

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive Committee
Date of Meeting:	31 March 2021
Subject:	Council Plan Performance Tracker and Covid-19 Recovery Plan Tracker 2020/21 (Qtr3)
Report of:	Chair of Overview and Scrutiny Committee
Corporate Lead:	Chief Executive
Lead Members:	Lead Member Commercial Transformation
Number of Appendices:	Six

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 is 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 9 March 2021, consideration was given to quarter three 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 observations made by the Committee regarding these recovery actions can also be found in Appendix 1. The tracker document itself 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), capital monitoring statement (Appendix 5) and the reserves position summary (Appendix 6).

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 to date 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 is 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 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. The observations made by the Committee regarding these recovery actions can also be found in Appendix 1. The recovery tracker itself 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), capital monitoring statement (Appendix 5) and the reserves position summary (Appendix 6).

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 but 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 third 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:

- Medium-Term Financial Strategy was approved at Executive Committee on 26 January 2021 (page 2 of the tracker).
- The business case for improving the trade waste service is complete and will be presented to the Committee as a separate agenda item (page 3 of the tracker).
- Preparations have started to in-source management of our homeless property portfolio from the current management arrangements (page 3 of the tracker).
- The Growth Hub delivered 23 online business works and 1-2-1 events to help support businesses with social media, video promotion, branding, developing an eco-business etc (page 4 of the tracker).
- The Joint Core Strategy Local Development Scheme was approved at Executive Committee on 6 January. This sets out the timetable for the JCS review (page 5 of the tracker).
- The Tewkesbury Borough Plan examination started on Tuesday 16 February 2021 (page 6 of the tracker).
- The new Business Transformation team is making great strides on the implementation of the new digital platform and the end-to-end review of the Council's bulky waste service (page 28 of the tracker).
- The Tewkesbury Garden Town governance structure was approved at Executive Committee on 3 February 2021 (page 37 of the tracker).
- The natural capital asset mapping project is complete with maps now available to view online (page 42 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 exemplified 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
<p>Celebrate with partners the significance of 2021 for Tewkesbury.</p> <p>(Page No. 10 of the Council Plan performance tracker)</p>	<p>😊 The 2021 committee has agreed that many of the planned events will no longer go ahead this year due to the pandemic. Such as the beer festival, river festival and business launch. The committee will now focus on delivering some community - based events to mark both anniversaries such as the Son et Lumiere at the Abbey towards the end of the year. This is the big event of the festival.</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. 14 of the Council Plan performance tracker).</p>	<p>😞 The target date has been amended from March 2021 to June 2021.</p> <p>The report focussing on the activity for Tewkesbury was received on 8 February, this is currently being reviewed and will be brought to the committee in April 2021.</p> <p>The target date has been amended six times previously.</p>
<p>Carry out housing needs assessments to deliver affordable housing in rural areas.</p> <p>(Page No. 14 of the Council Plan performance tracker).</p>	<p>😊 Gloucestershire Rural Community Council (GRCC) undertake the Housing needs survey on the council's behalf. Production of the reports following recent survey work has not yet been received but might be further delayed due to long term illness at GRCC.</p> <p>This target date has been amended once previously and could potentially change again.</p>
<p>Implement an online offering for the licensing service.</p> <p>(Page No. 28 of the Council Plan performance tracker).</p>	<p>😞 The target date has been amended from April 2021 to September 2021.</p> <p>There have been delays with resolving issues with the software provider, Idox, and a decision has now been made to not progress with the online forms. Instead, the team will work with the Business Transformation Team and the new digital platform to deliver an online offering for the licensing service.</p>

<p>Deliver the first phase of the 'bridge project', in line with the funding requirements.</p> <p>(Page No. 38 of the Council Plan performance tracker).</p>	<p>☺ The planning application was due to go to Planning Committee in February but due to technical details of the application there were slight delays. It is now scheduled to go to Planning Committee in March. The deadline for the overall completion of the first phase of the 'bridge project' is March 2022.</p>
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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:

