

18 January 2021

Committee	Council
Date	Tuesday, 26 January 2021
Time of Meeting	6:30 pm

This is a remote meeting in accordance with the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020.

Members of the public will be able to view this meeting whilst it is in session by clicking on the link that will be available on the [Agenda publication](#) page immediately prior to the commencement of the meeting.

Agenda

1. ANNOUNCEMENTS

To receive any announcements from the Chair of the Meeting and/or the Chief Executive.

2. APOLOGIES FOR ABSENCE

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.

4. MINUTES

1 - 6

To approve the Minutes of the meeting held on 8 December 2020.



Item	Page(s)
5. ITEMS FROM MEMBERS OF THE PUBLIC	
<p>a) To receive any questions, deputations or petitions submitted under Council Rule of Procedure.12.</p> <p><i>(The deadline for public participation submissions for this meeting is 20 January 2021).</i></p> <p>b) To receive any petitions submitted under the Council's Petitions Scheme.</p>	
6. MEMBER QUESTIONS PROPERLY SUBMITTED IN ACCORDANCE WITH COUNCIL PROCEDURE RULES	
<p>To receive any questions submitted under Rule of Procedure 13. Any items received will be circulated on 25 January 2021.</p> <p><i>(Any questions must be submitted in writing to Democratic Services by, not later than, 10.00am on 18 January 2021).</i></p>	
7. SCHEME OF MEMBER ALLOWANCES 2021/22	7 - 17
<p>To agree that the Scheme of Allowances for 2021/22 remain unchanged and be as set out at Appendix 1 to the report in accordance with the recommendation of the Independent Remuneration Panel.</p>	
8. PAY POLICY STATEMENT	18 - 29
<p>To approve the Pay Policy Statement 2021/22.</p>	
9. RECOMMENDATION FROM EXECUTIVE COMMITTEE	
<p>The Council is asked to consider and determine recommendations of a policy nature arising from the Executive Committee as follows:-</p> <p>(a) Medium Term Financial Strategy</p> <p>At its meeting on 6 January 2021 the Executive Committee considered the Medium Term Financial Strategy and RECOMMENDED TO COUNCIL that the Medium Term Financial Strategy 2021/22 – 2025/26 be ADOPTED.</p>	30 - 53
10. SCHEDULE OF MEETINGS 2020/21	54 - 56
<p>To approve the Schedule of Meetings for 2021/22.</p>	
11. ROYAL GARDEN PARTY	
<p>To note that this year's Royal Garden Parties have been cancelled.</p>	

12. SEPARATE BUSINESS

The Chairman will move the adoption of the following resolution:

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

13. SEPARATE MINUTES

57 - 58

To approve the separate Minutes of the meeting held on 8 December 2020.

14. SEPARATE RECOMMENDATION FROM EXECUTIVE COMMITTEE

Ubico The Council is asked to consider and determine separate recommendations of a policy nature arising from the Executive Committee as follows:-

15. UBICO CONTRACT REVIEW

59 - 65

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

At its meeting held on 6 January 2021 the Executive Committee considered the extension of the Ubico contract and made a recommendation to Council thereon.

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.

**Head of Democratic Services for
Borough Solicitor**

TEWKESBURY BOROUGH COUNCIL

**Minutes of a Meeting of the Council held remotely on Tuesday, 8 December 2020
commencing at 6:30 pm**

Present:

The Worshipful the Mayor
Deputy Mayor

Councillor G F Blackwell
Councillor A S Reece

and Councillors:

R A Bird, G J Bocking, C L J Carter, C M Cody, K J Cromwell, M Dean, R D East, J H Evetts, P A Godwin, M A Gore, D W Gray, D J Harwood, M L Jordan, E J MacTiernan, J R Mason, H C McLain, P D McLain, H S Munro, J W Murphy, C Reid, J K Smith, P E Smith, R J G Smith, V D Smith, C Softley, R J Stanley, S A T Stevens, P D Surman, M G Sztymiak, S Thomson, R J E Vines, M J Williams and P N Workman

CL.31 ANNOUNCEMENTS

31.1 The Mayor advised that the meeting was being held under the emergency provisions of the Coronavirus Act 2020 and, specifically, The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020. The meeting was being broadcast live via the internet, it was not being recorded by the Council but, under the usual transparency rules, it may be being recorded by others.

CL.32 ONE MINUTE SILENCE IN MEMORY OF COUNCILLOR ANNA HOLLAWAY

32.1 Following the sad passing of Councillor Anna Hollaway, the Mayor invited the Leader of the Council to pay tribute to Anna following which there was a minute's silence in remembrance of the Council's dear colleague.

32.2 In expressing his sorrow for the passing of Anna, he advised that her loss was felt keenly by all that had known her. Anna had been a lovely, warm, sincere and committed person who had done great work for others, quietly and without fuss. Anna would be missed greatly by all and the thoughts of the Council were with her friends and family at this incredibly difficult time.

CL.33 APOLOGIES FOR ABSENCE

33.1 Apologies for absence were received from Councillors L A Gerrard and P W Ockelton.

CL.34 DECLARATIONS OF INTEREST

34.1 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.

34.2 There were no declarations of interest made on this occasion.

CL.35 MINUTES

- 35.1 The Minutes of the meeting held on 29 September 2020, copies of which had been circulated, were approved as a correct record.
- 35.2 In relation to the Member Questions which had been raised about Cleeve Hill Golf Club, a Member advised that it cost a considerable amount of money to maintain a golf club and it was the membership costs that would help save it, not casual users dropping in for tea and cake, so he urged people that wished to use it to become members to keep it going.

CL.36 ITEMS FROM MEMBERS OF THE PUBLIC

- 36.1 There were no items from members of the public.

CL.37 MEMBER QUESTIONS PROPERLY SUBMITTED IN ACCORDANCE WITH COUNCIL PROCEDURE RULES

- 37.1 There were no Member questions on this occasion.

CL.38 RECOMMENDATIONS FROM EXECUTIVE COMMITTEE**Corporate Peer Challenge - Final Report and Action Plan**

- 38.1 At its meeting on 18 November 2020, the Executive Committee had considered the Corporate Peer Challenge final report and action plan and recommended to Council that the peer review action plan be approved; and that monitoring of the action plan be undertaken by the Overview and Scrutiny Committee on a six-monthly basis.
- 38.2 The report which was considered by the Executive Committee had been circulated with the Agenda for the current meeting at Pages No. 26-49.
- 38.3 The Chair of the Executive Committee proposed the recommendation and the Vice-Chair seconded it.
- 38.4 A discussion ensued during which some Members expressed concern about the pressure on Heads of Service in light of the departure of the Deputy Chief Executive and it was suggested that a review of the action plan in four months would be more appropriate than six months. In response, the Head of Corporate Services advised that the review was currently in the Overview and Scrutiny Committee work programme as pending but he had intended that it would be added to June to give Officers time to implement any actions before the first monitoring period. Other Members were of the view that bringing forward the monitoring period would put additional pressure on Officers rather than alleviating it and they felt the recommendation from the Executive Committee was therefore the most sensible way forward.
- 38.5 The Member confirmed it was not her intention to add more to the workload but rather to monitor it to ensure the wellbeing of Officers was protected. With that in mind she proposed and, it was seconded, that point 2 be amended to read 'That monitoring of the action plan be undertaken by the Overview and Scrutiny Committee on a four-monthly basis'. Upon being put to the vote, the amendment was lost.

38.6 The recommendation of the Executive Committee was then put to the vote and it was

RESOLVED

1. That the peer review action plan be **APPROVED**.
2. That monitoring of the action plan be undertaken by the Overview and Scrutiny Committee on a six-monthly basis.

Infrastructure Funding Statement

38.7 At its meeting on 18 November 2020, the Executive Committee had considered the Infrastructure Funding Statement and recommended to Council that the publication of the Infrastructure Funding Statement for 2020 be approved; and that it be noted that the Annual Community Infrastructure Levy Rates Summary Statement would be published alongside the Infrastructure Funding Statement.

38.8 The report which was considered by the Executive Committee had been circulated with the Agenda for the current meeting at Pages No. 50-77.

38.9 The Chair of the Executive Committee proposed the recommendation and the Vice-Chair seconded it.

38.10 A Member referred to the Section 106 Agreement monies held by the Council and questioned when the money would start to be spent; how much was outstanding and how much was scheduled to be spent in 2020 and 2021. In response, the Head of Development Services indicated that there was an outstanding balance in that funding pot but it was likely that very little would be spent in the remainder of 2020 given that this was only a few weeks away. However, bids had been invited from community groups so the amount spent in 2021 would depend on the expressions of interest received through that process as well as following discussions with colleagues and partners on how commuted sums could be spent. She was acutely aware of the need to spend the money and it was a priority in her work programme to ensure the money was spent where it was allocated. She advised that, whilst she could not say it would all be spent in 2021, she did want to see a large expenditure in that period.

38.11 Accordingly, it was

RESOLVED

1. That the publication of the Infrastructure Funding Statement for 2020 be **APPROVED**.
2. That it be **NOTED** that the Annual Community Infrastructure Levy Rates Summary Statement would be published alongside the Infrastructure Funding Statement.

Replacement Pay and Display Parking Machines

38.12 At its meeting on 18 November 2020, the Executive Committee had considered setting aside capital receipts for the replacement of pay and display parking machines and it was recommended to Council that capital funding of £117,000 be allocated from the Capital Receipts Reserve for the replacement of car park pay and display machines across all authority-owned and charged car parks; and that authority be delegated to the Head of Finance and Asset Management to procure suitable parking pay and display machines that offered cash and card payment options with a remote back office function.

38.13 The report which was considered by the Executive Committee had been circulated with the Agenda for the current meeting at Pages No. 78-82.

38.14 The Chair of the Executive Committee proposed the recommendation and the Vice-Chair seconded it.

38.15 A Member advised that she was pleased to see the inclusion of solar technology within the report. Another Member noted the intention that the new machines would accept cash as well as card and she questioned why that was felt necessary and how much could be saved in capital and maintenance costs if cash was not included in the specification. In response, the Head of Finance and Asset Management was of the view that it was sensible to keep the options open for customers. There had been good take-up of the parking app since its introduction and there was good feedback from other local authorities about the contactless option on their parking machines however, a number of customers had indicated that they would still like to have the option of using cash. With that in mind it was not felt by Officers to be the right time to completely remove the cash facility on the machines. The way the new machines worked made it easy to take away the cash offering when it was felt to be the right time. There would be negligible savings if the cash facility was removed as the contract for collection of cash from the machines was based on the amount collected rather than the number of times a machine was visited.

38.16 Members noted that there were people that chose to use cash rather than card as well as those that did not have the option to use a card and, accordingly, it was

RESOLVED

1. That capital funding of £117,000 be allocated from the Capital Receipts Reserve for the replacement of car park pay and display machines across all authority-owned and charged car parks.
2. That authority be delegated to the Head of Finance and Asset Management to procure suitable parking pay and display machines that offered cash and card payment options with a remote back office function.

CL.39 NOTICE OF MOTION: SUPPORT FOR TECH TALENT CHARTER

39.1 The report of the Chair of the Overview and Scrutiny Committee, circulated at Pages No. 83-89, provided information about the Committee's discussion on the Support for Tech Talent Charter Motion and the Council was asked to note that the Motion had been withdrawn.

39.2 The Mayor reminded Members that this item was for information only and invited the Overview and Scrutiny Chair to advise on the outcome of the Motion.

39.3 The Overview and Scrutiny Chair explained that the meeting of the Council on 28 July 2020 had agreed that the Motion on the Tech Talent Charter be referred to the Overview and Scrutiny Committee for consideration. This had taken place at its meeting on 13 October 2020 and, as could be seen from the Minutes of that meeting, attached as an Appendix to the report, a full and detailed discussion had occurred. At the end of the discussion, the detail and timing of the Motion had been considered and the proposer of the Motion had agreed that it would be withdrawn while she worked with other political groups to find some wording which would be acceptable across the board to come back to the Council at a future date.

39.4 Accordingly, it was

RESOLVED

- That the decision of the Overview and Scrutiny Committee held on 13 October 2020 in respect of the Tech Talent Charter Motion be **NOTED**.

CL.40 MEMBERSHIP OF GLOUCESTERSHIRE POLICE AND CRIME PANEL

40.1 Attention was drawn to the Agenda which asked Members to note the change in the Council's reserve representative on the Gloucestershire Police and Crime Panel from Councillor A S Reece to Councillor R A Bird.

40.2 Accordingly, it was

RESOLVED That the Council's reserve representative on the Gloucestershire Police and Crime Panel be Councillor R A Bird.

