

19 November 2019

Committee	Executive
Date	Wednesday, 27 November 2019
Time of Meeting	2:00 pm
Venue	Tewkesbury Borough Council Offices, Severn Room

ALL MEMBERS OF THE COMMITTEE ARE REQUESTED TO ATTEND

Agenda

1. ANNOUNCEMENTS

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

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

2. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

To receive apologies for absence and advise of any substitutions.

3. DECLARATIONS OF INTEREST

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.



	Item	Page(s)
4.	MINUTES To approve the Minutes of the meeting held on 16 October 2019.	1 - 7
5.	ITEMS FROM MEMBERS OF THE PUBLIC 19To receive any questions, deputations or petitions submitted under Rule of Procedure 12. <i>(The deadline for public participation submissions for this meeting is 21 November 2019)</i>	
6.	EXECUTIVE COMMITTEE FORWARD PLAN To consider the Committee's Forward Plan.	8 - 12
7.	FINANCIAL UPDATE - QUARTER TWO 2019/20 To consider the quarterly budget position.	13 - 32
8.	DIGITAL STRATEGY To approve the Digital Strategy	33 - 41
9.	CORPORATE PEER CHALLENGE To endorse the undertaking of a Corporate Peer Challenge	42 - 45
10.	HIGH STREET HERITAGE ACTION ZONE To receive an update on the content and progress in the preparation of the bid and to delegate authority to the Head of Development Services to work up the Programme Design Document and submit it to Historic England in line with the deadlines and, if successful, to take all necessary steps to implement the Programme.	46 - 49

DATE OF NEXT MEETING
WEDNESDAY, 8 JANUARY 2020
COUNCILLORS CONSTITUTING COMMITTEE

Councillors: R A Bird (Chair), G F Blackwell, M Dean, L A Gerrard, M A Gore, E J MacTiernan, J R Mason (Vice-Chair), C Softley, R J Stanley, M G Sztymiak and R J E Vines

Substitution Arrangements

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

Recording of Meetings

In accordance with the Openness of Local Government Bodies Regulations 2014, 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, 16 October 2019 commencing at
2:00 pm**

Present:

Chair
Vice Chair

Councillor R A Bird
Councillor J R Mason

and Councillors:

G F Blackwell, M Dean, L A Gerrard, M A Gore, E J MacTiernan, C Softley, R J Stanley,
M G Sztymiak and R J E Vines

EX.37 ANNOUNCEMENTS

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

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 4 September 2019, copies of which had been circulated, were approved as a correct record and signed by the Chair.

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.10-14. Members were asked to consider the Plan.

41.2 Members were reminded that the special meeting due to have been held on 4 November had been cancelled since the publication of the current Agenda so that had now been removed from the Forward Plan.

41.3 Accordingly, it was

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

EX.42 PERFORMANCE MANAGEMENT REPORT - QUARTER ONE 2019/20

- 42.1 The report of the Chair of the Overview and Scrutiny Committee, circulated at Pages No. 15-68, asked Members to review and, if appropriate, take action on the observations of the Overview and Scrutiny Committee following its review of the 2019/20 quarter one performance management information.
- 42.2 Attention was drawn to the observations made by the Overview and Scrutiny Committee, attached at Appendix 1 to the report; the Council Plan Performance Tracker, attached to the report at Appendix 2; and the financial performance information circulated at Appendices 3-5.
- 42.3 In the absence of the Chair of the Overview and Scrutiny Committee, the Head of Corporate Services explained that, as part of the annual review of the Council Plan, a number of actions within the plan were being refreshed. Being the first quarter, it was still early days for a number of actions and Key Performance Indicators to come to fruition. Any areas where actions or Key Performance Indicators were not progressing as smoothly or quickly as envisioned, were highlighted within Paragraphs 2.4 and 3.3 of the report. Some key areas that were discussed by the Overview and Scrutiny Committee were set out within the report. In terms of the Battlefield Society, Officers had extended the target date to March 2021 to incorporate ongoing discussions between Officers and stakeholders to develop the heritage offer and concept for the battlefield to be part of the 2021 celebrations; however, due to not having direct control of the target date, it was agreed by the Overview and Scrutiny Committee that it would receive a progress report in 12 months' time. Referring to Healings Mill, Members were advised that this had been an Agenda item in its own right at the Overview and Scrutiny Committee meeting, and Members had been provided with an update on progress made to develop the site; it was noted that the Council had limited direct influence on the project, and that there were a number of complexities in respect of the site, it was resolved that a report should only be brought back to the Overview and Scrutiny Committee when there was significant movement and a high-level overview would instead be provided through the performance tracker. The Overview and Scrutiny Committee had congratulated the Environmental Health Team on the work it had carried out on the enviro-crimes strategy and it was noted that positive feedback had been received following Parish Council meetings which had been encouraged by the approach being taken and the difference that was making. The Overview and Scrutiny Committee had discussed paperless meetings after a Member had questioned why there had been no progress made in that regard now that Members had their new ICT equipment; it had been explained that the main driver behind the new equipment was to standardise and provide consistent support to Members – if Members then chose to stop receiving hard copy papers this could be accommodated. A Member had raised concerns about the increased levels of sickness absence and asked if there was any link to the employee savings shown at Page No. 62 of the papers potentially resulting in pressure on the workforce; Officers had reassured the Committee that the workforce was extremely valued and the Council carried out various sessions under the wellbeing action plan to support staff on issues such as mental health and stress awareness – with regard to the increased number of sick days, this was attributable to long-term absences. The Committee had been impressed with the achievements of the Benefits team in reducing the number of days to process new benefit claims by half due to new ways of working. In respect of recycling, the Overview and Scrutiny Committee had been advised that the residual household waste collected per property had increased due to recycling being spoilt and the change in processes at the Materials Recovery Facility; Officers were going to carry out an educational campaign on recycling and Ubico was being more forceful about not emptying bins if they saw any contaminated waste. The Overview and Scrutiny Committee Chair had wanted the Executive Committee to note that the

broad coverage of Agenda items naturally generated a lot of questions and actions; therefore, at each meeting he ensured that actions were agreed and the relevant Officers allocated an appropriate timescale – those actions were then proactively monitored by himself, the Corporate Services team and the Member Services Officer to ensure they were appropriately followed-up.

- 42.4 A Member drew attention to Page No. 16 of the report and expressed disappointment that, given the recent declaration of the Climate Change Emergency by the Council, the environmental implications section of the report had been completed stating ‘none directly associated with this report’. He was of the view that the tracker covered enviro-crimes, climate change and waste management. In addition, he questioned whether the Council collected any details about food waste since there was a drive to try and ensure people wasted less food. In response, the Head of Community Services indicated that this was a performance report, so he felt the environmental implications section was completed correctly; if it was a report about pool cars there would be implications but there were not implications in terms of the performance report itself. In respect of food waste, the Head of Community Services explained that the Council did have statistics which could be incorporated into future reports – it was already included in the general recycling figures – and, whilst he agreed that all waste needed to be reduced, it should be remembered that the Borough’s food waste was now turned into gas.

- 42.5 Accordingly, it was

RESOLVED: That the Overview and Scrutiny Committee’s comments on the Performance Management Report for Quarter One of 2019/20 be **NOTED**.

EX.43 HOMESEEKER PLUS SUB-REGIONAL CHOICE-BASED LETTINGS ALLOCATION POLICY

- 43.1 The report of the Head of Community Services, circulated at Pages No. 69-114, explained that Homeseeker Plus was a Choice Based Lettings Scheme which was run by seven local authorities in partnership with social housing landlords operating within Gloucestershire and West Oxfordshire. The Homeseeker Plus Sub-Regional Choice Based Lettings Allocation Policy explained who was eligible and qualified to apply on Homeseeker Plus and set out how applications would be assessed based on housing need. Due to legislative and other changes, the policy was in need of a refresh and, in doing so, it was considered good practice for the partnership to consult the public and associated stakeholders on the new policy. The Committee was asked to consider the draft policy and approve it for public consultation.
- 43.2 The Head of Community Services explained that, other than a major change to the Homeseeker Policy in 2016 to include West Oxfordshire District Council in the partnership and a name change to “Homeseeker Plus”, there had only been minor tweaks to the policy. This had led to ‘policy drift’ with it being interpreted and applied differently across the partnership. Therefore, to remove ambiguity, add clarity and also include the provision for accredited private landlords to advertise their properties, a new policy was being proposed as attached at Appendix A to the report. The major changes to the policy were set out at Appendix B to the report for ease and there were a number of other minor changes to the policy which were predominantly ‘housekeeping’ changes. It was proposed that the public consultation would last for eight weeks commencing in early 2020 and the Forest of Dean District Council would coordinate the consultations on behalf of the partnership. It was anticipated that the consultation would be held with partners, registered providers, Town and Parish Councils and members of the community. It

would also be available in the Public Services Centre reception and on the Borough Council's website.

- 43.3 In response to a query regarding the number of people currently on the Homeseeker Register, the Homeless Plus Coordinator advised that this was approximately 2,000. The Member noted that, of the overall total of people looking for properties – around 18,000 – there were only 63 homes currently available which she felt was disastrous. She questioned whether some of the Section 106 funding which the Council had not yet used for affordable housing could be used to build social housing. In response, the Head of Community Services explained that the Council had £2million allocated to affordable properties and was about to launch a scheme for registered providers to bid to develop more affordable housing. The Council becoming a developer itself would be a fairly high risk strategy but it was currently identifying rural areas where there was a need for more affordable housing. A Member indicated that she had an issue with the term 'affordable housing' as most was not actually affordable; she was of the view that the Council needed to ensure social housing was the criteria for the bids from registered providers. In response, the Head of Community Services advised that he was unable to provide timescales in respect of the bids at this stage but the documentation was almost complete. He confirmed that social rent would be the way forward and registered providers would be steered towards that tenure. The Member referred to Page No. 77 of the report, the policy aims, and expressed the view that 'enable informed choice of housing/housing options and improve levels of customer satisfaction' was something the Council could not adhere to when people on the list had no choice. In addition, 'operate a common selection system that offers realistic, informed choice for all applicants', could not be met as the realistic situation was that the Council had no houses to offer. In response, the Head of Community Services advised there was a real housing crisis but it was important to note that the policy aims were aspirational and what the Council should be striving to achieve. He noted that there were some typographical errors in the policy which would be addressed outside of the meeting.
- 43.4 Referring to the global connections policy, the Head of Community Services explained that this sought to protect local properties for local people but if people chose to move to another area they could. In the old policy there was no global banding but it had always existed. The local connection criteria had been set by the homeless local connection but had been further clarified in the current draft as Officers in different areas had been interpreting it differently. Global branding allowed cross boundary housing. In respect of Page No. 80, 'types of tenancies', a Member asked that an explanation of what they were be included in the policy; the Head of Community Services undertook to add an explanation to the summary. He explained that it was difficult for the Housing Team as there were not enough properties in the Borough; there was a housing shortage and the policy was not going to correct that but it should help in the long term.
- 43.5 Accordingly, it was

RESOLVED: That, subject to consistency, typographical and grammatical corrections being delegated to the Head of Community Services, the draft policy be circulated for public consultation.

