

TEWKESBURY BOROUGH COUNCIL

Report to:	Overview and Scrutiny Committee
Date of Meeting:	11 January 2022
Subject:	Council Plan Performance Tracker and COVID-19 Recovery Plan Tracker 2021/22 (Qtr2)
Report of:	Head of Corporate Services
Corporate Lead:	Chief Executive
Lead Members:	Leader of the Council
Number of Appendices:	5

Executive Summary:

The 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 (KPIs). As in previous years, to ensure the plan remains a 'live' document, all actions are reviewed annually and, where appropriate, they are refreshed. The refreshed plan was adopted by Council on 20 October 2021.

Since the approval of the Council Plan in January 2020, 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. A corporate COVID-19 recovery plan was subsequently established to address the challenges represented by COVID-19. The plan was 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). Similar to the Council Plan, the recovery plan actions have also been refreshed.

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 may not have progressed as intended.

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. This report introduces the performance information for the second quarter of the second year of our Council Plan.

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, 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 (Appendix 1). The tracker is a combined document which also includes a set of Key Performance Indicators (KPIs). As in previous years, to ensure the plan remains a 'live' document, all actions are reviewed annually and, where appropriate, they are refreshed. The refreshed plan was adopted by Council on 20 October 2021.
- 1.2 Since the approval of the Council Plan in January 2020, 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. A corporate COVID-19 recovery plan was subsequently established to address the challenges represented by COVID-19. The plan was 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). Similar to the Council Plan, the Recovery Plan actions have also been refreshed.

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.

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 second quarter of year two of the Council Plan (2020-2024). Key successful activities to bring to Members’ attention since the last performance report include:

- Linked to the bulky waste review, a savings of c.£30k has been made and will be reflected within the 2022/23 Ubico budget. (Page 4 of the tracker).
- A Director of Law has been successfully appointed with a start date of March 2022. This is a key element in delivering the One Legal service review. (Page 4 of the tracker).
- The Growth Hub delivered 11 events during quarter two; 24 achieved for the year so far. This is on target to meet the 50 workshops/ events target. The events were on social media, marketing, and action planning. (Page 5 of the tracker).
- Consultants Deloitte have been appointed and commenced work on reviewing the timetable to get the JCS to the next stage of consultation. (Page 6 of the tracker).
- Public consultation commenced on 1 November for the main modifications to the Tewkesbury Borough Plan. Closing date for comments is Tuesday 4 January 2022. (Page 7 of the tracker).
- On 8 December 2021, a 10-week public consultation was launched for the proposed upgrade to M5 all-ways Junction 10. (Page 7 of the tracker).
- Council approved the Infrastructure Funding Statement on 7 December 2021. (Page 8 of the tracker).
- The shop front grant scheme, a work stream of the High Street Heritage Action Zone scheme, was launched in September, this has resulted in at least 15 queries/ expressions of interest being received. (Page 9 of the tracker).
- In November 2021, over 5,000 people attended the Tewkesbury Abbey for the ‘Tewkesbury Festival of Light’. This was the main event in relation to the ‘2021 celebrations’. (Page 10 of the tracker).
- In partnership with ARK Consultancy, work on a new Housing Strategy has commenced. (Page 14 of the tracker).
- In October and November 2021 training was given to individual parishes receiving Community Infrastructure Levy (CIL) funding for the first time. (Page 20 of the tracker).
- Executive Committee in November agreed the high- level action plan to address the issues raised from the review of the planning service. (Page 27 of the tracker).

2.4 Due to the complex nature of the actions being delivered, inevitably some may not progress as smoothly or quickly as envisaged. Actions with either a ☹️ or 😊 are highlighted below:

Action	Status and reason for status
Produce a Medium-Term Financial Strategy that recognises the impact of funding reform and delivers a balanced approach to meeting funding gaps. (Page No. 1 of the Council Plan performance tracker).	☹️ The target date has been amended from January 2022 to March 2022 . It is hoped that the Provisional Local Government Settlement will provide some clarity on a number of key areas announced in the recent Spending review.