CL.41 COVID-19 EMERGENCY DECISIONS TAKEN UNDER URGENCY POWERS IN ACCORDANCE WITH PART 3 OF THE CONSTITUTION

41.1 The report of the Chief Executive, circulated at Pages No. 90-112, set out a the details of two decisions that had been taken by the Chief Executive, in consultation with the appropriate Lead Members, under the urgency powers set out in Part 3 of the Constitution as a result of the COVID-19 pandemic. The report advised Members of the decisions taken to comply with the requirements of the Constitution and the Council was asked to note those decisions.

41.2 Accordingly, it was

RESOLVED That the decisions taken by the Chief Executive, in consultation with appropriate Lead Members, as set out in the Appendices attached to the report, be **NOTED**.

CL.42 FAREWELL TO THE DEPUTY CHIEF EXECUTIVE

42.1 The Chief Executive indicated that staff and Members had said goodbye to the Deputy Chief Executive at an online presentation on 4 December – although he would officially leave on 4 January 2021 – but he was now attending his last Council meeting prior to taking up his new post at Cotswold District Council. He advised that, in his time in the role, the Deputy Chief Executive had fulfilled a significant ambassadorial role, done a lot for the Council and its reputation and been a great support to the Chief Executive.

42.2 The Leader of the Council offered his thanks, on behalf of all Members, to the Deputy Chief Executive for his hard work during his time with the Council and indicated that Members had all been very impressed and grateful for his determination. He indicated that the Deputy Chief Executive had done a lot in the wider sphere around the Council and had had a big impact on its effectiveness as an authority. He wished the Deputy Chief Executive all the best and every success in his new role and into the future.

42.3 The Deputy Chief Executive thanked everyone for their kind comments and advised that it had been a privilege to work with Tewkesbury Borough Council over the last four years. He felt the Council had great working relationships across the board and this had made it possible to achieve great things in difficult times. He had enjoyed working with the whole management team and offered particular thanks to the Chief Executive for his guidance and words of encouragement over the years. He thanked everyone for their warm wishes and wished all a great Christmas and New Year.

42.4 The Leader of the Tewkesbury and Twynning Independent Group offered his personal thanks for the way the Deputy Chief Executive had worked with him and his colleague showing a 'can do' and positive attitude and wished him all the best for the future.

CL.43 SEPARATE BUSINESS

43.1 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.

CL.44 SEPARATE RECOMMENDATION FROM EXECUTIVE COMMITTEE

Management Arrangements following the Departure of the Deputy Chief Executive

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

44.1 At its meeting on 18 November 2020 the Executive Committee considered a report which detailed a proposed way forward in respect of the management arrangements to be put in place following the departure of the Deputy Chief Executive. The Council considered the recommendation and agreed a temporary arrangement to cover the post of Deputy Chief Executive until such time as a decision was made on a permanent arrangement.

The meeting closed at 7:35 pm

TEWKESBURY BOROUGH COUNCIL

Report to:	Council
Date of Meeting:	26 January 2021
Subject:	Scheme of Members Allowances
Report of:	Head of Democratic Services
Corporate Lead:	Borough Solicitor
Number of Appendices:	One

Executive Summary:

The Council's current Scheme of Allowances expires on 31 March 2021. In determining a new scheme of allowances, the Council must have regard to the recommendations of its Independent Remuneration Panel. Having determined its scheme, the Council cannot make any changes to it without considering the recommendations of its Independent Remuneration Panel. The recommendations of the Panel are contained within this report.

Recommendation:

That the Scheme of Allowances for 2021/22 remain unchanged and be as set out at Appendix 1 in accordance with the recommendation of the Independent Remuneration Panel.

Reasons for Recommendation:

To enable the Council to put in place a scheme of allowances prior to the expiry of the current scheme.

Resource Implications:

The current budget for basic allowances and Special Responsibility Allowances (SRAs) is £350,775. The Independent Remuneration Panel is recommending a freeze in allowances for the 2021/22 year. If agreed by the Council, there would therefore be no increase in the budget.

Legal Implications:

The Local Authorities (Members' Allowances) (England) Regulations 2003, require authorities to establish and maintain an Independent Remuneration Panel. The purpose of the Panel is to make recommendations to the authority about the allowances to be paid to Councillors.

Independent Remuneration Panels will make recommendations which must include the level of basic allowance for all Councillors, the level of SRAs, and to whom they should be paid, and on whether dependants' carers' allowance, travelling and subsistence allowances and co-optees' allowance should be paid and the levels of these allowances. Schemes must be made by 31 March for implementation in the forthcoming financial year. A scheme may be amended at any time, following consideration of the Independent Remuneration Panel's recommendations, but may only be revoked with effect from the beginning of a year, except in the case where a Council has begun to operate:

- (a) executive arrangements, where they are being operated in place of existing alternative arrangements;

- (b) alternative arrangements, where they are being operated in place of existing executive arrangements; or
- (c) different executive arrangements which involve an executive which takes a different form.

The 2003 Regulations place certain duties on local authorities in connection with publicising the recommendations made by their Independent Remuneration Panel, their scheme of allowances and the actual allowances paid to Councillors in any given year. This should include, where possible, publishing this information on the authority's website and in the Council's own newspaper (where they have one).

Risk Management Implications:

If the Council does not adopt a scheme of allowances prior to the expiry of the current arrangements it will be unable to pay any allowances.

Performance Management Follow-up:

Once a new Scheme is agreed, action will be taken to implement the scheme with effect from 1 April 2021 and to comply with the publicity requirements.

Environmental Implications:

None.

1.0 INTRODUCTION/BACKGROUND

- 1.1 The Council's Independent Remuneration Panel consists of four members of the public who are residents of the Borough and are involved with business, community and voluntary organisations which operate within the Council's area.
- 1.2 In 2019, the Panel undertook an extensive review of the Council's Scheme of Allowances which included analysing schemes from other authorities in Gloucestershire, and across the south west, meeting with Members and considering a presentation from the Head of Finance and Asset Management on the Council's financial position.
- 1.3 This review culminated in a recommendation that the Scheme for 2020/21 be adopted unchanged from that in place for 2019/20 except for an increase in the Basic Allowance of £150 which would result in the Basic Allowance rising from £7,200 to £7,350 and a percentage increase of 2%. The Council, at its meeting on 28 January 2020, agreed with the view of the Panel and the Scheme adopted for 2020/21 is attached at Appendix 1. This Scheme expires on 31 March 2021, so it is now necessary for a new Scheme be put in place.

2.0 SCHEME OF MEMBERS ALLOWANCES 2020/21/22

- 2.1 In normal circumstances the Panel would have commenced a review at the end of last year and contact was made with the Panel members at that time. It was explained that in view of the situation with the Pandemic, which has since worsened, it had not been possible to obtain detailed comparative data and face to face meetings would be difficult to facilitate.

2.2 The Panel was of the view that, in light of the Pandemic and the extensive work undertaken previously, the Scheme of Allowances shown at Appendix 1 be rolled on unchanged for one year.

2.3 The Council is therefore asked to adopt the Scheme of Allowances, shown at Appendix 1, for the year 2021/22 in accordance with the recommendation of the Independent Remuneration Panel.

3.0 OTHER OPTIONS CONSIDERED

3.1 Not applicable.

4.0 CONSULTATION

4.1 Not applicable.

5.0 RELEVANT COUNCIL POLICIES/STRATEGIES

5.1 Not applicable.

6.0 RELEVANT GOVERNMENT POLICIES

6.1 Not applicable.

7.0 RESOURCE IMPLICATIONS (Human/Property)

7.1 Not applicable.

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

8.1 Not applicable.

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

9.1 Not applicable.

10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

10.1 Council Report considered in April 2002 - Basic allowance of £6,500 per annum increasing by £1,300 on an annual basis over a four-year period up to £10,400.

Council Report considered in February 2004 - Basic allowance of £9,100 effective from 7 May 2004 increasing to £10,400 on 7 May 2005.

Council Report considered in May 2008 - Basic allowance of £9,000 (three years).

Council Report considered in March 2011 - Basic allowance of £7,200 (four years).

Council Reports considered in April 2015, January 2016, January 2017, January 2018, January 2019 and January 2020 – Basic allowance of £7,200.

Background Papers: None.

Contact Officer: Head of Democratic Services Tel: 01684 272020

Email: lin.obrien@tewkesbury.gov.uk

Appendices: 1. Scheme of Allowances 2020/21.

Tewkesbury Borough Council, in exercise of the powers conferred by the Local Authorities (Members Allowances) Regulations (England) 2003 hereby makes the following Scheme:

Citation

1. This Scheme may be cited as the Tewkesbury Borough Council Members' Allowances Scheme and shall have effect commencing on 1 April 2020, for one year ending on 31 March 2021.

Interpretation

2. In this Scheme

"Councillor" means a Member of the Tewkesbury Borough Council who is a Councillor.

"Year" means the 12-month period commencing on 1 April.

Basic Allowance

3. Subject to Paragraph 8, a Basic Allowance of £7,350 shall be paid to each Councillor for the duration of the Scheme.

Special Responsibility Allowances

4. (i) For each year a Special Responsibility Allowance shall be paid to those Councillors who have the special responsibilities in relation to the Authority that are specified in Schedule 1 to this Scheme.
(ii) Subject to Paragraph 8, the amount of each such allowance shall be the amount specified against that special responsibility in that Schedule.
(iii) A Councillor who carries out more than one role which would attract a Special Responsibility Allowance is entitled to claim each allowance to reflect the responsibility of each role undertaken.
(iv) In an election year, payment of all Special Responsibility Allowances will cease (with the exception of the Mayor and Deputy Mayor) when the Councillor goes out of Office (four days after the election). Payment of Special Responsibility Allowances will resume upon appointments being made, to the positions subject to an allowance, at the annual meeting of the Council.

Attendance at Meetings

5. If a Councillor does not attend at least two-thirds of the total number of scheduled meetings of the Council, or of the Executive, or of Committees of which he/she is a Member, the Councillor concerned should be invited to pay back an appropriate percentage of his/her Basic Allowance up to a maximum of 25% of the Basic Allowance.

If a Member is absent from Council business for more than one continuous month (other than on illness grounds) the Member concerned should be invited to pay back a sum equivalent to the amount of Basic and Special Responsibility Allowances paid for any single period of absence which exceeds one month.

For periods of long-term absences due to illness the Council should review its position on a case by case basis.

Attendance Allowances

6. No Attendance Allowances whatsoever shall be payable in respect of attendance at any meeting or conference or seminar etc., whether organised by, or on behalf of, the Council or by any other body.

Renunciation

7. A Councillor may, by notice in writing given to the Borough Solicitor, elect to forego any part of his/her entitlement to an allowance under this Scheme.

Part Year Entitlements

8. If the Term of Office or duties undertaken by a Member begin or end part way through a financial year, or amendment of the Scheme during a financial year changes the amount to which a Member is entitled, then calculation of the allowance payable shall be on a pro-rata basis having regard to the proportion that the Term of Office, period of duty or relevant periods of the Scheme bear to the month in the financial year in which they occur based on the number of days in that month.

Claims and Payments

9. A claim for Travelling and Subsistence Allowance under this Scheme shall be made in writing on the form provided within two months of the date on which the duty in respect of which the entitlement to the allowance arises.
10. (i) Payments shall normally be made by bank transfer
 - (a) in respect of Basic and Special Responsibility Allowances, subject to Sub Paragraph 10(ii) below, in instalments of 1/12th of the amounts specified in this Scheme on the 21st day of each month and for which Councillors will not be required to submit a claim; and
 - (b) in respect of Travelling and Subsistence Allowances, on the 21st day of each month where the claim is received by Member Services by not later than the 7th day of that month.
- (ii) Where a payment of 1/12th of the amount specified in this Scheme in respect of a Basic Allowance or a Special Responsibility Allowance would result in the Councillor receiving more or less than the amount to which, by virtue of Paragraph 8, he or she is entitled, the payment shall be restricted to such amount as will ensure that no more or less is paid than the amount to which he or she is entitled.
- (iii) There shall be no provision for advance payment of Basic or Special Responsibility Allowance in the case of financial hardship.

