securing appropriate depot facilities, the existing partnership arrangements with Ubico Ltd, the degree of additional service demand arising from the high levels of residential development in the borough and the lack of strategic / commercial capacity to develop opportunities to market services to increase the level of income generated.

Considerable efficiencies for 2016/17 have been identified as a result of joining the company amounting to £90,000 per annum. This has been achieved through opportunities to share resources and amend terms and conditions for new staff joining the company. Further business development work is scheduled to take place in the forthcoming years aimed at reducing costs or increasing income.



A joint project between TBC staff, Ubico Ltd and the Joint Waste Committee is currently underway and is focussed on service delivery arrangements for 2017 onwards reflecting the need to procure a new vehicle fleet, the end of the current MRF contract and the introduction of new regulations around glass recyclables. It is likely that the Council will be asked to purchase a new fleet rather than purchase it as it is more cost effective. This will likely need a sum in the region of £1.5m being set aside from capital balances, supported by revenue one offs, to meet this requirement but will produce an ongoing revenue saving against current leasing costs. The final detail of this scheme, including any proposals over collection and disposal methods, is to be presented to members early in 2016.

### Revenues and benefits

A service review of this area took place in 2014 and resulted in significant efficiencies being delivered together with improvements for the customer, in the form of the reduced number of processing days for claims. As a result, nearly £150,000 of cashable savings was delivered from direct expenditure and improved subsidy reclaim. Currently the service is reviewing its counter fraud and financial inclusion arrangements. The future provision of this service area will need to see an increased focus on Business Rates, given the move towards 100% retention of growth, and will also be driven by the rollout of Universal Credit over the next few years.

### Customer Services

Following on from the successful review of Revenues and Benefits, the same review technique and process was used in Customer Services. The review looked at current service delivery but also allowed for the expansion of the service to accommodate some of the retained functions following the transfer of services to Ubico Ltd, including the administration of the Garden Waste function. Improved processes, reorganisation of service delivery, the elimination of failure demand and the relocation of the service have all resulted in an improved experience for the customer and the staff as well as delivering cashable savings. The service has released two part-time roles, reduced the reliance on agency staff to cope with demand in peak times and taken on the Garden Waste function with no additional resources being required.

### Environmental Health and Planning

Both service areas are currently going through the same review process as Revenues and Customer Services. The conclusion of this joint review is likely to be early in the new year with the same improvements for both customers and staff being made. As with the other reviews, it is hoped that cashable savings or increased income can be generated from the review and contribute towards the Council deficit.

### One Legal

In Spring 2015, the shared legal service of Tewkesbury and Cheltenham, was enlarged to include Gloucester City Council. This helped to produce increased offices rental income for Tewkesbury. Discussions with the County Council for further expansion of the service are on-going with proposals set to be made to Councils in early summer 2016.

## 12.5 Building transformation

The £1.5m refurbishment of the public offices building was completed in September 2014. The project replaced the roof and windows of the building and refurbished the first floor. On-going energy and maintenance savings as a result of these works amount to nearly £40,000 whilst the desk to officer ratio being reduced to 8:10 means that all borough staff can now be accommodated on the first floor. The top floor has now been fully vacated and negotiations are on-going with public sector partners to secure additional tenants for this area. Discussions have been widened to include not only the top floor but also the ground floor as well as additional areas within the footprint of the Public Service Centre.

Development of a new leisure centre on the Public Services Centre site continues to progress well. It is now envisaged that the new centre will be open for the public in late May 2016. At that point, the responsibility for the delivery of the service will pass to Places for People who were appointed as operators in January 2015 following a tender process. Whilst the delivery of a new build leisure centre has incurred significant financial expenditure, the new centre together with the new operator will deliver significant ongoing revenue benefits to the council in the form of the elimination of an ongoing subsidy, a contract sum payment and a share in any additional surpluses made by the operator.

Investment of over £250,000 has been made to deal with the landlord responsibilities associated with the Roses Theatre building. This has included the replacement of roofs and windows at the theatre and together with the works commissioned by the Theatre Trust will provide a secure building and financially sustainable operation therefore securing a long-term cultural offering for the borough.

Renewable energy from solar panels will be available to the Public Services Centre in 2016. An array of panels will be installed on three roofs prior to Christmas which will supply some of the centres energy needs. This will result in energy savings of over £7000 per annum and also generate a return of £7000 from feed in tariffs, giving a total return of approximately 14%. Attention will be focussed on the councils other assets after that although it must be remembered that many assets are leased and will require negotiation and also the feed in tariffs will reduce in the near future therefore reducing the return that can be made.

The council is also currently in negotiations for the purchase of retail property which could be added to the current portfolio of investment assets. It will continue to look for additional property investments although it must be remembered that financing additional investments will require borrowing and so net returns will reflect this requirement.

The council continues to investigate opportunities for redeveloping or disposing of under-utilised assets including car parks, garage sites and the MAFF site. For redevelopment to occur, significant borrowing of resources will be required and therefore any plans will need to be robust and supported by a sound business case to ensure they are financially viable. In some cases, disposal may be preferable in order to generate capital receipts which can be reinvested in other scheme developments.

## 12.6 Devolution

The council, along with its partners in Gloucestershire, is currently negotiating a devolution deal with the government. The shape of the final deal is being developed with the intention of an announcement in late 2015 and final sign off in 2016. Any devolution deal agreed will have a significant impact on the delivery of some core services including strategic housing, strategic planning and economic development. It may also provide access to significant funds to promote growth and development in Gloucestershire.

## 13.0 OTHER ELEMENTS OF DEFICIT REDUCTION

13.1 In addition to council tax and business transformation strategies, New Homes Bonus and Retained Business Rates, the council must look at all available ways to bridge the funding gap. This will include increasing income from existing sources, new income sources, maximising the use of its asset portfolio, procuring its goods and services cheaper and reviewing the council tax support it offers.

13.2 The Council must also investigate opportunities to move towards a more commercial approach in delivering its services. This could include the selling of services within a wider market to deliver an income for the council. The council must understand what services it does well, where market demand exists and what investment will be required to be able to trade its services.

## 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 9 analyses the risk around some of the key assumptions within the MTFs:

**Table 9 – sensitivity analysis**

Description	2016/17	2017/18	2018/19	Sensitivity
Pay	1.00%	1.00%	1.00%	+/- 1.00% = £80,500
General inflation	2.00%	2.00%	2.00%	+/- 0.50% = £25,000
Energy – increases	2.00%	2.00%	2.00%	+/- 5.0% = £25,000
Income - fees and charges	2.00%	2.00%	2.00%	+/- 0.50% = £28,000
Return on council investments	1.00%	1.50%	1.88%	+/- 0.50% = £62,000
<b>Total sensitivity / risk re: changes to the above expenditure and income assumptions:</b>				<b>+/- £220,500</b>

<b>Resources</b>				<b>Sensitivity</b>
Council tax	2.0%	2.0%	2.0%	+/- 1.00% = £32,000
Funding Settlement decrease	18.0%	14.0%	5.0%	+/- 0.50% = £14,970
New Homes Bonus increases	23.0%	1.3%	5.5%	+/- 5.00% = £137,000
Tax base	2.3%	2.3%	2.3%	+/- 1% = £30,835
Council tax total collected	98.50%	98.50%	98.50%	+/- 1.0% = £32,000
<b>Total sensitivity / risk re: changes to the above resource assumptions:</b>				<b>+/- £246,805</b>

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 continues to allow for an uncommitted sum to cover the risks in setting a budget within the current financial climate. Any unspent monies from these set asides should be accumulated within reserves at the year end to provide further on-going security.

## 15.0 REVENUE RESERVES

15.1 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.

15.2 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.

15.3 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.

15.4 As at the 31 March 2015, the council had £10.57m in earmarked reserves although it should be noted that over half 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.

- 15.5 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 next opportunity in order to provide enhanced levels of confidence and reassurance in the financial affairs of the council.
- 15.6 Earmarked reserves are also required to fund the one-off elements of the council priorities and to meet its future business needs. These reserves do not recur annually and once they have been utilised will not be available for future investment. It is therefore proposed that future reserves, having allowed for risk management requirements, should be developed on an invest to save basis. As such, reserves which are recycling in nature create an asset which could be realised in the future and those which reduce ongoing revenue costs should be given priority when considering year end balances and the allocation of new homes bonus. This approach should help the council combat the significant financial uncertainty being faced.
- 15.7 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 January 2016.

## **16.0 PUBLIC AND STAKEHOLDER CONSULTATION**

- 16.1 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.
- 16.2 In addition, consultation with both the general public and local businesses will continue to take place on budget principles and specific budget proposals.

## **17.0 TREASURY STRATEGY AND MINIMUM REVENUE PROVISION**

- 17.1 The council is currently a debt free authority but has a diminishing investment portfolio estimated to be worth about £12.4m by the beginning of the next financial year. This portfolio is made up of cash flow balances and reserves. The council's approach to treasury management has been significantly revised since the collapse of the Icelandic banking institutions in October '08. The council had £1m invested with the failed bank, Landsbanki, and has since recovered over 90% of its original investment.
- 17.2 The council has, in recent years, been highly successful in generating significant investment returns over market benchmarks from proactive treasury management whilst minimising risk. We optimise the use of our cashflow to ensure that we minimise our borrowing for cash flow purposes whilst aiming to achieve high rates of investment income whilst, most importantly, minimising risk. Given the risk in the market as highlighted earlier, the current strategy leans more towards avoidance of risk than maximising returns and, as a result, both counterparties and lengths of deposit have been restricted.
- 17.3 We publish an annual Treasury Management Strategy which details our borrowing limits and specifies approved institutions for investment, considering risk, with maximum limits, based on credit ratings.

- 17.4 With low interest rates, the council has adopted a strategy of exploring other investment opportunities and £2m has been set aside to further this ambition. We are continually looking for safe alternative investments in other areas such as corporate bonds, equity bonds, property investments or renewable energy. The current problems in the banking sector mean that risks in cash investments are higher than normal at present and returns are lower than would be expected. If any alternative opportunities do arise the council will consider investing to help retain a low level of council tax. However, it must be remembered that ensuring cash flow has to be the highest priority within a treasury strategy and that the council's ability to make further investments of an illiquid nature are restricted having committed resources to a number of large projects in recent months.
- 17.5 The council's rapidly developing ambition of investing in growth in the borough through retail, commercial and residential asset developments will require the approval of strategic borrowing in future years. As previously indicated, interest rates remain low and borrowing money from the Public Works Loan Board at the current time offers value with indicative rates being around 3.5% for a twenty five year loan. The council will also be able to benefit from the 'certainty rate' offered to local government which reduces these indicative rates by 0.2%.

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 2015/16 is as follows:

#### **Supported borrowing**

For borrowing supported by Revenue Support Grant, the council will continue to use the current method of 4% of the adjusted Non-HRA capital financing requirement.

#### **Unsupported borrowing**

For new borrowing under the prudential system for which no Government support is being given and is therefore self-financed, MRP will be made in equal annual installments over the life of the asset.

#### **Capitalisation directions**

For capitalisation directions on expenditure incurred since 1 April 2008, MRP will be made in equal annual installments over 20 years in line with CLG guidance.

In all cases MRP will commence in the financial year following the year in which the expenditure is incurred.

- 17.6 So for example, if the council wished to borrow to fund the purchase or development of a retail unit with an estimated useful life of 50 years, it must make interest payment of 3.5% annually and also MRP provision of 2% annually. The business case for investment would therefore need to see a return in excess of 5.5% to make it viable and see a contribution towards the overall budget deficit.

## TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Executive Committee
<b>Date of Meeting:</b>	25 November 2015
<b>Subject:</b>	Asset Management Plan 2016–2020
<b>Report of:</b>	Simon Dix, Finance and Asset Management Group Manager
<b>Corporate Lead:</b>	Rachel North, Deputy Chief Executive
<b>Lead Member:</b>	Councillor D J Waters, Lead Member for Finance and Asset Management
<b>Number of Appendices:</b>	One

<p><b>Executive Summary:</b></p> <p>The Asset Management Plan (AMP) for 2016–2020 is a full update of the previous AMP and reflects the importance of good asset management in meeting the priorities of the Council as well as making a contribution towards securing the ongoing financial security of the Council.</p>
<p><b>Recommendation:</b></p> <p><b>That the Asset Management Plan 2016 – 2020 be APPROVED.</b></p>
<p><b>Reasons for Recommendation:</b></p> <p>The Asset Management Plan supports the Council in managing its land and property holdings.</p>

<p><b>Resource Implications:</b></p> <p>None directly arising from the Asset Management Plan document.</p>
<p><b>Legal Implications:</b></p> <p>None associated with this report.</p>
<p><b>Risk Management Implications:</b></p> <p>None associated with this report.</p>
<p><b>Performance Management Follow-up:</b></p> <p>An annual AMP action plan will be produced and presented to Members.</p>
<p><b>Environmental Implications:</b></p> <p>None associated with this report.</p>



## **1.0 INTRODUCTION/BACKGROUND**

- 1.1** The Asset Management Plan (AMP) is a key document in supporting the delivery of the Council's corporate priorities. It sets out the Council's corporate vision on asset management, clarifies how this fits in with other Council strategies and sets out the policies that the Council adopts through its asset management activities. It also highlights the importance of proactive and dynamic management of the asset portfolio.
- 1.2** The previous AMP covered the period 2011-14, although this was extended into 2015 to allow the completion of some projects. An updated version is now required to be approved to support the Council asset activities over the life of the new Council.

