

TEWKESBURY BOROUGH COUNCIL

Report to:	Overview and Scrutiny Committee
Date of Meeting:	8 March 2022
Subject:	Council Plan Performance Tracker and COVID-19 Recovery Plan Tracker - Quarter 3 2021/22
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 - finance and resources, economic growth, housing and communities and customer first - plus the approval of two new priorities - 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. 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, as 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 third 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.

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.

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.

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 - finance and resources, economic growth, housing and communities and customer first - plus the approval of two new priorities - 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.
- 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, as 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 third quarter of year two of the Council Plan (2020-2024). Key successful activities to bring to Members' attention since the last performance report include:

- The budget for 2022/23 was approved by Council on 22 February. (Page 2 of the tracker).
- Stage one of the One Legal Service review is complete (recruitment of a Director) and is now moving into stage two - further recruitment and creation of an action plan. (Page 4 of the tracker).
- The Growth Hub delivered 15 events during quarter three - 39 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).
- The public consultation on the main modifications to the Tewkesbury Borough Plan closed in January. A schedule summarising those representations and the Council's response has been submitted to the Inspector for their final report. (Page 7 of the tracker).
- The 10-week public consultation for the proposed upgrade to M5 all-ways Junction 10 closed on 15 February. (Page 7 of the tracker).
- The Infrastructure Funding Statement was published in December 2021. (Page 8 of the tracker).
- Very successful outcomes through the digital marketing campaign with Cotswold Tourism, for example, website and social media are performing at record levels (Page 10 of the tracker).
- The new draft Housing and Homelessness Strategy is due to be considered by the Executive Committee on 2 March. (Page 14 of the tracker).
- The first phase of the improvement to internal HR processes has been achieved through the Eploy digital recruitment system. The project is now in its second phase to implement a self-service tool for managers and staff to record information such as annual leave, sickness etc. (Page 28 of the tracker).
- A new Carbon Reduction Officer will start in February, their role will be to take forward actions within the carbon reduction action plan. (Page 41 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
Introducing and complying with the Chartered Institute of Public Finance and Accountancy's (CIPFA) new Financial Management Code. (Page No. 1 of the Council Plan performance tracker).	😞 The target date has been amended from December 2021 to March 2022 . Due to additional business grants work the report has been delayed and is now scheduled to go to Audit and Governance Committee in March 2022.
Update the Council's Asset Management Plan (AMP). (Page No. 2 of the Council Plan performance tracker).	😞 Due to additional workload this has resulted in a delay to the production of the AMP. The target date has been amended from March 2022 to June 2022 .

<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>Carry out a review of our corporate website.</p> <p>(Page No. 28 of the Council Plan performance tracker).</p>	<p>☹️ As a result of further requirements for COVID-19 related grant forms, the impact on the Web and Digital Designer workload has been significant. The target date has been moved from April 2022 to June 2022 to accommodate the additional work.</p>
<p>Implement an online offering for the licensing service.</p> <p>(Page No. 28 of the Council Plan performance tracker).</p>	<p>☹️ This project has been looked at in more detail and, in order to deliver all elements of the project, the timetable has been revised from May 2022 to December 2022.</p>
<p>Deliver the Public Services Centre's low-carbon heating and solar PV systems.</p> <p>(Page No. 40 of the Council Plan performance tracker).</p>	<p>☹️ The completion date for this project has been amended from May 2022 to June 2022. This is factoring the extension given to spend the grant funds.</p>
<p>Adopt a Shopfront Design Guide (SPD) to provide guidance on shopfronts to ensure they contribute to a quality urban and historic environment.</p> <p>(Page No. 45 of the Council Plan performance tracker).</p>	<p>☹️ Due to delays going live with the public consultation, this has resulted in the target date for adoption also being delayed. The date has been amended from February 2022 to April 2022.</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. These are 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 quarter three for 2021/ 22 is:

