

TEWKESBURY BOROUGH COUNCIL

**Minutes of a Meeting of the Executive Committee held at the Council Offices,
Gloucester Road, Tewkesbury on Wednesday, 12 June 2019 commencing at
2:00 pm**

Present:

Chair
Vice Chair

Councillor R A Bird
Councillor J R Mason

and Councillors:

M Dean, L A Gerrard, M A Gore, E J MacTiernan, A S Reece (Substitute for R J E Vines),
C Softley, R J Stanley and M G Sztymiak

also present:

Councillor P W Ockelton

EX.1 ANNOUNCEMENTS

1.1 The evacuation procedure, as noted on the Agenda, was advised to those present.

EX.2 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

2.1 Apologies were received from Councillors G F Blackwell and R J E Vines. Councillor A S Reece would be acting as a substitute for the meeting.

EX.3 DECLARATIONS OF INTEREST

3.1 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.

3.2 The following declaration was made:

Councillor	Application No./Item	Nature of Interest (where disclosed)	Declared Action in respect of Disclosure
R J Stanley	Item 8 - Private Rented Housing Sector Accommodation Fund Pilot.	Works for a homeless charity.	Would speak and vote.

R J Stanley	Item 9 – Government Housing Infrastructure Fund (HIF) – Funding Award for Bridge Over Rail Line at Ashchurch	Husband works for one of the providers on the project.	Would not speak or vote and would leave the room for consideration of the item.
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3.3 There were no further declarations of interest made on this occasion.

EX.4 MINUTES

4.1 The Minutes of the meeting held on 3 April 2019, copies of which had been circulated, were approved as a correct record and signed by the Chair.

EX.5 ITEMS FROM MEMBERS OF THE PUBLIC

5.1 There were no items from the public on this occasion.

EX.6 EXECUTIVE COMMITTEE FORWARD PLAN

6.1 Attention was drawn to the Committee's Forward Plan, circulated at Pages No. 8-14. Members were asked to consider the Plan.

6.2 A Member questioned whether there would be a workshop for Members prior to the Community Infrastructure Levy (CIL) Governance being considered by the Executive Committee. In response, the Head of Development Services advised that this was the intention; however, it was likely that the item would not actually be considered by the Executive Committee at its July meeting. Accordingly, it was

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

EX.7 FINANCIAL OUTTURN REPORT 2018/19

7.1 The report of the Head of Finance and Asset Management, circulated at Pages No. 15-40, highlighted the Council's financial performance for the previous year including setting out the General Fund and Capital Outturn positions. Members were asked to note the General Fund Outturn for 2018/19, the financing of the capital programme and the annual treasury management report and performance; and approve the transfers to and from earmarked reserves.

7.2 Members were advised that the report provided information on the Council's finances and financial performance. In terms of the General Fund Outturn, the Head of Finance and Asset Management explained that, in February 2019, the quarter three outturn position had confirmed a surplus of £664,478. The full year position was reported as a £2.68 million surplus. This was a significant increase against the quarter three position and could be primarily attributed to strong performance in treasury and commercial activities; additional business rates retention, including the impact of the 100% retention pilot; and substantial external grant funding being received. Attention was drawn to Table 1 in the report which showed a summary of the General Fund Outturn and particular attention was drawn to the employees full year budget which was underspent largely as a result of staff turnover and vacancies in most service groupings; premises was underspent as a result of savings on utilities and the release of New Homes Bonus

monies to support the asset maintenance programme in future years; payments to third parties was showing a significant overspend as a result of an overspend on the Ubico contract as well as payments for work undertaken in areas such as the Community Infrastructure Levy (CIL) and the Joint Core Strategy (JCS) where partner finance or reserves existed to cover the cost; and income which was £1.48 million over the budgeted provision with the majority of fees and charges budgets, with the exception of planning, having been delivered on budget during the year with a few areas, such as garden waste, being beyond expected levels and substantial external grant income being received during the year.