## **2.0 ASSET MANAGEMENT PLAN 2016-2020**

- 2.1** A new four year AMP has been produced which reflects the growing importance of effective asset management in Tewkesbury Borough and an acknowledgement of the role that assets can play in meeting the financial targets of the Council.
- 2.2** The new AMP has been totally rewritten to reflect the changing emphasis towards effective asset management in Tewkesbury. The document contains the following sections:
- 1.0 Introduction.
  - 2.0 Progress from the previous Plan.
  - 3.0 Policy Context.
  - 4.0 Organisation and Governance.
  - 5.0 Money.
  - 6.0 Asset Management Principles.
  - 7.0 Vision for assets.
  - 8.0 Performance Monitoring.
  - 9.0 Consultation.
- 2.3** The document also highlights further requirements to support an effective asset management culture in Tewkesbury including the production of an annual action plan, the completion of a Planned Maintenance Programme (PMP), the introduction of a held desk facility for facilities management and the forming of a suit of performance indicators to support service management.
- 2.4** Whilst there are no resource requirements coming directly from the Asset Management Plan, there will undoubtedly be a requirement for on-going support towards asset maintenance and this will be presented for consideration with the development of the PMP. Funding of specific capital projects to meet the Council's asset ambitions, such as enhancements to existing assets or the purchase of new assets, will be subject to individual reports.

## **3.0 OTHER OPTIONS CONSIDERED**

- 3.1** None.

## **4.0 CONSULTATION**

- 4.1** See section 9.0 of Asset Management Plan.

## **5.0 RELEVANT COUNCIL POLICIES/STRATEGIES**

- 5.1** Medium Term Financial Strategy 2016/17 to 2020/21 including capital projections.

**6.0 RELEVANT GOVERNMENT POLICIES**

6.1 None.

**7.0 RESOURCE IMPLICATIONS (Human/Property)**

7.1 As contained within Asset Management Plan.

**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 None.

**10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS**

10.1 Asset Management Plan 2011-2014 approved by Executive Committee in September 2011.

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**Background Papers:** None.

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**Appendices:** Asset Management Plan.

# ASSET MANAGEMENT PLAN

2016 to 2020



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

**Tewkesbury Borough Council**

November 2015

# Contents

Foreword

- 1.0 Introduction
- 2.0 Progress from the previous Plan
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- 9.0 Consultation

## **Foreword**

### **Tewkesbury Borough Council Asset Management Plan 2016 – 2020**

To support the Growth Agenda and to meet the continued pressure on our finances, it is crucial that we use our assets to maximum effect.

Our approach is to support the Council's strategic objectives, providing high quality cost effective public services and to continue to build on our strong relationships with partners.

This plan is set in the wider context of ensuring a sustainable future for Council expenditure and revenue. Ever tightening financial constraints on local government and the need to adopt a commercial approach requires us to think differently on how we utilise our property assets. We have to investigate all opportunities to raise income to offset budget reductions, including generating capital receipts from the disposal of surplus assets. The Council will continue to develop a commercial culture that will enable it to deliver more efficient and effective public services.

The Asset Management Plan is for the four year period from 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2020. The plan provides an overview of the on-going development of Tewkesbury Borough Council's property assets and sets the strategic direction of its small portfolio over that timeframe. It identifies some of the main capital projects we will be delivering over the period of the plan, as well as highlighting risks and issues that relate to our assets.

The Council will continue to remain open to exploring new opportunities, including acquisition of strategic property and land that make the case for social, environmental and economic benefits for the Borough now and in the future.

Councillor Dave Waters

Lead Member for Finance and Assets

Tewkesbury Borough Council

## 1.0 INTRODUCTION

Effective use and management of our property assets is fundamental to the economic, social and environmental wellbeing of the people in the borough of Tewkesbury. The Borough Council is in ownership of some 5000 individual land and property assets ranging from small strips of amenity land on housing developments to the Public Services Centre including the new leisure development. The gross book value of these assets is around £22.7m.

Property assets are inextricably linked to the delivery of the vision and priorities of the Council and the way that we manage our land and property assets has a direct impact on the quality of services delivered to the public. It is therefore crucial that efficient and effective use is made of these assets to support corporate objectives. Asset Management is a structured process that seeks to ensure best value from property assets in serving the needs of the Council and therefore the community.

Three features of property assets place primacy on their management are:

1. They are high value in terms of their capital cost / value and annual cost to retain and manage.
2. They need to be carefully managed over their lifetime to ensure best value.
3. It takes time to determine, plan and execute new property needs and decisions and to procure and provide for them.

### **Asset Management Definition**

*“Strategic asset management for land and buildings is the activity that ensures the land and buildings asset base of an organisation is optimally structured in the best corporate interest of the organisation concerned. It seeks to align the asset base with the organisation’s corporate goals and objectives...It does not seek to respond solely to the requirements of any particular operating part of the organisation but rather it seeks to take all requirements into account and to deliver the optimal solution in terms of the organisation’s overall operational and financial goals and objectives...It is a corporate, that is, whole organisation activity.”*

(Royal Institute of Chartered Surveyors - Public Sector Asset Management Guidelines).

This Asset Management Plan (AMP) is an update to the 2011-14 Plan. The purpose of this plan is to provide a structure to ensure that the corporate asset portfolio is strategically managed, ensuring central co-ordination and maximum utilisation of the assets on behalf of the Council and its residents.

The specific aims and intentions of the AMP are to:

- Identify and explain the context and objectives of Asset Management at Tewkesbury Borough Council.
- Identify and explain how the plan links with our Corporate Plan and processes that will be followed to deliver Asset Management to Tewkesbury Borough Council.

- Identify the specific challenges and opportunities that currently affect Tewkesbury Borough Council's land and building assets and the ability of those assets to deliver the priorities, goals and promises set out in our Corporate Plan.
- Identify and recommended strategies to address and resolve issues and opportunities within the asset portfolio.
- Establish an annual Service Action Plan summarising the required actions arising from those recommendations.

The opportunity to realign the timeframe for the production of AMP has been taken and this new AMP will cover the period from 2016 to 2020. This resetting of the AMP period effectively allows the plan to cover one year into the new Council following local elections in 2019. This should allow sufficient time for the new Council to establish a new set of priorities and its Corporate Plan which would then allow the refreshed AMP to be specifically aligned against those targets.

Whilst this overarching document provides the strategic direction and objectives of asset management in Tewkesbury, a key document will be the annual action plan. This action plan will deal with asset specific targets linked into the overall strategic direction and will be presented to the Transform Working Group prior to the commencement of each financial year covered by this plan. Members will be able to clearly see the proposed activities for the year and approve the resource allocation required to meet those targets. The action plan also gives members reassurance that the strategic ambitions contained with this AMP are being addressed and the AMP therefore remains a 'live' document.

## 2.0 PROGRESS FROM PREVIOUS PLAN

The previous AMP approved by Council covered the period 2011 to 2014 and was extended into 2015 to allow for the completion of some objectives and the realigned timescale of the new AMP.

A summary of progress made over that period is contained in Table 1.

**Table 1.**

<b>Asset</b>	<b>Progress made</b>
Public Service Centre	<ul style="list-style-type: none"> <li>• Refurbishment of first floor</li> <li>• Replacement of roof and windows</li> <li>• Reduced desk ratio – now at 8:10 – enabling the vacation of the second floor</li> <li>• Additional partner organisations now operating out of Centre including Gloucestershire Police, Gloucestershire County Council, Department of Works &amp; Pensions, Gloucestershire Fire &amp; Rescue and Severn Vale Housing Society</li> </ul>
Leisure facility	<ul style="list-style-type: none"> <li>• Construction of new leisure centre on Public Service Centre commenced in February 2015 with expected completion in May 2016</li> <li>• Operator contract awarded to Places for People with opening of the new facility planned for July 2016</li> </ul>
Roses Theatre	<ul style="list-style-type: none"> <li>• Landlord responsibilities for exterior of the building including replacement of the roof completed in November 2015</li> <li>• Assisted the Roses Trust with internal refurbishment requirements, again completed November 2015</li> <li>• New lease heads of terms agreed</li> </ul>
Play areas	<ul style="list-style-type: none"> <li>• Transfer of one play area in Churchdown completed</li> <li>• Agreement for the transfer of a further two</li> </ul>
Tewkesbury Nature Reserve	<ul style="list-style-type: none"> <li>• Land assembly from various developers</li> <li>• Lease of reserve in place with local group</li> </ul>
Old Baptist Chapel	<ul style="list-style-type: none"> <li>• Transfer of property to Abbey Lawns Trust</li> </ul>
Homeless properties	<ul style="list-style-type: none"> <li>• One property declared surplus and taken to the market for sale</li> </ul>
Car Parks	<ul style="list-style-type: none"> <li>• New parking strategy devised and implemented</li> <li>• Surplus capacity identified</li> <li>• Management and inspection programme put in place</li> </ul>
Lower Lode Depot	<ul style="list-style-type: none"> <li>• 3 year lease agreed</li> <li>• Partial retention of area as overflow parking for Public Services Centre</li> </ul>
Health & Safety management plan	<ul style="list-style-type: none"> <li>• Plan developed and implemented covering legionella, asbestos, electrical and fire risks across property portfolio</li> </ul>
Public conveniences	<ul style="list-style-type: none"> <li>• New and refurbished facilities developed in Tewkesbury</li> <li>• Ownership transferred to Town and Parish Councils</li> <li>• Some sites sold on open market</li> </ul>



## **3.0 POLICY CONTEXT**

### **3.1 Council Plan**

In May 2012, the new Council Plan for 2012 – 2016 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.”

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

#### **Use resources effectively and efficiently:**

- Maintain low council tax.
- Provide value for money service delivery.
- Provide customer focused services measured by output against customer needs.
- Regularly review the effectiveness of customer focused services.

#### **Promote economic development:**

- Promote Tewkesbury Borough to attract large scale businesses.
- Provide support to help new start-ups, young and growing businesses.
- Work with the Local Enterprise Partnership to promote economic growth.
- Ensure the Core Strategy makes provision for sufficient employment land.

#### **Improve recycling and care for the environment:**

- Focus on continuous improvement in recycling and waste collection.
- Work towards achieving a 60% recycling target.
- Focus on continuous improvement in street cleansing.
- Promote activities to reduce litter and fly tipping.
- Continue work with partners to provide flood resilience measures.

#### **Provide customer focused community support:**

- Support and promote joint working arrangements with Gloucestershire County Council's Child and Family Support Services, Gloucestershire Constabulary and other agencies to achieve better outcomes for residents.
- Simplify and standardise business processes for the benefit of customers.
- Work with town and parish councils to deliver the localism agenda.
- Work with partners to reduce the level and perception of crime.
- Support the health and well-being of our residents.

#### **Develop housing relevant to local needs:**

- Develop a Core Strategy to meet current and future housing needs
- Promote initiatives to make quality housing more affordable and accessible.
- Work with all stakeholders to promote specific housing types to meet defined shortages.
- Improve the quality of the housing stock

The effective use of council land and property assets can support the Council's priorities in a number of ways. The primary examples of the links between asset management and council priorities are shown below:

- Ensuring our buildings are run efficiently, reducing the cost of inputs such as energy and maintenance, and maximising the value of income generated from our assets, such as property rental, helps to support the core budget of the council and keep council tax low
- Identifying under-utilised or surplus assets for sale or redevelopment which can enhance the supply of employment land to the market or create additional retail units can support our economic development ambitions
- Focussing on the use of renewable energy, such as photovoltaics, and the use of low energy alternatives, such as lighting, can assist the council in caring for the environment
- The transfer of assets, such as play areas and public conveniences, to Town and Parish Council's means that local services are being provided by the most appropriate local body
- Further development of the Public Service Centre has seen the number of partners operating out of the building and delivering services directly to the residents of the Borough increase to seven in recent years with further expansion planned.
- Identifying under-utilised or surplus assets which can be developed as housing units, either through a third party or directly by the Council, to support the needs of people living in the Borough

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.

The priorities and objectives contained in the Council Plan are important in informing and shaping the actions to be included in the AMP. The Council is at the early stages of developing its new priorities and Council Plan for the period 2016 – 2020. This AMP will need to be reviewed in light of the final Council Plan.

### **3.2 Corporate Policy framework**

The Council's Policy Framework provides a structure for the implementation of desired targets, standards and outcomes. It provides a focus for responding to particular needs or issues, a platform for joined-up working, encourages innovation and provides a mechanism for accountability.

The Asset Management Plan is an important component of the Council's Policy Framework and supports an overarching framework which includes the Housing Strategy, Treasury Management Strategy, Procurement Strategy, Risk Management Strategy and the Medium Term Financial Strategy.

### **3.3 Service Planning**

The Service Planning Framework aims are:

- To help elected members determine the timing of priorities
- To forecast the changes in demand for services and barriers to service delivery
- To show the likely implications of changes in legislation
- To match demand with likely resources
- To provide a framework for programming activities by individual services

This is a key process to ensure that the Council works towards the Council Plan objectives.

The council's Asset Management service will complete an annual service delivery template for consideration by members alongside templates from other service areas. To supplement this, and as detailed earlier, an annual AMP action plan will be submitted to Transform Working Group for approval by members. This will provide a greater depth of detail on planned asset management activities for the forthcoming year and give members assurance that assets are being maintained and used to meet the council priorities.