Action	Status and reason for status
<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>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>The LEP is 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 tacker).</p>	<p>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.</p>
<p>Continue to improve the proactive homelessness prevention programme.</p> <p>(Page No. 26 of the Council Plan performance tacker).</p>	<p>Project has been deferred.</p>

<p>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.</p> <p>(Page No. 39 of the Council Plan performance tacker).</p>	<p>Project has been deferred for six months.</p>
<p>Improve bio-diversity across the borough and educate communities on its benefits.</p> <p>(Page No. 41 of the Council Plan performance tacker).</p>	<p>Project has been deferred for six months - initial projects had commenced.</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 December 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 three 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
6	2	10	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
6	11	1	3*

*3 KPIs where data is not available relate to KPI 5 (number of visitors to Tewkesbury Tourist Information Centre), KPI 6 (number of visitors to Winchcombe Tourist Information Centre) and KPI 7 (number of visitors entering the Growth Hub). The sites in which the KPIs relate to are currently closed due to the pandemic.

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. 23 of the Council Plan performance tracker)	↓ 😞 Seven major decisions were issued, of which six were issued within the target timescale. Whilst the Q3 figure (85.7%) is above the local target (85%) and national target (60%), cumulatively the year-to-date performance is 76.19% which is below both the local target and the outturn for 2019/20.
14	Percentage of 'other' applications determined within 8 weeks or alternative period agreed with the applicant. (Page No. 24 of the Council Plan performance tracker)	↓ 😞 134 of 157 decisions were made within agreed timescales. This equates to performance of 88.37% in Q3, cumulatively for the year-to-date it stands at 85.93%, which is just below the local target of 90% and last year's outturn of 87%. It is considerably above the national target of 70%.
16	Investigate category B cases within five working days (development causing, or likely to cause, irreparable harm or damage). (Page No 24 of the Council Plan performance tracker).	😞 Four category B cases were received, two of these were handled within the target timeframe. This equates to 50% for Q3, and cumulatively for the year it stands at 72.73% - which is below the local target of 90%.
17	Investigate category C cases within 10 working days (risk of material harm to the environment or undue harm to residential amenity). (Page No. 25 of the Council Plan performance tracker)	↓ 😞 26 category C cases were received in Q3, and eight of these were handled within the target timeframe. The fall in performance reflects the priority being given to, and large amount of time required to deal with the formal action on category A and B cases. Cumulatively 40.48% of cases have been handled within the timeframe for the year so far. This is below both the local target of 80% and last year's outturn 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. 25 of the Council Plan performance tracker)	↓ 😞 During Q3, 17 category D cases were received, and 29.41% of these were handled within the target timeframe. The cumulative figure for the year so far is 42.55%. This is lower than this year's target of 70% and also last year's outturn of 76.92%.

24	Average number of days to process new benefit claims. (Page No. 32 of the Council Plan performance tracker)	↓ Whilst performance for quarter Q3 (seven days), is well below the council's target of 14 days, it is slightly above last year's outturn of six 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. 33 of the Council Plan performance tracker)	↓ Whilst performance for Q3 (three days) is on par with the target for 2020/21 and the national average of three days, it is slightly lower than the outturn for last year of two days.
26	Percentage of council tax collected. (Page No. 33 of the Council Plan performance tracker)	↓ 😞 During Q3 the council tax collection performance has been significantly affected by the Covid-19 pandemic, the council remains unable to take formal action for unpaid council tax as the magistrates' court has not reopened for liability order hearings. This has resulted in 85.6% collected.
27	Percentage of NNDR collected. (Page No. 33 of the Council Plan performance tracker)	↓ 😞 Business rates collection was significantly below target at the end of Q3. We continue to send reminders for non-payment, however as the magistrates' court remains closed to liability order hearings, we are not able to take any further enforcement action to collect outstanding debt. This has resulted in 79.8% NNDR collected.
28	Average number of sick days per full time equivalent. (Page 34 of the Council Plan performance tracker)	😊 There has been an increase in the number of sick days taken in Q3 bringing the average number of days for the year to 7.25 days. The target is eight days. If rates remain at this level, it is predicted a year end rate of around 10 days, which is lower than the outturn for 2019/20 of 12.62 days.
31	Percentage of formal complaints answered on time (page 36 of the Council Plan performance tracker).	😞 23 formal complaints were received in Q3, of which 16 were answered within the timeframe. The overall figure for the year for complaints answered on time is 89%. This is slightly below this year's target of 90%. The impact of the pandemic is likely to have affected capacity to respond within the required timescales.

