

TEWKESBURY BOROUGH COUNCIL

**Minutes of a Meeting of the Executive Committee held at the Council Offices,
Gloucester Road, Tewkesbury on Wednesday, 5 February 2020 commencing at
2:00 pm**

Present:

Chair	Councillor R A Bird
Vice Chair	Councillor J R Mason

and Councillors:

G F Blackwell, M Dean, R D East (Substitute for M A Gore), L A Gerrard, E J MacTiernan,
C Softley, R J Stanley, M G Sztymiak and R J E Vines

also present:

Councillors K J Cromwell and D J Harwood

EX.75 ANNOUNCEMENTS

- 75.1 The evacuation procedure, as noted on the Agenda, was taken as read.
- 75.2 The Chair welcomed Councillors Cromwell and Harwood to the meeting. He advised that Councillor Cromwell was in attendance as Overview and Scrutiny Committee Chair for Item 14 – Trade Waste Services and Councillor Harwood was in attendance as an observer.
- 75.3 There was also a representative from the Counter Fraud Unit in attendance for Items 7 – Whistleblowing Policy and 8 – Prosecution of Housing and Tenancy Fraud on Behalf of Social Housing Providers.

EX.76 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

- 76.1 Apologies for absence were received from Councillor M A Gore. Councillor R D East would be acting as a substitute for the meeting.

EX.77 DECLARATIONS OF INTEREST

- 77.1 The Committee's attention was drawn to the Tewkesbury Borough Council Code of Conduct which was adopted by the Council on 26 June 2012 and took effect from 1 July 2012.
- 77.2 There were no declarations of interest made on this occasion.

EX.78 MINUTES

- 78.1 The Minutes of the meeting held on 8 January 2020, copies of which had been circulated, were approved as a correct record and signed by the Chair.

EX.79 ITEMS FROM MEMBERS OF THE PUBLIC

79.1 There were no items from members of the public.

EX.80 EXECUTIVE COMMITTEE FORWARD PLAN

80.1 Attention was drawn to the Committee's Forward Plan, circulated at Pages No. 16-17. Members were asked to consider the Plan.

80.2 Accordingly, it was

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

EX.81 WHISTLEBLOWING POLICY

81.1 The report of the Head of Corporate Services, circulated at Pages No. 18-33, presented an updated Whistleblowing Policy which Members were asked to approve.

81.2 Members were advised that the revised Policy was very similar to the previous one but with a few minor amendments to reflect legislative changes. The Policy had been considered by the Audit and Governance Committee at its meeting on 22 January and had been recommended to the Executive Committee for approval.

81.3 In response to a query regarding how it would be distributed to staff, the Committee was advised that the Policy would be placed on the intranet and, in addition, all Officers had recently attended whistleblowing training.

81.4 Accordingly, it was

RESOLVED: That the Whistleblowing Policy be **APPROVED**.

EX.82 PROSECUTION OF HOUSING AND TENANCY FRAUD ON BEHALF OF SOCIAL HOUSING PROVIDERS

82.1 The report of the Head of Finance and Asset Management, circulated at Pages No. 34-37, set out an opportunity for the Council to utilise enforcement powers which were available to it in order to prevent, detect and prosecute housing and tenancy fraud on behalf of social housing providers. Members were asked to endorse the use of appropriate enforcement powers, and those powers set out in the Prevention of Social Housing Fraud Act 2013, and to support the prosecution, where appropriate, of housing and tenancy fraud offences committed in relation to properties owned by social housing providers within and outside of the Borough.

82.2 Members were advised that the Counter Fraud Unit currently provided counter fraud services to a number of social housing providers from across Gloucestershire to investigate tenancy fraud and the recommendation in the report would allow the legal team to prosecute both within the Borough and outside of it.

