



CHEL TENHAM

BOROUGH COUNCIL

Notice of a meeting of Cabinet

Tuesday, 21 June 2011
6.00 pm

Municipal Offices, Promenade, Cheltenham, GL50 9SA

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

Agenda

SECTION 1 : PROCEDURAL MATTERS

1. APOLOGIES
2. DECLARATIONS OF INTEREST
3. MINUTES OF THE LAST MEETING (Pages 1 - 4)
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

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

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. **CORPORATE RISK REGISTER** (Pages 5 - 28)
Report of the Cabinet Member Corporate Services
6. **HEALTH AND SAFETY DELIVERY PLAN** (Pages 29 - 42)
Report of Cabinet Member Housing and Safety
7. **FOOD SAFETY DELIVERY PLAN** (Pages 43 - 62)
Report of the Cabinet Member Housing and Safety
8. **FINANCIAL OUTTURN 2010/11 AND QUARTERLY BUDGET MONITORING TO MAY 2011** (Pages 63 - 148)
Joint report of the Chief Finance officer and Cabinet Member for Finance and Community Development

SECTION 6 : BRIEFING SESSION

- Leader and Cabinet Members

9. BRIEFING FROM CABINET MEMBERS

SECTION 7 : DECISIONS OF CABINET MEMBERS AND OFFICERS

Member decisions taken since the last Cabinet meeting

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

10. **LOCAL GOVERNMENT ACT 1972 - EXEMPT BUSINESS**
The Cabinet is recommended to approve the following resolution:-

“That in accordance with Section 100A(4) Local Government Act 1972 the public be excluded from the meeting for the remaining agenda items as it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the public are present there will be disclosed to them exempt information as defined in paragraph ?, Part (1) Schedule (12A) Local Government Act 1972, namely:

Paragraph 3; Information relating to the financial or business affairs of any particular person (including the authority holding that information)

11. LOCAL AUTHORITY COMPANY BUSINESS CASE
Report of the Cabinet Member Built Environment

(Pages 149 - 174)

Section 10: BRIEFING NOTES

Briefing notes are circulated for information with the Cabinet papers but are not on the agenda

Contact Officer: Rosalind Reeves, Democratic Services Manager, 01242 774937
Email: democratic.services@cheltenham.gov.uk

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Cabinet

Tuesday, 24th May, 2011

6.00 - 6.16 pm

Attendees	
Councillors:	Steve Jordan (Leader of the Council), John Rawson (Cabinet Member Built Environment), Klara Sudbury (Cabinet Member Housing and Safety) and Andrew McKinlay (Cabinet Member Sport and Culture)

Minutes

1. APOLOGIES

Apologies were received from Councillors Hay and Webster and Councillor Whyborn gave his apologies in view of his potential declaration of interests in both agenda items should he be in attendance.

2. DECLARATIONS OF INTEREST

Councillor McKinlay declared a personal and prejudicial interest in agenda item 5 as the council's representative on the St Margaret's Hall management committee and announced his intention to leave the room for that item.

3. MINUTES OF THE LAST MEETING

Resolved that the minutes of the meeting of 19 April 2011 be approved and signed as a correct record.

4. PUBLIC QUESTIONS AND PETITIONS

None received.

5. ST MARGARET'S HALL - RENT SUBSIDY REQUEST

The Cabinet Member Built Environment introduced the report which had been circulated with the agenda. He explained that the Council had, over many years, entered into a variety of property letting arrangements with the voluntary or "third sector", sometimes providing grant assistance or preferential tenancy terms. Increasingly the council was being asked to consider similar arrangements for community based organisations on a subsidised basis rather than at "best consideration". A more consistent, transparent and streamlined process had been developed to facilitate officer negotiations by the development of an assessment tool and St Margaret's Hall was the first time it had been put into practice.

The results of the assessment were set out in appendix 2 and demonstrated that St Margaret's Hall scored highly on all the criteria and was the kind of

organisation that the council should be supporting. The application had been supported by the ward councillor, Councillor Jo Teakle.

Norman Ashworth, Senior Estates Surveyor, highlighted to members that a 15 year lease had been provisionally agreed, it was currently 10 years. The subsidised rent was for a period of five years which would then be reviewed at the same time as the rent review/lease renewal dates, the first of these being in 2016.

The Cabinet Member Housing and Safety thought this was a very positive example of the new transparent process and supported the valuable services that St Margaret's Hall provided to the community.

The Leader supported the recommendations and commended the work done in creating the policy. He confirmed that the Cabinet would ensure that the five-year review of the subsidised rent would be carried out.

Resolved that:

- 1. The non implementation of the outstanding 2006 rent review, and an extension of the original matching rent grant to cover the period from June 2006 to the expiry date of the current lease (5th June 2011) be agreed, thereby avoiding costly administrative time in negotiating a new rent and subsequently producing a report to 'write-off' an outstanding debt.**
- 2. The Trustees of the St Margaret's Hall User Group be granted a new full repairing lease of the premises from 6 June 2011 at a rent to be formally stated in the documentation of £13,500 per annum exclusive of rates, insurance and other charges and with a rent review at the end of the fifth year.**
- 3. The subsidised rent of 100% of the above rent figure of £13500 per annum be approved until a new rent is determined at rent review or lease renewal in accordance with the Council's agreed Property Lettings and Disposals to the Third Sector policy with the proviso (as advised at the meeting) that the subsidy be reviewed on a five yearly basis at the same time as the rent review/lease renewal dates, the first of these to take place in 2016.**
- 4. The Trustees of the St Margaret's Hall User Group be required to continue to pay the annual building insurance premium throughout the new lease.**
- 5. Authority be delegated to the Head of Property & Asset Management, in consultation with the Head of Legal Services, to negotiate and finalise the lease terms with the Trustees of the St Margaret's Hall User Group and complete the new Lease.**

6. BUILDING RESILIENCE IN PROVIDERS OF COMMUNITY-BASED YOUTH WORK

The Cabinet Member Housing and Safety introduced the report. This provided an update to members on the commissioning approach for allocation of the one-

off sum of £50,000 allocated by Council to support the sustainable development of additional capacity and expertise in providers of community-based youth work in Cheltenham.

Four expressions of interest had been received and these had been reviewed by members of the Social and Community Overview and Scrutiny Committee and also at a meeting with the chair of the Cheltenham Children and Young People's Partnership. That meeting had provided a number of useful comments on the information contained in the appendix. The next stage was to ask for more detail on the proposals and encourage potential providers to work together.

She highlighted that this was a separate process to the allocation of the residual Gloucestershire County Council county funding of £50,000 per district in 2011/12 for youth provision. The districts had just received the criteria from the county on how this money should be spent. All the districts were now working up their own criteria which following agreement by the county would be used to initiate a small bidding process. This funding would be available from July and the only limiting factor was how quickly the bidding process could be completed.

The Leader welcomed the work that was being done by the council to help groups who may be struggling as a result of the cuts in youth provision.

7. BRIEFING FROM CABINET MEMBERS

The Leader reminded members that the Community Pride bidding process was still open until 1 July 2011. He was pleased that the government had finally confirmed the setting up of the Gloucestershire Local Enterprise Partnership. This partnership would be able to put bids in to the regional growth fund.

Chairman

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**Cheltenham Borough Council
Cabinet – 21st June 2011
Corporate Risk Register**

Accountable member	Cabinet Member Corporate Services , Councillor Colin Hay
Accountable officer	Mark Sheldon, Director of Resources
Accountable scrutiny committee	Economy and Business Improvement
Ward(s) affected	None
Key Decision	No
Executive summary	<p>The Corporate Risk Register is “owned” by the senior leadership team as it is a management tool that helps managers run the business effectively, but members also need to be aware of the risks on the register as they may impact on the council and the decisions it makes. The attached register was updated by the senior leadership team on the 3rd May and sets out progress against mitigating actions.</p> <p>At the Economy and Business and Improvement Overview and Scrutiny Committee meeting on the 23rd May the Corporate Risk Register was considered and there were no comments that would affect the content, it has now been forwarded to Cabinet for approval.</p> <p>A verbal update will be provided to members where there has been a significant change since Senior Leadership Team on the 3rd May.</p>
Recommendations	<ol style="list-style-type: none"> 1. That Cabinet considers the register as at 3 May 2011 and identifies any further corporate risks that should be included 2. That Cabinet considers whether the actions specified to manage the identified risks are appropriate.
Financial implications	<p>There are a number of risks in the corporate risk register which, if not managed have the potential to expose the council to financial costs which are not provided for within existing budgets. The mitigating actions seek to control the risk of expose to these costs.</p> <p>Contact officer: Mark Sheldon</p> <p>Email mark.sheldon@cheltenham.gov.uk,</p> <p>Tel no; 01242 264123</p>

Legal implications	<p>The effective engagement of members in the management of corporate risk contributes to sound corporate governance and probity in corporate decision making.</p> <p>Contact officer: Peter Lewis</p> <p>Email peter.lewis@teWKesbury.gov.uk</p> <p>Tel. no; 01684 272012</p>
HR implications (including learning and organisational development)	<p>There are a number of risks in the Corporate Risk Register that have HR implications (e.g. capacity, skills for commissioning, health and safety); however these will be addressed by the mitigating actions.</p> <p>Contact officer: Amanda Attfield</p> <p>Email amanda.attfield@cheltenham.gov.uk</p> <p>Tel. no; 01242 264186</p>
Key risks	<p>If the council does not manage its risks appropriately then this can lead to ill-informed decisions.</p>
Corporate and community plan Implications	<p>Effective identification and management of risk helps the council make informed decisions and manage its corporate plan priorities.</p>
Environmental and climate change implications	<p>There are no specific environmental or climate change implications arising from the report, but the council is keen to ensure that the risks of climate change and ability to mitigate and adapt are built into service plans and risk registers.</p>

1. Background

- 1.1 Effective risk management is a key component of good governance arrangements and the senior leadership team review the register on a monthly basis. They consider where mitigating actions may not be progressing as planned or may not have achieved the desired outcomes or what further action needs to be taken. They also consider any new risks and identify the mitigating actions which need to be taken to manage the impact and likelihood of that risk.
- 1.2 Each division has a service plan where they record and manage their divisional risks and those that score 16 or over are brought to the senior leadership team and the corporate implications discussed and where necessary escalated to the corporate register.
- 1.3 The attached 'Dashboard' (appendix 1) and the Corporate Risk Register (appendix 2) provide managers and members with a high level overview of the corporate risks their scores and if they are on target to meet agreed deadlines.
- 1.4 The Dashboard and the register highlight that there were currently 35 active risks on the register, 2 with a low score, 24 with a medium score and 9 with a high score. The dashboard goes on to highlight the number of risks within those categories that are either on target to *meet*, *may not meet* or *will not meet* their specific deadline for reducing or removing risks.
- 1.5 All of these risks are continually monitored by the risk owners and collectively managed by SLT on monthly basis.

2. Exceptions

- 2.1 It is intended that in future this section of the report will provide information on new risks and any medium or high that may or will not meet their deadlines i.e. those that are highlighted within the register as Amber or Red, the reasons for this and what is being done mitigate the risk.

Table 1: New risks since the last report

Risk number	Risk
CR47	If the emerging car parking strategy which specifically relates to development sites is not properly articulated then it is likely that any potential redevelopment could be misinterpreted and not favourably received.
CR48	If key employees are suddenly unavailable then service delivery will be severely compromised.
CR49	If County LEP does not progress then it may damage the ability of the Task force to deliver wider vision through inability to access potential funding and technical resources
CR50	If there is not sufficient time for detailed review and approval of the Solution Design Documents (SDDs) for the GO Programme (Agresso system), and preparation for that review within required timescales, then the eventual solution design may not be robust.
CR51	If the airport project cannot be delivered within the business plan parameters, (including borrowing limits) approved by Cheltenham and Gloucester city councils, then the borrowing costs may fall on the councils
CR52	If the Waste Project between some of the GO partners has significant effects on the GO programme from both a Governance and operational perspective, delivery of the GO Programme may be adversely impacted.
CR53	Resourcing: If availability of critical resources during the GO implementation and post implementation period - then officers involved in project may be unable to provide day to day delivery of service to their authority.
CR54	The proposed welfare reforms and parallel increases to affordable rents may lead to an increase in housing rent arrears across the social rented sector.
CR55	If the council is not alert to new legislation with regard to fixed term tenancy arrangements and social rents then it may find that there are issues with people's ability to access social rented properties and the potential disruption to communities as people face fixed term tenancy arrangements.
CR56	Due to financial constraints the GO Programme does not have a separate business change manager role, and if the necessary change both within the retained organisation and inside the shared service does not take place to the required level, savings may be compromised. This was logged as a risk in August 2010; however on 20th April 2011 the GO Programme Board took a decision to increase the risk rating.

Table 2: Risks that may or will not meet their original deadline for mitigating the risk

Risk	Risk	Risk	Why mitigating actions will or may not reduce or remove the risk by
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number		score	the original deadline
High Risks			
CR34 b	If the council does not have robust testing of its business continuity plans then there is a risk that they may not be effective	16	The recently implemented infrastructure to provide backup support to 25 key systems is now in place. Testing these systems will involve some downtime in order to fully test migrations plans Timescales are being drawn up to migrate the systems and carry out full audit testing.
CR35	If the current public service proposed budget cuts mean that the county council are unable to fund and provide officer resource for strategic infrastructure planning phase 3 then the JCS will not be supported by robust evidence which may lead to inappropriate development	16	Awaiting GCC restructuring and budget allocation
CR52	If the Waste Project between some of the GO partners has significant effects on the GO programme from both a Governance and operational perspective, delivery of the GO Programme may be adversely impacted.	20	Work has been undertaken to determine the interrelationship between the GO programme and ERP build and the waste project to ensure that the implications of both are understood and are addressed in the reports to be considered by the Cabinet and Council in June / July 2011.
Medium risks			
CR13	If members, senior managers and employees do not recognise their obligations and responsibilities for equalities then there is a risk that we could be treating people unfairly and the council could face prosecution	9	Equality impact assessment has been carried out on the budget; equality issues have been included in new community assessment tool to be used as part of commissioning work. Need for SLT to be briefed on the introduction of the new public sector equality duty set out in the Equality Act.
CR17	If members, senior managers and employees do not recognise their obligations and responsibilities for information management including data quality and information security then it could result in ill informed decisions, unreliable outcomes, ineffective use of resources and loss of assets, leading to a reduced public reputation and a lack of confidence from regulators	9	Information strategy has not progressed as anticipated due to other work commitments. Revised deadline for information strategy set for Sept 2011 and will need to be built into work plans for overview and scrutiny as well as forward plan for cabinet.

CR20	If knowledge and skills about commissioning are not developed within the organization, there is a risk that services will not be commissioned or delivered in the right way which may impact on flexibility and/or costs.	12	The member joint party working group are defining Member roles under commissioning and when complete these will be used to audit member's current knowledge and skills. It is unlikely that the audit will be complete by the end of March 2011.
CR32	If the council is unable to realise the capital value of some of its assets it will be unable to progress the civic pride proposals	12	SPD formally adopted on 13.12.10 (Full Council). OJEU Notice issued 24.1.11 as per target. 5 bidders short listed in line with programme. Other asset disposals progressing as planned.
CR44	If CBC do not complete the PCI self assessment and identify all of the risk then there is a risk that there could be a breach in security and subsequent fines from the Information Commissioner	15	An audit assessment has been carried out to ascertain a number of quick fixes these will be relayed to Service Managers. Workshop arranged for 08/04/2011 to consider self assessment. Workshop reviewed self assessment document and meeting has been arranged with bank representative 13th May
CR49	If County LEP does not progress then it may damage the ability of the Task force to deliver wider vision through inability to access potential funding and technical resources	8	LEP proposal discussed with stakeholders and submitted to Dept. CLG and BIS

3. Reasons for recommendations

- 3.1 Cabinet need to satisfy themselves that the council is considering the full range of risks which may impact on the delivery of our outcomes, and that we are taking appropriate action to manage risks.

4. Alternative options considered

- 4.1 No alternative options have been considered. It was agreed by both the Cabinet and the Economy and Business Improvement O&S committee that corporate risks should be reported quarterly for consideration by members.

5. Consultation and feedback

- 5.1 The register has been considered by the Economy and Business Improvement O&S committee and their comments will be fed back to the meeting.

6. Performance management –monitoring and review

6.1 Cabinet Members discuss risks with their respective Directors at one to one meetings. The senior leadership team consider the risk register on a monthly basis, and challenge how risks are being managed and monitored.