Travelling and Subsistence Expenses

11. (i) Any duty undertaken for the purpose of, or in connection with, the discharge of the functions of the Council, or any of its Committees, is an "approved duty" for the purposes of entitlement to Travelling and Subsistence Allowance. "Approved Duties" are defined at Schedule 2.
- (ii) Travelling and other expenses reasonably incurred by Councillors making official and courtesy visits will be paid.
- (iii) The amount of these expenses will be paid at the Inland Revenue approved rates and will increase in accordance with these rates for the period of the Scheme.
- (iv) Subsistence payments will be paid in accordance with the rates paid to staff and will rise in line with any increases agreed in the staff rates. All claims for subsistence must be supported by receipts. The allowances are as follows:
- | | |
|--------------|--|
| Breakfast | £6.22 |
| Lunch | £8.57 |
| Tea | £3.37 (payable for absence beyond 6.30pm) |
| Evening Meal | £10.61 (payable for absence beyond 8.30pm) |
- NB: The above rates can be varied upon approval in advance by the Head of Democratic Services where an increased amount is appropriate and reasonable, such as visits to London, subject to the production of receipts.
- (v) Councillors should make every effort to use public transport, particularly when they need to travel some distance to meetings, for example, journeys to London should usually be made by train and only in exceptional circumstances should a private vehicle be used.
- (vi) The onus is on the Councillor to achieve value for money and efforts should be made to take advantage of "early booking" discounts available for rail travel.
- (vii) Taxi and Private Hire Vehicles should only be used in exceptional circumstances where a Councillor is unable to use their own private vehicle, cannot share transport and no public transport is readily available.
- (viii) An overnight allowance is not included within the Scheme. If a Councillor is required to stay overnight in attending an event, they should contact Member Services who will make the necessary accommodation arrangements. In exceptional circumstances, when an overnight stay could not be foreseen, reasonable costs will be reimbursed upon production of receipts.

SCHEDULE 1 SPECIAL RESPONSIBILITY ALLOWANCE

The following are specified as the special responsibilities in respect of which Special Responsibility Allowances are payable, and the amounts of those allowances:

	£pa
Leader (inclusive of Lead Member role)	8,800
Deputy Leader (inclusive of Lead Member role)	6,600
Lead Members (9)	4,400
Committee Chairs (5)	2,200
Mayor	2,200
Deputy Mayor	1,350
Support Members (11)	175

Note:

1. A Councillor who carries out more than one role which would attract a Special Responsibility Allowance is entitled to claim each allowance to reflect the responsibility of each role undertaken.
2. Telephone costs form part of the Members' Basic Allowance.
3. The Council has approved separate arrangements in respect of the provision of IT equipment which are not part of this Scheme.

SCHEDULE 2

APPROVED DUTIES

The following are deemed to be approved duties for the purposes of claiming Travelling Allowances:

- a) Formal meetings of the Council including Committees, Sub-Committees, Working Groups and Advisory Panels.
- b) Meetings of other bodies to which the Council makes appointments.
- c) Authorised training events and conferences which relate to the duties of the Council.
- d) Attendance at meetings and events relating to the duties of the Council at the request of a Borough Council Officer.
- e) Any other duty undertaken for the purpose of, or in connection with, the discharge of the functions of the Council, or any of its Committees, subject to the prior approval of the Borough Solicitor.
- f) Any meetings arranged by an Officer with a Lead/Support Member at the Council Offices to discuss items within their Portfolio.
- g) Any meeting which a Lead Officer has asked the Lead/Support Member to attend (whether at the Council Offices or elsewhere).
- h) Invitations to Lead/Support Members to attend events, seminars, presentations etc. within a Members' Portfolio, subject to prior approval by the Head of Democratic Services in consultation with the Lead Officer.

DEPENDANTS' CARE SCHEME

1. Persons Eligible to Claim and Duties for Which They May Claim

- 1.1 Borough Councillors may claim reimbursement of care expenses in respect of any meeting (including conferences, seminars, etc.), which the Member is specifically invited to attend (approved duty).
- 1.2 When travelling away from home to an approved duty which may involve an overnight stay, care expenses may be claimed in respect of the total duration of the duty, less any period during which a dependant is cared for at no cost to the Councillor.

2. Rate Per Hour Payable and How Long Payable

- 2.1 The maximum rate payable by way of reimbursement has been fixed at £7.50 per hour with no overall daily maximum.
- 2.2 The time claimed for should normally equate to the duration of the meeting/duty plus up to one hour in total travelling time to and from the meeting/duty.

3. Definition of 'Dependant' and 'Carer'

- 3.1 The Care Allowance is payable in respect of:

- (a) children aged 14 or under;
- (b) elderly relatives requiring full-time care; and
- (c) relatives with disabilities or nursing requirements who require either temporary or permanent full-time care.

In each case the dependant must normally live with the claimant as part of the family and be unable to be left unsupervised. For any new claims evidence of eligibility of the dependant **MUST** be provided i.e. birth certificate/doctors certificate.

- 3.2 A carer can be any responsible mature person who does not normally live with the claimant as part of the family but should not be a parent.

4. Method of Claim

- 4.1 A receipt in standard format **MUST** be obtained from the carer for each amount paid (copy attached). A proper business paid invoice or official receipt would be acceptable in place of the standard format if this is provided. **Only original receipts will be accepted (no copy/faxed receipts).**
- 4.2 A claim for care expenses should be attached to the Travelling and Subsistence Claim and forwarded to Member Services at the end of each month. Reimbursement will be included in the next payment of the Councillor's allowances.
- 4.3 A copy of the claim form/standard receipt is attached.

5. Annual Declaration

- 5.1 An annual declaration (in May of each year) will be sent to carers (see attached) to confirm that they have undertaken, and received payment for, the duties which have been claimed. The declaration will be sent by Member Services direct to the carer either by post or email and, if sent by post, will enclose a stamped addressed envelope to be returned to Member Services.

DECLARATION OF DUTIES UNDERTAKEN FOR COUNCILLOR (insert name of Cllr as applicable)

DETAILS OF CARER

Name: Telephone No:

Address:

..... Postcode:

DETAILS OF DUTIES UNDERTAKEN

(insert amount of payment - £) has been paid to the person named below in connection with the care of (insert name/s of those cared for) for the period (insert period of claim).

I, (insert name of carer), hereby confirm that I have received payment of the above amount for duties undertaken as the carer for (insert name/s of those cared for).

Signed

Date

TEWKESBURY BOROUGH COUNCIL

Report to:	Council
Date of Meeting:	26 January 2021
Subject:	Pay Policy Statement
Report of:	Head of Corporate Services
Corporate Lead:	Chief Executive
Lead Member:	Lead Member for Organisational Development
Number of Appendices:	One

Executive Summary

Under the Localism Act 2011, the Council is required to publish a Pay Policy Statement each financial year which must be approved by a resolution of the Council. It should be published before 31 March each year. It was identified prior to the Peer Challenge that, although the Council operates the pay policies detailed within the statement, it is a requirement that the statement should be formally approved on an annual basis. The new statement is based on a template from the Local Government Association and fulfils the Council's statutory requirements.

Recommendation:

To APPROVE the Pay Policy Statement 2021-22.

Reasons for Recommendation:

Approving and publishing the Pay Policy Statement will discharge our responsibility in this regard under the Localism Act 2011.

Resource Implications:

None directly linked to this report.

Legal Implications:

None directly linked to this report.

Risk Management Implications:

Non-compliance with legislation.

Performance Management Follow-up:

The policy statement will be published on the website.

To be reviewed and approved by Council on an annual basis.

Compliance with the policy will be administered through HR operational activities.

Environmental Implications:

None directly linked to this report.

1.0 INTRODUCTION/BACKGROUND

1.1 Under the Localism Act 2011, the Council is required to publish a Pay Policy Statement each financial year which must be approved by a resolution of the Council. It should be published before 31 March each year. It was identified prior to the Peer Challenge that, although the Council operates the pay policies detailed within the statement, it is a requirement that the statement should be formally approved on an annual basis. The new statement is based on a template from the Local Government Association and fulfils the Council's statutory requirements.

2.0 PAY POLICY STATEMENT – PURPOSE

2.1 The purpose of the statement is to ensure transparency and accountability with regard to the Council's approach to setting pay. The statement identifies:

- The method by which salaries and severance payments are determined.
- The detail and level of remuneration of the Council's most senior managers.
- The Committees responsible for ensuring that the Pay Policy Statement is applied consistently, including the Employment and Appointment Committees which have delegated powers in relation to senior manager employment.
- The detail and level of remuneration for the lowest level of post or employee.
- The ratio of pay of the top earner and that of the median earner.

3.0 REVIEW AND APPROVAL

3.1 The Human Resources team will review the statement annually and ensure it is presented at Council prior to the beginning of each financial year. Once approved, the statement will be published on the Council's website.

4.0 OTHER OPTIONS CONSIDERED

4.1 None.

5.0 CONSULTATION

5.1 None.

6.0 RELEVANT COUNCIL POLICIES/STRATEGIES

6.1 Workforce Development Strategy.

7.0 RELEVANT GOVERNMENT POLICIES

7.1 Localism Act 2011.
National Living Wage.

- 8.0 RESOURCE IMPLICATIONS (Human/Property)**
- 8.1 None other than general HR operational activities.
- 9.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)**
- 9.1 None.
- 10.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)**
- 10.1 Contributes to the Equalities agenda.
- 11.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS**
- 11.1 None.

Background Papers: [*Pay Policy and Practice in Local Authorities: A Guide for Councillors*](#)

Contact Officer: HR and OD Manager Tel: 01684 272239
Email: eleanor.hutchinson@tewkesbury.gov.uk

Appendices: 1. Pay Policy Statement 2021-22.

Pay policy statement

2021/2022



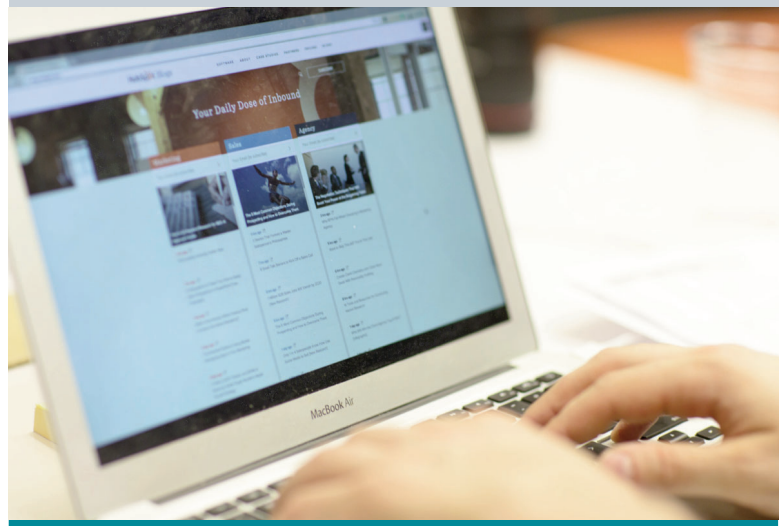
Transform
Tewkesbury Borough



**Tewkesbury
Borough Council**

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Introduction and purpose

Under section 112 of the Local Government Act 1972, the council has the “power to appoint officers on such reasonable terms and conditions as authority thinks fit”. This Pay Policy Statement (the ‘statement’) sets out Tewkesbury Borough Council’s (the ‘council’) approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. The purpose of the statement is to provide transparency with regard to the council’s approach to setting the pay of its employees by identifying:

- the methods by which salaries of all employees are determined
- the detail and level of remuneration of its most senior staff ie ‘chief officers’, as defined by the relevant legislation
- the Employee Appointments and Disciplinary Committee is responsible for ensuring the provisions set out in this statement are applied consistently throughout the council and recommending any amendments to the full council.

This policy statement has been approved by the council and is effective from 1st April 2021. It will be subject to review annually and in accordance with new or proposed legislation to ensure that it remains relevant and effective.

Accountability and decision making

In accordance with the constitution of the council, the Employee Appointments and Disciplinary Committee oversee the decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to employees of the council, with responsibility for all but the most senior posts delegated to the Head of Paid Service.

Responsibility and scale

For 2020/21 the council was directly responsible for a net revenue budget of £8.96m and for the employment of 205 staff. There is a capital programme of £39.9m over the next 5 years. The council’s capital reserves currently stand at £1.14m with earmarked reserves of £16.38m and a general fund balance of £800,000. Our Band D council tax is one of the lowest in England.

As set out in our Council Plan (2020 – 2024), the council provides services to a total population of approximately 92,599 residents made up of 42,176 households spread across 160 square miles.

The council’s pay strategy

In determining the pay and remuneration of its employees, the council will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. With regard to the Equal Pay requirements contained within the Equality Act, the council ensures that all pay arrangements can be objectively justified through the use of Job Evaluation methods.

The council takes the following approach (or equivalent) to assessing individual and overall pay levels.

- **Defining the role** – this describes the activities, responsibilities, accountabilities and behaviours which relate to each job and helps ensure that the role and its requirements is fully understood

by the individual and the manager. This allows the council to assess the performance of its staff and so improves efficiency and effectiveness.