82.3 Accordingly, it was

- RESOLVED:**
1. That the use of appropriate enforcement powers and those powers set out in the Prevention of Social Housing Fraud Act 2013 (PoSHFA) be **ENDORSED**.
 2. That the prosecution (where appropriate) of housing and tenancy fraud offences committed in relation to properties owned by Social Housing Providers within and outside the Borough be supported.

EX.83 BUDGET 2020/21

83.1 The report of the Head of Finance and Asset Management, circulated at Pages No. 38-52, set out a proposed budget for 2020/21 which the Committee was asked to recommend to Council for approval.

83.2 The Head of Finance and Asset Management drew attention to a number of key points. He explained that the local government finance settlement would be rolled over for a further year with an uplift in funding in line with inflation - this would only generate an additional £31,000 given that the base funding level was so low. In terms of New Homes Bonus funding, for 2020/21 the Council would receive £3.73million from the Scheme; however, there was the potential that the funding may be withdrawn after that and this was of significant concern to the Council given the amount that was utilised to support the base budget. For 2020/21, the proposed use of New Homes Bonus included support to the base budget; planning appeals; climate emergency support; HGV driver training; collection of small electrical equipment; IT and digital development plan; Borough Elections; business rates intelligence; Community Funding Officer; Heritage Action Zone match funding; Economic Development and Tourism Officer; tourism study; Medium Term Financial Strategy reserve; investment fund; and pay award contingency. Referring to business rates retention, the Head of Finance and Asset Management explained that the government's intention had been to move the local authority sector as a whole to a 75% retention scheme from 1 April 2020; however, this had now been delayed for one year and the current 50% retention scheme would instead apply for 2020/21. It was estimated that the growth retained under the 50% scheme would increase by around £60,000 to £739,000. Referring to Council Tax, the Head of Finance and Asset Management advised that, given the level of deficit for 2020/21 and the medium term financial forecast of continued deficits, it was necessary to recommend an increase in Council Tax of £5 per year at Band D level – the equivalent of 4.19% - in order to balance next year's budget. The recommended increase should mean the Council remained within the bottom 10 precepting authorities. Referring to Paragraph 6.0 of the report - budget proposals – Members were advised that the projection within the Medium Term Financial Strategy had highlighted a potential deficit of £0.8million for 2020/21 and this had been reflected in the draft budget requirements put forward by service areas. Significant savings and increased income had been made to offset the deficit and this had resulted in the net cost of services only increasing by £183,777 (2.09%) for the next financial year. Particular attention was drawn to the estimates for 2020/21 which included an allowance for a 2% pay award – however, negotiations between Unions and the employers were yet to progress with Unions requesting a pay award significantly in excess of inflation; should agreement be reached which was in excess of 2%, a contingency within New Homes Bonus allowed coverage up to a level of 3%. The finance available to fund the net budget requirement included: revenue support grant; rural services delivery grant; business rates baseline; retained business rates; New Homes Bonus; collection fund surplus; minimum revenue provision; and net transfers to/(from) reserves. When this was all

taken into account the balance to be funded by Council Taxpayers for 2020/21 was £4,394,992.

83.3 During the discussion which ensued, a Member indicated that the increases detailed at Table 5 included some quite large increases in the areas of Corporate Services, Development Services and Community Services and he questioned what the increases related to. In response, the Head of Finance and Asset Management explained that they did not generally relate to an increase in staff but covered a variety of things e.g. the increase in Corporate Services was use of New Homes Bonus funding to support the ICT team and ICT infrastructure and Community Services included the increased costs to waste and recycling etc. Another Member questioned whether the money set aside for the ICT digital development plan, and the subsequent increase in ICT capacity, was enough for the Council's needs. In response, the Head of Finance and Asset Management explained that, compared to the overall need, the amount set aside was probably not really enough but the Council had a finite amount of money to allocate which had to be taken into consideration. Compared to other services the ICT section had a larger allocation for 2020/21.

