

Tewkesbury Borough Council

Narrative report

2022/2023





Background

The Accounts and Audit (England) Regulations 2015 requires local authorities to publish a 'narrative report' to comment on its financial performance and economy, as well as the efficiency and effectiveness in its use of resources over the financial year.

The narrative report is published along with the financial statements and the annual governance statement, and has to be prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting. The contents of this report should be read in conjunction with the Financial Statements and Annual Governance Statement to fully understand the context of the council's financial position.

The narrative report is published along with the financial statements and the annual governance statement.





The narrative report has been produced to better inform residents about how and where money is spent by the council.

Introduction

This narrative report summarises what Tewkesbury Borough Council spent in 2022/23, how it was spent and what has been achieved in line with the council's priorities and transformation agenda. It provides a narrative context to the financial statements by presenting a clear and simple summary of the council's financial position and performance for the year and its prospects for future years.

The narrative report has been produced by the council to better inform residents about how and where money is spent by the council in the current specific context of its work towards strengthening its governance arrangements, improving the value for money of the services it provides and how it demonstrates leadership for local communities.

The narrative report sets out the council's behaviours, values and standards for how it will conduct itself and sets out some of the key governance, operational and financial challenges it continues to face and seek to address in order to ensure it can operate in an open, accessible and transparent way.

Recent history

The council faced additional pressures relating to events such as the Ukraine war and the cost of living crisis during the year which impacted service demand and diverted resources to the Homes for Ukraine scheme, council tax rebate grants then, more recently, Energy Bills Support grants.

Alongside these continuing issues and as business returns to a new normal, we have continued to face unprecedented financial challenges. We are continuing to focus closely on transforming the way we provide our services to help deliver income generation, so that we can continue to provide excellent value-for-money for our residents. Our council tax remains one of the lowest in the country and has been for many years – we really are experts in doing more with less.



Economic background

The war in Ukraine continued to keep global inflation above central bank targets and the UK economic outlook remained relatively weak with the chance of a mild recession. The economic backdrop during the January to March period continued to be characterised by high energy and commodity prices, high inflation, and the associated impact on household budgets and spending.

Starting the financial year at 5.5%, the annual CPI measure of UK inflation rose strongly to hit 10.1% in July and then 11.1% in October. Inflation remained high in subsequent months but appeared to be past the peak, before unexpectedly rising again in February. Annual headline CPI registered 10.4% in February, up from 10.1% in January, with the largest upward contributions coming from food and housing.

The Bank of England increased the official Bank Rate to 4.25% during the financial year. From 0.75% in March 2022, the Monetary Policy Committee (MPC) pushed through rises at every subsequent meeting over the period, with recent hikes of 50bps in December and February and then 25bps in March, taking Bank Rate to 4.25%.

The issues above cause huge uncertainties and risks to the council in the future with inflation impacting our core budgets and increased demand on our services. Whilst the increased interest rates benefit us in terms of investment income, any future borrowing would be expensive.



Local government finance

The Spending Review in October 2021 headlined a three year funding position for local government coupled with additional general funding of £4.8bn over 3 years in addition to specific social care funding. Despite the setting of a three year funding position, local government settlements have remained on an annual basis and the Council had to wait for the Provisional Local Government Settlement, received on 19th December 2022, for clarity on the immediate funding proposals affecting the 23/24 budget.

The main headlines relevant to Tewkesbury were:

- A one year only settlement period, covering 2023/24.
- A further two-year delay to funding reform.
- Likewise, a further two-year delay to the Business Rates Retention scheme reset.
- The introduction of a 3% Funding Guarantee.
- An additional one year, one off payment of New Homes Bonus.
- An undertaking to provide clarity on the future of New Homes Bonus before the next settlement.
- A reduction to the Services Grant in respect of the reversal of the National Insurance increase.
- Increased flexibility with regards to the council tax threshold for District Councils being the higher of 3% or £5.
- An increase to Core Spending Power for Tewkesbury Borough of 4.76%.

In addition to the national uncertainty the council faces with regards to its financial plans, both corporate and service related financial pressures continue to have a significant impact on the council's forwards projections of its financial position. These include:

- Increased salary growth pressure.
- The local impact of high inflation on service budgets.



Both corporate and service related financial pressures continue to have a significant impact.



The projections within the MTFS are subject to potentially significant change as a result of government policy on local government finance.

- Increasing demand for additional resources to meet a range of service requirements and pressures.
- Growth within our services and our council plan ambitions.