- **Determining the job size** – this process ranks all the council's jobs by using job evaluation techniques in order to ensure fairness and transparency and to allow for direct comparison between roles.
- **Determining overall pay levels** – this allows the council to assess the right pay policy and pay levels based on a number of key factors, including ability to pay, national pay comparators, local and regional pay comparators, etc
- **Determining pay structure** – pay is frequently made up of a number of elements. This council has adopted an approach which includes (basic pay, incremental progression related to service or performance, financial and non-financial benefits etc). The council uses fixed point salaries (where there is no pay progression) and pay grades made up of incremental pay levels. Where different pay arrangements apply to different groups of staff the reasons are clearly evidenced and documented. The council's approach to pay is detailed below and where different arrangements are in place these are explained.
- **Recruiting the right staff** – where necessary the council may apply market supplements or other individual pay levels for specific roles in order to ensure that it can recruit the best staff. This approach will only be adopted where there is clear evidence of recruitment difficulty and any such payments will be time limited and in accordance with council policy.

Pay design

The council's pay policy is based on the National Joint Council (NJC) and the Joint Negotiating Committee (JNC) for Chief Officers of Local Authorities conditions of service, which include pay scales, supported by the associated job evaluation processes. Any pay schemes increases are negotiated nationally and one or more of the nationally negotiated pay schemes which apply to local government employees.

The most recent pay award was 2.75% per cent in April 2020.

In determining its grading structure and setting overall pay levels for all posts the council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.

Pay structure

Pay grades and progression

To encourage employees to develop in their role and to improve their performance the council has arranged its pay levels within 11 pay grades (Grade A to Grade K) and where grades contain between 3 and 5 pay levels or increments. There is a secondary payscale for roles at Head of Service level and above which is arranged in 8 pay grades (SM8 to SM1) where grades have 5 pay levels. New employees will usually be appointed to the minimum pay level for the relevant grade and will go up an increment following successful completion of their probationary period and annually in each April thereafter.

Fixed pay rates

The council also uses fixed pay rates or points, primarily for those who have TUPE transferred from other authorities who used fixed pay points.

Other employment-related arrangements**Local government pension scheme**

All employees are automatically enrolled into the Local Government Pension Scheme. The employee contribution rates, which are defined by statute, currently range between 5.5 per cent and 12.5 per cent of pensionable pay depending on full time equivalent salary levels. The Employer contribution rates are set by Actuaries advising each of the 89 local LGPS funds and reviewed on a triennial basis in order to ensure the scheme is appropriately funded. The current average rate is for employers to pay two thirds of the scheme's costs.

Benefits schemes

The council believes that it has a responsibility to help support the health, wellbeing and welfare of its employees in order to ensure that they are able to perform at their best. As part of this approach, and in common with other large employers it provides or makes arrangements which include salary sacrifice schemes (currently limited to those already in the childcare voucher scheme) and discounted membership to Tewkesbury Leisure Centre.

Employment arrangements

The council's policy and procedures with regard to recruitment of chief officers is set out within the council's Constitution. Chief officers are defined by the council's constitution as being the Chief Executive, Deputy Chief Executive and the Borough Solicitor. At the time of writing (Jan 2021), the Deputy Chief Executive role is vacant and pending a review of management arrangements.

When recruiting to all posts the council will take full and proper account of equal opportunities requirements, fair recruitment processes and the relevant legislation. The determination of the remuneration to be offered to any newly appointed chief officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment and will only be approved in accordance with the Constitution

Where the council is unable to recruit to a post at the designated grade, it may consider the use of temporary market forces supplements in accordance with its relevant policies.

In exceptional circumstances, where the council remains unable to recruit to a chief officer or senior manager post or where there is a need for interim support to provide cover for a vacant post, the council may consider engaging an individual through a 'contracts for service'. Such arrangements can be advantageous because they can reduce employment costs and are flexible because they can be used for short periods of time without the need to pay termination payments.

Such arrangements will be kept under regular review.

Pay arrangements

The council has chosen to apply the JNC pay scales (Senior Managers Payscale) to senior management posts including chief officers and Heads of Service.

For the purposes of this statement, senior management means 'chief officers' as defined within S43 of the Localism Act and defined by the council's constitution as being the Chief Executive, Borough Solicitor and Deputy Chief Executive (post currently vacant). All payments are pensionable, except where it is specified otherwise.

The posts falling within the statutory definition are set out below, with details of their basic salary as at 1 April 2021:

- **Chief executive** – the current salary of the post is £119,955 per annum. The salary falls within a range of 5 incremental points between £109,053 FTE, rising to a maximum of £119,955 FTE. The postholder is an employee on a permanent employment contract
- **Borough solicitor** – the current salary of the post is £94,876 per annum on SM3 of the Senior Managers payscale. The SM3 pay range covers £85,095 - £94,876. The Borough Solicitor is an employee of the council on a permanent employment contract. This is a shared post with Cheltenham Borough Council, who pay 35% of the costs.
- The salaries of posts designated as SM fall within a range of 35 incremental points between SM8 £47,979 FTE rising to a maximum of SM2 £105,782 FTE.

Performance-related pay and bonuses

The council does not apply any bonuses or performance related pay to its chief officers.

Other pay arrangements (not limited to Chief Officers)

Pay supplements

From time to time it may be necessary to pay special allowances or supplements to individual employees as part of their employment contract where specific circumstances require this and where it can be justified in accordance with council policies. Such allowances are negotiated nationally or locally through collective bargaining arrangements and/or as determined by council policy. The council will ensure that the requirement for additional allowance or supplement is objectively justified by reference to

clear and transparent evidence.

The council uses the following payments:

Additional hours payments

The council does not operate a time off in lieu (TOIL) policy, instead all hours will be recorded under the flexi-scheme. Additional hours worked must be taken as flexi under the rules of the scheme unless exceptionally, it is pre-agreed to be paid by the lead Corporate Leadership Team member for that department. Any payment will be at flat-rate except where the hours are undertaken in unsocial periods. Heads of service may also arrange for additional hours accrued to be taken over a longer period than usually acceptable within the flexi-time scheme. Where a head of service requires an employee on the main payscale (not those on the senior management payscale) or below to occasionally work in unsocial hours (8pm – 7am on week days, weekends and bank holidays), those hours will be remunerated at time-and-a-half. This will not apply where the standard working hours fall during unsocial hours (eg for Tourist Information Centres).

Returning officer fees

The Returning Officer fees for national elections are determined by regulation. Fees for Returning Officers in respect of local elections are set down in the Gloucestershire scale of fees and use the same methodology as that for national elections. Returning officer fees may be pensionable, dependent on the type of election they are claimed for.

Real living wage enhancement

The council has made a commitment to providing a Real Living Wage and therefore any officer who would fall below this level on the payscales is paid an enhancement to get them to this level.

Standby allowances

A standby allowance is paid to two members of staff who respond to emergencies outside normal working hours, who deal with any out of hour emergencies that arise.

On call

An allowance is payable when an officer is contractually required to provide out of hours (eg weekend and bank holiday) on call cover.

Honorarium payments

The council has a scheme for the payment of allowances for undertaking additional duties. These allowances are divided into two classifications, either employees temporarily undertaking the full range of work of a higher graded post or a proportion of additional duties.

Subsistence allowance (non-pensionable)

There is no automatic entitlement to a subsistence allowance merely because employee's duties involve them in spending a proportion of working time away from their administrative centres or bases. Before employees become entitled to receive subsistence allowances they must, for business reasons, have been prevented from following their normal meal arrangements and they will have had to incur additional expenditure on the purchase of a meal.

Professional fees (non-pensionable)

The council will pay one professional subscription per year to an employee where it is requirement to be a member of a professional organization in order to carry out the duties and responsibilities of their post.

First aid and mental health first aid

A monthly allowance is paid to trained officers who undertake first aid and mental health first aid duties for the council.

Additional responsibilities payments

This is an extra-ordinary payment where the honorarium scheme is not appropriate but where an officer is required to take on significant additional responsibility / seniority for a period of time.

Lowest paid employees

The lowest paid persons employed under a contract of employment with the council are employed on full time (37 hours) equivalent salaries in accordance with the minimum spinal column point currently in use within the council's grading structure. As at 1 April 2020, this is £17,842 per annum pro rata.

The council employs apprentices who are not included within the definition of 'lowest paid employees' as they are employed under separate apprenticeship pay guidelines set by the government.

Pay multiple

As described above the council uses an established process of defining roles, determining job size and salary levels. This process determines the relationship between the rate of pay for the lowest paid and senior manager post, including chief officers, described as the pay multiple. The current pay multiple between the lowest paid (full time) employee and the Chief Executive is 1:6.46 and; between the lowest paid (full time) employee and average chief officer is 1:5.86. The multiple between the median (average) full time equivalent earnings and the Chief Executive is 1:3.53.

This is broadly in line with the multipliers published by neighbouring councils and is well within the limits of the Hutton Review of Fair Pay in the Public Sector

(2010), which recommends a maximum of 1:20 ratio between the highest and lowest remunerated posts.

Payments on termination of employment

On the termination of employment, chief officers would not be entitled to an enhanced pension and any redundancy payment payable would be calculated in the same way as any other member of staff.

Any other payments falling outside the provisions or the relevant periods of contractual notice are subject to a formal decision made by the full council or relevant elected members, committee or panel of elected members with delegated authority to approve such payments and will be determined on a case by case basis.

It is not the council's policy to re-employ or to contract with senior managers who have been made redundant from the council unless there are exceptional circumstances where their specialist knowledge and expertise is required for a defined period of time or unless a period of 2 years has elapsed since the redundancy and circumstances have changed.

Where an employee has been made redundant and receives a redundancy payment (and therefore without a pension) there should be no re-employment/engagement until the expiry of the period for which the number of weeks' redundancy payment has been given, e.g. if the employee has received a redundancy payment equal to 16 weeks pay, the earliest re-employment/engagement could be considered would be 16 weeks after the date of termination. An earlier date may be approved by exception following authorisation by the Chief

Executive but in all cases the minimum break of service will be four calendar weeks.

Publication of pay statement

Upon approval by the full council, this statement will be published on the council's website:

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive Committee
Date of Meeting:	6 January 2021
Subject:	Medium Term Financial Strategy 2021/22 – 2025/26
Report of:	Head of Finance and Asset Management
Corporate Lead:	Chief Executive
Lead Member:	Lead Member for Finance and Asset Management
Number of Appendices:	One

Executive Summary:

The Medium Term Financial Strategy (MTFS), attached at Appendix A, provides the financial plan for the Council for the period 2021/22 – 2025/26. It sets out the Council’s estimates of its commitment expenditure, identifies the spending pressures it faces and the budget savings needed to achieve the recommended council tax levels for each of the three years of the plan.

Recommendation:

The Committee is asked to RECOMMEND TO COUNCIL that the Medium Term Financial Strategy 2021/22 – 2025/26 be ADOPTED.

Reasons for Recommendation:

The agreement of a medium term financial plan is crucial to the Council in ensuring sufficient resources are allocated to priority areas and that the Council remains financially sustainable.

Resource Implications:

The Council could face a deficit in its base budget of over £7.4million in the next 5 years. The assumptions that have been made in reaching this estimate are included in summary, within this report. The MTFS sets out some of the strategies that will need to be considered to deal with the deficit.

The Council must set a balanced budget on an annual basis – it cannot run deficits and cannot borrow to fund day-to-day service delivery. In the event that it does not have sufficient resource to meet its expenditure needs, a s114 notice will need to be issued and a balanced budget re-established within the financial envelope available to the Council.

Legal Implications:

None.

Risk Management Implications:

Set out in in MTFS.

Performance Management Follow-up:

The MTFS will be kept under continual review and amended in line with significant policy changes, and performance will be monitored against the plan by Members through the quarterly performance monitoring reports.

Environmental Implications:

None directly associated with this report

1.0 INTRODUCTION/BACKGROUND

1.1 Financial planning is fundamental to good financial management and the Medium Term Financial Strategy sets out resource availability within recommended Council tax levels.

2.0 MEDIUM TERM FINANCIAL STRATEGY

2.1 The Medium Term Financial Strategy (MTFS) is a key element within the Council's overall strategic planning framework. The Strategy takes a medium term perspective and is reviewed, updated and rolled forward annually to set a framework for how budget pressures and priorities will be managed within the best estimates of available capital and revenue resources.

2.2 The MTFS outlines the budget that will be delivered over the medium to long-term. A further report, specifically on the 2021/22 detailed budget, will be presented to both Executive Committee and Council in February 2021 for Member approval.

