

TEWKESBURY BOROUGH COUNCIL

Report to:	Overview and Scrutiny Committee
Date of Meeting:	12 January 2021
Subject:	Council Plan Performance Tracker and COVID-19 Recovery Plan Tracker 2020/21 (Qtr2)
Report of:	Head of Corporate Services
Corporate Lead:	Chief Executive
Lead Members:	Lead Member Commercial Transformation
Number of Appendices:	Five

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 (Appendix 1). The tracker is a combined document which also includes a set of key performance indicators.

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. Whilst COVID-19 continues to present the Council with significant challenges, 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 the strategic priorities of the Council remain the same despite COVID-19. 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 (Appendix 2).

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 3), capital monitoring statement (Appendix 4) and the reserves position summary (Appendix 5).

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 have been 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 (Appendix 1). The tracker is a combined document which also includes a set of key performance indicators.
- 1.2 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. Whilst COVID-19 continues to present the Council with significant challenges, 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 (Appendix 2).

1.3 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.

1.4 Key financial information is also reported so Members have a rounded view of overall performance information. Attached is the revenue budget summary statement (Appendix 3), capital monitoring statement (Appendix 4) and the reserves position summary (Appendix 5).

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 second quarter’s update 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:

- Drafting for a new medium-term financial strategy is underway and will be produced to meet relevant timescales despite the challenges around the clarity of government funding and impact of COVID-19 on the Council’s finances. (page 2 of the tracker).
- Purchase of a Volvo garage will bring the commercial property portfolio to £60million. (page 2 of the tracker).
- The business case for improving the trade waste service is underway and assurance given this will meet the new timescale. (page 3 of the tracker).
- Positive outcomes being delivered across all streams of the Economic Development and Tourism Strategy. (page 4 of the tracker).
- Tewkesbury Together 2021 group has now been re-established and are finalising proposals for the celebrations. (page 10 of the tracker).
- Councils five-year housing land supply statement and 2019/20 annual Housing Monitoring report has been published on the Council’s website. (page 15 of the tracker).
- Ongoing success of the garden waste club with the budget of £945k achieved. (page 23 of the tracker).
- The new Business Transformation team is up and running and making great strides around the implementation of the new digital platform, corporate website review and end to end review of the council’s bulky waste service. (page 24-26 of the tracker).
- The governance arrangements for the garden communities are being developed. (page 32 of the tracker).
- The natural capital asset mapping project is near complete with maps now available to view online. (page 37 of the tracker).

Reported to Members through various channels, both formally and informally since the onset of the pandemic, has been the Council’s response and recovery to this significant challenge whilst still maintaining core service delivery. This is evident through the various commentaries within the tracker and why some actions have not progressed as well as intended or have been deferred. This is illustrated within the tables 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
Finalise and adopt the Tewkesbury Borough Plan. (Page No. 6, 12 and 14 of the Council Plan performance tracker).	😞 The target date for the TBP has been amended from Spring 2021 to Autumn 2021 . This is a direct result of COVID-19 and the impact on the examination timetable. It is anticipated that the examination into the plan will be held in February/ March 2021, with adoption expected later in the year. The target date has been amended four times previously.

<p>Develop a work programme with landlords to ensure residents have a supply of rented properties to meet their needs.</p> <p>(Page No. 13 of the Council Plan performance tracker).</p>	<p>☹️ The target date has been amended from January 2021 to March 2021. An evaluation of this pilot is in progress and it is intended a report can be brought to O&S committee in March 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>☺️ Gloucestershire Rural Community Council (GRCC) undertakes the Housing needs survey on the Council's behalf. Production of the reports following recent survey work has been delayed due to long term illness at GRCC. Target date has been amended once previously.</p>

2.3 Some actions of the council plan have been put on hold as staff resource has been deployed to the response and recovery from 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 has been deferred-until the next financial year or until resources becomes available. The majority of the code is within the council's working practices so broadly compliant in any case.</p>
<p>Update the Council's asset management plan.</p> <p>(Page No. 2 of the Council Plan performance tracker).</p>	<p>Project has been deferred until the next financial year. The current AMP will be rolled over into the new year.</p>
<p>Approve a new planned maintenance programme.</p> <p>(Page No. 2 of the Council Plan performance tracker).</p>	<p>Project has been deferred until the next financial year.</p>
<p>In-source the management of our homeless property portfolio.</p> <p>(Page 3 of the Council Plan performance tracker).</p>	<p>Project has been deferred until the next financial year. The current external contract has been extended to March 2021.</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>

