

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive Committee
Date of Meeting:	18 November 2020
Subject:	Council Plan Performance Tracker and COVID-19 Recovery Plan Tracker 2020/21 (Quarter 1)
Report of:	Chair of Overview and Scrutiny Committee
Corporate Lead:	Chief Executive
Lead Members:	Lead Member Commercial Transformation
Number of Appendices:	Seven

Executive Summary:

A new Council Plan (2020-24) was approved by Council on 28 January 2020. The approved plan included four existing priorities i.e. finance and resources, economic growth, housing and communities and customer first plus the approval of two new priorities i.e. garden communities and sustainable environment. Supporting the priorities is a set of objectives and actions. Progress in delivering the objectives and actions are reported through a Council Plan Performance Tracker. The tracker is a combined document which also includes a set of key performance indicators. At Overview and Scrutiny Committee on 13 October 2020, consideration was given to the first quarter's performance management information for 2020/21. The observations made by the Committee can be found in Appendix 1. The tracker document can be found at Appendix 2.

Since the approval of the new Council Plan, the Council's response to the COVID-19 pandemic has meant that resources have been prioritised and deployed to support staff, residents, businesses and communities whilst maintaining core service delivery. COVID-19 continues to present the Council with significant challenges and a corporate COVID-19 recovery plan has been established to address those challenges. The plan has been designed around the six priorities of the Council plan. Despite COVID-19 the strategic priorities of the Council remain the same. Similar to the Council plan, the recovery plan has a number of objectives and actions. The recovery plan was approved by Executive Committee on 5 August 2020. A recovery plan tracker has been created to monitor progress in delivering those objectives and actions. The tracker document can be found at Appendix 3.

Given the synergies of the two tracker documents, they are reported together. For example, given that resources have been deployed in response to the pandemic, this will inevitably mean that some of the actions within the Council plan will not have progressed as intended. It could also mean that those actions remain undeliverable as prioritisation is given to actions within the recovery plan.

Key financial information is also reported so Members have a rounded view of overall performance information. Attached is the revenue budget summary statement (Appendix 4), estimated COVID-19 financial impact (Appendix 5), capital monitoring statement (Appendix 6) and the reserves position summary (Appendix 7).

This performance information is reported to the Overview and Scrutiny Committee on a quarterly basis and the outcome is then reported to the Executive Committee by the Chair of the Overview and Scrutiny Committee.

Recommendation:

To scrutinise the performance management information and, where appropriate, require action or response from the Executive Committee.

Reasons for Recommendation:

The Overview and Scrutiny Committee Terms of Reference require it to review and scrutinise the decisions and performance of the Council and its Committees.

Resource Implications:

None directly associated with this report other than to note that a number of actions during quarter one were impacted by the Council's response to COVID-19.

Legal Implications:

None directly associated with this report.

Risk Management Implications:

If delivery of the Council's priorities is not effectively monitored, then the Council cannot identify where it is performing strongly or where improvement in performance is necessary. The impact of COVID-19 has been commented upon in relation to a number of Council plan actions. A separate corporate recovery plan has been developed to assist in risk identification and risk management in relation to COVID-19 and the Council's responsibilities in relation to recovery.

Performance Management Follow-up:

Performance management information is reported to Overview and Scrutiny Committee on a quarterly basis. The outcome of each quarterly review is then reported to Executive Committee.

Environmental Implications:

None directly associated with this report.

1.0 INTRODUCTION/BACKGROUND

- 1.1 A new Council Plan (2020-24) was approved by Council on 28 January 2020. The approved plan included four existing priorities i.e. finance and resources, economic growth, housing and communities and customer first plus the approval of two new priorities i.e. garden communities and sustainable environment. Supporting the priorities is a set of objectives and actions. Progress in delivering the objectives and actions are reported through a Council Plan Performance Tracker. The tracker is a combined document which also includes a set of key performance indicators.
- 1.2 This performance information is reported to Overview and Scrutiny Committee on a quarterly basis. The outcome of this scrutiny review is then reported to the Executive Committee by the Chair of the Overview and Scrutiny Committee. The observations and questions raised on the Council plan tracker and recovery tracker (see below) can be found in Appendix 1. The Council plan performance tracker can be found at Appendix 2.

