

12 March 2024

Committee	Executive
Date	Wednesday, 20 March 2024
Time of Meeting	9:30 am
Venue	Tewkesbury Borough Council Offices, Severn Room

ALL MEMBERS OF THE COMMITTEE ARE REQUESTED TO ATTEND

Agenda

1. ANNOUNCEMENTS

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

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

2. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

To receive apologies for absence and advise of any substitutions.

3. DECLARATIONS OF INTEREST

Pursuant to the adoption by the Council on 24 January 2023 of the Tewkesbury Borough Council Code of Conduct, effective from 1 February 2023, as set out in Minute No. CL.72, Members are invited to declare any interest they may have in the business set out on the Agenda to which the approved Code applies.

	Item	Page(s)
4.	MINUTES To approve the Minutes of the meeting held on 7 February 2024.	5 - 14
5.	ITEMS FROM MEMBERS OF THE PUBLIC To receive any questions, deputations or petitions submitted under Rule of Procedure 12. <i>(The deadline for public participation submissions for this meeting is Thursday 14 March 2024.)</i>	
6.	COUNCIL PLAN PERFORMANCE TRACKER - QUARTER THREE 2023/24 To receive and respond to the findings of the Overview and Scrutiny Committee's review of the quarter three performance management information.	
7.	FINANCIAL UPDATE - QUARTER THREE 2024/25 To consider the quarterly budget position.	15 - 46
8.	STRATEGIC ASSET MANAGEMENT PLAN 2024-2029 To approve the Strategic Asset Management Plan 2024-2029.	47 - 68
9.	ADMINISTRATION FEES FOR HANDLING OF INVALID PLANNING APPLICATIONS To approve the proposed administration charges as set out at Paragraph 3.3 of the report effective from 1 May 2024 and to delegate authority to the Executive Director: Place to set the level of invalid charges annually in line with service costs.	69 - 74
10.	COOPERS EDGE SPORTS FACILITY LEASE To approve the lease of the land and facilities on the plan appended to the report to the preferred bidder and agree that the management contract be coterminous with the lease agreement, subject to an independent valuer agreeing the tender represents best value.	75 - 82
11.	EXECUTIVE COMMITTEE FORWARD PLAN To consider the Committee's Forward Plan.	83 - 96
12.	SECTION 106 INDEXATION WRITE-OFF To approve the Section 106 indexation write-off.	97 - 110
13.	SEPARATE BUSINESS The Chair 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.	

Item	Page(s)
<p>14. GRANT OF EASEMENT</p> <p><i>(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))</i></p> <p>To approve the grant of an easement subject to conditions.</p>	111 - 116
<p>15. FINANCIAL WRITE-OFF REPORT</p> <p><i>(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))</i></p> <p>To approve the write-off.</p>	117 - 120

DATE OF NEXT MEETING
WEDNESDAY, 5 JUNE 2024
COUNCILLORS CONSTITUTING COMMITTEE

Councillors: C M Cody, C F Coleman, S R Dove, D W Gray, S Hands (Vice-Chair), D J Harwood, A Hegenbarth, M L Jordan, J R Mason, J K Smith, R J Stanley (Chair) and M G Sztymiak

Substitution Arrangements

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

Recording of Meetings

In accordance with the Openness of Local Government Bodies Regulations 2014, please be aware that the proceedings of this meeting may be recorded and this may include recording of persons seated in the public gallery or speaking at the meeting. Please notify the Democratic Services Officer if you have any objections to this practice and the Chair will take reasonable steps to ensure that any request not to be recorded is complied with.

Any recording must take place in such a way as to ensure that the view of Councillors, Officers, the public and press is not obstructed. The use of flash photography and/or additional lighting will not be allowed unless this has been discussed and agreed in advance of the meeting.

TEWKESBURY BOROUGH COUNCIL

**Minutes of a Meeting of the Executive Committee held at the Council Offices,
Gloucester Road, Tewkesbury on Wednesday, 7 February 2024
commencing at 2:00 pm**

Present:

Chair	Councillor R J Stanley
Vice Chair	Councillor S Hands

and Councillors:

C M Cody, C F Coleman, D W Gray, D J Harwood, A Hegenbarth, M L Jordan, J R Mason and
M G Sztymiak

EX.80 ANNOUNCEMENTS

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

EX.81 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

81.1 Apologies for absence were received from Councillors S R Dove and J K Smith.
There were no substitutes for the meeting.

EX.82 DECLARATIONS OF INTEREST

82.1 The Committee's attention was drawn to the Tewkesbury Borough Code of Conduct which was adopted by the Council on 24 January 2023 and took effect on 1 February 2023.

82.2 The following declaration was made:

Councillor	Application No./Item	Nature of Interest (where disclosed)	Declared Action in respect of Disclosure
C Cody	Item 11 – Council Tax Premiums.	Is a Gloucestershire County Councillor.	Would speak and vote.
D W Gray	Item 11 – Council Tax Premiums.	Is a Gloucestershire County Councillor.	Would speak and vote.
R J Stanley	Agenda Item 10 – Council Tax Discount Scheme for Care Leavers.	Is a foster carer.	Would speak and vote.

82.3 There were no further declarations made on this occasion.

EX.83 MINUTES

- 83.1 The Minutes of the meeting held on 10 January 2024, copies of which had been circulated, were approved as a correct record.

EX.84 ITEMS FROM MEMBERS OF THE PUBLIC

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

EX.85 FEEDBACK FROM THE CHAIR OF OVERVIEW AND SCRUTINY COMMITTEE

- 85.1 There were no matters arising from the last Overview and Scrutiny Committee which required reporting to the Executive Committee.

EX.86 FEEDBACK FROM CHAIR OF AUDIT AND GOVERNANCE COMMITTEE

- 86.1 In the absence of the Chair of the Audit and Governance Committee, the Director: Corporate Services provided feedback from the last meeting of the Audit and Governance Committee held on 31 January 2024.
- 86.2 The Director: Corporate Resources advised that, at the Special meeting of the Audit and Governance Committee held the previous week, Members had received two audit reports around the Council's new heating system and budgetary controls and Section 106 processes. In terms of the latter, the audit opinion was that there was no assurance around the reconciliation of Section 106 processes and only limited assurance in terms of the ownership around Section 106 and the lack of procedures. It had been made clear to the Committee this was a legacy issue and concerns had been raised by Members previously regarding the Section 106 process. It was recognised that the audit should be a catalyst for improvement and, whilst there had been verbal assurance the recommendations of the audit would be implemented, the Audit and Governance Committee would receive an action plan for a complete review of the Section 106 process at its next meeting on 27 March 2024.
- 86.3 It was
- RESOLVED** That the feedback from the Audit and Governance Committee be **NOTED.**

EX.87 BUDGET 2024/25

- 87.1 The report of the Associate Director: Finance, circulated at Pages No. 13-40, set out the proposed budget for 2024/25. Members were asked to recommend to Council the approval of a net budget of £12,463,511; a Band D Council Tax of £144.36, an increase of £5.00 per annum; the inclusion of growth items within the budget for 2024/25 as proposed in Appendix A to the report; and the capital programme as proposed in Appendix B to the report. It was noted that the net budget being proposed represented a slight increase from the net budget of £12,357,208 set out in the report recommendation.
- 87.2 The Executive Director: Resources explained that the government had made a further £600m funding available nationally in its final local government settlement with the lion's share going to upper tier authorities. All councils would see an increase in Core Spending Power from 3% to 4% and a further £15m had been made available for the Rural Services Delivery Grant. In addition, the Secretary of State had confirmed there would be no change to Council Tax referendum principle proposals and every authority would be required to submit productivity

plans in time for the summer recess. In terms of what that meant for Tewkesbury Borough Council, there would be additional funding of £106,303 to support the 2024/25 budget; however, rather than allocating it at this point, the sum would be set aside for draw down in the new financial year to meet the requirements of the Council Plan or the High Performing Organisation (HPO) workstream. The draw down would require a separate report and approval by the Executive Committee to enable the virement of funds. The recommendation had been amended to include the additional funding but the report would need to be rewritten ahead of Council to include the impact of the final local government settlement.

- 87.3 A Member sought clarification as to what would be covered by the HPO workstream and was advised that it spanned a whole range of areas in terms of the Council's operation and performance and how the authority could move forward with delivery of services. The Member indicated that she was concerned about Planning as the service was currently undergoing a real transformation but she understood two posts which were being advertised currently were also being advertised by neighbouring authorities at a much higher pay grade which clearly impacted on Tewkesbury Borough Council's ability to recruit – she did not know how effective the improvements being implemented within the service would be without additional funding. The Chair indicated that he was sure these points were valid; however, all Members would be able to quickly think of ways to allocate the additional funding which was the reason for not rushing to make that decision today. Another Member welcomed the additional funding and felt that it must be spent on things the Council was doing rather than what it thought it should be doing - it would be nice to be able to communicate how the money had actually improved service delivery for residents. In response, the Chief Executive advised that the HPO work was around where the Council needed to be in terms of managing processes and improving access to services which would have a direct benefit on residents and businesses. A lot of the things currently being monitored by the authority in terms of performance were outputs rather than outcomes so that was something which needed to be addressed. He stressed the importance of not making the HPO work into an industry and that it must be part of the day job delivered by existing staff. Another Member indicated that, had the Council known about the additional funding two or three weeks earlier, it could have been allocated in a considered manner; however, that was not the case so he felt what was being proposed was the right approach to give adequate time to determine how it would be best spent.
- 87.4 With regard to the Band D Council Tax figure of £144.36, a Member expressed the view that it should be made clear this was an annual figure and would not be the figure in the Council Tax bills which would be landing on residents' doormats. He also felt the authority should be clearer about the make-up of the Council Tax bill and asked for clarification as to Tewkesbury Borough Council's proportion. In his view the report was wrong to state there would be no impact on the customer. The Executive Director: Resources undertook to amend the customer impact section of the report prior to Council to reflect that the proposals would result in an additional charge of £5 per annum for a Band D Council Tax property which was for Tewkesbury Borough Council services only and to include the percentage in order to make that clear to residents.

87.5 It was proposed, seconded and

RESOLVED: That, subject to the inclusion of the additional government funding in the final budget report, the following be **RECOMMENDED TO COUNCIL:**

- i. a net budget of £12,463,511;
- ii. a Band D Council Tax of £144.36 per annum for Tewkesbury Borough Council – an increase of £5.00 per annum;
- iii. the inclusion of growth items within the budget for 2024/25 as set out at Appendix A to the report; and
- iv. the capital programme as set out at Appendix B to the report.

EX.88 COUNCIL TAX REDUCTION SCHEME

88.1 The report of the Head of Service: Revenues and Benefits, circulated at Pages No. 41-44, set out the proposed Council Tax Reduction Scheme for 2024/25. Members were asked to recommend to Council that the default Council Tax Reduction Scheme be adopted with effect from 1 April 2024 with a minor revision to the national working age regulations to allow for a de minimus tolerance for income charges; and, that authority be delegated to the Director: Corporate Resources, in consultation with the Lead Member for Finance and Asset Management, to agree the uprating of the working age regulations incorporated into the local Council Tax Reduction Scheme in line with those announced by the Department for Work and Pensions.

88.2 The Director: Corporate Resources advised that this was a standard report which was taken to Executive Committee and Council annually to approve a scheme to provide Council Tax discounts for the most vulnerable residents. The recommendation for 2024/25 was to adopt the current scheme which was first adopted in 2020/21 i.e. the default national scheme with a tolerance level of income changes of £10 or less per week. It was intended that, for next year, the Revenues and Benefits team would look at the various options for a new scheme and to work with Members to fully understand the scheme ahead of approval. It was noted there was a typographical error at Paragraph 1.3 of the report where 'charges' should read 'changes'.

88.3 It was proposed, seconded and

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

- i. the default Council Tax Reduction Scheme be **ADOPTED** with effect from 1 April 2024 with a minor revision to the national working age regulations to allow for a de minimus tolerance for income changes; and
- ii. that authority be delegated to the Director: Corporate Services, in consultation with the Lead Member for Finance and Asset Management, to agree the uprating of the working age regulations incorporated into the local Council Tax Reduction Scheme in line with those announced by the Department for Work and Pensions.

EX.89 COUNCIL TAX DISCOUNT SCHEME FOR CARE LEAVERS

- 89.1 The report of the Head of Service: Revenues and Benefits, circulated at Pages No. 45-52, proposed a change to the Council Tax Discount Scheme for Care Leavers. Members were asked to recommend to Council that the definition of a Care Leaver be amended to a young person between the ages of 18 and 24 years for the purposes of Section 13A(1)(c) of the Local Government Finance Act 1992; and that the Council Tax Discount Scheme for Care Leavers attached at Appendix 1 to the report be adopted with effect from 1 April 2024.
- 89.2 The Director: Corporate Resources advised that this was a countywide approach which was supported by all of the local district authorities in the county and would widen the definition of a Care Leaver in order to offer support up to the age of 25 years and would be open to Care Leavers who were formerly in the care of Gloucestershire County Council, or other local authorities in England who had subsequently moved to the area. As set out in the report, in 2022/23, Tewkesbury Borough Council had awarded a discount to 11 Care Leavers aged between 18 and 21 years. The Revenues and Benefits team had contacted the County Council to establish the impact of increasing the age bracket to 24 years and it was found that seven Care Leavers would be eligible so the impact would be minimal.
- 89.3 A Member asked what happened to Care Leavers aged 16 and 17 who left home but would not be eligible to claim this discount until they were 18 and was advised that 16 and 17 year olds were not required to pay Council Tax. Another Member indicated that he fully supported the scheme but, prior to the Council meeting, he would like to understand the rationale for excluding Houses of Multiple Occupancy (HMOs) from the scheme as, presumably, even those renting would be paying Council Tax.
- 89.4 It was proposed by the Chair and subsequently

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

- i. the definition of a Care Leaver be amended to a young person between the ages of 18 and 24 years for the purposes of Section 13A(1)(c) of the Local Government Finance Act 1992; and,
- ii. the Council Tax Discount Scheme for Care Leavers, attached at Appendix 1 to the report, be adopted with effect from 1 April 2024.

EX.90 COUNCIL TAX PREMIUMS

- 90.1 The report of the Head of Service: Revenues and Benefits, circulated at Pages No. 53-59, set out a proposal to encourage the owners of second properties to bring them back into full time use and occupation through the imposition of premiums. Members were asked to recommend to Council that Council Tax be increased for all properties deemed second homes, which were occupied periodically, by 100% from 1 April 2025, subject to any exemptions set out in subsequent Regulations and for implementation to be in accordance with those Regulations and guidance; the Council Tax Empty Homes Premium be increased to 100% for properties empty for between one and five years (currently between two and five years), from 1 April 2025, subject to any exemptions set out in subsequent Regulations and guidance; and, that authority be delegated to the Executive Director: Resources, in consultation with the Lead Member for Finance and Asset Management, to amend the Council's policy relating to premiums in line with legislative or government requirements and changes.

- 90.2 The Chair indicated that he had reflected on the report and felt that the additional revenue raised through this proposal would be significant for Gloucestershire County Council but it would make little difference to Tewkesbury Borough Council which would effectively be policing it so he felt it would be worth speaking to partners to suggest that additional resources may be required by the authority which warranted a financial contribution. The Executive Director: Resources explained that it was possible to speak to district colleagues to establish if they had similar thoughts and to raise this with the County Council at a meeting later that month; however, it would need to be agreed on a negotiation basis so, whilst Tewkesbury Borough Council would look to gain the maximum amount, the partner authorities may or may not be in favour. A Member asked what would happen if the County Council said no and the Chair indicated that these negotiations could take place separately and did not prevent Members from voting on the recommendation before them today – the plan was to carry out the work within existing resources and, if Members were in support of the proposals, it would be a case of seeing how things went and if the cost of administering them exceeded the amount which the authority received, the Council could decide not to continue. The Executive Director: Resources advised that Tewkesbury Borough Council had a duty to collect Council Tax and at the moment there was no suggestion that additional resources would be required; however, current resources were limited so it was possible further resource may be needed to ensure the Council received the total amount due to it. He pointed out that the proposal was also about bringing empty properties back into the housing sector so that needed to be considered if Members were minded not to have the premiums in place.
- 90.3 A Member questioned whether information was already available in terms of the amount of empty homes and second homes and was informed that, whilst there would be a further requirement that any information was robust and completely accurate, the information was collected and available within the Council systems currently. The Member indicated that he could see the logic of bringing empty houses back into use more quickly but asked if there was a legal definition of a second home as it was not uncommon for people to live in one location over the weekend and in another location for three or four days per week in order to be closer to their place of work. The Chair indicated that he did not have an absolute definition but drew attention to Page No. 57, Paragraph 2.5 of the report which included a section on job-related dwellings, as well as one in relation to properties that were not regularly lived in, which would not be classed as second homes.
- 90.4 A Member raised concern that the Council had not been formally notified of the exemptions and the bullet points at Page No. 57 of the report were examples of the likely types of situations which may be excluded. As such, he questioned whether it was appropriate to debate what was essentially a proposal rather than facts. In response, the Executive Director: Resources indicated that, unfortunately, final guidance was awaited from the government so the report was based on what was expected but it had not been confirmed. The Member asked if it was possible to defer consideration of the report and was advised that, administratively, it would be preferable to vote on this before 1 April 2024 in order to include it within the main Council Tax billing; whilst it was possible to reissue Council Tax bills later in the year, that would not be ideal.
- 90.5 With reference to Page No. 55, Paragraph 1.7 of the report which related to properties available to let for more than 20 weeks in a calendar year being rated as Business Rates by the Valuation Office Agency (VOA), a Member asked who checked this and what mechanism was in place for that. In response, the Associate Director: Finance, advised that this would involve requesting accounts and income and expenditure statements which would prove how much the property had been let for. The Executive Director: Resources pointed out that the decision to rate a property as Business Rates was down to the VOA, not the Council.

