



CHEL TENHAM

BOROUGH COUNCIL

Notice of a meeting of Cabinet

Tuesday, 26 October 2010
6.00 pm

Municipal Offices, Promenade, Cheltenham, GL50 9SA

Membership	
Councillors:	Colin Hay (Cabinet Member Corporate Services), Steve Jordan (Leader of the Council), Andrew McKinlay (Cabinet Member Sport and Culture), John Rawson (Cabinet Member Built Environment), Klara Sudbury (Cabinet Member Housing and Safety), John Webster (Cabinet Member Finance and Community Development) and Roger Whyborn (Cabinet Member Sustainability)

Agenda

SECTION 1 : PROCEDURAL MATTERS

1. APOLOGIES
2. DECLARATIONS OF INTEREST (Pages 1 - 2)
3. MINUTES OF THE LAST MEETING (Pages 3 - 12)
4. PUBLIC QUESTIONS AND PETITIONS

SECTION 2 :THE COUNCIL

There are no matters referred to the Cabinet by the Council on this occasion

SECTION 3 : OVERVIEW AND SCRUTINY COMMITTEES

SECTION 4 : OTHER COMMITTEES

There are no matters referred to the Cabinet by other Committees on this occasion

SECTION 5 : REPORTS FROM CABINET MEMBERS AND/OR OFFICERS

- | | |
|--|-------------------|
| 5. REVISED RIPA PROCEDURAL GUIDE
Report of Cabinet Member Corporate Services | (Pages 13 - 38) |
| 6. ALLOTMENT STRATEGY 5 YEAR REVIEW
Report of the Cabinet Member Sustainability | (Pages 39 - 92) |
| 7. QUARTERLY BUDGET MONITORING REPORT
Report of the Cabinet Member Finance and Community Development | (Pages 93 - 110) |
| 8. BUDGET STRATEGY AND PROCESS
Report of the Cabinet Member Finance and Community Development | (Pages 111 - 126) |
| 9. ART GALLERY AND MUSEUM DEVELOPMENT SCHEME
Report of the Cabinet Member Sport and Culture | (Pages 127 - 144) |
| 10. INTERNAL AUDIT PARTNERSHIP EXPANSION
Report of the Cabinet Member Corporate Services | (Pages 145 - 152) |
| 11. SINGLE ADVICE CONTRACT WAIVER
Report of the Cabinet Member Finance and Community Development | (Pages 153 - 158) |

SECTION 6 : BRIEFING SESSION

- Leader and Cabinet Members

12. CABINET BRIEFINGS

SECTION 7 : DECISIONS OF CABINET MEMBERS AND OFFICERS

Member decisions taken since the last Cabinet meeting

13. CABINET MEMBERS DECISIONS

SECTION 8 : ANY OTHER ITEM(S) THAT THE LEADER DETERMINES TO BE URGENT AND REQUIRES A DECISION

SECTION 9: LOCAL GOVERNMENT ACT 1972 - EXEMPT BUSINESS

Contact Officer: Rosalind Reeves, Democratic Services Manager, 01242 774937

Email: democratic.services@cheltenham.gov.uk

Public Information

Emergency Evacuation Procedure at the Municipal Offices

- (i) In the event of a fire you will hear a continuous alarm.
In the event of a bomb alert the alarm will sound in repeated short bursts.
- (ii) Members, officers and the public should leave the building promptly and in a quiet and orderly fashion using the nearest available escape routes and assemble on the Promenade footway by the War Memorial.

Attendance at Meetings - Local Government (Access to Information) Act 1985

Meetings are open to the public and a limited amount of public seating is available. Copies of the agenda will also be available. You may be asked to leave the meeting if any "exempt" (confidential) business is considered. This will normally be shown on the agenda

Inspection of Papers - Local Government (Access to Information) Act 1985

We can also arrange for copies of individual decision records, reports or minutes to be supplied. If you wish to inspect minutes or reports (other than those which are exempt) relating to any item on this agenda, please contact Democratic Services. The background papers listed in a report may also be inspected. Please notify Democratic Services who will arrange with the report author for papers to be made available to you at a mutually convenient time.

All meeting information is published on the Council's Internet website at:
www.cheltenham.gov.uk.

**If you have difficulty reading this agenda please let us know
and we will do everything we can to meet your requirements.**

This page is intentionally left blank

CHELTENHAM BOROUGH COUNCIL

CABINET

DATE:

DECLARATION OF INTEREST

NAME _____

You are asked to complete this form if you intend to declare an interest in connection with any item on this agenda.

Please hand any completed form to the committee administrator at the meeting.

You are reminded that you are still required to declare your interest orally at the commencement of the committee's consideration of the matter.

Agenda item	*Personal interest	*Prejudicial Personal interest	Nature of interest

* The Council's Code of Members Conduct explains what is a 'Personal Interest' and a 'Prejudicial Interest'. The Code is set out in Part 5A of the Council's Constitution.

This page is intentionally left blank

Cabinet

**Tuesday, 21st September, 2010
6.00 - 7.30 pm**

Attendees	
Councillors:	Colin Hay (Cabinet Member Corporate Services), Steve Jordan (Leader of the Council), Andrew McKinlay (Cabinet Member Sport and Culture), John Rawson (Cabinet Member Corporate Services), Klara Sudbury (Cabinet Member Housing and Safety), John Webster (Cabinet Member Finance and Community Development) and Roger Whyborn (Cabinet Member Sustainability)

Minutes

1. APOLOGIES

There were none.

The Chairman asked members to stand in silence as a mark of respect for Councillor John Morris who had recently passed away. He had been a friend of Councillor Morris for many years and he had been a dedicated member of the Cabinet.

2. DECLARATIONS OF INTEREST

The following declarations of interest were made:

Councillor Rawson declared a personal interest in agenda item 14 as a Governor of Dunalley Primary School.

Councillor Jordan declared a personal interest in agenda item 11 because of a link with the YMCA project.

Councillor Webster declared a personal interest in agenda item 14 in view of his involvement with the Wharfedale Residents Association.

Councillor McKinlay declared a personal interest in agenda item 14 as a member of St Margarets Hall User Group Committee on behalf of Cheltenham Borough Council

Councillor Whyborn declared a personal and prejudicial interest in agenda item 14 in relation to St Margarets Hall User Group.

Councillor C Hay declared personal interests in agenda items 11 and 12 as a member of the CBH Board and as a member of Oakley Regeneration Project.

3. MINUTES OF THE LAST MEETING

Resolved that the minutes of the meeting of 27 July 2010 were approved as a correct record.

4. PUBLIC QUESTIONS AND PETITIONS

None received.

5. AIRPORT RUNWAY SAFETY PROJECT

The chairman of the Joint Airport Scrutiny Working Group introduced the report which had been circulated with the agenda. The report explained that in December 2009 the Council had agreed the business case for the airport and had agreed to facilitate £1.2 million of the borrowing required from the PWLB for onward lending to the airport to fund the runway safety project. Since this date the project costs had increased and the project implementation period has been shortened in line with recommendations of the project manager. The business case financial projections have been revised and an additional temporary loan of £350,000 was being requested from both Cheltenham Borough Council and Gloucester City Council as joint shareholders of the airport. Gloucester City Council had already agreed to support the additional funding on 1 September 2010.

The Treasury Management Panel had approved the necessary changes to the Treasury Management Policy to facilitate the loan at their meeting on 14 September 2010. The report had also been considered by the Economy and Business Overview and Scrutiny Committee at their meeting on 20 September. An extract of the minutes of both meetings had been circulated to all members so that the comments made could be considered by Cabinet.

RESOLVED THAT:

1. It be recommended to Council to approve the additional temporary borrowing facility of £350K (maximum) to support the implementation of the Runway Safety Project and that the Treasury Management Policy be amended accordingly.

6. SUPPORTING PEOPLE STRATEGY

The Cabinet Member Housing and Safety introduced the report which had been circulated with the agenda. The Partnership Board had agreed to refresh the 2005-2010 strategy to ensure the Supporting People programme retains its fitness for purpose in the changing local government landscape and financial climate. Cabinet's views were being sought to feed into the formal consultation on the draft strategy 2011-2016. The Cabinet Member for Housing and Safety informed members of the issues raised at the Social and Community Overview and Scrutiny Committee held on 6 September 2010 which included reference to support for carers, care villages and questions relating to the consultation.

The Supporting People Interim Manager, Gloucestershire County Council gave members an overview of the Supporting People programme. He drew attention to the considerable reduction in funding which meant that services could not continue to be provided in same way and in some cases services may need to be stopped. The new strategy addressed this reduction and the changing population. They were currently reviewing services for the elderly and mapping areas of highest social deprivation and this data would be used to target services more effectively. He referred to the 'Hub and Spoke' network which it

was hoped could be expanded in the next 5 years. He also mentioned the development of drop-in centres across the County. In many cases they were dealing with people who were not ready to live independently so some specialist accommodation would still be provided but on a reduced scale. There would be more emphasis on short term intervention so that a problem did not escalate into a crisis. There would also be more emphasis on greater activity and engagement with the community and closer association with GP practices.

The Cabinet Member Finance and Community Development asked if there were any guarantees that in view of the forthcoming cuts money would not be moved to support other projects in the County. The Supporting People Interim Manager stated that he could not say how the Gloucestershire Cabinet would view this issue. He was asked to pass on to the County Council the view that the finance for the Supporting People programme should be guaranteed. Reference was also made to the Home Improvement Service which it was noted had not yet been commissioned and it was felt that this would be crucial with an aging population. In this respect the Supporting People Interim Manager confirmed that the partnership agreement had recently been signed which would allow procurement to proceed. This was a priority within the proposed strategy.

The Cabinet Member Housing and Safety welcomed this information and asked for it to be reinforced to the County Council that this council valued the services provided and if available finance was reduced it could mean that other areas of Council business could cost much more. She also asked for careful consideration to be given to the decommissioning of services in view of the potential impact. The Cabinet Member Finance and Community Development asked that a briefing paper be provided for members' information following the County Council's decision.

RESOLVED THAT:

1. The comments from Cheltenham Borough Council be submitted to the formal consultation process.
2. Authority be delegated to the Assistant Director, Community Services in consultation with the Cabinet Member Housing and Safety to endorse the Gloucestershire Supporting People Strategy 2011-2016, as per the process on pp 9-10 of Appendix 1; on condition that:
 - no further significant amendments are made to the final strategy as a result of the consultation process and;
 - that the issues raised by Cheltenham Borough Council during the consultation period are adequately addressed in the final version, and if they are not then this matter will be reported back to Cabinet.

7. GLOUCESTERSHIRE JOINT WASTE PROJECT

The Cabinet Member Sustainability introduced the report which had been circulated with the agenda. The report explained that Gloucestershire

authorities had been looking at the case for joint working in waste to understand the value of potential savings and the implications of realising the savings. Appendix 1 set out the updated business case for Gloucestershire as a whole and Appendix 2 the case for Cheltenham Borough Council, taking into account service changes to increase recycling and partnership efficiencies. He referred in detail to the recommendations and in particular to the arrangements for shared depot services with Tewkesbury Borough Council and to the possibility of extending the shared partnership arrangements with Cotswold District Council.

The Cabinet Member Corporate Services was pleased to note shared services did not require services to be provided in exactly the same way. The Cabinet Member Built Environment congratulated Councillor Whyborn and officers for the work undertaken and he was reassured that the business case was considered to be robust by other Gloucestershire local authorities. These comments were endorsed by the Leader of the Council.

RESOLVED THAT:

1. Cheltenham Borough Council's participation in the development of the Gloucestershire Waste Partnership be confirmed.
2. The approval of a maximum of £37,125 in 2010/11 as a contribution to the cost of developing partnership arrangements be confirmed.
3. The project initiation document for the development of the business case for shared waste, recycling and ground maintenance services with Tewkesbury Borough Council as first step towards such a partnership be approved, recognising that the project scope may be subsequently amended to accommodate other partners as and when conditions are favourable.
4. The interim management arrangements already in place for depot services with Tewkesbury Borough Council be endorsed.
5. Officers be instructed to investigate the viability of extending shared collection services with Cotswold District Council commencing April 2012, and that an outline business case and draft heads of terms be prepared for consideration by cabinet on 14 December 2010.

8. ENERGY MANAGEMENT POLICY

The Cabinet Member Sustainability introduced the report which had been circulated with the agenda. The report explained that managing energy use and the associated costs within the Council's own estate was an issue which will become increasingly significant. The Council had also signed up to 10:10 and had an ongoing commitment to reducing carbon emissions from its activities, a large percentage of which comes from the consumption of energy. Adopting an energy management policy would ensure a coherent and coordinated approach to help deliver these commitments.

The Cabinet Member Corporate Services endorsed the policy but suggested the policy should be amended to recognise the role of members in saving energy

which was not mentioned in the document. He also felt that regular reports on this subject should be presented to Overview and Scrutiny. The Cabinet Member Housing and Safety agreed and mentioned several areas where she felt that energy could be saved within the council buildings. These proposals were accepted by the Cabinet Member Sustainability.

RESOLVED THAT:

The Energy Management Policy set out in Appendix 1 be adopted subject to the addition of 'and member' in the 1st bullet point on page 1 of the policy

9. GO PROGRAMME

The Cabinet Member Corporate Services introduced the report which had been circulated with the agenda. The report informed members of the progress of the GO programme and the final business case.

He explained that the report had been considered by the Economy and Business Improvement Overview and Scrutiny Committee at their meeting on 20 September 2010. An extract of the minutes had been circulated to members of Cabinet. He confirmed that since the report had been prepared the Forest of Dean District Council had signed up to the Programme. He referred in particular to the agreement for CBC to become the Support and Hosting Centre of Excellence and he felt that the work by officers in achieving this should be recognised. He also mentioned the suggestion which had been made that the County Council system should be considered. He confirmed that an investigation had been carried out but the costs were not competitive with the system being recommended.

The Cabinet Member drew attention to the comments of the Economy and Business Improvement Overview and Scrutiny Committee with regard to risk and confirmed that this would be reviewed to see if any amendments were necessary. In conclusion he drew attention to paragraph 9 of his report which stressed the important of effective performance management in ensuring successful delivery.

Members felt that it would be interesting to see what the GO programme could lead to in the future and that the long term benefits might be greater than the business case indicated. It was clear that considerable effort had been put into this project and the programme management board would play a key role in ensuring the project remained on track.

RESOLVED THAT:

1. The GO Programme Business Case and appendices be approved.
2. The GO Programme moving to the implementation phase (Phase 1) be approved.
3. Authority be delegated to the Section 151 Officer in consultation with the relevant strategic director and Cabinet Member Corporate Services to enter into the following agreements on terms approved by the Borough Solicitor, subject to all GO partners entering into similar relevant agreements at the same juncture:

- GO Programme Collaboration Agreement.
 - S101 Agreement for the Support and Hosting Centre of Excellence.
 - ERP System supply contract.
4. The Cabinet Member for Corporate Services be nominated as the elected member representative to the GO Strategic Partnership Management Board (SPMB).

10. REVIEW OF JOINT CORE STRATEGY TIMETABLE

The Leader introduced the report which had been circulated with the agenda. The report explained that all regional spatial strategies had been revoked by the coalition government on 27 May 2010. This had created a policy vacuum for the JCS area as a result of the removal of strategic requirements for housing and employment. The JCS authorities were committed to putting in place a Joint Core Strategy as quickly as possible and the method and timetable were set out in this report.

Reference was made to the 5 year supply of housing sites and to the fact that it might be necessary for this to be compiled locally in view of the localism agenda. The general consensus was that this would be the case and members hoped that the new rules would be produced by the government as soon as possible.

RESOLVED THAT:

1. The revised role and function of Gloucester, Cheltenham and Tewkesbury Joint Core Strategy as recommended by Joint Core Strategy Cross Boundary Programme Board and Member Steering Group as set out in paragraph 1.4-1.7 of this report be approved.
2. The format of Gloucester, Cheltenham and Tewkesbury Joint Core Strategy as set out in appendix 1 be agreed.

The indicative timetable set out in this report be agreed and that a detailed work programme and consultation schedule be prepared.

11. LOCAL INVESTMENT PLAN

The Leader introduced a report which had been circulated with the agenda. The report was concerned with the allocation of funding for the delivery of affordable housing which was now the responsibility of the Homes and Communities Agency (HCA). The report explained the process and sought to gain support for the list of sites the council now wishes to support for HCA investment. The latest view of the HCA was that it would be unrealistic to produce a priority list at the present time in view of the impending announcement on public expenditure on 20 October. Each district had been asked to produce a list of sites and Appendix 1 listed the potential sites. It was suggested that agreement to any future priority list should be delegated to Graham Lewis, Strategic Director in consultation with the Cabinet Member Built Environment and the Cabinet Member Housing and Safety and this was supported.

RESOLVED THAT:

1. The sites as listed in Appendix 1 for inclusion in the Cheltenham section of the Local Investment Plan be approved.
2. Authority be delegated to the Strategic Director, Grahame Lewis, in consultation with the Cabinet Member Housing and Safety and the Cabinet Member Built Environment to agree any future prioritisation of sites.

12. FINAL REVIEW OF 3 YEAR COMMUNITY INVESTMENT GRANTS 2008 - 2011

The Cabinet Member Finance and Community Development introduced his report which had been circulated with the agenda. The report explained that the council's three-year funded community investment grants were now in their final year of funding arrangement. A review had been undertaken by a working group on behalf of the Social and Community Overview and Scrutiny Committee and their findings were set out in appendix 1 for Cabinet's consideration. He felt that the organisations had met the review evaluation criteria with notable achievements and the long term aim was to gently reduce the resource over a period of time as the Partnerships became more financially secure. It was also suggested that the period for the grants should be extended from 3 to 5 years which allow the organisations to do better planning of resources.

RESOLVED THAT:

1. The findings of the Overview and Scrutiny Social and Community's final review of the council's community investment grants 2008-2011 as per Appendix 1 be noted.

With reference to the outcomes of the review group and subject to the council's budget process:

- 2) It be agreed in principle to continue to award funding to each of the named three organisations via Community Investment Grants, with levels determined subject to the council's budget process and with the following provisos:

- a) That Hester's Way and Oakley regeneration partnerships continue to work with officers to identify potential collaborative models to achieve efficiencies. Consideration will be given to an annual reduction in the grant, which will be built into each year of the funding period going forward for both Hester's Way and Oakley.
- b) To allocate funding in principle, to each of the named organisations, for a grant term period of five years commencing on 1st April 2011. Each award of grant to be for a term of an initial period of three years, with an opportunity for a formal extension of the grant period

for a further two years, conditional upon i) satisfactory performance by the organisation, ii) the availability of funding and iii) that the grant continues to meet corporate priorities.

3) Authority be delegated to the Assistant Director, Community Services, to complete any grant documentation required, in consultation with the Cabinet Member Finance and Community Development and on terms approved by the Borough Solicitor and Monitoring Officer.

13. CORPORATE RISK REGISTER

The Cabinet Member Corporate Services introduced the report which had been circulated with the agenda. The council had acknowledged that members need to be aware of the corporate risks which may impact on the council and the decisions it takes. The risk register had been updated by the Senior Leadership Team in August and sets out progress against mitigating actions. Members were asked to consider the document and identify any additional risks or actions they would like to be added.

He referred members to the minutes of the Economy and Business Improvement Overview and Scrutiny Committee and the risks they had highlighted. He confirmed that these areas would be looked at.

The Cabinet Member Finance and Community Development suggested that the risk associated with Concessionary Fares should be revisited as he felt that there might be a higher risk than that detailed in the report. The Leader agreed that this would be revisited.

It was also felt that a regular report on risk should be brought to Cabinet at least quarterly and that discussions on risk should also be included in Cabinet Members' 1:1 discussions with Assistant Directors.

RESOLVED THAT:

1. The Assistant Chief Executive be requested to discuss the following risks and associated actions identified during the meeting with the appropriate lead officers and update the register accordingly.
 - GO program
 - Potential industrial action arising from government cuts
 - Revisit risks associated with concessionary fares
 - Strategic Commissioning – additional risks beyond skills and experience
 - One particular sector or area of the community may be adversely affected by multiple cuts by different partners
2. A quarterly report on the Corporate Risk Register be considered by Cabinet and risks are discussed with Cabinet Members at their 1-1s with Assistant Directors.

14. COMMUNITY PRIDE GRANTS

The Leader introduced the report which had been circulated with the agenda. At Cabinet on 1 June 2010, he had presented details of the community pride grant scheme using £40,000 set aside in the 2010-11 budget which had been agreed by Council on 12 February 2010. 27 applications had been received since the grant scheme went live on 7 June 2010. These had been evaluated by a panel and their recommendations were contained in the report for consideration by Cabinet.

The Cabinet Member Housing and Safety felt this to be a very positive report and it was regrettable that the Council could not support all the applications. She considered it inspiring that the community cared enough about their communities to make these improvements.

The Leader referred to the application from The Friends of Cheltenham Racecourse Station and he confirmed that it had been withdrawn in view of the fact that the station could not be used at present because of the landslip. He suggested however that discussions should take place with this group to ascertain if there was any other way in which the Council could assist in trying to reopen this station and this suggestion was supported.

RESOLVED THAT:

1. The list of projects to be funded from community pride funds as set out in appendix 1 be approved.
2. The list of projects already funded through the small-scale fund as set out in appendix 3 be noted.
3. Authority be delegated to the Leader of the Council to determine how best to allocate the remaining sum of £10,080 across the five projects as set out in appendix 4.

Officers consider alternatives ways of assisting the work of the Friends of the Cheltenham Racecourse station in view of the withdrawal of their current application

15. NOMINATION TO OUTSIDE BODIES

The Leader introduced his report which had been circulated at the start of the meeting. The report set out the nominations for representatives on external partnerships and outside bodies. He indicated that the representative on the Local Government Association Urban Forum would be Councillor Hay and not Councillor Rawson as indicated in the report. He explained that all nominations to bodies external to the Council would be made by Cabinet unless consensus on a particular nomination/appointment could not be reached between all the political groups on the Council. Group Leaders were all in agreement on the nominations and hence they could all be approved by Cabinet.

RESOLVED THAT:

1. Nominations/appointments to the bodies in Appendix 1 (subject to

Councillor C Hay being appointed to the Local Government Association Urban Forum) were made in accordance with the following principles :

- all nominations are made on the basis that the nominee/appointee is a representative of Cheltenham Borough Council insofar as that is compatible with any overriding legal duty to the outside body; and
 - Cabinet reserves the right at any time to withdraw/terminate a nomination/appointment which it has made
 - Cabinet should refer a nomination/appointment to Council for determination where consensus on that nomination/appointment cannot be achieved between all the political groups on the Council
2. The representation of Cabinet members on Cheltenham and Gloucestershire Partnerships arising from their position as portfolio holders, as circulated at the meeting, was noted.

Chairman

Cheltenham Borough Council

Cabinet – 26 October 2010

Regulation of Investigatory Powers Act (RIPA) – procedural guide

Accountable member	Cabinet Member Corporate Services - Councillor Colin Hay.
Accountable officer	Assistant Chief Executive, Jane Griffiths.
Accountable scrutiny committee	Economy and Business Improvement Overview and Scrutiny Committee
Ward(s) affected	Not applicable.
Key Decision	None.
Executive summary	<p>The policy and procedures for the council’s use of the Regulation of Investigatory Powers Act (RIPA) were considered by Cabinet in April 2010. They requested that Economy and Business Improvement Overview and Scrutiny Committee (E&BI) be asked to look at the revised policy and procedure and to give their views on the document. There was a report on the use of the RIPA powers by the Office of Surveillance Commissioners in May and their recommendations were also taken into account.</p> <p>E&BI considered the revised guide on the 19 July 2010 and made a number of suggestions which were incorporated and subsequently reconsidered by them on 20 September 2010 and they recommended that the revised procedures be approved subject to the matter set out in paragraph 1.3 below.</p>
Recommendations	I recommend that Cabinet: Approve the RIPA procedural guide.
Financial implications	<p>There are no financial implications associated with this report.</p> <p>Contact officer: Mark Sheldon, mark.sheldon@cheltenham.gov.uk, 01242 26 4123</p>

Legal implications	<p>The Council are required when carrying out of directed surveillance or using covert human intelligence sources to do so in accordance with the Regulation of Investigatory Powers Act 2000. This will ensure that the authorisations are only granted when necessary and proportionate to do so. The procedural guide will assist investigating and authorising officers in understanding and complying with the Act.</p> <p>Contact officer: Sarah Farooqi E-mail:sarah.farooqi@teWKesbury.gov.uk Tel no: 01684 272693</p>
HR implications (including learning and organisational development)	<p>None received</p> <p>Contact officer: , @cheltenham.gov.uk, 01242</p>
Key risks	<p>The adoption of formal procedure guidance does not present a risk in itself, but it will contribute to the management of the risk identified in the risk template (set out below).</p>
Corporate and community plan Implications	<p>None</p>
Environmental and climate change implications	<p>None</p>

1. Background

- 1.1 At the E&BI meeting on the 20 September members approved the procedural guide but there was still concern that there could be a reputational risk regarding the implementation of RIPA. In particular they considered that Members had previously given a very clear political steer that fly tipping and dog fouling did not fit into the definition of necessity and proportionality.
- 1.2 It was resolved that the revised procedural guide for the Regulation of Investigatory Powers Act 2000 be recommended to Cabinet.
- 1.3 The issue regarding necessity and proportionality has been considered further by officers and paragraph 4.4.2 of the procedural guide amended to include the following additional guidance *Any member of staff considering the use of RIPA for activities associated with fly tipping or dog fouling must request Onelegal to determine if the rules on necessity and proportionality have been met and that determination must be documented and submitted to the Authorising officer with the relevant form.*

2. Reasons for recommendations

- 2.1 Supporting the recommendations of the Office of the Surveillance Commissioner.

3. Alternative options considered

- 3.1 None.

4. Consultation and feedback

4.1 Economy and Business Improvement overview and scrutiny committee meetings on the 19 July and 20 September 2010.

5. Performance management – monitoring and review

5.1 This guidance will be reviewed on an annual basis to ensure compliance with legislation and best practice.

Report author	Contact officer: jane.griffiths @cheltenham.gov.uk, 01242 264126
Appendices	1. Risk Assessment 2. Procedural Guide.
Background papers	Cabinet Report 27 April 2010

The risk				Original risk score (impact x likelihood)			Managing risk					
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register	
	If procedures particularly those on necessity and proportionality within the RIPA guidance are not followed the councils reputation could be put at risk	Assistant Chief Executive	26 October 2010	3	1	4	accept	RIPA coordinator to manage applications to ensure compliance with the procedural guide.	31 March 2011	RIPA Coordinator		



CHELTENHAM BOROUGH COUNCIL

CHELTENHAM BOROUGH COUNCIL

REGULATION OF INVESTIGATORY POWERS ACT 2000

PROCEDURAL GUIDE

October 2010

Document History**Document Location** T:\Policy and partnerships\Policy folders\RIPA (protected file)**Control location** Code of Corporate Governance Appendix A**Review Period** Annual**Reviewed by** Corporate Governance Group and Economy and Business Improvement Overview & Scrutiny Committee

Version Number	Version Date	Summary of Changes
1.0	14/02/2007	New Guidance
1.1	27/04/2010	Legislative and administrative changes
1.2	09/08/2010	Comments from EB&I
1.3	26/10/2010	Cabinet approval

This document is owned by:

Name	Job Title	Version
Jane Griffiths	Assistant Chief Executive	1.1
Jane Griffiths	Assistant Chief Executive	1.2
Jane Griffiths	Assistant Chief Executive	1.3

This document has been distributed to

Name	Job Title	Version
All CBC staff Public website		1.0
All CBC staff Public website Cabinet		1.1 June 2010
EB&I overview and scrutiny		1.2 20/09/2010
Cabinet Intranet and internet		1.3

The Government is currently reviewing the Regulation of Investigatory Powers Act 2000 and this guidance will need to be reviewed further to reflect those changes.

Forward

The purpose of this Procedural Guide ("the Guide") is to ensure that Cheltenham Borough Council ("the Council") complies with the Regulation of Investigatory Powers Act 2000 (RIPA).

The Act and this guidance make provision for and about the interception of communications, the acquisition and disclosure of data relating to communications, the carrying out of surveillance, the use of covert human intelligence sources and the acquisition of the means by which electronic data protected by encryption or passwords may be decrypted or accessed; to provide for Commissioners and a tribunal with functions and jurisdiction in relation to those matters, to entries on and interferences with property or with wireless telegraphy and to the carrying out of their functions by the Security Service, the Secret Intelligence Service and the Government Communications Headquarters; and for connected purposes.