- 1.3** Since the approval of the new Council Plan, the Council's response to the COVID-19 pandemic has meant that resources have been prioritised and deployed to support staff, residents, businesses and communities whilst maintaining core service delivery. COVID-19 continues to present the Council with significant challenges and a corporate COVID-19 recovery plan has been established to address those challenges. The plan has been designed around the six priorities of the Council plan as despite COVID-19 the strategic priorities of the Council remain the same. Similar to the Council plan, the recovery plan has a number of objectives and actions. The recovery plan was approved by Executive Committee on 5 August 2020. A recovery plan tracker has been created to monitor progress in delivering those objectives and actions and this can be found at Appendix 3.
- 1.4** Given the synergies of the two tracker documents, they are reported together. For example, given that resources have been deployed in response to the pandemic, this will inevitably mean that some of the actions within the Council plan will not have progressed as intended. It could also mean that those actions remain undeliverable as prioritisation is given to actions within the recovery plan.
- 1.5** Key financial information is also reported so Members have a rounded view of overall performance information. Attached is the revenue budget summary statement (Appendix 4), estimated COVID-19 financial impact (Appendix 5), capital monitoring statement (Appendix 6) and the reserves position summary (Appendix 7).

2.0 COUNCIL PLAN PERFORMANCE TRACKER

2.1 The Council Plan (2020-24) has six priorities which contribute to the overall Council Plan vision "*Tewkesbury Borough, a place where a good quality of life is open to all*". The priorities are:

- Finance and resources.
- Economic growth.
- Housing and communities.
- Customer first.
- Garden communities.
- Sustainable environment.

Each of the six priorities is supported by a number of objectives and actions which will focus activity on delivery of the priorities. The tracker has been developed and contains a set of key performance measures to monitor delivery of each Council Plan action. The actions are reviewed and where appropriate refreshed on an annual basis.

2.2 For monitoring the progress of the Council Plan actions, the following symbols are used:

☺ – action progressing well.

☹ – the action has some issues or delay by there is no significant slippage in the delivery of the action.

☹ – significant risk to not achieving the action or there has been significant slippage in the timetable or performance is below target.

Grey – project has not yet commenced.

✓ – action complete or annual target achieved.

For monitoring of key performance indicators, the following symbols are used:

↑ - PI is showing improved performance on previous year.

↔ - PI is on par with previous year performance.

↓ - PI is showing performance is not as good as previous year.

2.3 This report presents the first quarter of the new Council Plan (2020-2024). Key successful activities specific to the Council plan, to bring to Members' attention since the last performance report include:

- The Council now has a £50million commercial property portfolio following the addition of a small industrial park in the West Midlands.
- Tewkesbury High Street has been officially designated as a Heritage Action Zone and a contract has been signed between the Council and Historic England.
- Four Parish Councils will receive neighbourhood funding from Community Infrastructure Levy receipts following developments within their parish areas.
- Garden waste income continues to perform strongly with the budgeted income figure of £945,000 achieved.
- The Supplementary Planning Document (SPD) for West Cheltenham Cyber Park – known as the Golden Valley development SPD was adopted at Council on 28 July 2020.
- Climate change and carbon reduction action plan was approved by Council in July 2020 to reduce waste and emissions across the Council's own estate, assets and activities.
- A virtual public share event took place in relation to the Ashchurch bridge project which will now lead to the submission of the planning application towards the end of quarter two.

It would be remiss not to mention the organisational effort to respond to the COVID-19 pandemic. This is evident through the various commentaries within the tracker and why some actions have yet to be initiated or have not progressed as well as intended. This is exemplified within the table below.

2.4 Even in 'normal' times, due to the complex nature of the actions being delivered, inevitably some may not progress as smoothly or quickly as envisaged. This has obviously been amplified by the response to COVID-19. Actions with either a 😞 or 😊 are highlighted below:

Action	Status and reason for status
<p>Develop a business case to ensure our trade waste service operates more commercially.</p> <p>(Page No. 3 of the Council Plan performance tracker)</p>	<p>😞 The target date has been amended from September 2020 to February 2021. The target date has been amended seven times. A high-level project plan is to be presented to Overview & Scrutiny Committee on 13 October to give assurance the new target date can be achieved.</p>