EX.44 ANTI-FRAUD AND CORRUPTION POLICY

- 44.1 The report of the Head of Finance and Asset Management, circulated at Pages No. 115-132, presented an updated Counter Fraud and Anti-Corruption Policy for approval and adoption.

- 44.2 Members were advised that the amendments to the policy reflected changes to legislation in respect of data protection and changes to the way that benefit fraud investigations were now being undertaken. Overall, the review had been a light touch with the policy being refreshed rather than any major changes being made.
- 44.3 A Member questioned whether the Council also had a Whistleblowing Policy that would fit in with the Anti-Fraud and Corruption Policy. In response, the Counter Fraud Unit Manager advised that it did, and that document was currently also under review; it was intended that it would be considered by Members in the New Year. Another Member noted that there were a lot of mentions of 'he' within the definitions of the Fraud Act and he questioned whether this should be gender neutral. In response, he was advised that this section was lifted directly from the legislation, but it would be possible to include the legal definition for clarity. In terms of records of the fraud awareness training, the Counter Fraud Unit Manager confirmed that records were kept, and training was also provided to new starters. In future it was hoped that mandatory online refresher training could also be introduced to keep staff and Members up-to-date.
- 44.4 Accordingly, it was

RESOLVED: That the updated Counter Fraud and Anti-Corruption Policy be **APPROVED** and **ADOPTED**.

EX.45 BUILDING CONTROL SHARED SERVICE

- 45.1 The report of the Head of Development Services, circulated at Pages No. 133-139, recommended the continuation of the Building Control Shared Service arrangement for a further 10 years.
- 45.2 The Building Control Manager for the Shared Service indicated that as the agreement was due to expire, Officers had been reviewing the existing agreement and considering the options moving forward for both Cheltenham and Tewkesbury Borough Councils. A small Officer task and finish group involving finance officers from both authorities and representatives from One Legal had also been formed and that group had considered a number of options. In addition, the Joint Monitoring and Liaison Group – made up of Officers and Members – had been kept abreast of developments. The options considered were: to continue to deliver the Shared Service without change; to maintain the existing Shared Service model but adapt and change the service provision methods to reflect market forces and competition; to link the Shared Service to an existing local authority teckal company (Publica or Ubico); to set up the shared service as a new standalone local authority teckal company; to set up as a standalone Approved Inspector; to outsource to another service provider; for each authority to terminate the shared working agreement and take the service back in-house; and to expand the Shared Service to include other local authority building control teams.
- 45.3 The current position was that the building control team was made up of seven officers and, in the last financial year, that team had dealt with 1,354 applications across both local authorities. In addition to that, during 2018/19 the team had implemented a number of service improvements including: investment into street naming and numbering idox module to improve the service and create staff efficiencies; reduction of staff costs by £45,000 against the budget by introducing 'grown your own' staff development; development of a standalone Building Control website – this had been launched in September 2018; development of staff time recording to demonstrate cost recovery per application and allow effective analysis of time spent on chargeable and non-chargeable work in either Borough; development of branding through the website and signage boards; and the undertaking of activities to gain ISO9001 certification.

- 45.4 In response to a query regarding the proposed 50/50 split in costs, the Finance Manager explained that there was a ringfenced building control fee charging account so everything it charged for could break-even. If there was statutory work undertaken, each authority would need to pay the bill so overall it evened out. The Lead Member agreed and indicated that, as the building control service was a competitive market, the Shared Service did not see every case so it did not follow that if there was more development in Tewkesbury Borough that would be where the majority of building control applications would come from. In terms of competing in the market, the Building Control Manager explained that the team was very dynamic in looking at income streams and consulted on every planning application and had partnerships with architect firms etc. which also helped to generate income. The team was also looking at commercial opportunities like operating and offering thermal calculations. Building Control was a statutory function and therefore had to be provided in some way; the national average market share was 67% and the Cheltenham and Tewkesbury Shared Service operated above that which was good news.
- 45.5 A Member questioned whether it was reasonable to extend the agreement for a further 10 years when the workload for the service was likely to see an exceptional increase between now and 2029. In response, the Building Control Manager confirmed that the agreement included a break clause at five years which would be long enough to allow the business to grow and assess how it was working.
- 45.6 Accordingly, it was

RESOLVED:

1. That the shared service between Cheltenham Borough Council and Tewkesbury Borough Council be maintained for a ten year period from the expiry of the current agreement.
2. That the delegation of Tewkesbury Borough Council's building control functions to Cheltenham Borough Council, as host authority, in accordance with Section 101(1) of Local Government Act 1972 and under the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012, be continued.
3. That authority be delegated to the Deputy Chief Executive, in consultation with the Lead Member for Built Environment and the S151 Officer, to enter into an appropriate agreement under the above-mentioned legislation (the S101 Agreement) and other legal documentation and to take all necessary steps to implement the above-mentioned resolutions.

EX.46 MEMBERSHIP OF TEWKESBURY GARDEN TOWN MEMBER REFERENCE PANEL

- 46.1 Attention was drawn to the Agenda which asked Members to nominate a replacement for the Ward Member for Tewkesbury South during the period that his Code of Conduct interest maintained.
- 46.2 During the discussion which ensued, the Leader of the Council explained that the change in circumstances since the Executive Committee had agreed the Terms of Reference had necessitated this item on the Agenda. It was felt that, as this was a major project, there was a need to ensure the Code of Conduct interest was properly recorded for the future and to ensure there was proper representation on the Panel going forward. The Leader indicated that, as it was clear the Garden Town was very much linked to environmental issues, it made sense to add the

Lead Member for Clean and Green Environment to the Panel membership. In addition, Councillor Stanley had volunteered to sit on the Panel as an additional Member whilst the Ward Member for Tewkesbury South was unable to participate. The Borough Solicitor indicated that, should the situation regarding the Ward Member for Tewkesbury South change, the membership of the Panel would be reconsidered as it would not, in the absence of a Code of Conduct interest, be fair to exclude someone that was entitled to be a Member.

46.3 The proposal was seconded and, accordingly, it was

- RESOLVED:**
1. That the Terms of Reference of the Tewkesbury Garden Town Member Reference Panel be amended to include the Lead Member for Clean and Green Environment in the membership.
 2. That, whilst the Code of Conduct interest for the Tewkesbury South Ward Member maintains, Councillor R J Stanley be appointed to serve on the Garden Town Member Reference Panel and that the Membership of the Panel be reviewed in the event of any change in circumstances.

EX.47 SEPARATE BUSINESS

47.1 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.48 SEPARATE MINUTES

48.1 The separate Minutes of the meeting held on 4 September 2019, copies of which had been circulated, were approved as a correct record and signed by the Chair.

The meeting closed at 3:15 pm

EXECUTIVE COMMITTEE FORWARD PLAN 2019/20

REGULAR ITEM:

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

<p><u>Addition to 27 November 2019</u></p> <ul style="list-style-type: none"> • Peer Challenge. • Tewkesbury Heritage Action Zone.

Committee Date: 8 January 2020			
Agenda Item	Overview of Agenda Item	Lead Officer	Has agenda item previously been deferred? Details and date of deferment required
Performance Management Report – Quarter Two 2019/20.	To receive and respond to the findings of the Overview and Scrutiny Committee’s review of the quarter two performance management information.	Head of Corporate Services.	No.
∞ Medium Term Financial Strategy (Annual).	To recommend to Council the adoption of the five-year MTFs which describes the financial environment the Council is operating in and the pressures it will face in delivering its services and a balanced budget over the period.	Head of Finance and Asset Management.	No.
Treasury and Capital Management (Annual)	To approve and recommend approval to Council, a range of statutorily required policies and strategies relating to treasury and capital management.	Head of Finance and Asset Management.	No.
West Cheltenham Masterplan Supplementary Planning Document.	To consider approval of the West Cheltenham Masterplan SPD for consultation.	Head of Development Services.	No.

Committee Date: 8 January 2020

Agenda Item	Overview of Agenda Item	Lead Officer	Has agenda item previously been deferred? Details and date of deferment required
Council Plan 2020-2024	To recommend to Council the Council Plan 2020-2024.	Head of Corporate Services.	No.
Joint Core Strategy Authorities Joint Community Infrastructure Levy (CIL) Governance Arrangements.	To make a recommendation to Council regarding the Community Infrastructure Levy (CIL) Governance Arrangements.	Head of Development Services.	Yes, deferred to allow further time to consider the options.
Joint Core Strategy Authorities Review of the Community Infrastructure Levy (CIL) Charging Schedules.	To make a recommendation to Council regarding the Review of the Community Infrastructure Levy (CIL) Charging Schedules.	Head of Development Services.	Yes, deferred to allow further time to consider the options.
Community Grants Update.	To receive an update on Community Grants.	Head of Finance and Asset Management.	
ICT Strategy.	To approve the ICT Strategy.	Head of Corporate Services.	Yes, deferred to allow further time to develop the strategy.
Review of Council Tax Reduction Scheme and Council Tax Discounts.	To consider following consultation.	Head of Corporate Services.	Yes – deferred from 27 November to allow time for consultation with all parties.

6

Committee Date: 5 February 2020			
Agenda Item	Overview of Agenda Item	Lead Officer	Has agenda item previously been deferred? Details and date of deferment required
Budget 2020/21 (Annual).	To recommend a budget for 2020/21 to the Council.	Head of Finance and Asset Management.	No.
Financial Update - Quarter Three 2019/20.	To consider the quarterly budget position.	Head of Finance and Asset Management.	No.
Prosecution of Housing and Tenancy Fraud on behalf of Social Housing Providers.	To consider a proposal that the Council undertakes prosecutions on behalf of Social Housing providers where the property is situated outside of the Counter Fraud Unit Partnership area and where the Counter Fraud Unit has undertaken the investigation.	Head of Corporate Services.	No.
Housing Strategy Monitoring Report (Year 4) (Annual).	To approve the Housing Strategy Monitoring Report for Year Four.	Housing Services Manager.	Yes, from January meeting as not urgently required in January.
Confidential Item: Irrecoverable Debts Write-Off Report (Quarterly).	To consider the write-off of irrecoverable debts.	Head of Corporate Services.	No.
(To be considered in private because of the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 – Information relating to the financial or business affairs of any particular person (including the authority holding that information)).			