The introduction of the Human Rights Act 1998 means that the Council by law has to respect the rights of everyone. In particular Article 8 guarantees everyone the right to respect for their private and family life, their home and correspondence. This right can only be interfered with when the interference is in accordance with the law and necessary. RIPA provides the framework for public authorities to carry out surveillance and the lawful means whereby rights can be infringed by the Council. If the correct procedures are put in place and followed by officers the Council will earn the protection of RIPA and our actions will be lawful.

Cheltenham Borough Council undertakes to use these powers in line with the law, sparingly and proportionately.

Steve Jordan
Leader
Cheltenham Borough Council

Index

Section	Section number
Introduction	1
The background to RIPA	2
The scope of this guide	2.2
Consequences of not following RIPA	2.3
The Surveillance Commissioner	2.4
Covert Surveillance	3
Directed Surveillance (DS)	3.1
Covert Human Intelligence Sources (CHIS)	3.2
Intrusive surveillance	3.3
Procedure for obtaining authorisations	4.0
The Senior Responsible Officer;-	4.1
Authorising Officers	4.3
Investigating Officers – What you need to do before applying for authorisation	4.4
Duration, review, renewal and cancellation of authorisations	5.0
Duration	5.1
Review	5.2
Renewals	5.3
Cancellations	5.4
The RIPA Coordinator	6.0
Legal Advice	7.0
Officers	Appendix A
Authorisation Forms	Appendix B
Flow chart Will _ DCS authorisation be required	Appendix C

1 INTRODUCTION

- 1.1 This policy document shall be readily available at the offices of Cheltenham Borough Council (“the Council”). A copy can be obtained from the RIPA co-ordinator, Policy and Partnerships, Municipal Offices, Promenade, Cheltenham, GL50 9SA.
It is also available on the Council's website at www.cheltenham.gov.uk and the Intranet.
- 1.2 The purpose of this document is to ensure that the Council complies with the Regulation of Investigatory Powers Act 2000 (RIPA).
- 1.3 This document provides guidance on the regulation of any covert surveillance that is carried out by council officers. This includes the use of undercover officers, informants and private investigators and other agents of the Council.
- 1.4 Any covert surveillance will have to be authorised and conducted in accordance with RIPA, the statutory codes of practice and this Guide and shall only be for one of the purposes set out in this Guide and for a purpose which the Council is legally required or empowered to investigate as part of its functions.
- 1.5 Covert surveillance will only be used by the Council where it judges such use to be proportionate to the seriousness of the crime or matter being investigated, and the history and character of the individual(s) concerned.
- 1.6 Before requesting authorisation Investigating Officers will have regard to this document and the statutory Codes of Practice issued under section 71 RIPA. The Codes of Practice are available from the RIPA co-ordinator and direct from the Office of Surveillance website at <http://www.surveillancecommissioners.gov.uk/> or the Home Office at <http://security.homeoffice.gov.uk/ripa/>.
- 1.7 Before authorising covert surveillance Authorising Officers will have regard to this Guide and the statutory Codes of Practice issued under section 71 RIPA. The Codes of Practice are available from the RIPA co-ordinator and direct from the Office of Surveillance website at <http://www.surveillancecommissioners.gov.uk/> or the Home Office at <http://security.homeoffice.gov.uk/ripa/>.
- 1.8 Authorising officers will have to consider whether it is necessary and proportionate for Investigating Officers to undertake covert surveillance and whether it is possible to obtain the evidence through other means.
- 1.9 Authorising Officers must give detailed consideration to the risk of collateral intrusion i.e. the risk of intruding into the privacy of others while watching someone else. This consideration will need to be recorded within the RIPA file.
- 1.10 There must be no situation where an officer engages in covert surveillance without obtaining authorisation in accordance with the procedures set out in this document, the statutory Codes of Practice and from RIPA.
- 1.11 Any queries concerning the content of the document should be addressed to the RIPA co-ordinator.

2 THE REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)

2.1 The background to RIPA

RIPA provides a legal framework for the control and regulation of surveillance and information techniques which public authorities undertake as part of their duties. As was highlighted in the introduction to the Guide the need for such control arose as a result of the Human Rights Act 1998. Article 8 of the European Convention on Human Rights states that: -

- 1) *Everyone has the right of respect for his private and family life, his home and his correspondence.*
- 2) *There shall be no interference by a public authority with the exercise of this right except such as in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health and morals or for the protection of the rights and freedoms of others.*

The right under Article 8 is a qualified right and authorities can interfere with this right for the reasons given in paragraph 2 of Article 8. RIPA provides the legal framework for lawful interference.

2.2 The scope of this Guide

This Guide intends to cover the surveillance and information gathering techniques which are most likely to be carried out by the Council.

Neither RIPA nor this Guide covers the use of any overt surveillance, general observation that forms part of the normal day to day duties of officers, the use of equipment to merely reinforce normal sensory perception such as binoculars or circumstances where members of the public who volunteer information to the Council.

RIPA does not normally cover the use of overt CCTV surveillance systems since members of the public are aware that such systems are in place.

There may however be times when the Council uses the CCTV for a specific investigation or operation. This Guide does not cover in detail the use of surveillance via the Town Centre CCTV system. In such cases authorisation for directed surveillance may be required. If the CCTV is to be used for surveillance, Investigating Officers should consult and adhere to the provisions of the Cheltenham Town Centre Closed Circuit Television Operating Procedures and the Cheltenham Town Centre Closed Circuit Television Codes of Practice jointly set up by Cheltenham Borough Council and Gloucestershire Constabulary.

If an Investigating Officer envisages using any other CCTV system they should contact the RIPA co-ordinator concerning any clarification on the administrative process or seek legal advice from OneLegal before they conduct any surveillance.

RIPA deals with a wide variety of surveillance types. Some of the other techniques that are covered by RIPA but will not or cannot be used by local authorities are listed below, these include: -

1. The interception of any communication such as postal, telephone or electronic communications without both the sender and receiver's permission;
2. The acquisition and disclosure of information to who has sent or received any postal, telephone or electronic communication; and
3. The covert use of surveillance equipment within any premises or vehicle, including business premises and vehicles with the intention of covertly gathering information about the occupant/s of such premises or vehicles

The interference of telecommunications sent and received by Council staff is considered in chapter 7.

2.3 Consequences of not following RIPA

Section 27 of RIPA provides that surveillance shall be lawful for all purposes if authorised and conducted in accordance with an authorisation granted under RIPA.

Lawful surveillance is exempted from civil liability.

Although not obtaining authorisation does not make the authorisation unlawful per se, it does have some consequences: -

- i. Evidence that is gathered may be inadmissible in court;
- ii. The subjects of surveillance can bring their own proceedings or defeat proceedings brought by the Council against them on human rights grounds i.e. we have infringed their rights under Article 8;
- iii. If a challenge under Article 8 is successful the Council could face a claim for financial compensation;
- iv. A complaint could be made to the Office of Surveillance Commissioners; and
- v. The government has also introduced a system of tribunal. Any person who believes that their rights have been breached can have their complaint dealt with by way of a tribunal.

2.4 The Surveillance Commissioner

The government has appointed a Surveillance Commissioner to review the way in which public authorities implement the requirements of RIPA. The Commissioner has a wide range of powers of access and investigation. The Council will receive periodic visits from the Office of the Surveillance Commissioners. They will check to see if the Council is complying with RIPA.

It is important that we can show that we all comply with this Guide and comply with the provisions of RIPA.

3 COVERT SURVEILLANCE

There are three categories of covert surveillance: -

1. Directed Surveillance;
2. Covert Human Intelligence Sources; and
3. Intrusive surveillance (but nothing in this Procedure permits the authorising of "Intrusive Surveillance" as defined in RIPA (i.e. in respect of anything taking place on residential premises or in a private vehicle, involving the presence of an investigator on those premises/vehicles or carried out through a surveillance device)).

3.1 Directed Surveillance (DS)

The majority of covert surveillance that will be undertaken by the Council will fall under the heading of Directed Surveillance (DS).

DS is defined as surveillance which is covert, but not intrusive, and is undertaken:

-
- a) For the purpose of a specific investigation or operation
- b) In such a manner as it is likely to result in obtaining private information about a person (whether or not that person is the target of the investigation or operation) and
- c) In a planned manner and not by way of an immediate response whereby it would not be reasonably practicable to obtain an authorisation prior to the surveillance being carried out.

It is irrelevant where the subject of the DS is being observed.

If you intend to instruct an agent to carry out the DS the agent must complete and sign the form marked "agent's agreement form" contained in Appendix C. The agent will be subject to RIPA in the same way as any employee of the Council would be.

The flow chart in Appendix D gives guidance on when authorisation might be needed.

3.2 Covert Human Intelligence Sources (CHIS)

This involves the establishment or maintenance of a personal or other relationship with a person for the covert purpose of obtaining or disclosing private information. A CHIS is a person who: -

- a) s/he establishes or maintains a personal or other relationship with a person for the covert purpose of facilitating the doing of anything falling within paragraph b) or c);
- b) he covertly uses such a relationship to obtain information or to provide access to any information to another person; or
- c) he covertly discloses information obtained by the use of such a relationship or as a consequence of the existence of such a relationship.

- 3.2.1 A relationship is established or maintained for a covert purpose if and only if it is conducted in a manner that is calculated to ensure that one of the parties to the relationship is unaware of the purpose.
- 3.2.2 A relationship is used covertly, and information obtained is disclosed covertly, if and only if the relationship is used or the information is disclosed in a manner that is calculated to ensure that one of the parties to the relationship is unaware of the use or disclosure in question.
- 3.2.3 Covert human intelligence sources may only be authorised if the following arrangements are in place:
- that there will at all times be an officer within the local authority who will have day to day responsibility for dealing with the source on behalf of the authority, and for the source's security and welfare;
 - that there will at all times be another officer within the local authority who will have general oversight of the use made of the source;
 - that there will at all times be an officer within the local authority who has responsibility for maintaining a record of the use made of the source; and
 - that the records relating to the source maintained by the local authority will always contain particulars of all matters specified by the Secretary of State in Regulations.
- 3.2.4 Legal advice should always be sought where any matters for investigation may involve the use of other enforcement agencies, including the police.
- 3.2.5 Special consideration must be given to the use of vulnerable individuals for CHIS. A 'vulnerable individual' is a person who is or may be in need of community care services by reason of mental or other disability, age or illness and who is or may be unable to take care of himself, or unable to protect himself against significant harm or exploitation. Any individual of this description, or a juvenile as defined below, should only be authorised to act as a source in the most exceptional circumstances and only then when authorised by the Chief Executive (or, in his absence, the Deputy Chief Executive).
- 3.2.6 Before you undertake any surveillance involving a vulnerable individual you **must obtain legal advice and** consult the RIPA co-ordinator concerning any clarification on the administrative process. Also in these cases, an Assistant Director must agree to the use of a vulnerable individual before authorisation is sought from the Chief Executive officer
- 3.2.7 Special safeguards also apply to the use or conduct of juvenile sources; that is sources under the age of 18 years. On no occasion should the use or conduct of a source under 16 years of age be authorised to give information against his parents or any person who has parental responsibility for him.

- 3.2.8 In other cases, authorisations should not be granted unless the special provisions contained within The Regulation of Investigatory Powers (Juveniles) Order 2000; SI No. 2793 are satisfied. Authorisations for juvenile sources should be granted by Chief Officers. Before you undertake any surveillance involving a juvenile you **must** consult the RIPA co-ordinator concerning any clarification on the administrative process or seek legal advice from OneLegal.
- 3.2.9 If you intend to instruct an agent to carry out the CHIS the agent must complete and sign the form marked "agent's agreement form" contained in Appendix C. The agent will be subject to RIPA in the same way as any employee of the Council would be.
- 3.2.10 The flow chart in Appendix D gives guidance on when authorisation might be needed.

3.3 Intrusive surveillance

Intrusive surveillance is defined as covert surveillance that: -

- a) is carried out in relation to anything taking place on any residential premises or in any private vehicle; and
- b) involves the presence of any individual on the premises or in the vehicle or is carried out by means of a surveillance device.
- c) If the device is not located on the premises or in the vehicle, it is not intrusive surveillance unless the device consistently provides information of the same quality and detail as might be expected to be obtained from a device actually present on the premises or in the vehicle.

3.3.1 LOCAL AUTHORITIES ARE NOT AUTHORISED TO CONDUCT INTRUSIVE SURVEILLANCE

- 3.3.2 If you are considering conducting surveillance and the surveillance might fall within the scope of intrusive surveillance you **must** contact the RIPA co-ordinator concerning any clarification on the administrative process or seek legal advice from OneLegal before you undertake any surveillance.

4 PROCEDURE FOR OBTAINING AUTHORISATIONS

4.1 The Senior Responsible Officer ;-

Role:

- 4.1.1 The Chief Executive Officer is the Senior Responsible Officer is designated the Council's SRO with responsibilities for:
- 4.1.2 (a) ensuring the integrity of the Council's RIPA processes;
- (b) ensuring compliance with RIPA legislation and the Home Office Codes of Practice;
- (c) engaging with the OSC when its inspector conducts an inspection;
- (d) overseeing the implementation of any post - inspection plans;
- (e) ensuring that all Authorising Officers are of an appropriate standard in light of any recommendations made by the OSC inspection reports;
- (f) ensuring that concerns are addressed, where OSC inspection reports highlight concerns about the standards of Authorising Officers.

4.2 Authorising Officers

Role:

Authorising officers can authorise, review and cancel directed surveillance, and can authorise, review and cancel the employment of a juvenile or vulnerable CHIS, or the acquisition of confidential information

- 4.2.1 The Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010 prescribes that for local authorities the Authorising Officer shall be a Director, Head of Service, Service Manager or equivalent as distinct from the officer responsible for the conduct of an investigation.
- 4.2.2 Officers of a lower rank **can not** grant authorisations even in cases of urgency.
- 4.2.3 A designated Authorising Officer must qualify **both** by rank and by competence. Officers who wish to be designated must have been trained to an appropriate level so as to have an understanding of the Act and the requirements that must be satisfied before an authorisation can be granted.

Appendix A lists the officers within the Council who can grant authorisations all of which are at Strategic or Assistant Director level.

- 4.2.4 Authorisations must be given in writing by the Authorising Officer. However In urgent cases authorisation may be given orally (by the Authorising Officer) who must then make a written record of the decision and reasons for it as soon as is reasonably practicable. Mere administrative convenience does not justify use of the urgent procedure.

A case is not normally to be regarded as urgent unless the time that would elapse before the authorising officer was available to grant the authorisation would, in the judgement of the person giving the authorisation, be likely to endanger life or jeopardise the investigation or operation for which the authorisation was being given. An authorisation is not to be regarded as urgent where the need for an authorisation has been neglected or the urgency is of the authorising officer's or applicant's own making

- 4.2.5 Authorising Officers are also responsible for carrying out regular reviews of applications which they have authorised and also for the cancellation of authorisations.

4.3 Investigating Officers – What you need to do before applying for authorisation

- 4.3.1 Investigating Officers should think about the need to undertake DS or CHIS before they seek authorisation. Investigating Officers need to consider whether they can obtain the information by using techniques other than covert surveillance. There is nothing that prevents an Investigating Officer discussing the issue of surveillance beforehand. Any comments by a supervisor should be entered into the application for authorisation.

- 4.3.2 The Codes of Practice do however advise that Authorising Officers should not be directly responsible for authorising investigations or operations in which they are directly involved although it is recognised that this may sometimes be unavoidable.

- 4.3.3 If you intend to carry out DS or use CHIS you should complete and submit an Application for Directed Surveillance form which is marked "authds" in Appendix B or an Application for the use of CHIS to an Authorising Officer which is marked "authchis" in Appendix B.

- 4.3.4 Appendix D shows the steps which are required as part of the authorisation process.

- 4.3.5 The person seeking the authorisation should complete parts 1 and 2 of the form having regard to the guidance given in this Guide and the statutory Codes of Practice. If the situation is urgent, verbal authorisation should be obtained from the appropriate Authorising Officer. Urgent oral authorisation will cease to have effect after 72 hours unless cancelled or renewed (or replaced by the standard application for authorisation). As soon as it is reasonably practicable after the verbal authorisation has been given the authorisation form should be completed, including section 16 which deals with why the situation was considered urgent. The Codes of Practice offer guidance on when an application should be considered urgent.

- 4.3.6 The form should then be submitted to the Authorising Officer for authorisation.

4.4 Authorising Officers – What you need to do before authorising surveillance

4.4.1 Before giving authorisation an Authorising Officer **must** be satisfied that the reason for the request is one of the permitted reasons under the Act and permitted under the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2003 i.e.

- For the purpose of the prevention and detection of crime or for the preventing of disorder; and
- the desired result of the covert surveillance cannot reasonably be achieved by other means
- the risks of collateral intrusion have been properly considered, whether the reason for the surveillance is balanced proportionately against the risk of collateral intrusion
- there must also be consideration given to the possibility of collecting confidential personal information. If there is a possibility of collecting personal information the matter should be passed to the Chief Officer for consideration

- 4.4.2 An Authorising Officer **must** also be satisfied the surveillance in each case is **necessary** and **proportionate**.

This is defined as:

Necessity

- Obtaining an authorisation under the 2000 Act, the 1997 Act and 1994 Act will only ensure that there is a justifiable interference with an individual's Article 8 rights if it is necessary and proportionate for these activities to take place. The 2000 Act first requires that the person granting an authorisation believe that the authorisation is necessary in the circumstances of the particular case for one or more of the statutory grounds in section 28(3) of the 2000 Act for directed surveillance and in section 32(3) of the 2000 Act for intrusive surveillance.

Proportionality

- Then, if the activities are necessary, the person granting the authorisation must believe that they are proportionate to what is sought to be achieved by carrying them out. This involves balancing the intrusiveness of the activity on the target and others who might be affected by it against the need for the activity in operational terms. The activity will not be proportionate if it is excessive in the circumstances of the case or if the information which is sought could reasonably be obtained by other less intrusive means. All such activity should be carefully managed to meet the objective in question and must not be arbitrary or unfair.

When the Authorising Officer has considered if the surveillance is necessary and proportionate they must complete the relevant section of the form explaining why in his/her opinion the surveillance is necessary and proportionate. Any member of staff considering the use of RIPA for activities associated with fly tipping or dog fouling must request Onelegal to determine if the rules on necessity and proportionality have been met and their determination must be documented and submitted to the Authorising officer with the relevant form.

5 DURATION, REVIEW, RENEWAL AND CANCELLATION OF AUTHORISATIONS

5.1 Duration

- 5.1.1 2.1 DS authorisations will cease to have effect after three months from the date of approval unless renewed or cancelled.
- 2.2 Authorisations should be given for the maximum duration but reviewed on a regular basis and formally cancelled when no longer needed.
- 5.1.2 CHIS authorisations will cease to have effect after twelve months from the date of approval.
- 5.1.3 Investigating Officers should indicate within the application the period of time that they estimate is required to carry the surveillance, this will be proportionate to the objectives of the investigation and give due consideration to collateral intrusion

- 5.1.4 Urgent verbal authorisations will only be effective for up to 72 hours, from the time that the authorisation was granted, unless the authorisation is subsequently endorsed by a written authorisation.
- 5.1.5 For CHIS authorisations, legal advice must be sought, particularly those that involve the use of juveniles (for which the duration of such an authorisation is one month instead of twelve months).
- 5.1.6 It is the responsibility of the Investigating Officer to make sure that the authorisation is still valid when they undertake surveillance.

5.2 Review

- 5.2.1 An Investigating Officer must carry out a regular review of authorisations. If an authorisation is no longer required or considered to be no longer *Necessary* or *Proportionate* it **must** be cancelled.
- 5.2.2 The results of any review must be included on the review form (see forms "revds" and "revchis" in Appendix B).
- 5.2.3 The Authorising Officer also has a duty to review authorisations that have been granted when it is necessary or practicable to do so. Particular attention should be given to authorisations involving collateral intrusion or confidential material.
- 5.2.4 The Authorising Officer should keep a copy of the review form and a copy should be given to the Investigating Officer. A copy of the review form must also be sent to the RIPA co-ordinator.

5.3 Renewals

- 5.3.1 An Investigating Officer can ask for and an Authorising Officer can grant a renewal of an authorisation before it would cease to have effect.
- 5.3.2 An application for a renewal must not be made more than seven days before the authorisation is due to expire.
- 5.3.3 A renewal can last for up to three months, effective from the date that the previous authorisation would ceased to have effect.
- 5.3.4 An Authorising Officer can grant more than one renewal as long as the request for authorisation still meets the requirements for authorisation. An Authorising Officer must still consider all of the issues that are required for a first application before a renewal can be granted.
- 5.3.5 If the reason for requiring authorisation has changed from its original purpose it will not be appropriate to treat the application as a renewal. The original authorisation should be cancelled and a new authorisation should be granted.
- 5.3.6 An application for a renewal must be completed on the appropriate form. For DS please use the form marked "rends" in Appendix B and for CHIS please use the form marked "renchis" in Appendix B.

5.3.7 The Authorising Officer should keep a copy of the renewal and a copy should be given to the Investigating Officer. A copy of the renewal form must also be sent to the RIPA co-ordinator.

5.4 Cancellations

5.4.1 If the reason for requiring the authorisation no longer exists, the authorisation **must** be cancelled and in any event as soon as the operation for which an authorisation was sought ceases to be necessary or proportionate. This applies to both original applications and renewals.

5.4.2 Authorisations **must** also be cancelled if the surveillance has been carried out and the original aim has been achieved. Authorising Officers will ensure that authorisations are set to expire at the end of the appropriate statutory period.

5.4.3 An authorisation can be cancelled by using form marked "cands" in Appendix B for DS and the form marked "canchis" in Appendix B for CHIS. An Investigating Officer should complete the details required on the first page, sections 1 and 2 of the cancellation form. The form should then be submitted to the Authorising Officer who will complete sections 3, 4 and 5.

5.4.4 It is the responsibility of the Investigating Officer to monitor their authorisations and cancel them where appropriate.

5.4.5 The Authorising Officer should keep a copy of the cancellation form and a copy should be given to the Investigating Officer. A copy of the cancellation form must also be sent to the RIPA co-ordinator.

5.5 Review of Policy and Procedure

i The Economy and Business Improvement Overview & Scrutiny Committee will receive reports following the use of RIPA. Those reports will contain information on;

- Where and when the powers had been used
- The objective
- The authorisation process
- The job title of the authorising officer
- The outcome including any legal court case
- Any costs

ii The Corporate Governance Group will review the use of the RIPA and report to Economy and Business Improvement Overview & Scrutiny Committee on an annual basis

6 THE RIPA CO-ORDINATOR

6.1 Role

All original applications for authorisations and renewals including those that have been refused must be passed to the RIPA co-ordinator as soon as possible after their completion with copies retained by the Authorising Officer and the Applicant.

All cancellations must also be passed to the RIPA co-ordinator.

6.1.2 The RIPA co-ordinator will: -

- i. Keep the copies of the forms for a period of at least 3 years;
- ii. Keep a register of all of the authorisations, renewals and cancellations; and
- iii. Keep a database for identifying and monitoring expiry dates and renewal dates.
- iv. Assistant directors, Service managers, Authorising officers, Investigating officers and the RIPA coordinator must ensure that any electronic and paper records relating to a RIPA investigation are used, retained or destroyed in line with the councils policies, Data Retention schedules and the Data Protection Act 1998.
- v. Provide administrative support and guidance on the processes involved
- vi. not provide legal guidance or advice
- vii. Monitor the authorisations, renewals and cancellations so as to ensure consistency throughout the Council;
- viii. Monitor each department's compliance and act on any cases of non compliance;
- ix. Provide training and further guidance on and awareness of RIPA and the provisions of this Guide; and
- x. Review the contents of the Guide.

6.3 It is however the responsibility of the Investigating Officer, the Authorising Officer and the Senior Responsible Officer to ensure that: -

- i. Authorisations are only sought and given where appropriate;
- ii. Authorisations are only sought and renewed where appropriate;
- iii. Authorisations are cancelled where appropriate; and
- iv. They act in accordance with the provisions of RIPA.

7.0 Legal advice

- i. OneLegal will provide legal advice to staff making, renewing or cancelling authorisations
- ii. Requests for legal advice will be in writing and copied to the RIPA co-ordinator to keep on file
- iii. Responses to requests for legal advice will be in writing and copied to the RIPA coordinator to keep on file.

APPENDIX A**Officers**

The following officers are the Senior responsible officer and the Authorising officers for the purposes of RIPA

Senior Responsible Officer

Chief Executive Mr A North

Authorising Officers

Strategic Directors Mrs P Pratley and Mr G Lewis (The 2 Strategic Directors also act as Deputy Chief Executive on a rotation basis. Where the guidance states the Senior Responsible officer and he is unavailable then the Deputy Chief Executive will undertake the duties of the Senior Responsible officer.

Chief Finance Officer Mr M Sheldon

Borough Solicitor and Monitoring Officer Mrs S Freckleton

APPENDIX B**AUTHORISATION FORMS**

The authorisation, review and cancellation forms will be the forms that are current on the home page of

<http://security.homeoffice.gov.uk/ripa/>

APPENDIX C

REGULATION OF INVESTIGATORY POWERS ACT 2000

CHELTENHAM BOROUGH COUNCIL

AGENT'S AGREEMENT FORM

I(insert Agent's name) of.....
(address) confirm that
 in relation to

(name or description of the
 surveillance) I agree to comply with the Regulation of Investigatory Powers Act 2000, with
 all statutory provisions, statutory Codes of Practice and with Cheltenham Borough Council's
 Procedural Guide when undertaking any and all surveillance authorised by Cheltenham
 Borough Council under the Regulation of Investigatory Powers Act 2000. I acknowledge
 receipt of a copy of the Council's Authorisation Form reference number
dated the and I agree not to carry out any
 surveillance that is contrary this authorisation.

Signed.....

Dated.....

APPENDIX D

Will DCS authorisation be required?

Are you carrying out the surveillance in a way that people are going to be unaware that it is being carried out?	No →	Surveillance is unlikely to be covert and therefore authorisation will not be required
↓ Yes		
Is the surveillance part of a specific investigation?	No →	Unlikely to require authorisation
↓ Yes		
Are you going to be collecting information about a person's private or family life?	No →	Unlikely to require authorisation
↓ Yes		↓ No
Will the surveillance require the presence of an individual or use a surveillance device on a person's premises or private vehicle?	Yes →	This may fall within the definition of intrusive surveillance
↓ No		
You will need to obtain authorisation for D.C.		Seek administrative advice from RIPA co-ordinator and seek legal advice from One legal

Will CHIS authorisation be required?