<p>In-source the management of our homeless property portfolio.</p> <p>(Page No. 3 of the Council Plan performance tracker).</p>	<p>☹️ The ability to manage the properties during the COVID-19 pandemic would have been impacted by demands on Property Services and having to work remotely. The current contract has been extended to 31 March 2021.</p>
<p>Deliver employment land through allocating land in the Joint Core Strategy (JCS) and Tewkesbury Borough Plan (TBP).</p> <p>(Page No. 5 of the Council Plan performance tracker).</p>	<p>☹️ The target date for the JCS draft consultation has been amended from Winter 2020 to Summer 2021. This is to ensure the regulation 18 consultation provides a clear planning strategy supported by robust evidence which includes a Gloucestershire wide economic needs assessment. The target date has been amended twice previously.</p>
<p>Work with partners to undertake the required reviews of the JCS.</p> <p>(Page No. 11 of the Council Plan performance tracker).</p>	<p>☹️ The target date for the JCS draft consultation has been amended from Winter 2020 to Summer 2021. This is to ensure the regulation 18 consultation provides a clear planning strategy supported by robust evidence which includes a Gloucestershire wide economic needs assessment. The target date has been amended twice previously.</p>
<p>Develop a work programme with landlords to ensure residents have a supply of rented properties to meet their needs.</p> <p>(Page No. 12 of the Council Plan performance tracker).</p>	<p>☹️ Due to Covid-19 restrictions work with private landlords was limited during lockdown which impacted on building relationships due to not having face to face contact. The team have continued to engage with landlords and agents through surveys. Target date has been amended from November 2020 to January 2021. The target date has been amended five times previously.</p>
<p>Carry out housing needs assessments to deliver affordable housing in rural areas.</p> <p>(Page No. 13 of the Council Plan performance tracker).</p>	<p>☹️ The first round of surveys was due for completion in Spring 2020. Due to the impact of Covid-19 this was delayed. A new revised target date has been established which included the overall completion of the need's assessments throughout the borough. The date has been amended from March 2020 (first phase) to March 2023 (overall completion). Target date has been amended once previously.</p>

<p>Ensure adequate land is allocated within the JCS and Tewkesbury Borough Plan to meet housing need.</p> <p>(Page No. 13 of the Council Plan performance tracker).</p>	<p>☹️ The target date for the JCS draft consultation has been amended from Winter 2020 to Summer 2021. This is to ensure the regulation 18 consultation provides a clear planning strategy supported by robust evidence. The target date has been amended twice previously.</p>
<p>Deliver the Council's Communication Strategy.</p> <p>(Page No. 23 of the Council Plan performance tracker).</p>	<p>😊 Whilst elements of the Communications Strategy action plan have been delivered, communications resources has been significantly involved in responding to Covid-19. As a result, new reactive actions were implemented.</p>

2.5 Some actions of the Council plan have been affected or put on hold in order for staff resources to focus on responding to new central government measures and guidance as a result of COVID-19. The greyed actions within the Council Plan affected as a result are as follows:

<p>Introducing and complying with CIPFA's new Financial Management Code</p> <p>(Page No. 1 of the Council Plan performance tracker).</p>	<p>Project is on hold until the next financial year or until resources becomes available.</p>
<p>Update the Council's asset management plan.</p> <p>(Page No. 2 of the Council Plan performance tracker).</p>	<p>Project is on hold until the next financial year.</p>
<p>Approve a new planned maintenance programme.</p> <p>(Page No. 2 of the Council Plan performance tracker).</p>	<p>Project is on hold until the next financial year.</p>
<p>Work with the Local Enterprise Partnership (LEP) and other partners to deliver the Local Industrial Strategy (LIS).</p> <p>(Page No. 5 of the Council Plan performance tracker).</p>	<p>LEP are awaiting guidance from Business, Energy and Industrial Strategy (BEIS) on the next steps and timescales. Until this has been received no further updates can be provided.</p>
<p>Bring forward plans for the redevelopment of Spring Gardens.</p> <p>(Page No. 8 of the Council Plan performance tracker).</p>	<p>Whilst work is being carried out and a draft report is expected in Q2 by the consultants. Internal officer capacity has been redeployed to other requirements.</p>
<p>Celebrate with partners the significance of 2021 for Tewkesbury.</p> <p>(Page No. 9 of the Council Plan performance tracker).</p>	<p>Celebratory plans are currently on hold, subject to COVID-19 restrictions.</p>