All actions recommended within the annual AMP action plan will strive to promote the use of assets in a way that positively assists the Council in delivering its priorities.

## **4.0 ORGANISATION AND GOVERNANCE**

There is a need to ensure that there are appropriate structures in place through which decisions are taken regarding the management of the council's assets. The Council operates an Executive model whereby decisions on asset management are delegated to the Executive Committee. The Constitution of the Council sets out in detail what asset related decisions can be made by either the Executive Committee or by further delegation to a senior officer.

To support the asset management requirements of the council and its decision making process, there are a number of key roles, teams and groups and these are summarised below.

### **Lead Member for Finance & Assets**

The Council sub-divides its Executive responsibilities into portfolios and allocates political responsibility to an Executive Member supported by senior officers. Asset Management falls under the remit of the Lead Member for Finance & Assets. No decision making authority is vested in this role but the Lead Member acts as a champion of asset related issues for the authority. Monthly portfolio meetings are held in order to review and monitor the progress of actions against the AMP. The Lead Member is also the Deputy Leader of the Council.

### **Corporate Leadership Team**

The Corporate Leadership Team comprises the Chief Officers of the council and meets on a weekly basis to oversee both the operational and strategic management of the Council.

### **Group Manager Finance & Assets**

The Group Manager for Finance and Assets is the senior officer responsible for the overall strategic development of asset management and ensuring that activities continue to support the Council's aims and priorities. The Group Manager has delegated responsibility for a range of asset management decisions and is also the Council's Chief Finance Officer (CFO).

### **Corporate Property Officer**

The Asset Manager fulfils the role of Corporate Property Officer (CPO) in Tewkesbury and is the most senior officer responsible for the Asset Management function. Management of all property is centralised under this role and supported by the Asset Management Team. The CPO is the initial point of contact for all corporate property management matters, providing advice on standards and procedures to ensure accordance with accepted industry best practice.

### **Asset Management Team**

The Asset Management Team support the CPO in delivering the operational requirements of the service. The service currently consists of 7.97 full time equivalents and includes a range of skills from estates management to project management. Some specialist skills, such as surveying and valuing, are procured services. The team are also responsible for a range of front line delivery services including car parking, cemeteries and leisure provision.

### Asset Management Review Group (AMRG)

This group is formed from a number of different service areas in the council and provides a corporate view point on asset related issues. It meets on a bi-monthly basis and has responsibility to review and consider issues received from the Asset Management Team. It does not have any decision making powers but helps guide both the operational management of assets and the development of strategic thinking around assets.

To help explain the relationship of these roles, a diagram is shown below:



## 5.0 MONEY

Until recently, the Council has had a poor record in investing in the ongoing maintenance of its currently owned assets and the further development of its asset portfolio to support service delivery but also produce ongoing revenue returns to support its overall council base budget. Both the culture of the council to support its assets and the appetite to invest in land and property holdings have changed in recent years and the council is now in a positive position to realise fully the benefits of a proactive approach to asset management and development.

In the last two years the council has committed over £11m to new asset related projects, emphasising its new commitment to assets and the realisation of the potential benefits available from land and property assets. A summary of the schemes approved in this period is shown below:

- £7.5m towards the development of a new leisure facility, incorporating both wet and dry side facilities, on the Public Services Centre site. The new facility will allow the current Cascades facility to close thereby freeing up a valuable site in the town centre to aid future regeneration.
- £1.5m towards the refurbishment of the Public Services Centre. The programme of works included the replacement of roofs and windows, the realignment and redecoration of the first floor and the transfer of all staff to the new first floor accommodation
- £2.0m set aside towards either the purchase of an investment property and/or investments in current assets in order to realise a financial return
- £150,000 towards the council's landlord responsibilities for the Roses Theatre in Tewkesbury. Again, new roofs and windows have been installed and the works coordinated with a schedule of works for the refurbishment of the interior.

This is a significant level of investment for a small council but highlights both its ambition for its asset portfolio and the under investment in previous years which has necessitated such a large investment over a short period.

As a result of this heavy capital programme, coupled together with the council's ongoing commitment towards both Disabled Facilities and Community Support grants being funded from capital, the capital reserves of the council have now diminished to very low levels. Having enjoyed capital balances of approaching £30m 15 years ago, mainly as a result of the sale of council housing to Severn Vale Housing Society, balances are predicted to have fallen to £3.7m by April 2016 and £1.6m by April 2017.

The council's rapidly developing ambitions to increase its asset base, regenerate an area of the Borough, meet housing needs and make the best use of assets currently in its ownership will require substantial investment over a long period. These ambitions will not be met by the balance on the capital reserve. The Council will need to continue to carefully select under-utilised assets for disposal where disposal is considered a better option than redevelopment. The sale of these assets can deliver additional capital receipts which can support the development of the investment programme.

The Council will also need to consider alternative sources of funding. These may include external grants, s106 funds and revenue finance from either New Homes Bonus or retained business rates. In addition, the council will need to consider prudential borrowing. Borrowing from either the Public Works Loan Board or from money markets is particularly attractive at this time as interest rates remain suppressed following the recession in recent years. As an example, current market rates suggest an interest charge of under 3.5% over 25 years. The council will also need to make provision in its revenue budget for the repayment of principal. The amount required to be set aside is dictated by the council's Minimum Revenue Provision (MRP) policy which suggests repayment should be accrued in line with the useful life of an asset.

Any asset investment decision requiring the use of prudential borrowing will require a detailed business case with particular attention being paid to the financial viability of the investment. If, following due diligence, the investment services its financing costs and is considered to promote the council's ambitions, then borrowing should be recommended.

In addition to the one-off investment of capital resources, the council makes available reactive maintenance monies through its general fund revenue budget. The annual sum made available for reactive maintenance is £88,000 and used to maintain all assets across the portfolio including the Public Service Centre (£39,900) and the Cascades leisure centre (£24,000).

The council has not had a cash backed planned maintenance programme in place for a number of years. Whilst a desire to restrict non-essential spending during a time of austerity is understandable, the ongoing lack of a planned maintenance programme is not sustainable and provides an unnecessary risk to the council. A full 25 year costed programme over the full portfolio will be developed in 2016 and presented to members. The aim of this programme is provide annual contributions to a sinking fund to meet known maintenance needs so that large, ad hoc sums are not sought.

## 6.0 ASSET MANAGEMENT PRINCIPLES

Strategic asset management for our land and buildings is:

- Linked and focused on our business, corporate and organisational objectives.
- Systematic and coordinated.
- Concerned with both non-financial and financial matters.
- An activity that sees property as a key strategic resource to the Council.
- Ensuring these assets make a positive contribution to regeneration of the Borough.
- A corporate activity and not solely the province of property professionals.
- Planned on a medium/long term basis.

In addition to this general statement, five specific principles of asset management for Tewkesbury have been developed and these are set out in the following paragraphs.

### **A Own assets that meet Council needs**

The council should only own assets that are fit for purpose and meet the needs of the council, whether in terms of service delivery or for the wider ambitions of the council. Given the financial position of the council, it cannot afford to continue to own assets that do not meet its assessed current or future need. Likewise it cannot afford to maintain inefficient assets.

Local authorities face a challenge of modernising service delivery and getting the best from valuable property resources. A significant proportion of a local authority's revenue budget is devoted to running and maintaining its operational estate. There is an acknowledgement that property is "resource-hungry" and is generally the second most costly resource after staff.

The existing portfolio is a legacy of piecemeal decision making over a period of time. The Council has acquired its current asset portfolio over the last forty years and it reflects the varying reasons for ownership including:

- A duty to provide
- For delivery of council services
- A choice made to own a discretionary asset

Whilst the portfolio has been subject to review over the period there may be a legacy of value to be released or further opportunities to increase income/reduce costs within the base portfolio. Such a review needs to concentrate on aligning the portfolio to future needs of the council plus provide a challenge at an individual asset level over whether to 'retain' or 'release'. In an era of constrained budgets the council will need to review how and where it provides services. The review needs to proceed on the basis of a 'robust challenge' to the need and performance of individual assets set within the context provided by specific service strategies. It needs where possible to be undertaken on a multi-agency basis so that potential for shared asset use are considered.

To support this process, the council's Asset Management team takes a proactive approach in identifying assets that are surplus to service delivery requirements. Separately from any intervention by Asset Management, surplus properties often emerge from service areas as a result of fluctuations in property needs. In addition, approaches from external organisations, such as developers, adjoining owners and tenants seeking to purchase a property, might trigger a property being declared surplus.



When a property emerges, via one of these routes, as potentially surplus to the Council's operational requirements, details of the property's availability is reported to the Council's Asset Management Review Group (AMRG) which ensures service areas are made aware of the asset and have an opportunity to put forward a business case to retain it for specific service needs.

If no service area can demonstrate a clear and robust business need for a property brought before the AMRG then the Council's Executive Committee is asked to declare the property surplus to the Council's operational requirements. This report will be presented to members in open business in order to provide a robust and transparent audit trail and allow an open debate on the issues surrounding the ongoing use of the asset to be made.

It is following this decision that the council will look at alternative uses of the site and will decide whether to retain the site for redevelopment or release the site to the market. The council will also consider the transfer of the site to a local organisation, such as a Town or Parish Council, to further support the localism agenda.

## **B Efficient buildings**

The council has to ensure that it is maximising the value of each asset under its ownership so that cost is driven down and income driven up so that assets can support the overall Council budget. In addition, the council has a duty to cut carbon emissions and ensure the long term sustainability of its assets.

Space utilisation is a key component of delivering efficient buildings. Within the Public Service Centre a desk to staff ratio of 8:10 has been incorporated. This is seen as a modest first step towards efficient space utilisation and has allowed the majority of council services to be concentrated on the first floor of the building. As a result, the top floor of the Centre has been vacated by the council and is in the process of being let to additional partners. The next step of this strategy will be to reduce the desk ratio to 6:10 to free up further space. This ambition, whilst deliverable, will be heavily dependent on flexible working policies and a solid IT infrastructure to deliver.

The refurbishment of the Public Service Centre included the replacement of the roof, new insulation, new windows, a rebalancing of the heating system and an energy efficient lighting system. These improvements, coupled with a greater ability to manage energy consumption in an efficient manner, have led to a reduction in energy utilisation and a maintenance requirements and as a result have reduced the ongoing cost of running the centre.

The next phase of improvement works at the Centre will see the investment in renewable energy. It is planned to site a bank of solar panels on the main roofs of the centre to provide up to 80% of the centres energy needs during daylight hours, reducing the cost of energy purchase, as well as producing an income from feed in tariffs. The council will look to roll out this initiative across the rest of its asset portfolio depending on the business case for each asset.

Energy efficiency was a key design principle in the new leisure centre and will remain a key consideration as the council looks to develop new assets.

The council encourages the use of cycling to work through the provision of onsite cycle storage and shower and changing facilities. The development of the new leisure centre included the requirement for a whole site orientated travel plan. The aim of this plan is to reduce the number of car visits to the site including both the leisure centre and the Public Service Centre. In addition, investment in better public transport facilities should encourage the use of this form of shared transport to the site.

### **C Facilities management**

A key principle for the council to deliver effective asset management is to actively manage all of its assets. Within its buildings used for service delivery it should provide a full facilities management service to ensure those buildings are comfortable, accessible, clean, safe and secure and operating cost effectively using accurate base data and metrics to help inform decisions.

The facilities management team need to be proactive with a focus on customer service and have excellent communication skills. Training will be provided on an on-going basis to ensure these staff, together with the wider Asset Management team, possess the necessary skills.

To support the team in delivering the service, investment will be made in an online helpdesk facility, to provide an easy to use and convenient method of logging customer requests. The new system will also be invaluable in recording reoccurring issues and measuring the performance of the team in responding to the requests. The system will be further enhanced with the ability for customers to record their satisfaction with the service they have received. Response times to customer issues and customer satisfaction will form part of the suit of performance indicators to be introduced. The system will also aid the management of the service should opportunities be followed to expand the current service to include partner organisation requirements.

The health and safety of staff and visitors to our buildings is of paramount importance. A fully updated suit of health and safety plans has been put in place in 2015. The suit includes documentation surrounding the ongoing management and maintenance of risks associated with asbestos, legionella, electrical and fire in all of the properties owned by the council.

The regular inspection of our assets is a key activity of the Asset Management team. For our assets which are leased to third parties, periodic inspections take place to ensure the tenants are abiding by the lease terms, including health and safety issues, and the asset is being maintained as required. A programme of routine inspections is in place for the councils main operational assets and is based on a risk based approach. To support the inspection regime, investment has recently been made in an online system that allows officers to record the inspection details on site and to be automatically uploaded to the database. The system also allows the direct procurement of corrective works to those assets as the inspection is concluded. It will also provide officers with detailed management information and reporting. The use of this system will be vitally important for the ongoing management of the council's many assets.

## **D Planned, coordinated and informed approach to maintenance**

Property maintenance should be viewed as both essential and a worthwhile investment providing an important return. Well maintained properties can enhance service delivery, and reduce future resource requirements by prolonging an asset life, reducing risk and strengthening value.

The council has a reactive annual maintenance budget of £88,000 but has not had in place a Planned Maintenance Programme (PMP) or budget for over 15 years. As a legacy of under investment, the portfolio comprised ageing buildings which were in a poor condition and necessitated an extensive programme over the last two years to recover the situation. It is important to remember that a maintenance and repairs programme does not cover building alterations or changes that alter or improve capability or functionality of a building; this would normally be capital improvements. It simply maintains the existing state of assets.