☺ (on target)	☹ (below target but confident annual target will be achieved)	☹ (below target)
10	3	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
9	8	2	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 ↓
16	Percentage of 'major' applications determined within 13 weeks or alternative period agreed with the applicant. (Page No. 23 of the Council Plan performance tracker)	↓ ☹ 4 decisions out of 5 were determined within the target (80%) during Q3 figure. The cumulative figure for the year is 73.08%, this is below both the Council's target of 85% and the outturn for 2020/21 which was 80%.
17	Percentage of 'minor' applications determined within 8 weeks or alternative period agreed with the applicant. (Page No. 23 of the Council Plan performance tracker)	↓ ☹ The Q3 figure is lower than last year's outturn with only 103 out of 167 (61.68%) decisions being issued within the timescale. This meant the target figure of 80% has not been met this quarter. Measures are being implemented to address the reduction in performance and these measures will be supplemented by improvements arising from the review of planning.

18	Percentage of 'other' applications determined within 8 weeks or alternative period agreed with the applicant. (Page No. 24 of the Council Plan performance tracker)	↓☹️ 476 of 587 decisions were made within agreed timescales during Q3. This equates to performance of 81.09%, which is just below last year's outturn of 84.37% and below the local target of 90%.
19	Enforcement - Investigate category A* cases within 24 hours (without prompt action, material risk of further harm which could be reduced by early intervention). (Page No. 24 of the Council Plan performance tracker)	↓ Two category A cases were received in Q3. Whilst quarter three outturn was 100% cumulatively for the year so far; 7 out of 8 cases were investigated within the target timescales equating to 87.5% for 2021/22. This is below the outturn of 100% last year.
21	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)	☹️ 20 category C cases were received in Q3, and 14 of these were handled within the target timeframe (70%). The cumulative percentage for 2021/22 is 48.08%. This is significantly below the local target of 80% but above last year's outturn of 36.51%.
22	Investigate category D cases within 15 working days (breaches causing limited material disturbance to local residents or to the environment). (Page No. 26 of the Council Plan performance tracker)	☹️ During Q3, 14 category D cases were received, and 12 cases (85.71%) of these were handled within the target timeframe which is a huge improvement compared to Q2 (15.4%). However, the cumulative percentage for 2021/22 is 56.25%. This is lower than this year's target of 70%.
31	Average number of days to process change in circumstance to housing benefit claims. (page No. 33 of the council plan performance tracker).	↓ Whilst Q3 performance (four days) is below the national average of seven days it is slightly above last years outturn of two days.
33	Percentage of NNDR collected. (Page No. 34 of the Council Plan performance tracker)	☹️↓ Business rates collection performance is 6.8% below target for Q3 which is a continuing impact from COVID-19. It is unlikely the target of 98% or last year's outturn of 95.9% will be achieved by the end of the year.
34	Average number of sick days per full time equivalent. (Page No. 35 of the Council Plan performance tracker)	☹️↓ Whilst the overall rates remain lower than pre-COVID rates, there has been a rise in long term sickness. This has had an impact on the cumulative figure for the year which is 8.05 days. This is just above the 8 days target and will be more than last year's outturn of 9.68 days.

37	Percentage of formal complaints answered on time. (Page No. 36 of the Council Plan performance tracker)	↓☹️ 22 complaints were received during Q3. Two of these were withdrawn. From the 20 remaining 13 of these were answered within the timescale (65%). The cumulative figure for the year is 73% this is below both the outturn for 2020/21 (84%) and the target figure of 90%.
38	Number of reported enviro crimes. (Page No.46 of the Council Plan performance tracker).	☹️ Whilst there has been a 10% reduction in envirocrimes when compared to Q3 in 2020/21. 355 envirocrimes were reported in Q3, making the total for the year so far to 1,157 reports. This has exceeded the target of 1,000 but will be lower than last outturn of 2,185.