Bring forward plans for the redevelopment of Spring Gardens. (Page No. 9 of the Council Plan performance tacker).	Project has been deferred until resources become available. Whilst a draft phase 1a report has been completed by the consultants and presented to the member working group, there is no dedicated internal resources to take this project forward.
Continue to improve the proactive homelessness prevention programme. (Page No. 23 of the Council Plan performance tacker).	Project has been deferred.
Work with Gloucestershire County Council and other partners to help local residents and businesses take action to reduce their own carbon footprint, and to make better use of resources. (Page No. 34 of the Council Plan performance tacker).	Project has been deferred for six months.
Improve bio-diversity across the borough and educate communities on its benefits. (Page No. 35 of the Council Plan performance tacker).	Project has been deferred for six months - initial projects had commenced.

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 September 2020. For 2020/21, four new KPI's (KPI 15- KPI 18) have been added. These were requested by Overview and Scrutiny Committee and relate to planning enforcement responsiveness. 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 two 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
8	10	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. 20 of the Council Plan performance tracker)	↓ ☹️ Eight major decisions were issued of which five were issued within the target timescale. This Q2 figure (62.5%) is slightly above the national target of 60% but below the target of 85% and the 81% outturn for 2019/20.
13	Percentage of 'minor' applications determined within 8 weeks or alternative period agreed with the applicant. (Page No. 20 of the Council Plan performance tracker)	☹️ in Q2, 28 of the 43 decisions (65.12%) issued made were within the agreed timescales. Q2 has seen a decline in agreements for extension of time requests resulting in performance not meeting the target for 2020/21 of 80%. Performance though is stronger than 2019/20.
14	Percentage of 'other' applications determined within 8 weeks or alternative period agreed with the applicant. (Page No. 21 of the Council Plan performance tracker)	↓ ☹️ 99 of 119 decisions were made within agreed timescales. This equates to performance of 83.19% in Q2, just below the local target of 90% and last years' outturn of 87%. It is considerably above the national target of 70%.
17	Investigate category C cases within 10 working days (risk of material harm to the environment or undue harm to residential amenity). (Page No. 22 of the Council Plan performance tracker)	↓ ☹️ 30 category C cases were received, 12 of these were handled within the target timeframe. The team have been dealing with complex cases with has impacted on officer time on handling category C and D cases. A senior enforcement post has also been advertised but without success. 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. 22 of the Council Plan performance tracker)	↓ ☹️ During Q2 22 category C cases were received, 50% of these were handled within the target timeframe. This is lower than this years' target of 70% and also last years' outturn of 76.92%

24	Average number of days to process new benefit claims. (Page No. 29 of the Council Plan performance tracker)	↓ Whilst performance for quarter Q2, 7 days, is well below the councils target of 14 days it is slightly above lasts years' outturn of 6 days. It is still considerably lower than the national average of 17 days.
25	Average number of days to process change in circumstances. (Page No. 29 of the Council Plan performance tracker)	↓ Whilst performance for Q2, 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. 29 of the Council Plan performance tracker)	↓ 😞 During Q2 the council tax collection performance has been significantly affected by the Covid-19 pandemic, the council remain unable to take formal action for unpaid council tax as the magistrates' court has not reopened for liability order hearings. Resulting in 57.5% collected.
29	Food establishment hygiene ratings. (Page No. 31 of the Council Plan performance tracker).	↓ A significant increase in new food premises registering, whilst the Q2 figure is below the target of 5% it is above last years' outturn of 3.6%.
32	Number of reported enviro crimes. (Page No. 37 of the Council Plan performance tracker).	↓ 😞 508 enviro crimes were reported in Q2 bringing the total this year so far to 92. The target of 1000 will not be met and it is likely to be above last year's outturn of 1,271. There has been an increase in all areas of enviro-crimes but particularly fly tips, noise complaints and bonfires during Q2.
33	Percentage of waste recycled or composted. (Page No. 38 of the Council Plan performance tracker).	😞 Performance for Q2 was 51.54%. This is below the local target of 52%. This has been due to an increase in all waste streams during the pandemic. There has been an increase of recyclable material in the residual waste and fly tipping.
34	Residual household waste collected per property in Kgs. (Page No. 39 of performance tracker)	↓ 😞 The residual household waste collected during Q2 is 114kg, cumulative figure for the year to date is 263kg as a result of the pandemic. If levels maintain at this, the target of 430kg will not be met and will be more than last year's outturn of 414kg.