Are you carrying out the surveillance in a way that people are going to be unaware that it is being carried out?	No —————→	It is unlikely that the CHIS is covert and authorisation will be required
↓ Yes		
Are you going to establish a personal or other relationship with someone in order to obtain, provide access to, or disclose information as part of that relationship?	No —————→	Unlikely to require authorisation
↓ Yes		
Are you going to be using a vulnerable person or persons under 18 years old?	Yes —————→	Speak to the RIPA co-ordinator and seek advice from One legal before you undertake any surveillance
↓ No		
Is the person establishing a relationship with a CBC employee or agent?		
↓ Yes		
Authorisation for CHIS should be obtained and an agent's agreement form should be completed when an agent is used		

This page is intentionally left blank

Cheltenham Borough Council

Cabinet – 26 October 2010

5 Year Review of Allotment Strategy

Accountable member	Councillor Roger Whyborn, Cabinet Member Sustainability
Accountable officer	Rob Bell, Assistant Director Operations
Accountable scrutiny committee	Environment Overview and Scrutiny Committee
Ward(s) affected	All
Key Decision	
Executive summary	The current allotment strategy “Food For Thought ” 2005 – 2015 was approved by cabinet in 2005. This report and the accompanying appendices set out the progress made over the last five years and set new actions for the remaining five years. An analysis of supply and demand has been undertaken in order to assist the council in identifying a reasonable level of provision to meet future need.
Recommendations	<p>I recommend that Cabinet</p> <p>a) notes the progress made against the action plan (contained in Appendix 4 to this report) during the first five years and commits to the revised action plan for the next five years</p> <p>b) approves the analysis and methodology contained in Appendix 3 to this report for the provision of new allotments to meet current and future demand</p> <p>c) approves the principle of a revised charging structure for allotments (as set out in Appendix 2 to this report) and authorises the Assistant Director Operations (in consultation with the Cabinet Member Sustainability) to finalise the details of the new charging structure, in time to enable implementation for 1st January 2012.</p>

<p>Financial implications</p>	<p>Financial implications arising from this report relate to investment of a proportion of the resources arising from the agreed disposal of redundant allotment land. The costs are identified in Appendix 3.</p> <p>Part of the action plan will look at opportunities for local management of sites and a review of fees and charges. Any changes to Fees and Charges would need to be approved by Cabinet by 31 December 2010 for implementation on 1 January 2012 as there is a requirement to give Allotment holders 12 months notice of any such amendments to their fees and charges.</p> <p>Contact officer: Paul Jones, Head of Financial Services paul.jones@cheltenham.gov.uk 01242 775154</p>
<p>Legal implications</p>	<p>The disposal of public space requires an agreed process for advertising the disposal and achieving best consideration for the land.</p> <p>Under s23 of the Small Holdings and Allotments Act 1908 ('the 1908 Act') if a local authority is of the opinion that there is a demand for allotments in its area then the local authority is responsible for providing sufficient numbers of allotments to persons residing in its area to meet that demand. The Local Government Act 1972 clarified that, where functions under the 1908 Act would be exercisable by both a district council and a parish council then the district council shall not exercise those functions.</p> <p>Therefore, all Parish Councils within the Borough of Cheltenham are responsible for statutory allotments within their boundaries and for providing sufficient allotments to meet identified demand from their residents.</p> <p>Under s32(2) of the 1908 Act any capital receipt obtained from the sale or exchange of statutory (as opposed to temporary) allotment land must be spent on the debts and liabilities of the council in respect of the land acquired by the council for allotments, or in acquiring, adapting, and improving other land for allotments. Any surplus remaining may be applied for any purpose for which capital money may be applied.</p> <p>Therefore, the Borough Council may not use proceeds of sale of statutory allotment land in non-Parish Council areas to provide or improve land for statutory allotments in Parish Council areas. If the Borough Council were to support Parish Councils in meeting their demand for allotments, it would need to be achieved through land transfer, entering into management arrangements or providing temporary allotments (but in this case the primary purpose of the land would have to be for a reason other than allotments) to avoid contravening the legislation.</p> <p>Contact officer: Donna McFarlane, Solicitor, donna.mcfarlane@tewkesbury.gov.uk, 01242 775116</p>

HR implications (including learning and organisational development)	None Contact officer: , @cheltenham.gov.uk, 01242
Other	Input from Strategic Land Use Team in preparation of a local standard or special planning document for allotments. Contact officer: Tracey Crews, Spatial Planning Manager tracey.crews@cheltenham.gov.uk 01242 264382 Development of new sites will require collaboration with Property Services and Asset Management Division and One Legal. Contact officer: David Roberts, Head of Property Services david.roberts@cheltenham.gov.uk 01242 774151
Key risks	The risk assessment is included as appendix 1.
Corporate and community plan Implications	The provision of thriving allotment sites assists the council in enhancing and protecting the environment by raising awareness of local food production, contributing to local biodiversity, and forming part of an important network of green space throughout the town. Thriving allotment sites are a reflection of strong communities and bring together people of differing cultural and social backgrounds. Allotment gardening is an opportunity for people to exercise and lead a healthy lifestyle through growing and then consuming their produce, and helps reduce household expenditure during hard times or when food prices are on the increase. People with varying degrees of physical ability are known to benefit from allotment gardening.

1. Background

- 1.1 The allotment strategy was approved in November 2005. One of the drivers behind its production was the need to identify improvements to existing sites in relation to the sale of statutory allotment land at Howell Road in Hesters Way. At the time allotment demand was largely being met in Cheltenham through existing provision and the view was taken, in association with the Allotment Forum, that the council should discharge its obligations under the allotment act by improving existing sites rather than by providing new. On this basis a condition survey was undertaken along with a consultation process to determine the scale and type of improvements required. Since this time the action plan has largely been fulfilled by undertaking these works which are expanded on in greater detail in appendix 4.
- 1.2 The review of this strategy comes at a time when the council is proceeding with the sale of statutory allotment land at Midwinter, and when demand for council allotments exceeds existing provision. On this basis, and in discussion with the Allotments Forum, the view is that the focus for the use of proceeds from the sale of Midwinter should be put toward the provision of new allotments to meet this demand.
- 1.3 The strategy is attached as appendix 2. It comprises a document which is organised into 4 main sections:
- Section 1:** Summarises the current situation of allotments in Cheltenham, with an updated position on demand for plots.
- Section 2:** describes the five key issues pertinent to allotments and suggests aims and objectives to address each issue. Includes an updated position on each since the original strategy document was written
- Section 3:** Proposes a vision policy and principles for allotments.
- Section 4** Presents a new action plan for 2010-2015. The previous action plan and report on progress is contained in appendix 4.

2. Reasons for recommendations.

- 2.1 The purpose of this report is to outline progress made on the allotment strategy over the last five years and present the action plan the next five years.
- 2.2 An additional piece of work attached as appendix 3 contains supplementary information in four areas: statutory duties, demand analysis, financial implications / considerations, methodology for assessing suitable land. This document constitutes an analysis of supply and demand of council allotments in areas of the town where the council is responsible for provision.
- 2.3 The document also includes a methodology to inform the council in deciding what it believes is a reasonable level of provision to meet future needs, and subsequently how much money should be put aside for this purpose in the event of capital receipts it may receive in selling statutory allotment land (i.e. Midwinter). Detailed information of this can be found in appendices 2, 3 and 4 of the cabinet report entitled "Midwinter Area Improvement" of the 27th July 2010.
- 2.4 Further the cabinet is concerned to reduce net costs of allotment provision, with the aim that allotment management costs would become cost-neutral by the end of the strategy period in 2015.

3. Alternative options considered

- 3.1 None

4. Consultation and feedback

4.1 Extensive consultation took place prior to the strategy being produced and the Allotment Forum was closely involved in the development of the strategy. More recently, an Environment Overview and Scrutiny Committee was convened and met in August to discuss the strategy from which the following issues were raised:

- Establishing the statutory duties of the borough and parish councils in relation to allotment provision.
- Identify statutory duties in relation to proceeds of sale of statutory allotment land in meeting demand for allotments in Cheltenham.
- The extent of demand for allotments in the borough and parish areas.
- Availability of land within the borough, suitable for additional allotment provision.
- Cost of provision of additional allotment sites.
- Extent to which the council would look to assist parish councils in meeting their demand for allotments.
- Undertaking a review of the current structure of fees and charges made for allotments.
- Review the format of the Allotment Forum to maintain its relevance to widening range of groups involved in allotments.

4.2 Since this time it has been established that the borough council is not responsible for provision of statutory allotments in Parish Council areas. Consultation has recently commenced through the C5 group of Parish councils and is ongoing

4.3 The preferred way in which the borough council could assist parishes in making future provision for allotments, or generally in the town where future demand is created, is to require allotment provision as part of S106 agreements for new housing development This could be through developing Supplementary Planning Documents (SPD). The strategic land use team will be undertaking a review of SPD later this year at which time this will be considered.

5. Performance management –monitoring and review

5.1 The strategy forms part of the divisions service plan and is fed through into the appraisal process.

Report author	Contact officer: Adam Reynolds, Green Space Development Manager. adam.reynolds@cheltenham.gov.uk, 01242 774669
Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. A Strategy for Allotments in Cheltenham and for Allotment Sites Managed by Cheltenham Borough Council. 3. Background Information and Analysis to inform the Action Plan 2010 4. A Review of the allotments Action Plan 2005 – 2010
Background information	Cabinet – 27th July 2010 Midwinter Area Improvement - Proposed Sale of Statutory Allotment Land

APPENDIX 1

Risk identified		Impact Assessment	Impact score (1-4)	Likelihood score (1-6)	Initial risk score (1 - 24)	Managing the risk: Control / mitigating action	Ownership	Residual risk score
5 Year Review of Allotment Strategy	Existing risk ref.							
A	B	C	D	E	F= D x E	G	H	I
Identify the event or trigger which may generate some new or additional risk to the council. Significant risks which already identified are recorded on the corporate risk register, or on division risk models on TEN, and should be referenced in column B.	If the risk is already recorded, note either the CRR or TEN reference.	Use the corporate risk scorecard to identify the category of risk impact e.g. potential for litigation, financial uncertainty, reputation. There can be more than one impact.	Use the scorecard to evaluate the severity of impact(s); enter the highest score.	Assign a score according to probability, timing or frequency.	This is the raw risk score, without any controls in place to mitigate the risk	There are usually things the council can do to reduce either the likelihood or impact of a risky event. Mitigating controls can already be in place, such as budget monitoring. New controls or actions may also be possible, such as agreeing SLA's with partners, or obtaining additional funds.	Identifying the officer who will manage the risk will link mitigating actions to responsibilities in the business plan.	The initial impact or likelihood score can be lowered, to demonstrate the potential to reduce risk levels through actions noted in column G. Record the revised risk score as Impact x Likelihood = Risk
Failure to plan for future provision of allotments within areas that the council is responsible for would mean that the council has not fulfilled it's statutory obligations under the 1908 act.		<p>Service provision</p> <p>Reputation</p> <p>Financial</p>	4	3	12	Ensure strategic decisions for the future of allotments and any sale of statutory allotment land take into account up to date trends relating to supply and demand of allotments and future requirements.		6
Lack of understanding of the role allotments play within the community of Cheltenham at a time when there is great pressure on the council to achieve savings and continued efficiencies.		<p>Service provision</p> <p>Reputation</p> <p>Financial</p>	4	3	12	Ensure strategic decisions for the future of green space within Cheltenham are based upon a clear analysis of the evidence in order to maximize the contribution that they can make.	AD GE	6
Failure to integrate the strategy within the corporate		Reputation				Ensure continuous dialogue between operations division		

APPENDIX 1

Risk identified		Impact Assessment	Impact score (1-4)	Likelihood score (1-6)	Initial risk score (1 - 24)	Managing the risk: Control / mitigating action	Ownership	Residual risk score
5 Year Review of Allotment Strategy	Existing risk ref.							
A	Identify the event or trigger which may generate some new or additional risk to the council. Significant risks which already identified are recorded on the corporate risk register, or on division risk models on TEN, and should be referenced in column B.	C	D	E	F= D x E	G	H	I
	Use the corporate risk scorecard to identify the category of risk impact e.g. potential for litigation, financial uncertainty, reputation. There can be more than one impact.		Use the scorecard to evaluate the severity of impact(s); enter the highest score.	Assign a score according to probability, timing or frequency.	This is the raw risk score, without any controls in place to mitigate the risk	There are usually things the council can do to reduce either the likelihood or impact of a risky event. Mitigating controls can already be in place, such as budget monitoring. New controls or actions may also be possible, such as agreeing SLA's with partners, or obtaining additional funds.	Identifying the officer who will manage the risk will link mitigating actions to responsibilities in the business plan.	The initial impact or likelihood score can be lowered, to demonstrate the potential to reduce risk levels through actions noted in column G. Record the revised risk score as Impact x Likelihood = Risk
	policy framework.	Service provision	3	2	6	with corporate policy team	AD GE	3
	Failure to integrate the allotment strategy with strategic land use and planning, and the emerging Local Development Framework and RSS, may result in missed opportunities to protect and enhance the allotment provision for future generations to enjoy.	Service provision	4	2	8	Ensure close working with strategic land use team to ensure the protection and enhancement of allotments within and around Cheltenham.	AD GE	2
	Failure to understand the needs and requirements of service users and potential barriers to access and wider	Service provision Reputation	3	2	6	Ensure regular and consistent approach to analysis of customer satisfaction surveys and service user information and use this to monitor quality	AD GE	2

APPENDIX 1

Risk identified		Impact Assessment	Impact score (1-4)	Likelihood score (1-6)	Initial risk score (1 - 24)	Managing the risk: Control / mitigating action	Ownership	Residual risk score									
5 Year Review of Allotment Strategy	Existing risk ref.																
A	Identify the event or trigger which may generate some new or additional risk to the council. Significant risks which already identified are recorded on the corporate risk register, or on division risk models on TEN, and should be referenced in column B.	B	If the risk is already recorded, note either the CRR or TEN reference.	C	Use the corporate risk scorecard to identify the category of risk impact e.g. potential for litigation, financial uncertainty, reputation. There can be more than one impact.	D	Use the scorecard to evaluate the severity of impact(s); enter the highest score.	E	Assign a score according to probability, timing or frequency.	F= D x E	This is the raw risk score, without any controls in place to mitigate the risk	G	There are usually things the council can do to reduce either the likelihood or impact of a risky event. Mitigating controls can already be in place, such as budget monitoring. New controls or actions may also be possible, such as agreeing SLA's with partners, or obtaining additional funds.	H	Identifying the officer who will manage the risk will link mitigating actions to responsibilities in the business plan.	I	The initial impact or likelihood score can be lowered, to demonstrate the potential to reduce risk levels through actions noted in column G. Record the revised risk score as Impact x Likelihood = Risk
	enjoyment for the whole community.												and continuously improve the service				

<i>Residual risk score</i>	<i>Risk Management view</i>
16 – 24	Must be managed down to reduce risk scores as soon as possible, or prepare a contingency plan or action
7 – 15	Seek to improve the risk score in the short/medium term or establish a contingency plan
0 – 6	Tolerate and monitor within the project.

This page is intentionally left blank



Food for Thought

A strategy for Allotments in Cheltenham and for Allotment Sites managed by Cheltenham Borough Council

Review and New Action Plan 2010–2015

October 2010

Table of Contents	Page
Introduction	3
Vision and Purpose of this Strategy	3
Stakeholders	3
SECTION 1: THE CURRENT SITUATION	4
Uptake of Plots	4
Geographical Distribution of Plots	5
Disposal of Former Allotment Land	5
Link to Council Business Priorities	6
SECTION 2: KEY ISSUES	6
Key Issue 1: Effective Management	7
Key Issue 2: Infrastructure	8
Key Issue 3: Promoting Allotment and Community Gardening	8
Key Issue 4: Provision and Protection of Allotments	9
Key Issue 5: Health and Safety	10
SECTION 3: POLICY AND STANDARDS OF SERVICE	11
SECTION 4: ACTION PLAN	12

Introduction

The Allotment strategy for Cheltenham for 2005-2015 was adopted in November 2005.

It recognised the wide range of benefits afforded by this healthy, outdoor activity and the significant contribution to environmental, community and healthy-living agendas.

An action plan for 2005–2010 was implemented.

The purpose of this document is to present the Action Plan 2010–2015. It has been written following a review of the previous action plan and within the context of the current situation for allotments in Cheltenham, which is also updated within this document.

This document takes the same format as the allotment strategy originally approved and is organised into four main sections:

- Section 1 Updates the current situation for allotments in Cheltenham
- Section 2 Updates on the 5 key issues identified in the strategy
- Section 3 Re-iterates the standards of service laid out in 2005
- Section 4 Presents the proposed Action Plan for 2010–2015

Vision and Purpose of the Strategy

The vision for the allotment strategy set out in 2005 is:

“To provide a thriving network of allotments and community gardens that meets the needs and contributes to the well-being of the whole community of Cheltenham.”

This encapsulates the desire to ensure the widest possible participation in allotment and food growing activities, meeting the needs of the population in terms of service provision.

It also recognises the important contribution that allotments and community gardening make to the health and well-being of individuals and groups.

Stakeholders

The 2005 list of stakeholder groups has been slightly amended to reflect the range of organisations interested in local food production.

- Individual allotment holders
- Local residents and those looking to participate in food-growing initiatives
- Community, charity, group and social enterprise allotment holders
- Volunteer allotment site wardens
- Allotment representative groups e.g. Cheltenham & District Allotment Holders Association (CDAHA) and Hayden Road Allotmenters
- Other allotment providers e.g. Parish Councils and churches
- Groups and individuals involved in promoting local food and allotments
- Health care organisations and those involved in healthy living initiatives
- Local environmental and sustainability groups/partnerships

The Council currently has two formalised mechanisms for consultation with allotment stakeholder groups. Quarterly site warden meetings identify site management and maintenance issues and provide a mechanism for two-way feedback between the allotment service and the Council's allotment tenants.

The second mechanism is via the quarterly Allotment Forum, where Councillors, Council officers and members of the CDAHA discuss policy and strategic issues, particularly in relation to disposal of allotment land, which requires consultation with a local allotment association. Many of the stakeholder groups are not currently represented on the Forum.

SECTION 1: THE CURRENT SITUATION

The Allotment Strategy, adopted in 2005, noted the beginnings of a revival in allotments. The question was tentatively raised as to whether this might represent the renaissance of allotment and community gardening.

In fact, interest has snowballed. The 'Grow Your Own' phenomenon has seen a huge rise in demand for allotments all over the country. Many people increasingly appreciate fresh or organic vegetables, the exercise and fresh air, the sense of well-being and the sense of community that allotment gardening brings.

Environmental concerns play a part too and the concept of 'food miles' has become common parlance. Concerns about future oil supplies and the impact of the global food industry are leading many to take up the spade, both at home and in the spaces made available to them in the form of local authority and private allotments, community and social enterprise projects, school growing spaces and more.

The significant increase in demand for allotments has meant that some areas of the allotment strategy have come to the fore (protection and provision), whereas others have become less of a propriety in the current climate (promoting allotments).

An in-depth analysis of the statutory duties relating to allotment provision and allotment demand in Cheltenham point to a requirement for 290 additional half-sized allotment plots, mainly in the south of the Borough, to fulfil current statutory demand, and a significant proportion of waiting arrears

There is additional demand in most Parishes, which falls outside the remit of the Borough and there is also demand for non-statutory allotment land to be made available for growing purposes due to the restrictive nature of an allotment tenancy agreement.

Uptake of Plots

In 2005, 90% of Cheltenham Borough allotments were tenanted and four sites had vacancies. One site (Hesters Way) was entirely vacant and permission had been granted by the Secretary of State in 2003 for the land to be sold. This took place and some of the proceeds were used for site upgrades and improvements.

Much of the Action Plan 2005–2010 was taken up with this programme of works.

It was envisaged that the Hayden Two allotment site, which had just a handful of tenants, would become a community gardening space. There were also large unused derelict areas within the Midwinter allotment site.

However, the number of applications per year then started to rise significantly, reaching 312 in 2008 and falling back slightly to 227 in 2009. This meant that the waiting lists for allotments in some parts of Cheltenham now stretched to seven years or possibly more.

Cheltenham Borough Council (CBC) has worked hard to keep up with the increase in demand. Policies such as 'Use it or Lose it' and 'Size to Suit' have seen large numbers of un-worked plots, or parts of plots, handed on to new tenants and brought back into use.

In addition, Hayden Two was brought back into allotment cultivation and large areas of allotments were created on derelict allotment land in the Midwinter area.

Overall, there has been an increase in the number of tenancies from 555 in June 2007 to 725 three years later. Take-up is close to 100%, with plots only being vacant while in the process of being re-let. Over 500 people are now waiting for an allotment on a CBC site.

Geographical Distribution of Plots

Over 100 new plots at the Hayden Road and Midwinter sites have contributed significantly to increasing the number of plots for the North and West of Cheltenham, which were identified as areas with a lower level of provision in the 2005 strategy.

However, the South and Southwest of the Borough remain areas of high demand and the waiting lists in these areas are very long. These are the areas of focus for additional provision over the next 5-year period.

Disposal of Former Allotment Land

As explained in the 2005 strategy, there is a requirement for proceeds of sale of statutory allotment land to be used to discharge debts and liabilities associated with the acquisition of allotment land or in acquiring, adapting or improving new land for allotment purposes.

Therefore, a central tenet of the 2005 strategy was that funds from sales of surplus allotment land in one area could be used to address a deficit in others. The proceeds of sale of the surplus land in the Midwinter area could therefore fund additional provision of allotments, across the unparished areas of Cheltenham, as well as in the Midwinter area.

To minimise the cost per plot, the Council would aim to utilise green land that is already in Council ownership for the new plots.

It seems unlikely that additional allotment land will be found to be surplus to requirement in the foreseeable future and therefore future appropriate levels of provision will need to be assured through the planning process, specifically through Section 106 contributions and potentially through supplementary planning documents listing local standards for provision.

Link to Council Business Priorities

The allotment strategy recognises the contributions that allotments make in terms of protecting the environment through reduction in food miles, reduction in chemical use, water conservation, reduction in waste, reduction of greenhouse gas emissions and more.

The benefits of allotments for biodiversity and wildlife are also widely recognised and they provide a valuable network of green spaces across the borough, particularly in developed areas with limited garden or green space provision.

With the associated consumption of fruit and vegetables, the exercise, the sense of well-being and the extensive social interaction, an allotment site provides an excellent example of a healthy community, in both the mental and physical sense. As a leisure activity, the benefits are considerable and far-reaching.

One of the main developments, since the start of this strategy, is in the extent to which a sense of community has blossomed on Borough allotment sites. Most now have picnic / communal areas where people can congregate. Some sites now have barbeques, pub nights, seed swap days, site-based competitions and more.

Another valuable benefit of this community development is the bringing together of people with a shared interest from different cultural or social backgrounds, whose paths might not normally cross. Allotments can therefore help to reduce inequalities, encourage greater citizenship, reduce hate crime, increase integration and more.

A strong sense of community was recognised and appreciated by many in the allotment feedback survey which was undertaken in January 2010. Many plot-holders detailed the enjoyment they get from the friendships they develop on site, the social aspect of allotment life, talking to others, receiving help and advice and so on.

SECTION 2: KEY ISSUES

Through consultation, 5 areas were identified as the key issues for allotments in Cheltenham for the years 2005–2015. These are:

1. Effective Management
2. Infrastructure
3. Promoting Allotments and Community Gardening
4. Provision and Protection of Allotments
5. Health, Safety and the Environment

A separate document details the previous objectives in these areas for the Action Plan 2005, along with an update relating to measures taken and the extent to which each action has been addressed or achieved during the first five years. This has informed the development of the Action Plan for the forthcoming five year period.

The objectives remain the same for the second five-year period, although the focus has changed somewhat in light of the current situation and this is addressed through the priorities for the Action Plan 2010-2015.

Key Issue 1: Effective Management

Aim: To identify, learn and implement effective management practices from the Allotment Forum, other local authorities and other allotment groups, and to move towards self-financing of management costs during 2010-2015.

Target: To implement at least two good practice ideas each year, and progressively review and simplify allotment rents, and identify cost savings.

Many measures have been taken to ensure a customer-centred approach and effective management and administration of the allotment sites. Policies such as 'Use it or Lose it' and 'Size to Suit' have made a big impact in the active use of the allotment land available.

The allotment officer works closely with a team of volunteer on-site wardens who assist in letting of plots, plot inspections, enforcement, infrastructure improvements, development of community projects and more.

In January 2010, the service undertook a feedback survey to assess levels of satisfaction with the infrastructure improvements made on the sites and with the performance of the allotment service overall. Approximately one third of plot holders took part.

78% considered the condition of their site to be good or excellent. 79% described customer services for allotments as good or excellent. 87% said their plot represented good or very good value for money. 48% indicated they would be happy to pay a bit more for the rent, particularly if the additional amount was fed back into the service.

While there is always room for improvement, the results of the survey do seem to indicate a general level of satisfaction with the performance of the Council in the management and administration of the allotment sites.

One area for attention is the funding system for allotments. Plot rent is based on a charge per metre squared and is complicated to administer. Many plot-holders are paying very small amounts for the use of their allotment and a review of the charging system is needed. Increasing on-site involvement in the day to day management of allotments could reduce the associated costs of administering the sites.

Moreover, in the coming few years, with a focus on the provision of new allotment sites, officer time to manage existing sites will be reduced. In order to maintain existing service levels, increased on-site participation in allotment site management will be required.

One efficiency measure identified is the move to a postal system for issuing new tenancy agreements. At present, a lot of officer time is taken up with meeting new tenants and changes to the allotment tenancy agreement will allow a postal system to be developed.

Key areas identified for the 2010 – 2015 Action Plan include:

- Continue with effective policies and procedures, e.g. 'Size to Suit'
- Increase on-site involvement in day to day site management
- Assess and present self-management options for allotment sites
- Review allotment charges, invoicing and tenancing processes
- Review allotment Forum

- Review sources of advice and information for prospective and new tenants

Key Issue 2: Infrastructure

Aim: To maintain and improve the infrastructure of allotments

Target: To complete investment programme on time, on budget and to a high quality

A considerable portion of the Action Plan 2005–2010 was taken up with the itemised list of infrastructure improvements identified through site and tenant surveys and consultation with site wardens and CDAHA.

As detailed in a separate document, most of these items have now been completed and the 2010 survey indicates that 78% of tenants consider the condition of their site to be good or excellent. There are a small number of items outstanding from the investment programme and these are addressed in the Action Plan 2010–2015.

Much of the investment was made with the aim of making allotments attractive and accessible to as wide a range of people as possible. Disabled access toilets were installed on most sites, as well as some disabled and raised bed plots for wheelchair access. Hauling ways were improved to allow good access to plots. Security and signage were improved to make women, families and others feel safe and welcome.

There are a small number of additional improvements required for the infrastructure at Midwinter site. These include improvements to roadways and a site toilet.

Areas for attention in the 2010–2015 Action Plan include:

- Completion of any outstanding infrastructure improvements
- Review use of internal versus external resources for site maintenance

Key Issue 3: Promoting Allotment and Community Gardening

Aim: To promote allotment and community gardening to the people of Cheltenham to increase the uptake of allotments and increase the value placed on allotments by the community as a whole

Target: To increase the tenancy of allotments by 2% per year.

The huge rise of interest in allotments and the resulting take-up of plots, particularly among the groups targeted in the allotment strategy (women, families and people with special needs or on low incomes) meant that targeted promotion was not required.

In addition, it was decided that with ever-increasing waiting lists, it was inappropriate to undertake promotional campaigns, given the number of years it might take to get a plot.

Tenancy numbers have risen from 555 in June 2008 to 725 in June 2010, a 30% increase over the last three years.

Key areas identified for the 2010–2015 Action Plan include:

- Support and promote other forms of local food production as resources allow
- Renew marketing to target groups identified in strategy when plots are available

Key Issue 4: Provision and Protection of Allotments

Aim: To ensure that there are enough allotments in the right locations

Target: By 2015, to have halved residential areas failing to meet strategy guidelines

The 2005 Allotment Strategy listed several ways to ensure the protection and provision of allotments in Cheltenham. These included using the planning process via supplementary planning documents listing local standards, using S106 monies and using proceeds of sale of surplus allotment land to address areas of deficit.

The provision of sufficient allotments has become a major issue since the strategy was adopted, with the huge increase in demand and given the statutory duties of the authority.

Initially, and not knowing whether the huge increase in demand was going to be a short-lived trend, the allotment service focussed on maximising use of existing available allotment land. Derelict areas were renovated, un-worked and unused areas of large plots were taken back and large plots were sub-divided to reflect the demand for smaller ones.

As outlined above, these measures were very successful and tenancy numbers rose from 555 in June 2008 to 725 in June 2010, a 30% increase over the three years.

These measures are now exhausted and it appears that the upturn in demand is more than a short-term trend. With significant unmet demand, additional provision is a priority.

Current and anticipated rates of application and turnover suggest that the Borough requires 290 additional half-sized plots, mainly in the south of Cheltenham. Given that some people have waited for three years, there is an impetus to create new sites quickly.

There is additional unmet demand in Parish areas, both in Parishes which currently own and manage allotments and those that do not. The Borough Council may not act as an allotment authority within a Parish area but can help Parish Councils meet their demand through land transfer or similar.

There is also unmet demand from social enterprise and community groups looking for the opportunity to operate outside of the restrictive confines of the allotment tenancy agreement. This would require access to non-allotment Council-owned land. Further work will be needed to establish principles, not least resources, financing and levels of rent, but the Council intends to pursue this subject in conjunction with these groups.

In summary, the measures identified for priority in the 2010–2015 Action Plan include:

- Work with Parish Councils to identify extent of demand in the Borough and clarify responsibilities for allotment provision
- Establish options and extent of capacity of Borough Council to assist parishes in meeting outstanding allotment demand in Parish areas
- Allocate appropriate funds from Midwinter receipt to fund 290 new allotments
- Apply methodology for identifying additional land for allotments in conjunction with Property Services and Asset Management and present options for consideration

- Develop 2 new allotment sites in the South of Cheltenham within 1-2 years about 100 half-size plots each, and the balance where required within 3 years.
- Ensure key policies and planning processes support sufficient provision
- Ensure framework in place to allow use of S106 monies for future provision
- Identify and provide non-statutory sites for social enterprise and community groups, the extent that available resources permit.

Key Issue 5: Health and Safety

Aim: To minimise health and safety risks on allotment sites and increase the environmental benefits

Allotments are included in regular infrastructure and tree inspections to pro-actively identify risks to health and safety on site. Information to tenants has increased, with a Health & Safety leaflet distributed to all existing and new plot-holders. The notice-boards and newsletter are used to communicate general and site specific concerns.

For example, in 2009, posters were put up at specific sites with pictures and warnings about Deadly Nightshade, which was identified at two sites. A general warning was included in the annual newsletter distributed to all tenants at the end of the year.