Report author	Contact officer: Mark Sheldon , Director of Resources Email; Mark.sheldon@cheltenham.gov.uk, Tel; 01242 264123
Appendices	<ol style="list-style-type: none">1. Corporate Risk Register - Dashboard2. Corporate Risk Register

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Cheltenham Borough Council Risk Register SLT 10-05-2011 Version 1				Risk score			Managing risk				Mitigating action taken	Date of current last update	
Risk Ref.	Risk description	Risk owner	Date raised	Impact and likelihood		Control	Proposed Action	Deadline	On Target for deadline?	Responsible officer	(if you are not going to meet the deadline explain why, what action is being taken to mitigate the risk and what new deadline you propose.)		
				Impact	Likelihood								
1 CR23	If resilience issues are not addressed in the Payroll service, the service quality for employees will be impacted, and may impact on partner relationship with CBH, possibly impacting funding stream from CBH, and there will not be sufficient resource to support necessary tasks regarding payroll and ABW (GO) implementation.	Director People Org Dev & Change Amanda Atfield	01/04/2010	4	5	Reduce	Raise as GO Programme risk. Monitor situation. Seek and obtain required skill set and experience - advertise role with partners, SWEmployers, other networks. Seek Agency support via Comensura.	End June 2011	Green	HR Operations Manager Julie McCarthy	Raised as risk on GO Programme register. Nothing received from networks. Advertised role externally. Applications reviewed, interview took place. No suitable applicants identified. Will seek Agency support aiming to have in place by end June deadline. Meeting with Audit on 11th May to review recent payroll audit findings. Assessment of resource made and capacity gap more closely defined, actions to mitigate to be considered (what to stop, reprioritise, do less, etc).		10/05/2011
2 CR41	If capacity to lead and manage the changes, at the same time as implementing major change (i.e. a new ERP system), is not secured then the benefits from commissioning and the ERP system will not be fully realized, and morale and motivation may be impacted adversely – affecting existing SLT, members and service managers	Chief Executive Andrew North	28 th October 2010	4	4	Reduce	Quarterly review of capacity for major change programmes, by SLT. Agree allocation of capacity funding. Ensure dialogue between project/programme managers and resource managers via portfolio management process re resource requirements and supply.	01/04/2012	Green	Dir People, OD & Change Amanda Atfield Senior Leadership Team	Capacity priorities established for the approved £80k towards capacity, informed by the capacity mapping exercise to be completed by end April, and quarterly thereafter for major change programmes. Capacity reviewed at SLT 10th May 2011. Capacity funding bid for £23k submitted for CBC GO implementation, for capacity to effect required business change.		10/05/2011
3 CR9b	If the Highways Authority is unable to support the traffic proposals which underpin the civic pride schemes then vision and outcomes will not be achieved, and this will impact on the council's reputation and the future economic position of the town.	Task Force Managing Director Jeremy Williams	01/04/2010	4	4	Reduce	Initial outputs paint a positive impact on the town centre but disbenefits elsewhere. GCC/CBC have agreed preparation of a mitigation strategy by end of January 2011 which will also reflect impact of CSR.	June/July 2010 Mitigation strategy original deadline January 2011 revised to March 2011	Green	Task Force Managing Director Jeremy Williamson	GCC have submitted Local Sustainable Transport Fund bid to Dept of Transport with supporting letters from CBC, Task Force, Chamber and Brewery. Outcome predicted by end of June 2011		06 05 11

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Cheltenham Borough Council Risk Register SLT 10-05-2011 Version 1				Risk score			Managing risk			Mitigating action taken		Date of current last update	
Risk Ref.	Risk description	Risk owner	Date raised	Impact	Likelihood	Score	Control	Proposed Action	Deadline	On Target for deadline?	Responsible officer	(if you are not going to meet the deadline explain why, what action is being taken to mitigate the risk and what new deadline you propose.)	
4	CR3 3 If the council does not keep the momentum going with regards to the JCS then the policy vacuum left by the abolition of the RSS and the resultant delay in projections and framework could result in inappropriate development.	CEX Andrew North	10.08.10	4	4	16	Reduce	Agreement across Gloucestershire districts to work collaboratively on determining housing and employment projections by the end of the year. Revised timetable for JCS considered and agreed by MSG April 2011. County Council Housing projections work published May 2011. Econometric Housing Model - work progressing and on target to deliver July 2011	01/04/2013	Green	Spatial planning manager – Tracey Crews	Review of all programme activities underway. The contract to deliver econometric housing model signed first outputs expected March 2011 Members steering group considering ways in which timetable for JCS can be advanced.	08/04/2011
5	CR3 4 a If the council does not have robust testing of its business continuity plans then there is a risk that they may not be effective	Exec Director Grahame Lewis	05.07.10	4	4	16	Reduce	Desk top recovery test based on worst case scenario i.e. municipal offices out of action	01/12/2010 01/09/2011	Green	Exec Director Grahame Lewis	Desk top exercise undertaken and BCP are being revised in light of this test. Planned testing of depot back up arrangements will need to be organised in new year This risk has been split to allow for on going resilience testing of BCP with a new deadline of 01/09/2011	07/01/2011
6	CR3 4 b If the council does not have robust testing of its business continuity plans then there is a risk that they may not be effective	Exec Director Grahame Lewis	05.07.10	4	4	16	Reduce	Two storage area networks to be purchased for real time backups of ICT data, and purchase of additional UPS battery supply for the municipal offices. Full test with depot as stand by site to be tested	01/07/2011	Amber	ICT Infrastructure Manager Paul Woolcock	Planned testing of depot back up arrangements will need to be organised in new year/installation of equipment and software is complete. The recently implemented infrastructure will support 25 key systems (this figure can grow to meet business requirements). The council has a business continuity plan that covers a wide range of business systems including the need for an effective ICT back up system at the depot. The council is currently upgrading its back up systems having installed new equipment and work is progressing to migrate the key business systems. Once fully operational the council will be in a position to undertake a full test and the target date for carrying out a robust test for this back-up system is Mid May 2011. The outcome for this test will provide assurance to SLT that its back-up systems are effective.	03/03/2011

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Cheltenham Borough Council Risk Register SLT 10-05-2011 Version 1				Managing risk			Mitigating action taken (if you are not going to meet the deadline explain why, what action is being to mitigate the risk and what new deadline you propose.)		Date of current update				
Risk Ref.	Risk description	Risk owner	Date raised	Impact	Likelihood	Score	Control	Proposed Action	Deadline	On Target for deadline?	Responsible officer		
7	CR3 5 If the current public service proposed budget cuts mean that the county council are unable to fund and provide officer resource for strategic infrastructure planning phase 3 then the JCS will not be supported by robust evidence which may lead to inappropriate development	CEX Andrew North	10.08.10	4	4	16	Reduce	Chair of the cross boundary member steering group to write to GCC with concerns. GCC continue as members of the cross boundary programme board and member steering group and therefore understand requirements Development of community infrastructure levy scheme as part of the JCS will demonstrate requirement for effective infrastructure planning	Review position 01/06/2011	Amber	Spatial planning manager – Tracey Crews	Verbal confirmation that the County will have difficulty in supporting the infrastructure requirements of the JCS strategy staff cuts. Awaiting confirmation that SIDP support can be offered from the County until June 2011. JCS PM to explore the cost implications of bringing infrastructure planning in-house post June 11 and develop a JD/person specification.	11/05/2011
8	CR4 5 If sites identified within former Civic pride programme do not generate sufficient net receipts then the wider aspirations e.g. public realm will not be deliverable	AN/JW	21 07 10	4	4	16		It may be possible to utilise receipts from other non Civic Pride sites e.g. Midwinters if necessary. Effective soft market testing suggests optimism over net receipts. There is a need to de-risk by early identification of issues relating to legal title, archaeology or the environment to minimise delay.	February 2012 - financial close on North Place	Green	Task Force Managing Director Jeremy Williamson	5 short listed bidders identified and invited to proceed to next (Outline solution) stage. All have sound financial covenants and track record in delivering similar schemes.	06 05 11
9	CR5 2 If the Waste Project between some of the GO partners has significant effects on the GO programme from both a Governance and operational perspective, delivery of the GO Programme may be adversely impacted.	Exec Director Grahame Lewis	10/05/2011	4	5	20	Reduce	Mitigating actions - a set of fact finding tasks has been initiated, including a meeting held on 3rd May, covering legal, finance, communications, governance, and human resources issues as related to the GO Programme.		Amber	Director of Resources Mark Sheldon	Work has been undertaken to determine the interrelationship between the GO programme and ERP build and the waste project to ensure that the implications of both are understood and are addressed in the reports to be considered by the Cabinet and Council in June / July 2011.	10/05/2011

row number

Cheltenham Borough Council Risk Register SLT 10-05-2011 Version 1				Risk score			Managing risk			Mitigating action taken	Date of current last update
Risk Ref.	Risk description	Risk owner	Date raised	Impact and likelihood		Proposed Action	Deadline	On Target for deadline?	Responsible officer	(if you are not going to meet the deadline explain why, what action is being to mitigate the risk and what new deadline you propose.)	Date of current last update
				Score	Likelihood						
10	CR5 6 Due to financial constraints the GO Programme does not have a separate business change manager role, and if the necessary change both within the retained organisation and inside the shared service does not take place to the required level, savings may be compromised. This was logged as a risk in August 2010, however on 20th April 2011 the GO Programme Board took a decision to increase the risk rating.	Exec Director Grahame Lewis	10/05/2011	3	4	Reduce	01/09/2011	Green	Director People Org Dev & Change Amanda Attfield	Go Programme has maintained a watching brief, and recent Programme Board raised risk level sufficient to bring to local risk register. At CBC, a funding bid has been submitted for business change capacity.	10/05/2011
11	CR5 3 Resourcing : If availability of critical resources during the GO implementation and post implementation period - then officers involved in project may be unable to provide day to day delivery of service to their authority.	Director People Org Dev & Change Amanda Attfield	19/04/2011	3	5	Reduce	01/03/2012	Green	Director People Org Dev & Change Amanda Attfield	UPDATE Risk score has been increased (9/3/11) due to local workload in most partners increasing due to factors external to the programme but having the same net effect as original risk. Situation will continue to be monitored closely by Programme Board. Situation will need to be monitored by CBC as part of local implementation. CBC to appoint sponsor for local implementation project - from July 2011, and create local implementation project team. Local implementation project to ensure assessment of capacity / resource requirements as per programme plan, and make resource available.	10/05/2011
12	CR4 4 If CBC do not complete the PCI self assessment and identify all of the risk then there is a risk that there could be a breach in security and subsequent fines from the Information Commissioner	Director of Resources Mark Sheldon	23/02/2011	5	3	Reduce	31/03/2012	Amber	ICT Infrastructure Manager Paul Woolcock	An audit assessment has been carried out to ascertain a number of quick fixes these will be relayed to Service Managers. Workshop arranged for 08/04/2011 to consider self assessment. Workshop reviewed self assessment document and meeting has been arranged with bank representative 13th May	11/05/2011

row number

Cheltenham Borough Council Risk Register SLT 10-05-2011 Version 1				Risk score Impact and likelihood			Managing risk			Mitigating action taken (if you are not going to meet the deadline explain why, what action is being to mitigate the risk and what new deadline you propose.)		Date of current last update
Risk Ref.	Risk description	Risk owner	Date raised	Impact	Likelihood	Score >16 Red 7 to 15 Amber 3 to 6 Green	Control	Proposed Action	Deadline	On Target for deadline?	Responsible officer	
130	CR4 If Partner organisations are not sufficiently 'bought into' the commissioning process then there is a risk that the commissioning work will be done in isolation and potential savings and effective delivery of outcomes will be reduced.	Chief Executive Andrew North	28 th October 2010	4	3	12	Reduce	Effective engagement with the VCS forum, plus other partners through CSP and thematic projects. The objective of 'place based' project is to engage partners and create alignment. Ensure that joint funding is subject to use of proper commissioning disciplines.	Continuing to October 2012	Green	Partnership Manager Richard Gibson	10/05/2011
147	CR2 Icelandic banks - financial exposure If the group claim against Glinir bank fails and the council is not recognised as a 'priority depositor' the council's deposits would be re-classified as 'general unsecured creditors' resulting in a lower recovery rate and exposure to defendants costs.	Director of Resources Mark Sheldon	09/04/2010	4	3	12	Accept	Council commitment to join in group action with other councils to make case for priority depositor status. Capitalisation direction approved for £4.43m allows for write off of loss over 20 years.	07/03/2011	Green	Director of Resources Mark Sheldon	07/01/2011
150	CR2 If knowledge and skills about commissioning are not developed within the organization, there is a risk that services will not be commissioned or delivered in the right way which may impact on flexibility and/or costs.	Director People & Change Amanda Atfield	25/02/2010	3	4	12	Reduce	Identify resource to deliver knowledge and skills needs (i.e. in house as external funding unlikely) Knowledge programme for relevant officers/members, skills for business, development programme, developed and delivered during 2011/12.	SMS members End of June	Amber	HR Manager Learning and Org. Development Jan Bridges	10/05/2011
162	CR3 If the council is unable to realise the capital value of some of its assets it will be unable to progress the civic pride proposals	Exec Director Graham Lewis	23/08/2010	4	3	12	Reduce	Revised supplementary planning document consulted on for North Place, subject to Full Council approval. Property advisors appointed with aim of marketing January 2011.	Council December 2010 Jan 2011	Amber	Executive director	06 05 11

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17	CR3 6 If changes to contractual allowances are made outside the collective bargaining process, there may be local industrial action, morale and motivation may be impacted.	Director People Org Dev & Change Amanda Atfield	30/09/2010	4	3	12	Reduce Seek to consult and negotiate via collective bargaining. Communicate and engage employees impacted re reasons for change. Ensure follow collective consultation regulations and give required contractual notice.	End March 2012	Green	HR Manager Operations Julie McCarthy.	Commenced discussion with Tus at informal JLF 22 09 2010. Potential implementation timetable developed. Ongoing discussions at two-weekly TU meetings. Risk score amended 9 November – likelihood reduced from 5 as unlikely to move from collective bargaining and working closely with unions. No current issues envisaged to require a move outside Coil Bargaining. Letter received from Unison re process for collective bargaining and outlining need for regional / national sign off. CBC has responded. Will continue to monitor the position.	10/05/2011
18	CR1 2 If members, senior managers and employees do not recognise their obligations and responsibilities for health and safety then there is a risk to the public, customers and employees of injury and the council could face prosecution	Director People Org Dev & Change Amanda Atfield	01/02/2010	4	3	12	Reduce Introduction of health and safety audits inc. plan Creation of a Health and Safety strategy Development of a H&S action plan for 2010-11 (to include awareness training for managers and supervisors during 2010-11) Roll out Harriet Risk Management software	01/03/2011 As per the action plan considered by audit committee Mar 2011	Green	HR Manager Operations Julie McCarthy	H&S strategy and work plan in place. Considering H&S capacity, and resource allocation given shared management of depot services, and HSE inspection later in 2011. Has been determined not to re-new licence for Harriet software, however risk assessments will continue to be carried out manually.	10/05/2011
19	CR2 1 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.	Director Wellbeing & Culture Amanda Atfield	01/06/2007	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.	01/08/12	Green	Museum and Arts Manager Jane Lillystone	Contractors are due on site from the beginning of July 2011. The remaining shortfall of £919,567 will be raised through further fundraising by the CAG&M Development Trust and the Friends of CAG&M and the launch of a public fundraising campaign - which will start from the end of May 2011. A new fundraising deadline date of August 2012 has been set for the remaining £919k shortfall. The Phase III Fundraising Strategy will be launched on 25 May 2011 with the aim to have raised the £919k shortfall by the end of the build & construction stage of the project, prior to the commencement of fit out.	10/05/11

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20	CR2 Art Gallery & Museum: If the AG&M Development Scheme is not effectively 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 running costs are recognised within the business plan and subject to appropriate consideration within the MTFs.	Director Welbein g & Culture	01/06/2007	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) & Leisure@ Flood Reinstatement Project (2007-8)	01/09/11	Green	Museum and Arts Manager Jane Lillystone	Procurement for the Project Manager will now coincide with the submission of the HLF Stage II bid in November and a revised funding strategy. Deadline revised to March 2011 following cabinet approval for project manager. Following the successful HLF application tendering for the appointment of the building contractor commenced with the appointment scheduled to be made w/c 30/5/11, which will coincide with the procurement of a project manager and/or clerk of works	10/05/11
21	CR2 Icelandic banks - financial exposure If the current status as priority deposits with Landsbanki bank is successfully challenged, the council's deposits would be re-classified as 'general unsecured creditors' resulting in a lower recovery rate and exposure to claimant costs and impact on the MTFs over that already factored in through capitalisation of losses.	Director of Resources Mark Sheldon	09/04/2010	4 3	12	Accept	Council commitment to join in group action with other councils to defend current priority depositor status.	01/03/2011	Green	Director of Resources Mark Sheldon	In April 2011, the Icelandic District Court judged that UK local authorities deposits are recognised as having priority status over other creditors' claims and will be at the front of the queue when it comes to getting their money back following the collapse of the failed Icelandic banks. However this decision has been appealed and will now be considered by the Icelandic supreme court in the autumn of 2011.	07/01/2011
22	CR3 If the council is unable to come up with long term solutions which bridge the gap in the medium term financial strategy then it will find it increasingly difficult to prepare budgets year on year without making unplanned cuts in service provision	Director of Resources Mark Sheldon	26/01/2010	3 4	12	Reduce	Development of the BIG programme. Establishment of a cross party working group following the elections in May. Review budget scrutiny process. Review and rolled out revised budget consultation process SLT presentation of new ideas to Cabinet leads.	01/09/2010	Green	Chief Finance Officer Mark Sheldon	93 BIG proposals / work streams addressing the 2011/12 budget gap were included in the final budget approved by Cabinet on 8/2/11 and Council on 11/2/11. The BIG programme includes the on-going financial implications on the MTFs i.e. future years savings plus initiatives which will have take effect in future years. SLT continue to work with CFO and members to address residual gaps for future years at monthly BIG meeting with the Cabinet lead. The final budget includes the proposal for cross party Budget Working group to develop both the budget process and members scrutiny roles.	07/01/2011

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23	CR47 If the emerging car parking strategy which specifically relates to development sites is not properly articulated then it is likely that any potential redevelopment could be misinterpreted and not favourably received.	AN/JW	16 02 11	3	4	Reduce Need to finalise car parking strategy through parking board. Develop a communications plan to thoroughly involve stakeholders as early as possible.	To be decided	Green	Owen Parry	Introduction of a series of parking demand management applications enabling data collection and modelling of demand, linked to the work undertaken through the Civic Pride traffic modelling will assist in formulating the parking strategy. Focus groups have been established and are inputting into the engagement process, the outcome of which will be discussed at the Parking Board being held on Thursday 11th May 2011. At this meeting endorsement will be sought to continue with the process with the aim being to seek input from key stakeholders and other interested parties in the establishment of a Parking Strategy project working group, this will include application to development sites thus ensuring the strategy is properly articulated so as any potential redevelopment could not be misinterpreted and or not favourably received		16 02 11
24	CR50 If there is not sufficient time for detailed review and approval of the Solution Design Documents (SDDs) for the GO Programme (Agresso system), and preparation for that review within required timescales, then the eventual solution design may not be robust.	Director People Org Dev & Change Amanda Attfield	08/03/2011	4	3	Reduce Mitigating actions - Programme Plan being prepared. Need to ensure adequate time for preparing and conducting Gateway reviews of key programme documentation. Locally, need to ensure time is set aside for process work (e.g. via super users), and Programme Board members to ensure relevant attendance at sign off meetings (March/April).	05/04/2011	Green	Director People Org Dev & Change Amanda Attfield	Ensured key employees were made available for review of processes, and work prioritised to help this - this is now completed. Final sign off took place (Finance and Procurement) 18th April. E Recruiter process design to be approved electronically by 17th May, no resource issues. Suggest this risk can be completed and closed.		10/05/2011
25	CR55 If the council is not alert to new legislation with regard to fixed term tenancy arrangements and social rents then it may find that there are issues with people's ability to access social rented properties and the potential disruption to communities as people face fixed term tenancy arrangements.	Director Commissioning - Jane Griffiths	19th April	3	3	Reduce Member working group to be established to understand the implications. Following review tenancy strategy to be drafted in consultation with CBH. As part of the review consideration to be given as to how the changes will impact on housing advice and housing options. Review to report back to cabinet October 2011	01/10/2011	Green	Director Commissioning - Jane Griffiths	New risk		11/04/2011