Committee Date: 4 March 2020			
Agenda Item	Overview of Agenda Item	Lead Officer	Has agenda item previously been deferred? Details and date of deferment required
Grounds Maintenance Working Group Report	To consider the recommendation from the Overview and Scrutiny Committee in respect of the work undertaken by the Grounds Maintenance Working Group and to determine whether there is a continuing role for the Group.	Head of Community Services.	No.

11

Committee Date: 8 April 2020			
Agenda Item	Overview of Agenda Item	Lead Officer	Has agenda item previously been deferred? Details and date of deferment required
Performance Management Report – Quarter Three 2019/20.	To receive and respond to the findings of the Overview and Scrutiny Committee's review of the quarter three performance management information.	Head of Corporate Services.	No.
Council Plan 2016/20 Refresh (Annual).	To consider the Council Plan and make a recommendation to Council.	Head of Corporate Services.	No.
High Level Service Plan Summaries (Annual).	To consider the key activities of each service grouping during 2018/19.	Head of Corporate Services.	No.
Parking Strategy Review.	To consider the recommendations from Overview and Scrutiny Committee.	Head of Finance and Asset Management.	No.

PENDING ITEMS

Agenda Item	Overview of Agenda Item
Shopfronts Supplementary Planning Document (SPD).	To agree the document for the purposes of consultation.
Spring Gardens Regeneration Phase 1a report.	To agree the recommendation of the preferred option for the regeneration of Spring Gardens.
Parking Strategy Review – June 2020.	To consider the statutory responses to the Parking Strategy Review.

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive Committee
Date of Meeting:	27 November 2019
Subject:	Financial Update – Quarter Two Performance Report
Report of:	Head of Finance and Asset Management
Corporate Lead:	Deputy Chief Executive
Lead Member:	Lead Member for Finance and Asset Management
Number of Appendices:	Four

Executive Summary:

The budget for 2019/20 was approved by Council in February 2019 with the reserves being approved at Executive Committee in June 2019. This report is the second quarterly monitoring report of the Council's financial performance for the year.

The report highlights a quarter two deficit of (£18,530) on the revenue budget and details the expenditure to date against both the capital programme and the approved reserves.

Recommendation:

Executive Committee is asked to consider the financial performance information for the second quarter 2019/20.

Reasons for Recommendation:

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

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

Resource Implications:

As detailed within the report.

If the budget is in deficit at year end then the Council will have to use reserves to fund the overspend, meaning that these resources are not available to fund other activities or future financial management of the Council's projected medium term budgets. The Council currently has a £850,000 General Fund balance.

Legal Implications:

None associated with the report.

Risk Management Implications:

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

Performance Management Follow-up:

Budgets will continue to be monitored on a regular basis by budget-holders supported by finance. Quarterly monitoring reports will be presented to Members with the outturn position reported to the Committee in June 2020.

Environmental Implications:

None.

1.0 INTRODUCTION/BACKGROUND

1.1 This report provides the quarter two (Q2) monitoring position statement for the financial year 2019/20. The purpose of this report is to notify Members of any known significant variations to budgets for the current financial year, highlight any key issues, and to inform members of any action to be taken if required.

2.0 REVENUE BUDGET POSITION

2.1 The financial budget summary for Q2 shows a (£18,530) deficit against the profiled budget (Q1 – (£71,190)). Below is a summary of the expenditure position for the Council split out between the main expenditure types.

Services expenditure	Budget	Budget Q2	Actual Q2	Variance
	£	£	£	£
Employees	9,864,860	4,433,679	4,322,241	111,439
Premises	640,349	390,724	404,482	(13,758)
Transport	157,779	70,975	62,853	8,121
Supplies & Services	1,985,608	800,428	879,625	(79,197)
Payments to Third Parties	5,497,115	2,959,183	3,127,462	(168,280)
Transfer Payments - Benefits Service	13,611,266	7,366,417	7,496,417	(130,000)
Income	(20,478,721)	(3,382,126)	(3,583,096)	200,970
	11,278,256	12,639,280	12,709,985	(70,705)

Corporate Codes

Interest Received	(394,822)	(197,411)	(251,259)	53,848
Interest Costs	650,500	325,250	226,851	98,399
Investment Properties	(2,753,605)	(1,505,396)	(1,353,173)	(152,223)
Corporate Savings Targets	(7,500)	0	0	0
RSG and other grant funding	(36,565)	(18,290)	(18,740)	450
New Homes Bonus	(3,273,399)	(1,636,700)	(1,636,700)	0
Business rates	(2,497,557)	0	(51,701)	51,701
	2,965,308	9,606,733	9,625,263	(18,530)

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

2.3 Position on Service Expenditure

The budget position in relation to service expenditure shows an overall budget deficit of (£70,705) as at the end of September 2019 (Q1 - (£52,242)).

Employee Costs – surplus of £111,439

These savings are being generated mainly through staff vacancies, across most services, with Corporate Services generating the most savings at £40,767. Services have managed vacancies during the period by utilising current staff to cover work in the short term and limiting, where possible, use of agency staff.

Supplies and Services – deficit of (£79,197)

There is a deficit being reported on both Supplies and Services and Payments to Third Parties. This is mostly due to the expenditure incurred on delivering the European elections. The Council receives grant income to cover the cost of the elections and therefore an income surplus within Democratic Services matches off this expenditure. The Borough election expenditure is also contained within Democratic Services and this is matched off through one off funding from reserves and New Homes Bonus. Overall, Democratic Services is in a cost neutral position.

Payments to Third Parties – deficit of (£168,280)

Community Services are reporting deficit of (£114,908), which relates to the delivery of our waste and recycling services. Ubico are reporting a half year deficit position of (£99,536), with a projected year end overspend of (£199,072). As reported in Q1 a large proportion of this is as a result of:

- deploying additional resources on grounds maintenance rounds to ensure issues with grass cutting are minimised during the growing season, which is being reviewed by a Working Group; and
- the additional cost of the depot from the review of use of space, which was agreed after the budget was set.

Both these overspends are being covered through one off reserve use for the current year.

The remaining significant element of the Ubico budget position is due to the hire of additional vehicles. There is the specific hire cost of an additional vehicle whilst the procurement for a new narrow access vehicle continues. There have also been a couple of accidents which has meant additional hire and repair costs whilst these vehicles are out of operation.

Transfer Payments – deficit of (£130,000)

The deficit on transfer payments relates to Housing Benefit claimant payments and recovery of expenditure from the government. During the year several significant overpayments as a result of claimant error, which go back over several years, have been identified. One of which is for over £20,000 and included a fraud investigation. The Council only receives government subsidy of 40% where claimant error is identified and, as a result, the Council was predicting a deficit on the budgeted subsidy recovery of (£80,000).

However, the Council is entitled to 100% of the debt if it can be reclaimed from the claimant and therefore in the long run the deficit on the Housing Benefit claim could be eradicated. Unfortunately recovering significant overpayments can take time and has resulted in an increase in the level of debt held in relation to Housing Benefit. Given the good work the recovery team has made in previous years we had assumed as part of setting the budget at the start of the year that the level of debt would fall again in the current year. Given that debt has actually increased we have recognised a (£50,000) deficit on the budget. We will continue to monitor through the second half of the year and the Housing Benefit team are targeting key individuals to recover debt as quickly as possible.

Income – surplus of £200,970

Income is showing a surplus position of £200,970, recovering from the deficit position reported in Q1. This is due to:

- £148,000 of grant funding for European Elections as discussed above.
- £55,000 of grant funding for the revenues and benefits service.
- £37,000 gain from the Garden waste service.
- £12,000 gain on car parking.

This positive position is being offset by a (£70,000) deficit on planning income at the half year point. The expectation is that by the year end that several large individual planning applications will be received to ensure that the income target is met.

There is also a (£58,000) deficit on the amount of recycling credits received. This is due to the actual level of recyclate being collected being less than was included in the budget. It has been identified that the budget did not include an allowance for non-recyclable material in the system, and therefore overestimated the recycling credits due. This means that we are receiving less income than predicted. The community team is working with the contractor Suez to manage the level of rejected materials to maximise the income received from recycling credits.

- 2.4** Attached at Appendix A is a summary of the position for each Head of Service, which shows the current variance against their budget. Where the main types of expenditure headings within the Head of Service's responsibility have a variance over £10,000, a short explanation for the reason for the variance has been provided.

2.5 Corporate codes

The Corporate codes include the other sources of financing which are needed to balance the budget.

There is a significant budget deficit being shown on investment properties, which is due to not being able to secure another commercial opportunity as expected at the end of the previous year. Paragraphs 3.2 and 3.3 provide more information on this. This has meant that the income expected to be received in rent has not been achieved. However, this loss has been mitigated by treasury management costs having been reduced through reduced borrowing and no minimum revenue provision being made. The net result is cost neutral on the budget.

Business rates is showing a surplus at the half year stage of £51,701 which is helping to reduce the overall deficit position for the Council.

- 2.6** Whilst an improvement against the Q1 position, the reported deficit at the end of the second quarter remains disappointing, and a significant difference from the same position in 2018/19 which was a reported surplus of £572,086. Management Team is confident that the deficit will be eradicated over the next quarter and no corrective action is suggested at this stage. This position will be kept under scrutiny and should the position deteriorate, or the expectations be downgraded, the Management Team of the Council will need to consider what action it takes to correct the position. Having just benefited from a year of significant surplus, the revenue budget for the current year cannot be allowed to return a deficit and utilise the reserves now set aside for specific projects and future financial sustainability.

3.0 CAPITAL BUDGET POSITION

- 3.1** Appendix B shows the capital budget position as at Q2. This is currently showing a deficit against the profiled budget of £68,940. This deficit is due to incurring a higher than predicted expenditure on Disabled Facilities Grants. However, as we have a large grant allocation from central government to pay for these it is not depleting the Council's capital allocation.
- 3.2** The capital programme still includes a budget of £6.6million to secure a commercial investment acquisition which is now profiled to happen in the next quarter of the financial year. The Council has reviewed a number of opportunities in the current year and made a decision to bid on two specific properties. Unfortunately, it has failed to secure either of these properties as the first one was withdrawn from sale by the vendor and the Council was outbid on the second property.
- 3.3** The market for investment properties, specifically in the industrial or alternative sector which the Council requires for a balanced portfolio, has become increasingly competitive with less high quality investments coming to the market. The Council continues to work with its advisors to source and secure new property and hopes to conclude a suitable investment within the calendar year.

- 3.4** Other capital schemes are progressing in line with budgets.