- 90.6 The Chair indicated that the purpose of the proposal was to bring properties back into use for permanent occupancy – second homes were never intended to be permanently occupied and would have been granted planning permission on that basis. A Member felt that the need to police this would involve looking into the personal circumstances of a person or family which was concerning to him and, whilst he understood the good intentions behind it, he felt that the introduction of these premiums would be opening a can of worms and exposing the Council to reputational damage. Another Member noted that the proposal was for those with second homes to pay double the amount of Council Tax and he questioned where the Council would stand on human rights grounds if challenged by someone who was paying the required amount of Council Tax currently. The Monitoring Officer advised that this was government legislation and such a challenge was unlikely to be successful given it was intended as a way to bring more properties back into use by local residents and would be defended on that basis. The Member expressed the view that if someone could afford a second home they could probably afford to pay double the amount of Council Tax but he could not see this helping to bring any properties back into use. A Member indicated that there was a requirement and expectation that benefit claims would be investigated if there was an indication the claimant was not entitled and she felt that policing this scheme would be no different to that in terms of public perception.
- 90.7 A Member questioned whether it was possible for the Council to approve the proposal in April and debate the nuances when the government provided the detailed guidance. The Executive Director: Resources advised that although the preferred option was to approve the scheme in time for it to be included in the Council Tax bills for 1 April 2024, and there were certain issues if that was not achieved, these were not insurmountable should Members wish to defer a decision and the scheme could be implemented part year following the required 12 month notice period. A Member felt it was a shame this report had not been brought to an earlier meeting of the Committee so Members had adequate time to discuss it; it now felt they were being pushed into a decision. As the scheme was based on the government's detailed guidelines which were not yet available, he questioned what guarantees were in place, particularly given the looming general election. The Chair indicated that there seemed to be agreement on a lot of elements contained within the report, such as the empty properties section, and he asked if there was any way Members could vote on that part of the scheme and defer a decision on second homes. Another Member questioned whether the Council could approve the scheme for implementation on 1 April 2025 but decide not to go ahead if the exemptions were unsatisfactory when they were eventually provided by the government. The Executive Director: Place advised he was aware of a local authority which had approved the scheme 12 months ago but had not implemented it due to the absence of the government guidance; all Members would be doing was giving notice to be able to implement the scheme, should the Council choose to in 12 months time.
- 90.8 A Member questioned whether an amendment was needed in order to secure funding from the County Council for administering the scheme in accordance with the earlier debate and was advised that, if an amendment was made to increase the premiums subject to the County Council agreeing a proportionate sum, if the County Council said no the whole scheme would fall and the opportunity to bring empty homes back into use would be lost. Several Members expressed the view that was the likely outcome. The Executive Director: Resources advised that there was a good relationship at Chief Finance Officer level with Gloucestershire County Council, the other district authorities and the Police so there was hope but it would be down to negotiation and discussion about the benefits – if it was a demand then it would almost certainly be refused but he felt there was a reasonable chance of getting at least some funding if approached in the right way. A Member indicated that, based on his experience as a County Councillor, it would need a full Council

decision so it would be a long process. The Executive Director: Resources clarified that Tewkesbury Borough Council was not asking for additional resource at this stage. There were 125 empty properties, of which 70/80 were already paying a premium, and the current proposal was to extend the current premium to second homes which could be done within existing resources. Officers could speak to the County Council about improving resources, and therefore recovery rates, not only on this scheme but Council Tax in general, but at this stage no additional resources were required and there was no need to make an amendment to the recommendation on that basis.

- 90.9 It was proposed and seconded that it be recommended to Council that Council Tax be increased for all properties deemed second homes, which were occupied periodically, by 100% from 1 April 2025, subject to any exemptions set out in subsequent Regulations and for implementation to be in accordance with those Regulations and guidance; that the Council Tax Empty Homes Premium be increased to 100% for properties empty for between one and five years (currently between two and five years), from 1 April 2025, subject to any exemptions set out in subsequent Regulations and guidance; and, that authority be delegated to the Executive Director: Resources, in consultation with the Lead Member for Finance and Asset Management, to amend the Council's policy relating to premiums in line with legislative or government requirements and changes. A Member expressed the view that it would be remiss to defer a decision, not least due to the additional cost of issuing two sets of Council Tax bills, and she felt that the principle should be supported. Another Member asked if the other district authorities in Gloucestershire were adopting this approach and the Executive Director: Resources confirmed that all five were planning on doing it and taking it to their respective decision-making processes in the same time frame. The Director: Corporate Resources indicated that there were approximately 250 second homes so the administrative cost of rebilling would not be significant and there would be a nine months period to contact those impacted so the resource could be spread across that time with an opportunity to address any nuances.

- 90.10 Upon being put to the vote, it was

RESOLVED:

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

- i. Council Tax be increased for all properties deemed second homes, which are occupied periodically by 100% from 1 April 2025, subject to any exemptions set out in subsequent Regulations and for implementation to be in accordance with those Regulations and guidance;
- ii. the Council Tax Empty Homes Premium be increased to 100% for properties empty for between one and five years (currently between two and five years), from 1 April 2025, subject to any exemptions set out in subsequent Regulations and guidance; and,
- iii. authority be delegated to the Executive Director: Resources, in consultation with the Lead Member for Finance and Asset Management, to amend the Council's policy relating to premiums in line with legislative or government requirements and changes.

EX.91 EXECUTIVE COMMITTEE FORWARD PLAN

91.1 Attention was drawn to the Executive Committee Forward Plan, circulated at Pages No. 61-70, which Members were asked to consider.

91.2 With regard to the Parking Strategy Review which was due to come forward in 2024/25, a Member asked for an update on the rollout of electric vehicle charging points in Council-owned car parks. The Executive Director: Resources advised that the Electric Vehicle Charging Strategy had been approved last year, tenders had gone out and bids submitted with a contractor due to be appointed in the next couple of months.

91.3 It was

RESOLVED: That the Executive Committee Forward Plan be **NOTED**.

EX.92 TIMING OF EXECUTIVE COMMITTEE MEETINGS

92.1 The Chair indicated that the current timing of the meeting did not work particularly well in terms of working Members and those with childcare responsibilities so the suggestion was that the meetings be moved to 9:30am. It was open to the Committee to determine its start time and he asked if anyone had any strong feelings against changing the time.

92.2 Several Members indicated they were happy with the suggestion and it was proposed, seconded and

RESOLVED: That the time of Executive Committee meetings be changed from 2:00pm to 9:30am with immediate effect.

The meeting closed at 3:40 pm

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive Committee
Date of Meeting:	20 March 2024
Subject:	Financial Update – Quarter Three 2023/24
Report of:	Associate Director: Finance
Head of Service/Director:	Executive Director: Resources
Lead Member:	Lead Member for Finance and Asset Management
Number of Appendices:	Six

Executive Summary:

The budget for 2023/24 was approved by Council in February 2023 with the reserves being approved at Executive Committee in July 2023. This report is the second quarterly monitoring report of the Council’s financial performance for the year.

The report highlights a projected outturn surplus, based on the quarter three position, of £201,522 on the revenue budget and details the expenditure to date against both the capital programme and the approved reserves.

Recommendation:

To CONSIDER the financial performance information for the third quarter 2023/24

Financial Implications:

As detailed within the report.

If the budget is in deficit at year-end, then the Council will have to use reserves to fund the overspend, meaning that these resources are not available to fund other activities or future financial management of the Council’s projected medium-term budgets. The Council currently has a £1m General Fund balance but significant earmarked reserves.

Legal Implications:

The Council must set a budget in accordance with the provisions of the Local Government and Finance Act 1992 and approval of a balanced budget is a statutory responsibility of the Council.

The advice of the Chief Finance Officer (Section 151 Officer) must be taken into account, particularly in relation to the robustness of the estimates and the adequacy of reserves.

Members are also required to monitor the Council’s finances so that they are satisfied that mechanisms are in place to deliver savings and new expenditure is contained within the available reserves.

Environmental and Sustainability Implications:

None arising from this report.

Resource Implications (including impact on equalities):

None associated with the report

Safeguarding Implications:

None associated with the report.

Impact on the Customer:

None associated with the report.

1.0 INTRODUCTION

1.1 This report provides the quarter three (Q3) monitoring position statement for the financial year 2023/24. The purpose of this report is to notify Members of any known significant variations to budgets for the current financial year, highlight any key issues, and to inform members of any action to be taken if required.

1.2 The report is prepared based on expectations as at the end of quarter three; however, the current economic conditions and financial climate are extremely volatile and have already had an impact on our financial forecasts which could affect future forecasting.

2.0 REVENUE BUDGET POSITION

2.1 The financial budget summary for Q3 shows a projected surplus of £28,579 for the full year against the approved budget. The following table highlights the forecast outturn position for service provision, the net position on corporate income and expenditure and the resulting surplus.

	Budget	Full Year Projection	Full Year Variance
<u>Services expenditure</u>			
Employees	£11,630,698	£11,366,759	£263,939
Premises	£697,810	£760,221	-£62,411
Transport	£71,479	£48,499	£22,980
Supplies & Services	£2,419,478	£2,365,400	£54,078
Payments to Third Parties	£7,705,273	£7,933,002	-£227,729
Transfer Payments – Benefits Service	£59,229	£77,442	-£18,213
Projects Funded Externally	£220,000	£165,388	£54,612
Income	-£8,780,923	-£8,722,246	-£58,677
Services Sub Total	£14,023,044	£13,994,465	£28,579

Corporate expenditure

Treasury – Interest Received	-£1,000,000	-£1,234,610	£234,610
Treasury – Borrowing Costs	£633,641	£427,823	£205,818
Investment Properties	-£3,330,500	-£3,405,695	£75,195
Corporate Salary Savings	-£208,516	£0	-£208,516
Pension	£1,240,000	£1,244,492	-£4,492
Core Government funding	-£2,022,525	-£2,022,525	£0
New Homes Bonus	-£1,240,366	-£1,240,366	£0
Business Rates	-£4,498,258	-£4,620,852	£122,594
Council Tax Surplus	-£160,899	-£160,899	£0
Parish precept	£2,600,442	£2,600,442	£0
Use of reserves & MRP	£1,690,229	£1,566,256	£123,973
Corporate Sub Total	-£6,296,752	-£6,845,934	£549,182
Transfer to reserves (externally ringfenced funding)			-£376,239
Surplus / (deficit)			£201,522

Service Expenditure

- 2.2** The quarter three full year projection highlights a full year cost of service provision totalling £13.99m, resulting in a surplus against the approved budget of £28,579. The following paragraphs highlight the main reasons for this projected surplus. In addition, Appendix A provides detail at a service level with notes on variances over £10,000.
- 2.3** The full year projection for employees highlights a potential gross surplus of £263,939. It should, however, be noted that within the Council's corporate expenditure is a target to save £209k from employment costs across the Council. The net position is therefore a surplus against target of £55k. The majority of the overall surplus is being accrued by One Legal. This is matched off by a reduction in third party and extraordinary income. The national pay award exceeded budget by £124k, each employee received an increase of £1,925 or 3.88% above scale point 43, executive directors were awarded 3.5%. This adverse variance will be funded from an approved reserve and is included within the Use of reserves figure.
- 2.4** There is a projected overspend of £62,411 for premises costs. The main reason for this is due to various unplanned maintenance work carried out across numerous sites. It's anticipated that maintenance costs to the homeless properties will be over budget, some of these costs will be recovered through the rental charges. £14k is for business rates, due to empty office space in the Council Offices.

- 2.5** A saving of £23k is expected within Transport costs which is due to reduced travel across the Council and only four pool cars being used when five were budgeted.
- 2.6** It is anticipated that supplies and services will be under budget by £54k, savings are expected within computer annual renewals, advertising, mobile phones, books and publications. This saving has been reduced by an overspend within external audit fees and refund of planning fees.
- 2.6** Payments to third parties highlights a projected deficit of £227,729. Emergency homeless accommodation is anticipated to be £151k over budget due to the increased demand in temporary housing, 82% of these costs will be recovered from housing benefit which is included within income. The Materials Recovery Facility (MRF) gate fee is expected to be £234k over budget which is due to a significant increase in the gate fee per tonne being paid, increasing from £38 per tonne to £69 per tonne, this is affected by the declining value of materials and increase in energy prices. We also incurred a one-off fee for increased energy prices. The third-party payment saving from the cessation of the trade waste service is estimated to be approximately £94k for 2023/24. This is supplemented by further direct employee savings at the Council but is offset by reductions in expected income. The cessation of the trade waste service is predicted to save over £100k annually in net terms from 2024/25, assuming savings from Ubico's corporate support and support services recharge. There will be no saving this year due to Ubico's budget for indirect costs already being set. Swindon Road Depot running costs are estimated to be £108k less than budget based upon quarter three actual expenditure. These costs were previously borne by Cheltenham and are in relation to the day-to-day running costs and maintenance requirements for the depot.
- 2.7** Income is expected to be below budget by £59k. This is mainly due to the cessation of the trade waste service where income is estimated to be £135k below target. Income from Tewkesbury Leisure Centre will be £78k lower than budget, as a reduced management fee has been agreed. In addition, One Legal income is significantly below target, although this is offset against savings within employees. Licensing & Planning are anticipated to exceed target, generating additional income of £150k. Recovery of boarding charges are greater than budget, due to the increase in demand of emergency homeless accommodation. Corporate resources received additional grants which were outside budget, this was mainly to fund the Council Tax support fund.

Corporate Expenditure

- 2.8** The expenditure associated with corporate activities as well as the financing of the Council is shown in the second section and highlights an estimated surplus of £549,182 for the financial year.
- 2.9** Treasury activities are currently performing above budget expectations. Due to the rise in interest rates, the Council will see a gain in investment activities. This rise will not impact our borrowing costs as the interest rates were fixed and no additional borrowing is expected before year end.
- 2.10** The favourable variance within investment properties is due to a reduction in costs associated with managing our portfolio.
- 2.11** The overall projected position on retained business rates is currently showing a positive position. The position in terms of budget is mostly in line with expectations. The only exception being empty premises relief, which is higher than anticipated. The valuation list was reset in 2023/24 financial year, making it more difficult to predict the level income and reliefs for businesses. The gain relates to a reduction in the levy to be paid for 2023/24.

2.12 The Q3 report has now separately identified the external grant funding that is unlikely to be spent by year end and must be ringfenced to a particular project or service. This is estimated at £376k and, whilst it will increase our year end reserves, we do not have discretion as to where it can be spent. It is therefore excluded from our reported position.

2.13 Bringing together the surplus on net service expenditure, £28,579, surplus on net corporate expenditure, £549,182, and the transfer to reserves of **-£376,239**, this results in an estimated overall surplus of £201,522 for the year.

3.0 CAPITAL BUDGET POSITION

3.1 Appendix B shows the capital budget position as at Q3. This is currently showing an underspend of £232k against the profiled budget of £2.2m. The capital programme estimates total expenditure for the year to be circa £3.3m. The main elements of this year's forecast include:

- Vehicle replacement programme
- High street heritage action zone
- Disabled Facilities Grants (DFG)
- Heating system replacement

3.2 The Council has purchased various equipment for the office refurbishment and new tablets and mobiles for new Members, which is in line with the capital programme.

3.3 The capital budget for vehicles is currently underspent due to longer lead times than anticipated. It is planned that new vehicles will be acquired by the end of this financial year.

3.4 Expenditure for the heating project is in line with budget. The project is expected to be completed by the end of February. It is to be financed by a capital grant of £708k and reserves.

4.0 RESERVES POSITION

4.1 Appendix D provides a summary of the current usage of available reserves and supporting notes are provided for reserves where expenditure is high. As at 1 April 2023, these reserves stood at £17.54m which is a decrease of £587k on the previous year. The decrease reflects the fact that expenditure of reserves in 2022/23 exceeded the transfer to reserves at outturn.

4.2 Reserves have been set aside from previous years to fund known future costs, Council priorities and the strategic planning of the authority's operation. The information in the appendix reflects only expenditure incurred to date and does not take account of reserves which have been committed but not yet paid or are awaiting capital financing at year end. Such expenditure will include:

- Place Programme Reserve – to support the development of the place planning approach
- Temporary staff support for Revenues & Benefits
- Policy and Performance Support – to provide temporary capacity to develop the Council's approach to performance management and ensure the council is responding to and planning for changes in government policy
- Upgrade of the income management system

4.3 Actual expenditure of £1,840,942 has been made against reserves at Q3. This mostly consists of expenditure relating to the Business Transformation team, temporary posts in Revenues and Benefits, community support grants, Borough Election costs and the third quarter costs of the Garden Town team. The full breakdown is provided in Appendix D.

5.0 KEY PERFORMANCE INDICATORS (KPIs)

5.1 As part of the Financial Management Code, approved by the Audit and Governance Committee, this report now includes a number of KPI's. The reason for their inclusion is to ensure frequent and meaningful data is reported regularly and therefore allows for further scrutiny of our financial performance. This is part of a range of actions to comply with the CIPFA Financial Management code which is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability.

5.2 An area that we closely monitor is the Council's aged sundry debt. Service areas receive monthly reports to make them aware of aged debt and focus their attention on collecting those debts where possible. Each service area is responsible for creating their own bad debt policy and updating Finance quarterly with a progress update. Finance review and analyse aged debt annually for the year-end financial statements, which allows finance to determine specific and general bad debt provisions.

5.3 The table in Appendix E shows the level of bad debt for each service area and the percentage that is greater than one year.

5.4 The final KPI shows the number of vacancies in each service area. This is also being reported to management team on a monthly basis. Although vacant posts result in a saving against budget, they can in some circumstances have a negative impact on service delivery. The total number of vacant full-time equivalents (FTE) at Q3 is 30.30 out of a total workforce of 222.2fte, this is a 28% reduction compared to Q2. There are various reasons for these vacancies and management team will be working with HR and Heads of Service to help with recruitment to ensure there is minimal impact on services.

6.0 PRUDENTIAL INDICATORS

6.1 In December 2021, CIPFA published its revised Prudential Code and Treasury Management Code of Practice following concerns around the commercial activity undertaken by several local authorities and the affordability of borrowing plans.

6.2 The code required the Prudential Indicators (which are approved as part of the Council's Treasury Management Strategy) to be reported quarterly (from semi-annually) as part of the financial updates. The Code permitted this reporting to be implemented by the 2023/24 financial year so Appendices C and F will be a recurring addition to the quarterly financial reports.

6.3 The indicators in the appendices are used to monitor our performance against the prudential indicators approved by Council prior to the start of the financial year.

7.0 CONSULTATION

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

8.0 ASSOCIATED RISKS

8.1 None

9.0 MONITORING

9.1 Budget monitoring occurs on a monthly basis and is formally reported quarterly.

10.0 RELEVANT COUNCIL PLAN PRIORITIES/COUNCIL POLICIES/STRATEGIES

10.1 Budget monitoring is on the approved annual revenue and capital budget for 2023/24 which has been prepared in line with the Medium-Term Financial Strategy

Background Papers: Treasury and Capital Management – Executive 4 January 2023
Budget 2023/24 – Executive 1 February 2023

Contact Officer: Associate Director: Finance
01684 272006 emma.harley@tewkesbury.gov.uk

Appendices: Appendix A – Revenue position by service
Appendix B – Capital position
Appendix C – Capital Prudential Indicators
Appendix D – Earmarked reserves update
Appendix E – KPIs
Appendix F – Treasury Management Indicators

Appendix A - Quarter 3 budget report

Chief Executive

	Full Year Budget £	Projected Outturn £	Savings / (Deficit) £	
Employees	285,069	346,563	(61,494)	1
Transport	0	300	(300)	
Supplies & Services	9,460	9,859	(399)	
TOTAL	294,529	356,722	(62,193)	

1) Adverse variance caused by transitional arrangements for Borough Solicitor's post prior to restructure.

People Culture and Performan

	Full Year Budget £	Projected Outturn £	Savings / (Deficit) £	
Employees	260,488	261,364	(876)	
Supplies & Services	12,472	11,611	861	
Payments to Third Parties	155,097	110,452	44,645	2
Income	0	(2,000)	2,000	
TOTAL	428,057	381,427	46,630	

2) The majority of savings were due to four vacant apprenticeship posts for most of the year. All but one of these posts has now been filled. Also a small saving expected from the Occupational Health budget due to changing supplier this year.