<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 still 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>Work with partners to undertake the required review of the JCS.</p> <p>(Page No. 13 of the Council Plan performance tracker).</p>	<p>☹️ The target date is still waiting to be determined following the review of the JCS timetable. Deloitte have been appointed, to help review the timetable and get the JCS to the next stage of consultation. This work commenced in September 2021.</p>
<p>Finalise and adopt the Tewkesbury Borough Plan</p> <p>(Page No. 14 of the Council Plan performance tracker).</p>	<p>☹️ The target date of February 2022 has been amended to Spring 2022. It is noted the new target date is still dependent on receipt of the Inspector's report following consultation. The consultation period was extended to allow sufficient time for representations to be made.</p>
<p>Formally establish the Garden Town planning status through the JCS.</p> <p>(Page No. 38 of the Council Plan performance tracker).</p>	<p>☹️ Joint Core Strategy- please see first action above- '<i>Work with partners to undertake the required review of the JCS</i>'</p>
<p>Deliver the Public Services Centre's low-carbon heating and solar PV systems.</p> <p>(Page No. 41 of the Council Plan performance tracker).</p>	<p>☹️ Market tenders returned costs in excess of budget for the replacement of the heating system which has led to this project being put on hold.</p> <p>The grant funding originally secured has now been approved to be used for providing an extended solar canopy in the Council's rear car park. It is anticipated for this project to be completed by May 2022.</p>
<p>Carry out a review of our litter pickers' scheme.</p> <p>(Page No. 44 of the Council Plan performance tracker).</p>	<p>☹️ The proposed event planned for September 2021 was postponed and will now take place in Spring 2022. This has been reflected in the target date.</p>
<p>Establish and publish a local list of non-designated heritage assets in the borough.</p> <p>(Page No. 47 of the Council Plan performance tracker).</p>	<p>☹️ The target date has been amended from February 2022 to June 2022. This is due to the consultation of the Supplementary Planning Document on the local listing criteria due to finish in January 2022, adoption will take place in June 2022 to allow for the necessary works required to follow after the consultation.</p>

2.5 It is inevitable that not everything can be delivered at once. Any actions which have yet to commence are 'greyed out' in the tracker with indicative dates for commencement stated.

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 2021. For 2021/22, six new KPIs have been added (KPIs 12-15 and KPIs 28-29). Due to changes into reporting, the housing-related KPIs 9- 11 have also been revised in order to report more effectively, as requested by Overview and Scrutiny Committee.

3.2 Of the **22** indicators with targets, their status as at the end of the second quarter for 2021/ 22 is:

☺ (on target)	☹ (below target but confident annual target will be achieved)	⊗ (below target)
9	4	9

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
10	8	1	3*

*The three KPIs where data is not available relate to:

- KPI 7 (number of visitors entering Growth Hub) due to the hub remaining closed to face-to-face contact during 2020/21.
- KPI 28 (Average number of days to process new Council Tax Reduction claims)
- KPI 29 (Average number of days to process change in circumstances for Council Tax Reductions).

KPIs 28 and 29 are new monitoring KPIs that do not have an outturn figure for 2020-21.

3.3 KPIs where the direction of travel is down and/ or KPI is ☹ are highlighted below:

KPI No.	KPI description	Reason for ☹ or ↓
7	Number of visitors entering the Growth Hub (Page No. 12 of the Council Plan performance tracker)	☹ In line with Government guidance the Hub has a gradual and phased reopening part way through quarter two from late July 2021. The reduced target for visitor numbers reflects a phased return to a fully operational service, in accordance with guidance. The 250 targets for the year is unlikely to be achieved.

16	<p>Percentage of 'major' applications determined within 13 weeks or alternative period agreed with the applicant.</p> <p>(Page No. 23 of the Council Plan performance tracker)</p>	<p>↓ 😞 8 decisions out of 13 were determined within the target (61.5%) during Q2 figure. The cumulative figure for the year is 65.2%, this is below both the Council's target of 85% and the outturn for 2020/21 which was 80%. This decrease is a result of applicants not agreeing to extension of time on applications.</p>
17	<p>Percentage of 'minor' applications determined within 8 weeks or alternative period agreed with the applicant.</p> <p>(Page No. 23 of the Council Plan performance tracker)</p>	<p>↓ 😞 The Q2 figure is lower than last year's outturn with only 40 out of 62 (64.5%) decisions being issued within the timescale. This meant the target figure of 80% has not been met this quarter.</p> <p>Measures are being implemented to address the reduction in performance and these measures will be supplemented by improvements arising from the review of planning.</p>
18	<p>Percentage of 'other' applications determined within 8 weeks or alternative period agreed with the applicant.</p> <p>(Page No. 24 of the Council Plan performance tracker)</p>	<p>↓ 😞 180 of 222 decisions were made within agreed timescales during Q2. This equates to performance of 81.1%, which is just below last year's outturn of 84.37% and below the local target of 90%.</p>
19	<p>Enforcement - Investigate category A* cases within 24 hours (without prompt action, material risk of further harm which could be reduced by early intervention).</p> <p>(Page No. 24 of the Council Plan performance tracker)</p>	<p>↓ Three category A cases were received in Q2. Whilst quarter two outturn was 100% cumulatively for the year so far; 4 out of 5 cases were investigated within the target timescales equating to 80% for 2021/22. This is below the outturn of 100% last year.</p>
20	<p>Investigate category B cases within five working days (development causing, or likely to cause, irreparable harm or damage).</p> <p>(Page No 25 of the Council Plan performance tracker).</p>	<p>😞 Four category B cases were received during Q2, and three were investigated within the timescale (75%). This is lower than the local target of 90% but was an improvement when compared to last year's outturn of 61.54%.</p>