32	Number of reported enviro crimes. (Page No. 43 of the Council Plan performance tracker).	↓ 😞 542 enviro crimes were reported in Q3 bringing the total this year so far to 1,469. This is exceeding both this year's target of 1000 and last year's outturn of 1,271. There has been an increase in all areas of enviro-crimes but particularly fly tips and bonfires during Q3.
33	Percentage of waste recycled or composted. (Page No. 43 of the Council Plan performance tracker).	↓ 😞 Performance for Q3 was 49.81%. This is below the local target of 52% and last year's outturn of 51.47%. 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. 44 of performance tracker)	↓ 😞 The residual household waste collected during Q3 is 114kg, and the cumulative figure for the year to date is 377k - an increase as a result of the pandemic. Both last year's outturn of 414kg and this year's local target of 430kg will not be met.

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

- KPI 13: In Q3, 84.44% of minor planning applications were answered within the agreed timescale -this is above both the local (80%) and national target of 70%.
- KPI 24: It is taking an average of seven days to process new benefit claims, which remains below the national average of 17 days.
- KPI 30: 85% of Freedom of information requests received during Q3 were answered within the 20-working day timescale, which 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 but 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:

- £170,000 of support funding has been received to support Tewkesbury Leisure Centre (page 2 of the recover tracker).
- Despite additional financial pressures arising from COVID-19, the Medium Term Financial Strategy (MTFS) was approved at Council on 26 January 2021. (page 3 of recovery tracker).
- The Growth Hub has delivered COVID-specific support to business through a variety of delivery mechanisms. (page 7-9 of recovery tracker).
- A grant action plan for the recovery of the High Street Safety Fund has been submitted to government for approval (page 10 of the recovery tracker).
- 39 emergency community grants were awarded in quarter 3 (page 13 of the recovery tracker).
- Executive Committee recommended Council approve the Interim Housing Strategy to cover 2021-2022 at its meeting on 3 February 2021 (page 15 of the recovery tracker).
- A new Customer Care Strategy was approved at Executive Committee on 3 February 2021 (page 17 of the recovery tracker).
- Review of the Corporate Website and COVID-19 microsite is complete and a preferred new platform has been identified (page 19 of the recovery tracker).
- The Council has been successful in securing feasibility funding for the replacement of the heating system at the Public Services Office (page 26 of the recovery tracker).

4.3 As explained when the recovery tracker was first presented in October, a number areas of the Council are 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
<p>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)</p>	<p>☹ 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 online. The audit function remains deployed within the business cell as well as overseeing GDPR activities. It is expected to have some form of internal audit activity operational in April 2021.</p>