<p>Deliver the planning service improvement plan.</p> <p>(Page No. 23 of the Council Plan performance tracker).</p>	<p>Priorities of the planning service improvement plan have been put on hold and resources focused on adapting systems and implementing new temporary processes.</p>
<p>Establish a new business transformation team to support service improvements.</p> <p>(Page No. 24 of the Council Plan performance tracker).</p>	<p>It was anticipated to have a new team up and running in April key Members were re-deployed to supporting other services in the response to COVID-19. This action is now reported through the recovery performance tracker and was achieved in September 2020.</p>
<p>Review and update our plans in relation to environmental sustainability and carbon management, taking account of the latest evidence and national policy.</p> <p>(Page No. 32 of the Council Plan performance tracker).</p>	<p>A detailed review has not yet commenced due to pressures arising within the service due to COVID-19.</p>

3.0 COUNCIL PLAN KEY PERFORMANCE INDICATORS (KPIs)

3.1 The set of Key Performance Indicators (KPIs) are a combination of contextual indicators and target related indicators. The set of KPIs must remain flexible to ensure they meet our needs. The data reported is the position at end of June 2020. Four new KPI's (KPI 15- KPI 18) have been added, as requested by Overview and Scrutiny Committee, relating to Planning enforcement and the timescales of handling enforcement cases. Crime related indicators have been removed, again this was at the request of the Committee.

3.2 Of the **21** indicators with targets, their status as at the end of quarter one for 2020/ 21 is:

☺ (on target)	☹ (below target but confident annual target will be achieved)	☹ (below target and target unlikely to be achieved)	Data not available
9	0	9	3

In terms of the direction of travel i.e. performance compared to last year, for all indicators the status is:

↑ (better performance than last year)	↓ (not as good as last year)	↔ (on par with previous year performance)	Data not available
11	7	0	3

3.3

KPI's where the direction of travel is down and/ or KPI is either a 😞 or 😊 are highlighted below:

KPI No.	KPI description	Reason for 😞 or 😊
12	Percentage of 'major' applications determined within 13 weeks or alternative period agreed with the applicant. (Page No. 19 of the Council Plan performance tracker)	😞 The figure for Q1 did not meet the target for 2020/21 of 85%. Six major decisions were issued of which five were issued within the target timescale. Whilst lower than the local target the Q1 figure is still higher than the national target of 60%.
14	Percentage of 'other' applications determined within 8 weeks or alternative period agreed with the applicant. (Page No. 20 of the Council Plan performance tracker)	😞 102 of 115 decisions were made within agreed timescales. This equates to performance of 88.70%, just below the local target of 90% but considerably above the national target of 70%.
16	Enforcement - Investigate category B cases within 5 working days (development causing, or likely to cause, irreparable harm or damage). (Page No. 21 of the Council Plan performance tracker)	😞 Six Category B cases received and five were investigated within the 5 working days resulting in 83.33% performance, this is slightly lower than the 90% local target.
17	Investigate category C cases within 10 working days (risk of material harm to the environment or undue harm to residential amenity). (Page No. 21 of the Council Plan performance tracker)	↓😞 28 category C cases were received, 50% of these were handled within the target timeframe. Movement restrictions due to Covid-19 impacted the ability of officers being able to undertake the necessary site visits. This had an impact on meeting the target of 80% and also seen a lower performance compared to the outturn last year of 66.10%
18	Investigate category D cases within 15 working days (breaches causing limited material disturbance to local residents or to the environment). (Page No. 21 of the Council Plan performance tracker)	↓😞 During Q1 8 category C cases were received, 50% of these were handled within the target timeframe. Movement restrictions due to Covid-19 impacted the ability of officers being able to undertake the necessary site visits. This had an impact on meeting the target of 70% and also seen a lower performance compared to the outturn last year of 76.92%

25	Average number of days to process change in circumstances. (Page No. 27 of the Council Plan performance tracker)	↓ Whilst performance for Q1, 3 days, is on par with the target for 2020/21 and the national average of 3 days. It is slightly lower than the outturn for last year of 2 days.
26	Percentage of council tax collected. (Page No. 27 of the Council Plan performance tracker)	↓ 😞 During Q1 the council tax collection performance has been significantly affected by the Covid-19 pandemic and the decision not to take any formal recovery action for unpaid council tax. Resulting in 29.5% collected.
32	Number of reported enviro crimes. (Page No. 35 of the Council Plan performance tracker).	↓ 😞 419 enviro crimes were reported in Q1. If enviro crimes maintain at this level the target of 1000 will not be met and will also not meet last year's outturn of 1,271. There has been an increase in the number of fly tipping and noise complaints during Q1.
33	Percentage of waste recycled or composted. (Page No. 35 of the Council Plan performance tracker).	↓ 😞 Performance for Q1 was 49.22%. This was below last year's outturn of 51.47% and the target of 52%. This has been due to an increase in all waste streams as households were to stay home during lockdown, an increase of recyclable material in the residual waste and garden waste collections being suspended for a month.
34	Residual household waste collected per property in Kgs. (Page No. 36 of performance tracker)	↓ 😞 The residual household waste collection increased in kgs during Q1 to 119kg, as a result of the lockdown. If levels maintain at this, the target of 430kg will not be met and will be more than last year's outturn of 414kg.