4.0 RESERVES POSITION

- 4.1** Appendix C provides a summary of the current usage of available reserves.
- 4.2** Reserves have been set aside from previous years to fund known future costs and the strategic planning of the authority's operation. The information in the appendix does not take account of reserves which have been committed, but not yet paid.

- 4.3 Whilst the Q2 position shows that there remains a significant balance on the reserves, the expectation is that the balances will be spent in the future. Finance has asked for updates from all departments about their plans to ensure that earmarked reserves are either used for their intended purpose or released back to the general fund.

5.0 MID YEAR TREASURY MANAGEMENT REPORT

- 5.1 At the half year point of the financial year, treasury investment activities have resulted in an average return of 1.38% on its investments which, at the end of September, totalled £31,281,000. This performance and level of return has generated interest of £205,258 in the first half of the year against the budget estimate of £197,411 resulting in a surplus of £7,847. This is considered to be an excellent return given the impact of the sustained low rates during the investment period and is commensurate with the risk taken on investments.

- 5.2 The Council's investment performance has been boosted by its investment in the CCLA property investment fund. The fund, which is supplemental to the Council's direct property investment, is now worth over £3/4 billion and is producing monthly income returns of circa 4.3%. Given the size of the current overall portfolio, it is the intention to increase investment in similar funds in the second half of the year, therefore boosting the interest received by the Council.

- 5.3 The Council's drive to invest in commercial property has resulted in a requirement to borrow funds to cover direct investments and day-to-day cashflow. The budget had anticipated a borrowing cost of £325,250 at the mid-year point but actual costs have totalled £226,851 as borrowing has not been required to finance additional commercial property purchases.

- 5.4 Overall, the Council's treasury management activities in the first half of the year have been efficiently managed and resulted in a surplus of £106,000 on budget.

6.0 CONSULTATION

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

7.0 RELEVANT COUNCIL POLICIES/STRATEGIES

- 7.1 Budget monitoring is on the approved budget for 2019/20 which has been prepared in line with the Medium Term Financial Strategy.

8.0 RELEVANT GOVERNMENT POLICIES

- 8.1 None.

9.0 RESOURCE IMPLICATIONS (Human/Property)

- 9.1 None.

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

- 10.1 None.

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

11.1 None.

12.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

12.1 None.

Background Papers: None.

Contact Officer: Head of Finance and Asset Management Tel: 01684 272005
Email: simon.dix@teWKesbury.gov.uk

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

Quarter 2 Budget Report

Appendix A

Chief Executive

	Full Year Budget	Budget	Actual	Savings / (Deficit)	
	£	£	£	£	
Employees	251,670	125,680	108,470	17,210	1
Premises	0	0	0	0	
Transport	2,308	1,156	1,154	3	
Supplies & Services	8,132	4,796	1,566	3,230	
Payments to Third Parties	0	0	0	0	
Income	0	0	0	0	
TOTAL	262,110	131,632	111,190	20,442	

1) The saving on Employee costs is as a result of the Chief Executive taking flexible retirement.

Community Services

	Full Year Budget	Budget	Actual	Savings / (Deficit)	
	£	£	£	£	
Employees	1,188,811	594,346	573,006	21,340	2
Premises	5,000	1,500	1,338	162	
Transport	36,213	18,134	18,970	(836)	
Supplies & Services	122,602	16,426	12,157	4,269	
Payments to Third Parties	4,721,382	2,669,913	2,784,820	(114,908)	3
Income	(2,219,088)	(1,667,792)	(1,679,356)	11,564	4
TOTAL	3,854,920	1,632,527	1,710,935	(78,409)	

2) Employee costs savings are being made in both the Community team and Environmental health team with vacant posts and changes in hours worked by officers. This is being offset by additional use of agency staff in the housing services team

3) The Ubico contract is under pressure from the level of grounds maintenance work being generated and also an additional cost of depot which was not part of the original budget. These additional costs are being covered from one-off reserves in the current year. In respect of other waste services delivered by Ubico there is additional cost pressures from use of agency staff and also a higher than predicted level of hire costs due to both a procurement of a new narrow access vehicle and also several accidents which has taken vehicles out of operation.

4) Income from Garden Waste Customers and Licence applications has been higher than budgeted, but this is being offset by less income recovered through recycling credits than predicted in the budget. This was due to the budget income not reflecting a level of rejected recyclate material in the calculation of credits due back to the council.

Corporate Services

	Full Year Budget	Budget	Actual	Savings / (Deficit)	
	£	£	£	£	
Employees	1,871,180	939,953	899,185	40,767	5
Premises	0	0	0	0	
Transport	10,785	5,465	5,136	329	
Supplies & Services	574,926	222,370	223,645	(1,275)	
Payments to Third Parties	82,300	22,972	20,318	2,654	
Transfer Payments - Benefits Service	13,611,266	7,366,417	7,496,417	(130,000)	6
Income	(14,113,610)	(206,933)	(262,412)	55,479	7
TOTAL	1,963,477	8,350,243	8,382,289	(32,046)	

5) Employee savings are being generated across all departments which is leading to a reasonable underspend for this service.

4) During the first half of the year several large overpayments have been identified, mostly by the counter fraud team, going back over several years. Utilising the additional resources provided by the counter fraud team alongside access to better information from a variety of sources has resulted in identifying these specific overpayments. The impact is to reduce the benefit subsidy we receive (budget deficit of £80k) and also means that the overall level of debt has increased, when the budget had assumed a continuation of prior year work to reduce debt levels (budget deficit of £50k). These large one off overpayments have a significant an unpredicted impact on the councils budget position.

5) Additional grants have been provided to the benefits team to help cover the cost of developments and changes in the service, particularly the implementation of Universal Credit

Democratic Services

	Full Year Budget	Budget	Actual	Savings / (Deficit)	
	£	£	£	£	
Employees	261,197	128,930	127,339	1,591	
Premises	0	0	9,993	(9,993)	
Transport	16,000	8,004	8,475	(471)	
Supplies & Services	439,457	335,096	433,519	(98,423)	8
Payments to Third Parties	132,600	14,621	55,527	(40,906)	8
Income	(2,000)	0	(148,203)	148,203	8
TOTAL	741,229	486,651	486,651	0	

8) Variance due to two elections in Q1 (Borough & Parish Elections on 2nd May and European Parliamentary Election on 23rd May). Expenditure includes that of Postages, Printing and Equipment. European Election is externally funded so income is included in Income figure below, Borough Elections are paid for from reserves and this has been included in the budget to offset costs.

Deputy Chief Executive

	Full Year Budget	Budget	Actual	Savings / (Deficit)
	£	£	£	£
Employees	117,497	58,964	58,791	173
Premises	0	0	0	0
Transport	2,730	1,372	1,623	(251)
Supplies & Services	2,650	1,834	643	1,191
Income	0	0	0	0
TOTAL	120,064	62,170	61,057	1,113

Development Services

	Full Year Budget	Budget	Actual	Savings / (Deficit)	
	£	£	£	£	
Employees	1,958,850	979,260	976,135	3,125	
Premises	44,572	39,980	40,042	(62)	
Transport	55,006	27,532	26,402	1,130	
Supplies & Services	209,977	109,196	92,008	17,188	9
Payments to Third Parties	231,721	85,046	84,106	940	
Income	(1,557,752)	(786,152)	(714,840)	(71,312)	10
TOTAL	942,374	454,862	503,853	(48,991)	

9) The saving is a result of a surplus on Building Regulations at Q1 (Q2 position not yet known) and Growth Hub Budget savings

10) The shortfall in the planning income is due to large fees associated with known major applications that have not yet submitted. Discussions with developers indicate that these major applications will be submitted before the end of the financial year. Therefore it is anticipated that the year-end planning income target will be achieved.

Finance and Asset Management

	Full Year Budget	Budget	Actual	Savings / (Deficit)	
	£	£	£	£	
Employees	2,850,154	1,422,969	1,401,708	21,261	11
Premises	590,777	349,244	353,109	(3,865)	
Transport	14,330	7,180	17	7,163	
Supplies & Services	493,160	108,882	113,993	(5,111)	
Payments to Third Parties	312,552	134,993	139,430	(4,437)	
Precept	6,100	6,100	6,654	(554)	
Income	(1,363,497)	(670,240)	(720,048)	49,808	12
TOTAL	2,903,576	1,359,128	1,294,863	64,265	

11) Saving accrued from a vacant post in Asset Management and a maternity absence covered by existing staff

12) Income is up in a number of areas including car parking, cemeteries and the public offices. In addition, further grant monies have been received for Brexit preparations.

One Legal

	Full Year Budget	Budget	Actual	Savings / (Deficit)	
	£	£	£	£	
Employees	1,365,501	183,578	177,605	5,973	
Premises	0	0	0	0	
Transport	20,407	2,132	1,076	1,055	
Supplies & Services	134,704	1,828	2,094	(265)	
Payments to Third Parties	10,460	25,538	36,606	(11,068)	13
Income	(1,222,774)	(51,009)	(58,236)	7,226	
TOTAL	308,298	162,067	159,146	2,921	

13) The small variance on supplies and services is in relation to disbursements, for works done for third parties which are then recovered through income.

Appendix B - Analysis of Capital Budget

	Q2 Budget Position £	Q2 Actual Position £	(Over) / Under spend £	% Slippage	Comments
Council Land & Buildings	30,000	26,602	3,398	11	Payments in Q2 are in line with expectations.
Equipment	50,000	56,474	(6,474)	(13)	Payments in Q2 are in line with expectations.
Capital Investment Fund	0	0	0	0	No expenditure expected in Q2
Community Grants	0	0	0	0	No expenditure expected in Q2
Housing & Business Grants	250,000	315,864	(65,864)	(26)	1/2 of budget released up to date, however we received more applications for Disabled Facilities Grants than we originally predicted for the end of Q2.
	330,000	398,940	-68,940	-21	

Appendix C - Revenue Reserves for 19/20

Reserve	Balance 31st March 2019	Spent in Reserve Quarter 2	Reserve Remaining	Note
Service Reserves				
Asset Management Reserve	1,188,731	72,200	1,116,531	1
Borough Growth Reserve	500,000	-	500,000	
Borough Regeneration Reserve	1,537	-	1,537	
Business Rates Reserve	500,000	-	500,000	
Business Support Reserve	182,339	23,267	159,072	2
Business Transformation Reserve	692,837	72,781	620,056	3
Community Support Reserve	80,057	5,375	74,682	
Development Management Reserve	254,687	43,273	211,413	4
Development Policy Reserve	600,936	13,848	587,088	
Elections Reserve	85,348	4,500	80,848	
Flood Support and Protection Reserve	10,196	550	9,646	
Health & Leisure development reserve	1,989	-	1,989	
Housing & Homeless Reserve	522,842	97,607	425,235	5
IT Reserve	84,500	21,002	63,498	6
MTFS Equalisation Reserve	1,000,000	-	1,000,000	
Open Space & watercourse Reserve	678,720	16,169	662,552	7
Organisational Development Reserve	137,072	34,415	102,657	8
Risk Management Reserve	5,000	-	5,000	
Transport Initiatives Reserves	395,110	-	395,110	
Waste & Recycling development Reserve	1,090,835	5,807	1,085,028	
	<u>8,012,736</u>	<u>410,795</u>	<u>7,601,941</u>	

Totals

- 1 Delivery of the Spring Gardens regeneration project
- 2 Payment of business support grants
- 3 Purchase of procurement system / Council Tax Reduction Scheme review costs
- 4 Cost of planning appeals
- 5 Homeless prevention expenditure
- 6 Provision of ipads
- 7 New equipment to support grounds maintenance
- 8 Interim HR management

Treasury Management Outturn Report 2019/20

Introduction

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

The Authority's treasury management strategy for 2019/20 was approved at a meeting on 29th January 2019. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Authority's treasury management strategy.