<p>Maximise the use of business intelligence within the council to ensure the accuracy of the rating list. (page 3 of recovery tracker)</p>	<p>Yet to commence - Recruitment of a new business intelligence officer will take place in the new financial year. A cross service project plan will need to be developed so business intelligence is shared by relevant services moving forward.</p>
<p>Undertake an economic impact assessment and analysis to understand the needs of local businesses. (page 5 of the recovery tracker).</p>	<p>Yet to commence- This assessment will be commissioned once the long-term impact on the business community is clearer.</p>
<p>Refocus the council's Place Approach to reflect the issues within our communities arising from COVID-19. (page 11 of recovery tracker).</p>	<p>Deferred for six months - 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.</p>
<p>Consider future working arrangements within new communities to ensure there are adequate local businesses and self-employment hubs. (page 15 of recovery tracker).</p>	<p>Deferred- Work has not yet commenced.</p>
<p>Review the effectiveness and efficiency of the environmental health service, including an assessment of additional demand and available resources. (page 16 of recovery tracker).</p>	<p>☹️The team has been further impacted by the additional work to respond to the national lockdown and rapid changes between tier restrictions in Q3. As a result, business as usual work that was set to be achieved in April 2021 has been delayed until September 2021.</p>
<p>Support the safe re-opening of buildings that provide a council service. (page 18 of recovery tracker)</p>	<p>Deferred - Tourist Information Centres – remain closed due to further lockdowns. 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.</p>
<p>Re-instigate and deliver the council tax and business rates paperless project. (page 19 of the recovery tracker).</p>	<p>☹️Due to priority being focused on the annual billing run and dealing with an increase in customer demand as a result of COVID-19, this has resulted in the target date has been amended from February 2021 to May 2021 to allow the team time to test the new system before it goes live.</p>

<p>Seek further government funding with our partners to support sustained delivery of the garden community programmes.</p> <p>(Page 21 of the recovery tracker)</p>	<p>☹️ A decision for a bid for further capacity funding to support the early stages of the Garden Town programme was due in December from the Ministry of Housing and Communities and Local Government (MHCLG). The MHCLG have informed the team it is still pending.</p>
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4.4 COVID-19 RECOVERY FUND

In June 2020, Executive Committee agreed to allocate £500,000 from the Business Rates Collection Fund surplus to support the Council and Service Recovery Plans. Allocations have been made against this fund as per the table below and a balance of £83,500 remains available.

COVID Recovery Fund

Opening balance			-£500,000
Allocations:			
Environmental Health & Licencing support	£86,900		
IT support post	£42,000		
Additional Revenues staffing	£35,600		
Review of the Statement of Community Involvement	£20,000		
S106 monitoring officer	£42,000		
Economic Needs Assessment	£15,000		
Business recovery support	£100,000		
Community grants	£50,000		
Planning support	£25,000	£416,500	
Current balance			-£83,500

5.0 FINANCIAL SUMMARY - REVENUE POSITION

5.1 The financial budget summary at Q3 shows a 818,822 surplus against the full year budget. The surplus stated includes government support grant expected during the year.

The projected service position is a £1.6m deficit. This 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 during the year. This report now brings into focus the core operational activities of the Council during the period and highlights some of the savings made which generates an overall surplus to the Council.

The following table is a summary of the expenditure position for the Council, split out between the main expenditure types.

5.2 Services expenditure	Budget	Full Year Projection	Full Year Variance
	£	£	£
Employees	10,673,188	9,866,033	807,155
Premises	614,421	552,871	61,550
Transport	86,630	29,779	56,851
Supplies & Services	1,991,814	1,884,463	107,351
Payments to Third Parties	5,870,076	5,946,451	(76,375)
Transfer Payments	12,449,021	12,369,382	76,639
COVID-19 Costs	0	867,605	(867,605)

COVID-19 Recovery	0	24,958	(24,958)
Projects Funded Externally	0	559,703	(559,703)
Income	(19,968,839	(18,695,894)	(1,272,945)
)		
	11,716,311	13,405,351	(1,689,040)

Corporate Codes

Interest Received	(501,300)	(536,448)	35,148
Interest Costs	513,000	552,434	(39,434)
Investment Properties	(2,713,904)	(2,795,506)	81,602
Corporate Savings Targets	(57,500)	0	(57,500)
Reserve Funding	0	(584,661)	584,661
RSG and other grant funding	(36,936)	(1,737,003)	1,700,067
New Homes Bonus	(3,762,756)	(3,762,756)	0
Business rates	(2,585,070)	(2,788,389)	203,319
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)	(7,683,943)	2,507,862
Net budget to be funded from CT	6,540,230	5,721,408	818,822

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

5.3 Expenditure on providing services

The budget position in relation to service expenditure shows an overall budget deficit of (£1,689,040).