21	<p>Investigate category C cases within 10 working days (risk of material harm to the environment or undue harm to residential amenity).</p> <p>(Page No. 25 of the Council Plan performance tracker)</p>	<p>↓☹️ 25 category C cases were received in Q2, and nine of these were handled within the target timeframe (36%). The cumulative percentage for 2021/22 is 27.5%. This is significantly below both the local target of 80% and last year's outturn of 36.51%.</p>
22	<p>Investigate category D cases within 15 working days (breaches causing limited material disturbance to local residents or to the environment).</p> <p>(Page No. 26 of the Council Plan performance tracker)</p>	<p>↓☹️ During Q2, 13 category D cases were received, and two cases (15.4%) of these were handled within the target timeframe. The cumulative percentage for 2021/22 is 18.8%. Performance has fallen when compared to last year's outturn of 40.68%. This is lower than last year's outturn of 40.68% and significantly lower than this year's target of 70%.</p>
33	<p>Percentage of NNDR collected.</p> <p>(Page No. 35 of the Council Plan performance tracker)</p>	<p>↓ Business rates collection performance is 5.5% below target for Q2 which is a continuing impact from COVID-19. Despite this, it is hoped the target of 98% will still be achieved by the end of the year.</p>
37	<p>Percentage of formal complaints answered on time.</p> <p>(Page No. 37 of the Council Plan performance tracker)</p>	<p>↓☹️ Whilst the lowest number of formal complaints have been received to date, with only 19 being received during Q2, only 13 of these were answered within the timescale (68%). The cumulative figure for the year is 73% this is below both the outturn for 2020/21 (84%) and the target figure of 90%.</p>
38	<p>Number of reported enviro crimes.</p> <p>(Page No.47 of the Council Plan performance tracker).</p>	<p>☹️ Whilst there has been a 30% reduction in enviro crimes when compared to Q2 in 2020/21, 370 enviro crimes were reported in Q2, making the total for the year so far to 802 reports. If figures remain at this rate throughout the year, it will exceed this year's target of 1000 but will be lower than last outturn of 2,185.</p>

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:

- Tewkesbury Leisure Centre delivered a surplus in September and therefore did not require financial support from the Council. This is as a result of the recovery plan put in place for the centre and the increased usage from customers. (Page 2 of the recovery tracker).
- A local marketing company, V8, was awarded the contract in December 2021 to lead on the communication campaign for the Welcome Back Fund. (Page 7 of the recovery tracker).
- Support continues to be provided to community groups through funding advice, grants and activities. The Holiday Activities Fun took place and will be repeated in December along with the summer grants for vulnerable families. (Page 8 of the recovery tracker).
- The Housing Advice Team contacted the Council's registered provider partners to inform them of the countywide Covid Contain Outbreak Management Fund. This fund is to help assist households with rent arrears as a result of Covid e.g. reduced hours, furlough or redundancy. As of mid-December £17,821. have been awarded to help homeless households. (Page 9 of the recovery tracker).
- The COVID-19 Community Grant Scheme continues to be promoted with 154 grants being awarded £127,025 in total. (Page 10 of the recovery tracker).
- Since April, 75 groups from the Voluntary and Community Sector attended an online training seminar hosted by Inform Gloucestershire. (Page 11 of the recovery tracker).
- Funding was agreed by Council in October for a new Carbon Reduction Officer to support the Council's Carbon Reduction Action Plan. The recruitment took place, and the Officer is due to start in February 2022. (Page 16 of the tracker).