83.4 Referring to Pages No. 45 and 46, a Member questioned why the costs of collecting recycled materials had increased and what the anticipated costs of the Council's Microsoft Office licences was expected to be. In response, the Head of Finance and Asset Management explained that the increased cost in dealing with recycled materials was due to the tonnage collected and increased contamination rates as well as the cost of the Waste Transfer Station. The Council had just begun to look at the recycling of paper and card as the market for those materials was limited currently which would have an impact on the Council's finances. In respect of Microsoft licensing, the ICT Manager advised that this was extremely complicated. The Council was currently reaching the end of its three year agreement and, as Microsoft now carried a lot of the market, the discounts it had given had now expired – the Council had been receiving a 65% discount but that was now more like 15-20% - in addition, the Council had an increased number of users in many service areas which added to the costs. Other options had been considered but the costs had been extremely prohibitive. Another Member questioned whether £70,000 from New Homes Bonus for Borough Elections was in proportion. In response, the Head of Finance and Asset Management explained that the New Homes Bonus funding was used to pay for the Borough Elections so if that funding ceased the Council needed to ensure it could still pay for its own elections. The £70,000 which was recommended made a good start to the funding of the next elections in 2023 which in 2019 had cost around £140,000. In terms of the emerging risk of the additional cost of recycling, a Member questioned how it was known that Tewkesbury Borough Council was the cause of the contamination. In response, the Head of Community Services explained that the loads were kept separate at the Waste Transfer Station and when it was run through the Materials Recovery Facility (MRF) at Avonmouth it was Tewkesbury Borough's waste which was contaminated.

83.5 Having considered the information provided, it was

RESOLVED:

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

1. A net budget of £8,956,607 be **APPROVED**.
2. A Band D Council Tax of £124.36, an increase of £5.00 per annum, be **APPROVED**.
3. The use of New Homes Bonus, as proposed in Paragraph 3.5 of the report, be **AGREED**.

4. The addition of £183,965 to the capital programme to fund new ICT requirements, as outlined in Paragraph 9.5 of the report, be **AGREED**.
5. The capital programme, as proposed in Appendix A to the report, be **AGREED**.

EX.84 FINANCIAL UPDATE - QUARTER THREE 2019/20

- 84.1 The report of the Head of Finance and Asset Management, circulated at Pages No. 53-63, provided the financial performance information for the third quarter of 2019/20. Members were asked to consider the information provided.
- 84.2 The Committee was advised that the report highlighted a quarter three surplus of £310,256 on the revenue budget which was pleasing. In terms of employee costs, a surplus of £148,351 was shown which was mainly generated through staff vacancies – services had managed vacancies during the period by utilising current staff to cover work in the short term and limiting, where possible, the use of agency staff. In addition, there were savings arising from the Chief Executive post following the Council's decision to grant flexible retirement; there was a deficit reported on supplies and services which related to European and Parliamentary Elections, this also affected the deficit position on payments to third parties, but the Council received grant income to cover those costs therefore the income surplus within Democratic Services matched off that expenditure. In addition, the Borough Election expenditure was also contained within Democratic Services and this was matched off through one-off funding from reserves and New Homes Bonus so, overall, Democratic Services was in a cost neutral position. Transfer payments was showing a deficit of £30,000 which related to expenditure on housing benefit and recovery of subsidy from the government – during the year, several significant overpayments relating to claimant error, which went back over several years, had been identified and this had reduced the subsidy that could be recovered from the government which had led to the deficit position. Notwithstanding this, the forecast full year deficit being reported was a significant improvement on the previously reported position and reflected the positive direction of travel over the last three or four months. The Council aimed to recover 100% of the debt from the claimant therefore in the long run the deficit on the housing benefit claim could be eradicated – unfortunately recovering significant overpayments could take time. Income was showing a net surplus of £354,763 which was being offset by a deficit of £105,000 on planning income at the end of December 2019. The expectation was that, by year-end, planning applications received may reduce the deficit to £77,000. There was also a deficit of £81,000 on the amount of recycling credits received due to the actual level of recyclate collected being less than was included in the budget. In addition, it had been identified that the budget did not include a sufficient allowance for non-recyclable material in the system therefore the recycling credits due had been overestimated.