Transformation

	Full Year Budget £	Projected Outturn £	Savings / (Deficit) £	
Employees	885,128	828,605	56,523	3
Transport	0	43	(43)	
Supplies & Services	138,747	128,141	10,606	4
Payments to Third Parties	67,000	35,806	31,194	5
Income	(2,400)	(2,400)	0	
TOTAL	1,088,475	990,195	98,280	

3) Savings on various posts in Customer Services & Communications.

4) The majority of the savings were generated from annual computer licences but also a small saving on Tewkesbury Borough News.

5) Most savings were due to the timing of the Geographic Information System Project. Software licence commenced December 2023 but budget was for full year. Further savings were due to One Legals decision not to recharge the partner councils for the Data Protection Officer.

Executive Director of Place

	Full Year Budget £	Projected Outturn £	Savings / (Deficit) £	
Employees	118,997	94,647	24,350	6
Supplies & Services	90	2,425	(2,335)	
TOTAL	119,087	97,072	22,015	

6) Favourable variance is due to this post being vacant for the first half of the year.

Communities

	Full Year Budget	Projected Outturn	Savings / (Deficit)	
	£	£	£	
Employees	2,282,530	2,282,042	488	
Premises	55,710	58,236	(2,526)	
Transport	0	897	(897)	
Supplies & Services	254,126	239,107	15,019	7
Payments to Third Parties	6,700,534	6,847,675	(147,141)	8
Ringfenced Projects and Funding	0	(54,612)	54,612	9
Income	(2,834,940)	(2,909,768)	74,828	10
TOTAL	6,457,960	6,463,577	(5,617)	

7) Large majority of this saving is due to reduction in recycling advertisement costs.

8) Adverse variance of £147k is mainly due to the following: MRF gate fee is £234k overbudget, this is due to an increase in the rate per tonne which is affected by the declining value of materials and increase in energy prices, the rate has increased from £38 to £69 per tonne in the quarter, a one off charge was also incurred for additional power. It's anticipated that emergency accommodation for the homeless is going to be £151k over budget, around 82% will be recovered from housing benefit which is shown within income below. This adverse variance is reduced by a saving of £94k from ceasing the trade waste service in December and £108k saving on running costs for the Swindon Road Depot.

9) This ringfenced grant will be carried over at year-end to fund the international resettlement housing officer post

10) Favourable variance of £75k is mainly due to increased income generated from licensing of £96k and £110k of recovery of boarding charges due to the increased placements in emergency accommodation. This income has been reduced by the loss of income from the cessation of the trade waste service of £135k.

Planning

	Full Year Budget	Projected Outturn	Savings / (Deficit)	
	£	£	£	
Employees	1,679,866	1,843,102	(163,236)	11
Transport	1,239	826	413	
Supplies & Services	101,857	151,591	(49,734)	12
Payments to Third Parties	257,000	396,157	(139,157)	13
Central Recharges	10,000	10,000	0	
Ringfenced Projects and Funding	220,000	220,000	0	
Income	(1,300,624)	(1,375,358)	74,734	14
TOTAL	969,338	1,246,318	(276,980)	

11) Additional expenditure incurred through transitional arrangements for new management structure. In addition, cost being incurred for additional staff to meet PPA requirements which is matched by additional income

12) Projected overspend due to higher than anticipated refunds of planning fees and computer licences.

13) Adverse variance is mainly due to Planning appeal consultancy and legal fees, costs of external consultants in relation to landscape, ecology and urban design services.

14) Favourable variance due to higher than target income from planning performance agreements but this saving has been used to fund the increase in employment costs.

Executive Director of Resources

Full Year Budget	Projected Outturn	Savings / (Deficit)
---------------------	----------------------	------------------------

	£	£	£
Employees	126,038	130,880	(4,842)
Supplies & Services	4,440	4,491	(51)
Payments to Third Parties	111,439	111,439	0
	241,917	246,810	(4,893)

Corporate Resources

	Full Year Budget £	Projected Outturn £	Savings / (Deficit) £	
Employees	2,138,400	2,185,414	(47,014)	15
Premises	642,100	701,985	(59,885)	16
Transport	68,240	45,576	22,664	17
Supplies & Services	859,664	847,197	12,467	18
Payments to Third Parties	296,641	313,714	(17,073)	19
Transfer Payments - Benefits Servic	59,229	77,442	(18,213)	20
Income	(1,922,042)	(2,131,286)	209,244	21
TOTAL	2,142,232	2,040,042	102,190	

15) The majority of the overspend relates to appointment of additional Internal Auditor. This was required to allow the internal audit function fulfil their annual plan.

16) The maintenance of the homelessness properties throughout the year has exceeded the budget by £34k. There are also some overspends on maintenance of other assets but some off this if offset by a saving in utilities.

17) Predicted saving from decreased mileage claims across the council and the use of fleet cars

18) Combination of various overspends mainly on postages, homeless properties and PDQ terminal in car parks outweighed by savings generated by Democratic services

19) Variety of savings across Corporate resources offset the unbudgeted cost of for Monitoring Officer role

20) Budget based on 99% recovery but mid year estimate suggests it will be more like 97%

21) £172k of additional grants received from central government mainly for the council tax support fund

£89k of additional recovery of housing benefits

Finance

	Full Year Budget £	Projected Outturn £	Savings / (Deficit) £
Employees	455,775	456,220	(445)
Supplies & Services	502,619	512,394	(9,775)
Payments to Third Parties	38,050	38,229	(179)
Income	(10,300)	(10,323)	23
TOTAL	986,144	996,520	(10,376)

IT and Cyber

	Full Year Budget £	Projected Outturn £	Savings / (Deficit) £	
Employees	485,662	449,081	36,581	22
Supplies & Services	422,768	371,443	51,325	23
Payments to Third Parties	8,250	8,269	(19)	
Income	0	(33)	33	
TOTAL	916,680	828,760	87,920	

22) £37k saving due to the Associate Director post being vacant since mid September.

23) Anticipated savings from computer licences

One Legal	Full Year Budget	Projected Outturn	Savings / (Deficit)	
	£	£	£	
Employees	2,912,745	2,495,454	423,904	24
Transport	2,000	857	1,143	
Supplies & Services	113,235	87,141	26,094	25
Payments to Third Parties	10,000	10,000	0	
Central Recharges	51,262	51,262	0	
Income	(2,710,617)	(2,266,088)	(444,529)	26
TOTAL	378,625	378,625	6,612	

24) There are currently 15 vacant posts in One Legal offset by a predicted annual costs of £455k for agency staff. Any year end surplus will be transferred to One Legal reserves.

25) Predicted saving on books & publications and computer software.

26) Limited resources available to undertake additional work and increased internal demand from Partner Councils have had an impact on the ability to achieve the income targets. As a result, the actual income for 2023-24 is predicted to be below the budget as in previous years.

Appendix B - Analysis of capital budget 2023/24

	Q3 Budget Position £	Q3 Actual Position £	(Over) / Under spend £	% Slippage	Full Year Projection £	Comments
Council Land & Buildings	980,000	978,211	1,789	0	1,508,282	Expenditure for the heating project is in line with budget. The project is expected to be completed in the Spring. It is to be financed by capital grant of £708k and reserves.
Vehicles	373,500	177,794	195,706	52	381,689	More waste vehicles to be purchased in 2024/25
Equipment & Furniture	100,000	132,394	(32,394)	(32)	225,000	Expenditure in Q3 was more than expected. Overspend will be financed from the s 106 funds available for the waste bins. Electric charging points project is delayed and likely to be completed in early 2024/25
Community Grants	112,500	53,587	58,913	52	360,000	High Street Heritage Action Zone Programme; expenditure in Q3 was less than expected
Housing & Business Grants	600,000	591,710	8,290	1	800,000	Expenditure for Disabled Facility Grants is in line with budget
	2,166,000	1,933,696	232,304	11	3,274,971	

Prudential Indicators Q3 2023/24

The Authority measures and manages its capital expenditure, borrowing and commercial investments with references to the following indicators.

It is now a requirement of the CIPFA Prudential Code that these are reported on a quarterly basis.

Capital Expenditure: The Authority has undertaken and is planning capital expenditure as summarised below.

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget
General Fund services (£m)	2.77	3.27	4.58	2.71

Capital Financing Requirement: The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt.

	31.3.2023 actual	31.3.2024 forecast	31.3.2025 budget	31.3.2026 budget
Capital investments (£m)	53.54	52.59	51.62	50.62
TOTAL CFR (£m)	53.54	52.59	51.62	50.62

Gross Debt and the Capital Financing Requirement: Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. The Authority has complied and expects to continue to comply with this requirement in the medium term as is shown below.

	31.3.2023 actual	31.3.2024 forecast	31.3.2025 budget	31.3.2026 budget	Debt at 31.12.2023
Debt (incl. PFI & leases) (£m)	30.33	19.79	19.26	18.73	20.07
Capital Financing Requirement (£m)	53.54	52.59	51.62	50.62	

Debt and the Authorised Limit and Operational Boundary: The Authority is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

Appendix C

	Maximum debt Q3 2023/24	Debt at 31.12.23	2023/24 Authorised Limit	2023/24 Operational Boundary	Complied? Yes/No
Borrowing (£'000)	30,333	20,067	50,000	40,000	Yes
Total debt (£'000)	30,333	20,067	50,000	40,000	

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

Net Income from Commercial and Service Investments to Net Revenue Stream: The Authority's income from commercial and service investments as a proportion of its net revenue stream has been and is expected to be as indicated below.

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget
Total net income from service and commercial investments (£m)	3.14	3.43	2.77	2.06
Proportion of net revenue stream	22.27%	26.27%	19.86%	14%

Proportion of Financing Costs to Net Revenue Stream: Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue.

The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget
Financing costs (£m)	1.390	1.367	1.383	1.400
Proportion of net revenue stream	9.88%	10.48%	9.90%	9.51%

Appendix D - Revenue reserves for 2023/24

Reserve	Balance 31st March 2023	Spent in Reserve Q3	Reserve Remaining	Note
Service Reserves				
Asset Management Reserve	1,596,322	69,009	1,527,313	
Borough Growth Reserve	578,591	27,861	550,730	
Borough Regeneration Reserve	20,634	4,127	16,507	
Business Support Reserve	88,044	23,699	64,345	
Business Transformation Reserve	1,540,070	452,741	1,087,329	1
Climate Change Reserve	210,333	9,809	200,524	
Community Support Reserve	1,008,028	171,784	836,244	2
Council Tax Reserve	98,392	-	98,392	
Development Management Reserve	399,143	191,005	208,137	3
Development Policy Reserve	1,738,301	50,118	1,688,183	
Elections Reserve	228,515	162,904	65,611	4
Flood Support and Protection Reserve	9,509	-	9,509	
Garden Town Reserve	370,451	243,254	127,197	5
Housing & Homeless Reserve	556,633	39,494	517,140	
Investment Reserve	600,000	-	600,000	
IT Reserve	165,000	20,798	144,202	
MTFS Equalisation Reserve	2,868,333	39,817	2,828,517	
Open Space & watercourse Reserve	929,047	108,000	821,047	6
Organisational Development Reserve	710,753	39,639	671,114	
Risk Management Reserve	610,000	123,973	486,027	7
Waste & Recycling development Reserve	3,212,315	62,911	3,149,404	
	17,538,415	1,840,942	15,697,473	

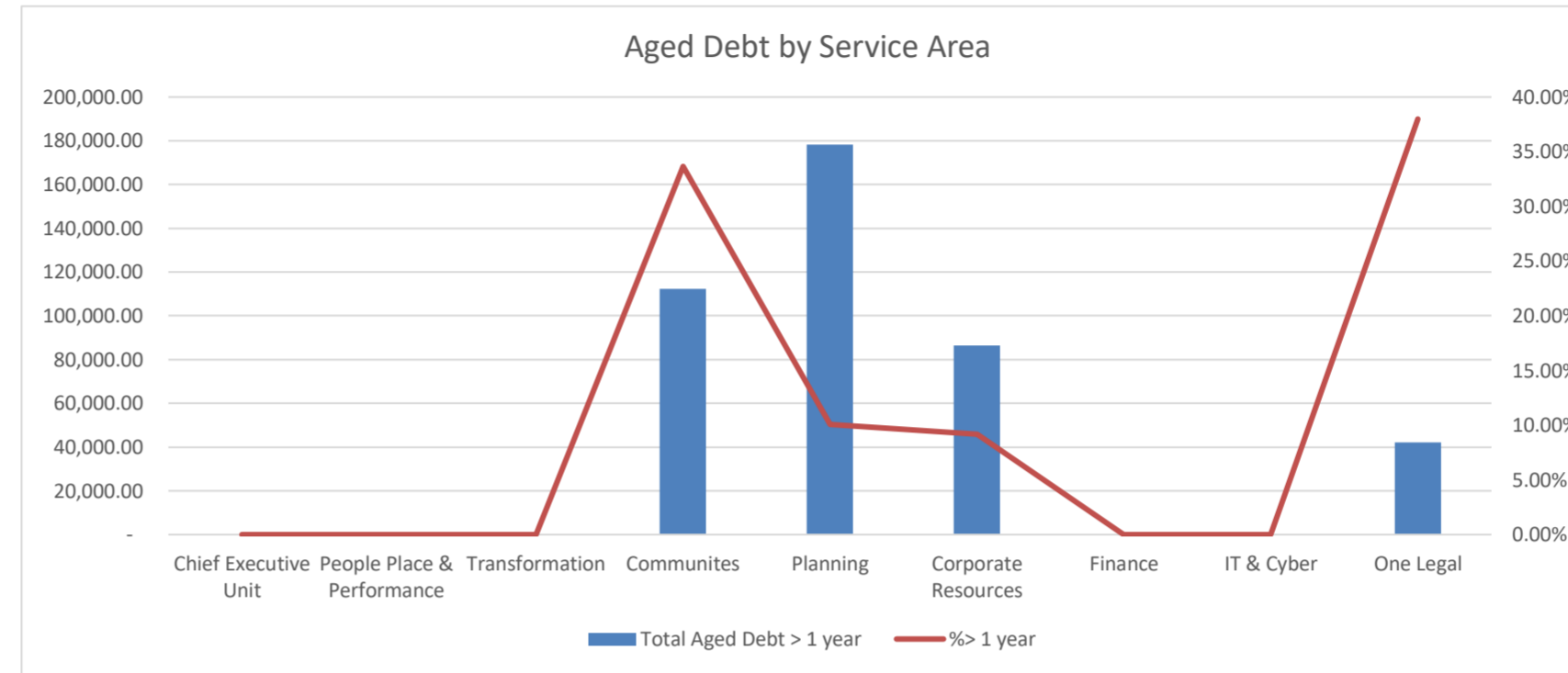
Notes

- 1 Expenditure against a combination of specific reserves for various temporary posts in the Business Transformation team and in the Revenues and Benefits team.
- 2 Predominantly community support grants.
- 3 Cost of temporary planning staff and specialist consultancy services.
- 4 Elections Cost
- 5 Cost of Garden Town team for Q3
- 6 Budgeted increase of open space & watercourse reserve
- 7 Additional cost of pay award funded from reserves

Appendix E - Key Performance Indicators 2023/24

Aged Debt

	Total Aged Debt	Total Aged Debt > 1 year	%> 1 year
Chief Executive Unit	2,880.00	-	0.00%
People Place & Performance	-	-	0.00%
Transformation	-	-	0.00%
Communités	333,536.59	112,224.65	33.65%
Planning	1,771,114.46	178,359.40	10.07%
Corporate Resources	944,273.29	86,501.35	9.16%
Finance	-	-	0.00%
IT & Cyber	-	-	0.00%
One Legal	110,715.00	42,064.73	37.99%



Treasury

Investments as at 31.12.23

Internal Investments	£25.7m
Strategic Pooled Funds	£8.4m
Total Investments	£34.1m

Borrowing as at 31.12.23

Short Term Borrowing	£0m
Long Term Borrowing	£20.06m
Total Borrowing	£20.06m

Security

Average Credit Rating	A+
Bail In Proportion	38%

Budgeted Cost 2023/24	£633,641
Cost as at 31.12.23	£375,225
Estimated Cost at Year End	£427,823

Liquidity

Proportion available 7 days	34%
Proportion available 100 days	70%

Yield

Internal Investments	5.22%
Strategic Funds (income)	5.08%
Total Income Return	4.85%

Budgeted Yield 2023/24	£1,000,000
Yield earned as at 31.12.23	£93,460,012
Estimated Yield at Year End	£1,235,000

Vacancies

	FTE Vacant
Chief Executive Unit	-
People, Culture & Performance	2.00
Transformation	-
Communités	4.50
Place	5.00
Corporate Resources	3.00
Finance	-
IT & Cyber	1.40
One Legal	14.40
Total	30.30

Treasury Management Report Q3 2023/24

Introduction

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

This report includes the new requirement in the 2021 Code, mandatory from 1st April 2023, of quarterly reporting of the treasury management prudential indicators. The non-treasury prudential indicators are incorporated in the Authority's normal quarterly capital monitoring report.

The Authority's treasury management strategy for 2023/24 was approved at a meeting on 24 January 2023. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Authority's treasury management strategy.

External Context

Economic background: UK inflation rates finally started to decline, mirroring the sharp but earlier drop seen in the Eurozone and US. Despite the fall, the Consumer Price Index (CPI) remained substantially in excess in the Bank of England's (BoE) 2% target, at 3.9% for November 2023. Market expectations for further rises in Bank Rate fell from October through to year end, indicating that the 5.25% level reached in August 2023 was indeed the peak for Bank Rate.

Economic growth in the UK remained weak over the period, edging into recessionary territory. In calendar Q3 2023, the economy contracted by 0.1%, following no change in Q2. Monthly GDP data showed a 0.3% contraction in October, following a 0.2% rise in September. While other indicators have suggested a pickup in activity in the subsequent months, Q4 GDP growth is likely to continue the weak trend.

July data showed the unemployment rate increased to 4.2% (3mth/year) while the employment rate rose to 75.7%. Pay growth edged lower as the previous strong pay rates waned; total pay (including bonuses) growth was 7.2% over the three months to October 2023, while regular pay growth was 7.3%. Adjusting for inflation, pay growth in real terms were positive at 1.3% and 1.4% for total pay and regular pay respectively.

Inflation continued to fall from its peak as annual headline CPI declined to 3.9% (down from 4.6%) in November 2023. The largest downward contribution came from energy and food prices. The core rate also surprised on the downside, falling to 5.1% from 5.7%.

The BoE's Monetary Policy Committee held Bank Rate at 5.25% throughout the period, although a substantial minority continued to vote for a 25 basis point rate rise. The Bank continues to tighten monetary policy through asset sales, as it reduces the size of its balance sheet. Financial market Bank Rate expectations moderated over the period as falling inflation and weakening data showed that higher interest rates were working in the UK, US, and Eurozone.

Following the December MPC meeting, Arlingclose, the authority's treasury adviser, maintained its central view that 5.25% is the peak in Bank Rate. Short term risks are broadly balanced, but over

the remaining part of the time horizon the risks are to the downside from economic activity weakening more than expected.