- 4.3 As explained when the recovery tracker was first presented in October 2020, a number of areas of the Council are still in response mode - for example, business grants and Environmental Health. This means there are services operating across one of 'response', 'recovery' or 'business as usual' mode. Or, in some cases, operating across a combination of the three. 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>Maximise the use of business intelligence within the council to ensure the accuracy of the rating list and help businesses build resilience.</p> <p>(Page 3 of recovery tracker).</p>	<p>☹️ The Business Intelligence Officer post has now been recruited to, although the postholder is currently still redeployed to the Business Grants team. This means not as much progress as hoped has been made to date.</p>
<p>Develop a bid to host a Department of Work and Pensions Youth Hub within the Tewkesbury Growth Hub.</p> <p>(Page 6 of recovery tracker).</p>	<p>☹️ The target date of September 2021 has been amended to December 2021. This is to allow for the final amends to be made before the bid is submitted.</p>
<p>Review the effectiveness and efficiency of the environmental health service, including an assessment of additional demand and available resources.</p> <p>(Page 11 of recovery tracker).</p>	<p>Deferred- The effectiveness review has been on hold due to the level of COVID-19 response needed. Once cases further stabilise this will be revisited.</p>
<p>Deliver the council tax and business rates e-billing project.</p> <p>(Page 12 of the recovery tracker).</p>	<p>☹️ There have been delays in this project, which has resulted in the target date being amended from November 2021 to February 2022. The target date for the project has been amended to reflect the decision to split the signup from the launch of the paperless billing portal. Residents will be able to sign up to receive their Council tax bills electronically in early January.</p>

- 4.4 Similar to the Council Plan actions, not all recovery actions will commence at once. Again, any yet to commence are 'greyed out' in the tracker.

5.0 FINANCIAL SUMMARY - REVENUE POSITION

- 5.1 The financial budget summary for Q2 shows a projected surplus of £3,611,060 for the full year against the approved budget. This includes a £3.62m government grant for business rate reliefs which must be set aside to meet future deficits – see Paragraph 5.13. The net forecast position of the rest of the budget is therefore in line with estimates for the year. Whilst there are early indications that income streams are improving and there is potential for increased government support, given the report is based on performance in only the first half of the year, a prudent position is taken with regards to full year estimates.

5.2 The following table highlights the forecast outturn position for service provision, the net position on corporate income and expenditure and the resulting surplus.

	Budget	Full Year Projection	Full Year Variance
<u>Services expenditure</u>			
Employees	£11,032,559	£10,599,947	£432,612
Premises	£590,411	£622,196	-£31,785
Transport	£55,270	£38,163	£17,107
Supplies & Services	£2,131,818	£2,175,149	-£43,331
Payments to Third Parties	£6,462,630	£6,559,306	-£96,676
Transfer Payments - Benefits Service	£13,544,132	£13,529,942	£14,190
Central Recharges	£29,929	£29,929	£0
COVID-19 Costs	£0	£350,983	-£350,983
COVID-19 Recovery	£0	£100,000	-£100,000
Projects Funded Externally	30	-£247,252	£247,252
Income	-£21,429,831	-£21,424,688	-£5,143
Services Sub Total	£12,416,918	£12,333,674	£83,244
<u>Corporate expenditure</u>			
Treasury – Interest Received	-£345,000	-£400,000	£55,000
Treasury – Borrowing Costs	£480,000	£460,000	£20,000
Investment Properties	-£3,176,343	-£3,046,104	-£130,239
Corporate Savings Targets	-£155,000	£0	-£155,000
Core Government funding	-£1,013,409	-£1,618,563	£605,154
New Homes Bonus	-£2,508,861	-£2,508,861	£0
Business Rates	-£1,976,280	-£1,243,714	-£732,566
Business Rates – deficit from 20/21	£4,649,150	£4,639,263	£9,887
Business Rates – new s31 grants set aside for 22/23	£0	-£3,619,320	£3,619,320
Council Tax Surplus	-£24,833	-£24,833	£0
Council Tax precept	-£4,579,735	-£4,579,735	£0
Use of reserves & MRP	-£3,766,607	-£4,002,867	£236,260
Corporate Sub Total	-£5,595,281	-£9,123,097	£3,527,816
Surplus / (deficit)			£3,611,060