Best estimates have been made of the future financial position of the council within the Medium Term Financial Strategy (MTFS) based on current assumptions of both government and local policy. Clearly the projections within the MTFS are subject to potentially significant change as a result of government policy on local government finance, either positively or negatively, and therefore strategic financial management of this authority will need to be flexible to be able to respond to the rapidly moving agenda.

What the accounts tell us

The Comprehensive Income and Expenditure (CIES) account shows how we have earned and spent our resources over the past year in accordance with International Financial Reporting Standards (accounting standards) rather than the amount to be funded by council tax payers (in accordance with statutory requirements). The deficit shown on providing core services to the public is £1.9m however the overall surplus for the council, taking into account changes in the value of Property and Pension fund during the year is a surplus of £26.4m.

The deficit on core services is primarily due to the impairment of an asset. The expenditure incurred in developing the Ashchurch Bridge over Rail was impaired and removed from the asset register. This followed the Court of Appeal's ruling to overturn the council's decision to permit plans to develop the bridge. The total expenditure on the CIES is £1.8m.

The large overall surplus contains revaluations on property, which are not realised until sale and items concerned with the pension liability which do not form

part of the day-to-day operations of the council. These are included in the CIES in accordance with accounting standards. There are also a number of disclosures in the surplus on services which are also not actual costs in year (such as depreciation and current service pension costs calculated by an actuary) but are required to be disclosed by accounting standards. These disclosures have statutory overrides on that means they are removed from the reported position in the CIES to understand what the impact is on the general fund balances which is ultimately funded by council taxpayers.

The Expenditure and Funding Analysis is a more useful statement for readers of the accounts as it sets out the revenue expenditure in the year which is being funded from taxpayers. This statement follows local government legislation (rather than accounting standards) and is set out in the same format as the financial performance reports taken to Executive Committee on a quarterly basis. This statement shows the outturn position for the year and the effect on our revenue reserves. In 2022/23 this shows a £678k deficit on the provision of services. This includes all income and expenditure spent from reserves that were set aside at the end of the previous financial year which were earmarked for specific projects and one-off grant monies received by the council. These one-off projects are not financed from the annual revenue budget funded from the taxpayer. In 2022/23 the deficit is predominantly due to planned use of reserves and from developer contributions (as a result of planning process) which are spent on specific projects.

To understand what re-occurring expenditure has been spent by the council against the approved budget then there is the Annual Outturn Report, which is presented to the Executive Committee, separately from the financial statements.

The Movement in Reserves shows how the council has generated and expended resources in the year in accordance with accounting standards and the statutory adjustments required to return the amounts

chargeable to council tax for the year. This year our general fund balance remains at £1m in order to safeguard the authority from uncertainties around government intentions and the economic outlook. The purpose of the General Fund is to ensure cash flow and to provide contingency should unplanned expenditure be incurred. The deficit on the revenue position is set aside for specific projects and shown in Earmarked Reserves. The earmarked reserves have decreased by £1.4m during the year that the council is holding £16.7m of balances to fund one off projects.

The balance sheet shows the council's financial position at the 31 March, i.e. its net resources at the year end. The reserves are shown as usable (i.e. those which the authority can utilise to support future service provision) and unusable. The unusable reserves contain negative figures for items such as the Pensions Reserve (£2.2m) and £2m for Short-term Accumulating Compensated Absences Account (leave accrued and not taken) which represent amounts which need to be funded in the future. The council had a total of £40m of usable reserves at the end of the financial year.

The final statement is the cash flow which shows the cash movements during the year. The difference of £11m between the opening cash and cash equivalents and the closing figure represents a decrease in available cash to £565k at year end. The Council had £12m of liquid investments in 2021/22 and only 1.5m in 2022/23. However, short term investments have increased in 2022/23.



About Tewkesbury Borough

Our borough is predominantly rural and located in the northernmost district in the south-west region. We are situated in the southwest, but we also look north to the west midlands.

Our communication links, based predominately around the M5, are second to none and mean that we have good links throughout the country.

Our population is approximately 96,624 made up of over 43,000 households spread across 160 square miles. The borough includes parts of the Severn Vale and the Cotswolds Area of Outstanding Natural Beauty, and stretches south beyond the outskirts of Gloucester and Cheltenham. It has an excellent location at the heart of the M5 corridor.

Most of our population lives in rural areas and large market towns. The diverse and contrasting range of settlements within the borough provides a high-quality environment in which to live and this, combined with its excellent strategic location, makes the area an ideal place for economic and business growth.

Despite its rural character, our borough includes a wide range of economic activity ranging from large multinationals to micro-businesses. The borough is an established centre for high quality manufacturing and home to some world-class, high-tech aero engineering firms.