- 7.3 In terms of corporate activity, the treasury service continued to do well with most investments achieving above target - although more had been spent on borrowing than anticipated due to the Council's commercial activity. The Council had acquired two commercial properties in the year which had resulted in increased rental generation against the budget of £281,000; the two properties, one an office building and one a retail outlet, had a combined yield in excess of the targeted yield and had been purchased sooner than envisaged. The two new properties, combined with the existing units, would make a significant contribution to the Council's core budget funding in the coming years. In terms of the Business Rates, the Head of Finance and Asset Management was pleased to report a positive position - the Council had seen little impact from successful appeals in year, partly as a result of a number of unsuccessful appeals but also due to the provisions it had made against successful appeals. There had also been some small underlying growth which had helped the base position. In addition to the base position in terms of retained business rates, Tewkesbury had been a member of the 100% Business Rate Retention Pilot in Gloucestershire for 2018/19. The outturn figures for the pilot highlighted a net gain for Gloucestershire of £14.272 million with the overall gain between the pilot and the base non-pooled 50% scheme being £17.347 million.
- 7.4 The Head of Finance and Asset Management referred to the supplies and services overspend and, in particular, the overspend on the Ubico contract sum. He referred to Paragraphs 2.6-2.9 of the report and explained that the deficit of £268,866 was broken down as £108,980 – employments costs; £93,765 – transport costs; £23,054 - supplies and services; -£3,951 – statutory and regulatory work; £47,062 - indirect expenditure; and -£46 - income. The majority of the additional expenditure on employee costs was attributed to the use of agency staff to cover an increased amount of sickness within the workforce, as well as additional costs at the beginning of the year to meet grounds maintenance requirements. There had also been an overspend under the heading 'supplies and services' due to the purchase of additional personal protective equipment (PPE) during the year. Indirect expenditure represented recharges from the fleet operation, the cost of senior management and general company costs – the overspend reported under the heading included further allocations from the workshops to cover small parts and general supplies, additional overtime and the cost of a management restructure. Transport costs had reported an outturn overspend of £93,765, the majority of which was from an overspend on tyres of approximately £61,000. Other contributing factors included the additional hire of vehicles, vehicle cleaning and directly attributable spare parts; the overspend on tyres had been highlighted earlier in the year as an area of concern and Ubico had undertaken further analysis of the area to identify the main reasons behind the overspend. The Head of Finance and Asset Management felt this was disappointing but, unfortunately, it was the type of service that could attract large overspends. As a result of the quarter three position, Ubico had been working on an improvement programme within its operational and financial management to ensure timely communication of detailed information including an overhaul of the reporting documentation being issued, improved controls, with regard to purchase ordering, and financial training for supervisors and management – this should mean better information would be

provided to the Council in the future.

7.5 A discussion ensued regarding Ubico employment costs, including how proactive the HR service was in respect of sickness absence, and whether measures had been introduced to gauge any issues. In response, the Ubico representative explained that it had had two and three quarters full-time equivalent employees off on long-term sick leave which was very hard to mitigate against. In terms of short-term sickness, the organisation had a vigorous and robust process in place whereby it did not pay employees for the first three days of their sick leave and triggers were in place where issues were raised. The job was a demanding one and injuries tended to be muscular/skeletal which did not compare with office-based absences. Ubico was looking at reviewing its Occupational Health provider and concentrating more on well-being as well as more innovative ideas such as an internal physiotherapist to improve manual handling with a view to prevention as opposed to cure. In addition, currently the direct costs of each Ubico contract were siloed so if one contract had a high level of sickness it could be very costly. There had been discussions as to whether this could be shared across the organisation thereby reducing the cost volatility of sickness absence; this was felt to be something to think about to smooth out potential cost issues. In response to a query regarding manual handling training, the Ubico representative confirmed that this was undertaken regularly including staff having a full induction and then various training updates. A matrix was maintained for all staff, so the management team could easily see where there were gaps in training and where it needed to be refreshed. Some local testing of pooling of staff had been undertaken and this had been successful until some drivers had left. There was an action within the Ubico business plan this year to be more creative to try and avoid drivers looking to the private sector for work; possibly by Ubico establishing its own agency/brokerage service to fulfil its own demand and then potentially offering temporary staff to other organisations. Unfortunately, the national shortage of drivers made it very difficult for Ubico to offer the best rates of pay compared to the private sector and drivers preferred to be employed via an agency as that allowed them to take advantage of the market. Currently Ubico had 12 trainee drivers but it was frustrating that there was no way to tie them to the organisation once they were trained. In respect of staff absences, the Ubico representative confirmed that the organisation tended to assume nine days absence per staff member plus holidays so on any given day there could be five to ten agency staff in the service. There were 77 employees on the Tewkesbury contract so 308 sickness days had been budgeted for but 1,191 days had been lost – including 713 days of long-term sickness. The representative undertook to supply the report (with appropriate changes specific to Tewkesbury) which was provided to the Ubico Board to circulate for Members' information. Employee surveys were challenging with direct staff due to the nature of the workforce as the vast majority had no email addresses. There were 'drop in' sessions run periodically and the Managing Director joined a round every quarter so he could see what happened but otherwise it was difficult to gain feedback on different issues.