2.3 It is important to understand that the MTFS does not constitute a formal budget in respect of the period 2021/22 to 2025/26 and as such the indicative annual assumptions included both within the projected spending pressures and the potential funding detailed, will be subject to a full review and decision making process as part of each of the annual revenue budget and Council tax setting decisions.

2.4 Instead, the MTFS is intended to outline, in broad terms, the specific service and funding issues over the period and how the Council will, within its financial constraints, fund its priorities and achieve major service change and savings.

2.5 The position of local government finance has been uncertain for long period of time and successive MTFS's have tried to outline a medium term plan against this uncertain backdrop. In producing this year's strategy, there is continued and even increased uncertainty. Some of the issues contributing towards this include:

- The impact of Coronavirus on local and national public spending.
- Potential economic impacts resulting from the country's decision to leave the European Union.
- A one year only Spending Review Period resulting in uncertainty to the level of funding available to local government as a whole beyond 2022.
- A one year delay to the introduction of the Fair Funding Review giving uncertainty to how needs will be calculated and funding distributed in the future.
- A one year delay to the introduction of a scheme for the 75% retention of business rates.
- The future of business rates as a tax raising scheme and the value within the scheme.

- Clarity that the New Homes Bonus scheme will be withdrawn but lack of detail on any replacement scheme.

2.6 In addition to the national uncertainty the Council faces with regards to its financial plans, both corporate and service related financial pressures continue to have a significant impact on the Council's forwards projections of its financial position. These include:

- Salary growth pressure of 2% per annum.
- The growing cost of waste collection.
- Increasing demand for additional resources to meet a range of service requirements and pressures.
- Growth within our services and our council plan ambitions.

2.7 The MTFS also contains important strategic planning in a number of areas in order that the Council can plan for the changes it will need to make in the medium term to ensure it is able to meet its statutory duty of producing a balanced budget on an annual basis.

2.8 Best estimates have been made of the future financial position of the Council within the attached MTFS based on current assumptions of both government and local policy. Clearly the projections within the MTFS are subject to potentially significant change as a result of government policy on local government finance, either positively or negatively, and therefore strategic financial management of this authority will need to be flexible to be able to respond to the rapidly moving agenda.

3.0 OTHER OPTIONS CONSIDERED

3.1 None.

4.0 CONSULTATION

4.1 Statutory consultation will be carried out with businesses and a public consultation is carried out through the Autumn.

5.0 RELEVANT COUNCIL POLICIES/STRATEGIES

5.1 MTFS sets out the level of resource availability to meet the Council priorities and pledges which form the Council Plan.

6.0 RELEVANT GOVERNMENT POLICIES

6.1 Council tax levels must be set within government limits to avoid the need to hold a referendum on 'excessive' increases.

7.0 RESOURCE IMPLICATIONS (Human/Property)

7.1 Some of the savings streams identified may have implications on staffing levels and the asset portfolio. These will be set out specifically within the detailed reports surrounding proposed saving actions.

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

8.1 These will be set out specifically within the detailed reports surrounding proposed saving actions.

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

9.1 These will be set out specifically within the detailed reports surrounding proposed saving actions.

10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

10.1 None.

Background Papers: None.

Contact Officer: Head of Finance and Asset Management
Tel: 01684 272005.

Appendices: A - Medium Term Financial Strategy 2021/22 – 2025/26.

Appendix A

Tewkesbury Borough Council

Medium Term Financial Strategy

2021/22 to 2025/26

Tewkesbury Borough Council

January 2021

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- 9.0 Treasury strategy including Minimum Revenue Provision
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- 11.0 Council tax
- 12.0 Deficit reduction programme
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1.0 BACKGROUND

- 1.1 The Medium Term Financial Strategy (MTFS) provides a financial framework for the council's strategic planning and decision making. The MTFS 2021-26 incorporates key factors such as the changes in Government funding, our spending plans and the level of savings and increased income that are likely to be needed. By anticipating financial pressures now, we can plan ahead early to meet the significant challenges in a way that ensures financial resources are targeted to the council's highest priorities and have the minimum impact on services.
- 1.2 These are unprecedented times for local government as it responds to the coronavirus pandemic and looks forward to a post Brexit future and a significant impact on the likely level of resources available for public spending in the long term. Locally, the pandemic has had a considerable impact on our income and expenditure levels whilst nationally the pandemic has added to the uncertainty around public finances and in particular how local government will be funded in the future. This issue, which will be closely followed by the country's exit from the European Union, follows on from 10 years of austerity in local government and leaves many Councils dangerously close to the cliff edge. Given the impact of coronavirus on the country as a whole, the Government, understandably, has taken the decision to only conclude a one year Spending Review for local government meaning that yet again we are forecasting our medium term financial future with only one year of certainty. The MTFS this year contains more uncertainty in its assumptions and projections than in any previous year.
- 1.3 Whilst the overall financial envelop for public spending in the medium term is uncertain, Local government as a sector awaits clarification from Central Government on a number of specific and critical issues which affect our medium term planning. These include:
- Spending Review – a multi year spending review has not been possible given the current financial climate and a further review will take place in 2021. Whether this settlement will provide a multi year position or just reflect another one year deal given the ongoing financial turmoil remains to be seen
 - Fair Funding Review – this has now been delayed for a further year until at least 2022 and possibly later. It is not clear whether the work undertaken to date will be built upon or whether the process will need to start again given the current financial crisis facing local government
 - Business rates retention – as with the Fair Funding Review, the move to 75% retention of business rates has been pushed back until 2022. Question marks remain over whether this is a suitable method of funding local government given the impact on business from Coronavirus and whether it is suitable way of taxing business in the future.
 - New Homes Bonus – the Government has again outlined its intention to withdraw New Homes Bonus by 23/24 and to replace it with an alternative scheme. A consultation paper on options for the replacement scheme is expected in the New Year.

It is therefore essential that the council takes action within its MTFS to provide sufficient contingency to meet the risks that could be associated with these scenarios materialising.

- 1.4 Once again, financial planning has to be made without a stable footing and core assumptions are made on the basis of what is actually known at the current time and best estimates of the future direction of financing the council. It is therefore essential that we continue to set our annual budget within the context of a rolling five year resource strategy. A longer term strategic view must be taken when decisions are made that have a financial

impact beyond the annual budget as it enables us to assess the sustainability of such decisions.

- 1.5 The 2020-2021 approved budget provides the base position for the financial strategy from which projections can be made to give an overall forecast of expenditure and income levels for the coming years. It is also necessary to maintain a minimum level of reserves to provide working capital and act as a contingency to meet any unforeseen needs particularly with the unknown consequences of changes to the makeup of local government funding.
- 1.6 In order to progress towards our aims and objectives, as contained within The Council Plan 2020 – 2024, we need to prioritise our spending plans. This involves not only considering the financial pressures identified, but also undertaking a strategic review of existing services; identifying new ways of working and areas where reduced levels of activity or discontinuation should be pursued. Transforming our services by maximising the impact of technology, digital channels and modern working practices will also need to play a key part in the Council's future.
- 1.7 Whilst effectively managing spending will help to reduce the deficit over the medium term, it will not address the financial challenge in its totality. The council will need to consider how it can increase income, both within its core services and from its financing streams, and therefore grow its way towards financial sustainability.
- 1.8 To meet this challenge, the council will need to think differently, have a strong risk appetite and be prepared to venture into new and innovative ways of tackling the funding gap.

2.0 THE COUNCIL PLAN 2020-2024

- 2.1 In January 2020, the new Council Plan for 2020 – 2024 was approved. The document is a statement of intent to drive forward our vision:

"Tewkesbury Borough, a place where a good quality of life is open to all."

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

Finance & Resources:

- Maintain a low council tax.
- Maintain our assets to provide maximum financial return.
- To ensure the council remains financially secure in the long term
- Deliver the council's commercial strategy

Economic growth:

- Deliver our strategic and economic development plans
- Deliver employment land and infrastructure to facilitate economic growth
- Deliver borough regeneration schemes
- Promote the borough as an attractive place to live and visit

Housing and Communities:

- Deliver the housing needs of our communities
- Ensure development plans provide for the five year land supply requirement
- Support infrastructure and facilities delivery to enable
- sustainable communities

Customer first:

- Maintain our culture of continuous service improvement
- Develop online services to achieve 'digital by preference, access for all'

Garden Communities:

- Delivery of Tewkesbury Garden Town
- Delivery of Cyber Central Garden Community

Sustainable Environment:

- Deliver the climate emergency action plan
- Promote a healthy and flourishing environment in the borough
- Promote responsible recycling across the borough
- Preserve and enhance the natural assets and built heritage of our borough

3.0 NATIONAL ECONOMIC CONTEXT

- 3.1 The impact on the UK from coronavirus, together with its exit from the European Union and future trading arrangements with the bloc, will remain a major influence on the Authority's treasury management strategy for 2021/22.
- 3.2 The Bank of England (BoE) maintained Bank Rate at 0.10% in November 2020 and also extended its Quantitative Easing programme by £150 billion to £895 billion. The Monetary Policy Committee voted unanimously for both, but no mention was made of the potential future use of negative interest rates. Within the latest forecasts, the Bank expects the UK economy to shrink -2% in Q4 2020 before growing by 7.25% in 2021, lower than the previous forecast of 9%. The BoE also forecasts the economy will now take until Q1 2022 to reach its pre-pandemic level rather than the end of 2021 as previously forecast.
- 3.3 UK Consumer Price Inflation (CPI) for September 2020 registered 0.5% year on year, up from 0.2% in the previous month. Core inflation, which excludes the more volatile components, rose to 1.3% from 0.9%. The most recent labour market data for the three months to August 2020 showed the unemployment rate rose to 4.5% while the employment rate fell to 75.6%. Both measures are expected to deteriorate further due to the ongoing impact of coronavirus on the jobs market, particularly when the various government job retention schemes start to be unwound in 2021, with the BoE forecasting unemployment will peak at 7.75% in Q2 2021. In August, the headline 3-month average annual growth rate for wages were 0% for total pay and 0.8% for regular pay. In real terms, after adjusting for inflation, total pay growth fell by -0.8% while regular pay was up 0.1%.
- 3.4 GDP growth fell by -19.8% in the second quarter of 2020, a much sharper contraction from -2.0% in the previous three months, with the annual rate falling -21.5% from -1.6%. All sectors fell quarter-on-quarter, with dramatic declines in construction (-35.7%), services (-19.2%) and production (-16.3%), and a more modest fall in agriculture (-5.9%). Monthly GDP estimates have shown the economy is recovering but remains well below its pre-pandemic peak. Looking ahead, the BoE's November Monetary Policy Report forecasts economic growth will rise in 2021 with GDP reaching 11% in Q4 2021, 3.1% in Q4 2022 and 1.6% in Q4 2023.

- 3.5 GDP growth in the euro zone rebounded by 12.7% in Q3 2020 after contracting by -3.7% and -11.8% in the first and second quarters, respectively. Headline inflation, however, remains extremely weak, registering -0.3% year-on-year in October, the third successive month of deflation. Core inflation registered 0.2% y/y, well below the European Central Bank's (ECB) target of 'below, but close to 2%'. The ECB is expected to continue holding its main interest rate of 0% and deposit facility rate of -0.5% for some time with further monetary stimulus expected later in 2020.
- 3.6 The US economy contracted at an annualised rate of 31.7% in Q2 2020 and then rebounded by 33.1% in Q3. The Federal Reserve maintained the Fed Funds rate at between 0% and 0.25% and announced a change to its inflation targeting regime to a more flexible form of average targeting. The Fed also provided strong indications that interest rates are unlikely to change from current levels over the next three years.
- 3.7 The Authority's treasury management adviser Arlingclose is forecasting that BoE Bank Rate will remain at 0.1% until at least the end of 2023. The risks to this forecast are judged to be to the downside as the BoE and UK government continue to react to the coronavirus pandemic and the Brexit transition period ends. The BoE extended its asset purchase programme to £895 billion in November while keeping Bank Rate on hold. However, further interest rate cuts to zero, or possibly negative, cannot yet be ruled out but this is not part of the Arlingclose central forecast.
- 3.8 Gilt yields are expected to remain very low in the medium-term while short-term yields are likely remain below or at zero until such time as the BoE expressly rules out the chance of negative interest rates or growth/inflation prospects improve. The central case is for 10-year and 20-year to rise to around 0.5% and 0.75% respectively over the time horizon. The risks around the gilt yield forecasts are judged to be broadly balanced between upside and downside risks, but there will almost certainly be short-term volatility due to economic and political uncertainty and events.
- 3.9 Table 1 details the forecast of the Bank of England base rate based on the MPC maintaining its position of a slow rise in interest rates.