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26 CR5 4	The proposed welfare reforms and parallel increases to affordable rents may lead to an increase in housing rent arrears across the social rented sector.	Director Commissioning - Jane Griffiths	04/04/2011	3	3	9	Reduce	Keep government proposals for reform under review. Housing working group to be established to understand the impacts and what further action our housing benefit teams can undertake to mitigate against the reforms.	01/10/2011	Green	Director Commissioning - Jane Griffiths	11/05/2011
27 CR4 8	If key employees are suddenly unavailable then service delivery will be severely compromised.	Chief Executive Andrew North	16 02 11	3	3	9	Reduce	SLT to agree a working definition of key role - along lines of "highly technical, specialist knowledge residing in a single individual, that could not be easily picked up or covered by others in the event of sudden loss of that individual, the work cannot wait (is time driven)". SLT to identify which roles in their areas were "key" that would cause a major service disruption issue if they were suddenly unavailable - e.g. what is the degree of risk - what is in place that could cover the loss. SLT to determine actions to take in the event of a sudden loss of the key employee/s - this may vary according to the nature of the role/key employees. SLT to review findings of above actions.	31/07/2011	Green	Director People Org Dev & Change Amanda Attfield	10/05/2011
28 CR1 3	If members, senior managers and employees do not recognise their obligations and responsibilities for equalities then there is a risk that we could be treating people unfairly and the council could face prosecution	Director Commissioning - Jane Griffiths	01/03/2010	3	3	9	Reduce	Equality action plan to be prepared which enables council to be at achieving level for the equality framework for local government	07/03/2011	Amber	Policy and Partnership issues Manager Richard Gibson	10/02/2011

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29	CR1 7 If members, senior managers and employees do not recognise their obligations and responsibilities for information management including data quality and information security then it could result in ill informed decisions, unreliable outcomes, ineffective use of resources and loss of assets, leading to a reduced public reputation and a lack of confidence from regulators	Director Commissioning - Jane Griffiths	01/02/2010	3	3	9	Reduce	Annual data audit undertaken to identify classification of data Information strategy to be developed jointly with CBH	revised target date set - March 2012	Amber	Director of Resources Mark Sheldon	Information strategy has been discussed by officer working. Objectives and workplan to be compiled. Admin support identified	10/05/2011
30	CR2 If councillors and officers do not "draw a line" under the review and move forward as recommended by both the judge and KPMG there is a reputation risk, as well as a risk that further resource both financially and time could be incurred	Chief Executive Andrew North	10/03/2010	3	3	9	Reduce	CEX has discussed this matter with group leaders Letter of apology signed by CEX and Group leaders Clear action plan developed on lessons learnt CEX to discuss with group leaders should any further issues arise.	01/09/2011	Green	Chief Executive Andrew North	It would appear that councillors have responded constructively in learning lessons from the review without blame. However, points of tension may still arise and continued vigilance is required This will be reviewed following the final consideration by the Audit Committee March 2011. recommend closure	08/04/2011
31	CR2 9 If the council does not implement the actions identified in the climate change adaptation risk assessment there is a risk that resources will not be used to best effect which could impact on financial, environmental and service decisions and affect service delivery.	Director Commissioning - Jane Griffiths	06/05/2010	4	2	8	Reduce	Services are required to identify the actions they will be taking to respond to climate change (both adaptation and mitigation) in 2011/12 service plans. Internal audit has a trained officer in environmental auditing who will be assessing progress against the adaptation risk assessment.	01/06/2010 Target date changed to June 2011 01/03/2011	Green	All Directors Audit Partnership Manager Richard Gibson, policy and partnership s manager	Given the new divisions following the s4 reports new service plans will need to be developed and this will be an ideal time to incorporate adaptation requirements Internal Audit now has a trained environmental auditing officer. This officer has completed a Sustainability & Environmental Management Review due to be discussed at Audit Committee on the 12th January 2011 An assessment tool was approved by the programme board in November and will be used in the initial review of leisure and culture to test its use and revised accordingly SLT have reviewed the planned climate change adaptations and have asked divisions to identify climate change champions; this champions group will be established once restructuring has been completed and risk partnership assessments revised to reflect new structures. Risk remains amber but likelihood has been reduced to reflect completed and planned actions	08/02/2011

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32	CR51	Airport Project If the airport project cannot be delivered within the business plan parameters. (including borrowing limits) approved by Cheltenham and Gloucester city councils, then the borrowing costs may fall on the councils	Director of Resources Mark Sheldon	09/03/2011	2	4	8	Reduce	The project team must ensure that the project is delivered to the agreed costs and timescale	01/04/2011	Green	Director of Resources Mark Sheldon	Development funding agreement in place to protect council interests. Project management in place and expert project assurance role being provided for stakeholders to monitor costs in line with business case. New Risk	009/03/2011
33	CR49	If County LEP does not progress then it may damage the ability of the Task force to deliver wider vision through inability to access potential funding and technical resources	Chief Executive Andrew North	21 07 10	2	4	8		Engage with County and other stakeholders throughout development and bidding stage of LEP process	On going	Amber	Chief Executive Andrew North	LEP proposal discussed with stakeholders and submitted to Dept. CLG and BIS	08/04/2011
34	CR10	If the council is unable to approve long term solutions for its waste and recycling services then costs will continue to increase and the council will fail to meet its strategic environmental targets	Director Operations Rob Bell	01/02/2010	3	2	6	Reduce	Options appraisal complete and being presented to Environment Overview and Scrutiny. County residual waste strategy being developed. Report to cabinet on future options scheduled for 27th July 2010. If approved, risk rating will significantly reduce.	01/03/2011	Green	Waste and Recycling Manager Beth Boughton	Cabinet approved new waste and recycling change programme on 2 nd July 2010. Project underway to deliver these changes and is currently on track. County residual waste strategy still in development Risk rating to remain at 6.	07/01/2010
35	CR39	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	01/06/2010	3	2	6	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.	01/12/2010 30/06/2011	Green	Director of Resources Mark Sheldon	SLT have agreed a recruitment freeze and reviewed supplies and services budget resulting in a revised projection that the £800k projected overspend will be managed to zero in 2010/11. Deadline has been revised to reflect year end out turn position which will determine if mitigating actions have been successful.	07/01/2011

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36 CR8	If the council does not manage its ambitious change management programme effectively it will put pressure onto employee resources and may impact on the delivery of services	Chief Executive Andrew North	01/02/2010	Impact Likelihood	>16 Red 7 to 15 Amber 3 to 6 Green	Close	The operational programme board has an oversight of the key change programmes which are run using the Managing Successful Programmes and PRINCE2 methodologies. The council's approach to portfolio management to be agreed. Approach to be reviewed to ensure that these methodologies are applied consistently	01/03/2011		Business Development Manager Ken Dale
37 CR1	If the council does not implement the recommendations and action plan arising from the public interest report and working group report and put in place preventative measures based on lessons learnt then there is a potential local and national reputation risk and potential adverse audit assessment.	Chief Executive Andrew North	22/03/2010			Close	All recommendations agreed by council. Action plan has been developed following discussions with officers and has been incorporated within the council's corporate strategy and will be reported through the corporate performance management system. Monitoring of the action plan is to be undertaken by the audit committee on a quarterly basis. Internal audit have set time aside in their audit plan. KPMG will review progress as part of the annual audit of accounts.	Deadlines as per the action plan. First monitoring report June 2010. Audit committee September 2010. January and March 2011		Director Commissioning - Jane Griffiths
38 CR 37	If there is national strike action as a result of the recent TUC motion to protest against the trajectory of government budget reductions, service delivery is likely to be disrupted	Director People Org Dev & Change Amanda Atfield	14/09/2010			Close	Monitor likelihood, communicate Council case to employees, consult locally with unions, publish guidance to managers. Intranet updates re pay offer posted out to employees (done 18 02 2011); SLT and Cabinet lead kept informed.	01/03/2011		HR Operations Manager Julie McCarthy

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39	CR43	If CSR settlement impacts result in required GO Programme resource being consumed, then programme implementation and resulting savings and efficiency realisation, will be put at risk.	Mark Sheldon/ Amanda Attfield	####	0	0	Close	End March		Director People Org Dev & Change Amanda Attfield	This risk was raised by the Go Programme Board and scored as a high (red) risk, staying high (red) even after mitigating actions (NB the GO Programme uses different a risk scoring matrix and approach). Programme Board Members agreed that any risks falling into this category (red/red) be considered by each partner council for their own corporate risk registers and local action. The CSR impact has been assessed for CBC, and aside from the wider capacity issue risk already identified as a separate risk, no further mitigating action needs to be taken by CBC as GO Programme resources are not impacted by CSR 2010. Discussed at SLT on 1st February 2011, risk is noted and closed at slt 10052011 .	40651
40	CR26	Airport If the airport project cannot be delivered within the parameters, (including borrowing limits) approved by Cheltenham and Gloucester city councils, the future viability of the airport and improved returns to shareholders could be jeopardised.	Director of Resources Mark Sheldon	01/04/2010			Close	01/09/2010 01/04/2011		Chief Finance Officer Mark Sheldon	Council approved additional borrowing facility to support the delivery of the revised businessman plan reflecting post tender evaluations. All legal documentation and procedure for loan mechanism now in place. Negotiations over Blenheim house remain unresolved. Deadline has been revised to reflect ongoing negotiations in relation to Blenheim house Risk Closed as per SLT1st March (new Airport Risk created)	07/01/2011
41	CR16	Festivals – partnership relationships. CF is an important delivery partner and if relationships with CF are not effective then the partnership arrangements become untenable which will result in councils image and reputation being put at risk.	CEX\ Dir Wellbeing & Culture	01/03/2010			Close	Ongoing		CEX\AD Wellbeing & Culture	Quarterly meetings now in place with CF board members, CBC members & key members of SLT. Risk closed SLT 04-01-2011	05/01/2011

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42	CR4 There is a reliance on shared services and sourcing strategy delivering savings. If these savings do not materialise or shared services do not proceed as anticipated then other savings will need to be found to meet the MTFs projections	Director of Resources Mark Sheldon	01/12/2010				Close	All shared service projects and sourcing strategy are operated under Prince 2 principles, with clear business cases and risk logs.	As per agreed programme timetables		Strategic Director Pat Pratley	GO Shared Service Programme now in implementation ICT systems thinking on track to deliver. ICT and Revs and Bens restructures needs to be moved forward to be able to realise savings within planned timescales. Sourcing Strategy will cease as a programme in Jan 2011. Programme now closed and consumed in Bridging the Gap program. Suggest that this risk closed and covered by corporate risk CR3	06/01/2010
43	CR1 5 Festivals – future funding. If CF fail to achieve 2010 budget forecasts there is a risk of the company requiring further CBC financial support for which there is no provision within the MTFs and a potential impact on CFs long term financial sustainability.	Director Wellbeing & Culture	01/03/2010				Close	Financial monitoring arrangements in place through CIG. CBC represented by 2 member observers on CF Board. Joint O&S Working Group assessing long-term financial sustainability. Commencement of monthly internal meetings by CEX Managing CF., with Cabinet member/leader in attendance	CIG Review September 2010		AD Wellbeing & Culture CIG Review Group	CF's Financial performance & long-term business plan were discussed and scrutinised by the O&S Joint Review group at a meeting held with CF. The recommendations of the review group are being presented to the Social & community & EB&I O&S Committees in November prior to a report going to Cabinet on 7 th December Risk closed SLT 04-01-2011	05/01/2011
44	CR4 2 Unable to take corrective action in respect of reduced income streams in 2010/11.	Cabinet	01/06/2010				Close	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.	01/12/2010		SLT	SLT have agreed a recruitment freeze and have reviewed all unspent supplies and services budgets to offset the projection income shortfall. Risk closed SLT 04-01-2011	05/01/2011
45	CR1 8 If the recession continues or recovery is not as anticipated then it will impact upon the income targets as set out in the MTFs.	Director of Resources Mark Sheldon	01/12/2009				Close	Ongoing budget monitoring of income targets will highlight issues and corrective action which needs to be taken, and will be reported through the budget monitoring reports and reflected in updated MTFs projections. Action is being taken to reduce operating costs to compensate for potential sustained reduction in income levels.	September 2010 budget strategy report		Chief Finance Officer Mark Sheldon	The draft budget projections for 2011/12 (approved by Cabinet in Dec 2010) take into account the impact of the continued recession on car parking, development control and investment income. Risk closed SLT 04-01-2011	05/01/2011

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CR14	The overall project significance of the CBH new build proposals, which are an innovative approach to development of affordable housing including prudential borrowing funded from rental income using a unique approach to delivery in a high profile and sensitive area of the town, require both parties to ensure that there are effective programme and project management arrangements.	AD Community Services Peter Wooley	29/03/2010			>16 Red 7 to 15 Amber 3 to 6 Green	Close	The delivery partner, CBH, is a high performing organisation with a sound track record on delivery e.g. the decent homes programme. Support from the HCA demonstrates confidence in process / delivery model. External modelling using industry standard of financials provides assurance. CBH has undertaken significant consultation with residents to ensure buy in to proposals. CBH is working with appointed cost consultants to ensure that contract sums are comprehensive at the time of commitment to contract and that appropriate contingencies	On-going		Assistant CEX at CBH Paul Stephenson	All agreements now signed, contracting underway. CBH has successfully progressed to development stage at St Pauls & Brighton Road. HCA funding has been secured, other funding streams are being put in place and the contracting process has begun. Finance and One Legal are working closely with the Housing Client and Trainers to ensure probity and best practice in this innovative project. Risk closed SLT 04-01-2011	05/01/2011

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Cheltenham Borough Council

Cabinet – 21 June 2011

Health & Safety Delivery Plan

Accountable member	Cabinet Member Housing & Safety, Councillor Klara Sudbury,
Accountable officer	Rob Bell Director of Operations
Accountable scrutiny committee	Social & Community
Ward(s) affected	All
Key Decision	No
Executive summary	<p>The Health & Safety at Work etc Act 1974 requires the Council to produce a Health & Safety Service Delivery Plan.</p> <p>The Health & Safety Service Delivery Plan is the Council's expression of commitment to the delivery of an improving cost effective and efficient regulatory service.</p>
Recommendations	I therefore recommend that Cabinet approve the attached service plan for 2011/2012.

Financial implications	<p>There are no financial implications arising from this report. The Health & Safety plan will be delivered within existing budgeted resources.</p> <p>Contact officer: Sarah Didcote E-mail: sarah.didcote@cheltenham.gov.uk Tel no: 01242 262125</p>
Legal implications	<p>It is a statutory requirement to produce this plan on an annual basis.</p> <p>Contact officer: Sarah Farooqi E-mail: sarah.farooqi@tewkesbury.gov.uk Tel no: 01684 272693</p>
Key risks	<p>Reactive regulatory services will given their inherent nature always contain the potential for an element of risk. An unplanned event (e.g. a serious injury or fatality) will require the diversion of resources away from scheduled plans. However, this is and will remain the essence of the service we deliver and will be tolerated and monitored throughout the plan with priority given to the appropriate control of high risk issues.</p>
Corporate and community plan Implications	Included in plan
Environmental and climate change implications	<p>Delivery of public health services will always be affected by environmental matters. Delivery of the health and safety service adapts to these changes in an emergency in a dynamic way.</p>

Background

- 1.1 Section 18 of the Health and Safety at Work etc Act 1974 (HSWA) puts a duty on Local Authorities (LAs) to make adequate arrangements for enforcement.
- 1.2 The Section 18 Standard sets out the broader requirements for Enforcing Authorities (EAs) when complying with this duty.
- 1.3 Full compliance with this standard is mandatory for all EAs from 31 March 2011. This was achieved here in Cheltenham by the successful introduction of flexible warranting as part of a County wide project.
- 1.4 Service plans are seen to be an important part of the process to ensure national priorities and standards are addressed and delivered locally. Service plans also:
 - ⦿ focus debate on key delivery issues;
 - ⦿ provide an essential link with financial planning;
 - ⦿ set objectives for the future, and identify major issues that cross service boundaries; and
 - ⦿ provide a means of managing performance and making performance comparisons.

2. Reasons for recommendations

- 2.1 The plan is required to be submitted to Members for approval.
- 2.2 Section 18 compliance is evidenced in the plan

3. Alternative options considered

- 3.1 None.

4. Consultation and feedback

- 4.1 County and regional initiatives and priorities are discussed with HSE and other LAs in the South West region
- 4.2 A copy of the plan is available on the Council website.

5. Performance management –monitoring and review

- 5.1 Monthly on going review and monitoring of plan to accommodate all eventualities in particular reactive workload that cannot be predetermined.

Report author	Yvonne Hope, Food and Occupational Safety Manager yvonne.hope@cheltenham.gov.uk, 01242 264226
Appendices	1. Service plan 2. Workplan topic areas



HEALTH & SAFETY SERVICE DELIVERY PLAN 2011 – 2012

Service Obligations

The Council has a statutory duty to enforce the provisions of the Health and Safety at Work etc Act 1974, and associated regulations in all premises for which it has enforcement duties under the Health and Safety (Enforcing Authority) Regulations 1998. It also has a duty to adequately discharge its function in accordance with mandatory guidance from the Health and Safety Executive – section 18 standard.

This Service Plan sets out how Cheltenham Borough Council will fulfil its statutory duty within the financial year 2011/2012 and details the priorities, aims and objectives for the enforcement of health and safety along with the mechanisms and arrangements for ensuring the effective delivery of the service.

Section 18 Standard

Section 18 of the Health and Safety at Work etc Act 1974 (HSWA) puts a duty on the Health and Safety Executive (HSE) and Local Authorities (LAs) to make adequate arrangements for enforcement. The Standard sets out the arrangements that LAs should put in place to meet this duty.

In complying with their duties under Section 18, Enforcing Authorities (EAs) are required to follow the HSE Enforcement Policy Statement (EPS) on the purpose, method and principles of enforcement.

The Section 18 Standard adds to the EPS, setting out the broader requirements for EAs when complying with their duty to make 'adequate arrangements for enforcement'.

Full compliance with the standard was mandatory from 1st April 2011. This was achieved in Cheltenham by working in partnership with neighbouring authorities and the HSE in the delivery of Work Well Gloucestershire project.

Service Aims and Priorities

Overall Aim of the Service

“To work with others to protect people’s health and safety by ensuring risks in the changing workplace are managed properly.”

Our key delivery priorities are:

- To manage the risk in high risk, poor performing and/or rogue trader businesses - a targeted approach to risk in line with Better Regulation agenda
- Investigating major injury incidents and fatalities - national justice agenda and used to assess and target poor management in line with Better Regulation
- To ensure enforcement decisions are consistent with our Enforcement Policy, the HSE’s Enforcement Policy Statement and the Enforcement Management Model - ensures proportionate, consistent, transparent and accountable enforcement - part of the Better Regulation agenda
- Train and develop our staff to ensure competence - encourages staff retention/recruitment and ensures credibility with local business

Links to Council Strategy

The Council strategy sets out three community objectives:

- Enhancing and protecting our environment;
- Strengthening our economy; and
- Strengthening our communities.

Our health and safety service contributes to all of these in the overall improvement in the wellbeing of those who live, visit and work in Cheltenham.

A key driver is that we provide value for money services that effectively meet the needs of our customers.

Scope of the Service

The Health and Safety (Enforcing Authority) Regulations 1998 determine which businesses are enforced by the Council and which are enforced by the Health and Safety Executive (HSE). The Council aims to provide a full range of services offering a balanced approach between education and enforcement for all work places within our enforcement remit. This Service does not cover Health and Safety for the Council itself which is enforced by HSE and does not form part of this plan.