With many people new to gardening and many more families with children on site, there is a need to ensure on-going identification of risks on allotment sites and to encourage safe practices.

With regard to bio-diversity, a survey was undertaken as part of the assessment for the Green Space Strategy. Allotments scored more highly for bio-diversity than most other amenity green spaces. The allotment department has worked with the Gloucestershire Wildlife Trust to promote composting and a booklet on encouraging wildlife on allotments was distributed to approximately 80 new plot-holders.

Measures identified for the Action Plan 2010–2015 are:

- Review health and safety policy with corporate advisor
- Continue to apply risk management approach
- Survey and identify areas for enhancement in habitat and bio-diversity

SECTION 3: POLICY AND STANDARDS OF SERVICE

The Council will work with allotment holders and other allotment providers to:

- Provide sufficient high quality allotments, in the right places, to meet the needs of the people of Cheltenham. This will involve:
 - Protecting allotment land from the pressures of development, neglect and vandalism
 - Securing the provision of new allotments in areas of need
 - Developing partnerships to attract additional financial investment in allotments
- Provide an excellent service to plot holders from which they can expect:
 - High quality, safe sites, accessible to all parts of the community and supported by appropriate infrastructure
 - Efficient and effective administration
 - Fair rents and charges
 - Advice, information and assistance
- Promote allotments
 - To potential tenants, especially those groups under-represented in the allotment community
 - To the wider community so that they become aware of the value of allotments and their contribution to a sustainable town
- Consult with and involve allotment holders in the management of allotments – from both operational and strategic perspectives
- Provide adequate resources to achieve the above and to invest in the allotment service and infrastructure using monies received from the sale of former allotment land or other sources.

SECTION 4: ACTION PLAN

This section presents the Action Plan for 2010–2015. The actions are grouped under the headings for the five key issues already discussed above.

Key Action 1: Effective Management

Aim: To identify and implement new management practices to ensure cost effective and efficient management of allotments

Target: Ensure current service levels with increasing numbers of tenants and sites

OBJECTIVES	ACTION	WHO	TIME-SCALE	RESOURCES
To ensure the effective day to day operation of allotment sites.	Increase participation at site level through offering rent reduction for plot-holders involved in site management. Explore widening of warden role, increase in number of wardens or creation of site committees. Explore range of self-management options. Examine use of Ranger for response / site maintenance.	Allotment Officer Green Space Manager	2010-2012 2010-2011	Current internal resources
To provide an effective and efficient administration.	Complete upgrade to Colony 4.0 and undertake cost/benefit analysis of data-link with financial systems versus personnel costs for manual input of billing data. Introduce postal system for new tenant administration. Review system for issuing site keys.	Allotment Officer	2010-2012	Current internal resources
To charge fair and affordable rents.	Review charges. Simplify rent system and consult on change in plot rental from 'per metre squared' to 'charge bands for small, medium and large plots' and introduction of minimum charge. Consider application of green waste charge system in relation to allotments. Review amount and age for 'seniors' discount. Continue to benchmark with peer authorities.	Allotment Officer	2010-2012 Every 3 years	Current internal resources
To offer a range of plot sizes and group plots.	Continue with 'Size to Suit' policy and promote use of small starter plots through wardens meetings. Continue to allow full-sized plots to tenants who fully cultivate initial half plot. Assess feasibility of non-allotment tenancies for community and social enterprise groups. Work with Properties Department to identify any possible land options.	Allotment Officer	On-going	Current internal resources
To provide the staff and resources necessary for effective management	Review existing resources and budget constraints. Ensure officer time used productively and efficiently through the meeting system and in day to day administration. Investigate options to increase site level involvement in management of allotment sites.	Green Space Manager Allotment Officer	2010-2011 2010-2012	Current internal resources

	Aim towards a self financing model for allotments over the remaining five years of the strategy through a combination of action points in Key Action 1.			
To seek other sources of funding to support allotments e.g. grants	Encourage sites, groups and CDAHA to identify opportunities for further improvement / funding for allotment sites. Consult, offer advice and feedback on applications as appropriate. Encourage creation of site level committees / associations to enable site level funding applications	Sites, groups and CDAHA with Allotment Officer support	On-going On-going	Current internal resources
To provide help and support for new tenants	Provide links to information and advice through website and starter information pack.	Allotment Officer	2010-2012	Current Internal Resources
To consult plot-holders and their representatives on the day to day management and strategic direction of allotments	Continue to host wardens meetings.	Allotment Officer	On-going 2010-2011	Current Internal Resources
	Review format of Forum in view of preference to include local food production and planning functions. Review make-up of Forum in light of widening range of groups involved in allotments and local food production and requirement to ensure consultation with as broadly representative body as possible. Review frequency of Forum meetings.			

Key Action 2: Infrastructure

Aim: To maintain and improve the infrastructure of allotments

Target: To complete the investment programme by end financial year 2010-2011

OBJECTIVES	ACTION	LED BY	TIMESCALE	RESOURCES
To ensure the effective day to day maintenance of allotments infrastructure	Review use of external contractors versus internal resources to manage cleansing, fly-tipping and grounds maintenance issues. Explore option to assign Ranger hours to response and site maintenance. Explore option to increase plot-holder involvement in day to day site maintenance.	Green Space Manager and Allotments Officer	2010-2012	Current internal resources
To invest in the infrastructure of allotments (items outstanding from 2005-2010 Action Plan).	Alma Road Install site toilet	Allotment Officer	2010-2011	Existing Capital Funding
	Hayden Road Repair / replace taps as required	Allotment Officer	2010-2011	Existing Capital Funding
	Midwinter			
	Lay / repair tar macadam paths where necessary	Allotment Officer and Properties	2010-2015	Additional Capital Funding
	Repair / replace taps and water pipes where necessary	Allotment Officer and Properties	2010-2015	Additional Capital Funding
	Fit second toilet on site	Allotment Officer and Properties	2010-2015	Additional Capital Funding
	Terry Ashdown			
	Undertake pruning of perimeter trees, if site successful in identifying landowner and gaining permission. Additional tap to be installed.	Allotment Officer and site representatives	2010-2012	Existing Capital Funding

Key Action 3: Promoting and supporting allotment gardening and food growing initiatives

Aim: To promote allotment gardening and other forms of local food production

Target: Increase the number of people involved in growing food locally

OBJECTIVES	ACTION	LED BY	TIME-SCALE	RESOURCES
To support and encourage food growing initiatives in Cheltenham.	<p>Participate in Cheltenham in Bloom as and when appropriate.</p> <p>Encourage site level participation in National Allotments Week.</p> <p>Support other organisations as resources permit to encourage food growing wherever it may be e.g. land-share agreements, use of amenity land around housing, employers offering land to employees, community gardens, social enterprise small-holdings i.e. "Veggie Box Schemes".</p> <p>Support continued group participation at Hayden Two community allotment site.</p> <p>Identify possible sites and examine options for community and social enterprise groups to operate on agricultural tenancies on Borough Council land.</p>	Allotments Officer	<p>Annually</p> <p>On-going</p>	Current internal resources
Raise the profile of local food-growing initiatives.	<p>Seek opportunities to promote local food production to the local media. Support house-hold participation in food-growing initiatives.</p> <p>Support local land-swap / garden sharing initiatives through inclusion on relevant website and written communications.</p>	Allotments Officer	On-going	Current Internal Resources

Key Action 4: Provision and protection of allotments

Aim: To ensure that there are enough allotments in the right locations to meet current and future demand for plots

Target: To develop two new 100-plot allotment sites in the South of Cheltenham by end 2012.

OBJECTIVES	ACTION	LED BY	TIME-SCALE	RESOURCES
To ensure that the contribution of allotments is properly recognised in the strategies of the Borough Council and other agencies	Ensure allotments are considered in key policies and initiatives e.g. Community Plan, Local Plan, Local Development Framework, Green Space Strategy, capital budgets.	Green Space Manager	On-going	Current internal resources
To identify and dispose of surplus allotment land and reinvest proceeds in the acquisition and improvement of other sites.	Work with the Asset Management Working Group, Allotment Forum and legal department to ensure that any disposal of surplus allotment land generates appropriate income for allotments elsewhere in the borough.	Green Space Manager Allotment Officer Head of Property and Asset Management	On-going	Current internal resources
To protect existing and secure the provision of new allotment sites in areas of need.	Use analysis of allotment demand and methodology for identifying suitable land to inform development of two new allotment sites in south of Cheltenham within 1-2 years of approval of Action Plan. Work with Parish Councils to identify extent of demand in borough and parish areas and clarify responsibilities for allotment provision. Work with Property Services and Asset Management to identify suitable additional land, as required, for new allotments. Incorporate areas of need in the Local Plan and Local Development framework, through Supplementary Planning Guidance or directly.	Allotment Officer Green Space Manager Allotment Officer Allotment Officer Strategic Land Use Manager	2010-2012 2010-2011 2010-2011	Current internal resources
	Consider preparation of Supplementary Planning Guidance to help protect existing allotments and secure the provision of new ones in areas of new development or urban extension. Subject to review of SPD to be undertaken by Strategic Land Use Team at the end of	Strategic Land Use Manager	2010-2011	Current internal resources

OBJECTIVES	ACTION	LED BY	TIME-SCALE	RESOURCES
	2010.			
	Negotiate future provision of new allotments in areas of need through Section 106 agreements. Ensure Parish access to appropriate S106 monies in relation to statutory allotment provision in parish areas.	Green Space Manager Development Control Manager	On-going	Current internal resources
	Develop sample S106 agreements for use by planning officers.	Green Space Manager Development Control Manager	2010-2011	Current internal resources

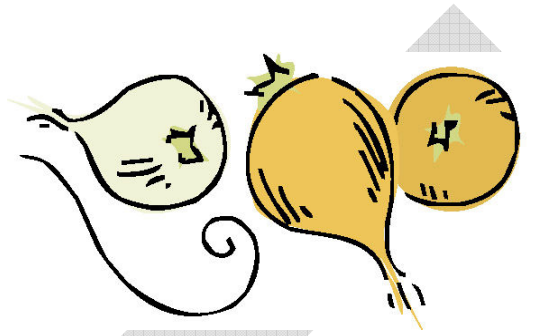
DRAFT

Key Action 5: Health, Safety and Environment

Aim: To minimise health and safety risks on allotment sites and increase the environmental benefits

Target: No health and safety or environmental accidents

OBJECTIVES	ACTIONS	WHO	TIME-SCALE	RESOURCES
Identify health and safety risks.	Carry out periodic reviews of the Health and Safety policy for allotment sites. Ensure infrastructure inspection regime maintained. Ensure health and safety is a standing agenda item for wardens meetings.	Green Space Manager Allotments Officer Corporate Health and Safety Advisor	On-going	Current internal resources
Manage the health and safety risks.	Continue to apply a risk management approach with regular inspections and risk assessments within allotment sites, including following up and resolving identified risks.	Green Space Manager Allotments Officer	On-going	Current internal resources
To provide advice on legal, safe and environmentally friendly gardening	Continue to issue health and safety leaflet to all new allotment holders. Support CDAHA and other organisations wishing to offer guidance to new and existing allotment holders.	Green Space Manager Allotments Officer	On-going	Current internal and external resources
To work with plot holders and others to develop the wildlife value of allotment sites.	Undertake a survey of the wildlife and biodiversity of allotments – current and potential. Identify areas/features for protection and enhancement and seek funding to implement.	Allotments Officer Rangers Glos. Wildlife Trust	2010-2015	Current internal and external resources



Ground Works

Background Information and Analysis to inform the
Action Plan 2010–2015 in 4 key areas:

- 1) Statutory duties relating to allotment provision
- 2) Current and anticipated demand for allotments
- 3) Financial considerations of the Action Plan
- 4) Methodology to identify land for new allotments

August 2010

Table of Contents	Page
Introduction	3
Section 1: Statutory Duties	3
Statutory Obligations for Allotment Provision	3
Statutory Obligations – Disposal and Use of Proceeds	4
Statutory Obligations – Powers of Parish and Borough Councils	4
Section 2: Allotment Demand	5
Demand for Allotments in Cheltenham	5
Demand for Smaller Allotments	5
Plot Turnover and Allotment Demand	6
Demand for Community and Group Allotments	6
Geographical Variation in Demand	6
Waiting List for CBC Allotments May 2010	7
Conclusions on Allotment Demand	7
Section 3: Financial Considerations	8
Section 4: Methodology to Identify Land for New Allotments	9

Introduction

The Allotment Strategy 2005-2015 underlines Cheltenham Borough Council's commitment to maintaining an accessible and well-managed network of allotments across the Borough.

It reflects the statutory role the Council has in terms of allotment provision and management and also recognises the extensive contribution that allotments make towards healthy lifestyles and protection of the environment.

Within the area of Allotment Protection and Provision, the strategy focuses on the means to ensure sufficient numbers of allotments through the planning function and also using the proceeds of sale of surplus allotment land to fund additional provision in identified areas of unmet demand.

Therefore, with an area of surplus allotment land in the Midwinter area of Cheltenham being offered for sale for potential development, there is an opportunity to address a geographical imbalance in provision of allotments and look to meet the current and anticipated demand for plots in the town.

This document examines the statutory obligations of Cheltenham Borough Council in relation to allotment provision, analyses current and anticipated future demand for allotments, outlines the estimated costs of additional provision and presents a methodology for identifying suitable land.

Section 1: Statutory Duties

Statutory Obligations for Allotment Provision

By Section 23 of The Small Holdings and Allotments Act 1908, authorities have an express duty to provide allotments where they are of the opinion that there is a demand for them. There is a statutory duty to provide a sufficient number of allotment plots and to let them to persons resident in the area.

Since there are no formal national standards for provision, the level and standard of local provision is based on local demand. This is re-iterated in Planning Policy Guidance Note (PPG) 17, which requires local authorities to undertake robust assessments of the need for open spaces of different kinds and prepare strategies that prioritize adjustments as required.

There are no statutory requirements in terms of the size of an allotment plot, other than that for a district having more than 10,000 population, the provision of allotment gardens is limited to 20 poles in extent (Allotments Act 1950). There is a recognized standard size for an allotment of 10 poles (250 m²), known as a full-sized plot, but it is a convention, not a statutory requirement.

There is no timeframe specified in law within which an authority must provide an allotment, but the authority has a legal duty to 'take proceedings' (make plans for) for the provision of allotments where demand is recognized.

Statutory Obligations – Disposal and Use of Proceeds

Section 32(2) of the Small Holdings and Allotments Act 1908 (as amended, hereafter referred to as the 1908 Act) requires that any capital receipt from the sale of statutory allotment land be used to discharge debts and liabilities of the allotment authority in respect of the land acquired by them for allotments, or in acquiring, adapting and improving other land for allotments.

Any surplus may be used for other purposes.

The Council's Allotment Forum (minutes 8th December 2009), has recommended that any future proceeds from the sale of statutory allotment land should be used for provision of new allotment sites, rather than improvement of existing sites, given that a previous sale of allotment land has already funded many improvements.

The exception to this is agreed investment at the Midwinter allotment site. Due to delays in development of the area, monies originally allocated for a toilet and improvements to hauling ways were re-directed to new provision of 53 half-sized plots in the area (thereby reducing the waiting list by said amount). This was on the understanding that the equivalent monies coming out of the sale of Midwinter land would then be allocated to the infrastructure.

Statutory Obligations – Powers of Parish and Borough Councils

The Parish Council is the allotment authority for a Parish and it holds the duties and powers relating to provision, as identified within the legislation.

Therefore, all Parish Councils within the Borough of Cheltenham are responsible for statutory allotments within their boundaries and for providing sufficient allotments to meet identified demand from their residents.

In fact, the Local Government Act 1972 prohibits District Councils from exercising those functions which fall within the powers of the Parish Council.

Therefore the Borough Council may not provide or manage statutory allotments in Parishes and may not use proceeds of sale of statutory allotment land in non-Parish areas to provide or improve land for statutory allotments in Parish areas.

This is important in terms of provision of allotments in Parish areas where demand is very high. If Cheltenham Borough Council were to support local Parishes in meeting their demand for allotments, it would need to be achieved through land transfer, entering into management arrangements or providing temporary allotments (but in this case the primary purpose of the *land would have to be for a reason other than allotments*) to avoid contravening the legislation.

Section 2: Allotment Demand in Cheltenham

Demand for Allotments in Cheltenham

Demand for allotments has risen since 2005, when many sites had vacancies, as the following table illustrates.:

Year	Number of People Applying to go on Waiting List
2005	85
2006	150
2007	170
2008	312
2009	227

There are now 565 people on waiting lists for Borough allotments, of which 10 reside outside the Borough and 90 reside in Parish areas. This means that the Borough Council has a statutory obligation in terms of 465 applications, with additional demand in the Parish areas to take into consideration.

Take-up of allotments is in the region of 90%, therefore the number of plots required is slightly less than the number of applications per se suggests.

The unmet demand in Up Hatherley and Leckhampton and Warden Hill is 66 according to Borough waiting lists but there are 70 people on the list for the privately owned Hall Road site in Leckhampton and the extent of overlap between the two waiting lists is unknown.

Swindon Village, Prestbury and Charlton Kings Parishes have in the region of 60 unmet applications between them from people residing within the Parishes. They also report some applications from outside of their administrative areas.

Further research is required to ascertain the extent of duplication between the various lists. Confirmed statutory demand for Cheltenham Borough allotments amounts to 465 applications.

Demand for Smaller Allotments

The size of plot required has reduced considerably in the last 5 years, with an influx of young people, often with families, who do not wish to cultivate a full-sized plot (250m²). The profile of the typical allotment-holder is changing, along with the recognition that having an allotment is increasingly seen as a leisure activity rather than an economic necessity.

New Cheltenham Borough Council allotment tenants are offered a half plot initially (125 m²) with the option to take on a further half plot once the first one

is up and running. Based on the experience of over 100 new plot holders at Midwinter and Hayden Road over the last two years, less than 1 in 6 opt to cultivate a full-sized allotment. This trend for smaller plots is echoed across Borough, Parish and private allotment sites in Cheltenham. Many of the allotment authorities in the area are now offering half-plots initially.

Plot Turnover and Allotment Demand

Cheltenham Borough allotment sites have experienced around 20% average yearly plot turnover for the last several years. Plot numbers are expected to reach 750, once all currently available land is utilised and envisaged plot divides completed. This would mean that approximately 150 allotment plots would become vacant each year.

Therefore, an average annual application rate of 150 would be a sustainable number for continued full occupancy of the current stock of allotments.

Over the last 3 years, the average number of applications is 236 per annum. Although the analysis shows that some of these applications fall outside of the statutory responsibility of the Borough Council, it is also known that up to 50% of parish council waiting lists actually fall under the responsibility of the Borough Council and the extent of any overlap in the lists is currently unknown. Therefore, a median figure of 215 Borough applications is applied.

If this level of demand continues (and applications so far for 2010 suggest that it will) and with an approximate 90% take-up of plots offered, this means that approximately 194 applicants would need to be accommodated each year on Cheltenham Borough Council sites

The total number of allotments needed to sustain this level of demand over time, given an average 20% plot turnover, is 970 (194 x 5), which is an additional 220 tenancies over the 750 existing ones.

In Cheltenham, with 5 new plot-holders requiring a half-sized plot for every one requiring a full-sized plot, this equates to an additional requirement for 257 half-sized plots (220 new tenancies with 1 in 6 having 2 half plots).

Finally, an additional allowance of 33 half sized plots is allowed for, taking the total number required to 290 in order to cater for the existing back log of demand. In other words, if one modeled this scenario over five years then at year five the waiting list would more or less equal the annual turn over and anyone applying for an allotment could generally expect to get one within a year.

Demand for Community and Group Allotments

There has been a marked increase in demand for community plots over the last 5 years. Allotments have been taken on by environmental groups, educational organisations, groups working with young offenders, with people

looking to improve their mental health or even their job prospects. The many benefits of this productive, outdoor activity are being widely recognised.

There have been several requests for additional land to be made available for food growing initiatives. Some groups would like to be able to fund themselves by selling their produce or to expand their activities into areas such as veggie box schemes or community farms, none of which are allowable under allotment tenancy agreements on statutory allotment land.

Geographical Variation in Demand

There is a huge variation in demand in different parts of Cheltenham. This is reflected in the length of time someone would wait for a plot in a given location. For those applying in 2010, the wait could be 4 months or less for some sites but for others it could be over 7 years.

Waiting List for CBC Allotments May 2010

North Sites	No.	List back to	South Sites	No.	List back to
Hayden Road	23	March 2010	Alma Road	230	June 2007
Midwinter	34	Sept. 2009	Asquith Road	209	June 2007
Severn Road	37	May 2008	Hatherley Road	124	August 2007
Terry Ashdown	31	Feb. 2008	Reddings Road	86	Nov. 2007
			Warden Hill	116	May 2007
Total (approx)	79	63.5% of 125 total	Total (approx)	486	63.5% of 765 total

Since many people are on more than one waiting list but only actually require one allotment, the total number given (approx) is 63.5% of the numbers waiting at each site. This represents the actual number of people waiting for a plot in the north and south areas.

As can be seen above, the outstanding demand for plots in the north of Cheltenham is much lower than in the South and the length of time spent waiting for a plot is much less. This is mainly due to the creation of over 100 new half-sized plots at the Hayden Two and Midwinter locations.

Approximately 80 of the applicants for the South sites reside within Parish Council areas. Therefore just over 400 fall within the remit of the Borough Council allotment authority.

Conclusions on Allotment Demand

Cheltenham Borough Council has a statutory duty to provide a sufficient number of allotments and has undertaken this analysis to identify the number of allotments that would satisfy current and perceived future demand in a sustainable way.

Developing an allotment for every person currently on the waiting list for whom the Borough has responsibility (465) would result in a surplus of allotments and therefore would not be a cost-effective approach.

Current and anticipated rates of application and turnover suggest a need for 257 additional half-sized plots, mainly in the South of Cheltenham, to satisfy the demand that falls within the remit of the Borough Council.

There is additional unmet demand in Parish areas, both in Parishes which currently own and manage allotments and those that do not. The Borough Council may not act as an allotment authority within a Parish area but can support Parish Councils meet their demand through land transfer or other arrangements as set out above.

There is also unmet demand from community and social enterprise organizations who would like to operate outside of the restrictions of an allotment tenancy.

Section 3: Financial Considerations

In terms of funding allotment provision, Allotment Law stipulates that proceeds from the sale of statutory allotment land be used to acquire, adapt or improve land for allotments. Any surplus, after this obligation has been met, can be used for other purposes.

With the sale of statutory allotment land in the Midwinter area, there is therefore a potential source of capital to fund identified additional requirement.

For the purposes of the Act, land only has to be adapted or improved to the extent that it can be used for allotment purposes. There is no requirement to erect sheds, community areas, composting toilets and so on, some of which have been installed on existing Cheltenham Borough Council sites.

The Operations Division have recommended that land for allotments needs to be secure, have sufficient access to site and plots, be cleared of rubble, refuse or excessive surface vegetation, be sufficiently well-draining to support horticulture and have a water supply.

It is likely that there would be an expectation among plot-holders that facilities would be broadly similar across the sites in Cheltenham and therefore the costing includes some discretionary items, such as a toilet.

However, revenue budgets are likely to come under increasing pressure, given the current financial landscape, and therefore other discretionary items, such as sheds, are excluded. The Council should be moving away from provision of individual sheds because of the additional funds required to maintain and repair them on an on-going basis. Communal lock-up facilities are proposed.

Property and Asset Management have estimated that the maximum cost for the development of a 100 plot site would be approximately £175,000. Therefore a broad estimate of the cost for statutory allotment provision for Cheltenham Borough Council would be £507,000 (2.9 x £175,000).

These estimates do not include the price to acquire or lease land, which would significantly increase the total. However, some items might not prove necessary e.g. land drains or site clearance and this could significantly reduce the cost of developing the new allotments. The amounts cannot be finalized until actual pieces of land have been identified and assessed but the estimates represent the maximum cost for plots on Council-owned, green field sites.

In addition, it was previously agreed that site improvements at the existing Midwinter site (a site toilet and improvements to the road access at the North end of the site) would be funded at an approximate cost of £50,000.

Addressing demand in Parish areas requires a different approach since the Borough is precluded from acting as an allotment authority and may not, therefore, acquire, adapt or improve land for statutory allotments in a Parish.

Section 4: Methodology for the Identification of Land for New Allotments

The parks department has developed an approach to the identification of suitable land for additional allotments. It takes into account the additional costs that would be incurred if the Council had to acquire land for allotments or fund adaptation of unsuitable land.

Developing land the Council already owns

This would be a considerably cheaper option than acquiring land for allotment purposes from private landowners within the Borough.

Developing land suitable for allotments or at low cost to develop

This recognizes the lower costs associated with the development of green field sites with existing infrastructure, such as boundaries, access and uncontaminated topsoil, as opposed to the cost of developing unsuitable or brown field sites.

Using land adjacent to existing allotment sites

Given the existing infrastructure of water supply, security, access, parking and so forth, one inexpensive option for increasing the number of allotment plots might be the expansion of sites into adjacent areas.

Land suitable in size for allotments

This recognizes that there are fixed and variable costs associated with the creation and management of new allotment sites. Costs relating to access, parking, drainage, provision of water supply, as well as on-going management and maintenance of sites, will increase considerably in relation to the number of sites created. On the other hand, the variable or incremental cost of additional allotment plots at a given site will be less.

Therefore, a smaller number of large sites, rather than a large number of smaller sites would be the more cost effective option. The proposal is to exclude pieces of land smaller than one hectare.

Land that lies within or close to an area of high demand

This recognizes the desire to maintain a network of allotments across Cheltenham that meets the needs of the community. It also addresses environmental concerns around emissions and resource use associated with distance traveled to reach an allotment.

If suitable land can be found using the criteria above, then the cost of developing the new allotments would be a maximum of £507,000 for 290 new plots, as described in the previous section.

If land is not found using the criteria listed here, other options would include leasing or purchasing land, either from other authorities or from private land-owners, land swap with other authorities, using non-green field land or the creation of smaller sites. These would be higher cost options.



Thyme's Up

A review of the allotments Action Plan 2005 - 2010

August 2010

Key Action 1: Effective Management

Aim: To identify, learn and implement effective management practices from the Allotment Forum, other local authorities and other allotment groups.

Target: To implement at least 2 good practice ideas each year.