The 2017 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Authority's Capital Strategy, complying with CIPFA's requirement, was approved by full Council on 29th January 2019.

External Context

Economic background: UK Consumer Price Inflation (CPIH) fell to 1.7% year/year in August 2019 from 2.0% in July, weaker than the consensus forecast of 1.9% and below the Bank of England's target. The most recent labour market data for the three months to July 2019 showed the unemployment rate edged back down to 3.8% while the employment rate remained at 76.1%, the joint highest since records began in 1971. Nominal annual wage growth measured by the 3-month average excluding bonuses was 3.8% and 4.0% including bonuses. Adjusting for inflation, real wages were up 1.9% excluding bonuses and 2.1% including.

The Quarterly National Accounts for Q2 GDP confirmed the UK economy contracted by 0.2% following the 0.5% gain in Q1 which was distorted by stockpiling ahead of Brexit. Only the services sector registered an increase in growth, a very modest 0.1%, with both production and construction falling and the former registering its largest drop since Q4 2012. Business investment fell by 0.4% (revised from -0.5% in the first estimate) as Brexit uncertainties impacted on business planning and decision-making.

Politics, both home and abroad, continued to be a big driver of financial markets over the last quarter. Boris Johnson won the Conservative Party leadership contest and has committed to leaving the EU on 31st October regardless of whether a deal is reached with the EU. Mr Johnson prorogued Parliament which led some MPs to put forward a bill requiring him to seek a Brexit extension if no deal is in place by 19th October. The move was successful and, having been approved by the House of Lords, was passed into law. The Supreme Court subsequently ruled Mr Johnson's suspension of Parliament unlawful.

Tensions continued between the US and China with no trade agreement in sight and both countries imposing further tariffs on each other's goods. The US Federal Reserve cut its target Federal Funds rates by 0.25% in September to a range of 1.75% - 2%, a pre-emptive move to maintain economic growth amid escalating concerns over the trade war and a weaker economic environment leading to more pronounced global slowdown. The euro area Purchasing Manager Indices (PMIs) pointed to a deepening slowdown in the Eurozone. These elevated concerns have caused key government yield curves to invert, something seen by many commentators as a

predictor of a global recession. Market expectations are for further interest rate cuts from the Fed and in September the European Central Bank reduced its deposit rate to -0.5% and announced the recommencement of quantitative easing from 1st November.

The Bank of England maintained Bank Rate at 0.75% and in its August Inflation Report noted the deterioration in global activity and sentiment and confirmed that monetary policy decisions related to Brexit could be in either direction depending on whether or not a deal is ultimately reached by 31st October.

Financial markets: After rallying early in 2019, financial markets have been adopting a more risk-off approach in the following period as equities saw greater volatility and bonds rallied (prices up, yields down) in a flight to quality and anticipation of more monetary stimulus from central banks. The Dow Jones, FTSE 100 and FTSE 250 are broadly back at the same levels seen in March/April.

Gilt yields remained volatile over the period on the back of ongoing economic and political uncertainty. From a yield of 0.63% at the end of June, the 5-year benchmark gilt yield fell to 0.32% by the end of September. There were falls in the 10-year and 20-year gilts over the same period, with the former dropping from 0.83% to 0.55% and the latter falling from 1.35% to 0.88%. 1-month, 3-month and 12-month LIBID (London Interbank Bid) rates averaged 0.65%, 0.75% and 1.00% respectively over the period.

Recent activity in the bond markets and PWLB interest rates highlight that weaker economic growth remains a global risk. The US yield curve remains inverted with 10-year Treasury yields lower than US 3-month bills. History has shown that a recession hasn't been far behind a yield curve inversion. Following the sale of 10-year Bunds at -0.24% in June, yields on German government securities continue to remain negative in the secondary market with 2 and 5-year securities currently both trading around -0.77%.

Credit background: Credit Default Swap (CDS) spreads rose and then fell again during the quarter, continuing to remain low in historical terms. After rising to almost 120bps in May, the spread on non-ring-fenced bank NatWest Markets plc fell back to around 80bps by the end of September, while for the ring-fenced entity, National Westminster Bank plc, the spread remained around 40bps. The other main UK banks, as yet not separated into ring-fenced and non-ring-fenced from a CDS perspective, traded between 34 and 76bps at the end of the period.

There were minimal credit rating changes during the period. Moody's upgraded The Co-operative Bank's long-term rating to B3 and Fitch upgraded Clydesdale Bank and Virgin Money to A-.

Local Context

On 31st March 2019, the Authority had net borrowing of £7.896m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	31.3.19 Actual £m
General Fund CFR	36.685
Less other debt liabilities	0.0
Total CFR	36.685
External borrowing	28.0
Internal borrowing	8.685
Less: Usable reserves	15.935
Less: Working capital	12.854
Investments	20.104

The Authority pursued its strategy of keeping borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low.

The treasury management position at 30th September 2019 and the change during the year is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.19 Balance £m	Movement £m	30.9.19 Balance £m	30.9.19 Rate %
Long-term borrowing	14.0	5.0	19.0	2.03
Short-term borrowing	14.0	-5.0	9.0	0.76
Total borrowing	28.0	0.0	28.0	1.62
Long-term investments	2.0	1.0	3.0	1.60
Short-term investments	16.993	5.0	21.993	0.94
Cash and cash equivalents	1.111	5.177	6.288	0.71
Total investments	20.104	11.177	31.281	1.38
Net investments	-7.896	11.177	3.281	

Borrowing Strategy during the period

At 30th September 2019 the Authority held £28.0m of loans, the same position as at 31st March 2019, as part of its strategy for funding previous years' capital programmes. Outstanding loans on 30th September are summarised in Table 3 below.

Table 3: Borrowing Position

	31.3.19 Balance £m	Net Movement £m	30.9.19 Balance £m
Public Works Loan Board	14.0	5.0	19.0
Banks (LOBO)	0.0	0.0	0.0
Banks (fixed-term)	0.0	0.0	0.0
Local authorities (long-term)	0.0	0.0	0.0
Local authorities (short-term)	14.0	-5.0	9.0
Total borrowing	28.0	0.0	28.0

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

The Authority has an increasing CFR due to the capital programme and an estimated borrowing requirement as determined by the Liability Benchmark which also takes into account usable reserves and working capital. Having considered the appropriate duration and structure of the Authority's borrowing need based on realistic projections, the Authority decided to take advantage of the fall in PWLB borrowing rates in early September by replacing some short term borrowing with medium-term repayment loans (annuity/EIP). The Authority borrowed a total of £5.0m medium fixed rate loans, and allowed £5.0m of short term borrowing to mature, details of which are below. This movement in the Authority's loan structure provides some longer-term certainty and stability and create a more rounded debt portfolio

Long-dated Loans borrowed	Amount £m	Rate %	Period (Years)
PWLB Maturity Loan 1	11.0	2.35	40
PWLB Maturity Loan 2	3.0	2.47	40
PWLB EIP Loan 1	5.0	1.05	15
Total borrowing	19.0	2.03	

The Authority's borrowing decisions are not predicated on any one outcome for interest rates and a balanced portfolio of short- and long-term borrowing was maintained.

Treasury Investment Activity

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Authority's investment balances ranged between £22.86 and £31.28 million due to timing differences between income and expenditure. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

	31.3.19	Net	30.9.19	30.9.19
	Balance	Movement	Balance	Income Return
	£m	£m	£m	%
Banks & building societies (unsecured)	4.261	6.327	10.588	0.96
Government (incl. local authorities)	8.0	0.0	8.0	0.89
Money Market Funds	0.85	4.85	5.7	0.73
Registered Providers	3.0	0.0	3.0	1.60
Other Pooled Funds (CCLA Property Fund)	3.993	0.0	3.993	4.30
Total investments	20.104	11.177	31.281	1.38

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

The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking in Table 5 below.

Table 5: Investment Benchmarking - Treasury investments managed in-house

	Credit Score	Credit Rating	Bail-in Exposure %	Weighted Average Maturity (days)	Internal Investment Rate of Return %	External Investment Rate of Return %	Rate of Return %
31.03.2019	4.65	A+	26	110	1.04	4.61	1.73
30.09.2019	4.75	A+	45	95	0.96	4.36	1.38
Similar LAs	4.26	AA-	61	80	0.86	3.58	1.58
All LAs	4.28	AA-	61	28	0.83	3.32	1.22

£3.993m of the Authority's investments are held in externally managed strategic pooled property funds where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability. These funds generated an average total return of £87,601 (4.30%), which is used to support services in year.

Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over a three- to five-year period total returns will exceed cash interest rates. In

light of their performance over the medium term and the Authority's latest cash flow forecasts, investment in these funds has been maintained.

Readiness for Brexit: The scheduled leave date for the UK to leave the EU is now 31st January 2019 and there remains little political clarity as to whether a deal will be agreed by this date and there is the possibility that the exit date is pushed back yet again. As 31st January approaches the Authority will ensure there are enough accounts open at UK-domiciled banks and Money Market Funds to hold sufficient liquidity required in the near term and that its account with the Debt Management Account Deposit Facility (DMADF) remains available for use in an emergency.

Non-Treasury Investments

The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. *For English Authorities:* This is replicated in MHCLG's Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return.