Service Expenditure

- 5.3** The quarter two full year projection highlights a full year cost of service provision totalling £12.334m, resulting in a surplus against the approved budget of £83,244. The following paragraphs highlight the main reasons for this projected surplus. In addition, Appendix 3 provides detail at a service level with notes on variances over £10,000.
- 5.4** The full year projection for employees highlights a potential gross surplus of £432,612. It should, however, be noted that within the Council's corporate expenditure is a target to save £155,000 from employment costs across the Council. The net position is therefore a surplus against target of £277,612. Savings have accrued across a number of service areas including One Legal, Development, Democratic and Community but also with senior management following the decision in June to delete the post of Deputy Chief Executive. This saving is offset to some degree this year by the cost of recruitment to a new Director of One Legal. The figures do not include a pay award which is still being negotiated between Unions and Employers. A reserve of £200,000 is set aside to meet an agreed pay award which would equate to a 2% increase. Any agreed pay award in excess of this would need to be met by current employee savings.
- 5.5** Premises costs highlights a projected overspend of £31,785. This includes the rental charges that relate to the May 2021 Police and Crime Commissioner elections, which are fully reclaimable. Due to the vacant office space within the public service centre, the business rates due have been charged to the Council and therefore are showing an overspend against budget.
- 5.6** The projected outturn for Supplies & Services highlights a potential overspend of £43,331. This includes the election fees from the May 2021 Police and Crime Commissioner elections, which are fully reclaimable. Card terminal bank charges are 30% lower than budget which is a combination of changing the merchant provider and a prudent budget.
- 5.7** Payments to third parties highlights a projected overspend of £96,676. This includes additional costs relating to a Domestic Abuse Review which is fully funded by the Domestic Abuse grant. There has been an increase in demand for emergency accommodation in the first half of this year. We have been prudent with our forecast by forward projecting at the same rate as Q1 & 2; any overspends will be funded from the homelessness grant. There is a projected overspend on the Ubico contract sum in relation to extra payment being made in order to attract and retain drivers for our services. A national shortage of drivers, estimated to be around 70,000, has resulted in an impact on many forms of business with local authority waste collection services not immune to this impact. There have been a growing number of examples where authorities have had to suspend collections as a result of driver shortage. To help mitigate the problem on the Tewkesbury contract, an increased market supplement has been agreed, whilst driver training for loaders continues. The rest of the contract sum is on target. We have seen a significant saving in our MRF gate contract since changing provider, we expect this to continue for the foreseeable.
- 5.8** Tewkesbury services continue to see a financial impact from the COVID-19 pandemic with a full year cost estimated at £450,983. The costs include the continued work of the business cell, additional costs for the provision of our waste and recycling services and the continued support to Tewkesbury Leisure Centre. These costs will be met from the additional COVID grant funding provided by the Government and new burdens funding for the business cell work – see Paragraph 5.12.

- 5.9** Income in many areas of Council activity has recovered well from the impact of coronavirus with a number of income streams either back on budget or delivering a small surplus. Some areas continue to be affected by the COVID-19 pandemic with reductions in income levels in our car parks during the first quarter, an expectation that the Tewkesbury Leisure Centre contract fee will not be provided during the year and current vacancies for our office units within the Council Offices. In addition, One Legal income remains below target although this is offset to an extent by the savings on employee costs.