Table 1 – Base rate forecast

Official Bank Rate	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Upside risk	0.00	0.00	0.00	0.15	0.15	0.15	0.15	0.30	0.30	0.30
Arlingclose central forecast	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Downside risk	-0.10	-0.20	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50

4.0 LOCAL GOVERNMENT FINANCE SETTLEMENT

- 4.1 The Local Government Finance Settlement confirms the forthcoming position with regards to needs based funding as well as some of the performance led funding streams. Needs based grant funding comes in the shape of both the Revenue Support Grant and the Business Rates Baseline. This is supplemented in some authorities with the Rural Services Delivery Grant. Since the beginning of the austerity period, this council has seen its needs based funding reduce by over £3.7m in cash terms. If inflation were to be added in, this reduction would be closer to £4.5m.
- 4.2 Having previously put in place a one year settlement, it had been hoped that central government would give the sector some certainty upon which it could build its financial plans by providing a multi year settlement for 2021-22 onwards. However, in light of the financial turmoil caused by Coronavirus, the Government has put forward a one year only Spending Review covering the financial year 2021-22. This leaves the Council in exactly the same position as 12 months previous with certainty only being provided for one year. It is extremely difficult for a Council to develop and deliver medium and long term plans when it does not know what it's funding will be beyond 12 months.
- 4.3 It is hoped that the next Spending Review will prioritise delivering a new multi-year settlement to provide some of the certainty required by the sector, but another one year settlement is a distinct possibility. Regardless of the timeframe covered by the Spending Review, it is likely that local government, as an unprotected department, will see little if any real terms growth in its funding envelope given the commitments being made to other parts of the public sector including the NHS, Defence and the Police. It is also likely that any new money for local government will be directed towards upper tier authorities and in particular social care provision.
- 4.4 In addition to the delay in committing to a multi-year settlement, the Government has also confirmed a one year delay to the outcome of the Fair Funding Review (FFR). This will review the model currently in place for distributing funding to individual authorities based on assessed need less an assumed level of local resource. Assessing need has become a very complex area with a number of funding streams being assessed on certain metrics which culminates in an overall funding level for each authority. Much work had been undertaken pre-pandemic to review the allocation methodology but it is unclear what the impact of the pandemic has been to this review and the ability of local government to withstand the changes that would flow from a change in methodology. It is not yet clear how the FFR will progress in 2021.
- 4.5 As with any change in allocation process, there are likely to be winners and losers and it remains to be seen which category Tewkesbury will fall into. Looking at the discussions held and the general direction of travel for the review, it is clear that District councils are in danger of losing funding under the review. Whilst there is a myriad of potential outcomes from the review, our MTFs has followed a mid point of the potential outcomes and modelled a fall in needs based funding of nearly £250,000 in the year the FFR comes into effect.
- 4.6 Table 2 highlights this reduction in funding. It also shows the expected elimination of Revenue Support Grant and Rural Services Delivery Grant from 22-23 onwards. The final element of our needs based funding assumes a 1% annual increase in the business rates baseline funding level driven by the increasing business rates multiplier, although this is equalised out through the FFR reductions. Overall, it is forecast that our needs based funding will see a significant reduction upon the implementation of the FFR and then

remain cash flat thereafter – a real terms funding reduction.

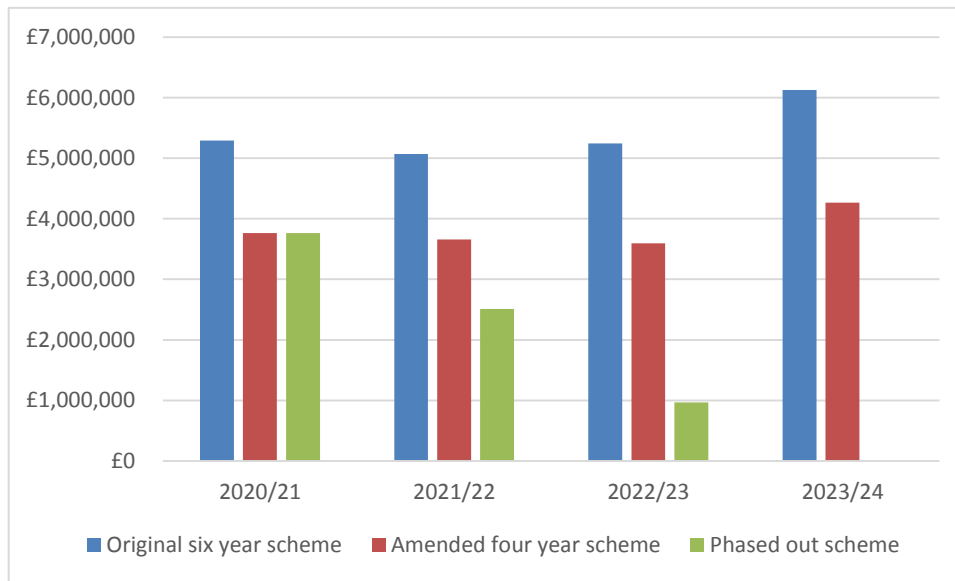
Table 2 – Core Government support 2020 – 2026

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000	£'001
Revenue Support Grant	23	23	0	0	0	0
Business Rates baseline	1,848	1,848	1,866	1,885	1,904	1,923
Rural Services Delivery Grant	14	14	0	0	0	0
Fair Funding Review adjustments	0	0	-242	-261	-280	-299
Total	1,885	1,885	1,624	1,624	1,624	1,624
Change	32	0	-261	0	0	0
Change %	1.7%	0.0%	-13.8%	0.0%	0.0%	0.0%

5.0 NEW HOMES BONUS

- 5.1 New Homes Bonus (NHB) was introduced in 2011 and provides funding of a sum equivalent to the average annual council tax for every new home built, once occupied. The Borough Council retains 80% of the funding with the County Council receiving 20%. This sum was payable for six years with an additional bonus of £350 for every affordable home occupied. The final scheme design included the principles of the funding being both permanent and flexible. There was no ring-fencing of the funding and no specific requirements for its use.
- 5.2 The introduction of NHB alongside retained business rates demonstrates the Governments objectives of moving away from needs based funding to a system that rewards performance and delivery of certain objectives. Tewkesbury is in a very fortunate position in that it has been able to benefit from relatively large amounts of NHB accumulating during the operation of the scheme and effectively offsetting some of the reductions seen in needs based funding.
- 5.3 The Government has already amended the scheme to reduce the bonus down from six years to four years and introduce a deadweight threshold of 0.4% of growth. These changes reduced the potential benefit to Tewkesbury by over a third. Over the last eighteen months the Government has made it clear that it wishes to withdraw the NHB and potentially replace it with a different scheme that rewards housing growth. To aid that withdrawal, the Government only provided one year of funding for the new 20-21 reward year rather than the usual four.
- 5.4 The Provisional Settlement for 2021/22 confirmed the direction of travel and makes clear that NHB will be phased out over the following two years. The following chart illustrates this phasing out of the scheme and compares it to the current four year scheme and the previous six year scheme.

Chart 1 – Value of NHB scheme



5.5 As can be seen from the chart, there is a steep reduction in the value of NHB over the next three years. Table 3 highlights the monetary forecast of this change in government policy.

Table 3 – Forecast New Homes Bonus

	2020/21	2021/22 Projection	2022/23 Projection	2023/24 Projection
Year 6	£0	£0	£0	£0
Year 7	£750,088	£0	£0	£0
Year 8	£898,713	£898,713	£0	£0
Year 9	£965,166	£965,166	£965,166	£0
Year 10	£1,148,789	£0	£0	£0
Year 11	£0	£644,982	£0	£0
Year 12	£0	£0	£0	£0
Year 13	£0	£0	£0	£0
	£3,762,756	£2,508,861	£965,166	£0

5.6 This withdrawal of NHB will have a substantial and significant impact on the Council's funding of its core services which could result in major structural change of the Council and the reduction of its service offering. The council currently utilises £2.8m of NHB to fund its core services with the balance being used to fund a range of one-off needs and ambitions. Table 4 illustrates this and forecasts how this will be affected by the withdrawal of the NHB scheme.

Table 4 – impact of withdrawal of NHB

	2021/22 Projection	2022/23 Projection	2023/24 Projection
Reduction in NHB	£1,253,895	£1,543,695	£965,166
Impact on one-off use	-£952,000	0	0
Impact on base budget support	-£301,895	-£1,543,695	-£965,166

- 5.7 As the Government reduces the benefit from NHB, a surplus within the £900m national is derived. The scheme governance suggests that any surplus should be returned to local government in line with national funding shares. However, the Government has chosen to use the 2021/22 surplus to fund one off grants to support social care and lower tier services. Therefore, no returned NHB surplus is forecast within the MTFS.
- 5.8 The Provisional Settlement also makes clear that a consultation on a replacement scheme will take place early in 2021. As an area that continues to deliver residential growth and has plans in place to see that continue over the next decade, we would support the development of a new scheme that would provide at least some reward for the housing being delivered.

6.0 RETAINED BUSINESS RATES

- 6.1 The current Business Rates Retention Scheme (BRRS) was introduced in 2013 and is intended to provide incentives for local authorities to drive economic growth, as the authorities will be able to retain a share of the growth generated in business rates revenue in their areas.
- 6.2 In recent years, Tewkesbury has at last begun to see the benefits of the retention scheme rather than just the substantial losses it suffered in the early years. The current year budget saw the inclusion of a growth target of circa £740,000 in relation to its position as an individual authority within the 50% scheme.
- 6.3 The Government had previously suggested that it would look to move local government as a sector to 100% retention but without primary legislation this will not be possible. As a compromise the Government announced a move to 75% retention from 2020 as this could be achieved within the current regulations. However, as with other forms of government funding, this has been delayed for a second year with a new implementation date of April 2022, as has the planned reset of the system which would see accumulated growth in business rates redistributed across the country.
- 6.4 In addition to the forecast changes to the scheme, there will undoubtedly be a severe impact on the value of business rates as an income stream as a result of coronavirus. Many businesses will cease to exist in the near future and many more will be looking at re-valuations of their business rates liability in view of the impact of the pandemic. There is a question as to what income can be produced locally and nationally from business rates in the short to medium term given the impact of coronavirus. It is extremely difficult to project this impact at the current time given the ongoing situation and so MTFS forecasts have focussed on the proposed changes to the system only. It is entirely feasible that annual retention from business rates could disappear in its totality from the Council's income streams.
- 6.5 Table 5 highlights our current best estimates in relation to future business rates retention.

Table 5 – Business rate retention estimate

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Business rates retained	£738,836	£542,000	£448,000	£181,000	£207,000	£305,000
Total	£738,836	£542,000	£448,000	£181,000	£207,000	£305,000

6.6 The table above does not include any significant growth that the Borough may expect in the coming years. Sites such as the proposed retail outlet at junction 9 of the M5 are included within the high level deficit reduction programme and as their likely development timescale and rates valuation are firmed up, they can be migrated across to the expected level of rates retention.

7.0 GROWTH PRESSURES

7.1 In addition to the pressures on the Council's finances already mentioned, the Council continues to face rising costs to enable the continued delivery of its core services and to progress the ambitions of the Council. Growth can take a number of forms including both simple inflationary assumptions around existing costs and the expanding resource requirement to deliver services to a growing Borough and deliver major projects outside of the core service arena.

7.2 Employees is the area of single greatest spend with around £10.4m per annum being consumed by employee related expenditure. Of this total, around £8.6m is spent directly on employee salaries and associated on-costs and as a result the annual pay award can have a significant impact upon the council finances. A one percent award has an annual impact of circa £80,000 on the Council's budget.

7.3 The MTF5 has a 2% pay award assumption built into each year of the forecast. This is based on the Government's target for the rate of inflation and adds around £160,000 to the cost of the Council each year. Within the Spending Review, the Chancellor has called for 'public sector pay restraint' and whilst the detailed 2021/22 budget is likely to reflect this call, the MTF5 continues with forecasts at 2%.

7.4 The Council has in place a number of contracts to deliver specified services, the largest of which is the contract with Ubico for the delivery of waste and recycling, street cleansing and grounds maintenance. The cost of delivering these contracts at the same output levels will continue to increase with inflation and an assumption of the relevant level of inflation to apply for each contract has been made. With regards to Ubico, their contract sum is affected by a number of factors including the cost of maintaining vehicles and the costs of the corporate core as well as the ongoing operational costs. As a result, even before other changes impact the cost of the contract, it is estimated that the contract cost will increase by circa £840,000 over the course of the MTF5.

In addition to the Ubico contract, the waste and recycling service is likely to see a significant increase in the cost of disposing of recyclate. A new MRF contract will come into place in March 2021 and together with an increase in the tonnages collected is likely to cost the council an additional £150,000 per annum.