The majority of commercial premises in the Borough are small or medium sized enterprises (SMEs) employing less than 50 staff with retail and office premises accounting for a high percentage. These businesses have fewer resources to carry out in-house monitoring and do not have access to the support and training provided by multi-national companies. Health and Safety Officers may, therefore, find themselves spending a disproportionate amount of time working with smaller businesses than they would with much larger companies.

National, regional and local statistics provide evidence that the topics identified as priorities are those that cause injury and ill health at work and the aim is to concentrate time and effort on these areas where an impact on the reduction of work related accidents and ill health can be shown. The national aim is to deliver a 3% reduction in the incidence of work-related fatal and major injuries, a 6% reduction in the incidence rate of cases of work related ill health and a 9% reduction in the incidence rate of days lost due to work related injuries and ill health nationally.

The estimated economic cost of health and safety ill health incidents (accidents and ill health) in Cheltenham is between £24.7 million and £37.8 million. The estimated cost for accidents in Cheltenham is between £7.6 million and £13.8 million.

The work plan for the coming year can be found in appendix 1. It will be delivered in partnership with other EAs when required. The plan brings together the national steer as it relates to a local level in Cheltenham.

Service Delivery

The Health and Safety function is delivered by one of three teams within Public Protection of the Operations Division. The team comprises of a Public and Environmental Health Manager, four Environmental Health Officers and two Senior Technical Officers. Two EHOs are dedicated to H&S regulation with a further one FTE currently split between the remainder of the team who also deals with the Council's responsibilities in relation to food safety, infectious disease control, environmental protection and certain licensing and registration functions.

The service is provided by authorised officers whose competencies meet the standards outlined by the Health and Safety Executive under Section 18 of the Health and Safety at Work etc Act 1974.

Competence is an essential aspect of service delivery and must comply with the Section 18 standard. All regulators undertake the RDNA (regulators development needs analysis tool) which is mirrored in the Council Learning Gateway which captures their development needs as part of the annual appraisal process.

Officers delivering the service are responsible for the following work areas:

- health and safety regulation, including inspections and requests for service
- investigation of reported accidents, dangerous occurrences and cases of occupational ill health
- advisory and promotional activities
- investigation of complaints relating to premises, practices and procedures
- the responsible authority in relation to public safety for licensing applications

Investigation of Complaints

Complaints received about workplace activities we regulate are dealt with in accordance of the criteria of Section 18 standard. Investigations are undertaken to determine the cause, secure compliance with the law and decide on an appropriate response. The initial response to complaints will be within 3 working days depending on the nature of the complaint. An immediate response will be instigated where there was a serious threat to life or serious personal injury.

Our main aim in undertaking investigations of complaints is:

- to identify the cause of the problem and assess the likely risk to health, safety and welfare of employees and non employees
- to prevent a recurrence of the complaint by securing improvements in health, safety and welfare conditions
- to take enforcement action where appropriate

Reports are received from other organisations including insurance companies and lift engineers for our consideration in particular where serious defects are identified as part of their routine inspections. Where a defect, which presents an immediate risk to health and safety, is identified the use of the equipment or work activity will be prohibited until work has been completed or new systems of work evolved to remove the immediate risk.

Investigation of Injuries, Diseases and Dangerous Occurrences at Work

Around 120 accidents, work related ill-health or dangerous occurrences at work are reported to the Council each year under the Reporting of Injuries and Dangerous Occurrences Regulations 1995 (RIDDOR). Reported accidents and incidents are investigated in accordance with HELA guidance LAC 22/13.

When deciding which incidents to investigate and the level of resource to be allocated to the investigation, account will be taken of the severity and scale of potential or actual harm; seriousness of any potential breach of the law; duty holder's known past health and safety performance; enforcement priorities; practicality of achieving results and the wider relevance of the event including serious public concern.

Liaison with other organisations

The Health and Safety Service actively participates in liaison arrangements with a number of other local authorities, agencies and professional organisations in order to facilitate consistent enforcement, share good practice and reduce duplication of effort.

The service represents and actively participates in the Gloucestershire Health and Safety Group comprising of peer representatives from each of the six Districts and Borough Councils in the County and also a local representative from the Health and Safety Executive.

This authority also participates in inter-authority audits between the six District Councils in Gloucestershire.

The Public and Environmental Health Manager is actively involved in representing the County Group on Partnership working with the Health and Safety Executive.

Service Performance Review

The following table summarises the interventions undertaken in 20010/2011:

TOPIC AREA	NUMBER OF BUSINESSES REACHED
DUTY TO MANAGE ASBESTOS	239
DERMATITIS	42
FALL FROM HEIGHTS	113
GAS SAFETY	53
MOVING GOODS SAFELY+WORKPLACE TRANSPORT	41
MUSCULO SKELETAL DISORDERS	124
NOISE AT WORK (including entertainment)	48
SLIPS + TRIPS	137
WORK RELATED VIOLENCE	74
H+S MANAGEMENT	134
ELECTRICAL SAFETY	96
SUNBED SAFETY	13
WELFARE ARRANGEMENTS	35

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Topic area	Proposed project outline	Outcomes sought	Evidence base for proposed work stream	Proposed work stream at Cheltenham BC
Construction (national priority for LAs)	a) use planning applications and/or Building Control submissions to identify significant construction work in workplaces for which they are the EA. Provide information on client duties under CDM 2007.	Relevant work identified and clients given information on their duties under CDM 2007. Greater awareness and compliance with CDM.	BRE concerns about the discrepancy between levels of risk targeted by LAs and HSE and support for increased piloting of flexible warranting schemes.	Significant links to asbestos duty to manage given the age of the buildings and extent of commercial refurbishment undertaken in the town.
	b) where the Workplace Regulations 1992 have not been adequately addressed in LA-enforced workplaces and there are significant risks, track back to the client and/or designer(s).	Greater compliance with the regulations. Clients/designers better aware of their responsibilities. Greater expertise through joint working with HSE construction teams where appropriate.	Evidence both that standards of h&s compliance are poorer on small construction sites and that it is more dangerous to be self-employed or work for SMEs (two thirds of construction fatalities in last 10 years were to self-employed or those working for SMEs employing <15).	Partnership work with other EAs on scaffolding
	c) use flexible warranting to inspect HSE-enforced construction work, in partnership with HSE's local construction teams.	Greater enforcement of construction h and s legislation in LA premises. LA staff better able to enforce that legislation. Wider use of flexible warranting.	a) asbestos exposure a significant health risk among tradesmen – building owners etc are pivotal in reducing this by ensuring risks from asbestos in buildings are identified and managed through duty under CAR.	Continuation of major project - move forward work already carried out - regulation to include new guidance. Lead for county group on this high risk topic area.
Asbestos DttM (national priority for LAs)	Continuing campaign/field activity to raise compliance levels.	a) visible formal enforcement where appropriate. Greater compliance with CAR (currently very low). b) arrangements for accessing competent advice assessed. Sensible health and safety leadership guidance promoted. Awareness of DttM raised.	a) asbestos exposure a significant health risk among tradesmen – building owners etc are pivotal in reducing this by ensuring risks from asbestos in buildings are identified and managed through duty under CAR.	Continuation of major project - move forward work already carried out - regulation to include new guidance. Lead for county group on this high risk topic area.
Dermatitis in hairdressing (elective by LAs)	LA visits to continue to seek compliance with good standards – Habia will lead ongoing promotion of these from 10/11 onwards.	Issue raised at every relevant LA visit. Workers able to recognise the risks and follow the three simple steps (avoid, protect, check). Increased compliance through advice or formal enforcement.	70% of hairdressers suffer some form of skin problem during their career. Aim is to embed practices widely promoted through 'Bad Hand Day' campaigns which have successfully raised awareness of risks and precautions.	Cheltenham has a significant number of hairdressers. Past results indicate need to continue work in this area
Noise – 'Sound Advice' (elective by LAs)	LA interventions with entertainment industry: continue awareness-raising of the steps that can be taken to reduce the risk from high noise levels.	Greater awareness of risks and what can be done to reduce them.	Many staff in bars/clubs/pubs and similar venues are regularly exposed to high noise levels from amplified music.	Outdoor events to be prioritised
MSDs (elective by LAs)	Promote revised guidance for managing retail checkout operators' activities at visits to retail outlets of all sizes and promote good practice.	Reduce incidence of MSDs in retail checkout operators. Raised awareness of new good practice guidance.	Key health issues relate to posture and moving goods at checkouts Poor management of the risks associated with such activities SMEs need to better appreciate and manage the risks.	Topic area for bookmakers and call centres.
Sun beds	While dealing for other reasons with premises providing sunbeds, to promote the need for management arrangements to ensure that under-18s do not use sunbeds and that coin-operated salons are supervised by trained staff (in line with HSE advice in leaflet INDG209).	Greater awareness of the existing inspection regime and associated guidance. Operators prepared for possible new legislation. Raised general awareness of risks associated with sunbed use.	Rising incidence of skin cancer in the UK. In July 2009 the International Agency for Research on Cancer moved sunbeds up to the highest cancer risk category, 'carcinogenic to humans'. DoH policy that the cosmetic use of sunbeds, especially by children, should strongly be discouraged.	On going project following the visiting of all premises in Cheltenham providing this service. Regulation of recent new regulations to be considered.
Work-related violence and aggression	To continue to increase awareness and improve management of work-related violence (including promoting the toolkit for managing work-related violence in licensed and retail premises).	Media interest in WRV continues and TU initiatives such as USDAW's 'Freedom from Fear' and the all-party Parliamentary Group for Preventing Bullying and Workplace Violence	Employees in public-facing jobs are particularly at risk of work-related violence. Serious or persistent verbal abuse can damage employees' health through anxiety and stress. A real financial cost for	On going project in specific sectors such as small late night convenience stores and licensed premises.

Topic area	Proposed project outline	Outcomes sought	Evidence base for proposed work stream	Proposed work stream at Cheltenham BC
		Keep the issue high on the political agenda. Relevant to many local strategic plans.	their employers through low staff morale and high staff turnover.	
Workplace temperatures	Raise awareness of workplace temperatures during inspections of high temperature workplaces (implementing recommendations of current HSE review).	Improved employer awareness of the impact of high temperatures on workers	Need to respond to ministerial /TU concerns.	Considered where applicable during routine visits to premises in particular catering and when complaints received
Workplace transport	Interventions concentrating on loading/unloading safety issues.	Improved safety in transport. Improved un/loading practices in SMEs.	Workplace transport remains an area of concern where pedestrian and vehicle movement is not adequately segregated or controlled.	10 days Considered where applicable during routine visits to premises in particular retail parks where there is a common delivery area.
Slips and trips: delivery of, Shattered Lives Campaign	FOD/LAs to propose communications or other initiatives to support the delivery of the Shattered Lives campaign. CDS will provide strategic communications and assess and prioritise any requests received.	Shattered Lives: - a steady state message for slips, trips and falls, avoiding the 'peak and trough' effect of a campaign; - integrated with other FOD and LA interventions to maximise the effect of the message. Better awareness and use of STEP to increase the competence of dutyholders in managing slip and trip risks.	Continued slip and trip incidents results in it remaining a topic area for regulation	Continues to be high accident/incident area in particular catering and hospitality sectors.
Ladder Exchange	To support this annual event, LA and FOD Inspectors to plan relevant activity to coincide with the event each year. Relevant activity could include: - linking ladder checks during inspection or advisory visits with the Ladder Exchange; - flagging up Ladder Exchange during discussions on safe ladder use; - promoting the Ladder Exchange website; - holding safety demonstrations for ladder users.	Fewer dodgy ladders in the workplace leading to falls from height. Raised awareness of safe ladder use.	Continued need to embed safe use of ladders building on successful initiatives.	Annual national event
Safe interventions at balers and compactors (elective for LAs only)	To raise LA regulators' awareness of (i) the serious hazards and risks associated with operations at waste baling and compacting machines and (ii) the reasonably practicable methods and standards for safeguarding these machines. Then to secure a significant reduction in the risk of fatal and serious injuries associated with intervening at these machines through a targeted inspection and enforcement initiative.	Sufficient intelligence gathered via proformas to evaluate success and assess value of further work. Formal enforcement as appropriate.	Increasing pressures to recycle waste materials (eg packaging) while space for storing/handling waste is at a premium has led to a rapid increase in the use of waste baling and compacting machines. Evidence of poorly safeguarded machines. Evidence of inadequate systems for ensuring operator safety when they intervene, eg to clear blockages. 14 fatalities since 1992 in the waste paper recycling industry alone. All involved operators intervening at the machines while they were running. One fatal injury at a waste compactor and much evidence of near misses, particularly in the LA enforced sector, (eg children gaining access into waste compactors and others, eg rough sleepers, seeking refuge in them).	On going investigation of all incidents involving this equipment. Also gathering information where this equipment is, its use, safe systems of work etc. during visits to all premises

Appendix 2

Topic area	Proposed project outline	Outcomes sought	Evidence base for proposed work stream	Proposed work stream at Cheltenham BC
Managing for health and safety	Regulator awareness/training activities in support of roll out of guidance/tools/resources for Managing for Health and Safety project. Also publicity awareness campaigns for corporate stakeholders and for dutyholders.	All regulators competent/ confident through training/ briefing to deliver effective management interventions and assessments of dutyholders. New products in regular and appropriate use at interventions. All corporate stakeholders aware. LAs/LA groupings facilitate conferences for local dutyholders.	Core aspect of national strategy in achieving continued decrease in work related incidents and ill health.	Assistance and guidance to businesses to create safer working environments. Focus on sector specific problem areas.
Flexible warranting	Development of cross warranting scheme between regulators of county liaison group – including all LAs of Gloucestershire and HSE	A team of regulators able to focus and target resources at highest risk areas.	Standard 18 compliance is mandatory by year end. This project will deliver this outcome	Sector specific project work e.g duty to manage asbestos to be rolled out with flexibly warranted regulators in partnership EAs.

**Cheltenham Borough Council
Cabinet – 21 June 2011
Food Service Delivery Plan**

Accountable member	Cabinet Member Housing & Safety, Councillor Klara Sudbury,
Accountable officer	Rob Bell, Director of Operations
Accountable scrutiny committee	Social & Community
Ward(s) affected	All
Key Decision	No
Executive summary	<p>The Food Standards Act 1999 requires the Council to produce a Food Service Plan</p> <p>The Food Service Delivery Plan is the Council's expression of commitment to the delivery of an improving cost effective and efficient regulatory food service.</p>
Recommendations	I therefore recommend that Cabinet approve the attached service plan for 2011/2012

Financial implications	<p>There are no financial implications arising from this report. The food safety plan will be delivered within existing budgeted resources.</p> <p>E-mail: sarah.didcote@cheltenham.gov.uk Tel no: 01242 264124</p>
Legal implications	<p>It is a statutory requirement to produce this plan on an annual basis.</p> <p>Contact officer: Sarah Farooqi E-mail: sarah.farooqi@tewkesbury.gov.uk Tel no: 01684 272693</p>
Key risks	<p>Reactive services will always contain the potential for an element of risk. An unplanned event (e.g. a food poisoning outbreak) will require the diversion of resources away from scheduled plans. However, this is and will remain the essence of the service we deliver and will be tolerated and monitored throughout the plan with priority given to the appropriate control of high risk public health issues.</p>
Corporate and community plan Implications	<p>Included in plan</p>
Environmental and climate change implications	<p>Delivery of public health services will always be affected by environmental matters. Delivery of the food safety service adapts to these changes in an emergency in a dynamic way.</p>

1. Background

- 1.1 The White Paper “The Food Standards Agency – A Force for Change” identified the Food Standards Agency as having a key role overseeing local authority enforcement activities. This plan is required by the Food Standards Agency (FSA) as part of their monitoring and auditing systems.
- 1.2 Service plans are seen to be an important part of the process to ensure national priorities and standards are addressed and delivered locally. Service plans also:
 - ⦿ focus debate on key delivery issues;
 - ⦿ provide an essential link with financial planning;
 - ⦿ set objectives for the future, and identify major issues that cross service boundaries; and
 - ⦿ provide a means of managing performance and making performance comparisons.

2. Reasons for recommendations

- 3.1 The plan follows a standard format provided by the FSA and is required to be submitted to Members for approval

3. Alternative options considered

- 3.1 Not applicable

4. Consultation and feedback

- 4.1 The plan is made available on the Council website

5. Performance management –monitoring and review

- 5.1 Monthly on going review and monitoring of plan to accommodate all eventualities in particular reactive workload that cannot be predetermined.

Report author	Yvonne Hope, Food and Occupational Safety Manager yvonne.hope@cheltenham.gov.uk, 01242 264226
Appendices	1. Service plan 2. Structure 3. Alternative Enforcement Strategy For Low-Risk Food Businesses



CHELtenham
BOROUGH COUNCIL

FOOD SERVICE DELIVERY PLAN 2011 – 2012

1. FOOD SERVICE AIMS AND OBJECTIVES

1.1 Aims and objectives

Aim

The key food safety function of Cheltenham Borough Council is to ensure that the food sold, offered and stored for sale and entering the Borough is wholesome and fit for human consumption.

Our objectives include:

The regular control of food premises within the Borough.

The investigation of the safety and fitness of food including all complaints about the operation of businesses within the Borough.

To sample foods within the Borough whilst participating in local and national food sampling programmes.

To ensure we license, approve and register all food premises within the Borough as required by legislation.

To undertake appropriate and proportionate food safety enforcement action within the Borough.

To undertake Home and Originating Authority duties within the Borough.

To promote food safety by way of advice and assistance to all food businesses, citizens and visitors of the Borough

1.2 Links to Council Strategy 2010 - 2015

The Council strategy sets out three community objectives:

- Enhancing and protecting our environment;
- Strengthening our economy; and
- Strengthening our communities.

Our food safety service contributes to all three of these objectives in the overall improvement in the wellbeing of those who live, visit and work in Cheltenham.

The cross-cutting objective of ensuring we provide value for money services that effectively meet the needs of our customers is at the core of our food service delivery plan.

2. BACKGROUND

2.1 Profile

Cheltenham is an attractive and vibrant town serving an extensive catchment area in central and eastern Gloucestershire and the South Midlands. It is ranked in the top thirty regional shopping centres in the UK, third in the Southwest and has the eighteenth highest consumer expenditure in Great Britain.

The borough is based on the town of Cheltenham and is mainly urban with some areas of surrounding countryside. It covers an area of approximately 4,680 hectares and has a population of over 110,000.

Cheltenham has an ever increasing wealth of restaurants and eating places. Twice a month it hosts a farmers market offering a valuable opportunity to sample local produce. The town offers a wide range of educational and employment opportunities, a year-round programme of festivals and events, plus a strong cultural and sporting profile.

2.2 Organisational Structure

Food safety is within the Public and Environmental Health team of the Public Protection Section of Operations Division. This structure is given in Appendix 1.

2.3 Scope of the Food Service

The Council is not a Unitary Authority and therefore shares its duties under the Food Safety Act with the Trading Standards Department of Gloucestershire County Council. Cheltenham Borough Council aims to provide a full range of services within its remit offering a balanced approach between education and enforcement.