- 84.3 Referring to the corporate codes, the Head of Finance and Asset Management explained that there was a significant budget deficit shown on investment properties which was due to the Council's inability to secure another commercial property during the year – this had meant that the income expected to be received in rent had not been achieved. There were currently two properties going through the due diligence process and it was hoped that at least one of those could be secured. The loss in rental income to date had been mitigated to a large extent by treasury management costs having been reduced through lower borrowing and no minimum revenue provision payment being made. Business rates was showing a surplus at December 2019 of £161,129, with the Gloucestershire pool's latest position showing a positive return, and it was expected that a windfall surplus of approximately £250,000 could be delivered by year-end.
- 84.4 Returning to the payments to third parties deficit of £214,973, the Head of Finance and Asset Management explained that the majority related to the delivery of the contract sum with Ubico which had increased to a deficit of £204,643 and a projected year-end overspend of £272,857. The information received from Ubico indicated that the corporate costs of the business had been overlooked previously and, having now been reviewed, the significant overspend could be broken down into four key categories: insufficient recovery rate at budget setting for 2019/20, previously agreed at 5.8% of contract sums; 2019/20 budget deficiencies for items such as ICT support and absence management systems; shareholder agreed increased costs such as the appointment costs of Non-Executive Directors and the Financial Director; and cost movements during the year such as support costs from Publica. As a result of the review, an additional £77,000 of costs relating to the corporate core of Ubico had been added to the Tewkesbury contract – all Ubico contracts had been affected by this issue. Following a meeting with Tewkesbury Borough Council Officers, senior management at Ubico had frozen all non-essential spending across the organisation and a value for money review of all elements of expenditure throughout the organisation had been commenced which may lead to reduced costs in future years. Ubico had given assurances that the budget for 2020/21 would not be increased as a result of the additional corporate costs and it would present cost reduction proposals to cover the additional expenditure. In addition, the Section 151 Officers of all shareholding Councils had agreed to support Ubico in a review of the corporate costs of the organisation. The Ubico representative advised that she was extremely disappointed with the current situation and the Director who had previously been reporting on the figures had given no indication of the significant problems which were faced. The work undertaken in partnership on the contract costs had been good but the corporate costs had not been interrogated in the same way. In terms of the Non-Executive Directors, the Ubico representative explained that a Board review had been undertaken with the new Board being based on skills making it more sustainable. The review had recommended the appointment of three Non-Executive Directors and the costs shown were for the recruitment of those posts. The retirement of the Commercial Director and subsequent appointment of a new Finance Director had not been anticipated at the budget-setting process which was the reason it was only being raised at this point. In terms of the additional £77,000 required from Tewkesbury Borough Council, the Head of Finance and Asset Management confirmed that the impact was different across the various partner authorities as it was based on an apportionment of the contract sum. Tewkesbury Borough's was currently 5.8% - although this depended on any overspend or underspend at year end – the apportionment was done at the beginning of the year. Going forward the Council would have a full picture of Ubico's finances with complete transparency and Officers were happy with the controls in place; it was felt that the appointment of the new Finance Director would also strengthen that position.

84.5 Accordingly, it was

RESOLVED: That the financial performance information for the third quarter of 2019/20 be **NOTED**.

EX.85 HOUSING STRATEGY MONITORING REPORT (YEAR 4)

85.1 The report of the Head of Community Services, circulated at Pages No. 64-92, presented the action plan for 2020/21 which formulated the actions to continue to meet the priorities of the Housing Strategy and provided a summary of the key activities which had been achieved in the third year of the strategy as well as the proposed activities for year four. Members were asked to support the Housing Strategy action plan for 2020/21.