We are proud to support a range of community events - our borough is home to the Tewkesbury Medieval Festival, which – held on our land - is widely regarded as the biggest free Medieval gathering in Europe with over 2000 re-enactors and traders travelling from as far afield as France, Poland, Belgium, Spain, Italy, and Germany. We also support the annual Tewkesbury Half Marathon, and we have the world-famous Cheese Rolling event in our borough, held since the 1800s on Coopers Hill



Most of our population lives in rural areas and large market towns. The diverse and contrasting range of settlements within the borough provides a high-quality environment

The Council Plan

Our Council Plan 2020-2024 was approved by Council in January 2020. It highlights our drive to deliver excellent services and reflects our commitment to supporting our communities.

Our approved priorities are:

Finance and resources - This priority recognises we need to ensure every pound spent by the council is done so efficiently and achieves the maximum possible benefit – while we also see to generate additional income to support our front-line services

Economic growth - With Tewkesbury being the place to do business, we are committed to delivering employment land and housing, together with the right infrastructure and skills. We need to attract new investment as well as retain and strengthen existing businesses

Housing - As the fastest growing district outside of London, we need to ensure we create a sustainable place to meet the needs of our growing population.

Customer first - Supporting our customers is clearly a priority for us, and we want to make sure we make it as easy as possible for them to engage with us – listening to them and shaping our services to meet their needs.

Garden communities - Highlighting the two garden communities in our borough, we commit to working with Homes England and other partners to deliver the garden town at Ashchurch in Tewkesbury and Cyber Central Garden village in Cheltenham.

Sustainable environment –We need to carefully manage our carbon footprint and support our recent climate change declaration. Preserving and enhancing our natural assets and built heritage is important to us. We also know that reducing waste and increasing recycling is key to helping our environment flourish.



Everything we do is aimed at delivering our vision but the way we deliver our services is equally important to us.

Visions and values

Our vision and priorities are underpinned by a corporate ethos to ensure everything we do is 'better for customers, better for business'.

Everything we do is aimed at delivering our vision but the way we deliver our services is equally important to us. We have therefore adopted a set of values, which we apply across all of our activities. We are a council which:

- **Puts customers first:** We will put the needs of our customers at the heart of what we do and listen to what they say, treating people fairly and without bias.
- **Is positive about working with others:** We recognise we cannot achieve our vision by working alone. We will continue to develop productive working relationships with other organisations and our communities, including the voluntary sector, town and parish councils and neighbourhood groups to achieve common goals.
- **Values our employees:** We will support, praise and invest in our workforce to develop our organisation.



The council's performance management and service plans



Delivery of the Council Plan is monitored through a performance tracker.

The council's performance approach is a critical means by which the council can make use of performance information to challenge its effectiveness and work to improve services and make them more customer friendly. Delivery of the Council Plan is monitored through a performance tracker. Supporting this tracker is a set of key performance indicators (KPI) and key financial monitoring information.

The KPIs (Key Performance Indicators) are broadly aligned to our Council Plan priorities, and all performance information is reported on a quarterly basis to our Overview and Scrutiny Committee. By way of further challenge, this committee's comments and observations are reported to the Executive Committee by the chair of Overview and Scrutiny Committee, and action is taken where necessary.

Each service group also produces an annual service plan. The delivery of service plan actions forms part of normal business through management dialogue, 1:1 meetings and lead member briefings. At an individual level, there is a Personal and Professional Development (PPD) framework supported by a behaviours framework where individual performance and development can be monitored.

Our 2022/23 highlights

On the next six pages, you will find some of our key achievements under each of our council plan priorities.



Priority: Finance and resources



Our council tax remains one of the lowest in the country.

- In setting the budget for 2023/24, the council has continued to provide the same level of service as in previous years and, in many areas, looks to provide an enhanced service whilst also investing to meet the demands of the growing population of the Borough. Despite the financial challenges facing the Council, the proposed budget includes the addition of £636,458 of ongoing growth in our services and £677,998 of one-off growth to further support services and council plan ambitions.
- Two new leases were agreed in 2022/23 to ensure any voids within our commercial portfolio were filled, estimating our rental income portfolio to be £3.4m per year.
- Installing a solar canopy with help from a grant from the Public Sector Decarbonisation Scheme means we are now saving an estimated £45,000 per year on energy costs.
- Our services continue to be provided at excellent value for money - with our council tax remaining one of the lowest in the country.