The Authority also held £37.4m of such investments in directly owned property as shown in the table below:

Property	Purchase date	Purchase Price	Total Investment	Current Rent	Yield on investment	Sector
Challenge House, Tewkesbury	Dec-16	£8,730,000	£9,083,736	£565,115	6.22%	Office
Challenge House, Tewkesbury	Dec-16	£5,820,000	£6,055,824	£376,743	6.22%	Industrial
Retail units, Clevedon	Jul-06	£2,199,250	£2,299,110	£158,085	6.88%	Retail
The Chase, Hertford	Nov-17	£3,700,000	£3,937,861	£262,058	6.65%	Office
SPL House, Ellesmere Port	Nov-17	£3,490,000	£3,770,482	£242,035	6.42%	Industrial
Wickes, Trowbridge	Dec-17	£5,542,000	£5,929,910	£313,518	5.29%	Retail
Edmund House, Leamington	Aug-18	£3,610,000	£3,851,000	£226,016	5.87%	Office
M&S, Walton on the Naze	Oct-18	£4,335,000	£4,619,280	£231,000	5.00%	Retail
Total		£37,426,250	£39,547,202	£2,374,570	6.00%	

These investments generated £2.374m of investment income for the Authority after taking account of direct costs, representing a rate of return of 6.0%.

Treasury Performance

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

Table 6: Performance

	Actual £	Budget £	Over/ Under £	Actual %	Benchmark %	Over/ under
Treasury Investments	205,258	197,411	7,847	1.38	0.57	0.81
Borrowing	226,851	325,250	98,399	1.62	N/A	N/A
GRAND TOTAL	-21,593	-127,839	106,246	N/A	N/A	N/A

Compliance

The Chief Finance Officer reports that all treasury management activities undertaken during the quarter complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy or explain the areas of non-compliance. Compliance with specific investment limits is demonstrated in table 7 below.

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

Table 7: Debt Limits

	Q2 Maximum	30.9.19 Actual	2019/20 Operational Boundary	2019/20 Authorised Limit	Complied? Yes/No
Borrowing	31.0	28.0	50.0	55.0	Yes
Total debt	31.0	28.0	50.0	55.0	Yes

Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

Table 8: Investment Limits

	Q2 Maximum	30.9.19 Actual	2019/20 Limit	Complied? Yes/No
Any single organisation, except the UK Government	£3.993	£3.993	£4m each	Yes
UK Central Government	£0.0	£0.0	unlimited	Yes
Any group of organisations under the same ownership	£3.993	£3.993	£4m per group	Yes
Any group of pooled funds under the same management	£3.993	£3.993	£4m per manager	Yes
Negotiable instruments held in a broker's nominee account	£0.0	£0.0	£5m per broker	Yes

Limit per non-UK country	£2.0	£2.0	£2m per country	Yes
Registered providers and registered social landlords	£3.0	£3.0	£4m in total	Yes
Unsecured investments with building societies	£2.0	£2.0	£2m in total	Yes
Money Market Funds	£8.0	£5.7	50% of total portfolio balance	Yes
Real Estate Investment Trusts	£0.0	£0.0	£4m in total	Yes

Treasury Management Indicators

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

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

	30.9.19 Actual	2019/20 Target	Complied?
Portfolio average credit rating	A+	A	Yes

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

	30.9.19 Actual	Upper Limit	Lower Limit	Complied?
Under 12 months	32%	100%	0%	Yes
12 months and within 24 months	0%	100%	0%	Yes
24 months and within 5 years	0%	100%	0%	Yes
5 years and within 10 years	0%	100%	0%	Yes
10 years and above	68%	100%	0%	Yes

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

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

	2019/20	2020/21	2021/22
Actual principal invested beyond year end	£2m	£1m	£1m
Limit on principal invested beyond year end	£6m	£4m	£4m
Complied?	Yes	Yes	Yes

Outlook for the remainder of 2019/20

The global economy is entering a period of slower growth in response to political issues, primarily the trade policy stance of the US. The UK economy has displayed a marked slowdown in growth due to both Brexit uncertainty and the downturn in global activity. In response, global and UK interest rate expectations have eased dramatically.

There appears no near-term resolution to the trade dispute between China and the US, a dispute that the US appears comfortable exacerbating further. With the 2020 presidential election a year away, Donald Trump is unlikely to change his stance.

Parliament appears to have frustrated UK Prime Minister Boris Johnson's desire to exit the EU on 31st October. The probability of a no-deal EU exit in the immediate term has decreased, although a no-deal Brexit cannot be entirely ruled out for 2019 and the risk of this event remains for 2020. The risk of a general election in the near term has now materialised.

Central bank actions and geopolitical risks will continue to produce significant volatility in financial markets, including bond markets.

Our treasury advisor Arlingclose expects Bank Rate to remain at 0.75% for the foreseeable future but there remain substantial risks to this forecast, dependant on Brexit outcomes and the evolution of the global economy. Arlingclose also expects gilt yields to remain at low levels for the foreseeable future and judge the risks to be weighted to the downside and that volatility will continue to offer longer-term borrowing opportunities

	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
Official Bank Rate													
Upside risk	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Arlingclose Central Cas	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Downside risk	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive Committee
Date of Meeting:	27 November 2019
Subject:	Digital Strategy
Report of:	Head of Corporate Services
Corporate Lead:	Chief Executive
Lead Members:	Lead Member for Customer Focus
Number of Appendices:	One

Executive Summary:

The way in which our customers want to interact with us continues to reflect what is happening in the online banking and retail worlds – our customers want us to be easily accessible at a time of day that suits them.

This new Digital Strategy sits alongside many of our other corporate strategies – such as the emerging ICT Strategy, Workforce Development Strategy and Commercialisation Strategy – in our efforts to build on our digital successes to date.

Last year, we had 24,000 transactions through our website, and 80 per cent of our 18,000 garden waste club customers renewed online – given that transacting online is significantly cheaper than over the phone or face-to-face, these statistics are really promising and this strategy looks at how we can build on the excellent digital services that we already offer.

Importantly, it also recognises that we have a wider responsibility too; we need to make sure we do not leave anyone behind. Pushing our digital aims forward is clearly a priority for us and by doing this, we anticipate we will free up time to deal with our more elderly, vulnerable and/or complex customers who for one reason or another struggle to transact digitally.

Recommendation:

To APPROVE the digital strategy.

Reasons for Recommendation:

Digital technology has the potential to transform our Council services and the lives of our residents, while also generating savings and reducing pressure on Council taxpayers.

Resource Implications:

Each digital project is subject to its own business case, supported by a business transformation reserve.

Legal Implications:

None directly associated with this report but legal advice will be sought in respect of each business case which will include compliance with relevant legislative requirement such as under the Data Protection Act 2018 and procurement law.

Risk Management Implications:

If the Council does not have a Digital Strategy and supporting digital projects, then our customers will not be able to engage and transact with us in the way that they want to. In particular, the growth of the borough will add increased pressures to how our services are contacted by the customer.

By enabling those that want to transact with us online to do so, we are freeing up officer time to spend dealing with those customers that have not got access to, or are not able to use, digital options.

Performance Management Follow-up:

Monitoring of digital projects is carried out through Transform Working Group.

There is also internal governance through the Council's Programme Board.

Environmental Implications:

Opening up more ways/easier ways for the customer to contact us online, alleviates the need to travel to the offices/area offices.

1.0 INTRODUCTION/BACKGROUND

1.1 We aspire to meet our customers' needs when it comes to 'being digital'. For a small district Council, we have made some significant digital achievements.

But we recognise that there is lots more we can be doing, and 'digital' is not just about offering an online option for something; it is much wider than that – it is about shaping our services to meet the needs of our customers.

We want to empower our Members, staff and our communities to become digital with us – and this strategy reflects that.

2.0 DIGITAL STRATEGY APPROACH

2.1 The Digital Strategy, attached at Appendix A, sets out the way in which we plan to meet the changing expectations of our customers using digital technology in a way which is joined up and worthwhile.

The complexities in achieving this should not be underestimated – while there is a vast range of digital opportunities available, the implementation may not always be an easy or comfortable process because of the scale of change that it may introduce.

2.2 This strategy is underpinned by three simple themes:

1. Digital customer – we want to interact with our customers in a way that suits them and improve how we communicate with them – keeping them up-to-date automatically without them needing to phone or email.
2. Digital workforce - Supporting our one Council approach to Commercialisation and our business transformation journey, our digital approach aims to drive improvements and efficiencies and create an environment where members and staff are empowered to make positive change.
3. Digital place - It is really important that we work with our partners to increase the digital capability of those who are digitally excluded, as well as those who are online but lack the confidence and knowledge to make the most of it.

Sitting underneath each of these themes within the strategy is a set of aspirations and actions setting out how we will get to where we want to be.

3.0 Each of these themes is supported by our five digital principles, and anything we do from a digital perspective will:

1. Put the customer first – digital by preference but access for all.
2. Make digital services as simple as possible.
3. Embrace change and show openness to new ideas.
4. Have a ‘one Council’ approach so that we are all pulling in the same direction.
5. Use evidence and insights to drive our decision-making.

4.0 GOVERNANCE

4.1 In October, Management Team approved the creation of a new business transformation team that will be fundamental in helping the authority accelerate our journey to achieve more of our digital ambitions and support the efficiency stream of our new commercialisation strategy.

There will be many competing calls on this resource and it is therefore important to have a transparent and robust process in place for evaluating and prioritising projects as well as monitoring progress.

The governance framework is still being established but could take the shape of existing bodies such as Management Team or Programme Board or a new, more streamlined board could be put in place to oversee this area of work. In addition, all relevant projects will go through the Council’s Programme Board, with regular reporting to Transform Working Group.

5.0 OTHER OPTIONS CONSIDERED

5.1 None.

6.0 CONSULTATION

6.1 Consultations with our members and customers, including our Citizens’ Panel, will take place when digital services are being introduced.

9.0 RELEVANT COUNCIL POLICIES/STRATEGIES

9.1 ICT strategy, Commercialisation Strategy, Workforce Development Strategy

10.0 RELEVANT GOVERNMENT POLICIES

10.1 None directly.

11.0 RESOURCE IMPLICATIONS (Human/Property)

11.1 The creation of the Improvement Team will have a really positive impact on the delivery of our Digital Strategy, creating the capacity to move forward with already identified projects.

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

12.1 None directly.

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

13.1 The strategy recognises the importance of being digital first but access for all.

14.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

14.1 None.

Background Papers: None.
Contact Officer: Corporate Services Manager Tel: 01684 272291
Email: Clare.evans@tewkesbury.gov.uk
Appendices: Digital Strategy.

DIGITAL APPROACH



Tewkesbury Borough Council
2019 to 2022



Transform
Tewkesbury Borough



Tewkesbury
Borough Council

BACKGROUND

We aspire to meet our customers' needs when it comes to 'being digital'. For a small district council, we have made some significant digital achievements. But, we recognise that there is lots more we can be doing, and 'digital' isn't just about offering an online option for something; it's much wider than that – it's about shaping our services to meet the needs of our customers. We want to empower our members, staff and our communities to become digital with us – and this strategy reflects that.