It is an aim of this Asset Management Plan to reintroduce a PMP as soon as is possible. Properties that are strategically important, particularly multi-occupied properties, will have whole life costing appraisals carried out that assesses the running costs of the building over a period of 25 years or longer. An annual resource requirement can be established from this plan which will fund the establishment of a sinking fund to be used for future maintenance requirements. The PMP will allow maintenance to be carried out in a coordinated, scheduled and efficient way.

The introduction of a PMP will impact on the revenue budget of the council which is difficult to ask during the ongoing reductions in public spending but is essential. The plan will establish a 5 year rolling resource requirement within the Medium Term Financial Strategy of the Council but will be subject to both an annual 'sense' check and a five year review. The process will also enable the Council to re-charge partners an appropriate proportion of the repair, maintenance and replacement costs.

The 'sense' check and five year review of the PMP will be informed by an ongoing inspection regime and periodic condition surveys. This will ensure that the base information in the PMP is accurate, reflects the needs of the asset base and is prioritised accordingly. Pricing assumptions can also be updated to ensure sufficient monies are being set aside to meet needs.

The council view on strategically managing and maintaining its assets also includes close working with partner organisations such as the County Council, Town and Parish Councils and Housing Associations. The council will seek to break down organisational boundaries so that the maintenance of assets such as grounds maintenance and play area management is coordinated and efficient.

## **E Investment opportunities**

The Council recognises the importance of strategic investment in the asset base to help deliver its economic and regenerative ambitions as well as securing a monetary return that can support the Council's core budget.

The council's commercial estate is small, primarily comprising of two retail units and a depot site although its use of the Public Service Centre enables a strong rental income stream as well as the provision of services to the public. There is a desire to broaden the commercial estate with appropriate investments in retail, commercial and industrial units which are backed by robust business cases considering the risks of further asset ownership, the whole life costs of the asset and the net return that could be made. If the right investments can be sourced and secured, a more extensive commercial estate will make a valuable annual contribution to the council's finances.

An investment decision should not just be limited to making a financial return. Where the council can make a difference to the Borough either through investment's in its own assets or through investment in new assets, this should be considered. For instance, the council will wish to consider the regeneration of the town centre of Tewkesbury to provide a more attractive environment and additional facilities as well as supporting the general economic, social and cultural development of the town. The council may also consider the purchase of land which could be developed as employment land to support the growing need of businesses within the borough and to ensure employment exists for its growing population. The use of assets in this way can make a real difference to the residents and businesses of the Borough as well as its visitors.

The Council may also want to consider how it can directly influence the housing market in future years. Utilisation of current or new assets to bring new housing units forward either for market or social housing could meet a number of council ambitions and priorities. The council will need to investigate the optimum mechanism and structure for delivering an ambition in this service area particularly if it wishes to see an annual revenue return from housing. It will also need to be mindful of the cash flow associated with setting up a delivery mechanism and producing housing units prior to any returns being made and will need to see this in the context of its MTFS.

Investment in assets for any of the purposes mentioned will require the use of significant sums of finance. As mentioned previously, the council will need to consider all available sources of finance and in particular the need to borrow to fund the investment. It is therefore vital for maximising the return from investments, that the cost of financing is minimised.

## 7.0 VISION FOR ASSETS

In addition to an overall vision for assets and the general principles of asset management, the council has specific needs and visions for individual assets and classes of assets. These are summarised below:

Public offices	Provide suitable, efficient and fit for purpose premises to house the main services of the Borough Council. In addition, to maintain and enhance the number of partner organisations operating from the public offices, encouraging greater service alignment and integration whilst ensuring the council maximises rental returns.
Parking locations	To provide appropriate levels of parking spaces within current locations to meet need whilst improving the presentation and environment of the car parks
MAFF site	To declare the asset surplus to service requirements and develop housing proposals which will attract outline planning approval. The site will then either be taken to the market for disposal at the maximum return possible or redeveloped by the Council itself.
Retained land	Each parcel of land to be reviewed for current use and alternative uses to be investigated if a council priority can be met from the site. Public Open Space should be retained to provide a community amenity within our residential areas unless a very strong business case can be made for the sites disposal.
Roses Theatre	To provide suitable premises to house a significant cultural offering for Tewkesbury Borough secured against a long term lease which clearly defines responsibilities and is subject to regular inspection
Golf club	To provide suitable premises to house a significant leisure offering for Tewkesbury Borough secured against a long term lease which clearly defines responsibilities and is subject to regular inspection
Play Areas	To transfer ownership of play area facilities to local communities where possible and where ownership is retained by the Council to ensure play areas are regularly inspected and maintained in line with a best practice regime
Homeless properties	To regularly review the useage of the properties in conjunction with Housing Services and to declare surplus to service requirements any properties which are substantially under-utilised. Those properties which are retained should be subject to regular inspection and maintenance both from the Borough and the management operator.
Investment properties	To maintain and increase the rental levels associated with all properties currently subject to lease to third parties.

Garage sites	To review the current useage and condition of the facilities and develop proposals, where required, for the redevelopment of the sites.
Surplus land and building	Land and buildings should be reviewed on a regular basis to ensure they are still required for service delivery. If not required, they should be declared surplus by Executive Committee and clear direction for the disposal of the asset identified.
Land and building purchase	To identify land and building purchases which meet with Council Plan ambitions or further service delivery or provide an investment revenue stream in excess of the financing costs of purchasing the asset.

## 8.0 PERFORMANCE MONITORING

The council has a corporate approach to performance management with progress against council priorities and performance indicator information reported in the Quarterly Performance Report to Overview & Scrutiny and Executive Committee. The process identifies under performance and seeks to support performance improvement and share learning from success.

### Asset Management Monitoring

The overall progress and performance of the Asset Management Plan is monitored in a number of ways.

- Review and monitoring of major capital projects at monthly programme board meetings
- Reporting of capital programme progress to Overview & Scrutiny and Executive Committees
- Review progress of major action points at Lead Member meetings
- Progress on the annual AMP action plan will be reported to Members each year

### Asset Management Performance Indicators

There are different methods of adopting performance management and indicators to assess asset management performance.

The National Property Performance Management Initiative (NaPPMI) Performance Indicators are an accepted industry standard for Asset Management and further recommended by the Department of Communities and Local Government. The seven recommended performance areas are:

1. Condition of asset and required maintenance
2. Environmental property issues
3. Suitability surveys

4. Building accessibility surveys
5. Sufficiency (capacity and utilisation)
6. Revenue (spend on property, energy, cleaning and rents payable)
7. Capital (accuracy of forecasts of estimates and timing of works)

It is good practice for every organisation to choose indicators that are relevant to that organisation. For instance, particular interest for this council is to develop its investment asset portfolio and see a healthy revenue return from its investment in order to support the core budgets of the council.

As part of the 2016 AMP annual action plan, a suit of performance indicators will be developed in order to assist the service with the management and monitoring of asset related performance. The indicators will utilise the NaPPMI indicators as a starting point but will be developed to meet the council needs, ensuring the data can be reasonably and realistically collected, and will reflect the principles of asset management and the vision for our asset portfolio, as outlined earlier, as well as the Council's priorities. Examples of the type of asset management performance indicators that will may be included are:

1. Workstation/ Full Time Equivalent (FTE)
2. m<sup>2</sup>/FTE
3. Total cost per sq m
4. Total cost per FTE
5. Amount of energy consumed at Public Service Centre per annum.
6. Facilities Management Helpdesk – Number of Helpdesk jobs resolved with a Good or Very Good satisfaction rating (Target 80% plus)
7. Response to high risk Health and Safety issues within 4 hours
8. Return on investment - investment asset portfolio
9. Occupancy rates – investment asset portfolio
10. Level of rental arrears – investment asset portfolio

These indicators will be compared with national averages and previous years and reported to Members as part of the council's performance reporting framework. The council will also consider the use of benchmarking to understand how well its assets are performing against peer authorities. This could be achieved through the Council's current membership of CIPFA.

In addition to the local authority PI's, where council owned assets are leased and operated by a third party, any KPI's agreed within the contract documentation will be reviewed in line with the approved schedule. An example of this will be Tewkesbury Leisure Centre which will be run by Places for People from June 2016.

## **9.0 CONSULTATION**

Consultation is carried out by the Council regularly on corporate priorities and annually for budget setting purposes. This strategy is set within the context of both the corporate priorities and the available resources of the council to ensure the consultation carried out is reflected in the ambitions for the land and property portfolio.

Specific consultation on major capital schemes is also carried out. An example of this is the consultation carried out for the new leisure facility.



## TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Executive Committee
<b>Date of Meeting:</b>	25 November 2015
<b>Subject:</b>	Volunteering Policy for Employees of Tewkesbury Borough Council
<b>Report of:</b>	Graeme Simpson, Corporate Services Group Manager
<b>Chief Officer:</b>	Mike Dawson, Chief Executive
<b>Lead Member:</b>	Councillor Mrs E J MacTiernan, Lead Member for Organisational Development
<b>Number of Appendices:</b>	Two

### **Executive Summary:**

Promoting and enabling healthy and active communities is a key priority for the Council given the need to reduce dependency on traditional state services and to build self-reliance. The Council's employees play an important role in supporting the Borough's many and varied communities as part of their day to day duties however staff can also play a greater direct role in assisting community projects through an active volunteering approach.

The Government has signalled its intent to introduce compulsory 'volunteering' for all staff across the private and public sector within this Parliament and the Council is preparing for this policy requirement by introducing a workforce policy to encourage volunteering by its staff. There are significant benefits for both the individual employee and the wider community and employee volunteering is well established within a number of national businesses as a significant managerial tool to increase efficiency and maximise workforce potential.

In order to manage the process, and to ensure staff time is effectively channelled into projects which directly assist the outcome of community projects within the Borough, the Council is recommending joining Involve Gloucestershire. Involve Gloucestershire is a local social enterprise which offers effective brokerage of volunteering opportunities between the employer and local groups and will actively support the Council in promoting employee volunteering to its workforce and to local businesses.

### **Recommendation:**

**That the Volunteering Policy for Employees at Tewkesbury Borough Council be APPROVED with effect from 1 December 2015.**

### **Reasons for Recommendation:**

Employee volunteering can benefit the community, by allowing employees to "give something back", whilst at the same time developing new skills and the opportunity to make a real worthwhile difference to the community, the Council and the individual.

**Resource Implications:**

It is proposed that up to ten members of staff are given the opportunity to take part in up to two challenge volunteer days in a year, sponsored by the Council. Individual activities will not be sponsored by the Council, and must be carried out in the employees own time This has no financial impact on the Council as employees would be expected to manage their workloads around volunteering.

£5,000 per year for 3 years (£15k in total) to sign up to Involve Gloucestershire has already been approved by this Committee in July and is held in earmarked reserves.

**Legal Implications:**

Volunteers are not employees and as such do not attract the same protection as employed staff. In view of this, there is a need to ensure that employment relationships are not created with volunteers which would give rise to employment risks, leaving the Council open to breaches of employment legislation. Understanding the role of a volunteer is essential to minimise the employment risks. An approved Volunteer policy is therefore a necessary requirement.

**Risk Management Implications:**

If the policy is approved and followed this helps to discharge the duty of the Council in relation to the health, safety and welfare and safe guarding of employees who volunteer. If a policy is not in place this could leave the Council open to legal challenge and associated reputational & financial risk.

**Performance Management Follow-up:**

It is intended that the policy is reviewed in two years' time.

**Implications for Biodiversity:**

None.

**1.0 INTRODUCTION/BACKGROUND**

- 1.1 The Government is actively encouraging voluntary activity across the public and private sector in order "*to create a society where voluntary activity flourishes and where all individuals and communities are able to play a full part in civil society*" - Cabinet Office 2014
- 1.2 Many large corporations have had employee volunteering polices for many years in order to promote their commitment to 'corporate citizenship' and to demonstrate their wider corporate social responsibility. Zurich Insurance and ASDA (Walmart) are good examples of successful companies which actively encourage their staff to volunteer in community settings. Likewise, in the public sector, many organisations promote volunteering within their workforces; the Cabinet Office within Whitehall has a successful scheme for civil servants and GCHQ is another exemplar.

**1.3** This policy introduces an active employee volunteering scheme for Tewkesbury Borough Council staff. In order to manage the process effectively it is limited to Team Challenge events, limited to two per year, where staff are encouraged to nominate themselves to participate. The Challenge Events will focus on specific community projects within the Borough selected by Involve Gloucestershire as the Council's active brokerage partner. Staff will be selected by the whole Management Team to ensure a collective decision making process and to help embed the positive benefits of such opportunities across our management tier.

**1.4** The Council will work with Involve Gloucestershire to help employees volunteer. They will act as a brokerage of short term challenges or longer term relationships and help identify team activities that our volunteers can take part in. The activities will be designed to meet community needs; they will support team building, learning and development, as well as giving employees the chance to try something new. Our aim is to encourage employees to become actively involved in the community and to help tackle local issues.

## **2.0 VOLUNTEERING POLICY**

**2.1** The volunteering policy sets out the Council's commitment to employees who wish to volunteer, the procedure and processes that need to be followed and the nature of the volunteering relationship. The policy is designed to help support volunteers and provide a framework of good practice. All volunteering activities must be undertaken within, or in support of, the Tewkesbury Borough community. This policy applies to all employees of the Council, irrespective of their status or position. Involve Gloucestershire will provide advice on delivering our volunteering policy. Whilst individual activities will not be supported, employees will be given information on how they can find out about volunteering opportunities from Involve Gloucestershire.