Priority: Economic growth



Delivered economic assessment – identifying challenges and opportunities facing the borough

- Awarded £1.4million for UK Shared Prosperity / Rural England Prosperity Fund to deliver number of projects contributing to economy, community, people and skills.
- Supported over 1,200 businesses to start or grow their business.
- Completed over 70 intensive business growth plans.
- Over 860 businesses have visited or worked from Tewkesbury Growth Hub.
- Delivered 63 tailored workshops and 1-to-1 advice sessions.
- Supported and upskilled over 256 business attendees through events.
- All hub incubator office space has been successfully let.
- Developed a strong partnership with Job Centre Plus, delivering:
 - Joint careers fairs.
 - Supporting clients interested in setting up a business.
 - Hosted ‘getting back into work’ session.
 - Support local employers to recruit e.g. Dobbies over 100 jobs.
- Run hot topics events – Net Zero, Recruitment and Hospitality Sector Support.
- Worked with Gloucestershire College delivering Apprenticeship advice sessions, making successful local placements.
- Delivered economic assessment – identifying challenges and opportunities facing the borough – Informing policy.
- Draft Economic Development and Tourism Strategy for the borough.
- Inward investment propositions in three key sectors – marketing on an international stage.
- Successful Welcome Back project, encouraging use of the High Streets including:
 - Rediscover Local campaign developed and launched, including signage, jute shopping bags and website page.
 - Advertising in local and visitor publications.
 - Rediscover Local Business Information pack.
 - 1-to-1 digital media advice and skills training programme for retail centre businesses.
 - Town centre improvements – benches, public art.
 - Craft and food markets.



Priority: Housing and communities



**Over 6,500
supermarket
vouchers
provided for
households in
need through
the Household
Support Grant.**

- Supported the delivery of over 250 new affordable housing properties.
- Over 500 lettings through the housing register.
- A new Rough Sleeping Prevention Officer has improved service for customers.
- Over 650 new housing advice/homelessness applications.
- A new International Resettlement Housing Advice Officer Role has been agreed.
- Supporting three different registered providers to deliver 46 new affordable housing properties with funds totaling over £1.3million from our commuted sums.
- Major change in approach to secure properties at social rent tenures as standard.
- Support and advice provided to over 200 community organisations.
- Worked with partners to deliver the Gloucestershire leg of the Women’s Tour of Britain event which started in Tewkesbury.
- 31 warm spaces set up across the borough – many of which are now continuing with activity and social events.
- Voluntary Community Sector Network created.
- 21 new facilities have been delivered, or commenced delivery, with assistance from the team, including:
 - Bishop’s Cleeve Artificial Pitch
 - Highnam Community Centre
 - Henley Bank Sports Centre improvements
 - Improvements to Ashleworth Memorial Hall
 - Northway Community Hub extension
 - Improved Grangefield Wildlife and Open Space
- 198 community organisations supported with funding.
- Over £400,000 of funding secured for the borough.
- 1,801 residents supported through funding agreement with CAB, assisting with 4,397 enquiries.
- Supported five community food projects, including community gardens and foodbanks.
- 33 organisations supported through Covid and Covid Recovery grants.
- New Health and Wellbeing Small Grants Scheme launched.
- Over 6,500 supermarket vouchers provided for households in need through the Household Support Grant.
- £73,500 funds awarded for local charities to assist with residents struggling with the cost of living.
- Secured a grant for £25,000 for the installation of the first Changing Places toilet in the borough.



Priority: Customer first



- We were successful in securing funding from the The Department for Levelling Up, Housing and Communities (DLUHC) which has accelerated the building of our planning application tracker. The application tracker allows applicants, agents and other interested parties to track a planning application as it progresses through the planning process, giving the option to sign up to receive alerts by text or email.
- Our planning team has successfully hosted the first Planning Agents Forum, fostering relationships between officers and agents. These are set to continue with two forums being held each year.
- We are in the process of putting the finishing touches on our new corporate website, due to be launched in the summer. The new website will greatly improve the way customers are able to self-serve and find information about our services.
- We have been successful in securing further DLUHC funding through the Open Digital Planning project to make our planning information more accessible, allowing customers to find out whether planning permission is required and reducing the number of invalid applications.
- We provided a grant of £53,620 to the Citizens' Advice Bureau, helping them to provide support to over 1,800 members of the community. For 2022/23, residents using the service have benefited from over £1.3million of financial gains.

Our planning team has successfully hosted the first Planning Agents Forum.



Priority: Garden communities

- Utilisation of external capacity funding from Homes England and feasibility funding from DLUHC completed.
- Completed an outline business case level assessment of delivery vehicle options for the Garden Town and submitted to the DLUHC.
- Submitted a request to Homes England for further Garden Communities Capacity Funding.
- Prepared a working draft of a Strategic Framework Plan (SFP), setting out what the Concept Plan, vision and underlying founding principles for the Garden Town.
- We will continue to work with partners to progress the business case for improvements to the A46, J9 and J10.
- We will continue to support Cheltenham Borough Council (CBC) and key landowners in considering the emerging planning proposals for the first phase of the Golden Valley Garden Village.