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

- KPI 24: It is taking an average of 7 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. Cumulative figure to date this year is 4.3 days compared to 6.4 days in Q2 last year.
- KPI 30: 92% of Freedom of information requests received during Q2 were answered within the 20-working day timescale, this is above the 80% target.
- KPI 31: 42 formal complaints were received of which only three was answered outside of the timescale resulting in 93% 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:

- High street safety measures have been implemented. (page 1 and 6 of recovery tracker).
- Tewkesbury Leisure Centre reopened on 2 November 2020 following the second lockdown. Weekly meetings continue to take place with Places Leisure and grant funding from the government will be applied for. (page 2 of recovery tracker).
- A revised budget for 2020/21 is no longer required. (page 3 of recovery tracker).
- The Growth Hub delivering COVID-specific support to business through a variety of delivery mechanisms. (page 7-9 of recovery tracker).
- Active support to the countywide response and recovery to homelessness. (page11).
- The development of a new customer care strategy that will be presented to Overview and Scrutiny Committee in January 2021. (page 16).
- The development of a new communications strategy that will be presented to Overview and Scrutiny Committee in January 2021. (page 18).
- Increased awareness around recycling contamination. (page 23).
- Procurement is on course to have a new Mixed Recycling Facility (MRF) contract in place by the end of the financial year. (page 24).

4.3 As explained when the recovery tracker was first presented in October a number areas of the Council is still in response mode, for example in relation to business grants. This means there are services operating across one of response, recovery and business as usual mode or in some cases operating across a combination of the three, for example, communications. This will inevitably mean that actions within the recovery tracker may not progress as originally intended. Such actions are detailed in the table below:

Action	Status of action
Produce a new six-monthly internal audit plan and review the whole suite of internal audit recommendations to determine if recommendations remain relevant and timescales for implementation remain feasible (page 1 of recovery tracker)	☹ A new six monthly internal audit plan was approved by Audit and Governance Committee on 24 September. This was based on one full time equivalent officer delivering the plan rather than two, as one officer remains deployed on business grants. Since the plan was approved, other additional business grants have come on-line. The audit function remains deployed within the business cell as well as overseeing GDPR activities.
Maximise the use of business intelligence within the council to ensure the accuracy of the rating list. (page 4 of recovery tracker)	Yet to commence - Recruitment of a new Business Intelligence Officer will take place in the New Year. A cross service project plan will need to be developed so business intelligence is shared by relevant services moving forward.
Refocus the council's Place Approach to reflect the issues within our communities arising from Covid-19. (page 11 of recovery tracker)	Deferred for 6 mths - The place approach will be simplified to reflect some of the key priorities arising through the community from Covid-19. Principles around how we can work best with our communities will be developed for approval.
Consider future working arrangements within new communities to ensure there are adequate local businesses and self-employment hubs. (page 15 of recovery tracker)	Yet to commence. – this is more of a medium term action.
Support the safe re-opening of buildings that provide a council service. (page 17 of recovery tracker)	Deferred - Tourist Information Centres – remain closed. Re-opening Tewkesbury TIC is currently being reviewed. Winchcombe TIC is reliant on Winchcombe Library (where it is hosted) re-opening fully. Advice and Information Centres (AIC) - all four AIC remain closed. Recent discussions with the four centres have confirmed that there has been very little demand for Council services since being closed. The Public Services Centre remains closed to the public.

Build on our communities' connections with green space, walking and cycling to encourage healthy, sustainable living and appreciation of biodiversity. (page 24 of recovery tracker)

Deferred - Through the Community Funding Officer, the Council is providing funding advice for community projects, including environmental and health initiatives. Through the development process there are health and community policies to encourage new communities to access facilities and green space that encourage healthy, active lifestyles.