The speed at which technology is changing remains fast and if we want our customers to continue to engage with us, we need to ensure we are providing them with what they want – we need to start mirroring the experience they have in retail and banking. But, we have a wider responsibility too – we need to make sure we don't leave anyone behind. Pushing our digital aims forward is clearly a priority for us and by doing this, we anticipate we will free up time to deal with our more elderly, vulnerable and/or complex customers.

The complexities in achieving digital transformation should not be underestimated. While there are a vast range of digital opportunities available, the implementation may not always be an easy or comfortable process – introducing digital technology forces change across all levels of an organisation.

Last year, we signed a government-backed initiative - called the Local Digital Declaration - which confirms our commitment to improving digital services. Joining councils across the country, the declaration is a collective ambition for local public services in the internet age, which includes:

- Designing services that best meet the needs of citizens.
- Challenging the technology market to offer the flexible tools and services we need.
- Protecting citizens' privacy and security.
- Delivering better value-for-money.

As part of this collective, we also have access to a range of digital skills training.

Reflecting the ambitions set out in the Local Digital Declaration, **this** strategy is underpinned by three simple themes:



1. **Digital customer**



2. **Digital workforce**



3. **Digital place**

Each of these themes is supported by our five digital principles:

1. Put the customer first – digital by preference but access for all.
2. Make digital services as simple as possible.
3. Embrace change and show openness to new ideas.
4. Have a 'one council' approach so that we are all pulling in the same direction.
5. Use evidence and insights to drive our decision-making.

DIGITAL CUSTOMER



Our customers want to interact with us in a way that suits them. We currently have around 40 online forms with around 24,000 transactions submitted in 2018/19, so we're already offering our customers many of our services in way that means they can interact with us at a time and place to suit them.

But we want to push forward. We want our customers to not only be able to fill in a form online to let us know something, we want to be able to step it up a level and integrate what our customer is telling us into the back office systems we use. We also want to improve how we handle our customers' data – using it, in line with GDPR, to gain insight in to customer demand and requirements. And we also want to improve how we communicate with our customers, keeping them up-to-date with their enquiries using an automated service.

We will do this by:

- Redesigning and/or developing our services by putting digital technologies at their heart – also known as Digital by Design.
- Using customer information and intelligence to allow us to develop better services that our customers want.
- Ensuring our website is transactional with an emphasis on easy access, self-service and up-to-date information.
- Developing our digital platform to give us the flexibility to offer end-to-end integration, automated communication and useable data.
- Offering an environment where staff feel comfortable to test emerging technologies e.g. IVR and chatbots.

DIGITAL WORKFORCE



Our workforce is our most important asset – they enable us to deliver our services and transform them when they need to change. Digital impacts everyone – every officer should be asking themselves 'where am I losing time?', 'where are customers wasting time', and then the team get involved.

Supporting our one council approach to commercialisation and our business transformation journey, our digital approach aims to drive improvements and efficiencies and create an environment where members and staff are empowered to make positive change. We also need them to be more mobile and flexible in how they work. Our Workforce Development Strategy makes it clear that we need to start recruiting for a digital environment, making the process more appealing for candidates with IT and digital skills.

We will do this by:

- Making the most of mobile technology as identified through our ICT Strategy.
- Supporting our Workforce Development Plan's priority to have a technologically confident and skilled workforce.
- Supporting members and staff through culture change – bringing them with us on our digital journey will help ensure its success. We want to make sure we invest in providing our staff with regular communication and appropriate support.
- Becoming more digitally capable – digital transformation is not simply about technology. But, technology provides a catalyst for change, opening up new possibilities for how we manage and deliver services. Our technology must be fit-for-purpose and meet our customers' requirements.

DIGITAL PLACE



We need to take the responsibility of ensuring Tewkesbury Borough is in the best position to support digital growth. Tewkesbury Borough is the fastest growing borough outside of London, and we need to have contemporary measures in place to support and interact with our existing and new residents.

Although we live in an increasingly online world, there is a significant part of the population which remains digitally excluded. One in 10 adults have never used the internet and many more are missing out on the opportunities the digital world offers. According to Inform Gloucestershire, we have six wards in the borough that are significantly below the national average for using the internet daily and 13 wards that are significantly below the national average for owning a mobile phone with internet access. It is paramount we work with our partners to increase the digital capability of those who are digitally excluded, as well as those who are online but lack the confidence and knowledge to make the most of it.

To do this we will:

- Work with our partners, including GRCC, to support older people, the socially isolated, the vulnerable and their carers to use the internet in order to feel more connected with their communities and more in control of their daily lives.
- Inform and update our members and communities on the roll-out of the county council's Fastershire programme.
- Support businesses to access local funding to improve broadband speed. Signposting to relevant grant funding opportunities.

- Include digital as a priority within our Economic Development and Tourism Strategy 2017 to 2021, as well as ensuring it plays a key role in the emerging GFirst Local Industrial Strategy.
- Work with Cheltenham Borough Council on developing plans for a world-class Cyber Park in West Cheltenham, set in a wider 132-hectare Garden Village community which will provide fantastic cyber business and employment opportunities, and an integrated top-quality smart living space for new homes.
- Support the Tewkesbury Borough Plan's requirement for new development of residential or commercial properties to be provided with the infrastructure necessary to access high quality broadband.

GOVERNANCE

In October, Management Team approved the creation of a new improvement team so that we can start to see an acceleration of our journey to achieve more of our digital ambitions and support the efficiency stream of our new commercialisation strategy.

There will be many competing calls on this resource and it is therefore important to have a transparent and robust process in place for evaluating and prioritising projects as well as monitoring progress. The governance framework is still being established but will likely take the form of an ICT technical board, where any new digital projects will be evaluated to ensure they meet the principles of this strategy.

All relevant projects will then go through the council's project management framework and overseen by the council's Programme Board, with regular reporting to Transform Working Group.

The digital strategy outlines how we plan to achieve the intentions set out in the three themes. A number of the 'to do this we will' actions are linked with other strategies and service plans and below is a high level action plan detailing the actions to be delivered by the council's business transformation team alongside services across the council.

DIGITAL STRATEGY ACTION PLAN 2019 TO 2022

Theme	Action	Delivered by
<p>Digital customer</p> 	<p>Procure a digital platform, which gives the flexibility to offer end-to-end integration, automated communication and useable data.</p> <p>Support the redesign and/or developing of services by putting digital technologies at their heart – also known as Digital by Design.</p> <p>Carry out a review of the website to ensure it has an emphasis on easy access, self-service, and up-to-date information.</p>	<p>March 2020</p> <p>Ongoing through to March 2022</p> <p>March 2020</p>
<p>Digital workforce</p> 	<p>Through our local digital declaration, provide member and officer training, supporting our Workforce Development Strategy, to develop our in-house digital skills.</p> <p>Provide support to use new digital systems and processes.</p> <p>Provide regular communication for staff and members on the progress of our digital strategy, and any digital successes.</p>	<p>Ongoing through to March 2022</p> <p>Ongoing through to March 2022</p>
<p>Digital place</p> 	<p>Work with our communities' team to identify how we can support older people, the socially isolated, the vulnerable and their carers to use the internet to feel more connected with their communities, families and more in control of their daily lives.</p> <p>Work with our communities' team to promote digital inclusion in the community.</p>	<p>Ongoing through to March 2022</p> <p>Ongoing through to March 2022</p>

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive Committee
Date of Meeting:	27 November 2019
Subject:	Corporate Peer Challenge
Report of:	Chief Executive
Corporate Lead:	Chief Executive
Lead Members:	Leader of the Council
Number of Appendices:	None

Executive Summary:

As part of its approach to sector led improvement, the Local Government Association (LGA) offers a fully funded corporate peer challenge to Councils every four to five years. The last peer challenge for this Council was held in November 2014. Peer challenges are improvement focused, they are carried out to the specification of individual Councils and are aimed at improving, not judging, Councils.

The scope of the challenge is agreed in advance and tailored to reflect local needs and specific requirements. Also covered, is a review of five core components which is essentially a high level, external 'health-check'.

The undertaking of a peer challenge has been discussed with Members through informal dialogue and this report gives more detailed information on the process. The date of the peer challenge has been agreed and will commence on Tuesday 3 March 2020.

Recommendation:

To ENDORSE the undertaking of a Corporate Peer Challenge.

Reasons for Recommendation:

It is good practice to be subject to a peer challenge within the prescribed timescales. The challenge will provide an indicator as to the Council's ability and capacity to deliver the priorities within the new Council Plan (2020-2024).

Resource Implications:

The logistics of organising a peer challenge has been planned into the workload of the Corporate Services Team.

Legal Implications:

None directly associated with this report.

Risk Management Implications:

If the Council prepares thoroughly and has a consistent story to tell then, from a reputational perspective, the outcome of the challenge should be positive.

Performance Management Follow-up:

Any peer challenge will inevitably make a number of recommendations. Following the previous peer challenge, an action plan was produced. Responsibility for monitoring progress of the action plan was assigned to the Overview and Scrutiny Committee.

Environmental Implications:

None directly associated with this report.

1.0 INTRODUCTION/BACKGROUND

1.1 As part of its approach to sector led improvement, the Local Government Association (LGA) offers a fully funded corporate peer challenge to Councils every four to five years. The last peer challenge for this Council was held in November 2014. Peer challenges are improvement focused, they are carried out to the specification of individual Councils and are aimed at improving, not judging, Councils. The scope of the challenge is agreed in advance and tailored to reflect local needs and specific requirements. Also covered, is the review of five core components which is essentially a high level, external 'health-check'. The undertaking of a peer challenge has been discussed with Members through informal dialogue and this report gives more detailed information on the process. The date of the peer challenge has been agreed and will commence on Tuesday 3 March 2020.

2.0 WHY UNDERTAKE A PEER CHALLENGE?

2.1 This is the last year of the current Council Plan (2016-2020). A new plan therefore needs to be developed to set the direction of travel for the period 2020-2024 and beyond. Councils continue to be subject to significant change, working out how to deliver services in a way that costs less but provides the same level and quality of support for residents and communities. Against this backdrop of challenges, it is important the Council has assurance it has the capacity, commitment and vision to achieve its core priorities.

2.2 The peer challenge provides a real learning opportunity, through a critical friend approach to confirm both the strengths and areas for improvement for the Council to consider. It is designed to be forward looking, facilitative and problem solving. One thing it is not, is a form of inspection and will not deliver a detailed diagnostic or scored assessment. The offer of peer support is set out in the report 'Sector-led improvement in local government' and is a core part of the LGA's offer to support Councils. Peer challenges are managed and delivered by the sector for the sector. They are improvement focused; the scope is agreed with individual Councils and tailored to reflect local needs and specific requirements.