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:

- Despite the Omicron variant and rising energy prices, Tewkesbury Leisure Centre continues to recover well with no financial support being sought from the Council. It is anticipated the contract fee will start to be paid to the Council from April onwards. (Page 2 of the recovery tracker).
- Working with our partners at Cotswold Tourism to promote the borough as a safe destination to visit has seen the Cotswold.com website and social media feeds perform record levels for the seventh month in a row. (Page 5 of the recovery tracker).
- Tewkesbury Growth Hub also worked in partnership with Job Centre Plus to deliver a Jobs Fair in Tewkesbury Public Service Centre. (Page 6 of the recovery tracker).
- The Growth Hub continues to provide a variety of recovery streams to the business community including the promotion of various grants, a mentor scheme and the general promotion of the hub offering. (Page 6 of the recovery tracker).
- Support continues to be provided to community groups through funding advice, grants and activities. Funding has been obtained for the Roses Theatre to develop outreach work, particularly focussing on young people who have been impacted by COVID. (Page 9 of the recovery tracker).
- Over 1,900 residents were contacted for the Winter food voucher scheme, resulting in over 1,000 claiming for a voucher. (Page 10 of the recovery tracker).

- The COVID-19 Community Grant Scheme continues to be promoted with 156 grants being awarded £128,499 in total. (Page 12 of the recovery tracker).
- Since October, 20 groups from the Voluntary and Community Sector attended an online training sessions with Severn Trent Community Fund. (Page 12 of the recovery 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
Continue to monitor the financial impacts of COVID-19 and revise the Medium-Term Financial Strategy in light of those impacts. (Page 1 of recovery tracker).	☹️ Following confirmation from Department for Levelling Up, Housing and Communities (DLUHC), monthly monitoring returns have been extended and will continue until April. The target date has been amended from January 2022 to April 2022 , to reflect this change.
Develop a bid to host a Department of Work and Pensions Youth Hub within the Tewkesbury Growth Hub. (Page 8 of recovery tracker).	☹️ The target date of December 2021 has been amended to February 2022 . This is to allow for the final amends to be made before the bid is submitted.
Launch a new Tewkesbury Borough Business Grants scheme. (Page 8 of recovery tracker).	Deferred- Following the Government launching new business grants, the Council's scheme has been 'pushed back' from January 2022 to March 2022 to avoid any confusion to the business community.

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 Q3 shows a projected surplus of £3,609,348 for the full year against the approved budget. The following table highlights the forecast outturn position for service provision, the net position on corporate income and expenditure and the resulting surplus:

5.2	Budget	Full Year Projection	Full Year Variance
<u>Services expenditure</u>			
Employees	£11,032,559	£10,369,368	£663,191
Premises	£590,411	£602,240	-£11,829
Transport	£75,270	£36,515	£38,755
Supplies & Services	£2,131,818	£2,085,036	£46,782
Payments to Third Parties	£6,542,630	£6,257,898	£284,732
Transfer Payments - Benefits Service	£13,544,132	£13,529,942	£14,190
Central Recharges	£29,929	£29,929	£0
COMF Funding	£0	-£110,520	£110,520
COVID-19 Costs	£0	£442,917	-£442,917
Projects Funded Externally	£0	-£188,767	£188,767
Income	-£21,529,831	-£22,705,927	£1,176,096
Services Sub Total	£12,416,918	£10,348,633	£2,068,285
<u>Corporate expenditure</u>			
Treasury – Interest Received	-£345,000	-£418,000	£73,000
Treasury – Borrowing Costs	£480,000	£463,000	£17,000
Investment Properties	-£3,176,343	-£3,106,584	-£69,759
Corporate Savings Targets	-£155,000	£0	-£155,000
Core Government funding	-£1,013,409	-£1,561,163	£547,754
New Homes Bonus	-£2,508,861	-£2,508,861	£0
Business Rates	-£1,976,280	-£2,795,678	£819,398
Business Rates – deficit from 20/21	£4,649,150	£4,650,446	-£1,296
Council Tax Surplus	-£24,833	-£24,833	£0
Council Tax precept	£2,241,902	£2,241,902	£0
Use of reserves & MRP	-£3,766,607	-£4,076,573	£283,679
Corporate Sub Total	-£5,595,281	-£7,136,344	£1,541,063
Surplus / (deficit)			£3,609,348