OBJECTIVES	ACTION	2010 REVIEW AND COMMENTS
<p>To ensure the effective day to day maintenance and operation of allotment sites.</p>	<p>Maintain a system of on-site wardens who can report problems and good practice suggestions to the Allotment Officer.</p> <p>Maintain the Allotment Forum to liaise and feedback on more strategic management and operational maintenance issues.</p>	<p>12 wardens in place. Good working relationships built up and frequent contact. Quarterly meetings.</p> <p>Use of Parks Technical Officer for response maintenance has speeded up repairs/maintenance.</p> <p>January 2010 tenant survey indicates 78% of tenants consider condition of their site to be good or excellent. 19% described condition as fair (202 surveys returned represents approx 32% response rate).</p> <p>More new sites will stretch resources. Consider increase in on-site responsibility or use of ranger to organise site clean-ups / maintenance in conjunction with tenants. Consider self-management options.</p> <p>Forum limited to CDAHA members, many of whom are based at one site only, and small number of councillors. Consider widening representation to ensure representative body. Much of meeting taken up with feedback which could be provided in writing, therefore perhaps scope to reduce frequency of Forum-type meetings.</p>
<p>To provide an effective and efficient administration system.</p>	<p>Implement new computerised database and system for allotment administration.</p>	<p>New COLONY system implemented by 2006. However, requirement to input all invoice details into another system (ASH) very inefficient and time-consuming. A move to postal system for tenancy agreements could save quite a lot of officer time (at present, new tenants visit the office for a meeting with the allotment officer.)</p> <p>January 2010 tenant survey indicates 79% view customer services as good or excellent, 17% fair.</p>

<p>To charge fair and affordable rents with an appropriate range of discounts and payment systems.</p>	<p>Review rent charges, in line with the council's review of fees and charges, to ensure that they do not discourage people on low incomes from renting allotments</p> <p>Consult the Allotment Forum on proposed changes</p> <p>Implement new charging scheme</p> <p>Review after 2 years.</p>	<p>Charges bench-marked with other authorities in 2007 and found to be slightly above peer group average but with additional facilities provided.</p> <p>No evidence that people on low incomes discouraged from having plots. (Half-plot costs under £25 per annum).</p> <p>87% of 2010 survey respondents indicate plot is good or very good value for money. Further 12% indicate fair value. 1% responded allotment was poor value. 48% indicated they would be happy to pay a bit more.</p> <p>Rent system currently charged per metre squared. Complicated to administer. Other authorities use set fee for small, medium, large plot. Scope to change system and also have minimum fee (cost to collect some rents is higher than rent value – many tenants paying less than £20 per annum, with some paying less than £10). Notice of one year required to change rent amount.</p> <p>Discount for over 60's only. Scope to change age at which senior discount applies. Scope to consider additional discounts but would require additional administration.</p>
<p>To offer a range of plot sizes and group plots.</p>	<p>Identify areas where smaller plots may be appropriate.</p> <p>Redefine plot areas on the ground.</p> <p>Revise tenancy agreement to provide for multiple tenants.</p>	<p>'Size to Suit' policy launched in 2008. Areas unused by long-standing tenants handed on as smaller plots for new tenants. Large plots divided when vacated (as deemed appropriate in consultation with site warden). New tenants take on half, third or quarter plot, as they require.</p> <p>1 in 6 new tenants later take up additional half plot but 5 in 6 content with half-sized plot or less.</p> <p>Plots redefined on the ground and on council allotment site maps.</p> <p>Multiple tenants named on tenancy agreements.</p>
<p>To provide the staff and financial resources necessary for effective management.</p>	<p>Review the existing resources and identify areas where additional funding may be necessary.</p> <p>Seek funding to provide any additional resources identified.</p>	<p>Allotment Officer became full-time post end 2006. Additional resources 2 -3 days per week from November 2008 to August 2009 while allotment improvements overseen by allotment officer.</p> <p>To be reviewed in light of forthcoming projects and completion of works programme. New sites will create additional administration and work to set up but streamlining administration (postal system) or requiring sites to self-manage to a greater extent could save officer hours.</p> <p>Survey responses indicate management of allotments currently effective, given high service satisfaction levels.</p>

<p>To seek other sources of income to support allotments, e.g. grants.</p>	<p>Identify potential projects which could attract external funding – 1 per annum.</p>	<p>2007-2010 service focussed on spending existing investment funds in required timeframe. Given large investment in sites and current satisfaction levels, additional funding may not be a focus for the next 5 year action plan. Additional funding perhaps appropriate at site / Association level. Also, projects require additional staff for grant applications and project implementation. For review.</p>
<p>To provide help and support to new tenants.</p>	<p>Develop a starter pack for new tenants. Provide links to sources of advice and information.</p>	<p>Starter Pack feedback fairly positive. 96% survey respondents found pack at least sufficient. 68% found it good or excellent. Consider survey of tenants one year on and find out what additional information they would have found helpful. Support at site level would probably need to be developed through CDAHA, wardens or mentors. Links provided to various organisations but could possibly be further improved by incorporating more links on the Council web-site.</p>
<p>To consult plot holders and their representative organisations on day to day management and strategic direction of allotments.</p>	<p>Continue to host the Allotment Forum</p>	<p>Allotment forum hosted 3 or 4 times per year but many groups and sites not represented. Warden meetings fulfil much of consultation remit. Requirement to use Officer time to best advantage therefore number of meetings per annum could be reviewed. Consider introducing new body instead to look at wider issue of local food production and associated planning issues.</p>

Key Action 2: Infrastructure

Aim: To maintain and improve the infrastructure of allotments.

Target: To complete the investment programme described below, on time, within budget and to a high quality.

OBJECTIVES	ACTION	2010 REVIEW AND COMMENTS
To ensure effective maintenance of allotment infra-structure	See Action Area 1.	Inspection regime for allotment sites in place alongside other parks infrastructure. Scope to review use of contractors versus internal resources to deal with e.g. fly-tipping, grounds maintenance. Scope to review ranger involvement as more cost effective approach.
To undertake a structured programme of investment in the infrastructure of allotments	Alma Road	
	Improve water supply	Water supply from road upgraded in conjunction with Severn Trent. Pressure improved.
	Repair / replace taps and water pipes where necessary	All underground pipe-work and above ground standpipes replaced.
	Repair / replace fencing as required	Site perimeter fence replaced.
	Lay tarmacadam paths through site	Stone path laid through centre of site and lower grass path cleared, levelled and reseeded.
	Erect new sign/information board	Both erected at site.
	Replace two sets of site gates	Both replaced.
	Asquith Road	
	Repair / replace fencing and gates where necessary	Not deemed necessary.
	Lay tarmacadam paths through site	Driveway and car park laid to tarmac but not main path – deemed not appropriate.
	Erect new sign/information board	Both erected.
	Add extension to Allotment Holders Association Office	Existing space remodelled with new walls and doors to make additional office. Space re-decorated. New heaters and kitchen area and new disabled access flushing toilet installed.

	Repair / replace taps and water pipes where necessary	All pipe-work and standpipes replaced at the site.
	Hatherley Road	
	Repair / replace fencing and gate where necessary	Gate replaced.
	Lay tarmacadam paths through site including car park	Drive and car park laid to tarmac with drainage gulley and pipe installed.
	Erect new sign/information board for site	Both erected.
	Repair / replace taps and water pipes where necessary	All pipe-work and standpipes replaced. New supply in conjunction with Severn Trent to increase water pressure.
	Fit toilet on site	Done.
	Hayden Road	
	Landscape area where necessary	Hayden Two ploughed and entire site laid out and prepared for 50 new plots in 2008. Hayden One: Tree work undertaken and derelict plots renovated.
	Erect new sign/information board for site	Both erected.
	Repair / replace taps and water pipes where necessary	Replacement system not required. Some tap replacements addressed in 2010 Action Plan.
	Fit toilet on site	Two installed.
	Midwinter	
	Repair / replace fencing and gate where necessary	Replacement not necessary. Some gate repairs undertaken and fencing materials provided for wardens to undertake on-going upkeep.
	Lay tarmacadam paths where necessary	To be addressed in 2010-2015 Action Plan
	Repair existing paths	To be addressed in 2010-2015 Action Plan
	Erect new sign/information board	Both erected.

	Repair / replace taps and water pipes where necessary	12 replacement taps and 10 new standpipes in 2009 in existing and new areas of site. Bloor development necessitates changes to water system, which loops under area to be sold.
	Fit toilet on site	Toilet fitted. Additional toilet required, given size of site and number of tenants.
	Reddings Road	
	Repair / replace fencing where necessary	Edible hedges funded in 2010 and some materials provided for fence repairs and improvements.
	Lay tarmacadam paths through site	Stone path installed entire length of site.
	Erect new sign/information board	Both erected.
	Repair / replace taps and water pipes where necessary	Water system replaced and new standpipes installed.
	Fit toilet on site	Toilet installed.
	Severn Road	
	Repair / replace fencing and gate	Fence replaced. Very positive feedback from plot-holders on improved security.
	Lay tarmacadam paths through site	Entrance and parking area laid to tarmac.
	Erect new sign/information board for site	Both erected.
	Repair / replace taps and water pipes where necessary	Not required.
	Fit toilet on site	Not deemed appropriate: 4 tenants only and estimated cost of £10,000 for toilet.
	Terry Ashdown	
	Repair / replace fencing and gate where necessary	Not necessary.
	Prune perimeter trees where necessary	Trees not on Council owned land. Item will remain on Action Plan in hope that land-owners can be identified and consulted for tree works to go ahead.
	Erect new sign/information board	Both erected.

	Repair / replace taps and water pipes where necessary	Taps repaired. One additional tap outstanding and therefore in Action Plan 2010-2015.
	Fit toilet on site	Fitted.
	Warden Hill	
	Repair / replace fencing and gate where necessary	Palisade gates installed.
	Lay tarmacadam paths through site widening existing path, moving water supply	Stone path laid through site and water supply replaced at the same time, with new standpipes installed, evenly spaced throughout site.
	Erect new sign/information board	Both erected.
	Repair / replace taps and water pipes	Entire system replaced.
	Fit toilet on site	Fitted.
Capital items generated by other parts of the strategy	This will evolve and will be added to through the life of the strategy.	53 new plots created at Midwinter. Land drains installed. Area cleared, weed-killed, ploughed and marked out. New car parks. Similar project at Hayden Two for 50 new plots. Sheds included. Communal areas created at 5 sites. Tree work undertaken at several sites.
	Other items not already on the list Communal composting areas Shredding facilities Secure tool storage as seen at Bristol Manure delivery/storage	Composting area in Hayden Two in place and being used, delivery bays for Midwinter for leaves, chippings and manure not yet completed. Central tool store for Midwinter acquired and awaiting delivery.

<p>To undertake improvements to Hayden 2 allotment site to provide facilities for people with special needs.</p>	<p>To be undertaken as part of the Esmee Fairburn project</p>	<p>Four raised beds suitable for wheelchair use in place. Disabled toilet in place. Communal poly-tunnel suitable for wheelchair access installed. Picnic / meeting area developed with turf and picnic benches installed. Community orchard established. Esmee Fairburn project now completed and various groups making use of the facilities installed.</p>
--	---	---

Key Action 3: Promoting allotment gardening

Aim: To promote allotment gardening to the people of Cheltenham to increase the uptake of allotments and increase the value placed on allotments by the community as a whole.

Target: To increase the number of CBC allotment tenants by 2% each year.

OBJECTIVES	ACTION	2010 REVIEW AND COMMENTS
To develop communication tools to promote allotments.	Produce a new leaflet promoting allotments Improve the allotment information on the website Develop a briefing pack for key council and other staff who could promote allotments through their work, esp. to under-represented parts of the community.	Allotment information re-written for web-site including short videos offering advice about getting started. Further promotion judged unnecessary. Big increase in interest from target groups following media focus on allotments. No longer considered to be a priority for action. Could be taken up again once additional plots available.
To encourage take-up of allotments by groups of people under represented in the current tenants – particularly women, families, people with special needs and people on low incomes.	Develop targeted campaigns to promote allotments to these groups – 1 per annum. Collect data on the representation of these groups in the tenant group and monitor success of campaigns.	See above. Huge uptake of allotments among women and families and many special needs and low income groups now operating on sites as a result of national media interest in allotments. Not considered a priority for action. Could be taken up again once new sites developed and plots available to let. Collection of data on make-up of existing allotment tenants would be time-consuming and costly but some scope to introduce collection of this data as new people go on the waiting list or when they sign the tenancy agreement for a plot. Consider whether priority and which data...
To promote the value of allotment gardening to the whole community as an important part of the town's green spaces.	Participate in Cheltenham in Bloom annually.	Annual participation in Cheltenham in Bloom. Participation in National Allotments Week with events organised by Council achieving local media recognition and coverage. Further involvement in National Allotments Week to be handed over to sites / CDAHA, as more appropriate to organise at site/association level. Clarify position on Cheltenham in Bloom.

<p>To work with other organisations, such as the health and housing agencies, to promote allotment gardening.</p>	<p>Discuss with Primary Care Trust, Cheltenham Borough Homes, Cheltenham Federation of Tenants, Leaseholders and Residents, Housing Associations and Social Landlords others ways in which allotments can meet the needs of their clients.</p> <p>Undertake agreed actions to promote allotments to these groups.</p> <p>Review success and repeat/revise processes.</p>	<p>Currently being undertaken by the private and charity sectors with external groups obtaining funding to support NHS patients, low income families and more. Not considered a priority for further action by Council, given current waiting list for allotments and existing involvement from outside agencies.</p>
<p>To provide advice, guidance and training to new and experienced allotment holders.</p>	<p>Survey tenants to identify advice, guidance and training needs</p> <p>Develop a programme</p> <p>Deliver programme</p> <p>Review success and repeat/amend as appropriate.</p>	<p>Item allocated to CDAHA. Extent of programme delivery or success not known.</p>
<p>To explore ways in which the allotments can be used as a educational resource.</p>	<p>Work with local schools, adult education providers and educational charities to identify opportunities</p>	<p>Decision made for department not to be liaising with or going into schools given new emphasis on food and food production within the education system. Other organisations / agencies fulfilling this role.</p>

Key Action 4: Provision and protection of allotments

Aim: To ensure that there are enough allotments in the right locations, as defined by the guidelines within Key Issue 4.

Target: By 2015 to have halved the residential area which fails to meet the guidelines.

OBJECTIVES	ACTION	2010 REVIEW AND COMMENTS
To ensure that the contribution of allotments is properly recognised in the strategies of the Borough Council and other agencies.	Promote the contribution that allotments make to other key policies and initiatives e.g. Community Plan, Local Plan and Local Development Framework, Regeneration Programme, Social Justice Strategy, Cultural Strategy, Green Space Strategy and ensure that allotments are properly considered in these initiatives.	Allotment provision and food growing is key area in Green Space Strategy which will feed into community and local plans, in whichever format they will take over the coming years.
To identify and dispose of surplus allotment land and reinvest proceeds in acquisition and improvement of other sites.	Work with the Asset & Property Management Working Group, Allotment Forum and Cheltenham and District Allotment Holders Association to ensure that any disposals of allotment land generate appropriate income for allotments elsewhere in the borough.	On-going. Action Plan 2005-2010 dealt with programme of investments and improvements following sale of allotment land in Welch Road. Action Plan 2010-2015 will incorporate additional provision envisaged to be funded by sale of allotment land in Midwinter area.
To protect existing and secure the provision of new allotment sites in areas of need through Planning System e.g. Sect. 106 & SPD.	Identify areas of need for new allotment provision, as part of the Green Space Strategy, and incorporate them in the Local Plan and Local Development Framework, through Supplementary Planning Guidance or directly.	On-going. 2010 application for development in Windsor Street incorporates grow patches / small allotments following recommendation of Parks Department. Study undertaken in 2010 to identify geographic loci of demand and report presented to Head of Properties.
	Develop Supplementary Planning Guidance to help protect existing allotments and secure the provision of new ones.	To be addressed in Action Plan 2010-2015. Demand analysis will be used to develop local standards e.g. plots per thousand households and areas for priority for new provision.

APPENDIX 4

	Negotiate the provision of new allotments in area of need through Section 106 agreements for appropriate development.	Underway. See reference to Windsor Street development above.
	Develop sample S106 agreements for use by planning officers	Action Plan 2010-2015.

Key Action 5: Health, Safety and Environment

Aim: To improve the health, safety and risk management and environmental benefits of allotments

Target: No health and safety or environmental incidents.

OBJECTIVES	ACTIONS	2010 REVIEW AND COMMENTS
To ensure that health and safety risks are known.	Carry out regular reviews of the Health and Safety audit and risk assessment of the condition of allotment sites	Health and safety policy written and allotments included in infrastructure checks for other parks and open spaces. Risk assessments undertaken for works at the sites. New health and safety leaflet written and distributed to all plot-holders. Traffic calming measures introduced on sites with vehicle access. Adoption of ARI health and safety checks. Introduced as item on agenda of wardens meetings.
To implement measure to manage the health and safety risks	To adopt a risk management approach with regular inspections and risk assessments within allotment sites, including following up and resolving identified risks	See above. Important to ensure continued focus on health and safety. Suggest consulting H&S advisor for any additional measures that could be incorporated.
To provide plot holders with advice and guidance on legal, safe and environmentally friendly allotment gardening techniques.	Identify key and current issues for allotment holders Provide information via existing newsletters See actions in Key Issue 1.	Key issues identified and addressed in existing newsletter and also in health and safety leaflet distributed to all plot-holders. Do's and Don'ts guidelines developed and issued to all plot-holders. Suggest review of new tenant pack as in Key Action 1 to see whether additional information beneficial. Review CDAHA or CBC lead on this.
To work with plot holders and others to develop the wildlife value of allotment sites.	Undertake a survey of the wildlife and biodiversity of allotments – current and potential. Identify areas/features for protection and enhancement	Biodiversity audit undertaken. Booklet on improving bio-diversity and wildlife on allotments distributed to 80 plot holders. 2010-2015 Action Plan: Address further through community rangers to identify specific areas for improvement / enhancement, if considered a priority. Allotments scored more highly for bio-diversity than most amenity green spaces.

This page is intentionally left blank

Cheltenham Borough Council

Cabinet – 26th October 2010

Budget Monitoring Report 2010/11 – position as at August 2010

Accountable member	Councillor John Webster, Cabinet Member for Finance and Community Development
Accountable officer	Paul Jones, Head of Financial Services
Accountable scrutiny committee	All
Ward(s) affected	All
Key Decision	Yes
Executive summary	To update Members on the Council's current financial position for 2010/11 based on the monitoring exercise at the end of August 2010. The report covers the Council's revenue, capital, treasury management and the housing revenue account. The report identifies any known significant variations (minimum £10,000) to the 2010/11 original budget and a position statement on major schemes.
Recommendations	<ol style="list-style-type: none"> 1. Note the contents of this report including the key projected variances to the original 2010/11 budget identified at this stage and the potential projected overspend of £801,700 for the financial year 2010/11. 2. If, following the more detailed monitoring process currently being undertaken as part of the budget setting process for 2011/12, the potential overspend is confirmed, take corrective action to ensure that the Council delivers services within the overall net budget for the year.
Financial implications	<p>As detailed throughout this report.</p> <p>Contact officer: Paul Jones, paul.jones@cheltenham.gov.uk, 01242 775154</p>
Legal implications	<p>None directly arising from this report.</p> <p>Contact officer: Nicolas Wheatley. Nicolas.wheatley@tewkesbury.gov.uk, 01684 272695</p>

<p>HR implications (including learning and organisational development)</p>	<p>Vacancy management - Managers and HR Advisors are working together to ensure vacancies are managed effectively. The Executive Board are involved in all recruitment authorisations. The Executive Board's decision to approve or reject a recruitment request is based on the impact on the service delivery and/or loss of income generation if the post were to remain unoccupied.</p> <p>Contact officer: Julie McCarthy , julie.mccarthy @cheltenham.gov.uk, 01242 264355</p>
<p>Key risks</p>	<p>As outlined in Appendix 1.</p>
<p>Corporate and community plan Implications</p>	<p>Key elements of the budget are aimed at delivering the corporate objectives within the Corporate Business Plan.</p>
<p>Environmental and climate change implications</p>	<p>None.</p>

1. Background

- 1.1 This report provides the second monitoring position statement for the financial year 2010/11. The purpose of this report is to notify members of any known significant variations to budgets for 2010/11 and highlight any key issues, allowing Members to take action if required.
- 1.2 Financial Services carry out a regular budget monitoring exercise for services in liaison with Assistant Directors and cost centre managers. This identifies any variations from the current approved budget that are anticipated to occur in the financial year. The current approved budget is the original budget 2010/11 agreed by Council on the 12th February 2010, subject to any amendments made under delegated powers (for example supplementary estimates, virement, etc). Possible significant variations to revenue budgets are outlined in this report.

2. Net revenue position

- 2.1 The table below summarises the net impact of the variances identified at this stage in the financial year, projecting the position to the end of the financial year.

Significant budget variances (> £10,000)	Overspend / (Underspend) £	para. ref:
General		
Employee costs – Pay Award 2010/11	(120,000)	2.3
De-commissioning costs	190,000	2.4
Procurement	120,000	2.5
Human Resources		
Loss of income from shared service	57,200	2.7
Chief Executives & Policy		
Audit and Assurance – shared service saving	(42,400)	2.8
Wellbeing & Culture		
Leisure@ – additional income	(30,000)	2.9
Art Gallery & Museum and Tourism – shortfall of income	23,700	2.11
Community Services		
Housing Standards – shortfall of income	17,500	2.13
Built Environment		
Concessionary Fares – overspend	58,000	2.14
Off Street car parking – shortfall of income	517,000	2.15
Royal Well Bus Station	(2,500)	2.16

Land Charges – shortfall of income	40,000	2.19
Miscellaneous Properties – net additional income	(18,000)	2.20
Operations		
Recycling fees – surplus income	(90,000)	2.21
Trade waste – shortfall of income	50,000	2.22
GCC Schools contract – shortfall of income	25,000	2.23
Montpellier Cafe – surplus income	(22,000)	2.24
Central Cross Drive Cafe - overspend	15,000	2.25
Treasury		
Interest shortfall	203,200	3.4
Use of balances and reserves	(190,000)	2.4
Total projected overspend	801,700	

2.2 Savings from employee costs

The 2010/11 original budget included a target of £400,000 from salary savings to be made throughout the council from vacant posts arising during the year. An initial assessment of vacant posts (i.e. staff turnover) in the first five months of the year would indicate that this budget saving is likely to be achieved during 2010/11.

- 2.3 The original budget for 2010/11 was set with the assumption of a 1% pay award, whereas it has now been agreed nationally that will be a pay freeze. This is likely to result in a saving to the council in the region of £120,000 in 2010/11.

2.4 Costs associated with organisational restructures

The restructure of the Entertainments and Tourism Divisions has generated decommissioning costs of £190,000. This will be off set by the restructure savings over a three year period, in line with the councils restructure policy. In order to realise this revenue saving at the earliest opportunity, council will be asked to recommend the use of the General Reserve as part of the budget setting process to fund these one-off costs. This will then realise annual revenue savings of £63,000 from 2011/12.

2.5 Procurement

The Procurement Team has developed a work-plan, using historic spend data, to identify potential savings of £120,000 in respect of current expenditure on supplies and services in 2010/11.

- 2.6 So far, the team has identified £62,057 by comparing invoices paid against newly negotiated costs. However, because these savings cannot be readily matched to budget allocations, further work is required in order to identify the specific budget codes that will be reduced so that the savings are actually delivered.

- 2.7 This issue has been raised and discussed by the Senior Leadership Team and it has been

agreed that further work will be undertaken in order to ensure the savings are cashable.

2.8 Human Resources – shared service with Tewkesbury BC

At the time the budget was agreed in February 2010 savings of £57,200 were anticipated for 2010/11 from the sharing of strategic HR support with Tewkesbury Borough Council and the merging of the two HR teams. Income of £24,000 has been received for interim HR advice provided, however as agreed by Cabinet in July 2010, this will be retained within the Sourcing Strategy programme. Since this shared service will not now be going ahead there is a therefore shortfall in the current year of £57,200.

2.9 Audit and Assurance

On the 1st October 2009 Audit & Assurance Services for Cheltenham Borough Council joined with Internal Audit from Cotswold District Council as a formal partnership and is expected to make a saving of £42,400 in 2010/11 against the base budget as a result of de-commissioning costs being funded in 2009/10.

2.10 Leisure@

Based upon trading to 31st August 2010, it is expected that there will be a surplus in overall income of £30,000 for 2010/11. Leisure@ is performing well in terms of some key objectives, filling vacant space in the halls has been the main contributor accompanied by a general increase in volumes of trade.

2.11 There is a net overspend in gas and electricity budgets of £30,000 for the year to date. These budgets will be reviewed within the Council's overall gas and electricity budgets as part of the 2010/11 revised budgets. This overspend is offset by a net underspend in expenditure budgets for the year to date

2.12 Art Gallery & Museum and Tourism

Based on income generated to 31st August 2010, it is expected that there will be a total shortfall of income in the Art Gallery & Tourism service of £23,700 for the full trading year 2010/11. This includes £17,300 shortfall in shop trading, against a budget of £58,300. This is due to a reduction in shop activity pending the closure of the museum for redevelopment.

2.13 The expected shortfall also includes £7,900 in catering income, due to the temporary contract in place for the AG&M café (no rental payments, but commission on sales). The level of sales is such that minimal commission is expected to be payable to the Council In 2010/11

2.14 Stronger Communities – Housing Standards

There is an anticipated shortfall of £17,500 in the housing standards budget, in the Houses in Multiple Occupation register fees. The income budget for these fees has been approved at £43,500 for 2010/11, but is anticipated that the annual income achievable is approximately £26,000 based on the current number of properties and fees set. This shortfall has been factored into the Medium Term Financial Strategy and the revised budget 2010/11 and original budget 2011/12 will be reduced to £26,000 accordingly.

2.15 Concessionary Fares

Cheltenham Borough Council is a member of the Gloucestershire County Council's countywide concessionary travel scheme. The cost allocations for the countywide scheme are controlled by the consultants (JMP), who provide administrative support for the County Council as the administering authority. A financial settlement with the major operator, Stagecoach, covering all of the districts for the financial years 2008/09 to 2010/11. However the Council is likely to be left with a funding shortfall in the region of £65,000 in 2010/11 to fund the increased journeys undertaken by concessionaires on bus services provided by other operators. This reflects fare increases and continued growth in use of the scheme, despite the Government's recent announcement to phase in an increase in the age of eligibility for bus passes. There is, however, an anticipated saving in the year on Taxi Vouchers of £7,000, leaving an expected net overspend on this cost centre of

£58,000.

2.16 Off-street Car Parking Income

Income from off-street parking is composed of two elements – fines and fees. In considering fine income we need to include the actual income paid and also the potential income that could result from bailiff action to recover unpaid fines. The combined figures from both sources suggest that fine income is anticipated to fall short of the profiled budget by £57,000 as at the end of August which could result in an annual shortfall against budget of £135,000. Additionally fee income is £115,000 behind the profiled budget as at the end of August 2010. The number of ticket sales is reduced by 5% compared with the same period last year, which is supported by the April 2010 town centre footfall figure showing a decrease of 3.7% on April 2009. If this trend were to continue throughout the year this could result in an annual fee income shortfall against budget of £285,000. The major maintenance works recently undertaken by the ex-utility companies combined with the maintenance program being undertaken by Severn Trent Water for the western side of the town centre may further impact on the current position. It is also proposed to resurface Regent Arcade car park in the current financial year for which compensation is payable, however the effect of disruption cannot be overlooked. The Bridging the Gap programme for 2010/11 has increased by £122,000 the income targets across a number of new initiatives for off-street parking. To date no additional income has been generated from these schemes, however, they are currently being reviewed for sustainability by the Parking Manager and it is anticipated that an additional £25,000 could be raised in the remainder of the current financial year, represented by £7,500 from Chapel Walk, £7,500 Coronation Square permits and £10,000 Synagogue Lane and Coach parking in North Place, leaving a shortfall of £97,000 against the annual target. Due to the heavy seasonal profiling of off-street parking income it is difficult to predict the exact trend in the current financial year. Future budget monitoring reports will provide updated positions with a greater degree of accuracy.

2.17 Royal Well Bus Station

The Bridging the Gap programme has required additional income of £20,000 to be generated from this site. This target is currently being assessed by the Parking Manager. It is anticipated that no additional income will be raised as a result of this initiative in the current financial year leaving a shortfall against target of £20,000. However, a one-off recovery of sponsorship fee income this year of £22,500 will result in a net over recovery of income of £2,500 this financial year.

2.18 Land Charges fees

The income figures for the first five months of the financial year show the level of income to be £18,000 behind the budgeted target. If this trend continues throughout the year the annual shortfall would be in the region of £40,000.

2.19 Miscellaneous Properties

This cost centre will be under spent at year end due to additional income generated from property rentals of £18,000. This is due to additional occupation of vacant units and recovery of rental sums not previously levied.

2.20 Recycling Income

The prices obtained for recyclate in the first quarter of the financial year were buoyant. Further increases in recyclate prices were obtained for July 2010. The net effect of these increases in prices has resulted in an over recovery of income against budgeted expectations of £44,000 as at the end of August. Should the recent increase in prices be sustainable throughout the remainder of the financial year this would result in an annual over recovery of income against budget of £90,000.

2.21 Trade waste

Income from the trade waste collection service is anticipated to be under recovered against the

budgetary target by £50,000 in the full year 2010/11. This is primarily due to the loss of trade contracts following the downturn in economic activity with a particular emphasis on major retail outlets and smaller town centre businesses.

2.22 GCC Schools contract

Income for the current financial year is £37,500 behind the budgeted target as at the end of August. It is anticipated that this will result in an annual deficit in income against budget of £90,000. This is as a result of some schools opting out of local authority control. In-year costs saving measures are anticipated to result in annual savings of £65,000 leaving a net additional cost of £25,000 this financial year.

2.23 Montpellier Cafe

Income from this trading outlet as at August 2010 is £19,000 ahead of budgeted expectations. It is anticipated that by the end of the trading season there will be an excess of income against budget of £22,000.

2.24 Central Cross Drive Cafe

Expenditure on agency labour and supervision to resource this facility during the summer months will exceed budgetary expectations by £15,000. This is primarily due to the requirement to facilitate the operation for one additional year pending the outcome of the report of the Assistant Director Operations relating to potential future operating options.

3. Treasury Management

3.1 Icelandic Banks

Members will be aware, the estimated loss on these investments at 31st March 2010 was capitalised in 2009/10, enabling the Council to spread the cost over the next 20 years. The additional annual cost of £221,500, which is added to the Minimum Revenue Provision (MRP), has been found in 2010/11 by a transfer from reserves and virement as agreed by Council in February 2010, and for future years has been built into the Medium Term Financial Strategy (MTFS).