The lagged effect of monetary policy together with the staggered fixed term mortgage maturities over the next 12-24 months means the full impact from Bank Rate rises are still yet to be felt by households. As such, while consumer confidence continued to improve over the period, it is likely this will reverse at some point and spending will struggle. Higher rates will also impact exposed businesses; according to S&P/CIPS survey data, the UK manufacturing and construction sectors contracted during the quarter. The services sector recovered, however, with the PMI rising strongly in December, possibly due to improving consumer confidence.

The US Federal Reserve held its key interest rate at 5.25-5.50% over the period. While policymakers continued to talk up the risks to inflation and therefore interest rates, this stance ebbed over the quarter culminating in a relatively dovish outcome from the December FOMC meeting.

The European Central Bank continues to resist market policy loosening expectations, but the Eurozone CPI rate has fallen sharply as GDP growth as markedly slowed, hitting 2.4% in November (although rising to 2.9% on energy-related base effects).

Financial markets: Financial market sentiment and bond yields remained volatile, but the latter rapidly trended downwards towards the end of 2023 on signs of sharply moderating inflation and economic growth.

Gilt yields fell towards the end of the period. The 10-year UK benchmark gilt yield rose from 4.57% to peak at 4.67% in October before dropping to 3.54% by the end of December 2023. The Sterling Overnight Rate (SONIA) averaged 5.19% over the period.

Credit review: Arlingclose maintained the advised maximum duration limit for all banks on its recommended counterparty list to 35 days over the period.

In October, Moody's revised the outlook on the UK's Aa3 sovereign rating to stable from negative. This led to similar rating actions on entities that include an element of government support in their own credit ratings, including banks and housing associations. Local authorities were, however, downgraded on expectations of lower government funding.

Following the issue of a Section 114 notice, in November Arlingclose advised against undertaking new lending to Nottingham City Council. After reducing its recommended duration on Warrington Borough Council to a maximum of 100 days in September, the local authority was subsequently suspended from the Arlingclose recommended list following a credit rating downgrade by Moody's to Baa1.

Arlingclose continued to monitor and assess credit default swap levels for signs of ongoing credit stress, but no changes were made to recommended durations over the period.

Heightened market volatility is expected to remain a feature, at least in the near term and, as ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remains under constant review.

Local Context

On 31st March 2023, the Authority had net investments of £0.61m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured

by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	31.3.23 Actual £m
General Fund CFR	53.44
External borrowing	-30.33
Internal borrowing	23.21
Less: Balance sheet resources	-52.98
Net investments	-29.87

The treasury management position on 31st December 2023 and the change during over the year is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.23 Balance £m	Movement £m	31.12.23 Balance £m	31.12.23 Rate %
Long-term borrowing				
- PWLB	-20.33	0.27	-20.06	1.92
Short-term borrowing	-10.00	10.00	-0.00	0.10
Total borrowing	-30.33	10.27	-20.06	
Long-term investments	10.42	-8.42	2.00	4.5
Short-term investments	18.00	-4.00	14.00	5.10
Cash and cash equivalents	1.45	8.25	9.70	5.28
Total investments	29.87	4.25	25.70	
Net investments	0.46	-6.02	5.64	

Borrowing

CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement and so may lead to new borrowing, unless directly and primarily related to the functions of the Authority. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes.

The Authority *is currently reviewing* its capital programme in light of the Prudential Code 2021 requirements and PWLB lending arrangements to ensure that borrowing to invest primarily for commercial return is no longer undertaken

The Authority currently holds £59.3m in commercial investments that were purchased prior to the change in the CIPFA Prudential Code. Before undertaking further additional borrowing the Authority will review the options for exiting these investments.

Borrowing Strategy and Activity

As outlined in the treasury strategy, the Authority's chief objective when borrowing has been to strike an appropriately low risk balance between securing lower interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective. The Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.

Interest rates have seen substantial rises over the last two years, although these rises began to plateau in the later months of 2023. Rates over the last 3 quarters were at the peak between June and October, since then they have fallen back to lows last seen in April 2023. Gilt yields have remained volatile, facing upward pressure following signs that UK growth had been more resilient and inflation stickier than expected. However more recent signs of slowing inflation and the perception of an increasingly struggling economy have now begun to change this sentiment, resulting in falling gilt yields and, consequently, PWLB rates.

On 31st December, the PWLB certainty rates for maturity loans were 4.19% for 10-year loans, 4.90% for 20-year loans and 4.67% for 50-year loans. Their equivalents on 31st March 2023 were 4.33%, 4.70% and 4.41% respectively.

At 31st December 2023 the Authority held £20.06m of loans, (a decrease of £10.27m to 31st March 2023, as part of its strategy for funding previous years' capital programmes. Outstanding loans on 31st December are summarised in Table 3A below.

Table 3A: Borrowing Position

	31.3.23 Balance £m	Net Movement £m	31.12.23 Balance £m	31.12.23 Weighted Average Rate %	31.12.23 Weighted Average Maturity (years)
Public Works Loan Board	-20.33	0.27	-20.06	1.92	27.50
Local authorities (short-term)	-10.00	10.00	0.00	0.10	1.00
Total borrowing	-30.33	10.27	-20.06		

Table 3B: Long-dated Loans borrowed

	Amount £m	Rate %	Period (Years)
PWLB Maturity Loan 1	11.0	2.35	40
PWLB Maturity Loan 2	3.00	2.47	40
PWLB EIP Loan 1	5.00	1.05	15
PWLB EIP Loan 2	3.00	1.80	15
Total borrowing	22.00	2.00	

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

There remains a strong argument for diversifying funding sources, particularly if rates can be achieved on alternatives which are below gilt yields + 0.80%. The Authority will evaluate and pursue these lower cost solutions and opportunities with its advisor Arlingclose.

The UK Infrastructure Bank is one alternative source of funding which offers funding at gilt yields + 0.40% (0.40% below the PWLB certainty rate) and the possibility of more flexible funding structures than the PWLB. Funding from UKIB is generally only available for certain types of projects that meet its criteria of green energy, transport, digital, water and waste. The minimum loan size is £5 million.

Treasury Management Investment Activity

CIPFA revised TM Code defines treasury management investments as those which arise from the Authority's cash flows or treasury risk management activity that ultimately represents balances which need to be invested until the cash is required for use in the course of business.

The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

	31.3.23 Balance £m	Net Movement £m	31.12.23 Balance £m
Banks & building societies (unsecured)	0.00	0.00	0.00
Local authorities	18.00	-4.00	14.00
Local authorities -Long term	2.00	0.00	2.00
Money Market Funds	1.45	8.25	9.70
Other Pooled Funds			
- Property funds	3.64	0.00	3.64
- Multi asset income funds	4.34	0.00	4.34
- Real Estate Investment Trusts	0.45	0.00	0.45
Total investments	29.88	4.25	34.13

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

As demonstrated by the liability benchmark in this report, the Authority expects to be a long-term investor and treasury investments therefore include both short-term low risk instruments to manage day-to-day cash flows and longer-term instruments where limited additional risk is accepted in return for higher investment income to support local public services.

Bank Rate increased by 1% over the period, from 4.25% at the beginning of April to 5.25% by the end of December. Short term rates peaked at 5.6% for 3-month rates and 6.6% for 12-month rates during the period, although these rates subsequently began to reduce towards the end of the

period. Money Market Rates also rose and were between 5.12% and 5.35 by the end of December.

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

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

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %
31.03.2023	5.01	A+	7%	104	-0.08
31.12.2023	5.27	A+	38%	54	4.85
Similar LAs	4.81	A+	57%	54	5.12
All LAs	4.80	A+	60%	11	4.95

Externally Managed Pooled Funds: £8.43m of the Authority’s investments is invested in externally managed strategic pooled multi-asset and property funds where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability.

Financial market conditions remained volatile between October and December. Global government bond yields initially rose before inflation data undershooting estimates led to a rally with prices rising and yields falling on the premise that the major central banks’ rate hiking cycles were over. Optimism that bond yields would fall further rapidly was tempered by tight labour markets and core inflation remaining above central banks’ targets. Nevertheless, for existing longer-term investors in fixed income securities, the prospect of interest rate cuts in 2024 improved sentiment.

November and December were good months for UK, Euro area and US equity markets as investors priced in a soft landing with the economies avoiding recession. Despite cautionary central bank warnings that the full effects of monetary tightening are yet to be felt and corporate refinancing in coming years will be at higher levels, expectations of interest rate cuts helped propel sentiment. On 31st December 2023 the FTSE All Share index was 4232 compared with 4127 on 30th September and 4157 on 31st March. The MSCI All Countries World Index was 3169 compared to 2853 on 30th September and 2791 on 31st March.

Investor sentiment for UK commercial property remained subdued with caution showed by buyers and sellers. With interest rates and bond yields remaining relatively high and investors demanding higher yields, property prices remained under pressure. The outlook for offices remains challenging from changing working practices. This was evident in the capital value of the Authority’s property fund(s) which were below those in March and September.

The combination of the above had a marginal negative effect on the combined value of the Authority’s strategic funds since March 2023. The capital values of the Authority’s equity, multi-asset and longer-dated bond funds improved and are now nearer their price on 31st March 2023.

The change in the Authority’s funds’ capital values and income return over the 9-month period to 31 December is shown in Table 4.

Income returns remained above budget at 35%. The Authority has budgeted £1m income from these investments in 2023/24. Income received up to 31st December was £934k.

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

Statutory override: In April 2023 the Department for Levelling Up, Housing and Communities (DLUHC) published the full outcome of the consultation on the extension of the statutory override on accounting for gains and losses on pooled investment funds. The override has been extended for two years until 31st March 2025 but no other changes have been made; whether the override will be extended beyond the new date is unknown but commentary to the consultation outcome suggests not. The Authority will discuss with Arlingclose the implications for the investment strategy and what action may need to be taken.

Non-Treasury Investments

The definition of investments in CIPFA’s revised 2021 Treasury Management Code covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and or for commercial purposes (made primarily for financial return).

Investment Guidance issued by DLUHC and Welsh Government also broadens the definition of investments to include all such assets held partially or wholly for financial return.

The Authority held £59.3m of investments in directly owned property as shown in the table below:

Property	Purchase date	Purchase Price	Sector
Challenge House, Tewkesbury	Dec-16	£9,083,736	Office
Challenge House, Tewkesbury	Dec-16	£6,055,024	Industrial
Retail units, Clevedon	Jul-06	£2,299,110	Retail
The Chase, Hertford	Nov-17	£3,937,861	Office
SPL House, Ellesmere Port	Nov-17	£3,770,482	Industrial
Wickes, Trowbridge	Dec-17	£5,929,910	Retail
Edmund House, Leamington	Aug-18	£3,862,877	Office
M&S, Walton on the Naze	Oct-18	£4,653,141	Retail
Vaughan Park, Tipton	May-20	£9,688,943	Industrial
Volvo, Crawley	Dec-20	£10,050,365	Alternatives
Total		£59,333,248	

These investments generated £3.05m of investment income for the Authority after taking account of direct costs, representing a rate of return of 5.14%.

Treasury Performance

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

Table 6: Performance

	Actual £m	Budget £m	Over/ under	Actual %	Benchmark %	Over/ under
Borrowing	-0.37	-0.47	0.10	2.00		
Treasury investments	0.93	0.75	0.18	5.22	5.18	Over
Total	0.56	0.28	0.28			

The borrowing interest rate is fixed, long term PWLB loans, therefore no benchmark is available.

Consultations

In December DLUHC published two consultations: a “final” consultation on proposed changes to regulations and statutory guidance on MRP closing on 16th February and a “call for views” on capital measures to improve sector stability and efficiency closing on 31st January.

Draft regulations and draft statutory guidance are included in the MRP consultation. The proposals remain broadly the same as those in June 2022 - to limit the scope for authorities to (a) make no MRP on parts of the capital financing requirement (CFR) and (b) to use capital receipts in lieu of a revenue charge for MRP.

In its call for views on capital measures, Government wishes to engage with councils to identify and develop options for the use of capital resources and borrowing to support and encourage ‘invest-to-save’ activity and to manage budget pressures without seeking exceptional financial support. Whilst Government has identified some options including allowing authorities to capitalise general cost pressures and meet these with capital receipts, there is no commitment to take any of the options forward.

None of the proposed options suggested in the consultation will effect the council as we provide fully for MRP using revenue for all our investment properties as per the guidance.

Compliance

The Executive Director: Resources & S151 Officer reports that all treasury management activities undertaken during the year complied fully with the CIPFA Code of Practice and the Authority’s approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 7 below.

Table 8: Investment Limits

	Q1 - Q3 Maximum	31.12.23 Actual	2023/24 Limit	Complied? Yes/No
Any single organisation, except the UK Government	2m	2m	3m	Yes
Limit per non-UK country	0m	0m	3m	Yes

Unsecured investments with banks and building societies	2m	0m	2m	Yes
Money Market Funds	3m	3m	3m	Yes
Strategic pooled funds	10m	6m	10m	Yes
Real Estate Investment Trusts	2m	0.45m	2m	Yes

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

Table 7: Debt Limits

	Q1 - Q3 Maximum	31.12.23 Actual	2023/24 Operational Boundary	2023/24 Authorised Limit	Complied? Yes/No
Borrowing	30.33m	20.06m	40.00m	50.00m	Yes

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

Treasury Management Indicators

As required by the 2021 CIPFA Treasury Management Code, the Authority monitors and measures the following treasury management prudential indicators.

1. Liability Benchmark:

This new indicator compares the Authority's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £[X]m required to manage day-to-day cash flow.

	31.3.23 Actual	31.3.24 Forecast	31.3.25 Forecast	31.3.26 Forecast
Loans CFR	53.54	52.59	51.62	50.62
Less: Balance sheet resources	52.98	51.4	52.4	53.4
Net loans requirement	0.56	1.19	-0.78	-2.78
Plus: Liquidity allowance	10.00	10.00	10.00	10.00
Liability benchmark	10.56	11.19	9.22	7.22
Existing borrowing	30.33	19.79	19.26	18.73

Following on from the medium-term forecast above, the long-term liability benchmark assumes capital expenditure funded by borrowing.

Whilst borrowing may be above the liability benchmark, strategies involving borrowing which is significantly above the liability benchmark carry higher risk.

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

	Upper Limit	Lower Limit	31.12.23 Actual	Complied?
Under 12 months	0%	100%	0%	Yes
12 months and within 24 months	0%	100%	0%	Yes
24 months and within 5 years	0%	100%	0%	Yes
5 years and within 10 years	0%	100%	0%	Yes
10 years and above	0%	100%	100%	Yes

The periods in the table should match those in your 2023/24 TMSS

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

3. **Long-term Treasury Management Investments:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management limits are:

	2023/24	2024/25	2025/26	No fixed date
Limit on principal invested beyond year end	£16m	£14m	£12m	£10m
Actual principal invested beyond year end	£0m	£0m	£0m	£10m
Complied?	Yes	Yes	Yes	Yes

Long-term investments with no fixed maturity date include strategic pooled funds, real estate investment trusts and directly held equity but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

Additional indicators

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

	2023/24 Target	31.12.23 Actual	Complied?
Portfolio average credit rating	A	A+	Yes

Liquidity: The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a 1 month period, without additional borrowing.

	31.12.23 Actual	2023/24 Target	Complied?
Total cash available within 1 months	£9.7m	£7m	Yes

Interest Rate Exposures: This indicator is set to control the Authority's exposure to interest rate risk. Bank Rate rose by 1.25% from 4.25% on 1st April to 5.25% by 31st December.

For context, the changes in interest rates during the quarter were:

	<u>31/3/23</u>	<u>31/12/23</u>
Bank Rate	4.25%	5.25%
1-year PWLB certainty rate, maturity loans	4.78%	5.13%
5-year PWLB certainty rate, maturity loans	4.31%	4.19%
10-year PWLB certainty rate, maturity loans	4.33%	5.37%
20-year PWLB certainty rate, maturity loans	4.70%	4.90%
50-year PWLB certainty rate, maturity loans	4.41%	4.67%

The impact of a change in interest rates is calculated on the assumption that maturing loans and investment will be replaced at new market rates.

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive Committee
Date of Meeting:	20 March 2024
Subject:	Strategic Asset Management Plan 2024 -2029
Report of:	Head of Service: Asset Management
Head of Service/Director:	Executive Director: Resources
Lead Member:	Lead Member for Finance and Asset Management
Number of Appendices:	1

Executive Summary:

The Strategic Asset Management Plan (SAMP) for 2024 - 2029 is an update of the previous Asset Management Plan and reflects the importance of good asset management in meeting the priorities of the Council. Whilst contributing to the Council's climate emergency declaration in reducing carbon across the property portfolio and contributing towards securing the ongoing financial security of the Council.

Recommendation:

To APPROVE the Strategic Asset Management Plan 2024 – 2029.

Financial Implications:

Financial implications are detailed in the strategy with a positive move towards forward planning of budget management.

Legal Implications:

Central government guidance highlights the importance of local authorities aligning their assets and local priorities along with ensuring that they have adequate systems in place to develop, implement, and review strategic asset management strategies.

There are no legal implications arising directly from the content of this report. Where necessary, Officers will work with colleagues from One Legal during the implementation and delivery of the Council's objectives.

Environmental and Sustainability Implications:

As detailed in the Strategic Asset Management Plan.

Resource Implications (including impact on equalities):

None directly arising from the Strategic Asset Management Plan.

Safeguarding Implications:

None

Impact on the Customer:

The plan is very customer/tenant oriented and aims to have a software system that provides better communication and timely resolution across all areas the property portfolio.

1.0 INTRODUCTION

- 1.1 The Strategic Asset Management Plan (SAMP) is a key document in supporting the delivery of the Council's corporate priorities. It is dynamic in its approach to adapt to changing priorities, the climate emergency and the proactive management of its assets. It also highlights how the Council will proactively manage the asset portfolio.
- 1.2 The previous Asset Management Plan covered the period 2016 – 2020. An updated version is now required to be approved to support the growth in the asset portfolio and to ensure it is flexible and dynamic given the changes in local government objectives.

2.0 ASSET MANAGEMENT PLAN 2024-2029

- 2.1 A new five year SAMP has been produced which reflects the growing importance of effective asset management in Tewkesbury Borough and acknowledges the role that assets can play in meeting the needs of the community and increased demand on services whilst achieving financial targets of the Council.
- 2.2 The new SAMP, attached at Appendix 1, has been totally rewritten to reflect the changing emphasis towards the new Council Plan and climate emergency through effective asset management in Tewkesbury Borough.
- 2.3 The document also highlights further requirements to support an effective asset management culture in Tewkesbury including the production of Annual Management Plans (AMPs) for each property to include a SWOT analysis, a suite of performance indicators to support service management and to provide financial forecast for maintenance repairs. It also proposes the introduction of a helpdesk facility for facilities management across the property portfolio.
- 2.4 Whilst there are no resource requirements coming directly from the Asset Management Plan, there will undoubtedly be a requirement for ongoing support towards asset maintenance and this will be presented for consideration with the development of the AMP's. Funding of specific capital projects to meet the Council's asset ambitions, such as enhancements to existing assets or the purchase of new assets, will be subject to individual reports.
- 2.5 The management of Council land and properties is governed by a plethora of statutory legislation, local government acts, policies, Council Constitution, financial, contract and procurement legislation which are not all covered in the SAMP; the Head of Service: Asset Management will look at each activity for example: land disposal or acquisition and follow the correct procedure.