Employee Costs – surplus of £870,155

These savings are being generated through staff vacancies, across all services. Corporate Services are predicting £144,000 of savings, Development Services £114,000 and One Legal £386,000. 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 some vacant posts now recruited to. In the short term, the Council are employing agency staff to fill business as usual roles, as well as COVID specific roles.

Supplies & Services – surplus of £107,351

Most of the savings are linked to the change in working practices resulting from the pandemic. For example, postages have reduced, giving a saving of £30,000. Similarly, substantial savings have been made on mileage and public office utility bills shown under premises expenditure. Unfortunately, the provision of some Council services have not been possible due to national restrictions. The Tourist Information Centres and the Growth Hub have been closed since March 2020. For this reason, we have spent £45,000 less than expected on these services.

COVID-19 Costs – deficit of (£867,605)

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. The total cost to the Council will be £435,000. 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 March 2022 at which point it is hoped to move to a cost neutral position. The Council has been awarded £170,000 from the National Leisure Recovery Fund. This will be used to offset some of the costs.
- 2) The Council has purchased over 180 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 the approved capital programme. The remaining purchase cost and the additional agency resource required to help build laptops for staff resulted in an additional £85,000 cost.
- 3) Ubico has been recording the additional costs it has incurred as it responds to the COVID-19 pandemic as it has continued to provide services, whilst ensuring that staff are protected. It 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 is predicting an additional £85,000 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 £79,000 at Q3. 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 additional national grant scheme resulting from the latest lockdown. In some instances, the Council has needed to use agency to backfill core services or help with the COVID response. The total in year cost is estimated to be £178,000.

Income – deficit of (£1,272,945)

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 £195,000, including planning fees, land charges and planning performance agreements. One major loss was the Ministry of Defence deciding not to submit a budgeted application worth £230,000. Development services have reviewed forecasts for the year, particularly in regard to large applications which are expected and generate significant fees. In total five major applications are either no longer being submitted, or will be deferred. We are still expecting a further £184,000 in Q4 from three applications.

- 2) £334,000 of lost income from car parks as all charges were suspended during the initial lockdown period. Fees are unlikely to pick up in the last quarter, especially now with further closures of retail and hospitality businesses.
- 3) £42,000 of lost income from rental income as some businesses were closed during the lockdown period e.g. the Caravan Club.
- 4) £72,000 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 and the impact of the 2nd and 3rd lockdowns are less significant on trade waste collections.
- 5) £33,000 budget deficit on licencing particularly around lost renewals on vehicle and taxi licences and also premises licences.
- 6) £40,000 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 budget deficit on One Legal fees, as partner Councils and third party clients focus has been on response to the pandemic rather than day to day business requiring legal support. This deficit comprises lost income due to a significant reduction in s106 planning agreements, property transactions including licences for use of land and road closures during this financial year. In addition, One Legal anticipated significant growth during the financial year but the pandemic has not made this possible. One Legal has not been able to proactively market the service to Registered Providers and other public bodies nor has it been able to recruit staff in the current climate of uncertainty in order to resource the anticipated growth areas.
- 8) The Leisure Centre contracts allows for a management fee of £173,000 to be paid to the Council. The centre is currently operating at a loss, supported by the Council, and so the management fee will not be received for 2020/21.

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 a surplus on budget. Two new commercial properties were purchased during the year, resulting in a small windfall of rental income. 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 small gain. 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. The Council's investments in Pooled Funds continue to produce good income returns which balances out the reductions in short term investments.