The Borough Council food service is provided by appointed and authorized officers in accordance with the requirements of the FSA code of practice. These officers are also responsible for infectious disease control along with other EH functions within all food premises within the Borough. These activities usually include health and safety inspections, accident investigation, complaint investigation and drainage issues.

Specialist services such as public analyst and food examiner are provided externally by Worcester Scientific Services, Worcester and The Health Protection Agency Laboratory, Bristol, respectively.

Demands on the Food Service

The Service Delivery Point

Address	Hours	Contact details
Cheltenham Borough Council Municipal Offices Promenade Cheltenham GL50 9SA	Mon, Tue, Thurs and Fri (09.00-17.00) Wed (09.30- 17.00)	01242 775020 env.health@cheltenham.gov.uk

There is an out of hours emergency service available which addresses the emergency closure of premises, food product withdrawal and outbreaks of food associated disease.

On 31st March 2011 there were 912 food businesses on our database - the profile is given in the table below:

	NO. OF PREMISES
PRIMARY PRODUCERS	1
MANUFACTURERS + PACKERS	6
IMPORTERS/EXPORTERS	0
DISTRIBUTORS/TRANSPORTERS	5
RETAILERS	132
RESTAURANTS AND CATERERS	768

As is expected for a town like Cheltenham the hospitality and catering sector predominates, the majority being small or medium sized enterprises.

With such a small team the programmed food hygiene intervention plan for any given year can be severely disrupted by food poisoning investigations, national food alerts, food sampling and non food related matters such as health and safety accident investigation.

2.4 Enforcement Policy and Regulatory Reform

Cheltenham Borough Council has adopted and published a corporate enforcement policy which will form the basis of all enforcement action undertaken by the Food Service.

In recent years there have been a number of reviews conducted that have resulted in a change to the nature of regulation. The emphasis being that the regulatory system as a whole should use comprehensive risk assessment to concentrate resources in the areas that need them most.

In terms of food safety this means concentrating efforts on those businesses that do not meet the minimum legislative standards with alternative interventions in those that generally comply.

This was further developed in the Regulatory Reform Act 2006 Compliance Code which encompasses the criteria of the Enforcement Concordat of being transparent, accountable, proportionate and consistent with the additional element of being targeted only at cases in which action is needed.

There is a suite of interventions that focus on outputs and continued improvements in food safety. This allows us to choose the most appropriate action to be taken to drive up levels of compliance of food establishments with food law.

3. SERVICE DELIVERY

3.1 Food Premises Regulation

The regulation of food premises is undertaken in accordance with the Food Safety Act Code of Practice. All food premises are subject to a detailed assessment based on particular criteria including types of food and method of handling, consumers at risk, level of current compliance in terms of practices, procedures including cleanliness and confidence in management. This numerical calculation is transferred into the categorisation of premises from A to E. Category A premises are inspected a minimum of every 6 months, category E premises every 3 years.

The national performance indicator (NI 184) looked at the level of broad compliance within food businesses. The intention is to target resources where they are needed i.e. at those premises that are not broadly compliant. The driving up of standards year on year must be demonstrated in the delivery of improvements for the community.

2008/2009 was a baseline year with less than 70% of our food premises being broadly compliant. The target for 2009/2010 was 75% which was exceeded with close to 83% of our food business achieving broad compliance. The target for 2010/2011 was 85% which was exceeded with over 88% of our premises being broadly compliant at year end.

The food safety team aim to inspect all non compliant food businesses within our area within 28 days of the due date. This includes all newly registered premises as they are deemed non compliant until the first visit and a risk assessment has been undertaken. All non compliant category A & B premises i.e. those that fall significantly short of broad compliance will be visited by the due date. Other categories of premises that are broadly compliant will be addressed by a combination of official controls and other interventions.

Further official control visits are made to premises where there are food safety concerns in particular where the level of current compliance in food safety practices and procedures fall below satisfactory or there is little or no confidence in management. Other visits to food premises may follow a request for advice, complaint or an alleged food poisoning incident.

Visits are primarily unannounced with evening/weekend inspections undertaken when required to accommodate the needs of some food businesses e.g. those that do not open during office hours and markets and festivals held at weekends.

In 2010 in line with current guidance and the necessity to target ever scarce resource at higher risk activities we introduced an alternative enforcement strategy for low risk businesses. The document is given in appendix 2.

3.2 Food Complaints

Food complaints are investigated in accordance with the FSA Code of Practice

The number of food complaints fully investigated by the food safety team remains in the region of 20 per year.

3.3 Home Authority Principle

The council will consult at an appropriate level with the Home and /or Originating Authority for any food business, in accordance with the Principles laid down in The Food Safety Act 1990 Code of Practice and Local Authority Co-ordinators of Regulatory Services (LACORS) guidance.

The Council over many past years acted as Home Authority for Kraft Foods UK Ltd based in Bayshill Road, Cheltenham. At present the Home Authority function of the council in respect to this company amounts to liaison with relevant authorities over an average of 8 food complaints per year, and 1 product recall per year. This level of activity accounts for approximately 3 working days for the council per year.

The intended closure of this administrative site in 2011 will result in us no longer undertaking this function.

3.4 Advice to Business

It is the policy of the Section to provide assistance to local food businesses when requested to help them comply with the legislation and to encourage the use of best practice. This is achieved through a range of activities including:

- Advice given during inspections and other visits to premises.
- Provision of advisory leaflets
- Responding to service requests and enquiries

Whilst the resources of the Food Service will always be used in proportion to the risk to public health, every effort will be made to accommodate requests for advisory visits to food premises.

We produce a quarterly newsletter for our businesses in Cheltenham which includes advisory guidance on topical food issues.

3.5 Food Sampling

The food service participates in the LACORS/HPA coordinated food sampling programmes. In 2010/11 this included the submission of samples of cleaning cloths, swabs, ready to eat foods and water from outdoor catering events.

Foods are also sampled in response to complaints and food poisoning investigations when necessary.

3.6 Control & Investigation of Outbreaks & Food Related Infectious Disease

The measures to be taken to control the spread of infectious diseases are contained in various acts of Parliament and their associated Regulations. This legislation places a duty on local authorities to control the spread of food poisoning and food and water borne diseases.

Annual notifications vary from year to year with a noticeable increase in Norovirus outbreaks in recent years. These outbreaks are often associated with

care homes, day nurseries and other similar settings which have a more vulnerable group of clients. Intervention in these outbreaks takes up a significant amount of officer time.

The objectives in respect of this service are:

- To administer and implement our statutory responsibilities relating to the control of infectious disease.
- Investigate all notifications of food poisoning cases and likely sources of infection whether confirmed or not at the earliest opportunity.
- Where a source is identified take appropriate action to ensure risk of spread is controlled.
- Protect the well-being of individuals at risk by taking action to contain the spread of infection and provide advice and information regarding personal hygiene, food handling and control of infection.
- Exclude food handlers and people working with high-risk groups in consultation with the Consultant for Communicable Disease Control (CCDC).
- A Countywide "Outbreak Control Plan" is operated including standardised food poisoning investigation questionnaires.

3.7 Food Alerts:

The Food Standards Agency operates a system to alert the public and food authorities to serious problems concerning food that does not meet food safety requirements.

Food alerts vary in significance and require an appropriate response. Some are of high priority and require immediate action. This may involve contacting and/or visiting food premises and taking immediate action under powers contained in the Food Safety Act 1990. Others are for information only.

All alerts are received directly from the Food Standards Agency via a secure dedicated computer network system and via the Public + Environmental Health Managers mobile phone text messaging service. The Manager will instigate the necessary response and provide the necessary out of hours cover for this service.

Where the authority becomes aware of a serious localised incident or a wider food safety problem it will notify the Food Standards Agency in accordance with the Code of Practice.

It is estimated that around 100 food alerts requiring various levels of action will be received on an annual basis. It is difficult to estimate the resource required to meet this responsive element of the service as the work associated with individual alerts can vary significantly.

3.8 Liaison with Other Organisations

The Council is committed to ensuring that the enforcement approach it adopts is consistent with other enforcing authorities. This takes place through regular meetings and attendance by the manager at the Gloucestershire Food Safety Group. This group comprises of peer representatives of each of the 6 district and borough councils in the County, the County Council Trading Standards Service and HPA Laboratory Service.

The forum provides a mechanism for discussion of relevant food matters, the provision of training on a county- wide basis, the formulation of policy, documentation and guidance and co-ordinated responses to Government and Central Agencies.

The Council attends the Consultant in Communicable Disease (CCDC) Committee at the Health Protection Agency. By means of this committee, which meets half yearly, members are kept informed about relevant subjects and are able to benefit from the valuable and very necessary liaison between public health and medicine.

A Divisional Veterinary Officer sits on the CCDC committee and is able to brief the group on local and national issues regarding animal welfare, disease control and food safety.

Within the council, the Food Service is also a consultee for the planning, building control and licensing functions.

4. RESOURCES

4.1 Financial Allocation

The Food Safety budget for the coming year is £116,300 which includes staffing, travel subsistence, I.T. development, legal action, and office overheads necessary as part of the food safety enforcement function. Specific Food Safety related insurances. Recharges for I.T. support, Human Resources, accountancy and audit. Corporate insurances, communications, E government and asset management.

The authority always seeks to recover costs following successful legal proceedings wherever possible.

4.2 Staffing Allocation

All food safety officers are appropriately trained and competent to work within this field. Officers are authorised according to their competency and experience. There are 3.25 FTEs dedicated to the delivery of the food safety function.

The food safety service is led by Yvonne Hope who is EHRB registered and widely experienced in food safety enforcement.

There are two EHOs and two senior technical officers in the food safety team. The SEHO Chris Fawcett is EHRB registered and widely experienced in food safety. Louise Boyle joined the team in September 2008 as a newly qualified EHO and has achieved the appropriate competencies in accordance with the FSA code of practice requirements. The senior technical officers are Sarah Clarke and Stephen Edwardson. Stephen is EHRB registered and specialised in food safety enforcement. Sarah recently joined the team having undertaken her EH training with us.

Additionally, the Public Protection Service Manager, Barbara Exley is EHRB registered and widely experienced in food safety enforcement.

4.3 Staff Development Plan

The Council has an annual review system of staff, this process includes training needs. The food safety team holds regular meetings to review and distribute workloads in addition to monthly 1-2-1 meetings for all the team. Any training needs required for new legislation, guidance etc. are discussed and actioned at these meetings.

Food safety regulators are required to achieve a minimum of 20 hours of continued professional development every year.

5. QUALITY ASSESSMENT

Local and national performance indicators are reviewed annually.

All officers use standard inspection/audit forms.

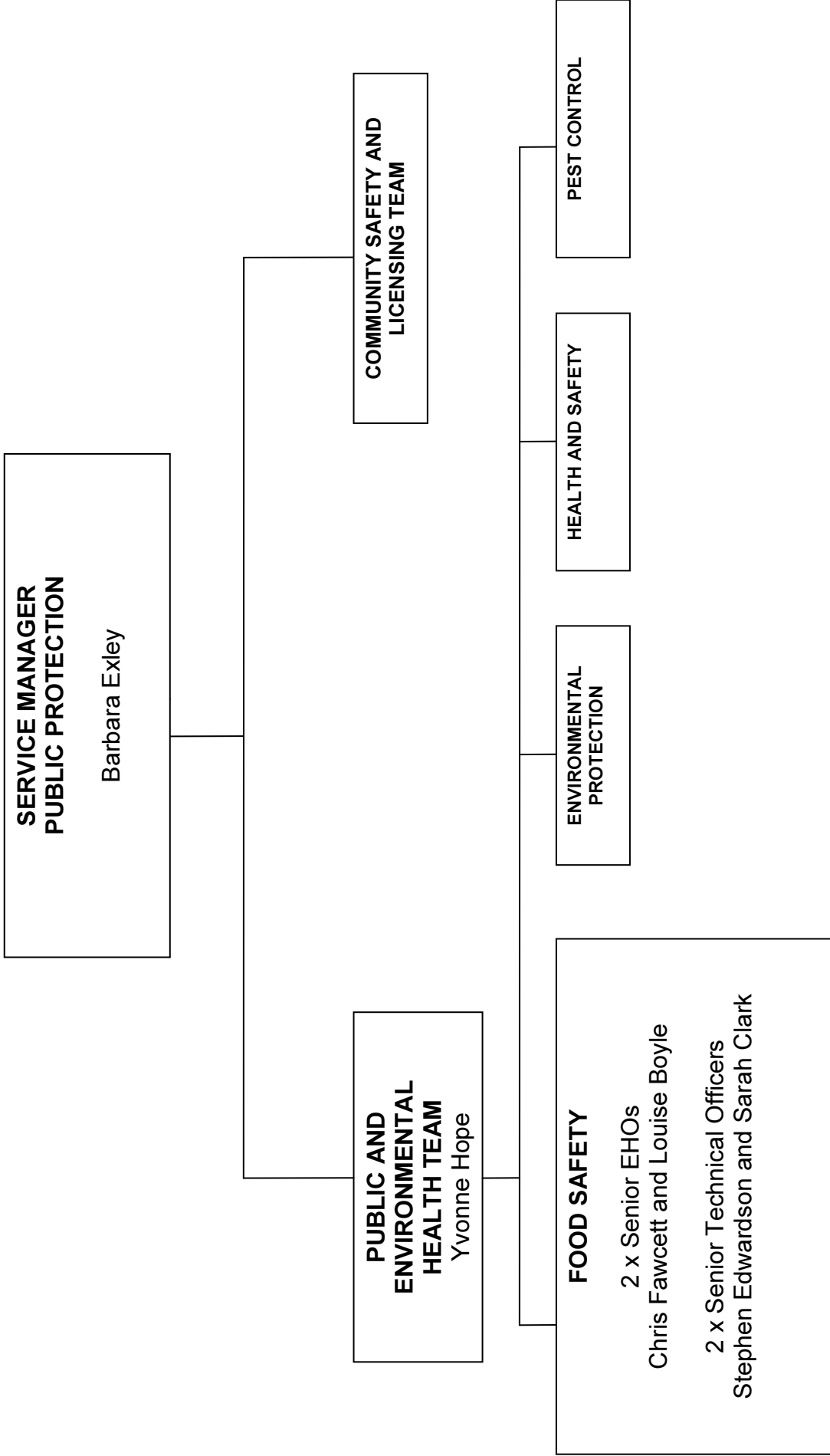
Customer satisfaction surveys are undertaken including to businesses we deal with in accordance with NI 182.

6. REVIEW

Last years progress in food safety includes:

- launch of national food hygiene rating scheme:<http://ratings.food.gov.uk>
- increase in broadly compliant businesses to over 88%
- intervention at 96% of premises scheduled for inspection
- prioritisation of visits to non compliant food businesses
- visits to all new food businesses within
- participation in two national food sampling programmes
- 139 unplanned food visits
- service of one hygiene improvement notice
- voluntary closure of one food business
- written warnings of non compliance to 359 food businesses

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CHELTENHAM
BOROUGH COUNCIL

PUBLIC PROTECTION DEPARTMENT

FOOD SAFETY SERVICE

**ALTERNATIVE ENFORCEMENT
STRATEGY FOR LOW-RISK FOOD
BUSINESSES**

1.0 Introduction

- 1.1 This document sets out the strategy to be adopted by Cheltenham Borough Council for the enforcement of food hygiene legislation in low-risk food businesses, in accordance with paragraph 4.1.5.2.4 of the Code of Practice on Food Law.

2.0 Background

- 2.1 The Code of Practice on Food Law (CoP) issued by the Food Standards Agency published in 2008 incorporates an option for local authorities to implement alternative enforcement strategies for those businesses in which the inherent hazards are not significant by virtue of their trading activities or the number of customers they supply. In normal circumstances inclusion in the strategy will preclude those businesses from inspections (paragraph 4.1.5.2.4 of the CoP).
- 2.2 Following each full inspection, food businesses are rated in accordance with Annex 5 of the Code of Practice according to the risks presented, with the resultant score determining the frequency of future inspections. It is important to understand that the category/rating assigned to a business may alter following a primary inspection and therefore the frequency of visits may alter.

3.0 Aim of the strategy

- 3.1 The Hampton Report's vision was that 'no inspection should take place without reason' and therefore the aim of this strategy is to enable the council to focus attention on those businesses which present the greatest risk to consumer safety and/or who are failing to meet their statutory obligations.
- 3.2 The strategy will also assist in maintaining contact with low-risk food businesses to enable advice and information to be provided as appropriate. It will also provide a mechanism for topic based coaching and education as businesses are able to request further food safety information that may highlight a training need.

4.0 Definition of low-risk

- 4.1 Food businesses will be classified as low-risk where they receive an overall score of 30 or less (i.e. category E) following a food hygiene inspection. This may be achieved through the type of food sold, and/or by virtue of the standard of food safety controls implemented. (Refer to Annex 5 of the Code of Practice for details of the rating system).
- 4.2 Depending on the information received and any changes to the activities undertaken by a food business they may move into or out of the lower-risk category.
- 4.3 Low-risk premises (i.e. those scoring 30 or less) can be excluded from the planned inspection programme provided they are subjected to an alternative enforcement strategy at least once in every three years. Please note this does not include those premises scoring 0 i.e. unrated.

5.0 National Food Hygiene Rating Scheme

- 5.1 All businesses covered by the Alternative Enforcement Strategy (AES) will automatically receive a rating under the national Food Hygiene Rating Scheme (FHRS) at the time the initial food hygiene score is generated, provided the business is included in the scope of the scheme. The FHRS score will be checked and amended as necessary as part of the annual AES.

6.0 Consultation

- 6.1 Local food premises and business groups were consulted prior to the implementation of the strategy in accordance with LACORS recommendations.

7.0 The strategy in practice

a. Administration

- 7.1 At the beginning of each year the Food & Occupational Safety Manager, Duty Officer for Food Safety or Business Support Officer will compile a list, using the CAPS system, of the food businesses with an overall rating of 30 or below which are due a primary inspection that year. These businesses will be included in the low-risk strategy.
- 7.2 On a quarterly basis, each low risk (Category E) business due for inspection that month will be sent an initial letter (LR01) together with a low risk self-assessment questionnaire (SAQ) to complete. SAQs will be industry-specific to allow clearer assessment of the business activities.
- 7.3 On receipt of completed questionnaires the officer leading the strategy will review the information provided to determine whether there has been any changes to the business since the last inspection which may present an increased risk to food safety. The officer will determine the most appropriate course of action for example, contacting the premises with any requested guidance. The officer will determine if the risk rating remains the same and subsequently establish the date of the next intervention. This information must be recorded on Uni-Form together with officer justification for actions taken.
- 7.4 If the questionnaire has not been returned within the 28 day period the officer leading the strategy will telephone those outstanding premises with a reminder establish if a further copy of the questionnaire needs to be dispatched.
- 7.5 If no questionnaire has been received after a further 14 days the food business will be subject to a food hygiene inspection.

b. Visits

- 7.6 Although the strategy aims to minimise the number of visits made to the low-risk food businesses, it is recognised that there is a reliance on the honesty of the proprietor of the business to provide accurate information. To assess the adequacy of the scheme and responses received, inspections will be undertaken in the following instances;

- Where the information provided in the questionnaire indicates that the activities of the business have changed and the risk to consumer safety may have increased, and;
- Of all premises failing to return the questionnaire;

Taking the above into account at least 10% of the low-risk businesses currently trading should be inspected each year.