3.2 The amount capitalised is the loss as estimated at 31st March 2010, based on the best information available at the time, and may change as further information becomes available as to the likely amounts and timing of repayments. The loss assumes in the case of the Glitnir bank loan that local authority deposits do not have priority status and in the case of the Landsbanki loans, that they do have priority status.

3.3 No further information has so far become available which would significantly affect the estimated loss at 31st March 2010. Data is being collected to enable court cases on priority status to proceed, but it is unlikely a definitive decision on this will be made until mid 2011. In July 2010 the Council unexpectedly received an increased distribution relating to the Kaupthing, Singer & Friedlander (K&SF) loans of 10p in the £ (only 6p in the £ had been expected), however the total amount recoverable (65p to 78p in the £) is not expected to change. A further distribution is expected in November/December 2010.

3.4 Treasury Management Activity

There is a predicted shortfall of interest of £23,700 to report on Treasury Management for 2010/11. However the General Fund is £203,200 adverse against the 2010/11 original budget while the Housing Revenue Account (HRA) is £179,500 favourable against the original budget.

3.5 The primary reason for the shortfall in the General Fund is that the calculation for the HRA Item 8 Credit which was estimated in December 2009 predicted the consolidated rate of interest to be

4.00% on all borrowing for this financial year. This interest rate was calculated based on a forecast that interest rates would start to rise from October 2010. Interest rates are now forecast to remain at 0.50% for a while longer and this has resulted in the consolidated rate being more likely to be 3.11%. This may result in the HRA paying £169,700 less interest to the General Fund for 2010/11.

- 3.6 HRA opening revenue balances for 2010/11 are higher than what was estimated when calculating this budget and also lower revenue balances are required for capital financing. This would result in the HRA receiving £9,800 more in interest from the General Fund.
- 3.7 Lending interest is also forecast to be down by £29,700 against the estimated budget as a rise in interest rates was forecast to commence around October 2010 but this is now unlikely to happen with the economy as it stands and with rates looking to remain at 0.50% for the foreseeable future.
- 3.8 Short term borrowing interest is forecast to be under spent by £6,000 against the 2010/11 budget due mainly to achieving an average rate of 0.45% against a budgeted estimate of 0.86% for all temporary borrowing.

4. Capital expenditure

- 4.1 Possible significant variances to the 2010/11 original capital budgets and a position statement on major capital schemes are detailed below:
- 4.2 A budget of £750,000 has been allocated for the replacement of the cremators in 2010/11. The project is underway with tenders being evaluated. It is anticipated that spend of around £200,000 will be made as the works commence in the current year. The balance will be required in 2011/12 to complete the project.
- 4.3 The council's share of the refurbishment costs at the Regent Arcade has been set aside in the capital programme. At present, more information is required before a final determination can be made. A projected outturn will be reported in the next budget monitoring report.
- 4.4 Work on Leckhampton Hill dry stone wall has been put on hold since June 2010. 80% of the funding for this project has been provided by Natural England on the basis that CBC contributes 20%. However, the scale of the project has meant that CBC has run out of resource to fund its contribution and is now seeking additional grant funding so that the project can continue. A decision is due imminently regarding its application and should this be successful the project will continue and CBC will recommence accessing its Natural England allocation.
- 4.5 CCTV in Car Parks currently has an allocation of £84,000. Works totalling £71,000 have currently been committed and the balance of £13,000 will be held over pending the identification of works at Grosvenor Terrace and Regent Arcade once committed works have been reviewed.
- 4.6 The Business Change Programme originally held over £20,000 to support work on the bid to provide the GO Centre of Excellence for Support and Hosting. This budget has not been required and will therefore be available to allocate to future schemes.
- 4.7 There is an anticipated under spend of £200,000 – £300,000 on Private Sector Renewals (PSR). However, there are a number of different options being considered for the use of the under spend, including the potential to use PSR funding for Disabled Facilities Grant purposes.

5. Programme maintenance expenditure

- 5.1 For the most part, the programme maintenance planned for the year remains in scope and plans

are in place for delivery. However, a few projects have been put on hold pending the outcome of various reports and reviews.

- 5.2 The electrical upgrade at the Central Nurseries houses was budgeted to cost £43,000. This is currently on hold pending a Cabinet report to decide whether or not to proceed.
- 5.3 Works to the Municipal Offices totalling £10,000 have been put on hold pending the outcome of the Accommodation Review of the building.
- 5.4 Priors Farm Pavilion had a budget allocation of £111,000 brought forward from 2009/10 to cover its refurbishment. However, following Gloucestershire Youth Services sponsoring an extension at Naunton Park Pavilion this money has been reprioritised to fund the refurbishment of the existing building. The money will need to be carried forward into 2011/12 as the client has restricted access to the building until the end of the financial year.
- 5.5 Around £14,000 of works at the Depot have also been put on hold as a result of the need to contribute to the remediation and replacement of fuel tanks at the site. A business case is currently being put together for this project and the programme maintenance budget will be held back pending its completion.
- 5.6 Following a decision by the Corporate Asset Group and the Asset Management Working Party to no longer sell 55 Bath Road, around £30,000 of refurbishment works will be required to bring the building up to an acceptable standard for leasing.
- 5.7 Pending the completion of negotiations around the Everyman Theatre's full repairing lease, allocated monies of £30,000 may no longer be required. This will be reviewed over the next couple of months.

6. Housing Revenue Account (HRA)

6.1 HRA Capital Programme

The HRA budget for 2010/11, approved in February 2010, estimated a surplus of £597,700 for the year resulting in a balance of £1,642,900 to be carried forward in revenue reserves at 31st March 2011. Significant variations identified to date are:

Category	Reason for variation	£
Saving in interest payable	Reduced interest rates (see para 3.5).	169,700
Additional interest receivable	Net impact of higher reserves and lower interest rate, partially offset by reduced mortgage interest.	6,500
Reduction in subsidy payable	Lower interest rate.	51,000
Reduced requirement for revenue contributions to capital expenditure	Lower capital spend in year (see para 6.4 below).	282,000
Net additional resources		509,200

- 6.2 The outturn position for 2009/10 also showed an increased level of reserve at 31st March 2010 of £1,580,800. The impact of these variations will be to increase the forecast surplus for 2010/11 to £1,106,900 and revenue reserves at 31st March 2011 to £2,687,700.

6.3 HRA Capital Programme

The capital programme for the year was approved at £4,482,000. This included an estimate of £1,000,000 for transformational improvements to existing stock in St. Pauls. This work is to be carried out in conjunction with the CBH new build programme on the estate. The project is now expected to start in January 2011 and expenditure in year will reduce to £300,000 with the balance transferring to 2011/12. This has given an opportunity to bring forward other works, originally programmed for 2011/12, in substitution. These include £312,000 for balcony repairs and further neighbourhood works at Edward Wilson House and Scott House, soffit board replacement (£72,000) and door replacement (£60,000).

- 6.4 Overall capital expenditure is now forecast at £4,115,800 with a reduction in revenue contributions as detailed above.

7. Council tax and Business rates collection

- 7.1 The monitoring report for the collection of council tax and business rates (NNDR) income is shown in Appendix 2. This shows the position at the end of August 2010 and the projected outturn for 2010/11.

8. Sundry debt collection

- 8.1 The monitoring report for the collection of sundry debt income is shown in Appendix 3. This shows the position at the end of August 2010.

- 8.2 The invoices raised as a consequence of the Council's rechargeable repairs and voids policy are challenging to collect but represent an essential control in keeping the stock in good condition at an affordable cost. Given the nature of the charges and past recovery rates the internal audit section has previously recommended provision for bad debts be made at a rate of 90% of sums outstanding. Since the introduction of the policies a combined cash collection rate of 15.8% has been achieved (25% for rechargeable repairs to current tenants and 10% for void dilapidations). This recovery work is resource intensive and CBH is constantly reviewing methods and procedures to improve cost effectiveness. The team is currently working through a back log of write offs, provision for which has already been made in the Housing Revenue Account.

9. Section 151 Officer advice

- 9.1 The council has a sound track record for delivering services within budget. The monitoring report is clearly an estimated position and there are many variables which may result in a more favourable outturn for the year than currently predicted. The position is not unexpected given the impact of the current economic climate on investment interest, planning related income and car parking and the additional costs of concessionary fares. In fact, a number of these areas were highlighted in the monitoring report presented to Council on 28th June 2010 and are now factored into the funding gap projection for 2010/11.
- 9.2 The council's MTFs is being updated to reflect the potential implications arising from this report, detailed in the separate budget strategy report to Cabinet.
- 9.3 If, following the more detailed monitoring process currently being undertaken as part of the budget setting process for 2011/12, the potential overspend is confirmed the Cabinet will need to take corrective action to ensure that the Council delivers services within the overall net budget for the year. There is a strong possibility that this will require a contribution from General Balances and is identified within the risk assessment at Appendix 1.

10. Conclusion

- 10.1** This report summarises the results of a broad monitoring exercise at an early stage in the year which reports a position which may result in the identification of further projected net variances identified during the more detailed budget monitoring exercise referred to above.
- 10.2** In view of the present difficult economic circumstances, a more radical review of reserves took place as part of the 2009/10 budget setting process whereby the General Reserve was increased to support the budget over this difficult period. A review of reserves identified the re-alignment of reserves totalling £1,051,000 to the General Reserve to protect the existing service levels from further fluctuations in interest rates, potential implications from the Icelandic banks situation and further reduction in income levels.
- 10.3** The continued impact of the economic recession and the uncertainty in the banking system present particular concerns for the council's budgets. It is clearly important to ensure that budgets are more closely monitored over the coming months with a view to taking action at a future date, if necessary, in order to ensure that the Council delivers services within budget.

11. Consultation

- 11.1** The work undertaken to produce this report has involved consultation with a wide number of services and cost centre managers.

Report author	Contact officer: Paul Jones, Head of Financial Services paul.jones@cheltenham.gov.uk, 01242 775154
Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. Council Tax and NNDR collection 3. Sundry Debt collection
Background information	<ol style="list-style-type: none"> 1. Section 25 Report – Council 12th February 2010 2. Final Budget Proposals for 2010/11 – Council 12th February 2010

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1.	Unable to take corrective action in respect of reduced income streams.	Cabinet	June 2010	3	6	18	Reduce	In preparing the revised budget for 2010/11, SLT to consider the options for offsetting reduced income streams by analysing and reducing the level of expenditure across the Council.	December 2010	SLT	Corporate Risk Register
2.	Requirement to fund projected overspend from General Balances would result in General Balances falling below the minimum range of £1.5m to £2m set by the Chief Finance Officer.	Cabinet	June 2010	3	6	18	Reduce	In preparing the revised budget for 2010/11, an exercise to realign earmarked reserves will be undertaken in order to strengthen the level of General Balances.	December 2010	Chief Finance Officer	Corporate Risk Register

Page 104

Guidance

Types of risks could include the following:

- Potential reputation risks from the decision in terms of bad publicity, impact on the community or on partners;
- Financial risks associated with the decision;
- Political risks that the decision might not have cross-party support;
- Environmental risks associated with the decision;
- Potential adverse equality impacts from the decision;
- Capacity risks in terms of the ability of the organisation to ensure the effective delivery of the decision
- Legal risks arising from the decision

Remember to highlight risks which may impact on the strategy and actions which are being followed to deliver the objectives, so that members can identify the need to review objectives, options and decisions on a timely basis should these risks arise.

Risk ref

If the risk is already recorded, note either the corporate risk register or TEN reference

Risk Description

Please use “If xx happens then xx will be the consequence” (cause and effect). For example “If the council’s business continuity planning does not deliver effective responses to the predicted flu pandemic then council services will be significantly impacted.”

Risk owner

Please identify the lead officer who has identified the risk and will be responsible for it.

Risk score

Impact on a scale from 1 to 4 multiplied by likelihood on a scale from 1 to 6. Please see risk [scorecard](#) for more information on how to score a risk

Control

Either: Reduce / Accept / Transfer to 3rd party / Close

Action

There are usually things the council can do to reduce either the likelihood or impact of the risk. Controls may already be in place, such as budget monitoring or new controls or actions may also be needed.

Responsible officer

Please identify the lead officer who will be responsible for the action to control the risk.

For further guidance, please refer to the [risk management policy](#)

Transferred to risk register

Please ensure that the risk is transferred to a live risk register. This could be a team, divisional or corporate risk register depending on the nature of the risk and what level of objective it is impacting on

This page is intentionally left blank

Council Tax and Business Rates Collection Rates 2010 - 2011

Business Rates 2010/2011

Current Year Charges - 2010/2011					Comments
	% Collected	August 2010 Target	2010/2011 Target	Revised 2010/2011 Target	
Period	As at 31.08.10	As at 31.08.10	As at 31.03.11	As at 31.03.11	
	54.58%	56.00%	98.45%	N/A	
Comparison with 2009/2010	As at 31.08.09		% Collected 31.03.10	Top Quartile	
	56.33%		98.41%	N/A	

The current collection rate is lower than the target for the end of August and less than at the same time last year. We are monitoring collection levels closely and working with businesses to assist them during the downturn in the economy. However, at this stage we are still optimistic that we can achieve the year end target of 98.45%

Previous Years Charges Outstanding in Current Year (2010/2011)					Comments
	Previous Year Debts Outstanding	August 2010 Target	2010/2011 Target	Revised 2010/2011 Target	
Period	As at 31.08.10	As at 31.08.10	As at 31.03.11	As at 31.03.11	
	£616,345	£500,000	£240,000	N/A	
Comparison with 2009/2010	As at 31.08.09		Amount o/s 31.03.10	Top Quartile	
	£471,660		£238,558	N/A	

The arrears are higher than the target and higher than at the same time last year. Again, we are monitoring the position closely due to the effects of the downturn in the economy but at the moment remain optimistic that we can achieve the year end target of £240k

Council Tax 2010/2011

Current Year Charges - 2010/2011					Comments
	% Collected	August 2010 Target	2010/2011 Target	Revised 2010/2011 Target	
Period	As at 31.08.10	As at 31.08.10	As at 31.03.11	As at 31.03.11	
	48.20%	48.18%	98.20%	N/A	
Comparison with 2010/2010	As at 31.08.09		% Collected 31.03.10	Top Quartile	
	48.17%		98.18%	N/A	

The current collection rate is slightly higher than the target and higher than at the same time last year which is a very good achievement in the current economic climate. We continue to work with council tax payers having difficulty in paying and are monitoring collection levels closely. At this stage we are optimistic that we will achieve our year end target which is 98.2%

Previous Years Charges Outstanding in Current Year (2010/2011)					Comments
	Previous Year Debts Outstanding	August 2010 Target	2010/2011 Target	Revised 2010/2011 Target	
Period	As at 31.08.10	As at 31.08.10	As at 31.03.11	As at 31.03.11	
	£1,146,000	£1,150,000	£690,000	N/A	
Comparison with 2010/2010	As at 31.08.09		Amount o/s 31.03.10	Top Quartile	
	£1,091,599		£680,499	N/A	

The arrears are slightly higher than the target and higher than at the same time last year. Again, we are monitoring the position closely and working with council tax payers having difficulty in paying, but at the moment remain optimistic that we can achieve the year end target of £690k

This page is intentionally left blank

Sundry Debtor Invoices Outstanding 2010 - 2011

Sundry Debt 2010/2011

Current Year Invoices - 2010/2011								
	Current Year Invoices Raised		Current Year Invoices Outstanding		Invoices outstanding more than a month (Exc Instalment Invoices)		% of invoices outstanding more than one month	Target
Period	As at 31.08.10		As at 31.08.10		As at 31.08.10		As at 31.08.10	As at 31.08.10
General Fund Invoices	4,650	£3,109,865	1,643	£1,076,782	248	£138,639	15.5%	Less than 15%
HRA Invoices	1,062	£153,029	514	£142,573	235	£52,871	45.7%	Less than 50%

Previous Year Invoices Outstanding in 2010/2011								
	Previous Year Invoices Outstanding		August 2010 Target					2010/2011 Yearend Target
Period	As at 31.08.10		As at 31.08.10					As at 31.03.11
General Fund Invoices	206	£271,434	£250,000					£50,000
HRA Invoices	1,084	£261,719	£200,000					£140,000

This page is intentionally left blank

Cheltenham Borough Council

Cabinet – 26 October 2010

Budget strategy and process 2011/12

Accountable member	Cabinet Member for Finance and Community Development , John Webster
Accountable officer	Chief Finance Officer, Mark Sheldon
Accountable scrutiny committee	Economy and Business Improvement
Ward(s) affected	All
Key Decision	Yes
Executive summary	The purpose of this report is to propose a broad strategy and outline a process for setting the budget, housing rents and council tax for 2011/12. It outlines a number of principles that need to be established at this stage to enable budget preparation to commence.
1. Recommendations	<ol style="list-style-type: none"> 1. Approve the budget setting timetable at Appendix 2. 2. Note the estimated funding gap for 2011/12 of £2.6m at Appendix 3, based upon a freeze in council tax increase. 3. Approve the budget strategy outlined in section 5 below.

Financial implications	<p>This report sets out the budgetary process for 2011/12 and the general financial parameters under which the budget will be prepared.</p> <p>Contact officer: Mark Sheldon, mark.sheldon@cheltenham.gov.uk, 01242 264123</p>
Legal implications	<p>The budget process is governed by the Budget and Policy Framework Procedure Rules (contained in the Council Constitution) and the process recommended in this report is designed to meet and exceed the requirements of those Rules.</p> <p>Contact officer: Julie McCarthy, julie.mccarthy@tewkesbury.gov.uk, 01242 264355</p>
HR implications (including learning and organisational development)	<p>None at this stage, other than the need to ensure proper consultation with staff and trade unions in relation to the budget.</p> <p>Contact officer: Peter Lewis, peter.lewis@tewkesbury .gov.uk, 01684 272012</p>
Key risks	See risk assessment at Appendix 1.

Corporate and community plan Implications	The annual budget aims to deliver the outcomes defined by the council corporate business plan and resourcing should be aligned to the delivery of corporate plan priorities.
Environmental and climate change implications	None arising from this report

1. Background

- 1.1 The responsibility for preparing the budget in line with the Council's policy framework, taking proper account of technical and professional advice and presenting proposals to Council for approval, lies with the Cabinet.
- 1.2 It is customary for the Cabinet Member for Finance, at this time of year, to present a report on the budget process. In view of the scale of the budget funding gap and the political balance of the Council, this report aims to outline a process designed to arrive at an acceptable budget.

2. Budget / business planning timetable

- 2.1 The budget and policy framework requires that the Council publish a timetable setting out the key dates in the budget setting process. A draft budget timetable, attached for approval at Appendix 2, sets out the sequence of events leading up to the setting of the budget and council tax level for the Council for 2011/12 and the council business plan.
- 2.2 The timetable allows sufficient time to consider alternative budget proposals or amendments put forward to the budget proposed by the Cabinet.
- 2.3 The following fundamental principles, established in previous budget rounds, are incorporated into the process of determination of the budget for 2011/12.
- Cabinet make timely decisions in order to assist the officers in presenting the budget proposals to Cabinet and Council in accordance with the timetable.
 - Opposition parties work up alternative budget proposals ready for initial budget meeting in February 2011, validated by Financial Services.
 - Members aim to set Cheltenham Borough Council's budget and council tax at the initial Council meeting.

3. 2011/12 and MTFs funding gap

- 3.1 Included in the budget presented to Council in February 2010 was an estimate of the Medium Term Financial Strategy (MTFS) which identified a funding gap of £1.7m for 2011/12 between what the Council will need to spend to maintain services and what it can spend assuming an illustrative council tax increase of 2.5%. The MTFs also identified a funding gap over the period of the MTFs (2012/13 – 2015/16) of £3.4m.
- 3.2 During the current year, these projections have been updated and it was estimated, based on the emergency budget on 22nd June 2010, that the budget gap for 2011/12 may increase to £2.4m and the MTFs funding gap increase to £4.7m based on a cut in Government support of 25% over the period of the MTFs.
- 3.3 The MTFs projection has been reassessed to include the latest view of the financial implications of more recent developments, attached at Appendix 3, which now project the funding gap for 2011/12 to be £2.6m and the MTFs funding gap to be £4.8m based on a cut in Government

support of 25% over the period of the MTFS assuming a 10% cut falling in 2011/12. Clearly the big uncertainty is the impact of the comprehensive spending review announcement and the financial outcome of the proposals to transfer responsibility for concessionary fares from the districts in Gloucestershire to Gloucestershire County Council from 1st April 2011. The Council tops up the cost of the scheme by in excess of £1m above the level of funding provided by the Government. Early indications are that this top up will be taken away from the Council as a result of the transfer of responsibility. The Council is lobbying against this proposal. The MTFS projections may be updated at the meeting to reflect the level of cuts announced in the spending review on 20th October 2010. It is anticipated that the announcement will provide an indication of the level of cuts but the exact impact on the level of government support will not be announced until mid to late November 2010.

- 3.4 The economic downturn continues to impact on the Council's finances with depressed income levels for car parking income, investment returns and housing activity showing no sign of recovery. The budget monitoring exercise for the current year would indicate that, unless corrective action is taken to address the potential overspend in 2010/11, the General Reserve would be significantly depleted, placing further pressure on the Council's overall resources.

4. Council tax

- 4.1 In the emergency budget, the coalition government indicated that it wished to see council tax frozen for 2010/11 and suggested that it would support Council in doing so. The Council has yet to see how and if this will be funded.
- 4.2 In making decisions about the budget and level of council tax, the Cabinet is aware that every 1% increase in council tax generates additional revenue to fund services of around £77,000.

5. Cabinet Budget Strategy

- 5.1 The Cabinet is also acutely aware that, in the present state of the economy, many Council taxpayers are struggling financially.
- 5.2 The main thrust of the 2011/12 budget is for the Council to respond to the current economic crisis to play its part in helping the country manage its way out of recession into economic recovery. The key aims in developing an approach to the budget is to:
- Protect frontline services, as far as possible
 - Develop longer term plans for efficiencies over the period of the MTFS including increasing emphasis on shared services and a new approach to commissioning services.

'Bridging the Gap' Programme

- 5.3 The perpetual "budget gaps" continue to present a huge challenge to the Council. The scope for finding savings by 'salami slicing' at the edges of Council expenditure has gone having taken this approach for a number of years. The Council recognises the need to take a long term strategic approach and continually works throughout the year to address the budget problem through the 'Bridging the Gap' programme.
- 5.4 The following summarises the activity undertaken and the development of the programme.

Asset Management

- 5.5 The Council has a significant property portfolio including some key public buildings which place significant pressure on the Council's budget and represents a significant cost to the tax payer. Annually the Council is planning to increase its budget by some £200k (equivalent to 2.5% Council

tax) in order pay the annual cost of around £1.4m on the maintenance of public buildings. Through this BtG work stream, the Council is aiming to reduce the net cost of the Council's property portfolio through reducing the size of the asset base, increasing income from investment properties and increasing income from the sale of surplus properties.

Shared Services

- 5.6 Through this BtG work stream, the Council is actively considering the sharing of services with other organisations in order to make savings through the economies of scale and service resilience in the face of reducing budgets. The Council has already developed a shared service with Tewkesbury Borough Council for Legal Services and Building Control and Audit Services with Cotswold District Council. The business case for a shared Enterprise Resource Planning (ERP) system to replace individual payroll, HR and finance systems in 4 district councils (Cheltenham, Forest of Dean, Cotswold and West Oxfordshire District Council) with one system has now been approved by this council and Forest of Dean council and we await Cotswold and West Oxford district council decisions. The project is expected to deliver significant savings in back office functions.

Service reviews / Systems thinking

- 5.7 This work stream seeks to examine how services are provided in order to seek improvements and efficiencies and reduce costs through the use of 'systems thinking' analytical approaches.

Identification of further savings

- 5.8 Given that the immediate budget gap for 2011/12 has increased since February 2010 and that the longer term MTFS may increase as a result of a Government squeeze on public sector spending, the Council cannot be complacent about the future. As such, officers were asked to consider the potentially more significant cuts in funding and the implications in their services. Meetings have taken place over the summer to discuss these options. The Cabinet will consider these proposals in preparing the interim budget in light of the Cabinet's non priority areas.

Service growth

- 5.9 The Cabinet's initial approach is that, given the difficult financial situation, there should be no growth in services except where there is a statutory requirement or a compelling business case for an 'invest to save' scheme.
- 5.10 Officers and members will need to base decision-making, particularly requests for additional resources, upon the priorities in the Business Plan. Overview and Scrutiny Committees will be invited to review and feedback to the Cabinet their priorities for relevant bids received. These priorities will be considered by the Cabinet in pulling together the consultation budget.

Review of Medium Term Financial Strategy (MTFS)

- 5.11 The current MTFS makes certain assumptions about future financial pressures. As part of the preparation of the interim budget proposals, the MTFS projections will be re-visited in detail. Over the next few months, officers have been asked to flag up any additional pressures or revisions to the financial assessment of existing items.
- 5.12 The Council, as part of its work on corporate governance, has a corporate risk management strategy and corporate risk register, which highlights key risks to the organisation in achieving business objectives. The high level risks will need to be addressed as part of the budget process and may require additional resources or the re-direction of existing resources to mitigate unacceptable levels of risk. These risks are regularly reviewed by the Corporate Governance Group.

- 5.13 The Council is in the process of developing its corporate strategy and is looking to develop a joint corporate strategy and MTFS. Currently consultation work is underway and stakeholders, interested groups and residents are being asked to confirm the direction of the business plan through the identification of priority areas for the council for the future. This may be used to re-direct resources over the period of the MTFS.

6. Budget Setting Process 2011/12 – key stages

- 6.1 In approaching the budget setting process for 2011/12, the Cabinet will endeavour to adhere to some well established principles designed to deliver budget proposals in a timely manner following proper process, including:

- Tabling one-off money for debate at earliest opportunity
- Requirement for early and clear direction input from Cabinet and Senior Leadership Team
- Ensure Financial Services maintain strong role in moderating process
- Chief Finance Officer (CFO) leads and advises on strategic budget issues
- Agree Cheltenham Borough Homes (CBH) management fee and Housing Revenue Account (HRA) budget as early as possible
- Maintain good communications between Chief Executive, Senior Leadership Team, Council Leader, Cabinet Member for Finance and CFO over budget progress / issues.
- Ensure clarity of savings achieved from procurement.
- Senior Leadership Team aligned behind collective approach to resolving budget gap issue.
- Include Overview and Scrutiny Committees in the budget process

- 6.2 The proposed key stages in the process for setting the budget for 2011/12 are summarised in the timetable at Appendix 2 and are detailed below. The timing of events may change as the process develops.

Publication of budget timetable

- 6.3 The Cabinet will publicise a budget timetable by including this in its Forward Plan and via other media.

Budget preparation

- 6.4 Between October and November 2010, the Cabinet Member for Finance and officers will work with the Cabinet towards the creation of 'interim budget' proposals which will incorporate the following:

- A standstill budget projection prepared under a general philosophy of no growth in levels of service. Inflation for contractual and health and safety purposes will only be allowed where proven at the appropriate inflation rate. No pay inflation will be budgeted for.
- The current MTFS assumes inflation on fees and charges at an average rate of 2.5% (excluding the VAT increase) annually over the 5 year period. This increase will be assumed in the preparation of the standstill budget and any deviation from this will form part of the interim budget proposals.

- The impact of prevailing interest rates on the investment portfolio will be assessed in preparing the budget. The Treasury Management Panel will consider the position in respect of treasury management activity during the budget setting cycle, including the latest position in respect of Icelandic banks.
- An assessment of the charges to be made to Cheltenham Borough Homes and the Housing Revenue Account.
- An assessment of potential savings from procurement and any savings identified in order to meet the funding gap.
- Proposals for service growth (invest to save schemes only).
- Proposals for increases in fees and charges
- An updated assessment of the MTFs incorporating the financial assessment of the Business Plan tasks and any updated estimates for future funding pressures and sources of income.

Overview and Scrutiny committee

- 6.5** Each Overview and Scrutiny Committee will be invited to use the scheduled October / November 2010 meetings to participate in the budget process and guide the Cabinet, ahead of the preparation of the interim budget, by identifying the Committee's non priority areas where savings should be focused and any necessary growth.

Publication of initial budget proposals

- 6.6** The Cabinet will present its initial budget proposals and publish them for consultation in line with the advertised plan. The initial budget proposals will include all general fund revenue, capital and housing revenue account estimates to meet a balanced budget, together with assumptions made on future council tax and rent levels.