7.5 A detailed exercise has been carried out with services in 2020 to establish the potential need for additional resources for the first half of the next decade. The exercise looked at a

variety of potential additional costs including those arising from:

- The withdrawal of new homes bonus, previously used to fund items on a one off basis
- Increasing demand from a growing Borough
- The cost of delivering the council's priorities and ambitions
- The revenue cost of additional borrowing to support an expanded capital programme

7.6 This exercise was invaluable in establishing the likely true cost of Council activity over the next five years. Potential additional annual costs of circa £3.1m were captured during this exercise and the next few paragraphs highlight some of those areas that are generating this potential additional requirement.

7.7 A number of lines have expenditure have been funded directly from NHB over an extended period. It is clear that the Government will withdraw NHB in the coming years and so consideration must be given to the re-inclusion in the base budget of these items. Areas that have been funded from the 'one-off' NHB allocation include:

- Borough elections
- Asset Management Plan
- IT replacement programme
- Planning appeals
- Community grants

7.8 The Borough has experienced significant growth in recent years with this trend expected to continue across the next decade. Whilst investment in technology and more efficient working practices can offset this cost to an extent, there will inevitably come a time when further investment is required in a number of service areas. Some of those areas likely to require investment are highlighted below:

- Waste and recycling rounds
- Revenues
- Environmental health
- Licensing

7.9 Many of the Council's ambitions will require additional finance to ensure delivery. This may be in the form of external costs or additional internal resource requirements. Examples of the potential costs within this area include:

- Tewkesbury Town centre regeneration
- Carbon neutrality
- West Cheltenham development

7.10 Associated with some of the Council's ambitions and needs is the potential for significant capital expenditure. Having expended all but the last few pounds of the Council's own capital receipts, any future capital expenditure is likely to be funded from borrowing. This will have a revenue impact in the form of both interest costs and the Minimum Revenue Provision as well as other pre-development costs. Examples of areas which may require capital funding include:

- Tewkesbury Town Centre regeneration

- The Garden Town
- New depot facility

7.11 The above paragraphs are not exhaustive and there are many more calls for funding not listed. At £3.1m, the requests for funding total 35% of the current total base budget and, even in stronger financial times, may not have been affordable. Given the financial challenges faced by the Council, it is clear that this level of growth cannot be afforded and growth will need to be prioritised within the resource envelope available.

8.0 CAPITAL PROGRAMME

8.1 The capital expenditure of the Council has an impact on the revenue budget and is part of the overall preparation of the revenue proposals for the coming year.

8.2 It is estimated that just over £24m will be spent on Capital Programme schemes during 2020/2021 which are to be funded by a combination of usable capital receipts reserve (£0.175m), capital grants (£3.266m), revenue resources (£0.612m), internal borrowing (£10m) and external borrowing (£10m). The programme includes the acquisition of a further commercial property to the Council's portfolio, the purchase of vehicles for the grounds maintenance operation, the delivery of Disabled Facilities Grants and the early phases of the Ashchurch Bridge.

8.3 Looking ahead, the total value of the currently approved Capital Programme over the following five years is much reduced at approximately £11.7m and is primarily focussed on the completion of the Ashchurch Bridge and the replacement of the waste and recycling vehicle fleet as well as the ongoing delivery of Disabled Facilities Grants. Table 5 summarises the planned capital expenditure for future years, together with information on the funding of that expenditure.

Table 6 – Capital programme

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	TOTAL £'000
Capital expenditure	24,053	5,966	650	600	3,962	500	35,731
Funded by:							
Capital receipts reserve	175	100	100	100	100	0	575
Capital Grants	3,266	5,866	500	500	500	500	11,132
External Borrowing	10,000	0	0	0	0	0	10,000
Internal Borrowing	10,000	0	0	0	0	0	10,000
Revenue Reserves	612	0	50	0	3,362	0	4,024
Total	24,053	5,966	650	600	3,962	500	35,731

8.4 As highlighted in the previous section on growth, there is a potential for the capital programme to see further increases in planned expenditure in future years as new investment plans, such as land acquisition and a new depot facility are brought forward. The capital programme will be updated with these plans as and when they receive

approval from full Council.

9.0 TREASURY STRATEGY AND MINIMUM REVENUE PROVISION (MRP)

- 9.1 The Treasury and Capital Management Strategies will be presented to Council annually in February and provide detail on the Councils plans for managing those aspects of its business.
- 9.2 The Council is likely to have a borrowing requirement of circa £37m based on the current capital programme and has taken a balanced approach to financing this requirement. The MTFs assumes continuation of this approach with a proportion of debt secured against long term borrowing, potentially from the Public Works Loan Board, and a proportion secured on short term borrowing. This balances the long term cost to the council with the gains that are made on current short term market rates and current medium term projections of interest rates suggest that this is a sustainable strategy in the medium term. The Council has also taken the opportunity to borrow internally given the level of balances held and the low return on investments.
- 9.3 The Council has elected to use an annuity calculation for its Minimum Revenue Provision (MRP). This approach sees an initial low cost for MRP, but with increasing amounts year-on-year to ensure the principal borrowed can be repaid. This increase in MRP should be matched by increases to the rental value of the properties purchased. It is estimated that this cost together with interest costs will total around £1.4m per annum in the medium term.
- 9.4 Whilst capital balances have been expended, the Council holds significant revenue balances and amounts of cash flow which it invests with various financial institutions. Market predictions of likely interest rates were highlighted at 3.9 and show a medium term outlook of very low rates with potential for those rates to become negative. The Councils investments returns are boosted by holdings in property, equity and multi-asset funds which are forecast to deliver higher returns than traditional treasury activities. These investments are held for long term income benefit and whilst capital values of these investments have fallen in the short term, it is expected that they will recover in the medium term.

10.0 MEDIUM TERM FINANCIAL PROJECTION

- 10.1 The council's Medium Term Financial Projection includes the impact of all known capital and revenue commitments between 2021/22 and 2025/26 and includes the assumptions on financing streams previously highlighted. This is summarised in table 7.

Table 7 – Medium Term Financial Projection

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000	£'000

Total (Base budget)	8,956	8,324	8,538	8,855	9,229	9,602
Other expenditure	1,903	1,487	1,510	1,534	1,558	1,583
Growth	0	1,775	2,523	2,898	3,046	3,146
Net budget	10,859	11,586	12,571	13,287	13,833	14,331
Financed by:						
Settlement Funding	-1,883	-1,883	-1,624	-1,624	-1,624	-1,624
Retained Business Rates	-738	-542	-448	-181	-207	-305
Collection Fund Surplus	-82	0	-25	-50	-50	-50
New Homes Bonus	-3,762	-2,501	-965	0	0	0
Council tax income	-4,394	-4,402	-4,502	-4,656	-4,811	-4,953
Total financing	-10,859	-9,328	-7,564	-6,511	-6,692	-6,932
Deficit (cumulative)	0	2,258	5,007	6,776	7,141	7,399
Deficit (annual)	0	2,258	2,749	1,769	365	258

10.2 The table illustrates a funding gap of £7.4m over the five year life of the MTFs. It must be noted however that this is subject to significant change, both positive and negative, in regard to the Government's position on funding local government and the acceptance or rejection of growth bids.

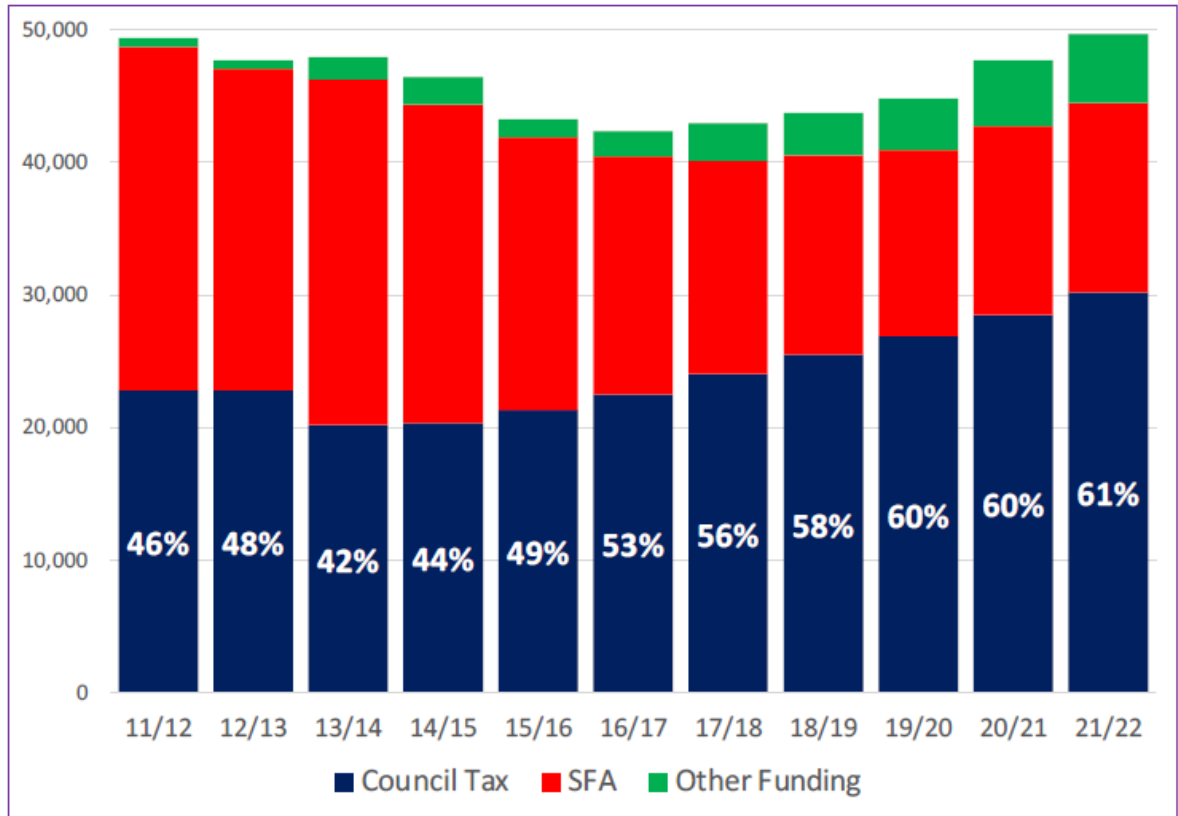
11.0 COUNCIL TAX

11.1 The current Band D Council Tax for the authority is £124.36 per annum and is the fifth lowest in England for a District Council. The current year charge was an increase of £5 or 4.2% over the previous year, the largest increase allowed by the Government before the increase is deemed excessive and would be subject to a local referendum. This was the fifth year that the council has decided to increase its council tax by the maximum available following on from a period of six years of frozen Council Tax.

11.2 The Government has again put forward an excessive council tax threshold of £5 or 2%, whichever is higher, for a District Council in 21/22. This is a continuation of the Governments policy and allows Tewkesbury to once again make an increased charge of up to £5. It is unlikely that there will be any further changes for local government when the Local Government Settlement is finalised in the new year and it is assumed that this level of threshold continues into the medium term.

It is interesting to note that of the extra £2.2bn (4.5%) available for local government according to the current Spending Review, around 87% of this is expected to be raised by council tax increases. The Government assumes that Council's will continue to increase council tax by the maximum permissible and, given the funding settlements awarded to local government, it makes this assumption almost inevitable. An analysis of the funding of local government shows the increasing dependency on council tax over the last eleven years.

Chart 2 – Spending Power analysis



11.3 The Borough continues to develop with significant growth expected to be delivered in the next 5 years. Growth in properties usually translates into significant increases in the council tax base with average increases being in excess of 2% in recent years. However, once again the impact of the pandemic is likely to be felt with a slow down in growth in the short term and a significant increase in the number of working age claimants for the Local Council Tax Reduction Scheme. This upsurge will see an increase in the amount of council tax discount awarded and in turn will reduce the Council tax base at least in the short term.

Table 8 forecasts the growth in the tax base.

Table 8 – Council Tax base

	2020-21	2021-22	2022-23	2023-24	2024-25	2024-26	Total
Tax base	35,341	35,403	36,208	37,437	38,961	39,829	
Increase	756	62	805	1,229	1,524	868	5,244
Increase	2.19%	0.18%	2.27%	3.39%	4.07%	2.23%	14.84%

11.4 The Council Plan 2020-2024 makes a commitment to ‘maintain a low Council Tax’ and this is expected to continue into the new Plan. The Council Plan also sets out objectives to develop alternative revenue streams, and rebase the revenue structure, to become less dependent on government core grants, and collections from taxpayers. Increasing Council Tax to fund any deficit outcome should be a last resort. The previous Medium Term Financial Strategy recognises the likely need for further increases in council tax in future years in order to provide the flexibility to deal with the anticipated deficit faced. Given the changes proposed by Government to funding streams, there may continue to be a need to resort to some measure of further Council Tax increase each year over the Strategy period. The Council will maintain this previous financial strategy, accepting the likely need for

future increases, but seeking to maintain the Council Tax to the lowest possible levels.