- 7.7 In addition to the above, business will also be visited in the following instances;
- To investigate complaints relating to the business;
 - On receipt of a food registration form indicating a change in ownership, and/or type of food business;
 - As part of an investigation into a food poisoning outbreak;
 - In response to actions requested by a Food Alert;
 - As part of a routine or special sampling initiative;
 - At the request of the proprietor/manager.

c. Uni-form

- 7.8 The Uni-Form database must be maintained to ensure the actions taken under the scheme are accurately recorded. Responsibility for entering actions on uniform should be co-ordinated between the strategy lead officer and Business Support Officer to ensure the following is recorded.

Sending out of initial letters and questionnaires

Receipt of returned questionnaires

Amending the business score/rating to reflect any changes to the risks presented

Amending contact details to reflect changes to proprietorship (including re-sending of food premises registration form if necessary)

Sending out reminder letter

Inspection undertaken

8.0 Performance AssessmentObjective

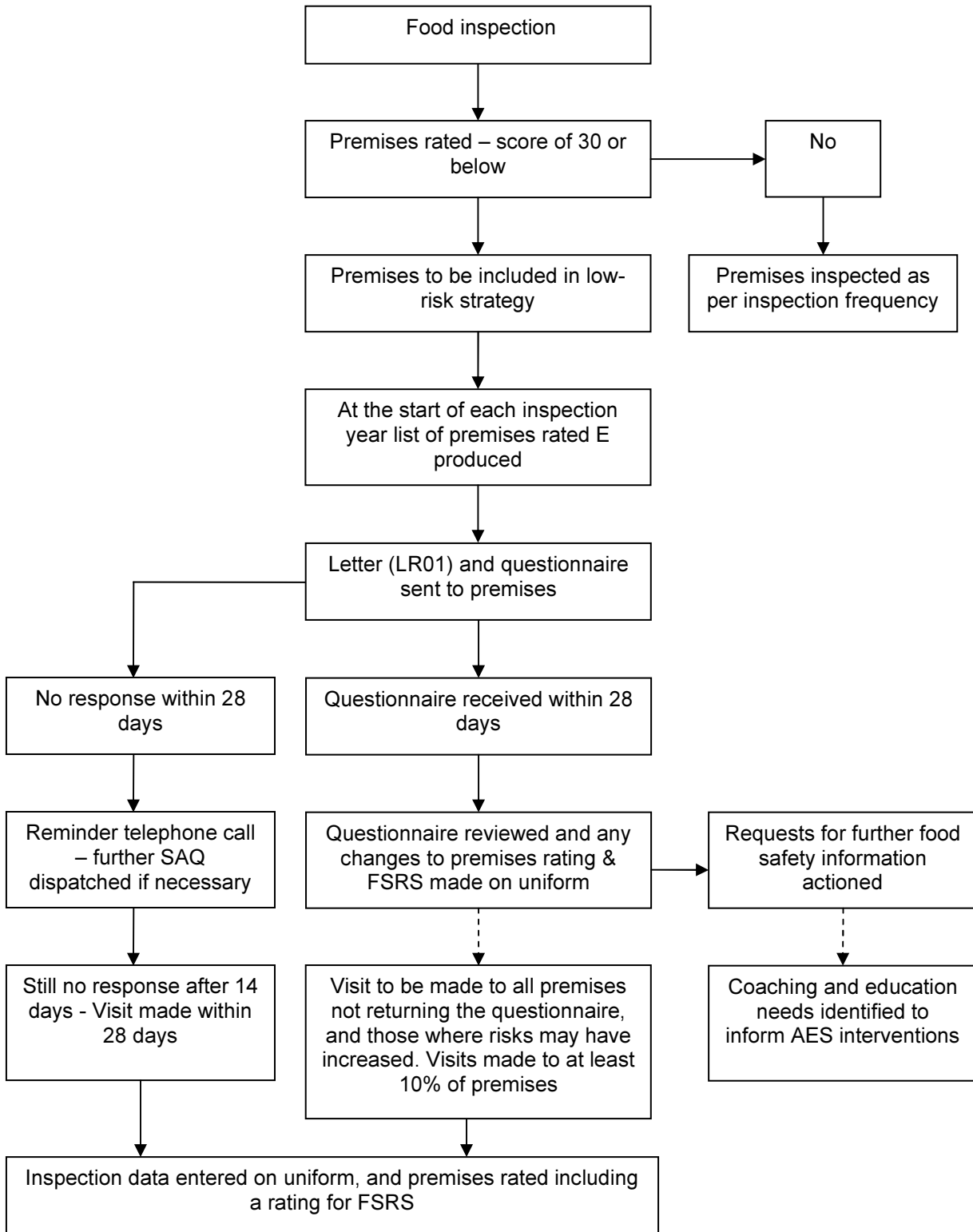
- 8.1 To maintain a rolling alternative inspection strategy for the enforcement of food hygiene standards for those businesses categorised as low-risk.
- 8.2 To send food hygiene questionnaires each year to all businesses categorised as low-risk.

Performance

- 8.3 The strategy is predominantly an administrative based procedure and therefore each year all businesses falling into the low-risk category will be included in the scheme.

Monitoring data

- 8.4 The effectiveness of the strategy can be measured against the following criteria using the TEN performance management system;
- Number of businesses receiving a low-risk questionnaire each year;
 - The number of questionnaires returned each year;
 - The number of reminder letters sent out each year;
 - The number of low-risk businesses inspected each year;
 - The number of businesses moving out of the low-risk strategy each year due to a change in the level of risk presented.



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Cheltenham Borough Council

Cabinet – 21 June 2011

Council – 27 June 2011

Financial outturn 2010/11 and budget monitoring to May 2011

Accountable member	Councillor John Webster, Cabinet Member for Finance and Community Development
Accountable officer	Mark Sheldon, Director Resources
Accountable scrutiny committee	All
Ward(s) affected	All
Key Decision	No
Executive summary	<p>In accordance with the financial rule 21.2, the council must receive a report on the council's financial performance for the previous year which sets out the General Fund and Housing Revenue Account (HRA) revenue and capital outturn position for 2010/11. The information contained within this report has been used to prepare the council's Statement of Accounts for 2010/11.</p> <p>The council's Treasury Management Policy requires the council's Section 151 Officer to report to members annually, by the 30th September, on the treasury management activities of the council and prudential indicators for the previous financial year. This report also seeks to meet this requirement.</p>
Recommendations	<p>We therefore recommend that Cabinet approve the following recommendations to Council:</p> <ol style="list-style-type: none"> 1. Receive the financial outturn performance position for the General Fund, summarised at Appendix 2, and note that services have been delivered within the revised budget for 2010/11 resulting in a budget underspend of £174,086 which has been transferred to General Balances pending decisions over its use in 2011/12. 2. Recommend the following use of the underspend: <ul style="list-style-type: none"> • £48,000 to fund carry forward requests requiring Member approval at Appendix 7 which includes £15,000 to fund the arrangements for keeping the Bath Road toilets open (see paragraph 3.4) • note the Cabinet's approval, under financial rules 4G, part 8.11, to use the net underspend on new green waste schemes to fund the full rollout of plastic bottles collection across the borough in 2011/12 (estimated cost £17,000) (see paragraph 3.5) • £124,300 to fund the one off costs of the establishment of a waste company with another partner as set out in

the exempt report to Cabinet on 21st June 2011.

- transfer the balance of £1,786 to General Balances
3. Note the treasury management outturn at Appendix 9.
 4. Approve the allocation of the LAA performance award grant as set out in section 5.
 5. Approve the allocation of the New Homes Bonus as set out in section 6 including the use of £30,000 from the civic pride reserve.
 6. The transfer of £50k from the benefits equalisation reserve to the benefits bad debt provision as per paragraph 7.3.
 7. Note the capital programme outturn position as detailed in Appendix 11 and approve the carry forward of unspent budgets into 2011/12 (section 8).
 8. Note the position in respect of section 106 agreements and partnership funding agreements at Appendix 12 (section 10).
 9. Note the outturn position in respect of collection rates for council tax and non domestic rates for 2010/11 in Appendix 13 (section 11).
 10. Note the outturn position in respect of collection rates for sundry debts for 2010/11 in Appendix 14 (section 12).
 11. Receive the financial outturn performance position for the Housing Revenue Account for 2010/11 in Appendices 15 to 17 (section 13).
 12. Note the outturn prudential indicators Appendix 18 and recommend that Council approve the revised prudential indicators for 2010/11, marked with an asterisk (section 14).
 13. Note the budget monitoring position to the end of May 2011 (section 15).
 14. Approve the advance of property grant to support the refurbishment of the Everyman theatre roof and the funding schedule for the next 6 years as at section 9 and Appendix 19.
 15. Approve the one-off contribution of £170k from the Property Repairs & Renewals reserve to the programme maintenance budget to fund maintenance works at the Art Gallery & Museum in 2011/12 (section 15).
 16. Approve the one-off contribution of £30k from the Property Repairs & Renewals reserve to the programme maintenance budget to fund toilet refurbishment works at the Town Hall in 2011/12 (section 15).

Financial implications	As detailed throughout this report. Contact officer: Paul Jones, paul.jones@cheltenham.gov.uk, 01242 775154
Legal implications	None directly arising from this report. Contact officer: Peter Lewis, Peter.Lewis@teWKesbury.gov.uk, 01684 272695
HR implications (including learning and organisational development)	None directly arising from this report. Contact officer: Julie McCarthy, julie.mccarthy@cheltenham.gov.uk, 01242 264355
Key risks	As outlined in Appendix 1.
Corporate and community plan Implications	Key elements of the budget are aimed at delivering the corporate objectives within the Corporate Business Plan.
Environmental and climate change implications	None.

1. Background

- 1.1 This report draws together the financial outturn position for 2010/11 for the General Fund and Housing Revenue Account (HRA) revenue and capital budgets, details reserve movements, summarises requests for carry forward of budgets approved by the Section 151 Officer under delegated powers and those requiring member approval and makes recommendations in respect of the use of the underspend.
- 1.2 In accordance with financial rule 21.2, the council must receive a report on the council's financial performance for the previous year.
- 1.3 A summary of the actual General Fund outturn position by service, including the business change and planned maintenance programmes, is contained in Appendix 2.
- 1.4 A summary of the outturn position by cost centre within each service is contained in Appendix 3. Information is presented both in the format normally used in cabinet and council papers and also in Service Reporting Code of Practice (SeRCOP) format used in the preparation of the final accounts which requires under / overspends on support services cost centres to be charged to end user cost centres.
- 1.5 Details of the transactions in respect of capital charges are contained in Appendix 4.

2. General Fund Revenue Outturn 2010/11

- 2.1 The budget monitoring report to the end of August 2010 projected an overspend for the year of £801,700. As a direct result of that projection, the Senior Leadership Team (SLT) and cabinet instigated an immediate recruitment freeze and a rigorous approach has now been adopted for future approval for any recruitment requests. In addition, officers were instructed to reduce spend on supplies and services to essentials for the remainder of the financial year.

- 2.2 These measures enabled the council to address the potential in year budget deficit and deliver a revised balanced budget which did not require a contribution from general balances.
- 2.3 At a meeting of cabinet on 19th April 2011, members noted the provisional revenue outturn position for 2010/11 which highlighted a number of areas of potential budget savings. Projections at the time suggested that, after allowing for expected carry forwards, services were likely to be delivered within budget, resulting in a potential net budget saving of £74,300 against the revised budget for 2010/11.
- 2.4 It is pleasing to report that despite an exceptionally difficult and turbulent financial year in which income levels for council services and investments have plummeted, the council has delivered services within the resources available resulting in a budget saving of £174,086.
- 2.5 The council is proposing to set up a joint waste company with another partner which is anticipated to deliver significant savings but will require 'one off funding' of £124,300, as outlined in the separate exempt report to Cabinet on 21st June 2011. The cabinet are recommending that part of the under spend be used to fund these one off set up costs.
- 2.6 A full explanation of all variances that exceed £10,000 is contained within Appendix 6.

3. Budget carry forward requests

- 3.1 At the year end, a number of budget holders requested 'carry forward' of unspent budgets. Requests fall into two categories and have been dealt with as follows:
- 3.2 Some requests are in respect of goods and services ordered but not received by 31st March 2011 or relate to items of expenditure not yet incurred but still planned to be spent in line with the original intention of the budget resulting mainly from slippage in work programmes. In line with previous practice, these have been reviewed by the Senior Leadership Team (SLT) and approved by the Section 151 Officer, under delegated powers (financial rule 8.10). A list of the approved carry forward of budgets, for which expenditure is in line with the original approved purpose, totalling £303,200 is contained in Appendix 7. In accordance with the Service Reporting Code of Practice (SeRCOP), a transfer was made to a 'carry forward' reserve in 2010/11 (Appendix 8) and transfers will be made from the 'carry forward' reserve in 2011/12 to the appropriate cost centres in order that members and officers have a clear indication of the total budget, including carry forwards, available for 2011/12.
- 3.3 Some requests have been made to carry forward an underspend to be used in a different way to that for which the budget was originally intended. Since this falls outside the budget set by council in February 2010, their alternative use requires council approval. In line with a previous decision, these are subject to member approval. The list contained in Appendix 7, totalling £48,000, has been reviewed and supported by the Senior Leadership Team and now requires council approval.
- 3.4 The public conveniences budget for 2011/12, approved in February 2011, includes a saving from the closure of some public toilets, which included the Bath Road facilities. It is the cabinet's intention to use some of the reported underspends to fund the cost of keeping the toilets open with the support of the Bath Road traders plus the associated property costs (including NNDR) which amounts to £15,000 in 2010/11. A permanent solution to funding these will be addressed in agreeing the budget for 2012/13.
- 3.5 The medium term financial strategy provides for the roll-out of plastic bottle collection across the borough during 2011/12 and 2012/13. The cabinet has approved, (under Financial Rules 4G, part 8.11) that £17,000 from the underspend in the new green waste scheme be used to enable this programme to be brought forward, with the roll-out of the full scheme in 2011/12.

4. Treasury Management

- 4.1 Treasury Management in Local Government is governed by the CIPFA Code of Practice on Treasury Management in the Public Services and this council has adopted the code and complies with its requirements, one of which is the receipt by cabinet and council of an Annual Review Report after the financial year end.
- 4.2 A summary of the financial implications of the transactions in respect of interest and investment income are contained in Appendix 5.
- 4.3 The detailed treasury report, including the current assessment of the implications of the councils exposure to Icelandic banks, as approved by the Treasury Management Panel at its meeting on 6th June 2011, is attached at Appendix 9. The key points are highlighted below:
- 4.4 Icelandic Banks**
The Council has outstanding loans with the Icelandic owned banks Glitnir, Landsbanki and Kaupthing, Singer & Freidlander (KSF). The situation as at February 2011 was reported in the previous budget monitoring report.
- 4.5 The situation with regards to money outstanding with both Glitnir and Landsbanki has progressed further. A decision was made by the Icelandic District Court (the 'Court') on 1st April 2011 that Local Authority wholesale depositors in these banks are to be considered preferential creditors.
- 4.6 This Judgement means that UK Local Authorities' wholesale deposit claims have been recognised as deposits with priority status over other creditors' claims and will be at the front of the queue when payments are made. However, the decision is subject to appeal to the Icelandic Supreme Court, with a final decision expected in the Autumn of 2011.
- 4.7 In its 2008/09 and 2009/10 accounts the Council wrote down the value of ('impaired') its investments with Glitnir Bank hf to reflect the likely amounts to be recovered. Based on the best information available at the time and in line with the winding up board's view, it was assumed that local authority deposits with Glitnir did not have preferential creditor status under Icelandic law. This indicated a recovery rate of 29% with repayments extending to 2015, resulting in an impairment charge to the Income & Expenditure account of £2.6 million.
- 4.8 The impairment did not, however, have an impact on the general fund due to the council obtaining a capitalisation direction of £4.430 million for the year, allowing it to treat the losses on the Icelandic banks as capital expenditure, in effect borrowing the money to spread the cost over 20 years.
- 4.9 The decision by the Court means that the council is required to reassess the recoverable amount and impairment charged to the Income & Expenditure account for the Glitnir deposit. A revised recovery rate of 100%, with repayment possible by the end of 2011, now results in an impairment *credit* to the Income & Expenditure account of £2.4 million in 2010/11.
- 4.10 The court decision does not affect the impairment charge made for the Landsbanki deposits, as the authority had in this case already assumed preferential status would be achieved, in line with the view taken by that bank's winding up board.
- 4.11 In the November budget monitoring report it was reported that the likely amount to be recovered at that time for the KSF loans was 79p in the £ (up from 71p assumed for the 2009/10 accounts). This was likely to result in an impairment *credit* to the Income & Expenditure account of £230,000.
- 4.12 The latest information indicates that the authority is now likely to receive 82p in the £ for the KSF deposits. This increases the impairment credit made in the 2010/11 accounts by £96,000 to £326,000, resulting in an overall impairment *credit* (including that for Glitnir) to the Income & Expenditure account of £2.7 million.
- 4.13 In the November report it was explained that, since the impairment credits are adjustments to

impairments which had been charged to capital and financed from borrowing, they should be used to repay such debt. Hence it was recommended that the £230,000 credit for the KSF loans is used to make a voluntary provision for the repayment of debt. This will reduce annual debt repayments for the next 19 years (beginning in 2011/12) by £12,000 per annum. The reduction has been built into the budget 2011/12.

4.14 Normally repaying debt would be the recommendation for the £2.4 million credit for the Glitnir loan and the additional £96,000 for the KSF deposits, however the decision to treat local authority deposits as priority claims is not final as it is subject to appeal. Therefore it is recommended that these additional credits be temporarily transferred to an earmarked reserve until the final decision is made.

4.15 Should the final decision confirm that the deposits do have priority status then the reserve will be used to repay debt or alternatively, should they ultimately be deemed not to have such status, meet the resulting increased impairment charge in this or future years. In the case of the latter scenario the authority would then only have to find the money to cover the increased impairment for the Landsbanki loans, for which a further capitalisation direction would be sought.

4.16 Treasury Management Activity

There is a predicted surplus of interest of £10,101 to report on Treasury Management for 2010/11. The General Fund (GF) is £50,863 adverse against the 2010/11 revised budget while the Housing Revenue Account (HRA) is £60,964 favourable against the revised budget.