Corporate Expenditure

- 5.10** The expenditure associated with corporate activities as well as the financing of the Council is shown in the second section and highlights an estimated surplus of £3,527,816 for the financial year.
- 5.11** Treasury activities are expected to deliver small savings in borrowing costs and an increase in interest received from investing. Our commercial property portfolio is currently predicting a deficit on the year as a result of the expected temporary void at one office unit, a tenant exercising a mid-year break clause at an industrial unit and the inducements offered to secure leases at our Clevedon units. Should the commercial property account remain in deficit for the full year, the Council will utilise the commercial property reserve to cover the void and lease costs resulting in no impact on the base budget position - see Paragraph 5.14.
- 5.12** Core government funding is showing a significant surplus as a result of the additional COVID general fund grant of £424,927. In addition to this, the Council will also receive additional new burdens funding for its continuing administration of business grants and it is also able to claim compensation for losses on its sales, fee and charges (SFC) as a result of COVID for the first quarter of the year. The level of new burdens funding is not yet known, although clarity is likely to be provided in November. A prudent estimate of £100,000 for new burdens has been included within the projection. The loss on SFC for the first quarter has been calculated at £49,000 and is included within the estimate, although it is yet to be certified by DLUHC.
- 5.13** Our anticipated retention of business rates income shows a net surplus of approximately £2.9m from the original budget, compiled in December 2020. The major component of this surplus is the £3.62m s31 grant paid by the government to provide further relief from business rates for businesses in certain sectors. These businesses will receive the relief in the current year and therefore pay reduced business rates. For the Council, the impact of this reduced business rates is a deficit on the collection fund which impacts in 2022/23. The government compensates the local authority by paying the s31 grant and, as they have made payment upfront, the sum needs to be set aside at year end to meet the deficit in 2022/23. This element of the surplus is therefore not a usable surplus and is only as a result of timings within the business rates system. The underlying position of business rates in the current year shows a small amount of growth and an improving position against the prudent estimates made in the budget. The level of empty business premises across the borough continues to be much lower than forecast and bad debts are not materialising to the levels originally envisaged. In addition to this, the government announced that Material Change in Circumstance (MCC) business rate appeals will not be dealt with as appeals but will be subject to a separate grants system. With this announcement, the Council is able to remove the provision for these type of appeals from within its retention calculation. As a result of these factors, the levels of retention for 2021/22 are likely to be much higher for Tewkesbury with a net gain of over £1.4m currently being forecast; however, this gain will only be released at the end of 2022/23 and therefore is not available to the Council until April 2023. In contrast to the £1.4m gain, the additional levy now payable by Tewkesbury – all gain is subject to a 50% levy – is due in the current year. As a result, the net position for the in-year business rates retention is a deficit of £732,566.

- 5.14** The income line 'Use of Reserves & MRP' highlights the intended level of reserves being brought into the general fund during the year, less the cost of the repayment of borrowing – the Minimum Revenue Provision. Outside of the budgeted transfer from reserves, expenditure being financed by reserves is usually allocated directly to reserves and shown separately in section 7 of the report; however, some expenditure is recorded in the general fund and so additional funding is brought in to match off that expenditure. In this case, the additional reserve use relates to new burdens funding already received for business grant administration and the use of the commercial property reserve to cover any deficit on that account.
- 5.15** Overall, the first half projection for the full financial year shows an anticipated surplus of £3.6m. This surplus is effectively the s31 business rates grant mentioned in 5.13 and means that the remainder of the base budget is on target to be delivered in line with original estimates.

6.0 CAPITAL BUDGET POSITION

- 6.1** Appendix 4 shows the capital budget position as at Q2. This is currently showing an underspend of £325,309 against the profiled budget of £695,000.
- 6.2** The capital programme estimates total expenditure for the year to be circa £3.9m. This is much reduced on previous years as a result of the end of the acquisition phase of the commercial investment property strategy. The main elements of this year's forecast include:
- Ashchurch Bridge
 - Vehicle replacement
 - The replacement of the heating system at the council offices
 - Disabled Facilities Grants (DFG)
- 6.3** As can be seen in Appendix 4, the previously reported deficit on Disabled Facilities Grants has now been reversed into a surplus whilst an underspend on vehicles for both grounds maintenance and food waste is currently being reported.
- 6.4** The expected replacement of the Council Offices heating system will not now take place in the second half of the year as a result of a significant increase in prices; however, grant funding will now be used to support the delivery of a solar canopy above a number of car parking spaces in the rear car park of the offices. This work is expected to be completed in the final quarter.

7.0 RESERVES POSITION

- 7.1** Appendix 5 provides a summary of the current usage of available reserves. Supporting notes are provided for reserves where expenditure is high or the expenditure is of note.
- 7.2** Reserves have been set aside from previous years to fund known future costs and the strategic planning of the authority's operation. This year's reserves have been boosted by both grant funding related to COVID-19 and the release of provisions from the retained business rates scheme. 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 8 August 2020.

Background Papers: None

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Appendices: Appendix 1 – Council Plan Performance Tracker Qtr 2 2021/22
Appendix 2 – COVID-19 Corporate Recovery Plan performance tracker
Qtr 2 2021/22
Appendix 3 - Revenue Budget
Appendix 4 - Capital Budget
Appendix 5 - Reserves