3.0 CONSULTATION

- 3.1 Consultation with the Lead Member for Finance and Asset Management and Chief Officers.

4.0 ASSOCIATED RISKS

- 4.1 None

5.0 MONITORING

5.1 To set out how the outcomes of the proposal will be monitored and measured in order to establish if the recommendation has been achieved.

6.0 RELEVANT COUNCIL PLAN PRIORITIES/COUNCIL POLICIES/STRATEGIES

6.1 The SAMP is instrumental in delivering the Council Plan

Background Papers: None

Contact Officer: Head of Service: Asset Management
01684 272023 andy.noble@Tewkesbury.gov.uk

Appendices: Appendix 1 - Strategic Asset Management Plan

Strategic Asset Management Plan



2024-2029

Contents

Introduction	2
Executive summary	3
Overview	4
Strategic objectives	6
Framework for delivery	7
Decision making/governance	12
Implementation	13
Appendix one	
Property details	15



Introduction

It is crucial that we use our assets to maximum effect in order to:

- offer effective efficient services for our communities; and
- support the decarbonisation objectives; and
- meet the continued pressure on our finances.

Our approach is to support the council's strategic objectives by providing quality, cost effective assets and to continue to build on our strong relationships with partners.

Tewkesbury Borough Council declared a climate emergency on 1 October 2019 and has committed to making its offices carbon neutral by 2030. More recently in May 2023, the council passed a motion to expand this declaration to a borough wide climate emergency, also declaring a nature (ecological) emergency. The aims and objectives of this plan are supportive of this ambition across the council's assets.

This plan is set in the wider context of ensuring a sustainable future for council expenditure. Ever tightening financial constraints on local government requires us to think differently on how we utilise our property assets. We must investigate all opportunities to raise income to offset budget reductions including generating capital receipts from the disposal of surplus assets whilst ensuring running costs are minimised and maintenance is programmed in.

The Strategic Asset Management Plan is for the five-year period from January 2024 to January 2029 and provides an overview of the approach to the on-going development of the council's property assets whilst setting the strategic direction of its small portfolio over that timeframe.

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



Executive summary

Tewkesbury Borough Council's Strategic Asset Management Plan (SAMP) for 2024 - 2029 sets out its property strategy for managing its assets over this period to ensure they support the organisation in achieving its priorities. The SAMP has been developed to be flexible in order to adapt to council priorities as they develop and change, therefore ensuring the strategy is always relevant.

The SAMP also provides a framework for challenging and reviewing the reasons for continuing to hold these assets for the five year period it covers.

Tewkesbury Borough Council owns a property portfolio estimated to be worth approximately £86 million (as of March 2023), which produced an annual income of £4.8m in 2023/24. Rental income from property assets is a significant feature of the council's Medium Term Financial Strategy, contributing towards meeting the cost of operating council services.

Ongoing assessment of the use of operational assets ensures efficiency and maximised financial returns. This is demonstrated by the investment into the Public Service Centre main offices, which has undergone refurbishment and reconfiguration to enable the release of surplus space for third party letting to generate additional income and is currently being investigated to provide a modern, flexible office environment from which services could be delivered.

In line with the authority's carbon neutral aspirations a key element of the SAMP is to reduce the carbon footprints of the various council's assets through measuring emissions, introducing technologies and working practices that address climate change in the most cost-effective manner. The SAMP is based around three key areas:

- Proactive approach to asset management
- Identification and management of surplus property
- Using assets to support the delivery of organisational objectives

Asset management plans for individual assets within the council ownership will be drawn up and agreed with the Transformation Working Group during the period of this plan. They will cover a number of high level work streams and will be reviewed on an annual basis and updated as required to reflect any changing operational requirements of the organisation or emerging council plan objectives. An annual action plan will be developed to set out the activities that will be undertaken each year towards achieving the SAMP objectives.



Overview

What is a Strategic Asset Management Plan?

The Royal Institute of Chartered Surveyors (RICS) defines 'strategic property asset management' as: "the activity of aligning property assets with the strategic aims and direction of the organisation and adding both financial and non-financial value to the organisation as a result".

A SAMP describes the organisation's strategy to manage its assets. The RICS use the term 'Asset Strategy' to describe the general direction of an asset base over a set period of time. This plan details the approach the council will take during the plan period (2024 – 2029) to make decisions about its property assets, covering all operational, non-operational and investment stock.

The Strategic Asset Management Plan is based around five key sections which are:

- Overview
- Strategic Objectives
- Framework/work streams
- Decision Making/Governance
- Implementation

This plan considers the wider objectives of the Council Plan which will inform decisions affecting the council's asset base over the plan period.

The Strategic Asset Management Plan forms a central part of wider selection of plans and strategies the council has adopted to support its work streams including the Medium-Term Financial Strategy, the Carbon Reduction Action Plan and the Economic Development and Tourism Strategy.

Categories of council assets

A full list of council assets is set out at Appendix A. These assets fall into two broad categories:

1. Operational and community assets

These include the Public Services Centre, Tewkesbury Leisure Centre and The Roses Theatre. A number of these assets are let to local community groups and fulfil a community wellbeing service need, rather than being income producing. These assets are let in several ways from full repair and maintenance leases to full responsibility on the council clearly set out in the lease/licence terms.

These assets are held primarily for the provision of both statutory and discretionary public services. Service delivery from some of these sites are not only from the borough council but from partners. A secondary benefit is income generated from rental, fees and contract sums.

2. Investment assets

The investment assets 'Commercial Portfolio' has been purchased over numerous years, by taking professional advice to obtain a balanced portfolio to reduce the risk of voids and loss of the capital investment. This was financed through borrowing from internal and external sources.

i. Within the council's economic area, these are assets which are located within the borough and are let to businesses on commercial leases at market rents. There is a statutory requirement to achieve best consideration in respect of rental and other letting obligations. Where possible these properties are let with the tenant being responsible for all maintenance, repairs and insurance.

ii. Outside the council's economic area, these are assets located in other geographic areas within the UK. These assets are let on the same basis as the council's other investment properties i.e. on commercial leases at market rents to generate rental income for the council and the tenant is responsible for maintenance and compliance. Where this is not possible due to sites of multiple occupancy, we operate an inhouse management system where the tenants contribute towards a service charge which covers the cost of repairs and maintenance and other items of expenditure that are incurred for their direct benefit.

3. Surplus properties

Properties that do not fall into the two categories above would be considered 'surplus'. Surplus properties are formed of land and buildings that no longer have an operational use, are not effectively and efficiently contributing towards service provision or where they are at the end of their economic life and it is no longer cost effective to repair and maintain them. These surplus properties may be held to optimise their potential financial return and wider council objectives with a business case for holding.

This is applicable to both property types and in commercial terms results in them becoming unattractive to potential occupiers, so unless the council finds alternative uses, disposes of or redevelops the property they cost the council money with no benefit being returned.

In the case of operational and community assets each option/site will be assessed on its own merits and considered against the planning designation, financial viability and demand/need for specific types of development and the associated risk and/or benefits to the council which include:

- contribution towards the delivery of the council's priorities and the provision of its services.
- facilitate regeneration or economic development.
- generate capital receipts and/or income streams.

In the case of commercial properties each property will be assessed on its own merits and considered against the need of exploring opportunities for the capital funds in the interest of the council's priorities and local needs or if the disposal is in the treasury interest and any disposal would need to be completed at the optimum point to realise best value.

Periodically requests are received from residents to purchase areas of public open space, these will be considered on an individual basis, considering the community value or loss, planning implication and the change of use, all POS disposals must adhere to the section 123 of the Local Government Act 1972.



4. Asset acquisition

Acquisition of properties fall primarily within three broad categories.

A. Land and buildings are transferred under the planning obligations.

These are mainly public open space that is part of housing developments required as part of planning proposals and consents with an obligation for the local authority to hold these and maintain them in line with the original planning obligation. These are transferred when the developer informs the authority, all planning conditions are met and the authority agrees the land is ready for adoption. These also come with S106 payments that normally covers the maintenance of the land/buildings for 15 years.

B. Acquisition of properties to meet service demands and delivery.

These acquisitions are for land or buildings for services to continue to meet their operational needs and legal obligations. Each acquisition will be judged on the need, whether the property purchased best meets the operational and legal need whilst ensuring the legislative requirements for the purchase are met and council priorities and objectives are met or not impeded. All acquisitions will require a business case including and not limited to the environmental impact, financial implications, the proposed length of ownership and disposal at the end of requirement.

C. Speculative and opportunist purchases.

The authority has various statutory obligations across a broad subject area, these are primarily passed down by central government who recognise the importance of running our towns and villages at a local level. This ensures local people have a say in how services are delivered through the elected members.

It is recognised that to offer the best level of services across all these sectors may require speculative purchases, in supporting specific aims, for example economic growth, housing development and regeneration. These acquisitions will be judged on an individual basis, subject to a business case including the desired outcomes and cost implications any interim potential of the property purchase before any aspirations can be realised.

Strategic objectives

Tewkesbury Borough Council's asset strategy ensures its property portfolio is managed in a way that supports achievement of strategic objectives within the Council Plan.

This will include the adaptation and updating of the property portfolio to meet the council motion of achieving carbon neutrality by 2030. It will also include objectives aimed at supporting our local communities and the development of 'place.' Of critical importance is how the council uses its assets to deliver the best value from the portfolio, given the financial challenges facing local authorities.

The SAMP will support the delivery of the council priorities, as previously set and as new ones emerge, during the period of this plan.

Framework for delivery

The framework to support delivery of the council's strategic objectives are split into three work streams:

1. Proactive Approach to Asset Management
2. Identification and Management of Surplus Property
3. Use of Assets to support the delivery of organisational objectives

1. Proactive Approach to Asset Management

This is the building block to effective asset management. There are eight areas identified which will ensure that Tewkesbury Borough Council is able to deliver its asset strategy.

i Property team structure

To deliver the objectives of the SAMP, it is essential the property team has sufficient capacity and is aligned in an appropriate structure to deliver innovation and effective working. This will facilitate the implementation of a planned work programme for each asset during the course of 2024. Whilst these plans will be implemented in 2024, they will look forward over a rolling five year period and be subject to an annual review. Key elements to be included in these plans, in addition to the cost and maintenance appraisal, will be the a SWOT analysis on the property holding, that includes market influences, lifecycle of the asset, future needs, service provision – growth or reduction. If the function of the service is relevant and the property is suitable for the future service provision. This will inform the annual operational and service plan with regard to key requirements across the property portfolio.

ii Proactive management of investment property

The Investment property portfolio will be split between members of the Asset Management team with each taking full responsibility for the proactive asset management of their part of the portfolio. Specific areas of focus will include:

- maximising income and regular engagement with tenants to understand their business plans in relation to council leased premises,
- dialogue with an advisory agent to understand changes in the wider property sectors and impact on rent level and demand for certain types of property,
- annual inspections of all tenanted property and proactive management of lease events.



Operation in these specific areas will proactively highlight potential loss of income from failing tenants and/or potential voids and provide opportunities for early re-letting and mitigation of void costs, asset enhancement via lease re-gears, alternative use or redevelopment opportunities.

iii Operational and community property

The Asset Management team also has officers that manage services for the day-to-day operational aspects of cemeteries, car parks, corporate procurement and Public Services Centre. These officers also assist the dedicated asset officers.

Dedicated asset officer's work is largely around tenant management, repairs, maintenance and statutory compliance to enable on-going service delivery. The team seek external support when specialist advice is required.

iv Corporate landlord method of property management

Part of a cost effective and value for money management process of our operational stock will require the council to fully operate a corporate landlord approach. This will be across its portfolio irrespective of the service that operates from the specific asset.

This style of management allows for the aggregation of contracts where possible and works producing not only financial savings, but a central team with the knowledge and sector expertise to deal with all property related matters.

To ensure the operational part of our portfolio supports on-going service delivery it is essential that the property is fit for purpose and well maintained. Maintenance programmes will be set, covering a five year rolling period with annual reviews. The maintenance programmes will be informed by condition surveys of each premises, carried out annually to ensure the data held remains up to date and works are prioritised correctly. This rolling five year programme allows works to be undertaken as routine maintenance opposed to emergency repairs. The maintenance programme and continued liaison with the S151 officer will determine budget need over the medium term.

v Set informed income and expenditure budgets

Continued proactive asset management of the investment portfolio allows reductions in net income from break options and voids to be forecast significantly in advance and managed. This allows any future potential impact to be smoothly managed to ensure there is no adverse impact on income. In addition, forecasting of additional income from rent review increases, or lease renewals can be used to offset a reduction of income from other areas or provide additional revenue to support the delivery of additional or enhanced services.



Considering both income and expenditure targets/needs for the portfolio in advance, over a five year period will inform the council's wider budget setting process. Whilst annual reviews of budgets will need to be undertaken to ensure they remain accurate, forecasting in advance and over a longer period results in budgets being set for need. Sufficient budget provision will ensure that all property can be maintained to ensure it remains fit for purpose, in a cost efficient and value for money way.

Key benefits of advance budget setting include:

- Effective financial management
- Appropriate allocation of resources to projects
- Informed financial decision-making
- Identification of revenue shortfall in advance of occurrence
- Future planning

vi Statutory compliance

Compliance with numerous statutory procedures relating to maintenance and management of the portfolio will continue to be dealt with in-house by the asset team, supported by external consultants when necessary. The main legislative areas covered are:

- The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015
- The Equality Act
- Control of Asbestos Regulations
- Health and Safety at Work Act
- Environment Protection Act (contaminated land)
- Control of Substances Hazardous to Health Regulations (Legionella)
- The Regulatory Reform (Fire Safety) Orders
- Gas safety and fixed wire testing
- Fire risk assessments
- Lifts and Lifting Operations Lifting Equipment Regulations (LOLER)
- EN 1176 play equipment safety

vii Introduce a high quality property and facilities management service

To ensure we continue to deliver a robust and quality service to support our teams and tenants, investment in a new property software system is required to support the various work streams described within this SAMP. Main requirements of the software include:



- Holding all property information i.e. location, type, size and address.
- Holding all tenancy information to include rent, lease start and end dates
- All statutory compliance information for each property i.e. dates of testing, works needed and completed
- A Facilities Management Helpdesk facility

All internal clients can report and track the progress of faults with property, this system enables email notifications to staff, updating them of the progress of their job.

The helpdesk solution delivers a professional service on all facilities management matters in respect of repairs, maintenance, and compliance issues. It is proposed to roll this out further to all property customers.

viii Carbon reduction

The Council currently monitors the consumption of electricity, gas (and other fuels where appropriate) waste and water from buildings that are used to provide a public service. This information is publicised annually in its Greenhouse Gas Emissions Reporting.

A ten-year journey to make these buildings carbon neutral was established as part of the greenhouse gas baselining exercise in 2020 and a carbon reduction programme was developed to deliver this objective.

Following the expanded climate change declaration in May 2023, this strategy recognises that the council's wider assets should also be supported to become carbon neutral.

The council actively explores opportunities for funding to introduce sustainable practices that don't compromise on quality.

Other policies which support this process include the council's Electric Vehicle Infrastructure Strategy and the Tree Safety Management Policy.

The environmental performance of assets will be taken into account when considering new property investments.

2. Identification and management of surplus property

As outlined above the entire property portfolio will be managed between members of the Asset Management Facilities Management and Estates team. The two teams will work closely together to:

- Share their detailed knowledge enabling them to make early recommendations about property that will become vacant through tenant or operational vacation of space.
- Identify property in need of works and appraise whether the cost of works to maintain existing uses are viable or whether alternative options should be considered including disposal, redevelopment or other alternatives uses.
- Consider specific property requirements and shortages of certain property types within the Tewkesbury geographical area and target vacant property to support delivery of wider organisational objectives i.e. regeneration or provision of specific types or sizes of accommodation.



3. Use of assets to support the delivery of organisational objectives.

The SAMP will balance costs, risks, opportunities and performance in order to support delivery of the organisational objectives. It will develop and direct resources to assets, to support the organisation's objectives.

4. Work streams

Work streams to inform proposals about continued or future use of the council's property assets will include engagement with stakeholders, consideration of internal and external factors which affect the performance of property including its cost, value and other council priorities.

Engagement with internal stakeholders

Stakeholder engagement and management are a key part of successful strategic asset management both in terms of planning and delivery. Whilst the asset team may be responsible for the building structures and fabric, it is those departments who operate from the buildings and input into council decision making and other corporate priorities that need to be 'engaged' with the proposals, objectives, costs and recommendations that are made.

As part of any change or decision-making process, engagement with the following groups will be undertaken:-

- Business Manager's Team
- Regeneration Team
- Finance Senior Leadership Team
- Members

Organisational Influences

The objective of the Strategic Asset Management Plan is to provide the right property/asset, in the right location, at the right price and quality. To ensure we achieve this objective, other key work streams, themes and corporate priorities will be considered within the decision making process. For example:

- Regeneration opportunities
- Homeless property objectives
- Environmental objectives
- Medium Term Financial Strategy
- Local Plan
- Place Programme



Market and partnering organisation influences

As well as our internal considerations, the wider property market and more specifically other public sector partners and their property assets and requirements within our geographic area will need to be considered and will influence our property decisions:

National Public Sector property – In 2013 the One Public Estate (OPE) was introduced with the aim of transforming local communities and public services across the country. The OPE is a public sector partnership with the objective to support councils to deliver ambitious property-focused programs in collaboration with central government and other public sector partners. The anticipated benefits including:

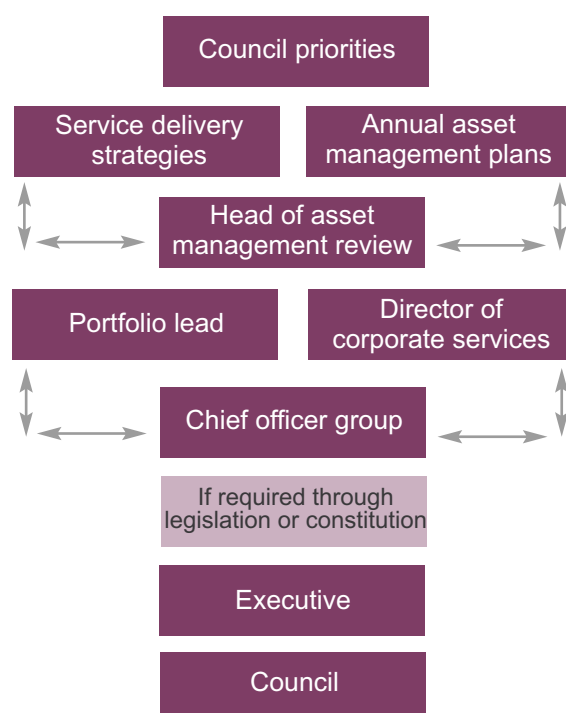
- Creation of economic growth (new homes and jobs)
- Deliver more integrated, customer-focused services
- Generate efficiencies, through capital receipts and reduced running costs

County wide Public Sector Property – Working in partnership with Gloucestershire County Council and other public sector partners to use public sector land and property within the borough boundary exploring and identifying opportunities for better use of all public land and property. This will be a continuation of our current best practice as the Public Service Centre was one of the first adaptors of using public buildings for all government bodies, ensuring services were accessible and creating a ‘one stop shop’ experience for the community.