4.17 The primary reason for the shortfall in the General Fund is that the calculation for the HRA Item 8 Debit at revised budget estimated the consolidated rate of interest to be 3.08% on all borrowing for the financial year, however due to the council's weighted average of total borrowing for 2010/11 being lower than the Capital Financing Requirement (CFR), which is a measure of the authorities underlying need to borrow for capital purposes, a different formula is required to calculate the HRA Item 8 Debit than what has been used previously. This has reduced the consolidated rate of interest to 2.80% to recharge HRA borrowing, compared with 3.13%, the council's overall average borrowing rate for the financial year. This has resulted in £51,944 less interest being payable by the HRA to the GF for 2010/11.

4.18 HRA opening revenue balances are expected to be higher than estimated at revised budget time due to a slippage in capital expenditure. This has resulted in the HRA receiving £9,020 more in interest from the GF.

4.19 Lending interest is forecast to be favourable by £7,477. As mentioned in paragraph 4.10 the HRA revenue balances are higher than expected which resulted in the council having more to invest for a longer period by utilising the Bank of Scotland Call Account.

5. LAA performance reward grant

5.1 Following the successful achievement of 75% of Gloucestershire's LAA stretch targets, the council has been awarded a total performance reward grant allocation of £257,748. In addition to this sum, £50,983 remains unallocated from a previous allocation of performance reward grant which totals £308,731 that is available for additional investment.

5.2 In February 2011, cabinet set out its aspirations to fund the following one off investment, funded from LAA performance reward grant, subject to it being awarded, and confirmed that these aspirations would be brought back to council in the outturn report in June 2011 for approval:

- £50k towards match funding the £50k contribution from GCC to address youth work issues that the County can no longer fund in the way that it traditionally has.

- £30k for community pride / big society initiatives to establish another round of Community Pride as last year, with the emphasis on enabling 'Big Society' initiatives to be taken forward, such as promoting volunteering or voluntary initiatives.
 - £30k towards supporting Cheltenham Voluntary and Community Action (VCA) at £10k a year for the next three years from the LAA Performance Reward Grant to develop the voluntary and community market through capacity building and supporting the Council to achieve its goal of being a commissioning organisation.
 - A capital contribution of £180k spread equally over the next 3 years (i.e. £60k per annum) towards the Warm and Well scheme administered by Severn Wye Energy Agency on the basis that private sector renewals grant has been withdrawn from 2011/12.
- 5.3 It is recommended that the remaining amount of £18,731 is transferred to supplement the economic development fund (paragraph 6.4).

6. New Homes Bonus

- 6.1 The New Homes Bonus scheme is designed to address the disincentive within the local government finance system for local areas to welcome growth. The scheme is designed to provide local authorities with the means to mitigate the strain the increased population causes whilst promoting a more positive attitude to growth and creating an environment in which new housing is more readily accepted. Whilst funding will not be ring-fenced for a specific purpose, it is designed to allow the 'benefits of growth to be returned to local communities'.
- 6.2 The 2011/12 New Homes Bonus allocation for Cheltenham is £290,275 and the cabinet are proposing that 2 funds are created for the following uses:
- 6.3 An amount of £130,000, supplemented by a transfer of £30,000 from the civic pride reserve to provide a total fund of £160,000 for small environmental works. Bids from within council departments will be made and decided by the cabinet in the autumn. The aim will be to tackle environmental issues in packages costing around £15,000 or so a time. An initial request has been made, and supported by Cabinet, for £10,800 to purchase larger waste bins for the council's parks to remove the need to use wheelie bins to cope with the summer peak in activity plus replacement bins adjacent to Imperial gardens to complement the re-paving scheme.
- 6.4 The residual amount of £160,275, supplemented by £18,731 of unspent LAA performance reward grant, giving a total fund of £179,006, for economic development purposes to help tackle the recession – and promote the town as a place in which to do business by sponsoring activities and events which will attract visitors and trade. It will include cultural activities such as the festivals and tourist activity. Criteria for applying and the administration of these funds will be established as soon as possible. It is likely to be distributed in 2 phases during the year. A panel including an external business presence and the appropriate cabinet portfolio holders for economic development, culture and finance will be established to advise the cabinet on its allocation.

7. Reserves

- 7.1 The Section 151 Officer has, under delegated powers (financial rule 11.2), authority to make transfers to and from these operational reserves in accordance with the intention of the reserve as determined by the council's reserves policy and protocol. The transfers approved by the Section 151 Officer for 2010/11 are included within the Use of Reserves and Balances schedule at Appendix 8.
- 7.2 Appendix 10 details the reserves held by the council, states their purpose and indicates the balance at 31st March 2011. In setting the budget for 2011/12 a review of reserves was undertaken with a view to assessing whether the levels were appropriate, in line with the policy for

reserves and balances, taking into account the needs and risks of the organisation and the prevailing economic conditions. At the year end this process has been repeated.

- 7.3** Following a recent audit report and on the advice of the Benefits Manager, there is a recommendation to increase the size of the bad debt provision for benefit overpayments as a result of the government's proposed change from the current benefits system to universal credits which may mean that any outstanding debts may not be recoverable against future benefit payments leaving the council to finance any write off. The bad debt provision as at 31st March 2011 is £340k and it is proposed that £50k is transferred from the benefits equalisation reserve to increase the reserve to £390k. The audit recommendation is that the provision should be at 75% of the level of bad debt level by 2017. My advice is that over the next few years the council look to increase the provision further through further realignment of the benefit related reserves or from any future under spends. The cabinet is therefore recommending that council transfer £50k from the benefits equalisation reserve to the benefits bad debt provision. The council remains committed to supporting people who are currently in receipt of benefits under the current scheme in the transition to universal credits
- 7.4** An assessment of the council's other earmarked reserves has been made in line with the fiduciary duty of the Section 151 Officer at the year end. Accepting that there are still some areas of uncertainty, the level of reserves appears adequate at this point in time and no other changes are currently recommended.
- 7.5** The level of maximum individual reserve balances were reviewed in February 2011, as part of the budget setting process. At 31st March 2011, most reserves are within these specific maximum levels.
- 7.6** It is important to understand and consider that there is an opportunity cost in maintaining reserves. Members will be aware that reserves exist for specific 'earmarked' and valid purposes which are regularly reviewed. Over time, it is anticipated that these reserves will be used for the purpose for which they were set aside. Hence the opportunity cost of holding these reserves at existing or slightly above existing levels is either justified or insignificant.
- 7.7** At the year end, the General Fund Balance stands at £2.667m (which includes the underspend of £174,086 pending the recommendations above) and therefore remains above the minimum range of £1.5m to £2m recommended by the Section 151 Officer. Given the prevailing economic conditions and the pressure on the current and future year's revenue budgets, I would recommend that this should not be reduced.

8. Capital Outturn 2010/11

- 8.1** The outturn position in respect of General Fund capital is contained in Appendix 11. Members are asked to note the outturn position and, where there is slippage, approve the carry forwards into 2011/12 requested by officers. Generally, whilst there has been some slippage in the capital programme, the profiling and monitoring of capital spend has significantly improved.

9. Everyman theatre

- 9.1** The council, at its meeting in February 2010, agreed a £1m loan facility to support the theatre's refurbishment programme plus a grant of £250k. This was in tandem with a renegotiation of the building lease which transferred all maintenance responsibilities to the theatre under a full repairing lease with an additional £15,000 property grant to offset these additional liabilities.
- 9.2** In preparing for the commencement of the refurbishment programme, it has transpired that it would be sensible to address roof repairs now rather than undertake them at a later date. As such, there is an upfront cost of around £100k, for which the theatre has requested that the council advance a further 3 years instalments (£45k) of the additional £15k property grant to part

fund the roof repairs so that it will have £60k towards the roof costs.

- 9.3 The cabinet therefore recommends to council that it varies the funding agreement to advance a further £45k of the additional property grant to fund the theatre's roof repairs. In addition, the cabinet is also recommending that council agree the schedule of funding support, which has now been agreed with the theatre, for the next 6 years as documented in Appendix 19.

10. Section 106 receipts

- 10.1 A position statement in respect of the activity of Section 106 receipts is contained in Appendix 12.
- 10.2 The following summarises the activity in respect of Section 106 for 2010/11, compared to 2009/10.

	31/3/10 £	31/3/11 £
Balance of unused Section 106 receipts	632,402	279,582
Net additional receipts (transfers to GCC) in year	(83,631)	55,363
Receipts used to finance projects in year	(269,189)	(45,629)
Balance outstanding at year end	279,582	289,316

11. Council tax and Business rates collection

- 11.1 The monitoring report for the collection of council tax and business rates (NNDR) income is shown in Appendix 13. This shows the position at the end of March 2011.

12. Sundry debt collection

- 12.1 The monitoring report for the collection of sundry debt income is shown in Appendix 14. This shows the position at the end of March 2011.

13. Housing Revenue Account (HRA)

13.1 HRA income and expenditure

The revised estimates for the Housing Revenue Account anticipated a surplus of £1,408,200 which would increase revenue reserves to £2,989,000. The outturn statement, at Appendix 15, shows a surplus for the year of £2,092,379, an overall positive variance of £684,179 which has increased the revenue reserve to £3,673,179. There is also a balance of £304,121 in the major repairs reserve to carry forward to 2011/12.

This positive variance arose primarily from:

- lower revenue funding of capital expenditure required (£516,731)
- reduced interest payable due to a reduction in the rate chargeable and additional interest received on higher reserve balances (total £60,964)
- reduction in the need to provide for bad debts (£60,562)
- additional rent income (£50,763), attributable to a lower void rate

- increased income from commercial lettings (£16,392)
- savings in management costs (£21,779)

Partially offset by the additional contributions to the housing repairs account (£34,814) as detailed in paragraph 13.2

13.2 Housing repairs account

The council keeps a separate housing repairs account (shown at Appendix 16) that assists in smoothing out peaks and troughs in the need for responsive repairs. Total costs on this account exceeded the budget of £3,735,000 by £34,814 which is not considered significant given the demand led nature of the expenditure.

13.3 HRA Capital Programme

As shown at Appendix 17, actual expenditure totalled £3.062m, a reduction of £789,000 when compared to the revised estimate of £3.851m. This variation was detailed in the February 2011 monitoring report and arose from delays in two projects namely:

- The transformational improvement programme at St Paul's whilst development agreements were completed
- The neighbourhood works programme at Scott and Edward Wilson House due to the financial failure of two contractors

Both projects have since commenced and resources will be carried forward in reserves to fund the schemes.

14. Prudential Indicators

- 14.1** At the meeting of the council in February 2010, the council set the prudential indicators for 2010/11 to comply with the prudential code. A summary of the prudential indicators for the year are contained in Appendix 18.
- 14.2** The prudential indicators have been monitored regularly and there were no material departures from the indicators arising during the year. The outturn indicators are reported to cabinet and council as part of the capital and treasury management outturn in accordance with the arrangements determined at the February 2010 council meeting.
- 14.3** The outturn position for 2010/11 has, in some cases, had an impact on prudential indicators for 2011/12 where there is slippage and carry forward of spend. As a result some revisions to the prudential indicators for 2011/12, approved by council in February 2011, have been made. These are marked with an asterisk in Appendix 18 and require member approval.

15. 2011/12 Revenue and Capital budget monitoring to May 2011

- 15.1** Although, due to the pressures of the year end process, a detailed monitoring exercise has not been undertaken at this point in the year, the following areas are worth noting at this stage in the financial year.
- 15.2** Land Charges – the income figures for the first two months of the financial year show the level of income to be £4,000 behind the budgeted target. If this trend continued throughout the year the annual shortfall would be in the region of £20,000. Given the current economic climate and stagnant property market this shortfall may be realised at the end of the full financial year.
- 15.3** Planning Fees – the income figures for the first two months of the financial year show a shortfall against budget of £18,000. If this trend continued throughout the year the annual shortfall would be in the region of £80,000. However, there are large applications with a potential to result in

additional income. The risk of not achieving the annual income target is therefore considered low at this point in the year

- 15.4** Building Control fees - the income figures for the first two months of the financial year show additional income against budget of £7,000. However, given recent shortfalls in income it is too early in the financial year to accurately predict the likely outturn for the full year.
- 15.5** Off-Street Car Parking – 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 income sources suggest that fine income is anticipated to fall short of the profiled budget by £3,000 and fee income £15,000 behind the profiled budget as at the end of May 2011. If this trend were to continue throughout the year this could result in a combined income shortfall against budget of £85,000 which represents approximately 2% of target budget. This reduction in income trend may be partly as a result of the increased availability of On-Street Pay and Display spaces which is resulting in increased capacity for non-local users. 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.

Bridging the Gap Programme

- 15.6 Green Waste** – The original sales target for the Garden Waste service was based on experience and data received from neighbouring Authorities operating similar schemes. Sign up, however, to this new service has slowed this financial year. Sales in April were approx. 1,125 and in May 550. Total sales for December to March 2010/11 were 8,375 and in 2011/12 to the end of May 2011 are 1,675 giving an overall sales figure of 10,050 since the inauguration of the scheme. Should the May trend repeat until August, the April peak reoccur in the Autumn month of September and last years sales renew during the Winter months we will achieve sales in the region of 13,500 in the financial year 2011/12 against a target of 20,000. This is 6,500 short of budgeted expectations and represents a shortfall in income of £223,200.
- 15.7** As a result of this the cabinet has requested that marketing campaigns be planned to increase sign-up so that it returns to target, and customer feedback be sought to determine reasons for not signing up to the scheme. The work plan for this financial year includes exploration of options to make the Garden Waste service accessible for those residents who cannot house a wheeled bin
- 15.8** Costs are anticipated to be on budget for 2011/12.
- 15.9 Customer Services restructure** – The Bridging the Gap programme identified savings of £115,000 in 2012/13 from the systems thinking work highlighting opportunities to encompass the front-office service provided to Revenues and Benefits by Customer Services. More efficient processes were identified, from providing expertise from the back office directly to customers in the front officer. The restructure has been put in place from 1st April 2011, a year prior to the planned saving, on the basis that any 2011/12 saving would be required to fund the decommissioning costs. However, decommissioning costs are forecast to be significantly less than anticipated. As a result it is likely that around £50,000 of savings will be brought forward and delivered in 2011/12.
- 15.10 Delete Frozen Vacancies** - The identification of vacancies frozen in 2010/11 for deletion in 2011/12 to meet a target of £80,000 remains challenging. Despite ongoing efforts, operational issues and vacancies earmarked for restructures already included within the Bridging the Gap Programme have meant that the anticipated plan has had to be reviewed. Options to offset this shortfall are currently being considered..
- 15.11 Closure of Public Conveniences** - the full budgeted savings from the Bridging the Gap program in relation to the closure of some Public Conveniences is unlikely to be realised this financial year. Additional facilities will remain in operation in Charlton Kings and Bath Road for which a carry

forward request of £15,000 is being sought for approval to fund the arrangements for Bath Road toilets using the Bath Road traders. It is anticipated that this cost centre will be overspent by £18,600 this financial year as a result.

- 15.12 HMRC Car Mileage Reimbursement Rates** - The initiative to implement HMRC car mileage reimbursement rates has been fully implemented. The saving of £20,000 was calculated based on a reduction of 15p per mile, as the rate was dropping from 55p to 40p. However, the 2011 Budget increased the rate by 5p to 45p per mile, which has resulted in an estimated £6,700 reduction in saving.
- 15.13 Review of Essential / Regular Car Allowances** - A thorough review of the essential and regular car allowances has been completed, however although this has resulted in certain officers having their allowances reduced or removed, the review of the policy identified a number of officers that were in fact entitled to the allowance. The policy was also reviewed and allowed for any officers having their allowance reduced or removed would be entitled to a transition period – 3 months at current allowance, 3 months at half allowance. This transition period has also impacted on the forecast saving, reducing it by around £15,000.
- 15.14** SLT have agreed that, for the next 3 months, that spending on supplies and services should be restricted to essential items until more work has been undertaken to firm up the current year's budget position and until mitigating measures have been identified to rectify any potential budget issue.

Art Gallery & Museum building

- 15.15** Following the announcement in March that the Heritage Lottery Fund grant award to the Art Gallery & Museum had been successful the Development Scheme has now progressed to RIBA Stage G with tenders for the main building contractor scheduled to be returned on June 20th 2011
- 15.16** With the Scheme now progressing, it is important to maximise the opportunity that the Redevelopment Project presents regarding the carrying out of essential building maintenance works that has been identified within the Council's 20 year maintenance plan whilst the site is shut.
- 15.17** £170k of essential works has been identified to be carried out during the period 2012/13 at the Art Gallery & Museum site within the 20 year maintenance programme. The works are in respect of roof, boiler, fire and security system replacements, which have been deferred from being carried in previous years due to the uncertainty of whether the Development Scheme would go ahead. In order to maximise the economies of scale the Development Scheme presents there is now a need to bring forward the financing of these works in order to ensure the opportunity to carry them out whilst the site undergoes major building works is not lost. The approval of these works would ordinarily form part of the annual budget setting process in February 2012 and 2013, however given the opportunity that the Development Scheme presents Cabinet recommends to Council that the financing of the works identified is advanced into this year. It must be noted that the timetabling of carrying out the works is still uncertain and therefore should they fail to be completed during the remainder of this year a carry forward request will be made in respect of any under-spend that may arise.
- 15.18** Cabinet therefore recommends to Council that an additional one-off contribution of £170k be made from the Property Repairs and renewals reserve into the programmed maintenance budget in 2011/12, to be allocated to these works.

Town Hall Toilets

- 15.19** The current volume of traffic through the toilets at the Town Hall is in excess of 300,000 people per year. The number of customers places a huge demand on the old existing toilet systems and

pipe work and causes excessive wear and tear to the flooring and décor of the facilities.

- 15.20** During sell out shows when 900 people all wish to use the toilets in a 15 minute interval, the systems can not cope with such a high demand and regularly block, flood and leave raw sewage on the floor. This undoubtedly gives the Town Hall a bad reputation for cleanliness, which undermines its viability as an entertainment venue.
- 15.21** The approximate cost per year for maintenance issues with the toilets is in excess of £5,000 and the Town Hall may in the future have to reimburse private hirers part of the hire fee for not providing adequate facilities. The cost of reactive rather than proactive maintenance is high. This would be significantly reduced if the current toilet systems were improved.
- 15.22** In the last year the Town Hall have received complaints about the current condition of the toilet facilities. People's expectations are higher than ever before. Contemporary design and a beautiful finish can be found in even the most basic of restaurants and town centre bars. As investment has been made into other areas of the Town Hall, it has become more and more apparent that the toilet facilities are inadequate and in urgent need of improvement. As the premier entertainment venue in Cheltenham the council has a duty to provide clean, hygienic working facilities that are on a par with the rest of the building.
- 15.23** The Town Hall is working to grow our business for 2011/12 in areas of conference and banqueting, meetings & weddings. In order to achieve the projected business growth, the Town Hall needs to be able to compete in the marketplace.
- 15.24** The cost of carrying out necessary improvement works to the toilets is £30k. The works are identified to be carried out in 2012/13 within the 20 year maintenance programme. Cabinet recommends to council that the financing of these works is brought forward into the current year in order that the refurbishment can be carried out in January 2012.
- 15.25** Cabinet therefore recommends to Council that an additional one-off contribution of £30k be made from the property repairs and renewals reserve into the programmed maintenance budget in 2011/12, to be allocated to these works.