5.3 Service Expenditure

The quarter three full year projection highlights a full year cost of service provision totalling £10.349m, resulting in a surplus against the approved budget of £2.068m. Of this surplus, over £1.5m will be carried over at year end (see 5.8 & 5.11 for further details) for specific purposes either as a result of a grant determination or previous decisions of the Council. Whilst this additional income and underspend is still seen as a surplus against the budget, its future use is already determined. 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 £663,191. 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 £508,191. Savings have accrued across the majority of service areas including One Legal, Development, Democratic and Corporate Services but also within 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.
- 5.5** Premises costs highlights a projected overspend of £11,829. 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** There is a projected saving of £38,755 for transport costs, the main reason for this is due to the reduction of business travel across the council.
- 5.7** The projected outturn for Supplies & Services highlights a potential saving of £46,782. There is a 30% reduction in card terminal bank charges against budget, this is a combination of changing the merchant provider and a prudent budget. Annual computer licences are expected to be £29,840 under budget. This saving is reduced by certain overspends, the election fees from the May 2021 Police and Crime Commissioner Elections, which are fully reclaimable, and the appointment cost for Director of Law which is payable by Tewkesbury.
- 5.8** Payments to third parties highlights a projected underspend of £284,732. The large majority of this surplus is due to certain growth items that have been postponed until next year; In-cab technology (£150k), Digital Growth within the Business Transformation Team (£40k) & additional JCS support (£60k). These sums will be carried over at year-end to fund future expenditure within these areas. £112k was budgeted for an additional food crew which has been postponed until next year due to delays in acquiring a new food vehicle. Overtime in the year has provided interim additional capacity to meet the requirements. We have also seen a significant saving in our Materials Recovery Facility (MRF) gate contract since changing provider which we expect to continue for the foreseeable. These savings have been reduced slightly by additional expenditure in the following areas:
- Domestic Abuse Review, which is fully funded by the Domestic Abuse grant.
 - Increase in demand for emergency accommodation. Any outturn overspends in this area will be funded from the homelessness prevention grant.
 - There is a projected overspend on the Ubico contract sum in relation to an increased market supplement to attract and retain drivers for our services. The rest of the contract sum is on target
- 5.9** Tewkesbury was awarded £410k of funding for Contain Outbreak Management (COMF), which was due to the impact of COVID-19. It is expected that £300k will be spent by the end of this financial year with the remaining £110k to be carried over at year-end to fund continued activities in the first part of the new financial year.

- 5.10** Tewkesbury services continue to see a financial impact from the COVID pandemic with a full year cost estimated at £442,917. 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 5.14.
- 5.11** 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. In particular, Development Management is generating 19% more income in planning fees than expected due to receiving a greater number of planning applications. In addition, a number of other income streams are projected to deliver income in excess of budget including bulky waste, trade waste and licensing. Some areas, however, continue to be affected by the COVID pandemic with reductions in income levels in our car parks, Tewkesbury Leisure Centre contract fee won't be provided during the year and the two of the three units on the top floor of the Council Offices have been vacant all year, although rent was paid on one unit until September. In addition, One Legal income remains below target although this is offset savings on employee costs. The income position is significantly boosted by the receipt of a number of external grants. The main contributor is the £1m grant from the Gloucestershire Economic Growth Joint Committee for transport modelling required for the Joint Core Strategy. In addition, grants have been received in areas such as homeless prevention, delivery of elections and new areas of activity within Revenues & Benefits.

5.12 Corporate Expenditure

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 £1,541,063 for the financial year.