Decision making/governance

Asset management is governed in various ways i.e. legislation, central government policy, Tewkesbury Borough Council policies and constitution and contract procedure rules.

To ensure all council projects in respect of considerations, work streams, recommendations and decisions follow the same standardised approach, governance arrangements are in place. The diagram below shows how this interrelationship works prior to any formal, legislative requirements being processed.



Implementation

The success of the SAMP will be judged on the success of its real results, hence successful implementation is a crucial part of the process.

Key components of successful implementation include:-

- Correct support, ownership and leadership
- Funding
- Correct resources
- Project planning

Property leadership

The council's Head of Asset Management will 'champion' and guide all property related work streams and projects to ensure the correct support is provided within the organisation to overcome any hurdles and ensure the corporate objectives of the organisation are met within agreed timescales.

Funding

The council's base budget includes responsive maintenance budgets for specific assets. However, it would be prudent for the council to also have an annual contribution towards a programmed maintenance sinking fund within its base budget. Given the financial challenges that the council has continued to face, this is not currently viable and instead year end windfalls are used to top up asset management reserves as and when those windfalls occur.

In addition, the council does not currently hold any significant capital reserves to fund major capital projects. Projects of this nature are likely to require funding via external borrowing and therefore the revenue impact of external borrowing needs to be factored into each business case.

Each year, revenue and capital growth bids will be submitted for approval based on our asset management programme, as part of the budget setting process or as need is identified. All requests for capital funding will be considered by full council.

Projects within existing budgets or that have no net impact on revenue budgets can go ahead without additional budget approval being required.



Resources

Due to the challenges local authorities face it is unlikely all required knowledge and expertise will be located 'in house'. It's anticipated that expertise in a variety of forms will need to be 'bought in', in the form of professional services, external consultants and contractors.

For example if a redevelopment construction project was undertaken, the services of an Architect, Quantity Surveyor, Mechanical and Electrical Engineer and Structural Consultant are all key advisors that would be needed to inform a building design and cost both for planning approval and actual construction purposes.

It is an essential part of implementation and delivery of any project that the vision and purpose is understood from stakeholders by the internal project manager/lead who can then ensure independent consultants/advisors or internal project teams incorporate key aspects of design, budget and timeframes within project plans.

Project planning

Successful projects will require the agreement of programme board and/or members. Detailed project documentation will be submitted at initiation and throughout the project. Key considerations include:

- Project sponsor
- Project resources
- Project scope including desired outcomes.
- Financial implications
- Project arrangements i.e. milestones, monitoring and reporting
- Project business case i.e. budget, benefits, specialist advice
- Risk register



Appendix one

Gloucester Road, Tewkesbury
 Kayte Lane, Bishops Cleeve
 Roses Theatre Tewkesbury
 Tewkesbury Leisure Centre
 Spring Gardens Car Park, Tewkesbury
 St Johns Avenue Community Parking Spaces
 Railsmeadow car park, Tewkesbury
 Vineyards Car Park, Tewkesbury
 Gloucester Road Car Park, Tewkesbury
 Oldbury Road Car park, Tewkesbury
 St Mary's Lane Car Park, Tewkesbury
 Station Road Car park, Tewkesbury
 Lower Lode Lane car park, Tewkesbury
 Mitton residents car parking , Tewkesbury
 Bull Lane car park, Winchcombe
 Back Lane car park, Winchcombe
 Church Road Community parking, Bishops Cleeve
 Chapel Hay car Park, Churchdown
 Pipers Grove Car park Snowhill
 Lancaster Road residents parking Tewkesbury
 Ancilliary Car Park Lankett Lane, Tewkesbury
 Tudor Place Lay Byes Tewkesbury
 Trent Road Lay Byes, Brockworth
 Tamar Road Lay Byes, Brockworth
 Clyde Road Lay Byes, Brockworth
 4 Howard Road, Ashchurch
 4 Well Close, Ashchurch
 22 Buckholt Way, Brockworth
 1 Westover Court, Churchdown
 10 Hawthorn Drive, Churchdown
 Lower Lode Lane Depot , Tewkesbury
 Council Offices, Tewkesbury
 The Old Hat Shop, Tewkesbury
 Tewkesbury Bowling Club
 Lease of office space at Court Road, Brockworth
 Rear of Royal Oak Public House, Bishops Cleeve
 Lease of Lassington Woods
 Lease of land for Bishops Walk car park
 Cleeve Hill Golf Club

Property details

Cemetery buildings
 Cemetery buildings
 Other operational buildings
 Other operational buildings
 Car parks and laybys
 Car parks and laybys
 Car parks and laybys
 Car parks and laybys
 Car parks and laybys
 Car parks and laybys
 Car parks and laybys
 Car parks and laybys
 Car parks and laybys
 Car parks and laybys
 Car parks and laybys
 Car parks and laybys
 Car parks and laybys
 Car parks and laybys
 Car parks and laybys
 Car parks and laybys
 Car parks and laybys
 Car parks and laybys
 Car parks and laybys
 Car parks and laybys
 Car parks and laybys
 Car parks and laybys
 Car parks and laybys
 Car parks and laybys
 Car parks and laybys
 Car parks and laybys
 Car parks and laybys
 Car parks and laybys
 Homeless properties
 Homeless properties
 Homeless properties
 Homeless properties
 Homeless properties
 Depots
 Other operational buildings
 Other operational buildings
 Other operational buildings
 Property plant & equipment
 Property plant & equipment
 Property plant & equipment
 Property plant & equipment
 Investment property

Land surrounding Tewkesbury Cricket Club	Investment property
Unit 1 Tweed Road Clevedon	Investment property
Unit 2 Tweed Road Clevedon	Investment property
M.A.F.F. Depot LAND	Investment property
Challenge House	Investment property
Cascades Pool LAND, Tewkesbury	Investment property
The Chase (Hertford)	Investment property
SPL House (Ellesmere Port)	Investment property
Wickes (Trowbridge)	Investment property
Edmund House (Lemington Spa)	Investment property
Walton on the Naze (M&S)	Investment property
Vaughan Park Units 1-5 (Tipton)	Investment property
Volvo Car UK Ltd, 1 Gatwick Road (Crawley)	Investment property
71-73 Wenlock Road, Tewkesbury	Horsford Trust Assets
Old Baptist Chapel Burial ground	Burial ground
Kings John's Island, Tewkesbury	Public open space
Tewkesbury Riverside Walk	Public open space
LowerLode Picnic Area	Public open space
The Grangefield	Public open space
Blackberry Grove Flood Protection	Public open space
Pamington Flood Relief	Public open space
Tirley Pump Station	Flood pumps
Deerhurst Pump Station	Flood pumps
Oakridge Hignam Play Area	Play area
Nightjar, Brockworth Play Area	Play area
Cowsley Drive, Brockworth Play Area	Play area
Meadow View, Longford Play Area	Play area
Cold Pool Lane, Badgeworth Play Area	Play area
Desert Orchid Road, Prestbury Play Area	Play area
Collyberry Road, Woodmancote Play Area	Play area
Pennylands, Winchcombe Play area	Play area
Saxon Park, Wheal Road Tewkesbury Play Area	Play area
Ballandine, Stock Orchard. Play Area	Play area
Beachamp Road, Wheatpieces. Tewkesbury Play area	Play area
Central, Wheatpieces. Tewkesbury Play area	Play area
Starling Road, Wheatpieces.Tewkesbury Play Area	Play area
Vineyards Tewkesbury Play Area	Play area
Adizone Tewkesbury Play Area	Play area
Trafalgar Road, Mitton Play Area	Play area
Melrose Walk, Mitton Play Area	Play area
Link Road Tewkesbury Play Area	Play area

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive Committee
Date of Meeting:	20 March 2024
Subject:	Administration Fees for Handling of Invalid Planning Applications
Report of:	Associate Director: Planning
Head of Service/Director:	Executive Director: Place
Lead Member:	Lead Member for Built Environment
Number of Appendices:	None

Executive Summary:

The planning team deal with a significant number of planning applications that are invalid on receipt, it impacts on the timescales for processing applications and adds pressure on staff. The processing and handling of invalid applications which have to be returned to the applicant due to a lack of correct information imposes a cost on the Council which is not covered by statutory planning application fees set by the Government.

We are proposing to introduce new discretionary administration charges, set at a level to cover costs of dealing with invalid planning applications, which have to be returned to the applicant, to help reduce the burden on the Council and improve the quality and number of valid applications submitted.

Recommendation:

- 1. To APPROVE the proposed administration charges as set out at Paragraph 3.3 of this report, effective from 1 May 2024.**
- 2. To DELEGATE AUTHORITY to the Executive Director: Place to set the level of invalid charges annually in line with service costs.**

Financial Implications:

It is anticipated that the proposed charges will enable a small proportion of the cost of the service to be recovered.

Legal Implications:

Under section 93(1) of the Local Government Act 2003 (LGA 2003) the Council is permitted to charge a person for discretionary services (such as pre-application planning advice) to allow local authorities to recover the costs of providing non-mandatory services or enhancements to mandatory services. This is if the authority is authorised, but not required, by an enactment to provide the service to the person and the person has agreed to its provision.

Section 93(2) of LGA 2003 provides that section 93(1) does not apply if the authority (a) has power apart from section 93 of the LGA to charge for the provision of the service or (b) is expressly prohibited from charging for the provision of the service.

Section 3 of the Localism Act 2011 extends the power to charge for any service provided by exercising its power of competency under Section 1 of the Localism Act 2011. Any charges should be limited to a level that covers the costs of providing that service. In addition to the above, a local authority has subsidiary powers under section 111 of the LGA 1972 to authorise the provision of a service to facilitate the discharge of a specific function. Where it does so, the local authority may charge under section 93 for that function-related service. Section 93(7)(a) of the LGA 2003 specifically states that section 111(3) of the LGA 1972, which prohibits local authorities from using their subsidiary powers to raise money, is to be disregarded for the purposes of section 93(2)(b) as set out above.

The section 93 charging power is not intended to provide a new income stream. Its aim is to allow local authorities to recover the costs (fully or in part) of providing services or improvements to services that they might not otherwise have been able to justify providing or have been in a position to provide.

Under the planning legislation it is the responsibility of the applicant (or their agent if one is appointed) to submit the necessary documents required to assess a planning application. The Council has published guidance setting out the information required to be submitted in order to ensure that an application can be validated and to avoid delays. There are instances when this is not the case and the application has to be returned to the applicant if the additional information is not provided. Consequently, staff time is set aside to resolve such instances on behalf of the applicant, which creates an additional cost to the Council. The invalid application charge is proposed to be introduced to cover these costs and not to create additional income.

If the application cannot be validated (and the non-validation process provided for under article 12 of the Town and Country Planning (Development Management Procedure)(England) Order 2015 has not been invoked by the applicant, in which case the fee would be retained), the local planning authority must notify and return the application fee to the applicant, as required by regulation 3(5) of the 2012 Fees Regulations, as amended.

The administration charge for dealing with the invalid application will be a separate charge due to the Council, which with the agreement of the applicant may be deducted from the application fee before the application fee is returned to the applicant.

Environmental and Sustainability Implications:

There are no significant implications within this category.

Resource Implications (including impact on equalities):

Other than Officer time to implement and promote the new charges, there are no resource implications.

Safeguarding Implications:

None arising directly from this report.

Impact on the Customer:

There would be a financial impact for the applicant, where the new charges are applicable. It is anticipated that a decrease in the number of invalid applications submitted will lead to improved processing times for validation, benefiting planning customers and improving the planning service provided.

1.0 INTRODUCTION

- 1.1** In 2023, around 44% of the planning applications submitted were invalid on receipt. An application is considered to be invalid when it is missing the required level of information to enable determination of the application.
- 1.2** Dealing with such a high number of invalid applications uses a significant amount of time and resource. Submissions often go through the validation check process multiple times, which impacts on the timescales for processing applications and adds pressure on staff.
- 1.3** The processing and handling of invalid applications imposes a cost on the Council which is not covered by the statutory planning application fees set by the Government. Many Local Planning Authorities have introduced a charge for dealing with invalid planning applications to help reduce this burden and improve the quality and number of valid applications submitted and it is proposed this be introduced at Tewkesbury Borough Council.

2.0 BACKGROUND

- 2.1** To assist customers with the submission of planning applications there are validation checklists available on the Council's website to highlight the required information. This includes the national requirements, together with a local list of validation requirements. The majority of applications received are submitted via the Planning Portal which also offers an abundance of resource on validation requirements.
- 2.2** In addition, through our continuous improvement work, a guide was designed aimed at householders to support them through the application process with the intention of reducing the number of invalid submissions.
- 2.3** As part of the process of handling invalid applications, applicants or their agents are written to outlining the invalid reasons and given 28 days in which to supply the information needed. A review of the invalid process was undertaken in 2023 as part of the Development Management Improvement Programme. Enhancements were made to correspondence to better communicate expectations and the team are more stringent with returning applications once the 28-day time period has lapsed, if there has been no contact from the customer.
- 2.4** These changes have resulted in quicker responses from customers to supply the required information and we have seen a decline in the number of invalid submissions. In 2021, 1757 applications were submitted, 55% were invalid on receipt. 2023 saw fewer invalid applications submitted with 44% of the 1439 received being invalid. It is still a significant number and proportion of time spent processing them and returning them to the applicant if the requested information is not submitted within the 28 day timeframe. Furthermore 25% of the invalid submissions received in 2023 were never validated.
- 2.5** To reduce costs to the Council, as well as continuing to improve the validation process, it is proposed to introduce an administrative charge for handling invalid applications and the costs involved in returning the application to the applicant. The application fee is required to be refunded to an applicant where the application is found to be invalid as required by regulation 3(5) of the 2012 Fees Regulations, as amended. Where the application is found to be invalid, the proposed administrative charge will be imposed and the application fee will be returned to the applicant. It is anticipated that applicants will agree to the deduction of the administrative charge from the fee submitted before it is returned, however this will be agreed with the applicant prior to return of the fee (where paid).

2.6 Section 93 of Local Government Act 2003 (LGA 2003) allows for Councils to charge for discretionary services which includes enhancements to mandatory services which the Council is required to provide. A fixed or variable rate administration fee can be set, provided charges are set at a level that does not more than cover the overall costs of providing the discretionary service. For the purposes of Section 93 of the LGA 2003, discretionary services are those services authorised by statute that a local authority is not required to provide but may do so voluntarily (section 93(1)(a), LGA 2003). The examples given in the 2003 guidance produced by the Office of the Deputy Prime Minister demonstrate that the main motive behind charging for discretionary services is to achieve a better environment for the local community through the services offered. Although a service that a local authority has a duty to provide is not a discretionary service (and will not benefit from the section 93 charging power), an enhancement to a mandatory service, resulting in a higher standard of service, may be considered discretionary. Extensions to statutory services include a range of advisory services linked to planning and development control. These are not a statutory requirement but can make an important contribution to the operation of the statutory services. In this situation, a local authority can rely on section 93 to charge for the enhanced element of the service.

3.0 PROPOSED INVALID APPLICATION FEES

3.1 The proposed fees outlined at Paragraph 3.3 of this report have been set following a benchmarking exercise of other authorities who have set similar administrative charges, as outlined below:

Authority	Householder	Minor	Major
East Cambridgeshire	£26.50	£53.00	£159.00
Shropshire	£30.00	£30.00	£30.00
Blackpool	£30.00	£60.00	£90.00
Birmingham	£30.00	£50.00	£150.00
Leeds	£30.00	£50.00	£150.00
Thurrock	£48.00	£96.00	£192.00
Oxford	£50.00	£75.00	£100.00
Cotswold	£50.00	£100.00	£200.00
Blackburn	£50.50	£82.50	£245.00
Medway	£60.00	£60.00	£118.00
Redbridge	£60.00	£120.00	£200.00
Luton	£75.00	£120.00	£200.00
Average	£45.00	£74.71	£152.83

- 3.2 An analysis has also been undertaken to review the time taken to validate planning applications, at varying complexity, and the work involved in returning applications with the associated Officer costs.
- 3.3 Based on the costing and benchmarking exercises, it is proposed to introduce the following fees for invalid planning applications that are not progressed (that is where neither the information to validate as required by the Council has been provided nor the non-validation process has been invoked):

Development Type	Fee
Householder (and 'other' types)	£45
Minor	£75
Major	£150

- 3.4 The above fees will be applied where an application is made invalid and a satisfactory response to an invalid letter is not received within the 28-day period. If the customer requests to withdraw the invalid application, the charge will also be applied.
- 3.5 It is acknowledged that certain specialist reports may take longer than the 28-day target to produce. In these instances, we have asked customers to communicate as such with Officers, a case note will be added to the application to ensure it is not returned without further correspondence with the applicant or their agent.
- 3.6 The new fees would be publicised and planning agents who regularly use our service will be informed before implementation. Standard acknowledgement letters will be updated to highlight that the charge would be deducted from any refund.
- 3.7 To support the aim of reducing the number of invalid submissions, a guide for customers outlining the most common invalid reasons, and how to overcome them, will be included with communications about the new charges and available on the Council's website, alongside the validation checklists. Encouraging customer to use the pre-application advice service, should also assist in reducing the number of invalid applications.
- 3.8 It is also sought to delegate authority to the Executive Director: Place to set the level of invalid charges annually, as reasonable and to reflect the actual costs for the Council in providing that service.
- 3.9 It is considered that the implementation of an administration charge would improve and enhance the planning service provided by the Council by reducing the number of invalid applications submitted and increasing capacity within the Development Management team to validate planning applications in a more efficient manner, which in turn has a benefit to the customer experience.

4.0 CONSULTATION

4.1 Those agents in attendance at the Planning Agent and Developer Forum held in January 2024 were informed the Council was seeking approval to introduce new charges for handling invalid applications. Feedback at the Forum related to timescales allowing deadlines to be extended for specialist reports to be drafted and submitted in order to validate the application. This already forms part of our validation procedure.

5.0 ASSOCIATED RISKS

5.1 Adverse publicity and challenges from applicants or agents who are subject to a charge.

6.0 MONITORING

6.1 As part of the Development Management performance monitoring, the number of invalid submissions is regularly reviewed and any increase or decrease in the rate will be identified.

7.0 RELEVANT COUNCIL PLAN PRIORITIES/COUNCIL POLICIES/STRATEGIES

7.1 In line with the Development Management continuous improvement programme approved in 2021. The current Council Plan (2020-2024) includes priorities on finance and resources and customer first and the values of the emerging Council Plan.

Background Papers: None

Contact Officer: Business Transformation Officer
01684 272086 faye.smith@tewkesbury.gov.uk

Appendices: None

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive
Date of Meeting:	20 March 2024
Subject:	Cooper's Edge Sports Facility Lease
Report of:	Interim Head of Service: Asset Management
Head of Service/Director:	Director: Corporate Resources
Lead Member:	Lead Member for Finance and Asset Management
Number of Appendices:	1

Executive Summary:

The Borough Council has recently adopted playing pitches and changing facilities at Cooper's Edge, Brockworth. The facilities comprise of two natural turf area for football pitches, two Multi Use Games Areas (MUGAs), a changing pavilion and parking. In order to ensure that the facilities are made available to the public and to limit the expenditure and liability of the Borough Council, it is proposed to lease the facilities to a club or community group for 25 years.