Interest costs on borrowing are forecasted to be over budget at the end of the financial year. One reason being 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. Borrowing was also required for the purchase of our new investment property in Tipton. 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 Q3 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 £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. Retail relief has been extended into 2021/22 by the Chancellor with eligible properties now entitled to receive 100% relief until the end of June and 66% for the remainder of the year. Councils will be fully compensated by way of a s31 grant for the relief awarded.

5.6 Government Support

The government has allocated £1,423,140 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 and the Council received £176,000. The second claim was submitted in December and we expect to receive a further £79,000. There will be final reconciliation of losses in April 2021. The estimate for the final compensation is approximately £50,000, bringing the total compensation to just over £300,000. This will cover some of the budget deficits identified on income above.

The level of support, if any, for next financial year is unknown beyond the fifth tranche of funding totalling £425,000. Income losses and additional expenditure are likely to continue as the economy recovers, and the Council supports businesses and residents.

5.7 COVID-19 Business Grants

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.

As a result of the first national lockdown, Tewkesbury Borough Council was initially allocated a total of £18,059,000 to distribute to businesses, of which a total of £17,947,980 was paid to businesses. The first 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 small balance remaining at the closure of the scheme. The balances have now been returned to government.

Through the Autumn and Winter, the Council has been responsible for administering a series of different business grant schemes. These are summarised in the table below:

Period	Title	Amount
5/11 - 31/3	Additional Restrictions Grants	£1,900,380
	Local Restrictions Support Grants (LRSg) (Closed)	
5/11 - 2/12	Addendum	£1,107,360
2/12 - 19/12	LRSg Open	£213,933
2/12 - 19/12	LRSg Closed	£9,392
2/12 - 31/12	Christmas support package	£32,000
19/12 - 4/1	LRSg Open	£93,484
19/12 - 4/1	LRSg Closed	£286,742
5/1 - 15/2	Additional Restrictions Grants (top up)	£844,059
5/1 - 15/2	Closed Business Lockdown Payment	£3,321,000
5/1 - 15/2	Closed Addendum Payment	£1,661,040
		£9,469,390

All of these schemes are still live and the Council continues to make payments against them.

The next phase of the scheme will involve the grants team returning to 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. The local and additional restrictions grant scheme might also resume after the current lockdown. Government have paid a new burdens grant of £188,500 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 £93,262 from central government in order to grant £500 to low income individuals who are asked to self-isolate. At the time of writing the Council had paid £61,000 out to those self-isolating.

The government has announced new Restart Business Grants to be paid from 1 April which will mirror the road map out of the current lockdown. Some existing business grants schemes will also remain open until the summer. 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 surplus of £818,822. A number of assumptions have been made in calculating this forecast and are subject to change, particularly as there is uncertainty over when the current national lockdown will end and whether the tier system will be reintroduced.

It should also be noted that it is expected that a large amount of carry overs will be expected at year end in respect of current year commitments that have not progressed as a result of coronavirus or from funding awards related to coronavirus that stretch beyond the end of the financial year.

At the end of the financial year a significant surplus, gained in the 2019/20 financial year, will be released from the business rates collection fund account. This is a one-off benefit, resulting from a release in provision for appeals. This figure has not been shown above, as most of it has already been earmarked for specific purposes, namely the future financial challenges facing the Council.

6.0 CAPITAL BUDGET POSITION

- 6.1 Appendix 5 shows the capital budget position as at Q3. This is currently showing an underspend against the profiled budget of £2,275,507.

6.2 The capital programme for the year has an approved budget of £21.6 million to secure commercial investment properties. The acquisition of one property was completed in quarter one and the second acquisition has completed in quarter 3. The purchases have passed the Council's due diligence processes and have come in under budget by £1.9 million.

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 6 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 Q3 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 - Capital Budget.

6 - Reserves.