## **3.0 EMPLOYEE VOLUNTEERING AND TIME ALLOWED**

**3.1** It is proposed the Council allows up to ten members of staff to take part in up to two challenge volunteering days in a year. This will involve a team activity for a "one-off" practical task completed by a group of employees often in one day. The activity will be designed to offer great team building opportunities, and give employees a day away from their usual working environment where they can develop new skills and go home with a real sense of achievement. Teams could take part in a half or full day volunteering activity; working on projects such as painting buildings, undertaking a community garden project or taking on other exciting opportunities. The activities will be designed to meet community needs; they will support team building and learning and development, as well as giving individuals the chance to try something new.

## **4.0 BENEFITS TO TEWKESBURY BOROUGH COUNCIL AND THE COMMUNITY**

**4.1** The Volunteering Policy will help organisations and people to deliver services and improve communities. It will help to build a robust and resilient society by enabling individuals to get involved in activities that benefit the community, the environment and the relationships with communities and the Council.

## **5.0 BENEFITS TO THE INDIVIDUAL**

- 5.1** There are a number of benefits to the individual. It is hoped that they will have a sense of personal achievement and self-worth through giving back to the community. It will broaden a person's outlook of the community, enabling them to transfer their skills and experience, or help them to develop new skills and create a "can-do" attitude. It will benefit employees approaching retirement and help them adjust for the future.

## **6.0 INVOLVE GLOUCESTERSHIRE**

- 6.1** Involve Gloucestershire is a social enterprise formed in 2015 in order to safeguard the Country's historic 'volunteering bureau' services but move them onto a more financially sustainable model.
- 6.2** Utilising experience from other areas, and particularly from Swindon, Involve Gloucestershire aims to sign up businesses across both the public and private sectors to act as a paid broker for staff volunteering. The research they have conducted has shown that many large and medium businesses currently struggle to find effective volunteering opportunities for their staff despite their commitment to encourage corporate social responsibility and would be keen to pay for this essential service.
- 6.3** Both Zurich Insurance and GCHQ have already signed up and are contributing to start-up costs to enable Involve Gloucestershire to become operational within the County and to offer services. It is envisaged that, as the approach gains momentum, enough businesses will subscribe to reduce the annual fee and to allow the organisation to be completely self-sufficient and not dependent on any grant funding. Involve Swindon has already demonstrated how this is possible and is financially self-sufficient in this way.
- 6.4** Tewkesbury Borough Council is being asked to agree to sign up to Involve Gloucestershire for 3 years in order to broker volunteering opportunities, arrange the challenge events for staff, train and develop employee understanding around volunteering and to promote the approach to local businesses.

## **7.0 LOCAL BUSINESS PROMOTION**

- 7.1** The development of a volunteering policy for the Council will support the promotion of volunteering and corporate social responsibility activities to the business community across the Borough.
- 7.2** It will help encourage local companies to get involved, by showing first-hand, how volunteering produces real results for the local community, whilst also providing positive development opportunities for employees.
- 7.3** Working with Involve Gloucestershire, the Council's Economic Development Team will develop successful case studies from the Challenge Days. These will be used to promote the benefits to the local community and local businesses, demonstrating how easy it is to get involved.
- 7.4** This information will be widely communicated through the business e-newsletter, social media, business events, Borough News and local business networks.

## **8.0 OTHER OPTIONS CONSIDERED**

8.1 None.

## **9.0 CONSULTATION**

9.1 The Trade Unions, management and Involve Gloucestershire have been consulted.

## **10.0 RELEVANT COUNCIL POLICIES/STRATEGIES**

10.1 The keep safe stay healthy strategies for employee wellbeing and the art of being brilliant ethos along with the Wellbeing and Stress Management Policy.

## **11.0 RELEVANT GOVERNMENT POLICIES**

11.1 Equality Act, Data Protection Act 1998, Health and Safety at Work Act 1974, Management of Health and Safety at Work Regulations 1999, Police Act 1997 (Criminal Records) Regulations 2002.

## **12.0 RESOURCE IMPLICATIONS (Human/Property)**

12.1 Implicit within the policy.

## **13.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/Economic/ Environment)**

13.1 This policy will support our social responsibility towards the community and show an active awareness of issues within the Borough.

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

14.1 None.

## **15.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS**

15.1 None.

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**Background Papers:** None.

**Contact Officer:** Janet Martin, Human Resources Adviser Tel: 01684 272030

Email: [janet.martin@tewkesbury.gov.uk](mailto:janet.martin@tewkesbury.gov.uk)

**Appendices:** 1 – Volunteering Policy for Employees of Tewkesbury Borough Council.  
2 – Equality Impact Assessment.

# Volunteering Policy

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For Employees at Tewkesbury Borough  
Council



This policy outlines the principles and procedures for Tewkesbury Borough Council employees who would like to volunteer.

## **1.0 INTRODUCTION**

- 1.1** Tewkesbury Borough Council (TBC) seeks to play a leading role in the socio-economic and cultural development of the Borough it serves. As part of its commitment to engagement, TBC has introduced an Employee Volunteering Policy. The policy is intended to support, encourage and develop employees by facilitating their involvement in a wide range of local causes.

The council recognises the contribution that an employee-volunteering scheme can make to the wider community, allowing employees to 'give something back' to their community whilst at the same time enhancing flexibility and development opportunities for its employees.

Employee volunteering can also act as a development tool for employees, providing them with "hands on" experience and the opportunity to make a real, worthwhile difference to the community. A range of skills can be acquired through participating in voluntary work, which in turn will benefit local communities. Achievements and opportunities may be recognised in the employee Personal and Professional Development Scheme (PPD).

Volunteering is a chance to get out and meet new people, interact with other employees and explore new challenges. Volunteering opportunities will be promoted and supported by the council. TBC will work closely with Involve Gloucestershire, who will design and help us deliver employee volunteering projects. All volunteering activities must be undertaken within or in support of the Tewkesbury borough community.

This policy applies to all employees of the council, irrespective of their status or position.

## **2.0 Purpose of the volunteering policy**

- 2.1** The scheme allows employees to take up time to volunteer. This is a great way to help the community, develop new skills and support something worthwhile. Employees can get involved in activities that benefit individuals, organisations, clubs, charities, groups and the environment. The policy is designed to help and support employees wishing to volunteer and provide a framework of good practice.

## **3.0 What is a volunteer?**

- 3.1** A volunteer is a person who donates their time, skill and experience for the benefit of society, the community and the environment. All volunteering activity must be able to demonstrate a positive social, economic and environmental impact.

- 3.2** A volunteer refers to any person employed by TBC who undertakes an activity on behalf of and agreed by the authority within the working week.
- 3.3** Volunteers are not classed as an employee and there is no legally binding contractual relationship between the volunteer and the organisation that they volunteer for.

#### **4.0 Employee Volunteering and Time Allowed**

- 4.1** The council will work with Involve Gloucestershire to help employees volunteer, by allowing up to ten members of staff to take part in up to two challenge volunteering days in a year. This will involve a team activity for a “one-off” practical task completed by a group of employees often in one day. This will be designed to offer great team building opportunities, and give employees a day away from their usual working environment where they can develop new skills and go home with a real sense of achievement. Teams can take part in a half or full day volunteering activity; working on projects such as painting buildings, undertaking a community garden project or taking on other exciting opportunities. The activities are designed to meet community needs; they will support team building and learning and development, as well as giving individuals the chance to try something new.
- 4.2** Whilst individual activities will not be supported by the council, they are a great way to develop individual skills in specific areas of work and work with different community groups. Examples include volunteering in the Youth Service (including the Duke of Edinburgh’s Award), Ranger Service, undertaking administration tasks, coaching and even fundraising.

Information on opportunities can be obtained from Involve Gloucestershire and by visiting [www.involvegloucestershire.org.uk](http://www.involvegloucestershire.org.uk).

#### **5.0 Why volunteer?**

- 5.1** Benefits to the person:
- Personal achievement and developing self-worth through giving back to the community.
  - Broadening a person’s outlook of the community.
  - Transfer a person’s skills and experience to the community.
  - Develop new personal skills and experiences and giving their expertise and contribute to lifelong learning.
  - Improve an individual’s employability.
  - Create a ‘can do’ attitude.
  - Increase social health and wellbeing.
  - Help adjust for the future, retirement prospects into the voluntary sector and beyond.
  - Learning important life and work skills from working in a new and different environment.
  - Meeting new people and provide networking opportunities for staff with colleagues from other sections.



- Boost confidence by giving staff the opportunity to work outside their comfort zone.
- Giving staff a wider perspective of some of the issues in the local community.

## **5.2 Benefits to the community:**

- Helps organisations and people to deliver their service.
- Improve communities.
- Build a robust and resilient society.
- Improve relationships with communities and the authority.
- Employee volunteers contribute time, skills and enthusiasm to get things done.

## **5.3 Benefits to the Council:**

- Helps the local community.
- Improves local reputation as employee volunteers make great ambassadors for the council.
- Build important relationships in the wider community.
- Enhance the skills of employees.
- Improve levels of recruitment and retention as it is important that employees feel good about working for TBC.
- Create a positive culture.

## **6.0 Aims**

### **6.1 The aim of this is to increase volunteering opportunities for employees by:**

- Releasing them from their normal duties.
- Encouraging people to volunteer in their own time.
- Broadening volunteering boundaries.
- Encouraging volunteering to develop communication throughout the community.

### **6.2 Employees are offered the opportunity to carry out volunteering work with the support of and under the sponsorship of the council.**

### **6.3 All volunteering can help demonstrate the ability to drive collaboration and inclusion. As well as developing specific skills, volunteering can also help to broaden horizons through working with people from different backgrounds and sectors.**

## **7.0 Types of volunteering supported**

**7.1** The authority supports employees who are undertaking community or charitable activities, including:

- Community care work.
- Environmental work and conservation projects.
- Fundraising for community projects or charities.
- The administration of public events.

**7.2** The types of volunteering that will be supported are entirely at the discretion of the council. Volunteering will be open to all employees, and they can also make suggestions for developing new partnerships with organisations, or specific projects that can be initiated.

## **8.0 How to make an application**

**8.1** Employees should complete the Employee Volunteering Request Form, which will be made available on the intranet, and forwarded to Sharon Marriott. The Management Team will decide which ones are to be approved. Approval must be obtained in advance.

## **9.0 What happens next?**

**9.1** A copy of the request form confirming the Management Teams decision will be sent to the Human Resources section, who shall advise Involve Gloucestershire of those employees who have been selected to volunteer. Those who are unsuccessful will be advised accordingly.

## **10.0 Working with vulnerable adults and children – Individual Volunteering Activities**

**10.1** An employee undertaking a volunteering opportunity not supported by the council will need to make sure that they have the correct clearances. An enhanced DBS check will be required for certain activities, e.g. volunteers who work with young people (under 18 years) or vulnerable adults, on a regular basis or more than once in 4 weeks are required to have a DBS check. It is the responsibility of the organisation/charity providing the volunteering activity, together with the volunteer to identify if a DBS check is necessary, that it has been undertaken and received back prior to the volunteering taking place. The cost of the DBS check will be borne by the employee unless the organisation/charity is paying for it.

## **11.0 Feedback**

**11.1** Volunteers will be asked to provide feedback by completing an evaluation form and we may also contact the organisation for feedback. This will help us to improve the volunteering experience and understand the impact we are making.

## **12.0 Volunteering principles**

- 12.1**
- The volunteer agrees to respect the privacy, property and confidentiality of others.
  - They will be committed.
  - They will inform all involved if unable to attend.
  - They must act in an appropriate way as they are representing the council.
  - They must adhere to the Code of Conduct.

## **13.0 Equal Opportunities**

**13.1** Managers will make any necessary adjustments to ensure that all requesting to be part of the volunteering scheme are treated equally.

## **14.0 Health and Safety**

**14.1** The Health and Safety of our employees is of the utmost importance. Please bear in mind that whilst you are volunteering, the responsibility of your health and safety lies with the organisation that you are volunteering with. The council will ensure that you are made aware of their Health and Safety policy and procedures for reporting accidents and the risk assessment concerning the volunteering activity.

**14.2** All volunteers have the responsibility to ensure the safety of themselves and others around them.

## **15.0 Insurance**

**15.1** If an employee undertakes a TBC volunteering activity, they will be automatically covered by the council's Public Liability Insurance and Employers Liability Insurance. A full risk assessment will need to be undertaken. TBC will take responsibility for also checking that adequate insurance cover is provided by the host organisation.

If an employee has organised the volunteering themselves they will need to ensure that personal injury and public liability insurance is in place. Employees should seek advice from the Human Resources section if they are unsure.

## **16.0 Expenses**

**16.1** Travel and subsistence expenses related to an employee's volunteering are not a claimable business expense.

## **17.0 Monitoring and review**

**17.1** The Human Resource Section is responsible for reviewing the operation of the Employee Volunteering policy and procedures to ensure that it is in accordance with other relevant policies of the council.

## **18.0 Volunteering conditions**

**18.1** The authority reserves the right to refuse an employees' request to undertake volunteering. A request may be refused if it is believed, for example, that:

- There will be a detrimental impact on the business needs of the employee's section.
- Work within the section cannot be rearranged to accommodate the employee's varied hours.