Budget Consultation

- 6.7** Given the scale of the level of public sector funding squeeze, the Cabinet were keen to engage with the public on where to make savings ahead of the decision making process. A summer public consultation road show was rolled out over 21 locations across the town requiring residents to identify which services should be protected, reduced or stopped given the need to make savings. This was not a scientific exercise and the results were not drawn from a representative sample of the population. However, the consultation proved to be very effective in engaging the public and is the start of a dialogue about the future role of the council given reducing resources. The consultation has been followed up by resident's panels where the results have been relayed and options for saving money have been tested. The information gained from this exercise is valuable and will be considered, amongst other evidence, in arriving at a draft budget for 2011/12.
- 6.8** The formal budget consultation period will be no less than four weeks and will take place during December 2010 to January 2011. The Cabinet will seek to ensure that the opportunity to have input into the budget consultation process is publicised to the widest possible audience. During the consultation period all interested parties will be welcome to provide feedback on the initial budget proposals. Groups, businesses, tenants, residents, staff and trade unions will be encouraged to comment on the initial budget proposals at this time. They will be asked to identify, as far as possible, how alternative proposals complement the Council's Business Plan and Community Plan, how they will be financed, and how they will help the Council to achieve best value. Presentations will be made to key business groups as part of the consultation process.
- 6.9** The Overview and Scrutiny Committees have each nominated two members to sit on a budget scrutiny working group. The council is keen to improve its budget scrutiny process and previously

the budget scrutiny process has happened too late in the year to properly consider and influence Cabinet decisions in respect of the budget. The budget working group will enable members to work collectively, accepting political differences, on a solution to the budget gap. As such it is proposed that a group of members is drawn together from the various scrutiny committees to develop as budget scrutiny champions to support the process

- 6.10 The Overview and Scrutiny Committees will be invited to review the interim budget proposals in the meetings scheduled for January 2011 and feed any comments back to the Cabinet.
- 6.11 Whilst the Cabinet will be as flexible as possible, it is unlikely that any comments received after the consultation period can be properly assessed to consider their full implications and to be built into the budget. Accordingly, if alternative budget proposals are to come forward, this should happen as early as possible.
- 6.12 All comments relating to the initial budget proposals should be returned to the Chief Finance Officer by the end of the consultation period for consideration by the Cabinet in preparing their final budget proposals. Consultation questionnaires will be available in key locations and for completion on line via the council's website. Comments can be e-mailed to moneymatters@cheltenham.gov.uk.

Assessment of alternative Budget Proposals

- 6.13 It is important that any political group wishing to make alternative budget proposals should discuss them, in confidence, with the Chief Finance Officer and / or the appropriate Strategic Director / Assistant Director / Chief Executive (preferably channelled through one Group representative) to ensure that the purpose, output and source of funding of any proposed changes are properly identified.
- 6.14 Given the financial pressures and the potentially very difficult decisions which will have to be made, it is very important that there is time for members to carefully consider and evaluate any alternative budget proposals. Political groups wishing to put forward alternative proposals are not obliged to circulate them in advance of the budget-setting meeting, but in the interests of sound and lawful decision-making, it would be more effective to do so, particularly given that they may have implications for staff.

Final Budget Proposals and Council Approval

- 6.15 At the end of the consultation period, the Cabinet will draw up firm budget proposals having regard to the responses received. In drawing together its budget proposals to Council the report will reflect the comments made by consultees and the Cabinet's response. The firm budget proposals will be presented to Council at the budget setting meeting for decision in February 2011.

7. Capital Budget

- 7.1 The prudential code allows authorities to borrow to fund capital expenditure within what the Council considers to be prudential limits i.e. that it considers prudent, sustainable and affordable. The impact on the level of council tax is one of the most important considerations in determining the level of borrowing.
- 7.2 The Council has, so far, taken a cautious approach to the relaxation of borrowing restrictions. The council now has an Asset Management Plan which provides a clearer strategic view in respect of the long term aspirations for the Council's property portfolio. This should support the priorities identified in the Business Plan and provide some guidance on future funding and potential prudential borrowing levels.
- 7.3 The Council has already committed to a one off grant support to the Everyman Theatre of

£250,000 from the capital reserve for 2011/12 hence the scope for additional capital expenditure is limited unless additional resources can be identified. Given this position, capital bids will be restricted to items which are considered to be business critical, required for health and safety reasons, address corporate risks or meet DDA requirements or are 'invest to save' schemes.

8. Housing Revenue Account

- 8.1** Draft proposals for the Housing Revenue Account will also form part of the same process for considering the General Fund revenue and capital budgets.
- 8.2** The financial projections contained in the HRA Business Plan are currently being updated to reflect revised estimates for:
- Need to spend on stock investment and maintenance,
 - Subsidy changes,
 - Stock numbers,
 - Rent and service charge income.
- 8.3** The revised projections will be available to inform decisions on the level of management and maintenance and capital investment in 2011/12 (to include fees payable to Cheltenham Borough Homes and administrative charges from Council Divisions).
- 8.4** The HRA financial strategy adopted by the Council in recent years has been to seek ongoing efficiency savings in management and maintenance, to retain a contingency balance of approximately £1 million on the account and use any surplus resources to fund capital investment in the stock.
- 8.5** Now that the Decent Homes programme is completed, future investment will focus on retaining the decency standard and further neighbourhood works. CBH are also currently investigating funding options for new social housing which will include a bid to the Housing Corporation for Social Housing Grant.
- 8.6** Other issues that will impact on the HRA in 2011/12 include the following:
- Annual subsidy determination – always potentially volatile but no significant redistribution anticipated whilst reforms are being considered
 - Right to Buy Sales – sales continue to be low. Overall a reduction in sales will reduce the capital receipts available to fund new investment.

9. Reasons for recommendations

- 9.1** The council is required to agree a budget process and timetable.

10. Alternative options considered

- 10.1** The process for considering alternative budgets is set out above.

11. Consultation and feedback

11.1 The consultation process is described fully above. In view of the size of the challenge the Council faces in setting the 2011/12 budget, consultation has already commenced with trade unions.

12. Performance management – monitoring and review

12.1 The delivery of savings and additional income proposed as part of the budget will be monitored through the Bridging the Gap programme which meets monthly with the Cabinet Lead for Finance.

Report author	Contact officer: Mark Sheldon, mark.sheldon@cheltenham.gov.uk, 01242 264123
Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. Budget timetable 3. MTFS funding gap projection
Background information	<ol style="list-style-type: none"> 1. RSG consultation 2. Coalition Government Emergency budget 22/6/10

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	The need to make savings quickly may result in decisions which significantly impact of the quality of services which could have been avoided given more lead in time.	Pat Pratley		2	4	8		The bridging the gap programme meets throughout the year in order to plan for both the financial year ahead and over the period of the MTFS.	on - going	Mark Sheldon	
	The level of cuts may be significantly greater assumed	Mark Sheldon		4	4	16		Refresh the MTFS estimates to reflect best estimates of position and plan for worse case scenarios.	on - going	Mark Sheldon	26/10/10

Budget / Business Planning Process 2011/12 – Timetable of key stages / dates

July - September 2010	SLT / Councillor/ Service Manager reviews to identify options for savings and additional income
July - September 2010	Public Consultation exercise to prioritise services to retain, do differently or stop providing
October 2010	Members seminar - business plan prioritisation / budget position
October 2010	Focus Groups following public consultation exercise
14th October 2010	Joint Liaison Forum -CFO / HR to discuss the emerging budget and staff implications
15th October 2010	Deadline to submit taxbase calculation - applicable date is 15th October 2010 (CTB1 figure used in RSG calculation).
20th October 2010	Results announced of Government Spending Assessment Review
26th October 2010	Cabinet approve budget guidelines, timetable and estimated funding gap for 2011/12
2nd November 2010	Deadline for preparation of standstill budget on basis of no growth and further detailed analysis of under spends / additional income.
8th November 2010	Social and Community O&S committee to review & discuss the emerging 2011/12 budget
19th November 2010	CBH - deadline for review of support to CBH / HRA
22nd November 2010	Treasury Management Panel to consider budget estimates for treasury management budget assumptions.
24th November 2010	Environment O&S committee to review & discuss the emerging 2011/12 budget
29th November 2010	E&BI O&S committee to review & discuss the emerging 2011/12 budget
Week commencing 22nd November 2010	Briefing Cabinet Member on HR implications on budgets including potential redundancies
Week commencing 22nd November 2010	Posts at risk of redundancy to be confirmed by Board
Week commencing 22nd November 2010	*AD HR &OD to meet with unions to consult on areas being considered for redundancy, issue statutory S188 notification of posts being considered for redundancy, present the draft "at risk" and "consultation" letters for information.
Week commencing 22nd November 2010	AD's in consultation with HR identify redundancy selection pools prior to preparation of at risk and consultation letters.
Week commencing 22nd November 2010	HR to prep consultation/at risk letters
Week Commencing 29th November 2010	Special SSSC meeting - Set up additional meeting of Staff and Support Services committee - briefing on HR implications on budgets including potential redundancies
1st December 2010	Recalculate taxbase figure for Section 151 Officer sign off under delegated powers and production of briefing note for Cabinet Deputy
1st December 2010	"at risk" and "consultation" letters distributed to line managers ready for distribution.

2nd December 2010	"at risk" and "consultation" letters issued by line managers.
14th December 2010	Cabinet present interim budget proposals for consultation including proposals for growth, savings and levels of fees and charges and projection of the Medium Term Financial Strategy (MTFS).
15th December 2010 to 14th January 2011	Cabinet consult on budget proposals including Overview and Scrutiny committee, public and the business community.
January 2011	Finance Settlement.
10th January 2011	Social & Community Overview and Scrutiny committee meeting – budget consultation
14th January 2011	Recalculate taxbase and confirm or amend figure under delegated powers, if necessary.
17th January 2011	Advise all precepting authorities (including parishes) re. relevant taxbase figures
19th January 2011	Environment Overview and Scrutiny committee meeting – budget consultation
24th January 2011	Economy & Business Improvement Overview and Scrutiny committee meeting – budget consultation
27th January 2011	Treasury Management Panel – consider final recommendations to Cabinet in respect of treasury management activity.
28th January 2011	Deadline for submission of alternative budget proposals to Financial Services for validation.
8th February 2011	Cabinet present final budget proposals including response to consultation exercise.
11th February 2011	Council meet to approve Cheltenham Borough Council budget only - approve proposed Cabinet or alternative budget (approved in principal).
14th February 2011	Potential adjourned meeting if unable to agree budget on 11th February 2011.
14th February 2011	Police Authority approve budget and council tax level.
16th February 2011	GCC meet to approve budget and council tax level.
11th - 16th February 2011	Special council meeting (if required) – meets the requirement for the proper officer to call a council meeting to discuss objections to an alternative budget within 7 days of receipt of objections.
25th February 2011	Council meet to approve the Council tax resolution (includes GCC and police tax) – last day for Council to approve any proposed budget.
25th February - 1st March 2011	Council tax charge calculation / bill file creation.
Week beginning 28th February 2011	Application of redundancy selection criteria by ADs/SMs where required.
25th February 2011	Final amendments to council tax leaflet/sign off for printing
1st - 3rd March 2011	Billing information sent to printers.
4th March	Redundancy notice letters (or stand down letters) prepared by HR. 4th March 2011 – redundancy notice letters (or stand down letters) distributed to managers for distribution on the 7th March 2011.

7th March 2011	Managers issue redundancy notification (or stand down letters) to those for whom redundancy selection criteria need not apply (maximum notice periods = 12 weeks/3 months)
Week commencing 7th March 2011 and through notice periods	HR guide and support managers to work with their employees under notice of redundancy to seek alternative CBC employment (for those with little service their notice might only be 1 month, therefore redeployment prospects significantly reduced).
4th - 8th March 2011	Council tax booklets to be delivered to printers/CBC
By 14th March 2011	Bills to be issued (14 days notice required before first payment - some payments due on 1st April)
7th April 2011	First (earliest) dismissal likely to take effect, assumes notice given on 7th March 2011

*Need to make staff available at short notice, for meetings with the trade unions for the purpose of ensuring genuine consultation i.e. to receive and continue discussions around ways of reducing the number of potential redundancies, mitigating or avoiding them in the run up to week before the papers final budget papers are distributed. This is essential to demonstrate a genuine approach to consultation and to be willing to explore those alternatives before decisions are made.

Consultation Timetable

Trade Unions

22nd November 2010 – 28th January 2011 (68 days) for Cabinet proposals

22nd November 2010– 11th February 2011 (78 days) for Council decision.

Employees

1st December 2010 – 28th January 2011 (58 days) for Cabinet proposals

5th December 2010 – 11th February 2011 (63 days) for Council decision.

First dismissal – 7th April 2011

Last dismissal – 7th June 2011

This page is intentionally left blank

MEDIUM TERM FINANCIAL STRATEGY 2011/12 TO 2015/16

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	£	£	£	£	£	£
NET COST OF SERVICES B/F FROM PREVIOUS YEAR		16,753,397	15,887,805	15,673,050	15,517,584	15,387,070
IN YEAR BUDGET VARIATIONS						
INCREASED COSTS OF EXISTING SERVICES						
Estimated general inflation / leasing costs / utilities		150,000	200,000	200,000	200,000	200,000
2010/11 pay freeze		(120,000)				
Pay awards		196,100	0	413,400	421,700	430,200
Phasing out of pension reserve contribution - 2004 Revaluation		50,000	50,000	50,000		
Phasing out of pension reserve contribution - 2007 Revaluation		65,500				
Additional pension funding required - 2010 Revaluation		135,000	135,000	135,000	135,000	135,000
Landfill Tax		40,000	40,000			
DEFRA funded vehicles			70,000			
Maintenance of watercourses, streams and ditches			30,000			
One HR		72,700				
PDG funded staff built into base budget		130,000				
Procurement		100,000				
INCOME						
Fees & charges - inflation		(328,200)	(336,800)	(345,500)	(354,100)	(362,900)
Off-street car parking		500,000				
VAT increase on off-street car parking not passed to customer		90,000				
HMO Register fees		17,500				
Land Charges		50,000				
Bus departure fees		15,000				
Investment Interest		200,000	(1,400)	(4,300)	(9,000)	(4,600)
Minimum Revenue Provision		146,500				
RESERVES						
* Increased property repair and renewal fund contributions		125,000	200,000	200,000	182,000	
* Increased contribution to Capital reserve (RCCO)		75,000				
Use of reserves						
** FUNDING GAP		(2,575,692)	(601,555)	(804,066)	(706,114)	(162,927)
PROJECTED NET COST OF SERVICES	16,753,397	15,887,805	15,673,050	15,517,584	15,387,070	15,621,843
*** Government Grant support	(8,841,359)	(7,957,223)	(7,559,362)	(7,181,394)	(6,822,324)	(6,822,324)
Collection Fund surplus contribution	(33,500)	(33,500)				
Council tax income assuming council tax increases by 2.5% per annum	(7,878,538)	(7,897,081)	(8,113,688)	(8,336,190)	(8,564,745)	(8,799,519)
	<u>(16,753,397)</u>	<u>(15,887,805)</u>	<u>(15,673,050)</u>	<u>(15,517,584)</u>	<u>(15,387,070)</u>	<u>(15,621,843)</u>
Cummulative Funding Gap		(2,575,692)	(3,177,247)	(3,981,313)	(4,687,427)	(4,850,354)
Projected Council Tax at annual 2.5% rise (assuming gap is reduced by savings or additional income)	187.12	187.12	191.80	196.59	201.51	206.55
Projected annual % rise to assuming funding gap is met	2.5%	0.0%	2.5%	2.5%	2.5%	2.5%
Assumed level for estimating - subject to either a policy decision or confirmation of legal framework / Statute						
* Funding gap may include efficiency savings which deliver non-cashable or cashable savings						
**						
*** Assumed decrease in government grant support		-10%	-5%	-5%	-5%	0%

This page is intentionally left blank

Cheltenham Borough Council

Cabinet – 26 October 2010

Update on the Art Gallery & Museum Development Scheme

Accountable member	Cabinet Member Sport and Culture, Councillor Andrew McKinlay
Accountable officer	Museum, Arts & Tourism Manager, Jane Lillystone
Accountable scrutiny committee	Social and Community
Ward(s) affected	All
Key Decision	Yes
Executive summary	<p>The Art Gallery & Museum fundraising campaign has achieved funding commitments of £4,527,800 towards the Development Scheme total of £6.3m - leaving an outstanding shortfall of £1,772,200.</p> <p>The Art Gallery & Museum are working on a second-round bid to the Heritage Lottery Fund (HLF) for £750k; and further funding applications / approaches for £475k through the Development Trust. The aim is to reach a total of £5,750,000, for construction to start from spring 2011.</p> <p>The submission of the second-round stage HLF bid is due by the end of November 2010 – and a decision on the outcome will be announced during March 2011. Recent changes with the Heritage Lottery has resulted in the need to ensure the fundraising campaign either secures or underwrites £5,550,000 of which council underwrites £1,022m, – before the second-round application can be submitted.</p> <p>It is unlikely that the funding level required by HLF will be secured by November. Therefore, Cabinet now needs to determine which of the options identified within this report it wishes to pursue; in light of the changed position of HLF.</p>
Recommendations	Cabinet to determine which option(s) identified within this report, are to be pursued.

<p>Financial implications</p>	<p>An initial assessment of the outline financial implications and issues are set out in the report.</p> <p>The budget, approved by Council in February 2010, provides for the full annual cost of running the Art Gallery & Museum service in 2010/11. The approved medium term financial strategy includes the net budget for the existing service and has not been adjusted to reflect any reduction in net costs during a period of closure.</p> <p>Option 1 will create one-off savings in the net cost of the service for the period of closure. There will be a financial implication to the council if the £750k HLF bid is not successful and /or the £1.022m other external funding is underwritten by the council, but not secured. It should be stressed that there are no existing funds available to underwrite this funding should it be required.</p> <p>Option 2 will create one-off savings in the net cost of the service for the period of closure. There will be a financial implication to the council if the £1.022m other external funding is underwritten by the council, but not secured. As with Option 1 it should be stressed that there are no existing funds available to underwrite this funding should it be required.</p> <p>Option 3 will create one-off savings in the net cost of the service for the period of closure. There will be additional costs incurred if the design is re-scoped in line with existing funding commitments of £4.5m and a further financial implication to the council if any of the external funding commitment is withdrawn. It should be stressed that there are no existing funds available to fund any additional costs or replace any loss of external funding.</p> <p>Option 4 will create one-off savings in the net cost of the service for the period of closure. There will be additional costs incurred if the design is re-scoped in line with the council's committed funding of £2.5m. It should be stressed that there are no existing funds available to fund any additional costs.</p> <p>Option 5 will release the council's £2.5m committed funding, for other future use. The aborted costs of £592k to date, to design stage F would be irrecoverable.</p> <p>In accordance with 4.1(b) of the Constitution the decision to underwrite this level of funding needs to be made by full Council</p> <p>Contact officer: Sarah Didcote, Group Accountant</p> <p>sarah.didcote@cheltenham.gov.uk, 01242 264125</p>
--------------------------------------	--

Legal implications	<p>If option 5 is chosen then the existing contractual arrangements may be terminated as each contract is based on activity/staged implementation of the development scheme.</p> <p>Contact officer: Shirin Wotherspoon, shirin.wotherspoon@tewkesbury.gov.uk, 01242 272017</p>
HR implications (including learning and organisational development)	<p>The employees at the AGM have been fully engaged with the project since its conception. Whilst they acknowledge the difficult financial climate that we are in at this time any changes to the current plan and timescales would impact on the moral and motivation of the team.</p> <p>The development scheme proposals in their current format (options 1&2) offer an opportunity to re-locate the tourist information centre to the AG&M building. A staffing restructure is about to commence and although a number of existing employees will be placed at risk, there are no anticipated redundancies arising. Employees will be ring-fenced for suitable alternative roles in the re-designed structure that will be required to run the enhanced service offering.</p> <p>If Option 3, 4 or 5 were to be chosen, this would impact on the plans to fully integrate the Tourist Information Centre the AGM establishment and impact on any further efficiencies savings.</p> <p>Contact officer: Julie McCarthy, Julie.McCarthy@cheltenham.gov.uk, 01242774355</p>
Key risks	<p>The Art Gallery & Museum Development Scheme is included within the corporate risk register – there is also an additional service risk register, which is being used to support funding applications. Copies of both these documents have been included in the Appendices.</p>
Corporate and community plan Implications	<p>The Art Gallery & Museum Development Scheme is included within the corporate business plan (2010-11) within the outcome: <i>Arts and culture are used as a means to strengthen communities, strengthen the economy and enhance and protect our environment</i>, and specifically under 'improvement actions', as: <i>Start work on the Art Gallery and Museum extension project.</i></p>

Environmental and climate change implications	<p>Sustainability, and the impact of environmental /climate changes, has been a core requirement of the design scheme for this project. Taking into account the relationship between highly controlled environments for the exhibition galleries and collections stores – the design and construction of the new development will use a mixture of both passive and active features towards building energy efficiency i.e. using natural/reclaimed materials in construction, including natural ventilation (where feasible) and the integration of brise-soleil on the south-facing façade, through to installing high efficiency condensing boilers (running at low temperatures to maximise performance). The whole scheme is also currently going through a bespoke BREEAM assessment – and through a range of measures – including consultation with local stakeholders, adherence to good practice ventilation rates, the re-use of previously adopted land and the minimum emission of nitrogen oxides from the heating source – the proposal aims to achieve the best possible BREEAM rating, practicable in line with the aspirations of Cheltenham Borough Council.</p>
--	--

1. Background

- 1.1 A progress report on the Art Gallery & Museum (AG&M) Development Scheme was approved by Cabinet in September 2009. The report also included the following recommendations:
- i) To approve the launch of the Development Scheme Phase II Fundraising Campaign and a bid to the Heritage Lottery Fund
 - ii) To delegate authority to the Borough solicitor and Monitoring Officer to draw up and execute legal agreements as appropriate between the Council, the Art Gallery & Museum Development Trust, any charitable trusts or bodies to secure the contributions made by the Council and other organisations towards the Development Scheme.
- 1.2 These recommendations were in response to a significant funding allocation from the Summerfield Charitable Trust of £750k towards the Phase I Fundraising Campaign – following the final judging for the RIBA Open Design Competition in January 2008. Their proposal was conditional upon the Council allocating a further £2m towards the fundraising campaign (in addition to the £0.5 million earmarked from the sale of the former Axiom building) - and in July 2008 the Council made a commitment to contribute £2 million to the redevelopment of the Art Gallery & Museum. The Midwinter redevelopment was expected to deliver this £2 million contribution. However, with negotiations over Midwinter still ongoing, it was prudent to look for other sources for this capital.
- 1.3 The 2009/10 budgets – agreed by Full Council in February 2009 – proposed to create a £2 million Art Gallery & Museum Development Reserve, which was funded by way of £1,684,300 allocation from the EU Restoration Grant and a £315,700 contribution from the Capital Reserve. This support, and commitment from the Council, ensured that the campaign maintained momentum and credibility – and by June 2009, Phase I (fundraising) had reached £3,300,000 million.
- 1.4 Since the launch of the Phase II Fundraising Campaign (from September 2009), an additional amount of £1,227,800 has been fundraised from foundations / trusts – including a grant from the Museums, Libraries, Archives Council. This brings the current total of funding commitments to £4,527,800 - which leaves an outstanding shortfall of £1,772,200 - out of the overall target of £6.3 million. To address this shortfall, the Art Gallery & Museum are working on a second-round bid to the Heritage Lottery Fund (HLF) for £750k; and further funding applications / approaches for £475k, are being pursued through the Development Trust and the Friends of CAG&M – who have indicated that they are seeking to raise a further £100k on top of their current contribution of £150k (which is included within the current overall total). The aim is to reach a total of £5,750,000, for construction to start from spring 2011 (in-line with proposed timescales / key milestones). To complete the overall target, it is proposed to raise the final £550k through a Phase III Fundraising Campaign – to be launched from April 2011, and completed by December 2011.
- 1.5 A first-round application was submitted to the HLF in November 2009 (for a grant of £750k); and from March this year, they confirmed that the bid had passed the first-round. The submission of the second-round stage is due by the end of November 2010 – and a decision on the outcome will be announced during March 2011. However, HLF have indicated that the fundraising campaign will now need to have secured or underwritten (excluding their grant) an additional amount of £1,022,200 – before the second-round application can be submitted. The HLF Grants Officer has stated that: “In prioritising applications for support the Committee will consider carefully a variety of risk factors including how likely the project is to secure the match funding required. Where projects can demonstrate that the match funding is secured, or underwritten this will give the Committee confidence that the project is viable and is in a position to commence on

site quickly”.

- 1.6** With regards to progress on the design scheme, work has now been completed up to Stage F (within the RIBA Design Stages) - which in effect means collating and issuing detailed information / drawings for planning conditions and Building Regulations – including architectural, structural and M&E production information. The AG&M have also been advised by the Quantity Surveyors, Davis Langdon (QS), that work for producing and managing the tendering process for the contractors should start this autumn – in order to ensure that the contractors costs can be confirmed and fixed. A meeting has subsequently been arranged with the Council’s Procurement Officer - to advise the QS on the preparation of the OJEU notice (to conform with CB Council procurement procedures).
- 1.7** The Art Gallery & Museum have been allocated a larger store at the Depot and a ground-floor shop space (3 St. Georges Place) - for the location of a temporary base for family activities - during the closure period. The AG&M are not being charged rental for these spaces – just covering costs for Business Rates, heating and security systems. The AG&M has also partially closed the Summerfield Galleries (from the 20th-century area, and including the Arts and Crafts Collection Movement gallery), from 20th September, so that work can begin on the start of the refurbishment work for the Arts and Crafts Collection Movement gallery – the grant (funded by the Museum, Libraries, Archives Council) needs to be spent by March 2011.
- 1.8** A number of partnerships are currently being pursued for the long-term future of the Art Gallery & Museum. In particular, an approach has been made (by the AG&M) to the University of Gloucestershire (Faculty of Media, Art & Communications), for a possible collaboration in hosting their existing touring exhibitions (in the light of their closure of the Summerfield Gallery / Pittville Campus), evening events / workshop sessions for students, and also offering work /project placements for post-graduate courses. Further meetings are being arranged with the University and the Summerfield Trust (who originally grant-aided funding for the Summerfield Gallery) – to date, the University have offered £60k towards the Development Scheme fundraising campaign (this is in addition to the current overall total of £4,527,800) - and discussions are ongoing. The AG&M is also in discussions with a Gloucestershire-based crafts guild to operate from the ground floor retail area within the new development scheme. The aim will be to create a ‘crafts hub’ within the new development, linking into the AG&M’s designated Arts and Crafts Movement collection, and in turn, supporting the local economy / creative industries.
- 1.9** A summary of the overall funding of the project is as follows:

Phase	Target	Achieved	Shortfall	Timescale
Phase 1	£3,300,000	Trusts: £750,000 Friends: £50,000 CBC:£2,500,000		March 2009
Total 1	£3,300,000	£3,300,000	0	
Phase 2	£2,450,000	@ 09/10:		December 2010 / March

		Trusts: £1,027,800		2011
		Friends: £100,000		
		MLA: £100,000		
Total 2		@ 09/10 £1,227,800	£1,222,200	March 2011
Total 3	550,000	0	550,000	December 2011
Overall Total	£6,300,000	£4,527,800	£1,772,200	July 2011

Applications

Phase	Target	Potential funder	Amount	Timescales
Phase 2	£1,222,200	@ 09/10: Trusts: Outreach room / Education Exhibition space UoG: Partnership match-funding Friends: Museum Fellowship group	£225,000 £150,000 £100,000	March'11 November'10 November'10

		HLF: Second-round bid	£750,000	March'11
Total 2			£1,225,000	
Overall Total 2			£5,752,800	March 2011
Overall Total 3			£550,000	December 2011
Overall Total	£6,300,000			

Phase III Fundraising Campaign

Proposals:

Planning work will start on the Phase III Fundraising Campaign from November 2010. The Campaign will consist of three main areas: Corporate, Trusts and a Public Appeal. The Corporate and Public appeals will launched from January 2011.