7.6 A Member questioned whether a similar overspend had been seen in other Districts and, in response, the Ubico representative stated that this was a complex question to answer. It was the case that previously budget-setting had not been effective enough, e.g. Cotswold District Council had never seen an increase in the provision for vehicles despite them getting older and requiring more maintenance, this was an explainable overspend but it demonstrated that the contract and partnership sums agreed at the start of each year needed to be adjusted to ensure they were representative of the costs of the service. Referring to transport costs, a Member noted that tyres were £61,000 of the overspend but that left £32,000 in other costs and she questioned what this was. In response, the Ubico representative explained that, since the new service had started, Stroud District Council had been hiring a vehicle from Tewkesbury – that vehicle had been sold to

Stroud last year - so Tewkesbury had had to hire a vehicle to cover that round at a cost of £8,500. A Member also questioned why West Oxfordshire District Council had such a lower cost in terms of transport, in response, the Ubico representative explained that none of those vehicles went onto landfill sites so consequently the vehicles did not sustain the same amount of damage; in addition, there was a 'tipping point' for changing tyres and West Oxfordshire was just about to reach that point whereas Tewksbury Borough was already there. In terms of personal protective equipment, a Member questioned what controls there were in respect of the inventory of equipment and what arrangements were in place for agency staff. In response, she was advised that agency staff were issued with the same equipment as employees; new guidance from the Health and Safety Executive meant that employees operating on roads with a speed limit of over 40mph had to be issued with hi-viz of a higher quality than others. In respect of gloves, this was a huge issue for staff and there were a number of different products that staff were testing.

- 7.7 It was felt important to remember that Ubico was run as if it was an in-house service so any changes were reflected directly on the Council; if Ubico was a private company it would have an extra margin on the contract value but that was not how a teckal arrangement worked. The Ubico representatives were confident that the organisation was delivering value for money but understood that there was a need to clearly and transparently demonstrate that to the Council so there was a position whereby Members could have confidence in Ubico.
- 7.8 Referring to Paragraph 3 of the report – Council reserves, the Head of Finance and Asset Management explained that an in-year surplus had been generated which had allowed the creation of new reserves and the topping up of existing reserves to meet future needs or specific projects. The reserves list also included substantial set asides in relation to housing, homeless and the delivery of the Joint Core Strategy all of which had been financed from government grants received during the year. Other government grants and new burdens funding which had been carried forward included transparency funding, clean high streets, parks and play areas, exit from the European Union and various new burdens funding in relation to welfare reform. The Council had committed to a substantial capital programme in the last few years and this was highlighted in the level of capital expenditure incurred in 2018/19 which had totalled £10.67million. The bulk of that expenditure had been on the purchase of further investment properties, the refurbishment of the Public Services Centre and disabled facilities grants. In summary, the Council had expended £10.67million on capital projects in 2018/19 utilising £1.15million of capital reserves, £0.90 million of capital grants, £0.20million of revenue contributions and £8.5million from borrowing. The summarised capital programme was attached to the report at Appendix C for Members' information. The Head of Finance and Asset Management explained that the detailed treasury report was attached to the Committee report at Appendix D and this had been drafted to comply with the CIPFA Code of Practice on Treasury Management in the Public Services.
- 7.9 Having considered the information provided, it was

RESOLVED:

1. that the general fund outturn for 2018/19, the financing of the capital programme and the annual treasury management report and performance be **NOTED**; and
2. that the transfers to and from earmarked reserves be **APPROVED**.