85.2 The Head of Community Services explained that the Housing Strategy 2017-21 had been developed by an Overview and Scrutiny Working Group and adopted by the Council in January 2017. Annual action plans were agreed by Executive Committee with regular reporting to Overview and Scrutiny Committee for review of achievements and future challenges. The action plan priorities focused on developments in the service rather than service performance which was outlined in the performance tracking. The current year was the last of this Strategy so next year a new Strategy would be adopted; given the success of the current Strategy it was proposed that the new Strategy would be developed in a similar way using an Overview and Scrutiny Working Group.

85.3 During the discussion which ensued, a Member questioned what the average turnaround time was in social housing i.e. from the day a property became vacant to a new tenant moving in. In response, the Strategic Housing and Enabling Officer advised that there had been some improvement in that since the transfer to Bromford Housing but he would have to investigate this with Bromford and respond after the meeting. Generally speaking, the tenant gave one month's notice then the registered provider advertised the property and the new property would be ready to move into in six to eight weeks; however, some applicants could be waiting a while for upgrades to the property so the timing did vary. Another Member questioned whether it would be possible for Members to visit the new modular housing site at Staverton before it was inhabited; in response, the Head of Community Services indicated that this would be possible - Rooftop usually had an open day once a development was complete so that could offer some scope for a visit. Some Members had understood that modular homes were built in a factory and then were quickly erected on site so had not thought the process would take as long as it had in Staverton. In response, the Head of Community Services advised that there were different types of modular housing and Rooftop preferred to build onsite for reasons of cost and durability of properties. It should also be noted that, whilst modular housing was quicker to build, there was still the same amount of groundwork preparations to undertake as well as installation of supplies, e.g. power, sewage, water, which could take a lot of time depending on what was required. In terms of the Winchcombe site, this was currently in the planning stages.

85.4 Accordingly, it was

RESOLVED: That the Housing Strategy Action Plan for 2020/21 be **SUPPORTED**.

EX.86 ICT STRATEGY

- 86.1 The report of the Head of Corporate Services, circulated at Pages No. 93-107, attached the revised ICT strategy which Members were asked to approve.
- 86.2 Members were advised that to deliver the Council's properties and to support day to day operational activities, it was essential that the Council's ICT infrastructure was as effective and secure as possible. The Strategy set out four key themes to maximise the Council's ICT resources and an action plan indicated how those would be addressed: security – key actions included the implementation and testing of a new firewall through to cultural awareness of risks around phishing/scam emails; sustainability – a key action would be to develop a register of ICT assets and when they needed to be replaced; stability – key actions would include a review of disaster recovery plans through to preventative measures such as the review of existing systems to identify single points of failure and how they could be managed; and simplicity – a key action was to carry out an assessment and implement the equipment necessary for staff to work effectively and so they got the same experience regardless of location.
- 86.3 It was intended that the action plan would be refreshed annually throughout the lifetime of the Strategy to ensure it remained relevant and up-to-date. One of those actions was to establish an internal ICT Technical Board - made up of strategic officers from across the Council - to provide governance and technical assurance for ICT related projects as well as hardware and software procurement. Another role of the Board would be to monitor delivery of the action plan in addition to the six monthly reporting to Transform Working Group.
- 86.4 In response to a query regarding the achievability of the target dates within the action plan, the ICT Manager confirmed that he was fairly confident on the dates included which had been put together based on a forecast of those actions that the Council had to meet, security compliance and things the Council had chosen to implement.
- 86.5 Having considered the information provided, it was

RESOLVED: That the ICT Strategy be **APPROVED**.

EX.87 SEPARATE BUSINESS

- 87.1 The Chair proposed, and it was

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

EX.88 TRADE WASTE SERVICES

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

- 88.1 Members considered the recommendations from the Overview and Scrutiny Committee in respect of the Council's trade waste service, along with the Officer's report, and agreed that a detailed business case on the pilot proposal, which built on the work already undertaken, be prepared with other third party options being presented for review by the Overview and Scrutiny Committee in order that a recommendation on the way forward could be made to the Executive Committee.

The meeting closed at 3:25 pm