Time off for volunteering is not an entitlement.

In order to maintain services to our customers the council reserves the right to withdraw approval after it has been given or recall an employee should the situation demand it.

## **19.0 Communication**

**19.1** Active volunteering days will be promoted in the following ways through:

The intranet  
Notice Boards  
Employee Induction  
PPD's  
Cascade through team talks, staff briefings

## EMPLOYEE VOLUNTEERING REQUEST FORM

This form must be completed if you wish to volunteer on behalf of Tewkesbury Borough Council. Volunteering should not be arranged before approval is given by the Management Team.

### EMPLOYEE SECTION

<b>Employee's Name:</b>	
<b>Post Title:</b>	
<b>Full Time/Part Time/Job Share:</b>	<b>Weekly Hours:</b>
<b>Section:</b>	

### REASON FOR REQUEST

<b>Benefits of the volunteering you wish to undertake:</b>
<b>Time off required: (date and number of hours requested)</b>
Signed: _____ Date: _____

### MANAGEMENT TEAM DECISION

Management Team (don't support/support) the volunteering request above. If not agreed please give the reason(s) for this decision ( <i>To be completed by Sharon Marriott</i> ).
Signed: _____ Date: _____

*Sharon Marriott to retain original and a copy sent to the HR section*

## Evaluation Form

Please remember to keep a copy and use as part of your PPD review.

<b>Name:</b>		<b>Section</b>	
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<b>What did you enjoy about the volunteering activity?</b>	
--	--

<b>What new skills or knowledge did you acquire?</b>	
--	--

<b>What did you least enjoy about the volunteering activity?</b>	
--	--

<b>Are there any changes to the policy you would wish us to reflect on?</b>	
---	--

<b>What did you learn about the community?</b>	
--	--

<b>Any other comments (continue on separate sheet if necessary):</b>
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<b>How would you rate the overall volunteering activity?</b>
--

<p>1     <b>poor</b></p> <p>2     <b>satisfactory</b></p> <p>3     <b>good</b></p> <p>4     <b>excellent</b></p>	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="padding: 2px 10px;">1</td> <td style="padding: 2px 10px;">2</td> <td style="padding: 2px 10px;">3</td> <td style="padding: 2px 10px;">4</td> </tr> </table>	1	2	3	4
1	2	3	4		

*Employee to retain original and a copy sent to the HR section.*

## Equality impact assessments – for services and policies

### What is an equality impact assessment?

An equality impact assessment is an important part of our commitment to improving equality practice. The form will help us find out what impact or consequences our functions, policies, procedures and practices have on our citizens, employees and potential employees.

By undertaking an impact assessment, we are able to:

- Take into account the needs, experiences and circumstances of those groups of people who use (or don't / can't use) our services.
- Identify any inequalities people may experience.
- Think about the other ways in which we can deliver our services which will not lead to inequalities.
- Develop better policy-making, procedures and services.

Impact assessments are required by law; The Race Relations Amendment Act, The Disability Discrimination Act and the amended Sex Discrimination Act all require local authorities to assess the impact of their functions, policies, practices and services, or the likely impact of any that are proposed, on equality.

However, our view is that we should be using the results of impact assessment to improve service delivery so that we become more accountable to the people that we serve.

### Background

<b>Name of service / policy and date</b>	Volunteering Policy – for employees of Tewkesbury Borough Council
<b>Lead officer</b>	Janet Martin
<b>Other people involved in completing this form</b>	

## Step 1 - About the service / policy

<b>What is the aim of the service / policy and what outcomes is it contributing to</b>	<p>To provide consistency of treatment for people wishing to volunteer. It will help the council to deliver its service and improve communities. The policy will help to build a robust and resilient society and improve relationships with communities and Tewkesbury Borough Council.</p>
<b>Who are the primary customers of the service / policy and how do they / will they benefit</b>	<p>The primary customers are members of the public. The individual will benefit from:</p> <ul style="list-style-type: none"> <li>• Personal achievement and developing self-worth through giving back to the community</li> <li>• Broadening a persons outlook of the community</li> <li>• Transfer a person's skills and experience to the community</li> <li>• Developing new person skills and experiences</li> <li>• Improving an individual's employability</li> <li>• Create a "can do" attitude</li> <li>• Increase social health and wellbeing</li> <li>• Help adjust for the future, e.g. retirement prospects</li> </ul>
<b>How and where is the service / policy implemented</b>	<p>Tewkesbury Borough</p>
<b>What potential barriers might already exist to achieving these outcomes</b>	<p>The practical ability to allow a person to volunteer because of the impact on the service.</p>

## Step 2 – What do you know already about your existing / potential customers

<b>What existing information and data do you have about your existing / potential customers e.g. Statistics, customer feedback, performance information</b>	<p>The council already has developed a relationship with Involve Gloucestershire and they have provided information about the types of projects that can be organised. There are a number of staff who are keen to get involved in volunteering.</p>
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<b>What does it tell you about who uses your service / policy and those that don't?</b>	Individuals feel that they are giving something back to the community by giving their time to support the council and by supporting community activities and helping to make a difference.
<b>What have you learnt about real barriers to your service from any consultation with customers and any stakeholder groups?</b>	No consultation has been undertaken.
<b>If not, who do you have plans to consult with about the service / policy?</b>	We shall be working with Involve Gloucestershire to deliver our volunteering strategy.

### Step 3 - Assessing Impact

How does your service / policy impact on different groups in the community? The groups in bullets are current priority groups identified by the CSP.

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<b>Group</b>	<b>What are you already doing to benefit this group</b>	<b>What are you doing that might disadvantage this group</b>	<b>What could you do differently to benefit this group</b>	<b>No impact on this group</b>
Ethnicity / Race <ul style="list-style-type: none"> <li>• Economic migrants</li> <li>• Chinese community</li> <li>• BME young people</li> <li>• Asian, Asian/British</li> <li>• Black, Black/British</li> <li>• White</li> </ul>				No impact on the group.
Gender and trans-gender <ul style="list-style-type: none"> <li>• Women who are not in work</li> <li>• Trans-gender people</li> </ul>				No impact on this group.
Age <ul style="list-style-type: none"> <li>• Older people experiencing isolation and poverty</li> <li>• Vulnerable children and young people</li> </ul>				No impact on this group.

Disability <ul style="list-style-type: none"> <li>• People experiencing mental ill-health</li> <li>• People with physical disabilities</li> <li>• Children and young people with learning difficulties and/or disabilities</li> </ul>		Individuals must be able to understand the health and safety rules and responsibilities. They also have a responsibility to ensure the safety of others.	Ensure individuals attend induction or ongoing training and ensure the relevant council policies are followed.	
Religion or belief <ul style="list-style-type: none"> <li>• Muslim community</li> <li>• Chinese community (Buddhism etc)</li> </ul>				No impact on this group.
Sexual orientation <ul style="list-style-type: none"> <li>• Lesbian women</li> <li>• Gay men</li> <li>• Bi-sexual people</li> </ul>				No impact on this group.
Other socially excluded groups or communities <ul style="list-style-type: none"> <li>• People on low incomes</li> <li>• People with poor literacy skills</li> <li>• Gypsies, Travellers and Show People</li> </ul>				No impact on this group.

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#### Step 4 - what are the differences

<b>Are any groups affected in different ways to others as a result of the service / policy?</b>	The council may not be able to make reasonable adjustments to enable a person with physical disabilities to carry out some practical tasks. The individual would need to be able to comply with the risk assessment for that type of work.
<b>Does your service / policy either directly or indirectly discriminate?</b>	No

<p><b>If yes, what can be done to improve this?</b></p>	
<p><b>Are there any other ways in which the service can help support priority communities in Tewkesbury?</b></p>	<p>Individuals can be signposted to Involve Gloucestershire who can help them find volunteering opportunities which support priority communities in Gloucestershire.</p>

### Step 5 – taking things forward

<p><b>What are the key actions to be carried out and how will they be resourced and monitored?</b></p>	<p>Develop links with Involve Gloucestershire and publicise the policy through staff briefings. The volunteering activities will be evaluated and discussed at the PPD review, A copy of the evaluation will be given to the HR section.</p>
<p><b>Who will play a role in the decision-making process?</b></p>	<p>Management Team who will approve volunteering challenge days and who can volunteer.</p>
<p><b>What are your learning and development needs?</b></p>	<p>Being aware of the issues that need to be tackled in the community and the benefits to the council, the individual and the community.</p>
<p><b>How will you capture these actions in your service planning?</b></p>	<p>It will be recorded in the HR Service Plan.</p>

Signed by the Manager undertaking the assessment \_\_\_\_\_

Full name in capitals please \_\_\_\_\_

Date \_\_\_\_\_ Job Role \_\_\_\_\_

## TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Executive Committee
<b>Date of Meeting:</b>	25 November 2015
<b>Subject:</b>	Transfer of Public Open Space Land off Starling Road to Wheatpieces Parish Council
<b>Report of:</b>	Simon Dix, Finance and Asset Management Group Manager
<b>Corporate Lead:</b>	Rachel North, Deputy Chief Executive
<b>Lead Member:</b>	Lead Member for Finance and Asset Management, Councillor Dave Waters
<b>Number of Appendices:</b>	One

**Executive Summary:**

The purpose of this report is to ask Members to agree to the transfer of the Public Open Space, adjacent to the Multi Use Games Area, to Wheatpieces Parish Council. The purpose of the transfer will be for the Parish to engage with the local community to provide football pitches and to increase community sporting and recreational use.

**Recommendation:**

**The Committee RESOLVES that:**

- 1. The Public Open Space off Starling Road, as outlined in red on the appended plan, is transferred to Wheatpieces Parish Council at nil consideration, but together with the commuted sum of £74,037.**
- 2. The Borough Solicitor be authorised to complete the disposal according to the terms set out in this report and additionally negotiated by the Finance and Asset Management Group Manager and such other terms as she considers necessary or advisable, in consultation with the Finance and Asset Management Group Manager.**

**Reasons for Recommendation:**

Wheatpieces Parish Council has shown an active commitment to maintaining land within its ownership and has long expressed an interest in adopting this land to increase sporting opportunities. The intended transfer would help to facilitate greater recreational and sporting use by the local community and would result in a more enhanced maintenance of the land by the Parish Council.

**Resource Implications:**

As landowner the Council has the financial responsibility for maintaining this area of land and any possible liability in the event of any incidents occurring on the land. If the ownership of the land is transferred to the Parish Council then ongoing maintenance and liability will be taken on by the Parish. The Parish Council has met the advertising and valuation costs incurred in order for the Council to comply with the statutory requirements of the Local Government Act 1972, Section 123 (2A). A Section 106 amount of £74,037 will be transferred to the Parish for the ongoing maintenance and management of the land.

**Legal Implications:**

The Council has a statutory obligation under s123 of the Local Government Act 1972 to secure the best consideration that can reasonably be obtained when disposing of land. The Council can dispose of land at less than best consideration where the consent of the Secretary of State has been obtained: the Secretary of State has issued a general consent to such a disposal where the Council considers it to be for the social, economic or environmental benefit of the inhabitants of the Borough or any of them. The valuation of the site is set out in the report and, if minded to proceed with the disposal, Members must consider whether the purpose of the disposal meets the criteria set out by the Secretary of State.

The Council as landowner can take steps to protect the future of the land as public open space, including imposing restrictive covenants and the possibility of requiring that the land be offered back to the Council (at nil consideration) in the event of a proposed disposal or change of use.

Under s123(2A) of the 1972 Act, the Council has an obligation to advertise proposed disposal of public open space (even though the disposal is to another public body, and its future use is still intended to be public open space) in a local paper for a period of 2 consecutive weeks, and to consider any objections to the disposal. It is understood that in this instance there have been no objections.

**Risk Management Implications:**

The ongoing liability of the land will be transferred to the Parish therefore reducing the ongoing risk to the authority.

**Performance Management Follow-up:**

Should the report actions be approved then Asset Management will act as client on behalf of the Council by instructing One Legal to draft the transfer documents.

**Environmental Implications:**

None.

**1.0 PUBLIC OPEN SPACE**

**1.1** Land off Starling Road, Wheatpieces, comprises 2.5 hectares of Public Open Space, and adjoins the Wheatpieces Multi Use Games Area, as shown outlined in red on the attached Plan. The land is currently used as a sports field and for outdoor recreational pursuits by the local community.

**1.2** The Council is responsible for the maintenance of the field space and regular grass cutting.

- 1.3 The Council has recently marked out two football pitches on the field and will install goalposts should the transfer be approved funded by an existing S106 agreement.
- 1.4 The Parish Council has long expressed an interest in taking on the ownership of the field to support community sport and recreational activities. The area has already been successfully utilised by the community for fun runs, summer fetes, dog walking and general community activities.
- 1.5 The Parish Council has strong links with Tewkesbury Town Colts football club which has expressed an interest in using the site. The club has 21 registered teams, including 3 all girl teams and a Saturday morning coaching centre for 5-8 year olds. They are growing out of their current site at Tewkesbury School and the site would provide an opportunity for the development of youth football in the area.

## **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 The land is designated as public open space and therefore could not be considered as being suitable for future development.