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Priority: Sustainable environment

- We have been awarded certification as a Bronze Carbon Literate Organisation by The Carbon Literacy Project, recognised for our robust Carbon Reduction Programme.
- Over 60 council officers have undertaken carbon literacy training, and several now volunteer as Green Champions, implementing carbon reduction strategies at the council offices and promoting them to the wider workforce.
- We have begun plans to update the council office's heating system by replacing gas-fired boilers with an eco-friendlier air source heating system.
- Our garden waste club continues to provide an easy and sustainable way for our customers to dispose of their garden waste - with more than 18,500 customers signed up to the scheme and over 6100 tonnes of garden waste collected and composted.
- The first grant payments from the High Street Heritage Action Zone (HSHAZ) have been made to over 50 local businesses. This investment of nearly £2million from the council and Historic England will maintain historic commercial properties in Tewkesbury Town Centre.
- Four public realm grants have been made, enabling Tewkesbury Town Council to renew riverside railings and the wall at Back of Avon, install a drinking water fountain, and provide a town centre deep clean.
- The Public Realm Masterplan has gone out to tender, to ensure the needs of residents, businesses and visitors to Tewkesbury Town are met. This will be completed in March 2024.
- Recently, we worked with Year 6 pupils at Tewkesbury C of E Primary School, learning traditional building skills and about the built environment with a history trail and game.



Our garden waste club continues to provide an easy and sustainable way for our customers to dispose of their garden waste



How the council spent your money

	2022-2023 £'000 Net Expenditure
Services	
Chief Executive Unit	283
Community Services	4,694
Corporate Services	3,650
Democratic Services	898
Development Services	1,960
Finance and Asset	1,620
One Legal	187
Borough Solicitor	189
	<u>13,482</u>
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Total Cost of Services	13,482
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Other	
Commercial Investments	3,053
Business Rates	3,701
Precepts	4,812
New Homes Bonus	1,633
Treasury Management	-483
Government Grants	3,151
Transfers and Movement in Reserves	3,351
	<u>13,482</u>
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Total Other	13,482
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Balance	-
Impact on General Fund Reserve	-
Opening General Fund Balance	1,000
Closing General Fund Balance	1,000



Future plans

Following the elections in May 2023, the political make-up of the council changed, and is as follows:

- Liberal Democrats: 16
- Conservatives: 9
- The Independents: 7
- Green Party: 4
- Isbourne and Winchcombe Independents: 2

The new administration is committed to supporting our residents, communities and businesses to thrive. This includes delivering our services in more effective and efficient ways, as shown in our in-depth reviews in both our licensing and planning departments. We are striving to ensure our services meet the needs of our customers. Following our ethos of 'digital by preference, access for all' we continuously look at ways in which we can make our services more accessible to customers wishing to transact with us online, freeing up our officers to assist those that need more help and guidance.

We have recently declared a borough-wide climate emergency, widening the scope to include the whole borough and declaring an ecological emergency, agreeing to work with partners across Gloucestershire to encourage wider support to tackle climate change. We have renewed our goal of becoming a carbon neutral council by 2030. By building on our Bronze Carbon Literate Organisation status, our award-winning team will deliver the next phase of a robust Carbon Reduction Programme, demonstrating our commitment to carbon literacy and a low-carbon culture.

In the future we aim to improve the amount and quality of temporary accommodation options for homeless households. We will also continue to fund Registered Provider partners to improve standards of new Affordable Housing including size, accessibility, affordability and energy efficiency standards. We will also be seeking to improve customer access to our service by using venues away from the council offices to offer housing advice.

As one of the fastest-growing districts in the country, with one of the strongest economies in the UK, our growth agenda remains ambitious. Alongside major growth in strategic sites across the borough, we also have two Garden Communities - Tewkesbury Garden Town and the Golden Valley near Cheltenham. These exciting new developments will see the creation of new, sustainable communities with supporting infrastructure in great places. A gateway review is currently underway for the Tewkesbury Garden Town programme. Councillors recently agreed that a review of this type - considered best practice for major programme delivery - should be undertaken to ensure the original aims and objectives are still being met. The findings are expected within a matter of weeks and will be shared with the wider community, with a clear direction on the next steps for the garden town, including how local residents and businesses can get involved



The new administration is committed to supporting our residents, communities and businesses to thrive.