3.0 PEER CHALLENGE – WHAT IT IS NOT

3.1 Succinctly;

- it is not a sector-owned form of inspection.
- it does not deliver a scored assessment.
- it is not a detailed service assessment.
- it is not driven by external requirements.
- it is not reported to government.

4.0 PEER CHALLENGE – WHAT IT IS -THE CORE COMPONENTS

4.1 The scope of each peer challenge includes a general ‘health check’ on five core components:

- **Understanding of local context and priority setting:** Does the Council understand its local context and has it established a clear set of priorities?
- **Financial planning and viability:** Does the Council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
- **Political and managerial leadership:** Does the Council have effective political and managerial leadership and is it a constructive partnership?
- **Governance and decision making:** Are effective governance and decision-making arrangements in place to respond to key challenges and manage change, and transformation?
- **Organisational capacity:** Are organisational capacity and resources focused in the right areas in order to deliver the agreed priorities?

5.0 TAILORED SCOPE

5.1 In addition to the five core themes, the scope is tailored with a particular focus to address the following questions;

- Are we set up organisationally to successfully deliver our growth plans and ambitions?
- In relation to the above, are we confident in the delivery of the Garden Communities projects?
- In more general terms, the ability and capacity to deliver the new Council Plan?

6.0 LOGISTICS OF THE REVIEW

6.1 In terms of the peer challenge team itself, this usually comprises between five - six team members, including a LGA representative. The team will be led by a Chief Executive from another Council, typically a Council with similar demographics and stature. There will be Member representation on the team and this will reflect the general political make-up of our Council. The remaining members of the team are senior officers from other Councils. The team dynamic and skillset will reflect the scope of the challenge.

6.2 As background information for the peer challenge team, a short position statement is produced. This serves as the terms of reference for the peer challenge and provides a brief to the peer team in terms of their focus. The brief can usefully summarise the key drivers, issues, challenges, context and current thinking in relation to the areas of focus. Usually supporting the briefing note is a request for a small suite of background documentation such as the Council Plan itself, Medium Term Financial Strategy and structure charts.

6.3 In advance of the challenge, a timetable of onsite activity needs to be organised and a template will be provided to help co-ordinate this. During the course of the challenge period, the challenge team will meet with a variety of key stakeholders. For example, during the last challenge, they met with senior management (both collectively and individually), operational manager cohort, staff focus group, Members (both collectively and individually), various partners (e.g. locality partners, external partners and voluntary and community sector), external audit and Chief Executives from neighbouring Councils.

- 6.4** Between now and March, there is obviously a significant amount of preparation work to undertake, particularly around development of the new Council Plan. Additionally, the Council and all stakeholders need to be 'warmed up' in relation to the challenge itself, understanding what it is about and the direction of travel of the Council. Ideally, everyone needs to be on the same page.
- 6.5** At the conclusion of the challenge, a presentation of the key findings will be delivered by the peer challenge lead. It is common practice for all internal participants to be invited to this presentation. A formal report will be produced usually within six - eight weeks of the conclusion of the challenge. It is from this report, an action plan is developed and delivery of this plan will be monitored and reported through the relevant governance channels. It is generally accepted that the report will be published by the Council.

7.0 OTHER OPTIONS CONSIDERED

- 7.1** None.

8.0 CONSULTATION

- 8.1** There is preparation work to be done with all relevant stakeholders to ensure all are engaged with the process.

9.0 RELEVANT COUNCIL POLICIES/STRATEGIES

- 9.1** Council Plan 2020-2024.

10.0 RELEVANT GOVERNMENT POLICIES

- 10.1** None directly.

11.0 RESOURCE IMPLICATIONS (Human/Property)

- 11.1** Preparation work and delivery of the challenge is factored into the workload of the Corporate Services team. Meeting rooms will need to be block booked for the week of the challenge.

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

- 12.1** None directly.

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

- 13.1** None directly.

14.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

- 14.1** None.

Background Papers: None.

Contact Officer: Head of Corporate Services Tel: 01684 272002
Email: graeme.simpson@teWKesbury.gov.uk

Appendices: None.

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive
Date of Meeting:	27 November 2019
Subject:	High Street Heritage Action Zone
Report of:	Head of Development Services
Corporate Lead:	Deputy Chief Executive
Lead Member:	Lead Member for Built Environment
Number of Appendices:	None

Executive Summary:

A grant scheme administered by Historic England to secure lasting improvements to historic high streets for the communities that use them has been established. This grant scheme is known as the Heritage Action Zone (HAZ). Earlier this year the Council submitted an Expression of Interest (EOI) in the grant and now has recently been advised that the EOI has been successful. The next stage of the process is to prepare a Programme Design Document. The Action Zone would attract funding of up to £2million to develop and implement physical changes in the high street and to provide access to funding for local groups to celebrate their high street. Since confirmation of acceptance to the scheme, a positive initiation meeting was held with Historic England. To progress to the next stage of the bid a detailed Programme Design will be submitted in draft by 6 December 2019 and in final form by 20 December 2019.

Recommendation:

- 1. To advise Members on the content and progress in the preparation of the bid.**
- 2. To delegate authority to the Head of Development Services to work up the Programme Design Document and to submit it to Historic England in line with the deadlines and, if successful, to take all necessary steps to implement the Programme.**

Reasons for Recommendation:

To ensure that Members are aware of the bid, its contents and any known implications arising.

Resource Implications:

It is intended that the award will be matched by other funding including the private sector, S106 funding, Community Infrastructure Levy (CIL) funding and in kind support from the Council. It is understood that the grant is payable in arrears after monitoring arrangements are met. A Project Officer is required to be appointed to manage the process. It is understood that this post can be part funded from the grant bid. The award will be funded in arrears on a quarterly basis.

Legal Implications:

The award conditions of the grant are unknown at this stage and will need to be assessed when details are available and prior to acceptance.

The Programme includes various initiatives which may involve the Council entering into partnership agreements, administering grants and carrying out works. Legal advice should be sought in each case in order to ensure compliance with relevant legislation such as state aid and procurement law as well as compliance with the Council's Contract Rules.

Risk Management Implications:

Any risks associated with the programme will be detailed in a risk assessment and risk register for the project when they become known.

Performance Management Follow-up:

None as a direct result of this report.

Environmental Implications:

None as a direct result of this report.

1.0 INTRODUCTION/BACKGROUND

- 1.1** In July 2019 the Council submitted an expression of interest to Historic England to be accepted onto a grant aided scheme entitled High Streets Heritage Action Zone. In September Officers received confirmation that Tewkesbury had been successful in securing a place in the scheme.
- 1.2** The High Streets Heritage Action Zone is a nationwide initiative designed to secure lasting improvements to historic high streets for the communities that use them. The project programme lasts for four years and consists of a number of grant funded initiatives (up to £2million in total) to develop and implement physical changes in the high street and to strategic heritage buildings. The project would include appropriate community engagement and also provide access to funding and training for local cultural and community groups to engage in a cultural programme to celebrate their high street.
- 1.3** We now have until 6 December to submit a Programme Design for the project setting out in detail the elements of each chosen project with timescales and costings and a commitment from relevant community groups. The funding would start in April 2020 and last for up to four years.

2.0 CONTENT OF THE BID

- 2.1** In recognition of the changing nature of England's High Streets, the government's High Streets Heritage Action Programme is designed to help make high streets more successful by using heritage as a catalyst for wider economic and social regeneration. The bid process includes three strands; physical interventions, cultural programme and community engagement. A Project Officer post will also be part funded for the duration of the programme.

2.2 Tewkesbury's bid for physical interventions includes;

- To facilitate investment in the redevelopment of Healings Mill site.
- To assess and implement improvements to public realm within the High Street and Quay Street including measures to improve the pedestrian experience, interpretation and signposting of the historic environment, installation of public art and improvements to alleys. This would also improve the public realm, linking the Abbey to the High Street.
- To manage a grant scheme for shopfront and façade improvements including promotion of habitation above historic shops and the promotion of the use of traditional skills and materials for repair.

Where applicable, consultation with community groups and stakeholders will be undertaken in regard to the initiatives listed above.

2.3 A component of the bid is that the Council will set up a 'Cultural Consortium' consisting of six to eight local community groups (from business groups to amenity societies and schools etc.). The consortium will be assisted by, but not controlled by, the Council. The purpose of the cultural consortium is to initiate a number of cultural community based activities (exhibitions, performances, festivals, parades etc. all focusing on promotion of the high street) over the four years of the Heritage Action Zone project. This is part of a national cultural programme celebrating English High Streets and will be fully supported with funding available for both local activities and association with national events (£6million available amongst the 69 national Heritage Action Zone programmes).

2.4 The funding available for Tewkesbury from Historic England is up to £2million. This grant is to be match funded up to 50% from appropriate sources such as contributions in kind from community groups and this authority, 106 Agreements and CIL contributions and building owner contributions. Officers will seek to maximise the funding pot available.

3.0 NEXT STEPS

3.1 The proposal is that a draft Programme Design will be submitted to Historic England by 6 December and the final document submitted by 20 December. Early engagement is being held with Borough Councillors with responsibility for the Tewkesbury Town area. The established Tewkesbury Town Regeneration Partnership (TTRP) is also a key consultative body in the preparation of the next stage of this process. A community engagement plan is required by April 2020.

4.0 OTHER OPTIONS CONSIDERED

4.1 None.

5.0 CONSULTATION

5.1 Early engagement is being held with Borough Councillors with responsibility for the Tewkesbury Town area. Tewkesbury Town Regeneration Partnership (TTRP) is also a key consultative body in the next stages of the process. There will be a considerable amount of consultation with the public and stakeholders during the life of the project which will be detailed in the Community Engagement Plan.

6.0 RELEVANT COUNCIL POLICIES/STRATEGIES

6.1 Joint Core Strategy www.gct-ics.org/
Supplementary Planning Document - Tewkesbury Town Regeneration 2019.

7.0 RELEVANT GOVERNMENT POLICIES

7.1 National Planning Policy Framework (NPPF) and Planning Practice Guidance – Updated February 2019 <http://planningguidance.planningportal.gov.uk/>

8.0 RESOURCE IMPLICATIONS (Human/Property)

8.1 The programme will require the appointment of a Programme Officer to manage the projects within the Programme. It is anticipated that this role will be fully funded by the award.

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

9.1 None as a direct result of this report.

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

10.1 None as a direct result of this report.

11.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

11.1 None.

Background Papers: None.

Contact Officer: Head of Development Services
01684 272095 Annette.roberts@tewkesbury.gov.uk

Appendices: None.