New KPI's or areas where key indicators are performing particularly well, include:

- KPI 13: 93.55% of 'minor' planning applications were determined within 8 weeks or agreed alternative timescale. This is an improvement from last quarter and is above the local target of 80%.
- KPI 24: It is taking an average of 8 days to process new benefit claims, this remains below the national average of 17 days.
- KPI 28: There has been a dramatic reduction to the average number of sick days per full time equivalent when compared against last year's Q1 figure from 3.7days to 2.09 days.
- KPI 29: 806 registered food premises within the borough. Of these only 24 are below a food hygiene rating of 3.

- KPI 30: 91% of Freedom of information requests received during Q1 were answered within the 20-working day timescale, this is above the 80% target.
- KPI 31: 33 formal complaints were received of which only one was answered outside of the timescale resulting in 97% answered in time; this is an improvement compared to the outturn of 2019/20 of 86%.

4.0 COVID-19 CORPORATE RECOVERY TRACKER

4.1 For monitoring the progress of the corporate recovery plan actions and for consistency, the same symbols as the Council plan tracker are used:

😊 – action progressing well.

😐 – the action has some issues or delay by there is no significant slippage in the delivery of the action.

😞 – significant risk to not achieving the action or there has been significant slippage in the timetable or performance is below target.

Grey – project has not yet commenced.

4.2 Key activities to bring to Members' attention include:

- Health and safety signage and social distance measures were installed within the High Streets.
- 40 staff can be present in the office each day, as a result of social distancing measures being put in place within the office. This will be monitored, and changes will be made to the operation as and when guidance changes.
- Weekly meetings take place with Places Leisure to monitor the Tewkesbury Leisure Centre recovery plan.
- Business survey work and the tourism review are underway, this will feed into the Economic Development and Tourism Strategy and will also reflect the changing needs of businesses as a result of COVID-19.
- Environmental Health have monitored and provided advice to businesses throughout the pandemic. 3044 businesses were checked for compliance to remain closed during lockdown in Q1. As a result, three Fixed Penalty Notices were issued, and 20 businesses was issued warnings.
- The Growth Hub provided 20 online webinar workshops and one to one sessions, supporting 56 businesses. Along with, developing 47 COVID-19 specific growth plans with local businesses providing support and advice of funding opportunities.
- Business Transformation team is set up and running with a number of projects such as a new digital platform, bulky waste, website review and revenues e-billing.
- The procurement on the Mixed Recycling Facility (MRF) has commenced with a healthy response from the market. A confidential report is programmed for Executive Committee in November.

5.0 FINANCIAL SUMMARY - REVENUE POSITION

5.1 The financial budget summary for Q1 shows a (£444,218) deficit against the profiled budget. The deficit stated is prior to any government support grant being applied.

This position is very much in line with expectations of financial performance during the coronavirus lockdown. The Council is very much aware of the additional costs and reduced income caused by coronavirus in the first quarter, but this report now brings into focus the core operational activities of the Council during the period and highlights some of the savings made which reduces the overall deficit to the Council.

The largest area of saving in the first quarter is within employees and sees a saving of £229,034 against budget. This is very significant against a single quarter budget and highlights the number of staff vacancies that the Council has needed to manage during the period of responding to coronavirus as well as trying to provide a normal level of activity in core services.