In order to expedite the process, Officers have conducted a best value tender exercise to recommend the tender be awarded to the preferred bidder who demonstrated a viable business case for maintaining the asset for the S106 grant. In addition, they demonstrated how they actively promote football to the sectors of the local and wider community on the site whilst maintaining the public open space status.

The proposed disposal has been advertised in accordance with statutory requirements under section 123 of the local government act.

Recommendation:

To APPROVE the lease of the land and facilities on the plan appended to this report to the preferred bidder and AGREE that the management contract be coterminous with the lease agreement, subject to an independent valuer agreeing the tender represents best value.

Financial Implications:

The land and building have been adopted by the Council in accordance with the planning obligation. In addition to the asset, the developer has passed a sum of £406,278.76 for Public Open Space 1 to the Council to be partially used to maintain the facility over a fifteen year period. £108,000 of this commuted sum will be passed to the sports operator for the maintenance of the sports facility.

Estimates of annual net expenditure suggest that this facility would add to the budgetary deficit facing the council even after accounting for the commuted sum of £17,680

Legal Implications:

The Council has a general obligation under s123 of the Local Government Act 1972 to ensure that it obtains best rent for any land it lets for a term of more than seven years.

The Council has a further obligation under s123 (2A) of the Act to advertise any proposed disposal of public open space (as described in the report) and to consider objections to the proposed disposal. Whilst the Council's duty under this section is to consider objections insofar as they relate to the use of the land for public open space purposes (i.e. public recreation), the Council has a general duty to act reasonably so should bear in mind representations which do not directly relate to public open space provision.

The Council's procurement provisions are contained within the report.

Environmental and Sustainability Implications:

The preferred bidder is required to have an Environment and Sustainability policy and are currently committed to reduce waste and energy across all its venues

Resource Implications (including impact on equalities):

The facility is managed and operated by a local sports group with objectives of inclusion will give an offering that the Council is unable to resource. There will be an inclusivity clause within the preferred operator's management contract.

Safeguarding Implications:

The club has a safeguarding policy as part of the affiliation to the Football Association

Impact on the Customer:

If the proposal is not agreed the offering of the community benefit from the club and this facility will be greatly reduced

1.0 INTRODUCTION

1.1 In 2005 planning permission was approved for the development of the Land South of Junction 11A of the M5 at the foot of Coopers Hill. A requirement of that planning consent was the for the development of changing rooms and playing pitches.

1.2 The Coopers Edge sports facility site, is located to the northern end of the development and to the east of Gloucester Business Park, comprises:

- 2 football pitches
- 2 MUGAs
- 1 changing rooms building
- 1 car park

1.3 The changing room has a footprint of approximately 1528 sq.ft and includes the provision of four team changing rooms including showers, match official changing rooms, toilets, kitchen and an equipment store.

1.4 The application was approved and formed part of the overall requirements for the development which also included a commuted sum of £108,000, index linked, to maintain the facilities including the pavilion over a 15 year period, the provision of public open space and play area provision. The Council has adopted the on-site facilities in accordance with the s106.

2.0 SPORTS FACILITIES

2.1 The development is complete and the requirement for the playing pitches and construction of the changing pavilion has been discharged. The transfer of the sporting facilities to the Borough Council took place in February 2024 following inspection of the site and confirmation that the facilities had been constructed to an adoptable standard

2.2 In order to make the facilities available on an ongoing basis to the public, it would be necessary for the Council to make monetary provision in its base budget to cover the costs of running the building, maintenance of the building and maintenance of the playing pitches. Although some of these costs could be offset against income from hire of the facilities and there is a commuted sum available for the first 15 years of operation to assist with maintenance costs, it is envisaged that there would likely be a net deficit against the facility initially and increasing over the lifespan of the facility. An estimate of the potential annual net revenue position and over a 25 year period is shown below:

Table 1

Cost Heading	Annual estimate	25 year estimate
Caretaker	£6,050	£151,250
Utilities	£3,300	£82,500
Building maintenance	£8,800	£220,000
Pitch maintenance	£5,500	£137,500
Asset maintenance sinking fund	£1,650	£41,250
Total gross expenditure	£25,300	£632,500
Income from pitch rental	-£3,300	-£82,500
Commuted sum release (15 year only)	-£4,320	-£108,000
Total gross income	-£7,620	-£190,500
Net Expenditure	£17,680	£442,000

2.3 The Council continues to face considerable reductions to public spending and any increase in cost to its net budget needs careful consideration. In relation to sporting facilities, the Council has taken a role of enablement in recent years rather than direct provision as they are deemed a discretionary service. For example, the provision of the new Leisure Centre in Tewkesbury has been outsourced since 2016 and the sports facility at Cold Pool Lane, successfully operated by FC Lakeside. With this in mind, it is recommended that the Council seek partners to provide an alternative service delivery model rather than considering direct provision.

- 2.4** In addition to the financial reason to seek a third party operator, there are a number of reasons why the running of the facility at a local level is the preferred option. These include:
- Provide local management – in line with localism agenda
 - Link with local community
 - The opportunity to engage the community and develop sport at a more local level
 - The ability to attract external finance to further develop the facilities
 - The opportunity to engage the community and develop sport at a more local level

2.5 The financial argument and the community benefit of the proposed transfer of these facilities has been widely acknowledged since the planning permission was granted and as a result there has been a long-held expectation within the community that local organisations would have a chance to manage these facilities on an ongoing basis.

3.0 TENDER EXERCISE

3.1 In order for the Council to be assured that it is getting best value and the best option for community sport, it is necessary to carry out an open tender exercise in line with Public Contract Regulations 2015.

3.2 An open, outcome-based specification was provided to bidders in terms of how community sport is provided so that organisations could detail how they would meet the outcomes required within their bids. There is a detailed requirement in respect of the maintenance of the land and property asset as the Council will require a full repairing lease over a minimum of a twenty-five-year period.

3.3 Given the full repairing lease requirement, and that running costs were likely to exceed income on the facility, it was therefore assumed the lease would be on a peppercorn rental. Organisations were expected, however, to demonstrate any added value they can bring to the facility and how that may benefit the Council in the longer term. The main element of the assessment was focused on the sustainable business case and community sporting offer of each bidder.

3.4 The formal tender process has already taken place and the contract and lease has been awarded to Barnwood United AFC. A proactive approach with the tender process was taken so that the facility can begin to benefit the community as early as possible after the legal transfer to the Council, given the history delays. Barnwood Utd AFC presented a well thought-out, professional, clear and concise business plan that detailed current finances and membership, as well as sustainable plans for the use of the facility. They also portrayed a passion for the impact the new facility could have for their club and also the community. They recognised the importance of community engagement and relationship building as a form of promotion, as well as partnership working.

4.0 CONSULTATION

4.1 The land associated with the sporting facilities is categorised as Public Open Space. In this respect, the Council has complied with its statutory duty (under the Local Government Act 1972) by advertising its intention to dispose of land consisting or forming part of an open space in the local press on two occasions for two consecutive weeks.

4.2 Although a community organisation would manage the facility, the land would still be deemed Public Open Space and therefore remain open for public use, such as dog walking and general recreation.

5.0 ASSOCIATED RISKS

5.1 There is a risk that preferred bidder cease to be financially viable or do not keep the facility in good repair. Tewkesbury Borough Council will monitor the contract on an annual basis.

6.0 MONITORING

6.1 The contract conditions are monitored through the outcomes by the Asset Team who will meet annually with the preferred bidder's representatives.

7.0 RELEVANT COUNCIL PLAN PRIORITIES/COUNCIL POLICIES/STRATEGIES

7.1 None

Background Papers: None

Contact Officer: Interim Head of Service: Asset Management
becca.garle@tewkesbury.gov.uk

Appendices: 1. Site plan

Based upon the Ordnance Survey Mapping with the permission of Her Majesty's Stationery Office

© Crown Copyright

Unauthorised reproduction infringes Crown copyright and may lead to prosecution or civil proceedings



Tewkesbury Borough Council
Licence No. LA 079723



Asset Management
Council Offices
Gloucester Road
Tewkesbury
Glos
GL20 5TT

Tewkesbury Borough Council

Tel: 01604 256010

DATE May 2022

DRAWN BY AJC

COOPERS EDGE SPORTS AREA
BOWTHORPE DRIVE
BROCKWORTH

SCALE 1:1250

DRWG. No.



EXECUTIVE COMMITTEE FORWARD PLAN

STANDING ITEMS:

- Executive Committee Forward Plan – To consider forthcoming items.
- Feedback from Chair of Overview & Scrutiny Committee.
- Feedback from Chair of Audit & Governance Committee – following Audit & Governance Committee meetings.

Additions to 20 March 2024

- Handling of invalid planning applications
- Confidential Reports – Grant of Easement, Financial Write-Off and Section 106 Indexation Write-Off

Deletions from 20 March 2024

- ICT Strategy – deferred until July pending new Director taking up their post.
- Council Plan 2024-2029 – report to go straight to Council in April
- Council Tax, Business Rates and Housing Benefits Overpayments Debt Recovery Policy – deferred until June
- Discretionary Support Policy – deferred until June

Committee Date: 5 June 2024

Agenda Item	Overview of Agenda Item	Lead Officer	Lead Member	Background Papers	Has agenda item previously been deferred? Details and date of deferment required
Safeguarding Policy	A policy to demonstrate the Council is committed to working in partnership with others to safeguard children and vulnerable adults from all forms of abuse, neglect and exploitation. <i>(key governance framework)</i>	Director: Community Services	Lead Member for Community	Previous policy approved by Executive Committee 4 March 2020 Agenda for Executive on Wednesday, 4 March 2020, 2:00 pm - Tewkesbury Borough Council	No

Committee Date: 5 June 2024

Agenda Item	Overview of Agenda Item	Lead Officer	Lead Member	Background Papers	Has agenda item previously been deferred? Details and date of deferment required
Council Tax, Business rates and Housing Benefits Overpayments Debt Recovery Policy	To approve the policy. (Service-related policy)	Head of Service: Revenues and Benefits	Lead Member for Finance and Asset Management	None.	Yes – moved from 29 November 2023 for further Member engagement. Moved from 7 February and 20 March 2024 due to Officer resources.
Discretionary Support Policy	To approve the policy. (Service-related policy)	Head of Service: Revenues and Benefits	Lead Member for Finance and Asset Management	None.	Yes – moved from 29 November 2023 for further Member engagement. Moved from 7 February and 20 March 2024 due to Officer resources.

Committee Date: 17 July 2024

Agenda Item	Overview of Agenda Item	Lead Officer	Lead Member	Background Papers	Has agenda item previously been deferred? Details and date of deferment required
Council Plan Performance Tracker – Quarter Four 2023/24	<p>To receive and respond to the findings of the Overview and Scrutiny Committee’s review of quarter four performance management information.</p> <p><i>(Council Plan is the strategic document which sets out the priorities of the Council)</i></p>	Director: Corporate Resources	Leader of the Council	None – will be presented to Overview and Scrutiny Committee on 11 June 2024.	No.
Financial Outturn Report (including Capital Financing and Earmarked Reserves)	<p>Annual report on the position of the Council’s revenue budget. The report also details the expenditure to date against both the capital programme and approved reserves.</p> <p><i>(Finance and Resources is a priority</i></p>	Executive Director: Resources	Lead Member for Finance and Asset Management	<p>2024/25 budget approved by Council 27 February 2024:</p> <p>Report to: (tewkesbury.gov.uk)</p>	No.

Committee Date: 17 July 2024

Agenda Item	Overview of Agenda Item	Lead Officer	Lead Member	Background Papers	Has agenda item previously been deferred? Details and date of deferment required
	<i>within the Council Plan 2020-24)</i>				
Equalities, Diversity and Inclusion Policy and action plan.	A new policy to create fairer opportunities for everyone in the borough. The policy will also explain the expectations on our workforce, as we work together to design and deliver services.	Director: Corporate Resources	Lead Member for Staff and Culture/Lead Member for Housing, Health and Wellbeing	None	Removed from pending items where it was placed on 21 September 2022.

Committee Date: 4 September 2024					
Agenda Item	Overview of Agenda Item	Lead Officer	Lead Member	Background Papers	Has agenda item previously been deferred? Details and date of deferment required
Financial Update – Quarter One 2024/25	The first quarterly monitoring report on the outturn position of the Council's revenue budget. The report also details the expenditure to date against both the capital programme and approved reserves.	Executive Director: Resources	Lead Member for Finance and Asset Management	2024/25 budget approved by Council 27 February 2024: Report to: (tewkesbury.gov.uk)	No
Economic Development and Tourism Strategy	The strategy outlines how the Council will help promote a strong and diverse local economy, support business growth, inform spatial planning strategy, support regeneration, encourage inward investment and maximise visitor numbers to the area. <i>(Council priority)</i>	Head of Service: Community and Economic Development	Lead Member for Economic Development/ Promotion	Current strategy and action plan (2017-2021) Agenda for Overview and Scrutiny on Tuesday, 23 November 2021, 4:30 pm - Tewkesbury Borough Council	Deferred from October 2023 pending the outcome of Gloucestershire County Council's strategy. Overview and Scrutiny Committee will consider the draft strategy at their meeting on 11 June 2024.

Committee Date: 16 October 2024

Agenda Item	Overview of Agenda Item	Lead Officer	Lead Member	Background Papers	Has agenda item previously been deferred? Details and date of deferment required
Council Plan Performance Tracker – Quarter One 2024/25	To receive and respond to the findings of the Overview and Scrutiny Committee's review of quarter four performance management information. <i>(Council Plan is the strategic document which sets out the priorities of the Council)</i>	Director: Corporate Resources	Leader of the Council	None – will be presented to Overview and Scrutiny Committee on 10 September 2024.	No.

Committee Date: 27 November 2024

Agenda Item	Overview of Agenda Item	Lead Officer	Lead Member	Background Papers	Has agenda item previously been deferred? Details and date of deferment required
Financial Update – Quarter Two 2024/25	The first quarterly monitoring report on the outturn position of the Council's revenue budget. The report also details the expenditure to date against both the capital programme and approved reserves.	Executive Director: Resources	Lead Member for Finance and Asset Management	2024/25 budget approved by Council 27 February 2024: Report to: (tewkesbury.gov.uk)	No

Committee Date: 8 January 2025					
Agenda Item	Overview of Agenda Item	Lead Officer	Lead Member	Background Papers	Has agenda item previously been deferred? Details and date of deferment required
Council Plan Performance Tracker – Quarter Two 2024/25	To receive and respond to the findings of the Overview and Scrutiny Committee's review of quarter four performance management information. <i>(Council Plan is the strategic document which sets out the priorities of the Council)</i>	Director: Corporate Resources	Leader of the Council	None – will be presented to Overview and Scrutiny Committee on 5 Dec 2024.	No
Medium Term Financial Strategy (Annual).	To recommend to Council the adoption of the five-year MTFS which describes the financial environment the Council is operating in and the pressures it will face in delivering its services and a balanced budget over the period.	Executive Director: Resources	Lead Member for Finance and Asset Management	Current MTFS approved by Council 12 December 2023. Agenda for Council on Tuesday, 12 December 2023, 6:00 pm - Tewkesbury Borough Council	No

Committee Date: 8 January 2025

Agenda Item	Overview of Agenda Item	Lead Officer	Lead Member	Background Papers	Has agenda item previously been deferred? Details and date of deferment required
Treasury and Capital Management (Annual)	To recommend to Council, a range of statutorily required polices and strategies relating to treasury and capital management.	Head of Finance and Asset Management.	Lead Member for Finance and Asset Management	<p>Current strategies (2024/25) approved by Council 23 January 2024.</p> <p>Agenda for Council on Tuesday, 23 January 2024, 6:00 pm - Tewkesbury Borough Council</p>	No

Committee Date: 5 February 2025

Agenda Item	Overview of Agenda Item	Lead Officer	Lead Member	Background Papers	Has agenda item previously been deferred? Details and date of deferment required
Budget 2025/26 (Annual).	To recommend a budget for 2025/26 to Council.	Executive Director: Resources	Lead Member for Finance and Asset Management	None	No
Financial Update – Quarter Three 2024/25	The first quarterly monitoring report on the outturn position of the Council's revenue budget. The report also details the expenditure to date against both the capital programme and approved reserves.	Executive Director: Resources	Lead Member for Finance and Asset Management	2024/25 budget approved by Council 27 February 2024:	No

Committee Date: 26 March 2025

Agenda Item	Overview of Agenda Item	Lead Officer	Lead Member	Background Papers	Has agenda item previously been deferred? Details and date of deferment required
Council Plan Performance Tracker – Quarter Three 2024/25	To receive and respond to the findings of the Overview and Scrutiny Committee's review of quarter four performance management information. <i>(Council Plan is the strategic document which sets out the priorities of the Council)</i>	Director: Corporate Resources	Leader of the Council	None – will be presented to Overview and Scrutiny Committee on 11 February 2025.	No.

PENDING ITEMS

Agenda Item	Overview of Agenda Item	Lead Officer	Lead Member	Background Papers	Has agenda item previously been deferred? Details and date of deferment required
First Floor Refurbishment Project.	To approve the project.	Head of Service: Asset Management.	Lead Member for Finance and Asset Management	None	Yes - Moved from 6 September 2023. Project group to meet now the heating system is nearing completion.
CIL Review of Charging Schedule(s) with the new 'draft' Charging Schedule submitted for approval to go out to formal public consultation.	To consider and make a recommendation to Council.	Associate Director: Planning	Lead Member for Built Environment		Added to pending in January 2022. JSP partners to undertake the review at the same time.
Equalities and Diversity Policy.	To approve the Equalities and Diversity Policy.	Associate Director: People, Culture and Performance	Lead Member for Staff and Culture	None	Yes – Removed from 5 October 2022 and added to pending on 21 September 2022. Moved to 17 July 2024 meeting.

Agenda Item	Overview of Agenda Item	Lead Officer	Lead Member	Background Papers	Has agenda item previously been deferred? Details and date of deferment required
To approve the 'Health in All Policies' policy.	To approve a policy to better consider the Council's approach to health and wellbeing in the community.	Director: Communities.	Lead Member for Housing, Health and Wellbeing	None	Yes – Removed from 1 February 2023 until the policy has been considered by Management Team. This will be superseded by a wider Health and Wellbeing Strategy – a proposed focus area in the new Council Plan.
Volunteering Policy.	To approve the Volunteering Policy.	Associate Director: People and Culture	Lead Member for Staff and Culture		Yes - Removed from 1 March 2023. Once a new AD is appointed then relevance of a new policy will be determined.
Housing Strategy Monitoring Report (Annual).	To approve the annual action plan to deliver the priorities within the strategy.	Head of Service: Housing	Lead Member for Housing Health and Wellbeing		Six monthly update to Overview and Scrutiny Committee on 26 March 2024. Outcome may determine if the strategy needs revisiting.