- 5.13** Treasury activities are expected to deliver small savings in borrowing costs and an increase in interest received from investments, in particular as a result of our pooled funds investments but also as a result of recent increases to the base rate. Our commercial property portfolio is currently predicting a deficit on the year as a result of the expected temporary void at one office unit and a tenant exercising a mid year break clause at an industrial unit. 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 5.18.
- 5.14** 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 received new burdens funding for its continuing administration of business grants of £91,600. The Council was also able to claim compensation for losses on its sales, fees and charges (SFC) as a result of covid for the first quarter of the year.
- 5.15** The overall projected position on retained business rates has changed significantly from that reported at quarter two as a result of a multitude of changes and movements within the calculation which highlights the volatility of this funding stream, particularly during the pandemic. Some of the points to note resulting in the movement include the award of further business rate reliefs, additional s31 government grants, clarification of accounting treatment for reliefs and grants, review of empty property provisions, bad debts and appeals and the impact of significant reductions to Virgin Media assessments. As a result, the anticipated retention of business rates income now shows a net surplus of approximately £0.8m from the original budget, compiled in December 2020. 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.

- 5.16** Given the positive impact of these changes in year, the size of the collection fund deficit that would normally exist given the generous package of business rates relief that has been applied is much reduced. As a result, grant funding that would normally be set aside to meet the collection fund deficit is not required to the full level of grant and can be released in year. This is offset to an extent by the need to increase the levy payment on this excess level of retention. Combing all of these factors results in additional retention of just over £800k in the current year. It should be noted however, that the impact of Virgin Media, as noted in the recent Budget papers, has resulted in an increased collection fund deficit forecast which will necessitate the use in part of this £800k surplus.
- 5.17** In addition to the net internal business rates retention position, the Council is a member of the Gloucestershire Business Rates Pool which, through its composition, is able to retain additional business rates within the county. The amount attributable to Tewkesbury varies depending on the performance of all parties but the latest estimate suggests a windfall of circa £500,000 for Tewkesbury. This sum, if confirmed, will be in addition to the surplus discussed in this paper.
- 5.18** 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.
- 5.19** Bringing together both the surplus on net service expenditure and that on net corporate expenditure results in an overall budget surplus projection of £3.61m. As noted earlier, a large proportion of this relates to external grants for which there is a defined purpose and can only be used for that purpose. In addition, a number of projects have been delayed during the course of the year and will require the funding to be carried forward. However, even when allowing for both of these, there is still likely to be a significant useable surplus from which to boost our reserves. Careful consideration will be made at year end as to the best use of these resources and a recommendation made to Executive Committee in early summer.

6.0 CAPITAL BUDGET POSITION

- 6.1** Appendix 4 shows the capital budget position as at quarter three. This is currently showing an underspend of £2.2m against the profiled budget of £2.9m.
- 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, Disabled Facilities Grants is showing a surplus as fewer grants have been paid out. There is also an underspend being reported on the award of community capital grants at the quarter three point although these are expected to be drawn down in the final quarter. A surplus is being reported for vehicle replacement for both grounds maintenance and food waste as a result of extending the useful life of some vehicles and equipment whilst supply side delays have been experienced in the acquisition of some vehicles. We do however expect a new sweeper to be delivered in quarter four.
- 6.4** The expected replacement of the Council Offices heating system will no longer take place in this financial year, as the quotation was far greater than grant funding. However, the 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 begin in the final quarter.
- 6.5** We are expecting to incur some costs for Ashchurch Bridge in quarter four, however the original profiled expenditure projection will not be met for 2021/22. The timetable has been lengthened to allow for the delays experienced and the works required.

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 and also 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 quarter three 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 3 2021/22
Appendix 2 – COVID-19 Corporate Recovery Plan performance tracker
Qtr 3 2021/22
Appendix 3 - Revenue Budget
Appendix 4 - Capital Budget
Appendix 5 - Reserves