5.2 Below is a summary of the expenditure position for the Council, split out between the main expenditure types.

Services expenditure	Total Budget	Budget	Actual	Variance
	£	£	£	£
Employees	10,673,188	2,293,542	2,064,508	229,034
Premises	614,421	301,848	293,552	8,296
Transport	86,630	17,294	8,848	8,446
Supplies & Services	1,991,814	406,815	399,686	7,129
Payments to Third Parties	5,870,076	291,649	317,107	(25,458)
Transfer Payments	12,449,021	0	(22,000)	22,000
COVID-19 Costs	0	0	284,925	(284,925)
Income	(19,968,839)	(2,378,455)	(1,972,563)	(405,892)
	11,716,311	932,693	1,374,062	(441,369)
Corporate Codes				
Interest Received	(501,300)	(125,325)	(179,172)	53,847
Interest Costs	513,000	128,250	182,742	(54,492)
Investment Properties	(2,713,904)	(860,854)	(858,650)	(2,204)
Corporate Savings Targets	(57,500)	0	0	0
RSG and other grant funding	(36,936)	0	0	0
New Homes Bonus	(3,762,756)	(818,350)	(818,350)	0
Business rates	(2,585,070)	0	0	0
	2,571,845	(743,586)	(299,367)	(444,218)

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

Covid-19 support received from government	Allocation
Funding to support spending pressures	£1,119,175

5.3 Expenditure on providing services

The budget position in relation to service expenditure shows an overall budget deficit of (£441,369).

Employee Costs – surplus of £229,034

These savings are being generated through staff vacancies, across all services. Corporate Services are generating £59,000 of savings, Development Services £58,000 and One Legal £38,000. An impact of COVID-19 was to delay recruitment from the end of March, which may have left a greater number of posts open than normal, however recruitment processes are operating again with three Development Services posts filled in July and successful recruitment to some of the vacant One Legal posts.

Payments to Third Parties – deficit of (£25,458)

Most of this deficit against budget falls within Community Services.

There has been an ongoing issue regarding the reprocessing of paper and the amount of residual waste from glass at the MRF depot operated by Suez. This has resulted in an increased cost to the Council. We are working with the contractor to ensure that the financial impact is controlled but it is recognised that we are going to see higher costs for the year than budgeted.

Ubico is in a cost neutral position at the end of the first quarter. Savings have arisen against the budgeted cost of pensions as a result of the revaluation of the Gloucestershire Local Government Pension Scheme. These savings are being offset by additional expenditure on the corporate core of Ubico, an issue first raised in the quarter three report last year, and an expected increase in vehicle repair costs against budget.

COVID-19 Costs – deficit of (£284,925)

The Council has separately identified where we have incurred costs as a direct response to the COVID-19 pandemic (this does not include commitments made in the first quarter which have yet to be paid). The aim of identifying these costs is to demonstrate to central government the impact on our revenue position and that without additional financial support these costs would have a significant impact on the reserves held by the Council. The areas that have been identified are:

- 1) The Council has a contractual requirement with Places Leisure to provide revenue support to cover the costs of operating the leisure centre as a result of the change in law which brought about operating restrictions. The contract requires that on a month by month basis the Council will pay the difference between unavoidable costs and revenue, so that a break-even position is maintained for the operator. Within the first quarter this has resulted in a cost to the council of £127,000. This is an ongoing support agreement until the leisure centre is able to return to normal operating capacity. It is anticipated that the Council will be required to cover the funding shortfall until April 2021 at which point it is hoped to move to a cost neutral position.
- 2) The Council has purchased 115 laptops to ensure that staff have been able to work from home. As there was a plan to move some staff onto laptops during the year, £40,000 of cost have been paid for from capital reserves. The remaining purchase cost and the additional agency resource required to help build laptops for staff resulted in an additional £60,000 cost.

- 3) Ubico have been recording the additional costs they have incurred as they respond to the COVID-19 pandemic as they have continued to provide services, whilst ensuring that staff are protected. They incurred additional costs of agency workers, seconded staff and hire of vehicles to deliver additional rounds as the service could not be delivered safely as per normal operating conditions. The purchase of personal protective equipment was a priority to ensure teams could work together on rounds. At the end of Q1 Ubico had reported an additional £35,000 of expenditure.
- 4) Across all areas of the Council there has been a significant increase in demand on services particularly supporting vulnerable people in the borough whether that is residents who were shielding, those finding themselves homeless and those that are facing unemployment and requiring financial support. There was also a significant effort required to support businesses particularly delivering central government's business grants schemes. The council has had additional costs from providing staff with unsociable hours payments and paying overtime claims in the region of £25,000.