Agenda Item	Overview of Agenda Item	Lead Officer	Lead Member	Background Papers	Has agenda item previously been deferred? Details and date of deferment required
New Waste Depot	To approve the project approach and principles for a new waste depot with partner council(s). <i>(Fundamental to service delivery)</i>	Director: Communities	Lead Member for Clean and Green Environment	None	Yes – deferred from meeting on 29 November 2023. Complex partnership project – high level plan to be brought forward once key principles and milestones have been developed.
Parking Strategy Review	To approve the revised Parking Strategy.	Executive Director: Place	Lead Member for Economic Development/Promotion		Agreed with Lead Member in August 2023 to defer the previous review and for a new review to be carried out in 2024/25.
Pavement Licensing Policy	To approve the policy.	Licensing Team Leader	Lead Member for Clean and Green Environment		Due to be considered in September 2023 but moved to 2024/25 due to delay with legislation. The legislation has received Royal Assent but no enactment date yet.

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive Committee
Date of Meeting:	20 March 2024
Subject:	Section 106 Indexation Write-Off
Report of:	Associate Director: Planning
Head of Service/Director:	Associate Director: Planning
Lead Member:	Lead Member for Built Environment
Number of Appendices:	1

Executive Summary:

Planning obligations are often secured through Section 106 legal agreements upon the grant of planning permissions. Sometimes these take the form of financial contributions that are index linked to reflect inflation.

In this case a number of historic S106 payments were miscalculated and in view of the Council's mistake in their calculation and the time that has elapsed since this error was identified, it is proposed not to pursue the recovery of the additional funding and that the debts are written off.

Writing-off of debt which is irrecoverable is recognised as good practice by the Department of Housing, Levelling Up and Communities, the Chartered Institute of Public Finance and Accountancy and the Department for Work and Pensions. Debts are only considered for write-off after the Council has taken all possible steps to collect and, as in this case, to establish if collection is legally justified and, if so, how likely it is to be successful.

Recommendation:

To APPROVE the write-off of:

- DEBT109301 for £74,694.95
- DEBT109302 for £44,533.22
- DEBT109303 for £39,491.73

Financial Implications:

Provision for bad debts is made in the Council's accounts.

Sums which remain uncollectable and not written off reduce the Council's collection and arrears performance which is monitored on a monthly basis and reported via DELTA quarterly.

Legal Implications:

One Legal was consulted in the reaching of this recommendation, highlighting that any attempts to recover the monies owed are unlikely to be successful.

Environmental and Sustainability Implications:

None directly relevant to the content of this report.

Resource Implications (including impact on equalities):

None directly relevant to the content of this report.

Safeguarding Implications:

None directly relevant to the content of this report.

Impact on the Customer:

None directly relevant to the content of this report.

1.0 INTRODUCTION

1.1 The Corporate Write-Off Policy states that the write-off of all Council Tax, Business Rates and Housing Benefit Overpayments over £20,000 must be authorised by Executive Committee.

1.2 The reasons for having to write-off debts vary; however, many of them such as the cessation of a business or the death of an individual are generally outside of the Council's control and, whilst taking reasonable steps to recover the monies due, it is necessary and appropriate to consider whether a debt should continue to be pursued.

1.3 Procedures are in place to attempt to recover outstanding debts, which can extend over a number of years; however, there comes a time when it is clearly futile and uneconomic to attempt further recovery action and the debts are recommended for write-off. It is important that processes and procedures are frequently reviewed to ensure maximum effectiveness in debt collection and recovery.

2.0 BACKGROUND

2.1 This report relates to the proposed write-off of bad debts associated with Section 106 agreements tied to planning application 12/01256/OUT 'Land At Perrybrook'. Section 106 agreements are legal agreements usually between the local planning authority and an applicant for planning permission. Planning obligations must meet three tests set out in the Community Infrastructure Levy Regulations 2010 (as amended) that they are:

- necessary to make the development acceptable in planning terms
- directly related to the development; and
- fairly and reasonably related in scale and kind to the development.

Regulation 122 (SI:2010/948)

2.2 Where obligations are paid over the duration of a development's build out or not collected in full at the commencement of development, it is common for any financial contribution secured to be subject to indexation. This indexation is applied to ensure that sums ultimately collected reflect inflation and are, usually, defined in the S106 Agreement or Unilateral Undertaking itself.

- 2.3** Planning application 12/01256/OUT 'Land At Perrybrook' included provision for three sums to be collected through Section 106. The sums were paid and it was only subsequent to their payment that the Council established that incorrect indexation had been applied to the sums calculated, on the original invoices sent.
- 2.4** The difference between the amount invoiced, mistakenly applying the RPI, and what should have been invoiced using the correct BCIS index are:
- The Pitches & Changing Rooms Contribution for £772,076.27 was paid to us by ERLP Brockworth SARL on 14/7/2020 this was made up of the agreed £685,000.00 contribution¹ and £87,076.27 indexation (RPI) the BCIS index would have resulted in the addition of £161,771.22 indexation a difference of £74,694.95 (**DEBT109301**);
 - The Community Facilities Contribution for £323,445.30 was paid to us on 14/3/2019 by ERLP Brockworth SARL, this was made up of the agreed £294,000.00 contribution² and £29,445.30 indexation (RPI) the BCIS index would have resulted in the addition of £73,978.52 indexation a difference of £44,533.22 (**DEBT109302**); and
 - The Gypsy and Traveller Contribution for £438,961.48 was also paid to us by the Society of Merchant Venturers on 14/3/2019, this was made up of the agreed £399,000.00 contribution³ and £39,961.48 indexation (RPI) the BCIS index would have resulted in the addition of £79,453.21 indexation a difference of £39,491.73 (**DEBT109303**).
- 2.5** The relevant developers were contacted when these errors were identified in 2022. At that time the developers wrote back to the Council stating that they were unprepared to pay the additional monies. The primary argument of the developers was that it was not their responsibility to ensure the correct calculation had been applied and they had paid the requested planning obligations in good faith.
- 2.6** Unfortunately, it appears no further action was taken by the Council's Head of Development Services at this time, to either follow-up on the recovery of the additional sums or to take formal steps to write them off. It is now approximately four years since the original invoices were paid and the prospect of successfully recovering these additional charges are unlikely if legal action is undertaken.
- 2.7** These conclusions and the recommendations of this report are based on advice provided by One Legal. The opinion received was that, unless it could be argued that the applicant had acted in bad faith and could reasonably have known the incorrect indexation was applied on the original invoice, any attempts to chase these unpaid debts through the Courts are likely to prove unsuccessful. In support of this they said that having reviewed the original invoices, on which no commentary was provided by Tewkesbury Borough Council on the indexation applied, it seems reasonable to conclude a debtor would just pay the invoice as calculated without reviewing the sums themselves or questioning the basis for their calculation. As a result of this it was recommended that these debts are written off.

¹ Schedule 2, Part 2, Paragraphs 3 and 4 of S106 Agreement signed 16 September 2015

² Schedule 2, Part 3, Paragraph 2 of S106 Agreement signed 16 September 2015

³ Schedule 2, Part 3, Paragraph 1 of S106 Agreement signed 16 September 2015

2.8 Members will be aware that the Council's processes for the collection and monitoring of Section 106 are currently under review with Internal Audit. It is anticipated that through the broader review steps will be taken to learn from this example, and indeed other instances where the Council has had to hand back Section 106 contributions which were not spent in time. This may include a full review of S106 agreements and checking that a consistent and correct application of any indexation is applied and referenced on invoices.

3.0 CONSULTATION

3.1 None

4.0 ASSOCIATED RISKS

4.1 None

5.0 MONITORING

5.1 Members are reminded that the fact that a debt has been written-off does not prevent action to recover the debt subsequently being taken if funds allow, provided such action is not statute barred through lapse of time.

6.0 RELEVANT COUNCIL PLAN PRIORITIES/COUNCIL POLICIES/STRATEGIES

6.1 None

Background Papers: None

Contact Officer: Associate Director: Planning
01684 272272 nick.bryant@tewkesbury.gov.uk

Appendices: Appendix 1 - 'Definition of Index in S106 Agreement signed 16 September 2015'
Appendix 2 – 'Invoice for DEBT109301'
Appendix 3 - 'Invoice for DEBT109302'
Appendix 4 - 'Invoice entry for DEBT109303'
Appendix 5 – 'Developer response to receiving invoices for Debts'

Appendix 1 - 'Definition of Index in S106 Agreement signed 16 September 2015'

- Communities Agency" Buckingham Palace Road London SW1W 9SA or such successor body for the time being having or being entitled to exercise the power to regulate registered providers now conferred on such organisation under the Housing and Regeneration Act 2008 or any legislation amending or replacing the same and the national government agency for the administration of affordable housing subsidy and that funds new Affordable Housing and means any successor agency/organisation taking over such functions
- 1.58. "Horsbere Brook Corridor" means a green buffer zone of land along the watercourse of Horsbere Brook (including any footpaths and bridges that have not been adopted as highways maintainable at the public expense) to be provided as public open space in location(s) to be approved as part of a Reserved Matters application and broadly in accordance with the Master Plans
- 1.59. "Index" means the All In Tender Price Index published by the Building Cost Information Service of the Royal Institution of Chartered Surveyors or any successor organisation
- 1.60. "Interest" means interest at 3 per cent above the base lending rate of the Barclays Bank Plc from time to time
- 1.61. "Intermediate Housing Units" means Affordable Housing Units for sale and rent provided at a cost above social rent, but below market levels which meet the definition of Affordable Housing, (but not including Affordable Rent and Social Rented

ERLP Brockworth SARL
 68-70 Boulevard De La Petrusse
 L 2330

Customer Account No : 201694
 Invoice Number : DEBT109301
 Invoice Date : 20/06/2022
 VAT Registration No : 276094437
 Tax Point Date : 20/06/2022
 Customer Order Ref :
 Other Ref :

INVOICE

Details	Net Amount £	VAT Rate (%)	VAT Amount £	Amount Due £
Please see original invoice DEBT107729 dated 26/5/2020 for the `Changing Facility Contribution` Incorrect indexation was applied (RPI 292.6/259.6 on £685,000.00 = £772,076.27) Correct indexation now applied as per the S106 deed (BCIS 335)	74,694.95	0.00	0.00	74,694.95
Payment Terms Strictly 14 Days	TOTALS			
	74,694.95		0.00	74,694.95

REMITTANCE ADVICE

ERLP Brockworth SARL
 68-70 Boulevard De La Petrusse
 L 2330

Account Number 201694
 Invoice Number DEBT109301
 Total Due £74,694.95
 Invoice Date 20/06/2022



9826 5411 0600 0001 1093 010



New Payment Method - If you currently pay by cheques or cash please now go to a Post Office or PayPoint Location to make a payment into your account, using the barcode above. (see overleaf for more details)

ARRANGEMENTS FOR PAYMENT

Appendix 2

PLEASE QUOTE YOUR INVOICE NUMBER WITH ALL PAYMENTS

DEBT109301

Payment can be made by the following methods :

1. DIRECT DEBIT

Payment taken from your bank account.
Payments are covered by the "Direct Debit Guarantee".
Please call **01684 272113** if you would like to arrange a Direct Debit Payment.

2. INTERNET PAYMENTS

Please visit www.tewkesbury.gov.uk
Select Do It Online and then Pay for It
Use the Invoice Payment option to then make the payment

Alternatively [click here](#) to access the website now

3. INTERNET BANKING

Please make payment to the following bank account :

Name	Tewkesbury Borough Council
Sort Code	20-20-23
Account Number	40875473

Remember to quote your reference number **DEBT109301**

4. PAYPOINT

You will need to take your invoice with you and use the barcode on the front.

At the Post Office[®]

You can pay by cash, cheque or debit card. There is a transaction limit of £999.99. If the amount to pay exceeds these limits, then multiple payments can be made. There will be no charge for the payment.

At PayPoint shops

Payment by cash only. There is a transaction limit of £200.00. If the amount to pay exceeds these limits, then multiple payments can be made. There will be no charge for the payment.

ENQUIRIES

Please contact the Council by :

Telephone **01684 272113**
Email **debtors@tewkesbury.gov.uk**

Office Hours **Mon -Thurs 08:30am - 5:00pm**
Fri 08:30am - 4:00pm

Electronic remittance advices should be sent to :
debtors@tewkesbury.gov.uk

Contact us IMMEDIATELY if you have any difficulty in paying this invoice

The Data Protection Act requires the Council to process personal data fairly and lawfully.
Full details on how the Council uses your data is provided at www.tewkesbury.gov.uk/NFI

ERLP Brockworth SARL
 68-70 Boulevard De La Petrusse
 L 2330

Customer Account No : 201694
 Invoice Number : DEBT109302
 Invoice Date : 20/06/2022
 VAT Registration No : 276094437
 Tax Point Date : 20/06/2022
 Customer Order Ref :
 Other Ref :

INVOICE

Details	Net Amount £	VAT Rate (%)	VAT Amount £	Amount Due £
Gypsy Contribution shortfall (53% of £399,000 plus indexation)	25,640.34	0.00	0.00	25,640.34
Please refer to invoice DEBT106878 dated 04/2/2019. Incorrect indexation was applied (RPI 285.6/259.6) Correct indexation (BCIS 331 Feb 2019 /271 Sept 2015) now applied. Community Contribution (53% of £294,000 plus indexation)	18,892.88	0.00	0.00	18,892.88
Payment Terms Strictly 14 Days TOTALS	44,533.22		0.00	44,533.22

REMITTANCE ADVICE

ERLP Brockworth SARL
 68-70 Boulevard De La Petrusse
 L 2330

Account Number 201694
 Invoice Number DEBT109302
 Total Due £44,533.22
 Invoice Date 20/06/2022



9826 5411 0600 0001 1093 028



New Payment Method - If you currently pay by cheques or cash please now go to a Post Office or PayPoint Location to make a payment into your account, using the barcode above. (see overleaf for more details)

ARRANGEMENTS FOR PAYMENT

Appendix 3

PLEASE QUOTE YOUR INVOICE NUMBER WITH ALL PAYMENTS

DEBT109302

Payment can be made by the following methods :

1. DIRECT DEBIT

Payment taken from your bank account.
Payments are covered by the "Direct Debit Guarantee".
Please call **01684 272113** if you would like to arrange a Direct Debit Payment.

2. INTERNET PAYMENTS

Please visit www.tewkesbury.gov.uk
Select Do It Online and then Pay for It
Use the Invoice Payment option to then make the payment

Alternatively [click here](#) to access the website now

3. INTERNET BANKING

Please make payment to the following bank account :

Name	Tewkesbury Borough Council
Sort Code	20-20-23
Account Number	40875473

Remember to quote your reference number **DEBT109302**

4. PAYPOINT

You will need to take your invoice with you and use the barcode on the front.

At the Post Office[®]

You can pay by cash, cheque or debit card. There is a transaction limit of £999.99. If the amount to pay exceeds these limits, then multiple payments can be made. There will be no charge for the payment.

At PayPoint shops

Payment by cash only. There is a transaction limit of £200.00. If the amount to pay exceeds these limits, then multiple payments can be made. There will be no charge for the payment.

ENQUIRIES

Please contact the Council by :

Telephone **01684 272113**
Email **debtors@tewkesbury.gov.uk**

Office Hours **Mon -Thurs 08:30am - 5:00pm**
Fri 08:30am - 4:00pm

Electronic remittance advices should be sent to :
debtors@tewkesbury.gov.uk

Contact us IMMEDIATELY if you have any difficulty in paying this invoice

The Data Protection Act requires the Council to process personal data fairly and lawfully.
Full details on how the Council uses your data is provided at www.tewkesbury.gov.uk/NFI

Appendix 4 - 'Invoice entry for DEBT109303'

Financials V24.0.0
Tewkesbury Borough Council (32)
Paul Hardiman

Menu Search
 Start typing to select a value

< Search Results
 DB Invoice

DB Find Invoice ×

DB Find Invoice

[Show Filters](#) ∨

Showing 1 to 1 of 1 entries < 1 >

	Date	Debtor	Debtor Name	Tran Code	Invoice No	Reference 2	Amount	Balance	Department	Section	Status
<input type="checkbox"/>	20/06/2022	201693	Society of Merchant Venturers	DBINV	<u>DEBT109303</u>		£39,491.73	£39,491.73	Executive Director Place	Planning Policy	Authorised

Show entries < 1 >

[▲ back to top ▲](#) © 2024 Civica UK Limited. All rights reserved.

Appendix 5 – Developer response to receiving invoices for Debts

From: Nathan Southan

Sent: 14 July 2022 10:28

To: Sarah.Lemon@teWKesbury.gov.uk

Cc: Geoff Tipping (gnt@higham-lane.com) <gnt@higham-lane.com>; Tony Blackburn <tony.blackburn@stcongar.com>; 'Bainbridge, James' <James.Bainbridge@carterjonas.co.uk>; victoria.redman@wbd-uk.com; Dale Armstrong <dale.armstrong@wbd-uk.com>; Elizabeth Tones <Elizabeth.Tones@wbd-uk.com>

Subject: RE: Brockworth s106 - Allotment Land - Offer to Transfer

Dear Sarah,

I was very surprised and disappointed to receive your email of 20 June requesting additional payments totalling £119,228.17 in respect of the Gypsy Contribution and Changing Facility Contribution. As you will appreciate, the additional sums now requested relate to payments made by us some two years ago, which we had understood had been paid in full and with no further monies due or outstanding.

It appears that your recent request has arisen out of an error, made solely on the part of the Council, through the Council's incorrect calculation of the sums due at that time. The sums paid by us included indexation, and this is noted on the face of the invoice. No further breakdown was provided by the Council to enable us to check that the correct indexation had been applied and, on this basis, the amount invoiced was paid promptly by us, in full, and in good faith. We had understood that the Council had accepted our payment on that basis.

As you will no doubt appreciate, we have settled our budgets on the basis of the amounts previously invoiced to and paid by us. It is completely unreasonable for the Council to seek additional sums from us, several years later, and solely resulting from the Council's error, when we had understood that the payment had been made in final settlement and when we have relied on this for our budgeting purposes. As a local authority, you have a statutory duty to act reasonably. Given the particular circumstances which have occurred in this specific case, we consider that your request for additional payments does not comply with this duty.

Given this, we strongly encourage the Council to reconsider its request and to issue a credit note in respect of the additional sums recently and, in our view, very unfairly sought.

I looking forward to hearing from you.

Kind regards,

Nathan Southan

Finance Director

St Congar

93-95 Gloucester Place

London

W1U 6JQ

T: 020 3872 3873

M: 07384 814 220

W: www.stcongar.com

E-Mail Disclaimer:

This e-mail and any files distributed with it are intended solely for the individual or organisation to whom it is addressed. If you are not the intended recipient or the person responsible for distributing it to them you may not copy, forward, disclose or otherwise use it or any part of it in any way. To do

so may be unlawful. Any opinion or advice contained anywhere in this message is that of the sender and is not intended to bind St Congar Land Limited, St Congar Asset Management Limited or St Congar Homes Limited in any way. Neither can the sender accept any responsibility for any changes made to this e-mail after it was sent. The sender cannot accept any responsibility for any loss or damage caused by any software viruses transmitted with this email and we advise that you carry out your own virus checks on any attachments included in this message.

Document is Restricted

Document is Restricted

Document is Restricted