5.0 FINANCIAL SUMMARY - REVENUE POSITION

5.1 The financial budget summary at Q2 shows a (329,720) deficit against the full year budget. The deficit stated includes government support grant expected during the year.

This position is 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 two quarters. 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.

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

Services expenditure

	Budget	Full Year Projection	Full Year Variance
	£	£	£
Employees	10,629,414	9,987,013	642,401
Premises	614,421	586,968	27,453
Transport	86,630	19,118	67,512
Supplies & Services	1,991,814	1,970,903	20,911
Payments to Third Parties	5,913,850	6,010,498	(96,648)
Transfer Payments	12,449,021	12,449,021	0
COVID-19 Costs	0	1,543,054	(1,543,054)
Projects Funded Externally	0	950,766	(950,766)
Income	(19,968,839)	(18,651,731)	(1,317,108)
	11,716,311	14,865,611	(3,149,300)

Corporate Codes

Interest Received	(501,300)	(481,470)	(19,830)
Interest Costs	513,000	537,132	(24,132)
Investment Properties	(2,713,904)	(2,714,098)	194
Corporate Savings Targets	(57,500)	70,170	(127,670)
Reserve Funding	0	(950,766)	950,766
RSG and other grant funding	(36,936)	(1,841,596)	1,804,660
New Homes Bonus	(3,762,756)	(3,762,756)	0
Business rates	(2,585,070)	(2,820,662)	235,592
Council Tax Surplus	(82,200)	(82,200)	0
Parish Precepts	2,145,238	2,145,238	(0)
Use of reserves, MRP	1,905,347	1,905,347	0

	-5,176,081	(7,995,661)	2,819,580
Net budget to be funded from CT	6,540,230.00	6,869,950	(329,720)

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

- 5.3** The budget position in relation to service expenditure shows an overall budget deficit of (£3,149,300).

Employee Costs – surplus of £642,401

These savings are being generated through staff vacancies, across all services. Corporate Services are predicting £72,000 of savings, Development Services £98,000 and One Legal £367,000. 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 all remaining vacant posts in Development and Corporate out for recruitment.

Payments to Third Parties – deficit of (£96,648)

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. Additional costs have been agreed to be paid through the contract to the end of the year in relation to the quality of our paper recycling. There is also an emerging issue where the contractor is rejecting any loads which contain contaminated material. This has been occurring since the beginning of October and on the basis of rejecting two loads per week this could cost the Council an additional £100,000 during the second half of the financial year.

Whilst there has been overspends reported on the Ubico contract of nearly £100,000, including corporate costs and vehicle repair costs, these have been offset by a gain as a result of the revaluation of the Gloucestershire Local Government Pension Scheme.

COVID-19 Costs – deficit of (£1,543,054)

The Council has separately identified where we have incurred costs as a direct response to the COVID-19 pandemic. 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. At Q2 the cost to the Council is £281,000. 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. The full expected contribution is expected to be £473,000.
- 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. Ubico are predicting an additional £100,000 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 governments business grants schemes. The Council has had additional costs from providing staff with unsociable hours payments and paying overtime claims in the region of £42,000 at Q2. Overtime claims are expected to continue in some services as more central government schemes relating to COVID-19 are introduced. For example, self-isolation payments and audit assurance of the initial business grants. In some instances we have needed to use agency to backfill core services or help with the COVID response. The total in year cost is estimated to be £280,000.

Income – deficit of (£1,317,108)

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

- 1) Planning income is expected to be under budget by £276,000, including planning fees, land charges and street name and numbering. It is not clear what impact that COVID-19 has had on the level of planning applications expected in 2020/21. The Ministry of Defence have decided not to submit a budgeted application worth £230,000. Development services are reviewing forecasts for the year, particularly in regard to large applications which are expected and generate significant fees.
- 2) £248,000 of lost income from car parks as all charges were suspended during the lock down period. Fees are unlikely to pick up as we enter the winter months.
- 3) £69,000 of lost income from rental income as some businesses were closed during the lock down period.
- 4) £42,000 lost income on trade waste during the first half of the year, as a significant number of our customers businesses were closed and their accounts were suspended during the lockdown period. The full service has now resumed but this could change if businesses are forced to close again.
- 5) £33,000 budget deficit on licencing particularly around lost renewals on vehicle and taxi licences and also premises licences.
- 6) £47,000 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. This amounts to a £100,000 loss.
- 7) A potential £214,000 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. One Legal anticipated significant growth during the financial year but the pandemic has not made this possible.