Income – deficit of (£405,892)

The deficit on income has currently been attributed to the COVID-19 pandemic, and has resulted in:

- 1) £153,000 down on the forecast for planning income in Q1, covering planning fees, land charges and preplanning application fees. It is not clear what impact that COVID-19 has had on the level of planning applications expected in 2020/21. Development services are reviewing forecasts for the year, particularly in regard to large applications which are expected and generate significant fees.
- 2) £148,000 of lost income from car parks as all charges were suspended during the lockdown period.
- 3) £24,000 of lost income from rental income as some businesses were closed during the lockdown period.
- 4) £41,000 lost income on trade waste during the first quarter of the year as a significant number of our customers businesses were closed and their accounts were suspended during the lockdown period.
- 5) £31,000 budget deficit on licencing particularly around lost renewals on vehicle and taxi licences and also premises licences.
- 6) £14,000 fall in revenue on garden waste renewals, although this is attributed to people deciding not to renew at the end of March when the service was suspended for a short period. It is expected that the revenue income will recover as the service is resumed. As Ubico collected all backlog of materials from customers the Council has not provided a refund for the suspended service.
- 7) £12,000 budget deficit on the recovery of housing benefit overpayments and as the Courts have been closed there has been no revenue from Council Tax Summons.
- 8) £14,000 budget deficit on One Legal fees, as third party clients focus has been on response to the pandemic rather than day to day business requiring legal support.

There is a revised budget being produced during Q2 which will review all income streams and the impact that lockdown and subsequent easing has had on them. This will provide a projection to the year end of the income the Council believes it will be able to recover.

- 5.4** Attached at Appendix 4 is a summary of the position for each Head of Service, which shows the current variance against their budget. Where the main types of expenditure headings within the head of service's responsibility have a variance over £10,000, a short explanation for the reason for the variance has been provided.

5.5 Corporate codes

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

Our commercial investment portfolio is currently showing as being on budget. We have negotiated two income deferral schemes where clients are managing cash flows by deferring the payment of the rental income due to a later date. However, we still account for the income in the period that it is due.

Treasury Management is showing a significant increase in interest received, due to the large amount of cash that the government has provided to support Councils liquidity and also whilst we hold balances of grants due to businesses. These monies are invested before they are required to be spent and the large increase in balances available for investment has led to increased interest income despite the fall in market rates.

Interest costs on borrowing are over budget at the end of the first quarter as a result of the decision to undertake liquidity borrowing of £15 million in late March. This decision was taken prior to the announcement of government business grants and the deferral of business rates payments to the government and was made to ensure we could meet our creditor requirements during the early days of the pandemic. The additional borrowing undertaken has now been repaid but the Council will keep under review its liquidity and will look to take out further borrowing if it is deemed necessary.

At the end of Q1 we are showing a cost neutral position on business rates. There is no doubt that COVID-19 has impacted on businesses and we would expect a number of businesses to cease trading in the coming months which will impact on future years estimates of retained business income rather than an impact in the current year. The government has also provided over £10 million in business rates relief to the retail, hospitality and leisure sectors meaning that the Council is insulated from business failings in these sectors this year.

5.6 Government Support

The government has allocated £1,119,175 of un-ringfenced additional funding in 2020/21 to support the Council's spending pressures. This has not been directly allocated to individual service areas but will be kept as additional general funding to support the overall budget of the Council.

The government is also providing revenue contributions to cover lost income, which will also help improve the revenue position. The announcement was that the government will reimburse authorities for 75% of income losses relating to sales, fees and charges occurring in 2020-21 as a result of COVID-19. Authorities will be responsible for losses up to a 5% threshold. Whilst we are working through the implications of this announcement, it should cover some of the budget deficits identified on income above.

The Council is producing a revised budget, taking into account government support provided, and will monitor the budget impact over the remainder of the year and report back to Members through the quarterly monitoring reports.

5.7 COVID-19 Business Grants

COVID-19 Business Grants Scheme	Allocation	Spent	Balance remaining
COVID-19 Business Grants	17,670,000	16,960,000	710,00
Discretionary Business Grants	883,000	882,980	20
	18,553,000	17,842,980	710,020

As part of the government's response to the COVID-19 pandemic, a number of grants were made available for business to claim. The government asked local government bodies to administer the distribution of grants.