EX.8 PRIVATE RENTED HOUSING SECTOR ACCOMMODATION FUND PILOT

- 8.1 The report of the Head of Community Services, circulated at Pages No. 41-50, set out the details of a pilot project which sought to increase the number of properties which were available to families and individuals within the Borough who were seeking affordable rental accommodation. Members were asked to authorise Officers to enter into a pilot project along with the rest of the housing services in the County and West Oxfordshire District Council. The pilot scheme aimed to support more people into successful tenancies.
- 8.2 The Head of Community Services advised that there was a disparity between the number of families and individuals in the Borough who were seeking affordable rental accommodation and the number of properties available to them to rent; there were currently over 2,200 people on the waiting list but in 2017/18 there had only been 421 social housing lets within the Borough. Traditionally, private sector landlords were reluctant to let to individuals and families on lower incomes and the scheme which was being developed aimed at partially addressing that situation by encouraging and incentivising local private sector landlords to rent to those people. The scheme would not be suitable for all potential tenants or all landlords, for example, it was highly unlikely that tenants with a chaotic lifestyle would be suitable for the scheme. Officers from Community Services had led the regional funding bid which aimed to incentivise landlords, prevent homelessness and reduce the burden of costly temporary accommodation and it was likely that the Forest of Dean District Council would lead on the delivery of the project. Working on behalf of the partnership, the team had been successful in the bid for funding to pilot the project which totalled £363,000 and was shared between the Gloucestershire Districts and West Oxfordshire District Council who were all part of the Homeseeker Plus Partnership.
- 8.3 A Member questioned whether the Council had any control over the rents being charged as he noted that some private rents in his area were over £1,000 a month. In response, the Head of Community Services explained that there was no way for the Council to influence/control the rents charged by private landlords but Officers were using the local housing allowance as a base so they would consider landlords that were as close to that as possible. Landlords would get the rental payments from housing benefit; Universal Credit; directly from the clients; or from discretionary housing payments. A Member questioned what would happen at the end of the pilot scheme if someone was successfully renting a property that they would not otherwise be able to afford. The Head of Community Services advised that this had been the subject of much debate and discussion by the project team and it was felt there could be options available if this became an issue. All tenants would be made fully aware at the outset that the tenancy was for a 12-month period only – this meant it was a leap of a faith to a certain extent but it was felt that it could work really well for some. If the landlord found a tenant they liked they may also come up with an option to keep them which would be great for the success of the scheme going forward.

8.4 Accordingly, it was

RESOLVED:

1. That the award of £363,408 from the Private Rented Sector Fund to Homeseeker Plus Partnership for the development and implementation of a pilot scheme to increase access to private sector rented properties for people in need of affordable housing ('the pilot scheme') be **NOTED**.
2. That the Council's involvement as a partner in the pilot scheme be **APPROVED** as set out in the report.
3. That authority be delegated to the Head of Community Services, in consultation with the Head of Finance and Asset Management, to enter into the Partnership Agreement, Data Sharing Agreement and other related documentation associated with the pilot scheme on terms approved by the Borough Solicitor.

EX.9 GOVERNMENT HOUSING INFRASTRUCTURE FUND (HIF) - FUNDING AWARD FOR BRIDGE OVER RAIL LINE AT ASHCHURCH

- 9.1 The report of the Deputy Chief Executive, circulated at Pages No. 51-59, updated Members on the status of the Housing Infrastructure Fund (HIF) funding for the railway bridge project at Ashchurch and sought agreement to enter into appropriate agreements to deliver the project. The Committee was asked to note the progress to date; to accept the funding conditions of Homes England as appended to the report, and authorise the Deputy Chief Executive, in consultation with the S151 Officer and Borough Solicitor, to agree and enter into the Grant Delivery Agreement and associated documentation, subject to minor amendments, accordingly; to authorise the Deputy Chief Executive, in consultation with the S151 Officer and Borough Solicitor, to enter into appropriate agreements with contractors, including Gloucestershire County Council, to support the delivery of the project; and to authorise the Deputy Chief Executive, in consultation with the S151 Officer and Borough Solicitor, to negotiate and enter into agreements with third party landowners in order to progress the project.
- 9.2 Members were advised that a pot of funding had been made available as part of the government's drive to bring forward development schemes. The Council had applied for marginal liability funding to unlock sites that were not able to come forward due to marginal needs; in the case of Tewkesbury Borough Council money had been received for a bridge over the railway line in the Ashchurch area and the report set out the culmination of some of that work and asked Members to agree to enter into conditions with Homes England to bring that funding forward. The Deputy Chief Executive confirmed that, in order to progress the project, and due to its expertise in delivering projects of this scale and its knowledge of the statutory obligations regarding highways and bridges, the Council proposed to enter into an agreement with the County Council to support the delivery; this was considered to be an expedient approach given the fact that having the right expertise to deliver the project was critical to its success.