Timescales:

Phase	Target	Potential funder	Amount	Timescale
Phase 3	£550,000	@ 09/10		
		Corporate: Membership Scheme	£350,000	August'11

		Trusts:	£150,000	September'11
		Public:		
		Donations	£50,000	December'11
Overall Total 3			£550,000	

2. Options Appraisal

The five options are:

Option 1	Close the Art Gallery & Museum from 1st January 2011 – in line with the current timescales to commence the de-canting programme of the collections, stores, facilities and office spaces / equipment etc.
Benefits	To deliver Option 1: a) This would ensure that the current timescales are achieved, and progress on the development scheme maintains momentum (i.e. the de-canting programme will be completed by April 2011) b) It would also ensure that the set of terms and conditions from the various grant funding organisations are met – which stipulate that they will only make the grant payments if the proposed timescales are adhered to (i.e. completing the Development Scheme for autumn 2012)
Concerns	To deliver Option 1: a) We would need to lever in the outstanding amount of c. £1.2 million (excluding the second-round application to HLF), through either securing or underwriting the shortfall by March 2011 b) We would also need to submit the second-round bid to HLF for a possible grant of £750k, by the end of November 2010 – to secure a decision by March 2011
Risks / Uncertainties	a) All the extra funds required are not raised leaving the Council with up to c. £1.77 million funding deficit to resolve b) The Council would have two choices if funds are not raised:- 1) To find the necessary funds from within its own resources, this would not be easy in the current financial climate 2) Delay the development resulting in the Art Gallery & Museum remaining closed until

	<p>funds where available. This would run the risk of the Art Gallery & Museum remaining closed for a protracted period</p> <p>c) There would be no guarantee that the second-round application will be successful – as we will still be in competition for funding with other heritage-based projects</p>
Sensitivities	<p>Not to deliver Option 1:</p> <p>a) This could have a detrimental impact on the reputation of the Development Scheme project (with particular regards to fundraising, current support and future partnerships), as well as the credibility of the Council, in potentially delivering other schemes</p> <p>b) There would also be immediate concerns for the morale of staff, key stakeholders and supporters of this project</p> <p>To deliver Option 1:</p> <p>c) This would need to be handled sensitively as it may result in negative and adverse publicity in the media given the significant budget reductions/ cutbacks facing the public sector and local government.</p>

Option 2	Delay the closure of the Art Gallery & Museum until 31st March 2011 - when the HLF decision is known.
Benefits	<p>To deliver Option 2:</p> <p>a) This would ensure that the closure of the Art Gallery & Museum (and the start of the de-canting programme), would only commence once a decision on the second-round submission had been received from HLF (during March 2011)</p>
Concerns	<p>To deliver Option 2:</p> <p>a) As with Option 1 – we would still need to submit the second-round bid to HLF for a possible grant of £750k, by the end of November 2010 – to secure a decision by March 2011</p> <p>b) As with Option 1 - we would still need to lever in the outstanding amount of c. £1.2 million (excluding the second-round application to HLF), through either securing or underwriting the shortfall by March 2011</p>
Risks / Uncertainties	<p>To delay the closure of the Art Gallery & Museum:</p> <p>a) This will have an impact on the closure and start of the de-canting programme, and consequently delay the start of construction and completion of the project</p> <p>b) This could potentially jeopardise the confirmed grant payments from the trusts / foundations, and put at risk the current total amount of just over £2 million - raised so far through the Phase I / II Fundraising campaigns</p> <p>If we submit the HLF second-round application:</p> <p>c) As with Option 1 – there would be no guarantee that the second-round application will be successful – as we will still be in competition for funding with other heritage-based projects.</p>
Sensitivities	Not to deliver Option 2:

	<p>a) We would need to consider the other four options</p> <p>To deliver Option 2:</p> <p>b) We would need to undertake extensive consultation with key stakeholders and supporters to minimise any adverse publicity with regards to any subsequent delays on the project and completion of the scheme</p> <p>c) As with Option 1 - this would still need to be handled sensitively as it may result in negative and adverse publicity in the media given the significant budget reductions/ cutbacks facing the public sector and local government.</p>
--	---

Option 3	Re-scope the current design for a scheme costing £4.5 million
Benefits	<p>To deliver Option 3:</p> <p>a) This would involve re-scoping the design for c. £4.5 million – in line with the current overall funding commitments</p>
Concerns	<p>To deliver Option 3:</p> <p>a) A re-scoping of the current design will involve additional costs, as the scheme has currently reached Stage F – which means that the designs are now finalised (architectural, structural and M&E drawings), including the information for planning conditions / Building Regulations and tender documentation</p> <p>b) The Design Team have also advised that a revision to the design would require a re-submission to the planning committee</p> <p>c) We would need to consult with all of the funders to ascertain if they would still want to be involved with a revised project / design scheme – and this could have implications on the funds already committed</p>
Risks / Uncertainties	<p>If the Design Team re-scope the current project:</p> <p>a) There could still be a delay to the timescales, as a re-design will require additional work</p> <p>b) There will also be additional costs – and these are currently being investigated</p> <p>c) If the additional costs are included within the revised £4.5 million budget, then this could have further implications for the quality and scope of the design</p> <p>d) The current confirmed grant awards could also be at risk from either being withdrawn or reduced - in response to a revised design proposal</p>
Sensitivities	<p>Not to deliver Option 3:</p> <p>a) We would need to consider the other four options</p> <p>To deliver Option 3:</p> <p>b) We would need to consult extensively with key stakeholders and supporters in determining whether the same level of support would remain intact</p> <p>c) We would also need to consider what the impact of re-scoping the design would have</p>

	on future fundraising and partnership opportunities
--	---

Option 4	Re-scope the current design for a scheme costing £2.5 million
Benefits	To deliver Option 4: a) This would involve re-scoping the design for £2.5 million – in line with the current funding commitment from the Council
Concerns	To deliver Option 4: a) A re-scoping of the current design will involve additional costs, as the scheme has currently reached Stage F – which means that the designs are now finalised (architectural, structural and M&E drawings), including the information for planning conditions / Building Regulations and tender documentation b) The Design Team have also advised that a revision to the design would require a re-submission to the planning committee
Risks / Uncertainties	If the Design Team re-scope the current project: a) There could still be a delay to the timescales, as a re-design will require additional work b) There will also be additional costs – and these are currently being investigated c) If the additional costs are included within the revised £2.5 million budget, then this could have further implications for the quality and scope of the design
Sensitivities	Not to deliver Option 4: a) We would need to consider the other four options To deliver Option 4: b) As with Option 3 - we would need to consider what the impact of re-scoping the design would have on future fundraising and partnership opportunities

Option 5	Abandon the Development Scheme project
Benefits	To deliver Option 5: a) This would involve stopping work on the Development Scheme – and not using the current funding commitment of £2.5 m from the Council, and c. £2 m from external trusts / foundations
Concerns	To deliver Option 5: a) This would have a detrimental impact on the reputation of the Art Gallery & Museum – with particular regards to current support within the wider museums / arts community b) This could also, potentially, effect future fundraising projects / schemes, and future partnerships with other organisations, museums / art galleries

Risks / Uncertainties	<p>If the Development Scheme is stopped:</p> <p>a) This could have a detrimental impact (as well as credibility) on the reputation of the Council, in potentially delivering other investment / development schemes</p> <p>b) Costs have already been incurred (since the start of the project), as the scheme is now at Design Stage F – and these would need to be considered</p>
Sensitivities	<p>Not to deliver Option 5:</p> <p>a) We would need to consider the other four options</p> <p>To deliver Option 5:</p> <p>b) There would be immediate concerns for the morale of staff, key stakeholders and supporters of this project</p> <p>c) As with Options 3 and 4 - we would need to consider what impact on stopping the project would have on future fundraising and partnership opportunities</p>

3. Consultation and feedback

3.1 Extensive consultation with the public, key stakeholders and organisations has been at the core of the commissioning / procurement process for the Development Scheme project, from the launch of the Royal Institute of British Architects Open Design Competition to a permanent public display of the design scheme at the Art Gallery & Museum. Throughout this period (and prior to the planning application), the architects have given several presentations of the design scheme to interested groups, such as the Cheltenham Civic Society and Friends of Cheltenham Art Gallery & Museum. Design consultation meetings have also been held with the wider AG&M team (including volunteers), the Summerfield Trust, AG&M Development Trust, Friends CAG&M Committee meetings, CBC: Cabinet / Social and Community O&S Committee, Strategic Board, Planning, Heritage & Conservation and Building Control, as well as English Heritage and CABE South West (Commission for Architecture and the Built Environment).

Report author	Jane Lillystone, Museum & Arts Manager
Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. Corporate Risk Register
Background information	<ol style="list-style-type: none"> 1. Cabinet papers March 2006, September 2007, April 2008, September 2009

The risk Art Gallery & Museum Development Scheme Options appraisal				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1.01	Contractual: If the Art Gallery & Museum Development Scheme does not proceed the council are contractually liable for fees associated with the completion of the project.	SP	Date when architects were first appointed	1	1	2	Accept	Contracts have been awarded in accordance with the RIBA practice. Therefore all payments are made on a staged payment basis and therefore the council are not liable to any additional beyond the stage that the scheme has reached Stage F.	Oct 2010	SP	Yes
1.02	Reputation: If the Art Gallery & Museum Scheme is aborted this will result in negative and adverse publicity in the media as well as criticism by stakeholders and funding partners which will reflect poorly on the reputation of the on the council	SP	Oct 2010	4	6	24	Reduce	Ensure communication strategy is in place with the media & key stakeholders.	Oct 2010	SP	Yes
1.03	External: If the council aborts the Development Scheme there is a risk that any future funding bids in respect of the AG&M will be unsuccessful.	JL	Oct 2010	3	6	18	Reduce	Provide future funding partners\organisations with necessary assurances\guarantees prior to submission.	TBC	SP	No
1.04	Financial: see financial implications and options appraisal within main body of report										

This page is intentionally left blank

Corporate Risk Register September 2010 – Extract Art Gallery & Museum Development Scheme

The risk				Risk score (impact x likelihood)				Managing risk			
Risk ref.	Risk description	Risk owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Progress at Sep 2010
CR21	Art Gallery and Museum If the Art Gallery and Museum Development Trust fails to deliver the fundraising strategy, then the AG&M Development Scheme is at risk of failing to be delivered.	AD Wellbeing & Culture	June 2007	3	4	12	Reduce	A fundraising risk assessment has been incorporated into all funding/grant applications submitted to date. An updated fundraising assessment will be required as part of the Heritage Lottery Fund Stage 2 application.	Stage II HLF submission 31 August 2010 – this deadline has now been revised to 30 Nov. 2010, pending outcome of Cabinet report in October.	Museum and Arts Manager Jane Lillystone	HLF have advised that the Stage II bid should now be submitted for the 30 November 2010. A revised fundraising strategy is being developed to take account of the new timescales. Cabinet to consider options appraisal report in October.
CR22	Art Gallery & Museum. If the AG&M Development Scheme is not effectively project managed there is a risk of the scheme failing to be delivered within the capital budget. It is also vital that the longer term revenue implications relating to maintenance and	AD Wellbeing & Culture	June 2007	3	4	12	Reduce	Prince II project management controls to be put in place for building construction phase. Provision has been made with the Development Schemes budget for appointment of a dedicated project manager for the scheme, based on similar appointments to previous capital investment build projects : Redevelopment Cheltenham Recreation Centre Leisure@ (2004-6)	Project plan milestone : Appointment of Project Manager - December 2010 – this date will be revised, pending the outcome of the Cabinet report.	Museum and Arts Manager Jane Lillystone	Procurement for the Project Manager will now commence from November 2010 – to coincide with the revised timescales for the submission of the HLF Stage II bid and a revised funding

The risk				Risk score (impact x likelihood)				Managing risk			
Risk ref.	Risk description	Risk owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Progress at Sep 2010
	running costs are recognised within the business plan and subject to appropriate consideration within the MTFS.							& Leisure@ Flood Reinstatement Project (2007-8)			strategy.

Cheltenham Borough Council

Cabinet – 26 October 2010

Audit Partnership

Accountable member	Cabinet Member Corporate Services, Colin Hay
Accountable officer	Assistant Chief Executive, Jane Griffiths
Accountable scrutiny committee	Economy and business improvement
Ward(s) affected	All
Key Decision	Yes
Executive summary	<p>In 2009 the council agreed to establish an audit partnership with Cotswold District Council which would deliver savings for both councils and more importantly a resilient audit service. At the time of the decision members were alerted to the opportunity to extend the partnership to incorporate West Oxfordshire District Council who currently share a chief executive and other senior management posts with Cotswold District Council.</p> <p>Work has been ongoing over the last few months to develop a business case for extending the partnership. There is a clear rationale for joining the three services together that includes improved resilience and sustainable cost savings (£11,252 on Salaries, NI & Super shared between the partners). There would be minimal change management issues due to established similarities in working practices.</p> <p>The proposal is to initially work with an enhanced version of the Cheltenham & Cotswold Audit Partnership Memorandum of Understanding, with a view that over the next twelve months work would be ongoing to develop a full transfer framework which best meets the aims and objectives of the partnership, which would need to be approved by Council.</p> <p>The audit committee have considered the proposal and their comments are included under consultation section.</p>
Recommendations	<ol style="list-style-type: none"> 1. To approve the inclusion of West Oxfordshire into the current Cotswold and Cheltenham Shared Internal Audit service 2. To delegate authority to the Assistant Chief Executive in consultation with the Leader and Chief Finance Officer, to revise the existing Memorandum of Understanding as approved by the Borough Solicitor to be effective from 1 November 2010. 3. To bring back proposals for the development of a full transfer framework with a view that a s101 agency agreement is in place by November 2011.

Financial implications	<p>This business case indicates that savings of approximately £11,200 per annum are available through expanding the partnership to include West Oxfordshire District Council.</p> <p>The sharing of these savings to each Council will be set out in the Partnership Agreement. Savings to this Council are likely to be in region of £2,000 to £3,000 per annum. Further efficiency savings are likely as a result of sharing the cost of initiatives and audits including National Fraud Initiative (NFI), environmental audits and the sharing of best practice.</p> <p>In future years, if the GO Programme is implemented, further savings are envisaged as a result of auditing a single set or core systems (Finance, procurement, HR and payroll) rather than multiple systems across the GO partnership.</p> <p>There is also the potential to generate income streams from providing internal audit services to new partners.</p> <p>Contact officer: Mark Sheldon, mark.sheldon@cheltenham.gov.uk, 01242 264123</p>
Legal implications	<p>The Council has various powers to facilitate shared services including s101 (delegation of functions) and s113 (secondment of staff) of the Local Government Act 1972.</p> <p>The business case attached to the report sets out a staged approach to the expansion of the existing Internal Audit Shared Service to include West Oxfordshire District Council. For the interim period, October 2010 to October 2011, the existing Memorandum of Understanding and, if necessary, existing secondment agreements, will need to be varied to include West Oxfordshire District Council. If a full transfer is agreed by all the partner Councils, the Memorandum of Understanding would be replaced by a formal, legally binding, s101 agency agreement.</p> <p>Contact officer: Shirin Wotherspoon, shirin.wotherspoon@teWKesbury.gov.uk, 01684 272017</p>
HR implications (including learning and organisational development)	<p>The Audit team and the recognised Trade Unions have been kept advised about the development of the project on an informal basis but full formal consultation will be required to be undertaken as soon as full details about the potential transfer are available. Any Transfer Undertakings (Protection of Employment) Regulations 2006 (TUPE) issues will be dealt with in accordance with appropriate employment legislation.</p> <p>Contact officer: Julie McCarthy, HR Operations Manager, julie.mccarthy@cheltenham.gov.uk, 01242 264355</p>
Key risks	<p>The risks are set out in the risk register at appendix 1 and the business case also sets out some of the risks associated with the proposal.</p>
Corporate and community plan Implications	<p>The extension of the partnership will help with delivery of the outcome that the council delivers cashable savings and better performance through the effective commissioning of services</p>

Environmental and climate change implications	Officers will be required to move between sites but travel will be kept to a minimum. The decision to have the s151 officer as the representative on the board will reduce the need for additional travel to meetings as the finance officers are already meeting on a regular basis.
--	---

1. Background

- 1.1 The council has a requirement to deliver an effective internal audit as a statutory function under the Accounts and Audit (Amendment)(England) Regulations 2006, in that a relevant body must: "maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control." There is also a requirement for the council to achieve value for money in terms of the quality of internal audit service delivered (CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006 compliance / Institute of Internal Auditors professional standards adopted) for the costs incurred.
- 1.2 In June 2009 the cabinet agreed to the establishment of an internal audit partnership with Cotswold District Council which has been operational for nearly twelve months. Feedback has been positive and the larger team has enabled more use of specialist resource and an ability to make efficiency savings and share best practice.
- 1.3 The audit committee need to satisfy themselves that the proposals will continue to provide effective internal audit for the council. The internal audit partnership manager will continue to attend the audit committee meetings and the proposal is that he would continue to be seconded to the council and designated the Head of Internal Audit (currently the Assistant Chief Executive). This will provide the audit partnership manager with the right to bring any matter to the attention of the senior leadership team, CEX or audit committee as appropriate.

2. Reasons for recommendations

- 2.1 At the time of developing the partnership we were mindful that the Cotswold District Council were developing closer links with West Oxfordshire District Council through shared senior management arrangements and we recognised that there was an opportunity to extend the internal audit partnership. Cheltenham have also entered into partnership with Cotswold, West Oxfordshire and Forest of Dean district councils in the development of the GO Programme which would see the procurement and implementation of shared finance and HR systems, and sharing audit arrangements will assist in the audit of these key systems. The business case which is available in the members room sets out the rationale for extending the partnership with the ultimate vision of transferring the function to Cotswold DC who would act as our auditors under a s101 agency agreement.
- 2.2 The business case does identify some savings, and there may be scope for further savings with the implementation of a shared ERP system and centres of excellence. The proposals are fairly low risk in terms of business change as Cotswold and West Oxfordshire are already aligned at senior level and there should be limited impact on the work of the team

3. Alternative options considered

- 3.1 The council did consider the concept of a wider Gloucestershire partnership when it considered the original business case for an internal audit partnership. An audit partnership which is too large will lose its local focus and require additional management support thereby reducing the level of savings.
- 3.2 In developing the business case the option of transferring the undertaking to Cotswold from this

year was considered, but West Oxfordshire have requested that the partnership runs under a memorandum of understanding for 12 months. This gives all parties an opportunity to evaluate how the larger partnership is operating and to iron out any difficulties.

4. Consultation and feedback

- 4.1 The section 151 officer, Chief executive and members of the current audit partnership have been consulted as well as officers in West Oxfordshire. To date no contrary views have been expressed. KPMG have also been sent a copy of this report and the business case. They have indicated that their main interest is that the council maintains an effective internal audit function delivering good quality work and coverage but how we choose to do this is not their concern.
- 4.2 The audit committee considered the proposal at their meeting on 29 September and approved the recommendations with a request to review the impact on the delivery of the work plan given the GO partnership and requested further assurance on the issue of conflict of interest covering the Section 151 role. These points have been addressed in this report.

5. Performance management – monitoring and review

- 5.1 The audit committee will continue to receive quarterly performance reports from the partnership, which will set out progress against the audit plan as well as key audit issues. The audit partnership manager will attend the committee who will be able to ask him questions about performance.
- 5.2 A partnership board will be established with the lead finance officers from each of the councils. Currently the assistant chief executive sits on the current internal audit partnership board but as the finance officers are meeting on a regular basis to progress the GO programme there will be efficiency savings in this approach. The draft proposals for commissioning also suggest that internal audit responsibility would transfer to the S151 officer and it makes sense therefore to set the partnership board up with these new arrangements in mind. Given the need to ensure that a conflict of interest is not created as a result of audit work in the areas under the remit of the Section 151 Officer, the Audit Partnership Manager will have a direct access to the Chief Executive, if necessary, which will ensure and independant scrutiny of this area of activity is maintained.

Report author	Contact officer: Jane Griffiths, Jane.Griffiths@cheltenham.gov.uk, 01242 264126
Appendices	1. Risk Assessment
Background information	Business case – available in members room (please note some sections are exempt)

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1.	Costs of implementation are higher than expected	Jane Griffiths ACE	August 2010	2	3	6	R	<p>Costs already identified by CCAP are excluded from this business case.</p> <p>Costs for the new partnership are expected to come from existing budgets and resources.</p> <p>The option of a twelve month expansion of the MoU leading to a full transfer enables full costings to be considered and agreed, and costs monitored during the 12 month period.</p> <p>Increases to implementation costs are more likely to occur if the process becomes too complex or takes too long. Simplicity would reduce the risk of increased costs, hence a new partnership rather than amending the old. Also the clear deadline within the initial MoU would limit the risk of over-running the implementation of the full transfer</p>	Oct 2011	Jane Griffiths ACE	P&P risk register

2	Partnership fails to deliver the required standard of Internal Audit	Jane Griffiths ACE	August 2010	3	2	6	R	<p>As mentioned above all sites are working to a professional standard and providing training where necessary to achieve this. Provided adequate monitoring is implemented by the partnership (most likely through the required annual effectiveness review) this risk will be mitigated.</p> <p>SLT and service managers to provide feedback on quality and the audit committee will also be able to assess whether the new arrangements are meeting their needs prior to entering into a more formalised agreement.</p>	Oct 2011	Jane Griffiths ACE	P&P risk register
3	Staff turnover resulting in insufficient resources	Jane Griffiths ACE	August 2010	3	3	9	R	<p>By offering the chance for progression of current staff and providing avenues to develop in-house trainees, the likelihood of staff leaving in the initial stage of implementation is reduced.</p> <p>By continuing to offer training to a high standard, recruitment of new auditors/trainees should be easier to facilitate.</p> <p>Retention of a budget for</p>	Oct 2011	Jane Griffiths ACE	P&P risk register

								contractors allows for some flexibility to cover absence. Filling of vacancies until Oct 2011 will need to comply with CBC arrangements with sound business case as to why vacancy should be filled			
4	Failure to deliver the Annual Audit Plan particularly if GO programme work is more than anticipated	Jane Griffiths ACE	August 2010	3	4	12	R	<p>Commitment at all levels to the partnership would be fundamental to the successful delivery of the Annual Audit Plan, as expectancy gaps occur through poor communication and failure to monitor progress.</p> <p>The Partnership Board would have oversight of the partnership and monitor the progress against the plan as part of their remit.</p> <p>Communication with SLT and service managers so that they understand that ad-hoc requests for audit work will need to be managed in the context of the partnership audit plan</p>	Oct 2011	Jane Griffiths ACE	P&P risk register

5	Exit of a partner from the partnership	Jane Griffiths ACE	August 2010	4	2	8	R	This is a significant issue for a small three-way partnership. The loss of a single partner would result in significant pressures arising for the remaining partners. As a result of this risk the s101 legal agreement to be drafted for the full transfer of the service will include an exit strategy. It is likely that this will commit each partner to a 12 month notice period and compensatory payments.	Oct 2011	Jane Griffiths ACE	P&P risk register
6	Current arrangements do not deliver organisations saving requirements.	Jane Griffiths ACE	August 2010	2	2	4	R	By entering into a larger partnership with the proposed structure there is an opportunity to develop some revenue savings. This can be distributed between each partner therefore providing further revenue savings. This is an opportunity risk being exploited.	Oct 2011	Jane Griffiths ACE	P&P risk register

Cheltenham Borough Council

Cabinet – 26th October 2010

Contract Rules Waiver – Single Advice Contract

Accountable member	Cabinet Member Finance and Community Development, Councillor John Webster
Accountable officer	Head of Service – Stronger Communities, Kathryn Chamberlain
Accountable scrutiny committee	Social and Community
Ward(s) affected	ALL
Key Decision	Yes
Executive summary	<p>Under Rule 3.7 of the Council's Contract Rules, contracts with an aggregate value of over £50,000 must be subjected to a Tender Procedure, with a minimum of three written tenders being sought. However, waivers can be agreed in certain circumstances. Under Rule 9.1 i) of the Contract Rules a Waiver must be agreed by Cabinet for contracts over £50,000.</p> <p>The Single Advice Contract; awarded following a tendering process in 2007, for a three year contract period for provision of advice services to Cheltenham residents; is due to cease in March 2011. If the council was to continue to procure these services based on current arrangements then we would miss the opportunity to explore the business case and potentially participate in a county commissioning process.</p>
Recommendations	<p>For the reasons set out later in this Report, the Cabinet agrees a Waiver under Rule 9.1 i) of the Contracts Rules in respect of the Single Advice Contract for a period of one year until March 2012.</p> <p>To delegate authority to AD Community Services, in consultation with the Member Finance and Community development, to enter into any necessary documentation as approved by the Borough Solicitor and Monitoring Officer</p>
Financial implications	<p>There are no financial implications arising from this report.</p> <p>Contact officer: Sarah Didcote</p> <p>sarah.didcote@cheltenham.gov.uk, 01242 264125</p>

<p>Legal implications</p>	<p>The granting of this Waiver by Cabinet would secure compliance with the Council's Contracts Rules; otherwise a contract of this value would need to be formally tendered. One Legal will be involved in the drafting and completion of the contract documentation if the Waiver is approved.</p> <p>Contact officer: Nicolas Wheatley</p> <p>Nicolas.wheatley@teWKesbury.gov.uk, 01684 272695</p>
<p>Key risks</p>	<p>None identified in the corporate or service risk assessment</p>
<p>Corporate and community plan Implications</p>	<p>This activity contributes to the following outcomes of the Sustainable Community Strategy 2008-2011:</p> <ul style="list-style-type: none"> • Building healthy communities and supporting older people • Building stronger communities and supporting housing choice • Focus on children and young people <p>The activity also contributes to the following outcomes in the Corporate Strategy 2010 to 2015:</p> <ul style="list-style-type: none"> • Strengthening our economy: <ul style="list-style-type: none"> - Work in partnership to facilitate activities that will help people move off benefits and into employment - Work in partnership to reduce child poverty in the borough • Strengthening our communities: <ul style="list-style-type: none"> - Communities feel safe and are safe - People have access to decent and affordable housing - Our residents enjoy a strong sense of community and are involved in resolving local issues • Ensuring we provide value for money services that meets the needs of our customers
<p>Environmental and climate change implications</p>	

1. Background

- 1.1** In 2007 the council undertook a competitive tendering exercise, under Regulation 8 and Category 27 of Part B of Schedule 3 of the Public Contracts Regulations 2006, to award a single contract for the provision of advice services. This process replaced the previous grant funding arrangements to a number of organisations in order to achieve better coordination, reduction in duplication and an economy of scale within the service provision.
- 1.2** The contract was awarded to Cheltenham & Tewkesbury Citizen's Advice Bureau, for a period of three years, and commenced operation on 1st April 2008. Quarterly monitoring arrangements have been in place throughout delivery of the contract which has tested both operational performance and enabled the collation of need and demand patterns. The contract is due to cease on 31st March 2011.
- 1.3** The value of 12 months of the contract on existing arrangements would be £154,931.33 and therefore not take the value over the OJEU limit.
- 1.4** At the time of deciding on procuring Cheltenham's arrangements a multi authority group had been formed to look at a county wide contracting process for legal and advice services. However the timescale for the county wide approach was not coterminous with Cheltenham's procurement process. It was determined that officers retain a watching brief on the county process and consider any proposals when looking at contract renewal for 2011.
- 1.5** The original county wide contracting project, underway at the time of Cheltenham's procurement, proved to be undeliverable in its original scope, with the partnership agreeing to defer the tendering of services at that time. Officers of the authorities would like to further scope the feasibility of a county wide contracting arrangement in light of a number of significant changes to the project's original context.
- 1.6** In light of the pressures and uncertainty regarding the availability of future funding officers of the other authorities in Gloucestershire have tentatively indicated that it may prove timely, once budget positions are better understood, to reconsider what opportunities a partnership commissioning process may deliver as an option; subject to prioritisation and budget setting at each authority. No recommendations or decisions about progressing with a countywide contracting arrangement will be made until the scoping and feasibility work has been undertaken.

2. Reasons for recommendations

- 2.1** The waiver for a one year period would enable officers to participate in the county wide feasibility and test the business case for joining a county wide commissioning activity, in order to maximise the level of outcomes achieved in the first procurement exercise and realising further efficiencies by participating in a county wide service arrangement i.e. achieve better coordination, reduction in duplication and an economy of scale within the service provision

3. Alternative options considered

- 3.1** Retendering of contract on the basis of the current arrangements i.e. for three year period. This would prevent Cheltenham from realising any additional benefits secured through a county wide process.

4. Consultation and feedback

- 4.1** None required for a waiver

5. Performance management –monitoring and review

5.1 Continue with established quarterly monitoring arrangements

Report author	Contact officer: Kathryn Chamberlain, Kathryn.Chamberlain@cheltenham.gov.uk, 01242 775205
Appendices	1. Risk Assessment
Background information	1. Cabinet Report Single Advice Contract 18 th July 2007

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If the waiver was not granted then we would be required to enter a tendering process which would prevent us from achieving the benefits that a county wide commissioning process may bring	Kathryn Chamberlain	1.10.10	2	4	8	Accept	Tender process to maximise value within scope	5.11.10	Kathryn Chamberlain	Divisional
	The other authorities may not be in a position to participate in a county wide commissioning activity	Kathryn Chamberlain	1.10.10	1	3	3	Accept	Incorporate best practice and learning from feasibility project to inform any smaller partnership or local procurement activity	June 2011	Kathryn Chamberlain	Divisional

This page is intentionally left blank