Tewkesbury Borough Council has been allocated a total of £18,553,000 to distribute to businesses, of which we have now paid a total of £17,842,980. Whilst the Council aims to distribute as much of the allocated funds to businesses as possible within the parameters of the scheme defined by government, it is likely that there will be a balance remaining at the closure of the scheme. Confirmation has recently been received from the government informing us that all schemes are to close on the 28 August and any balances need to be returned to central government. On their closing, the Council will need to move into the next phase of the schemes which will involve the post payment assurance checks required by government. Whilst Tewkesbury put in place many checks pre-payment there still remains a significant workload to meet all of the requirements. Government have paid a new burdens grant of £130,000 to the Council to cover the costs of the administration of the business grants schemes.

5.8 Updated Coronavirus impact forecast

The previous paragraphs in this section have dealt with the actual position of the Council in the first quarter of the year, but it is important to recognise the ongoing full year cost of coronavirus. To support this, a statement of estimated additional cost and lost income as a result of the pandemic is attached at Appendix 5. Its format is the same as an earlier statement presented to Executive Committee in June. It is important to note that it is not, at this stage, a full budget forecast merely a focus on the areas that will be distorted by the impact of coronavirus.

The forecast presented in June highlighted a likely full year cost of £2.8 million including £0.5 million allocated towards recovery. Since that point the forecast has increased to £3.1 million in early July as more cost pressure was highlighted but has since fallen back to a latest estimate of £3.047 million as some income streams are recovering faster than anticipated. It is hoped that as the year progresses some of the expenditure forecasts can be reduced and the income streams continue to see increased speed of recovery.

As previously highlighted, the government have to date provided £1.119 million of financial support to us plus an additional £130,000 of new burdens support to the business grants scheme. This currently leaves a balance to be met by the Council of £1.797 million. The income support scheme, once final scheme details have been announced, will then provide additional benefit and reduce the burden on the Council.

As yet, there is still no confirmation of any further support to help deal with the impact of taxation losses in future years other than the ability to now spread the deficits over three years. In addition, the Spending Review has only just begun with the outputs not likely to be known until the Autumn. It is therefore unclear what level of deficit the Council is likely to face in future years although work has begun on the MTFs to try to forecast this.

6.0 CAPITAL BUDGET POSITION

6.1 Appendix 6 shows the capital budget position as at Q1. This is currently showing an underspend against the profiled budget of £4,615.

6.2 The capital programme for the year has an approved budget of £16.7 million to secure commercial investment properties. The acquisition of one property has been completed in quarter one and the deposit on a second acquisition has been paid, with the expected completion of the sale to occur in October 2020. The purchases have passed the Council's due diligence processes and are in line with the budget allocated.

6.3 The capital replacement programme assumed that we would purchase a number of laptops in the current year, to replace older equipment. The impact of COVID-19 has meant laptops were purchased for all staff to enable them to work from home. We have allocated some of those laptop purchases against the available capital budget.

7.0 RESERVES POSITION

7.1 Appendix 7 provides a summary of the current usage of available reserves.

7.2 Reserves have been set aside from previous years to fund known future costs and the strategic planning of the authority's operation. The information in the appendix does not take account of reserves which have been committed, but not yet paid.

7.3 Whilst the Q1 position shows that there remains a significant balance on the reserves, the expectation is that the balances will be spent in the future. Finance has asked for updates from all departments about their plans to ensure that earmarked reserves are either used for their intended purpose or released back to the general fund.

8.0 OTHER OPTIONS CONSIDERED

8.1 None.

9.0 CONSULTATION

9.1 None.

10.0 RELEVANT COUNCIL POLICIES/STRATEGIES

10.1 Council Plan 2020-24.
Covid-19 Corporate Recovery Plan 2020.

11.0 RELEVANT GOVERNMENT POLICIES

11.1 None directly.

12.0 RESOURCE IMPLICATIONS (Human/Property)

12.1 None directly.

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

13.1 Linked to individual Council Plan and COVID-19 Corporate Recovery Plan actions.

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

14.1 Linked to individual Council Plan and COVID-19 Corporate Recovery Plan actions.

15.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

15.1 Council Plan 2020-24 approved by Council 28 January 2020.

Covid-19 Corporate Recovery Plan 2020 approved by Executive Committee 8 August 2020.

Background Papers: None

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Appendices:

1- Overview and Scrutiny Committee review.

2 – Council Plan Performance Tracker Qtr 1 2020/21.

3 – Covid-19 Corporate Recovery Plan performance tracker 2020/21.

4 - Revenue Budget.

5- Estimated Covid-19 financial impact.

6 - Capital Budget.

7- Reserves.