## **3.0 CONSULTATION**

- 3.1 The land that is the subject of this disposal is categorised as public open space. In this respect the Council has complied with its statutory duty (under the Local Government Act 1972) by advertising its intention to dispose of land consisting of a public open space in the local press on two occasions for two consecutive weeks. The two local Members have also been consulted.
- 3.2 No objections to the disposal have been received following this period of advertising and consultation.

## **4.0 RELEVANT COUNCIL POLICIES/STRATEGIES**

- 4.1 None.

## **5.0 RELEVANT GOVERNMENT POLICIES**

- 5.1 None.

## **6.0 RESOURCE IMPLICATIONS (Human/Property)**

- 6.1 The disposal of this land parcel to the Parish Council will eliminate the need for Council resources to be spent on the future management and maintenance of the land.

## **7.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)**

- 7.1 The transfer of the land to the Parish Council will help to provide for an improved environment and facilitate more sustainable outdoor sports pitch facilities. The land will be used to increase youth playing opportunities, for example for the Tewkesbury Colts, while promoting social interaction and outdoor activity generally for the local community and for Tewkesbury.

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

**8.1** The Council has a statutory obligation under s123 of the Local Government Act 1972 to ensure that it obtains best value for any land it sells. A valuation has been carried out which, taking into account the current and future restrictions on the land, has determined a value of £19,000.

**9.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS**

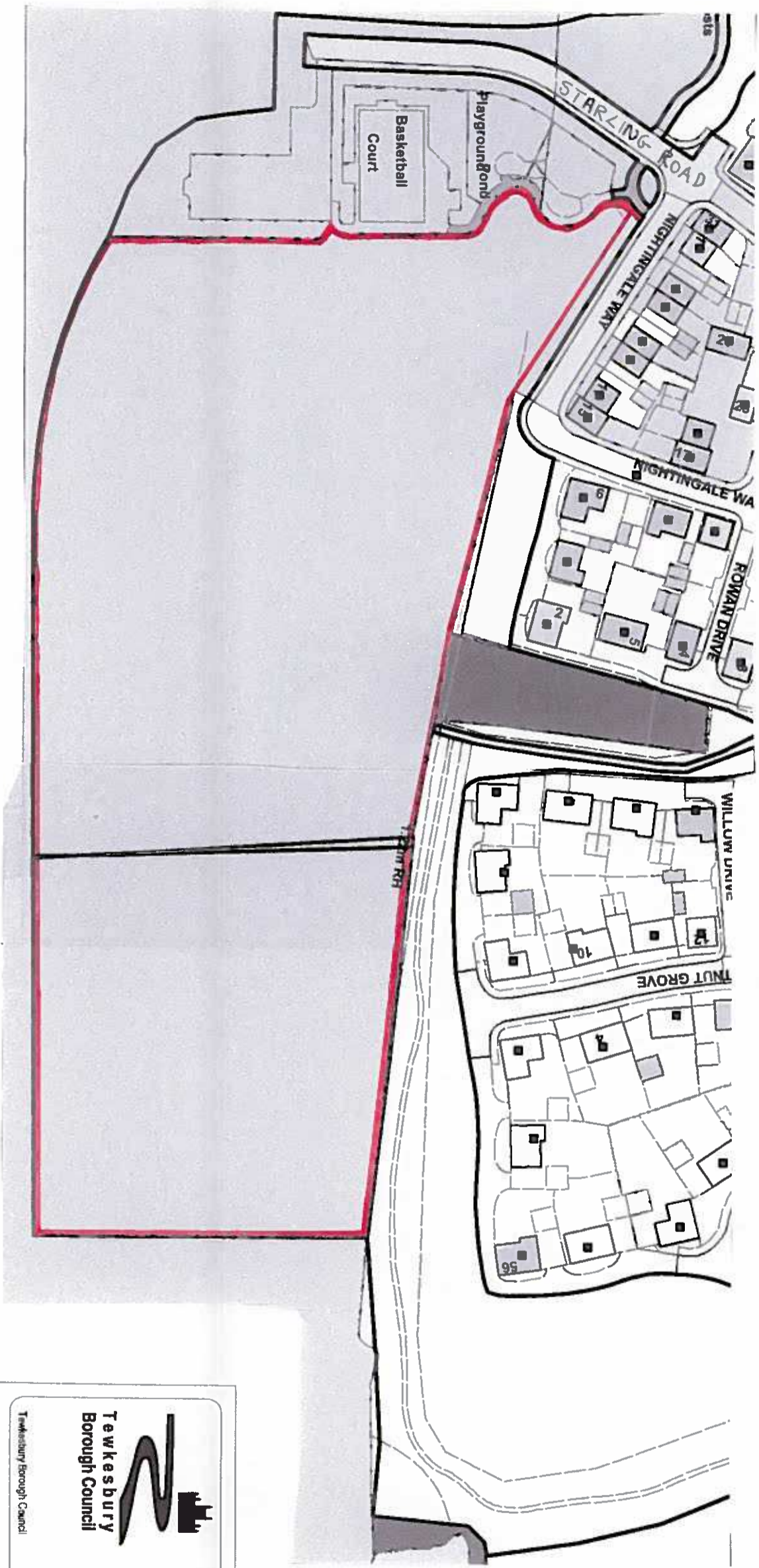
**9.1** None.

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**Background Papers:** None.

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**Appendices:** 1. Public Open Space adjacent to the Multi-Use Games Area, Starling Road, Wheatpieces.



**Tewkesbury Borough Council**

Asset Management  
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Tewkesbury  
Glos  
GL20 5TT

Tewkesbury Borough Council  
Tel: 01694 259310

DATE September 2015  
DRAWN BY A/JC

**LAND TO BE TRANSFERRED**  
**FOOTBALL FIELD**  
Off Starling Road, Wheatpieces,  
Wotton Cardiff

SCALE 1:1250  
DRAWN No.



## TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Executive Committee
<b>Date of Meeting:</b>	25 November 2015
<b>Subject:</b>	Joint Core Strategy Update
<b>Report of:</b>	Julie Wood, Development Services Group Manager
<b>Corporate Lead:</b>	Mike Dawson, Chief Executive
<b>Lead Member:</b>	Councillor D M M Davies, Lead Member for Built Environment
<b>Number of Appendices:</b>	One

**Executive Summary:**

This report presents an update on the progress of the Cheltenham, Gloucester and Tewkesbury Joint Core Strategy (JCS) following its submission to the Secretary of State on 20 November 2014.

The examination hearing sessions commenced on 19 May 2015 and the initial timetable envisaged that these would have concluded by the end of July 2015. However, there has been significant delay to this timetable and the hearing sessions will now continue into 2016. An important factor in this delay has been the level of additional work requested by the Inspector; including further analysis on key issues such as housing and employment need to take into account the latest data and evidence.

This report sets out the key stages of the examination, the changes to the timetable that have occurred and the reasons for delay. Furthermore it provides a summary of the main areas of additional work that have been required and the implications of their findings. Finally, the report sets out future progress of the examination and the timetable for hearing sessions.

**Recommendation:**

**That the Committee NOTES the report and APPROVES the proposed actions set out at Paragraph 7.1 of this report in order to advance the JCS examination.**

**Reasons for Recommendation:**

The JCS will provide the strategic part of the development plan for the Tewkesbury, Cheltenham and Gloucester area. It is important that the plan progresses through examination in a timely manner to enable a sustainable plan-led approach to be taken to future growth in the area. The continued absence of the JCS presents the risk of an uncoordinated and piecemeal approach to development without the comprehensive planning of infrastructure and assessment of environmental impacts.

**Resource Implications:**

The JCS examination has financial and human resource implications which are increasing as the examination proceeds. In terms of staff resource, this involves developing the plan document, and its supporting evidence base, as well as attending the examination hearing sessions. There are also substantial financial costs involved in running the examination hearing sessions, including the cost of the Inspector. There is also the cost of consultancy and legal support during this process. It is anticipated that this will require additional funding provision to be made by the JCS Councils in the budget for 2016/17.

**Legal Implications:**

The JCS forms part of the Council's statutory emerging development plan and it is essential to have a "plan led" system if the planning process is to deliver sustainable growth. In the absence of an up to date JCS and supporting Local Plan, local authorities are vulnerable to challenge when they are unable to demonstrate a robust five year housing land supply (HLS).

In the absence of a five year HLS, local authorities are having imposed upon them by decision of the Secretary of State, planning permissions which need not necessarily comply with the current or emerging Local Plan or any of the emerging strategic policies within the JCS. It is therefore essential that Local Plans and the JCS are progressed expeditiously if the threat of adverse planning decisions being forced upon JCS partners is to be avoided.

**Risk Management Implications:**

Delay to the progress of the JCS examination, and therefore subsequent adoption of the plan, means that the Council will continue not to have an up to date local plan for the area. The absence of the JCS could further result in an uncoordinated approach to development, leading to inappropriate and incremental development being allowed on appeal that does not take account of cross boundary implications and requirements for supporting infrastructure, with the potential for adverse environmental impacts. There are applications already submitted relating to strategic sites identified through the JCS and other major applications pending that are being hindered by delays in progressing the plan. It is therefore critical that examination is advanced as quickly as possible.

**Performance Management Follow-up:**

Following the completion of the JCS examination, the Planning Inspector will present her findings on the plan. The Inspector's report will comment on the whether the plan is sound, positively prepared, justified, effective and consistent with national policy. The Inspector will also recommend any main modifications needed to rectify matters that make the plan unsound or not legally compliant.

The JCS authorities will consider these recommendations, and the outcome of the Inspector's findings, and any modifications made to the plan will be reported back to Council for approval before being subject to further public consultation.

### **Environmental Implications:**

Delay to the progress of the JCS could further result in an uncoordinated approach to development. It is important that future growth is plan-led to ensure that wider combined impacts on the environment are taken into account. The comprehensive approach to environmental impacts cannot be fully assessed through incremental and piecemeal growth.

The JCS must go through a sustainability appraisal process and Habitats Regulation Assessment (HRA) which consider the environmental, social and economic outputs of the Plan and ensures that development meets the needs of both present and future generations. The Sustainability Appraisal supporting the JCS encompasses Strategic Environmental Assessment as required by EU Directive (2001/42/EC). In addition HRA has been undertaken as required under the European Directive 92/43/EEC on the "conservation of natural habitats and wild fauna and flora for plans" that may have an impact on European (Natura 2000) Sites.

## **1.0 INTRODUCTION/BACKGROUND**

**1.1** Tewkesbury Borough Council, Cheltenham Borough Council and Gloucester City Council submitted the JCS to the Secretary of State on 20 November 2014. Subsequent to this, in January 2015, the Secretary of State appointed Elizabeth Ord to undertake the independent examination into the soundness and legal requirements of the plan. However, the examination hearing sessions to explore key aspects of the plan did not commence until 19 May 2015.

## **2.0 EXAMINATION PROGRESS AND TIMETABLE**

**2.1** The original examination programme split the hearing sessions into two stages. Stage 1, was due to run from 19 May to 10 June 2015 and was scheduled to discuss:

- Objectively assessed need (OAN) for housing.
- Employment land and job provision.
- Gypsy and Traveller provision.
- Duty to cooperate.
- Vision and objectives.
- Procedural and legal requirements.

**2.2** Stage 2 was then timetabled to run from 7 July to 24 July 2015 and was scheduled to discuss:

- Spatial Strategy.
- Green Belt.
- Strategic Allocations.
- Omission sites.
- Infrastructure.
- Other plan policies.

- 2.3** During the course of the Stage 1 sessions, however, the Inspector stated that she had some concerns over the evidence base and was keen to ensure that the JCS is underpinned by up-to-date and robust evidence. As such, the Inspector set out that she wanted the JCS authorities to undertake further work on the Objectively Assessed Need (OAN) for housing, the Strategic Housing Market Assessment (SHMA), Gypsy and Traveller accommodation needs and employment and retail requirements. The Inspector published a specific note detailing the additional evidence being requested which amounted to a significant amount of supplementary work to be completed. In addition these tasks required further engagement with JCS consultants, representors to the plan, key stakeholders and neighbouring authorities. The major areas of work requested by the Inspector area are detailed at Appendix 1 of this report.
- 2.4** Due to the time it would take the JCS authorities to complete this work, and then allowing other interested parties to consider it, the Inspector recommended that this latest evidence be picked up at further hearing sessions to take place in Autumn 2015. Importantly, the Inspector did not suspend the examination, as has been experienced at plan examinations for other local authorities. Instead the Inspector was comfortable to proceed with the Stage 2 sessions in July while the work was undertaken.
- 2.5** The Stage 2 sessions commenced on 7 July, however, due to length of discussions taking place during the Stage 1 sessions, the Inspector recognised that the initial timetable would not be adequate. Therefore the decision was taken that Stage 2 would take place in July but it would only deal with issues of spatial strategy, green belt and the strategic allocations. The remaining issues, including omission sites, transport, infrastructure and other plan policies, were moved to a new Stage 3 to take place in Autumn 2015 with the revisited Stage 1 sessions. The Stage 2 (as regards those issues not moved to Stage 3) sessions were completed on 24 July and the examination paused awaiting further timetabling.
- 2.6** During this pause the Inspector conducted site visits for the strategic allocations and the omission sites between 8 and 18 September. Following this, the examination hearing sessions reconvened over 5 days between 6 and 15 October to discuss omission sites across the JCS area.
- 2.7** During this time discussions between the JCS authorities and the Inspector on the examination programme resulted in a timetable being set that would see the revisited Stage 1 sessions being discussed in December 2015 with Stage 3 taking place in February 2016. However, the Inspector's request for additional work from Stage 1 had a completion deadline of 7 September 2015. Unfortunately, due to the scale of work being undertaken, not all of this information was submitted for this deadline. In these circumstances the Inspector agreed to an extension of this deadline to end of October 2015.
- 2.8** The Inspector indicated for the need for a four week consultation period for relevant examination participants following the publishing of the new information before undertaking hearing sessions on those topics. Therefore the Inspector stated that the revisited Stage 1 sessions would now take place in January 2016. These sessions are set to begin from 12 January 2016 and will run over 3 weeks to 29 January.
- 2.9** This latest change to the timetable will also have an impact on the dates for the Stage 3 hearing sessions. There is no timetable yet set for these sessions. The JCS authorities will continue to work with the Inspector and the Planning Inspectorate on progressing the examination as quickly as possible. It is again important to remember that the examination has not been suspended by the Inspector. Although much slower than originally anticipated, the examination continues to move forward.