5.4 Attached at Appendix 3 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 reduction of expected interest received, this is due to fall in interest rates. The uncertainty caused by the pandemic has made investing money increasingly challenging. We have received large amounts of government grants that we have been able to invest in the short term but the returns are not substantial.

Interest costs on borrowing are also forecasted to be over budget at the end of the financial year. One reason being the decision to undertake liquidity borrowing of £15million 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. Borrowing was also required for the purchase of our new investment property in Tipton. This coincided with others wanting to increase their own liquidity, and therefore increased borrowing prices. 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 Q2 we are showing a small gain on business rates, based on current information. There is no doubt that COVID-19 has impacted on businesses, and we will continue to monitor business rates on a monthly basis. A large part of this is business intelligence and knowing if businesses are likely to cease trading. This would impact on future years estimates of retained business income rather than an impact in the current year. The government has also provided over £10million 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. We are yet to hear whether this support will continue to next financial year.

5.6 Government Support

The Government has allocated £1,247,602 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. The first claim was submitted in September with estimated compensation of £176,000. The full impact on income streams is still unknown, particularly with the uncertainty over the winter months. The estimate for compensation for the year is currently £550,000, which will cover some of the budget deficits identified on income above.

The Council is taking into account government support provided and will monitor the budget impact over the remainder of the year. It will 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	17,660,000	17,065,000	595,000
Discretionary Business Grants	883,000	882,980	20
COVID-19 Community Grants	100,000	67,586	32,414
	18,643,000	18,015,566	627,434

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 £18,543,000 to distribute to businesses, of which we have now paid a total of £17,947,980. The scheme was closed on 28 August 2020. There was a significant amount of effort from the grants team and communications to distribute the full amount and to make businesses aware. Whilst the aim was to distribute as much of the allocated funds as possible, within the parameters of the scheme defined by government, there was a balance remaining at the closure of the scheme. The balances need to be returned to central government.

The Council is now 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 has paid a new burdens grant of £130,000 to the Council to cover the costs of the administration of the business grants schemes.

From 12 October the Council is also administering the Test and Trace Support payments. Tewkesbury have been given £32,000 from central government in order to grant £500 to low income individuals who are asked to self-isolate.

Further schemes are likely to be announced if Tewkesbury Borough is moved into a higher COVID Tier level. The Council will continue to inform and update Members on the COVID response, including the financial implications, on a quarterly basis.

5.8 Full year forecast

The full year forecast, for all aspects of the Council's activities during 2020/21, shows an estimated deficit of £329,720. A number of assumptions have been made in calculating this forecast and are clearly subject to change, particularly if the Council is placed in higher COVID restriction tiers or another national lockdown occurs. In addition, other events such as the exit from the European Union and severe weather events could further change the forecast.

However, based on the Q2 forecast, the Council stands in a good position with only a relatively modest deficit forecast. The Council will benefit from a significant Business Rates collection fund surplus in the current year, not shown in the above figures, which can be used to meet this deficit. Balances remaining from this collection fund surplus will be allocated to reserves to meet the significant financial costs of balancing future year budgets.

6.0 CAPITAL BUDGET POSITION

6.1 Appendix 4 shows the capital budget position as at Q2. This is currently showing an underspend against the profiled budget of £69,094.

- 6.2** The capital programme for the year has an approved budget of £16.7million 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 to occur in December 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 5 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 Q2 position shows that there remains a significant balance on the reserves, the expectation is that the balances will be spent in the future. Finance has asked for updates from all departments about their plans to ensure that earmarked reserves are either used for their intended purpose or released back to the general fund.

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 5 August 2020.

Background Papers: None.

Contact Officer: Head of Corporate Services (Appendix 1 and 2)

Tel: 01684 272002 email: Graeme.simpson@tewkesbury.gov.uk

Head of Finance and Asset Management (Appendix 3-5)

Tel: 01684 272005 email: simon.dix@tewkesbury.gov.uk

Appendices:

1 – Council Plan Performance Tracker Qtr 2 2020/21

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

3 - Revenue Budget.

4 - Capital Budget.

5 – Reserves.