Table 9 – Potential Council Tax strategy

Year	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Band D Council Tax	£129.36	£134.36	£139.36	£144.36	£149.36	
Increase (£)	£5.00	£5.00	£5.00	£5.00	£5.00	
Increase (%)	4.02%	3.87%	3.72%	3.59%	3.46%	
Additional council tax income generated	£177,015	£181,040	£187,185	£194,805	£199,145	£939,190

- 11.5 The next table extrapolates table 9 and shows the proposed charge against all bandings for each of the five years.

Table 10 – Impact of potential charges per Council Tax band

Year	Number of properties	% of total	2021/22	2022/23	2023/24	2024/25	2025/26
Band A charge	6,613	15.53%	£86.24	£89.57	£92.91	£96.24	£99.57
Band B charge	6,716	15.77%	£100.61	£104.50	£108.39	£112.28	£116.17
Band C charge	11,926	28.01%	£114.99	£119.43	£123.88	£128.32	£132.76
Band D charge	6,209	14.58%	£129.36	£134.36	£139.36	£144.36	£149.36
Band E charge	5,458	12.82%	£158.11	£164.22	£170.33	£176.44	£182.55
Band F charge	3,475	8.16%	£186.85	£194.08	£201.30	£208.52	£215.74
Band G charge	1,988	4.67%	£215.60	£223.93	£232.27	£240.60	£248.93
Band H charge	200	0.47%	£258.72	£268.72	£278.72	£288.72	£298.72

- 11.6 The proposed Council Tax for the next financial year of £129.36 is still likely to be approximately £43 below the bottom quartile threshold and £66 below the national average for a District Council. Should excessive council tax thresholds remain in place over the medium term, Tewkesbury will, by default, continue to remain in the bottom quartile for council tax charged unless there are some dramatic changes in the levels charged by other authorities.
- 11.7 For a number of years, this Council has retained the default scheme as its preferred position for the Local Council Tax Scheme. By adopting this position, the council continues to provide council tax discount at an equivalent level to the previous council tax benefit scheme that was in place until 2013 and as a result continues to bare the cost. Tewkesbury is one of a few authorities to still retain this default position due to the reduced funding levels associated with the new scheme. A full review of the Council's position has been postponed in the current year and will now be undertaken early in 2021 so that any potential change can be fed into the budget cycle for the year after.

12.0 DEFICIT REDUCTION PROGRAMME

- 12.1 If increases to Council tax were approved in line with the example set out within table 9 this would still leave over £6.4m to be found in order to set balanced budgets over the life of the MTFS.
- 12.2 It is important to note that whilst some of the suggested actions and strategies are already being progressed, in order to balance the 2021-22 budget, some of those suggested are yet to be established and will require many months or even years to develop viable business cases. It is of equal importance to note that the suggested deficit reduction programme is based on our current assumptions around the likely deficit. Should the actual position be more favourable in the coming years then not all of the programme will be required. Equally other ideas to meet the deficit could emerge which may replace some of the suggestions made in the following paragraphs. The key message though is that preparatory work must start now in order to deliver some of our longer term requirements. We cannot wait until final confirmation of actual budgets is in place before we embark on some of this programme, even if the actions are ultimately not required.
- 12.3 Whilst the following paragraphs describe some of the initiatives that will need to be followed to reduce the deficit, it is clear, with the size of the deficit faced by the Council, that a significant proportion of the savings required will need to come from the staffing resource. Direct staffing costs total £8.6m and equate to 44% of ongoing expenditure excluding housing benefits. Reductions to staffing can be delivered in many ways including internal restructures, service cessation, shared service etc but the Council will need to be careful that the overall resilience of the Council is not compromised by proposed staff savings. Assessment of the options will need to begin in early 2021 in order to progress and start to have some impact in the 22/23 financial year.
- 12.4 The introduction of the car pool has already saved the Council approximately £86,000 in business travel. The Council can further benefit from reduced business travel as the adopted working practices from the Coronavirus pandemic become accepted ongoing working practices resulting in less travel for Council business. For the travel that is necessary, the Council will need to look at the provision of an electric fleet of pool cars and establish whether it can generate its own electricity to meet needs.
- 12.5 The carbon neutrality strategy and action plan were established in 2020 and contains a number of actions that could result in either cost reduction or increased income. Business cases will need to be established for a number of options to see if the headline figures can be delivered and a programme of activity will be established to deliver both financial savings as well as CO2 savings.
- 12.6 The Council has aspirations of being more commercial in its approach and this is an existing strand of the Business Transformation Strategy. As part of this drive, the Council is currently considering its existing commercial services such as trade waste and bulky waste and should ensure that those services do not operate at a deficit. It will also need to explore potential additional commercial activities and inter authority trading but these will need to be supported by thorough business cases which explore the cost of the provision, the market being entered, any competitive advantage, the sustainability of the service, the profitability of the proposal and any impact on core services.
- 12.7 One specific area where the Council would hope to see some returns from increased commercial activity would be from Ubico Ltd. The company was established as a teckal company in order to benefit from the trading of its services to other private or public sector entities. The Council will hope to see the development of business plans to deliver this and exploit the teckal exemption. In addition, it is hoped that some cross boundary working or shared arrangements can be developed within Ubico to reduce the direct cost of service

provision and again the Council will hope to see proposals for this in the near future and to the benefit of the Council during the life of the current MTFs. In addition, given the financial pressures it is facing, the Council may need to consider the level of provision in its waste collection service and undertake a review of the viability of moving towards a three weekly or even a monthly collection of residual waste.

- 12.8 It is anticipated that the Borough will see some significant business development in the next five years, particularly in relation to land around junction 9 of the M5 and Brockworth business park. This could see a major increase in the level of retained rates in the Borough but it is also acknowledged that there is great uncertainty around the future of business rates and the retention system.
- 12.9 A number of the potential capital based actions could result in increased income or cost reduction for the council. All are at the embryonic stage of business case development and further work is needed to establish the financial case for these projects.
- 12.10 A major element of the increased deficit reported in this MTFs is as a result of the removal of the NHB scheme over the next couple of years. In moving towards this, the Government has restated its intention to consult on a replacement scheme that will continue to incentivise housing growth. Given this intention, it is right to assume a new scheme would have some financial benefit for an authority like Tewkesbury, where growth is actively planned and promoted. Whilst it is highly unlikely that the replacement scheme will result in the same level of bonus being awarded, a scheme generating around 50% of the value could be envisaged. If this is the case, Tewkesbury could generate around £2m towards the stated deficit.
- 12.11 As previously stated within the growth section, £3.1m of new growth cannot be afforded and decisions will need to be made on how to programme the growth requirement and indeed which elements may not be possible in the current financial climate.
- 12.12 The Council faces a mighty task in eliminating a £7.4m projected deficit and work will begin in the early part of 2021 to assess the actions required to be delivered that will have the greatest impact on reducing the deficit, ensuring the Council remains financially sustainable and avoiding the threat of issuing a s114 notice.

13.0 REVENUE RESERVES

- 13.1 The General Fund 'working balance' and the earmarked reserves are a significant element of the Council's financial resources, and as such it is important that they are aligned to priority areas as well as mitigating against potential financial risks to the authority.
- 13.2 The Council's 'Working Balance' is the revenue reserve that is set aside to cover any significant business risks and emergencies that might arise outside of the normal set budget. In recognition of the very low levels of reserve held in the working balance, and highlighted in CIPFA's Financial Resilience Index, this reserve had been increased from £450,000 to £800,000 over the last two years which now equates to approximately 9.1% of net revenue budget for the year 2020/21.
- 13.3 Given the increasing risk associated with a political and economic uncertainty and the specific threat to local government funding streams, it may be prudent to increase both the general fund reserve and other specific earmarked reserves in order to manage risk and insulate the Council as much as possible from any impacts associated with these risks as we head into the next decade. The ability to increase reserves will of course be dependent on the overall funding available to the Council but this is a course of action that will need to

be given a priority status in the MTFS.

- 13.4 As at the 31 March 2020, the Council had £7.33m in useable earmarked reserves, although it should be noted that a large proportion of this money is grant funding from external sources for specific projects. It is anticipated that these reserves will be boosted at the year for 20/21 with a substantial collection fund surplus on the Council's business rates position. An additional £3m is forecast to be set aside to re-establish the Council's MTFS reserve which can support future budget requirements and assist the Council to manage change within the organisation.
- 13.5 It is suggested that the level of these reserves are adequate to cover medium levels of risk. Further expansion of the risk management reserves should be considered at the earliest opportunity in order to provide enhanced levels of confidence and reassurance in the financial affairs of the council.
- 13.6 Given the deficit faced by the Council in the next five years it will be necessary to use a substantial amount of reserves to help smooth the deficit. In addition, one-off funding could be required to make significant changes to the council structure and operating model as it adjusts to lower levels of funding.
- 13.7 Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to report to the council, as part of the budget and tax setting report, their view on the robustness of estimates and the adequacy of reserves. This view will be given in the report to council in February 2021.

TEWKESBURY BOROUGH COUNCIL

Report to:	Council
Date of Meeting:	26 January 2021
Subject:	Schedule of Meetings 2021/22
Report of:	Head of Democratic Services
Corporate Lead:	Borough Solicitor
Lead Member:	Lead Member for Corporate Governance
Number of Appendices:	One

<p>Executive Summary: To agree a Schedule of Meetings for 2021/22.</p>
<p>Recommendation: To ADOPT the Schedule of Meetings shown at Appendix 1.</p>
<p>Reasons for Recommendation: To ensure that there is a Schedule of Meetings in place for the 2021/22 Municipal Year.</p>

<p>Resource Implications: None.</p>
<p>Legal Implications: None.</p>
<p>Risk Management Implications: None.</p>
<p>Performance Management Follow-up: Once adopted, the Schedule of Meetings will be distributed and published by Democratic Services and monitored to assess whether any problems arise which need to be addressed in the future.</p>
<p>Environmental Implications: None.</p>

1.0 INTRODUCTION/BACKGROUND

1.1 The Council's Constitution requires the Council, at the first meeting of the calendar year, to agree a programme of dates and times of meetings for the forthcoming Municipal Year.

2.0 SCHEDULE OF MEETINGS 2021/22

2.1 The Schedule of Meetings attached at Appendix 1 has been prepared on a similar basis as the current Schedule.

3.0 OTHER OPTIONS CONSIDERED

3.1 None.

4.0 CONSULTATION

4.1 The Schedule of Meetings 2021/22 has been considered by Management Team.

5.0 RELEVANT COUNCIL POLICIES/STRATEGIES

5.1 None.

6.0 RELEVANT GOVERNMENT POLICIES

6.1 None.

7.0 RESOURCE IMPLICATIONS (Human/Property)

7.1 None.

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

8.1 None.

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

9.1 None.

10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

10.1 None.

Background Papers: None.

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Appendices: Appendix 1 – Proposed Schedule of Meetings 2021/22

TEWKESBURY BOROUGH COUNCIL SCHEDULE OF MEETINGS 2021/22

MEETING	TIME	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY
Council	6.00pm	Tu 11 Tu 18		Tu 27		Tu 28			Tu 7	Tu 25	Tu 22*		Tu 12	Tu 10 Tu 17
Executive	2.00pm		W 2	W 7		W 1	W 6	W 17		W 5	W 2	W 2 W 30		
Planning	10.00am		Tu 15	Tu 20	Tu 17	Tu 21	Tu 19	Tu 16	Tu 21	Tu 18	Tu 15	Tu 15	Tu 19	
Licensing	2.30pm		Th 17				Th 14				Th 17			
56 Overview and Scrutiny	4.30pm		Tu 8	Tu 13		Tu 7	Tu 12	Tu 23		Tu 11	Tu 8	Tu 8	Tu 5	
Audit and Governance	2.00pm			W 21		W 15			W 15			W 23		
Standards	2.00pm					M 20						M 14		
Horsford Trust Management Committee	10.00am		Th 24											

* The date of the Council meeting in February 2021 can only be confirmed once the date of the County Council meeting has been set.

Bank Holidays: 3 & 31 May 2021, 30 August 2021, 27 & 28 December 2021, 3 January 2022, 15 & 18 April (Easter) 2022 and 2 & 30 May 2022.

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