- 9.3 The conditions attached to the funding were listed within the Appendix to the report and the project would be split into two distinct phases; the first being delivery of the bridge and the second the delivery of development. One part needed to come first and it was considered far more desirable to put the infrastructure in place before the development although Officers would look to dovetail the phases wherever possible e.g. conversations had commenced with landowners in the area with a view to bringing forward residential development as close as possible to phase 1. The other key element, aside from the phasing, was the transport modelling to understand the implications of the bridge, road and infrastructure etc. There was currently some high-level indicative modelling available, but detailed work would be required to check that information and local Members would be involved with those discussions from the outset.
- 9.4 A Member noted that the heading of the map indicated it was the 'Tewkesbury Northern Relief' and he questioned in what way the bridge would provide relief to Tewkesbury. In response, the Member was advised that the map had been submitted as part of the short-term access strategy plan which was looking at relieving issues on the A46 and was therefore linked to that programme rather than having any relevance to the current bridge project. In addition, the Deputy Chief Executive explained that it was clearly an aspiration of the Council to improve the A46 and there were a number of pieces of work ongoing to improve it as a trading corridor. There was an element of further support for long term enhancements through projects like this. The detailed piece of work would look at all sorts of options and modelling. There were a number of potential re-routes for the A46 but none had yet been approved. A different route for the A46 through to the M5 would radically change the existing road through the potential garden town if it was something that happened in the future, and this may be welcomed by Officers dependent upon where the M5 junction was located.
- 9.5 A local Member expressed the view that the road from Aston Cross to Aston Fields Lane was currently used as a 'rat run' into Northway. As this was a problem already she feared the situation would only deteriorate for residents of Ashchurch and Northway in the future. In response, the Chief Executive explained that the bridge and the road were part of the release of phase 1 of the development area and would not support housing to the south of the A46. He suggested that there was a lot of detailed work to be undertaken before any solutions were known and it was very difficult to answer detailed questions at the start of such a complicated project – essentially the funding had been provided for the bridge with a view to it releasing an area above the Ministry of Defence (MoD) site for development; however, if the Council did not sign up to the conditions set out by Homes England the funding would not be provided to the Council and the detailed work to ascertain whether the project could be viable would not take place or would have to take place at the Council's own cost. A Member expressed concern that Councillors had not yet been advised of the responses to the consultation on the Ashchurch Concept Masterplan and she felt this information would be necessary before any firm decisions could be made. The Member also expressed concern about the number of houses long-term which were planned for the area as a consequence of the garden town bid. In response, the Chief Executive explained that 10,000 for the area had been included in the bid following consultation with the J9 Area Member Reference Panel which had discussed using the larger number to persuade the government to support the work and consider moving the A46 more favourably. All Members of the J9 Area Member Reference Group had been supportive of the numbers discussed and of the bid in general.

- 9.6 A Member expressed the view that he supported the report which would enable the Council to gain the money it needed to build a necessary bridge; he felt it offered an opportunity to alleviate the problems with the existing level crossing going straight into the heart of Northway. The local Member was of the view that the bridge, as previously identified to her, would only serve to make existing problems worse and increase issues elsewhere in the area rather than offering any mitigation. In response, a Member confirmed that the concept of the garden town was that a twenty-first century town would be built to meet twenty-first century needs with the infrastructure being provided before the development which he felt was extremely important. Another Member agreed with that view and felt it was impossible to second guess every outcome but there was a need to try and make planning easier rather than letting developers take control
- 9.7 It was suggested that an amendment be made to recommendation 2 which stated ‘...to agree and enter into the Grant Delivery Agreement and associated documentation *subject to minor amendments, accordingly*’. Accordingly, it was proposed, seconded and

RESOLVED:

1. That the progress to date be **NOTED**.
2. That the funding conditions of Homes England be **ACCEPTED**, as appended to the report, and the Deputy Chief Executive, in consultation with the S151 Officer and Borough Solicitor, be authorised to agree and enter into the Grant Delivery Agreement and associated documentation, subject to minor amendments, accordingly.
3. That the Deputy Chief Executive, in consultation with the S151 Officer and Borough Solicitor, be **AUTHORISED** to enter into appropriate agreements with contractors, including Gloucestershire County Council, to support the delivery of the project.
4. That the Deputy Chief Executive, in consultation with the S151 Officer and Borough Solicitor, be **AUTHORISED** to negotiate and enter into agreements with third party landowners in order to progress the project.

EX.10 SEPARATE BUSINESS

- 10.1 The Chair proposed, and it was

RESOLVED

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

EX.11 HUMAN RESOURCE AND PAYROLL SERVICES

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

- 11.1 Members considered the options for the future delivery of the Council's Human Resources (HR) and Payroll Services and agreed that a business case be developed for establishing a shared HR and Payroll Service for further consideration and decision.

The meeting closed at 4:30 pm