### **3.0 EXAMINATION AND IMPLICATIONS OF INSPECTOR'S REQUESTS TO DATE**

- 3.1** The requests made by the Inspector, including the key items set out above, are due to be examined at the revisited Stage 1 sessions in January 2016. In addition to these key evidence items, the JCS team has recorded close to 100 separate requests made by the Inspector on a variety of plan issues. Dealing with these requests has required a significant amount of time and resources to be dedicated to them and have been a significant reason for the delay in progressing the plan.
- 3.2** The Inspector has been very detailed and thorough in her examination of the JCS and has been keen to ensure that the plan takes into account the latest evidence produced. It is recognised that plans should be supported by the most up to date evidence. However, with the examination process covering a significant length of time, it is increasingly probable that new and updated evidence will become available following the submission of the plan. Requiring Councils to react to any new evidence during an examination inevitably leads to significant delays to proceedings. The lengthening of the examination process makes the plan vulnerable to yet further delays due to the release of more up to date evidence.
- 3.3** Officers from the JCS authorities have had concerns over this approach, particularly due to the uncertainties around new evidence based on estimates and projections and their impact locally. The JCS was submitted with the most up to date information at the time. During the examination process it is important to 'draw a line' at a point in time and the plan making process should not be overburdened by the release of updated information. The National Planning Practice Guidance states in Paragraph 16 (Ref ID: 2a-016), in regard to housing OAN, that assessments should be informed by the latest available information where possible but that this does not automatically mean that housing assessments are rendered outdated every time new projections are issued.
- 3.4** This highlights the important role of monitoring and plan review to enable local plans to be adopted without being delayed by the uncertainties of changing evidence and associated implications.

### **4.0 STAGE 3 – TRANSPORT AND INFRASTRUCTURE**

- 4.1** At this time the timetable for the Stage 3 hearing sessions has not been programmed although it is likely that these will take place in March 2016. However, key to the discussions for Stage 3 is the availability of the transport modelling evidence base.
- 4.2** The JCS authorities have been working closely with Gloucestershire County Council (GCC) and Highways England (HE) on developing the transport evidence and the mitigation package needed to deliver growth. Extensive modelling work has been undertaken to support the plan using the 2008-based Central Severn Vale (CSV) SATURN model. It was agreed by GCC, HE and the JCS Authorities that, until such time as an updated model is available, the 2008 based model remains the most appropriate tool available for assessing the highway impacts of the JCS. Therefore the work completed to date has utilised this version of the CSV model.
- 4.3** However, leading up to examination GCC and HE stated that any further testing should wait for the availability for the new updated 2013 based model. This was set out in the respective representations to the examination and the Inspector is aware of this issue.
- 4.4** The 2013-based model was expected to be available for use from August/September 2015. However, there have been issues with the production of the updated model and GCC has struggled to get it to a standard where HE can agree that it complies with national requirements. Therefore the JCS authorities have been informed that it will not now be available for use until Spring 2016 while these issues are rectified.

**4.5** This would cause significant delay to the JCS programme. Therefore, officers from the JCS authorities have been working with GCC and HE to find an alternative solution to developing this part of the evidence base. There are regular working group meetings taking place to look at the use of the 2008-based model, at least for those areas which are demonstrated to be less sensitive in terms of future congestion. It is anticipated that this could allow a number of the strategic allocations to be progressed at examination during the March sessions. However, other sites, particular those in Ashchurch, are reliant on using the 2013 based model due to the complexity and sensitivity of traffic in this area. Work on this approach is still being developed and the Inspector will be updated with the latest position on this matter at the January sessions.

## **5.0 EXAMINATION PROGRESS AND FUTURE TIMETABLE**

**5.1** Throughout the examination the JCS authorities have stressed the importance of expediting the process to get an adopted plan in place as quickly as possible. The Inspector has been made aware of the pressures particularly being felt by Tewkesbury Borough in terms of its lack of a five year housing land supply, the resulting developing pressure and appeal decisions.

**5.2** The Planning Inspectorate has provided assurances that they will do all they can in supporting the JCS through to the completion of its examination. However, they are also aware of the need for the JCS to be robust and compliant with the National Planning Policy Framework, and National Planning Policy Guidance, and to ensure that the examination process is conducted in the correct manner to avoid the risk of legal challenge.

**5.3** Following recent communications, the Planning Inspectorate has offered to work with the JCS authorities on the future timetabling of the plan and finding the promptest way to navigate through the examination. If the plan is to progress as quickly as possible through the examination it is important that the JCS authorities have an open dialogue with the Planning Inspectorate to develop the timetable and continue to express the need to expedite plan delivery.

## **6.0 GLOUCESTERSHIRE DEVOLUTION**

**6.1** In September 2015 the 'We are Gloucestershire' devolution bid was submitted to Government. The bid set out a range of devolution asks of Government and offers from Gloucestershire that centred around the aim of driving economic growth and public sector reform. Fundamental to the bid is accelerating economic growth and a key part of this is the role of strategic planning in delivering it. The bid document states that Gloucestershire wants to work with the Planning Inspectorate, and other government agencies, to expedite core strategy and local plan delivery. The bid targets the adoption of all core strategies and local plans by 2017 and the coordination of plan reviews by 2020. There is therefore a clear ask of Government through devolution to assist Gloucestershire in timely delivery of development plans to meet its growth potential.

## **7.0 PROPOSALS**

**7.1** This report has set out the progression of the JCS examination following its submission to the Secretary of State in November 2014. There have been significant delays to the timetable and the examination is set to continue into 2016. Therefore, to expedite this process, it is proposed that Tewkesbury Borough Council request support from Cheltenham Borough and Gloucester City Councils to take the following actions:

1. Continue to state the importance of the timely conclusion of the JCS examination and request support from the Planning Inspectorate to achieve this;
2. Write to the Planning Inspectorate requesting a meeting to determine the timetable for Stage 3 of the JCS examination and focus attention on the need to deliver plan adoption as soon as is possible;
3. Write to Gloucestershire County Council and Highways England to stress the importance of delivering transport modelling evidence to support the plan in a timely manner as to not cause further delay to the JCS examination; and
4. Continue to progress the 'We are Gloucestershire' devolution bid including the ask of Government that the Planning Inspectorate and government agencies work with Gloucestershire authorities to expedite core strategies and local plans delivery.

## **8.0 OTHER OPTIONS CONSIDERED**

**8.1** Not applicable.

## **9.0 CONSULTATION**

**9.1** Not applicable.

## **10.0 RELEVANT COUNCIL POLICIES/STRATEGIES**

**10.1** Tewkesbury Borough Council Plan 2012-2016.

## **11.0 RELEVANT GOVERNMENT POLICIES**

**11.1** Planning and Compulsory Purchase Act 2004.

Localism Act 2011.

Town and Country Planning (Local Planning) (England) Regulations 2012.

National Planning Policy Framework

National Planning Practice Guidance

## **12.0 RESOURCE IMPLICATIONS (Human/Property)**

**12.1** The examination process will involve a significant amount of Officer time and therefore has human resource implication for the Council. This includes attending and giving evidence at hearing sessions and additional work on the plan and its evidence base as the examination progresses.

- 13.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)**
- 13.1** The purpose of the planning system is to contribute to the achievement of sustainable development. Planning decisions are required to be made in accordance with an adopted Development Plan. The Plan-led approach to development will help ensure that new development is supported by the necessary facilities and infrastructure to make it sustainable in the long term.
- 14.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)**
- 14.1** None.
- 15.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS**
- 15.1** None.

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**Background Papers:** None.

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**Appendices:** 1 – JCS Examination Stage 1: Inspector’s Request for Additional Evidence.



### JCS Examination Stage 1: Inspector's Request for Additional Evidence

1. Following the initial Stage 1 hearing sessions which took place in May and June 2015, the Inspector requested that further work be completed for some key areas of the evidence base. Namely this covered the following issues:
  - Housing
  - Employment
  - Gypsy and Traveller provision
  - Retail
2. This further work involved engagement with JCS consultants, key stakeholders and interested representors to the plan. A number of 'round-table' sessions were held on these topics with representors to agree the approach to these updates. These round-table sessions were also used to agree outputs and establish common ground positions where appropriate.

#### Housing

3. The OAN for housing presented in the Submission JCS was based on the most up to date population forecasts and household projections available at the time. However, subsequent to submission in November 2014, the DCLG 2012-based household projections were released in February 2015 and the ONS 2014 mid-year population estimates were issued in June 2015. Despite taking into account of the proportionality of the evidence that the JCS should be expected to produce, the Inspector took the view that the OAN report should be updated to take into account this latest information. The Inspector also requested that the housing need calculation should tie in with additional employment work to address any mismatch between housing numbers and planned increase in jobs.
4. The JCS authorities have undertaken this work using consultant Neil McDonald and an updated assessment of OAN for housing report was published in September 2015. Taking into account the latest population and household formation data the report finds that the demographic based housing need for the JCS area is 31,800. This is compared with the OAN of 30,500 currently presented in the Submission JCS.

#### Employment

5. The Submission JCS identifies a need to provide employment land to support 28,000 jobs over the plan period. Through the strategic allocations, the JCS identified 84 hectares of employment land to meet this need. This employment need was based on an analysis of employment forecasts undertaken by consultant NLP completed in April 2014. Following the hearing sessions on this issue the Inspector requested that further work be undertaken to take into account of the most up to date economic forecasts as well as engaging with specific business sector groups and the LEP on future growth potential.

6. This additional work was again completed by NLP and an employment update report was published in October 2015. This work has been based on the latest employment forecasts from three independent forecasters and includes adjustments for growth established through consultation with the LEP. The latest NLP report recommends that provision should be made for the development of 192ha of employment land across the JCS area. Furthermore, the report states that the JCS should support positive business growth aspirations for a minimum additional 39,500 jobs.
7. The implications of this latest evidence are dealt with through a separate economic update paper which sets out how the JCS will meet the need for 192ha of employment. The paper sets out that the proposed JCS strategic allocations, together with existing undeveloped employment land and additional land to be allocated through the district-level plans, would provide a minimum of 195 hectares and therefore meet the revised NLP figure.

### Job Growth and Housing Numbers

8. A key consideration that the Inspector requested is the relationship between job growth and housing numbers. Neil McDonald undertook further analysis of the housing implications of 39,500 additional jobs in the JCS area. The analysis uses the economic projections of the three economic forecasters to produce estimates of the extra number of people and homes needed to support growth. The forecasts produced a number of homes required that ranged from 28,600 to 39,100, with the differences largely due to differing views taken on economic activity rates for each forecaster. This is compared to latest demographic housing OAN of 31,800 set out above.
9. This work demonstrates that there are considerable uncertainties in terms of how many additional jobs will be created locally, when in the plan period they are likely to be created and what the labour forces requirements would be. Therefore planning for additional housing on these assumptions is also very uncertain. The JCS economic update paper suggests that the need for any additional housing needs should be carefully monitored and would more sensibly be addressed at the first review of the JCS.

### Retail

10. Following the hearing session on retail the Inspector also requested that the retail evidence base updated on the basis of the latest information. Therefore, consultants DPDS were commissioned to provide an update to the 2014 retail study based on a new retail household survey and new local population and expenditure data from Experian.
11. For comparison retail, the results of this update show that there is a significant reduction in the floorspace requirement for Cheltenham over the plan period compared to the 2014 study. There is a slight increase in the requirement in Gloucester, Tewkesbury and Bishops Cleeve. For convenience retail, there are increases in floor space requirement for Gloucester and Bishops Cleeve, while Cheltenham, Tewkesbury and Winchcombe have a reduced need.

### Gypsy & Traveller Provision

12. The Submission JCS sets out the need for Gypsy & Traveller provision within the area over the plan period. However, during the hearing session on this issue the Inspector requested that further information be provided on the supply of sites to provide for this need to demonstrate a deliverable 5-year supply of sites. As such the JCS authorities have prepared an updated topic paper to provide clarity on this issue.
13. Through this additional work, further consideration has been given to the potential for the JCS strategic allocations to help meet the need for Gypsy and Traveller provision. This proposes a methodology for calculating a number of pitches to be provided at each site based proportionally on the amount of housing that the allocation is proposed to supply. As a result the paper identified a total of 59 pitches that could be provided by the strategic allocations.
14. The topic paper also presents a 5 year supply calculation based on existing delivery/commitments of pitches and the deliverable potential from other sites, including strategic allocations. Using this approach the JCS can identify a 5 year supply.