16. Section 151 Officer advice

- 16.1** The Government expects councils to make a significant contribution to reducing the level of public debt and will the council will be subject to significant public sector funding squeeze over the next few years. Future budgets are likely to contain some difficult decisions and may require some sources of 'one off' finance to enable savings to be delivered through cost / staffing reductions. As such, any opportunity to bolster the General Reserve to finance one off costs should be taken.
- 16.2** In agreeing the recommendations, members need to be mindful of the prevailing challenging financial climate and in view of the budget pressures already potentially facing the council in the current year, to ensure that any carry forwards recommended for approval (even those for which the Section 151 Officer has the delegation to approve) are the most effective use of scarce resources.

17. Conclusion

- 17.1** The outturn position for 2010/11 demonstrates that, despite the extremely challenging year, the council managed to turnaround a projected overspend of £800k which demonstrates that it continues to maintain a strong and consistent track record of the management of services within budgets. There are no significant 'unexpected' overspends or under spends in 2010/11 which demonstrates that budget monitoring arrangements remain strong.

17.2 If approved, some of the carry forward requests will assist in the delivery of corporate objectives, help to complete projects started in 2010/11 and support initiatives which help to bridge the medium term funding gap.

17.3 Members should note that the outturn position will be used to prepare the Statement of Accounts for approval by council.

18. Consultation

18.1 Appropriate members and officers were consulted in the process of preparing the outturn position and associated reports and accounts.

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. Summary outturn performance position - General Fund 3. Service level outturn performance position - General Fund 4. Capital charges 5. Interest and investment income 6. Significant variances 7. Carry forward requests 8. Use of balances and reserves 9. Treasury outturn 10. Movement on earmarked reserves and general balances 11. Capital programme - General Fund 12. Section 106 receipts statement 13. Council tax and NNDR collection 14. Sundry debt collection 15. HRA Operating account 16. HRA Housing repairs account 17. HRA Capital programme 18. Prudential indicators 19. Everyman Theatre funding schedule

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Background information	<ol style="list-style-type: none">1. Section 25 Report – Council 11th February 20112. Final Budget Proposals for 2011/12 – Council 11^h February 20113. Joint Working in Waste and Environmental Services ‘The creation of a Local Authority Company’ – Cabinet 21st June 2011
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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	3	9	Reduce	The council turned a projected £800k overspend into an under spend. However, in the current year (2011/12) there is further pressure on income targets which SLT will consider at a future meeting.	Sept 2011	SLT	Corporate Risk Register
2.	If the council continues with its zero recruitment policy, then capacity may be impacted adversely, plus morale and motivation of employees	Cabinet	October 2010	3	3	9	Reduce	Executive Board will monitor the process, via quarterly reviews. Although the year end has now passed and the recruitment freeze has been lifted, the Executive Board still continue to review recruitment requests.	March 2012	Executive Board	Corporate Risk Register
3.	Green Waste sales do not reach target of 20,000.	Director Operations	June 2011	4	4	16	Reduce	Marketing campaigns are planned to increase sign-up so that it returns to target, and customer feedback be sought to determine reasons for not signing up to the scheme.	August 2011	Director Operations	Corporate Risk Register

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4.	In the past the council has used in year savings to support one off growth to fund new initiatives or unpredicted expenditure. It is unlikely that moving forward over the life of the MTFS there will be such savings and if new initiatives or unpredicted expenditure arises then the dependency on the General Reserve will intensify.	Director Resources	December 2010	4	3	12	Reduce	Future capital receipts may be needed to galvanise the General Reserve.	December 2011	Director Resources (working with SLT)	
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GENERAL FUND REVENUE OVERTURN 2010/11

GROUP

	A 2010/11 Original Budget £	B 2010/11 Revised Budget £	C 2010/11 Outturn per Ledger £	overspend / (underspend) before adjustments £	D Trf to / (from) Reserves £	E C/F requests approved by S151 Officer Appendix 7 £	F Variance net of S151 c/f approvals £	G C/F requests to be approved Members Appendix 7 £	H Variance net of all c/f requests £
Strategic Management	406,050	374,900	238,935	(135,965)	136,159	47,800	194	194	(89,647)
Assistant Chief Executive	3,496,300	3,092,800	2,908,373	(184,427)	46,980	5,700	(89,647)	5,000	52,297
Built Environment	31,200	1,407,900	1,495,292	87,392	(45,795)		47,297		(1,029)
Community Services	387,300	1,218,400	1,217,371	(1,029)		23,700	(476)		(476)
Financial Services	1,385,400	1,350,000	1,325,824	(24,176)	(12,000)		(19,271)		(19,271)
Customer Access & Service Transformation	562,400	342,500	335,229	(7,271)	6,400		(180,033)		(155,033)
Wellbeing and Culture	4,108,000	4,973,800	4,770,867	(202,933)		16,500	(1,180)		(1,180)
Human Resources & Organisational Development	(33,200)	0	(11,280)	(11,280)	256,599	10,100	(40,019)		(22,019)
Operations	7,217,300	6,142,600	5,749,482	(393,118)	241,421	96,500		18,000	
Programmed Maintenance (Revenue)	811,000	751,600	510,179	(241,421)	9,100	102,900			3,702
Business Change	17,000	755,400	647,102	(108,298)			3,702		50,000
Target savings	(520,000)	(50,000)	0	50,000			5,626		5,626
Bad debt provision	40,000	40,000	45,626	5,626			0		0
	17,908,750	20,399,900	19,233,000	(1,166,900)	638,864	303,200	(224,836)	48,000	(176,836)
Capital Charges - Appendix 4	(757,600)	(1,838,700)	(1,838,841)	(141)			(141)		(141)
Interest and Investment Income - Appendix 5	293,600	(72,700)	(2,477,932)	(2,405,232)			50,863		50,863
Use of balances and reserves - Appendix 8	(685,353)	(1,717,303)	1,680,855	3,398,158					0
Area Based Grant	(28,500)	(40,300)	(40,283)	17			17		17
Net underspend	16,730,897	16,730,897	16,730,886	174,086					
NET BUDGET									
Deduct:									
Revenue Support Grant	(1,118,206)	(1,118,206)	(1,118,206)	0			0		0
National Non-Domestic Rate	(7,700,653)	(7,700,653)	(7,700,653)	0			0		0
Collection Fund Contribution	(33,500)	(33,500)	(33,489)	11			11		11
NET SPEND FUNDED BY COUNCIL TAX	(7,878,538)	(7,878,538)	(7,878,538)	0					
TOTAL INCOME	(16,730,897)	(16,730,897)	(16,730,886)						(126,086)
									(174,086)
									Total budget underspend

KEY

- A - Original budget for 2010/11 approved by Council - February 2010
- B - Revised budget for 2010/11 - including budget revisions approved by Council during 2010/11 and approved carry forwards from 2009/10
- C - Outturn net expenditure before year end adjustments
- D - Operational transfers to / (from) reserves approved by the Chief Finance Officer under delegated powers - Appendix 7
- E - Carry forward requests approved by the Chief Finance Officer under delegated powers - Appendix 6
- F - Net variance after adjustments in columns D to E
- G - Carry forward requests requiring Member approval - Appendix 6
- H - Net variance on cost centres taking into account all carry forward requests - see detail at Appendix 2

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REVENUE OUTTURN 2010/11	2010/11 Original Budget (b/bk)	2010/11 Revised Budget	2010/11 Actual	(Under)/Overspend before SerCOP Adjustment	Transfer to/(from) reserve	Request for underspend c/f	Adjusted (Under)/Overspend	(Under)/Overspend before SerCOP Adjustment	SERP / IFRS 2010 Adjustments	IAS 19 Adjustment	SerCOP Adjustment	Adjusted (Under)/Overspend
	£	£	£	£	£	£	£	£	£	£	£	£
STRATEGIC MANAGEMENT												
D11100 CEX Management	(950)	0	2,086	2,086			2,086			(11,127)	9,041	0
D51100 Corporate Services Management	5,500	0	886	886			886			(8,272)	7,386	0
E74100 Environment Management & Admin.	62,100	0	(1,798)	(1,798)			(1,798)			(14,241)	16,039	0
D21250 Civil Emergency	252,500	288,200	151,914	(136,286)	136,159		(127)	(136,286)		(2,387)	(900)	(137,186)
E21400 Shopmobility	86,900	86,700	85,848	(852)			(852)					(3,239)
TOTAL STRATEGIC MANAGEMENT	406,050	374,900	238,935	(135,965)	136,159		194	(135,965)		(36,026)	31,566	(140,425)
ASSISTANT CHIEF EXECUTIVE												
ASSISTANT CHIEF EXECUTIVE												
D21200 Corporate Management	1,298,200	1,134,700	1,137,116	2,416			2,416				(273,857)	(279,677)
D21215 CPA Costs	12,200	0	0	0			0					0
D21220 Corporate Subscriptions	27,000	27,000	24,726	(2,274)			(2,274)					(2,274)
D38700 LA21	33,300	23,100	23,100	0			0					0
G50337 Accumulated absences account	1,370,700	1,184,800	1,184,942	142			142					8,236
POLICY & EQUAL OPPORTUNITIES												
POLICY & EQUAL OPPORTUNITIES												
D11700 Policy & Information Management	(23,700)	0	(2,795)	(2,795)			(2,795)			(13,446)	16,241	0
D11715 Neighbourhood Management Services	0	25,000	10,220	(14,780)		14,800	(2,795)					(14,780)
D11775 Farmers Market	18,100	6,350	2,498	(3,852)			(3,852)					(3,852)
D21800 Cheltenham Strategic Partnership	20,200	29,200	18,009	(11,191)		11,700	(800)					(11,191)
D21900 Equal Opportunities	0	0	(800)	(800)			(800)					(800)
D21950 Community Planning	164,500	135,300	135,300	0			0					0
D21970 Community Pride	40,000	65,700	44,342	(21,358)		21,300	(58)				(100)	(21,358)
D39120 SLA-Glos Racial Equality	20,700	52,100	50,792	(1,308)			(1,308)					(1,408)
D11400 Audit & Assurance	1,350	0	(5,346)	(5,346)			(5,346)			(4,446)	9,792	0
	241,150	313,650	252,221	(61,429)	0	47,800	(13,629)	(61,429)	0	(17,892)	25,933	(53,389)
STRATEGIC LAND USE												
STRATEGIC LAND USE												
B51140 Strategic Planning	239,800	216,100	210,171	(5,929)			(5,929)			(6,664)	(2,450)	(15,043)
B51145 Joint Core Strategy	0	(116,500)	(17,280)	(780)	780	0	(0)	(780)		(1,016)		(1,797)
	239,800	99,600	92,890	(6,710)	780	0	(5,929)	(6,710)	0	(7,680)	(2,450)	(16,840)
BUSINESS & ECONOMIC DEVELOPMENT												
BUSINESS & ECONOMIC DEVELOPMENT												
D11900 Communications Management	76,650	0	(925)	(925)			(925)			(3,158)	4,083	0
D12220 Civic & Member Services	600	0	614	614			614			(860)	246	0
D24100 Annexe	0	0	2,585	2,585			2,585					2,585
D24150 Twinning Expenses	31,100	43,700	37,916	(5,784)			(5,784)					(5,784)
D24200 Gottingen Sports Exchange	0	0	508	508			508					508
D24220 Gottingen Visit/Visitors	0	0	1,883	1,883			1,883					1,883
D24230 Gottingen Big Party	0	0	288	288			288					288
D24830 Weihei	0	0	336	336			336					336
D34300 Town Centre Management	30,100	32,100	32,100	0			0					0
D34400 Business & Economic Development	274,500	240,400	194,824	(45,676)			(45,676)			(3,201)	(200)	(48,977)
	412,950	316,200	270,128	(46,072)	0	0	(46,072)	(46,072)	0	(7,219)	4,129	(49,162)

REVENUE OUTTURN 2010/11	2010/11 Original Budget (b/bk)	2010/11 Revised Budget	2010/11 Actual	(Under)/Overspend before SerCOP Adjustment	Transfer to/(from) reserve	Request for underspend c/f	Adjusted (Under)/Overspend	(Under)/Overspend before SerCOP Adjustment	SORP / IFRS 2010 Adjustments	IAS 19 Adjustment	SerCOP Adjustment	Adjusted (Under)/Overspend
	£	£	£	£	£	£	£	£	£	£	£	£
LEGAL SERVICES												
D12200 Legal Services	(37,400)	0	(10,135)	(10,135)	10,200	65	(9,891)	(10,135)			10,135	0
D12205 CBC v Laird Case	0	0	(25,463)	(25,463)	25,500	37	591	(25,463)				(25,463)
	(37,400)	0	(35,598)	(35,598)	35,700	102		(35,598)	0	0	10,135	(25,463)
ELECTIONS												
D21300 District Elections	182,500	197,300	187,409	(9,891)			(9,891)	(9,891)		(379)	(680)	(10,950)
D21350 Parish Elections	0	0	591	591			591	591			(710)	591
D21400 Electoral Registration	181,600	183,300	195,501	12,201			12,201	12,201			220	11,491
D21500 Electoral Registration Overheads	7,800	0	4,739	4,739			4,739	4,739		(4,959)		0
D21510 County Council Elections	0	0	0	0			0	0				0
D21520 European Parliament Elections	0	0	0	0			0	0				0
D21540 Parliamentary Elections	0	0	(18,126)	(18,126)	10,500	(7,626)	(7,626)	(18,126)				(18,126)
D21530 County & European	0	0	(48)	(48)			(48)	(48)				(48)
	371,900	380,600	370,066	(10,534)	10,500	0	(34)	(10,534)	0	(5,339)	(1,170)	(17,043)
CIVIC												
D22100 Civic Expenses	51,300	59,300	58,880	(420)			(420)	(420)			(40)	(460)
D22200 Civic Car	34,700	32,600	32,520	(80)			(80)	(80)				(80)
D23010 Hospitality	2,500	1,500	554	(946)			(946)	(946)				(946)
D23020 Mayoral Sunday	1,000	1,100	1,377	277			277	277				277
D23030 Mayor Making Ceremony	4,200	5,300	4,398	(902)			(902)	(902)				(902)
D23060 Remembrance Sunday	4,300	3,800	1,430	(2,370)			(2,370)	(2,370)				(2,370)
D23070 Medal of Honour Awards	600	200	185	(15)			(15)	(15)				(15)
D23090 Battle of Britain Day	1,400	1,400	1,872	472			472	472				472
D23100 Hospitality - Civic Gifts	700	300	186	(114)			(114)	(114)				(114)
D23200 Festival Performing Arts	24,400	24,400	25,200	800			800	800				800
D23900 Charity Events	5,000	5,100	6,258	1,158			1,158	1,158				1,158
	130,100	135,000	132,861	(2,139)	0	0	(2,139)	(2,139)	0	0	(40)	(2,179)
DEMOCRATIC SERVICES												
D12250 DSU	3,200	0	(8,371)	(8,371)			(8,371)	(8,371)		(7,003)	15,374	0
D21100 Democratic Process	624,300	509,850	495,778	(14,072)			(14,072)	(14,072)			(21,502)	(35,575)
D21150 Cabinet Expenditure	78,000	82,800	82,800	0			0	0			(540)	(540)
D21190 O & S Committees	61,600	70,300	70,656	356			356	356			(840)	(484)
	767,100	662,950	640,863	(22,087)	0	0	(22,087)	(22,087)	0	(7,003)	(7,508)	(36,599)
TOTAL ASSISTANT CHIEF EXECUTIVE	3,496,300	3,092,800	2,908,373	(184,427)	46,980	47,800	(89,647)	(184,427)	0	(45,133)	(244,828)	(474,389)
BUILT ENVIRONMENT												
TRANSPORT												
E32400 Elderly Transport	1,728,300	1,674,200	1,696,146	21,946			21,946	21,946			(810)	21,136
E21100 Car Parks Off-Street	(2,389,000)	(1,771,900)	(1,694,959)	76,941			76,941	76,941		(7,897)	(5,823)	63,221
E21150 Royal Well Bus Station	9,200	(6,400)	(8,149)	(1,749)			(1,749)	(1,749)		(108)	(150)	(2,007)
E21300 Residents Parking	36,300	0	0	0			0	0		(1,280)	(590)	(1,870)
E36200 On-Street Parking - P & D	71,100	0	0	0			0	0		(2,694)	(2,481)	(5,175)
E36300 On-Street Parking - Enforcement	318,800	0	0	0			0	0		(11,189)	(200)	(11,389)

REVENUE OUTTURN 2010/11	2010/11 Original Budget (b/bk)	2010/11 Revised Budget	2010/11 Actual	(Under)/Overspend before SerCOP Adjustment	Transfer to/(from) reserve	Request for underspend c/f	Adjusted (Under)/Overspend	(Under)/Overspend before SerCOP Adjustment	SERP / IFRS 2010 Adjustments	IAS 19 Adjustment	SerCOP Adjustment	Adjusted (Under)/Overspend
E75500 Integrated Transport Division	£	£	£	£	£	£	£	£	£	£	£	£
	(691,600)	0	0	0	0	0	0	97,138	0	(23,169)	(10,054)	63,915
	(916,900)	(104,100)	(6,962)	97,138			97,138					
BUILT ENVIRONMENT												
B51120 Development Control	602,300	589,800	622,247	32,447			32,447				(49,111)	(16,665)
B51130 Conservation	90,700	104,000	104,000	0			0				(5,700)	(5,700)
B51150 HPDG	244,300	229,200	130,481	1,281			1,281			(6,890)	(5,700)	(5,609)
B51160 Civic Pride	265,500	229,600	252,789	23,189	(23,189)		0			(5,424)	(2,100)	15,665
B52300 Building Control	121,800	84,000	51,614	(32,386)			(32,386)			(23,355)	(2,950)	(58,691)
D21600 Land Charges	(91,600)	(68,200)	(76,308)	(8,108)			(8,108)				(4,800)	(12,908)
E22100 Chelt River & Water Courses	136,000	151,600	145,302	(6,298)		5,700	(598)				(200)	(6,498)
E72500 Built Environment Division	(26,100)	0	(28,016)	(28,016)			(28,016)			(41,875)	69,891	0
D12500 Property Services	(42,400)	0	(216)	(216)			(216)			(18,082)	18,298	0
D13100 Municipal Offices	(26,400)	0	(16,242)	(16,242)		5,000	(11,242)			(541)	16,782	0
D14100 Depot	300	0	(4,511)	(4,511)			(4,511)				4,511	0
D21290 Asset Management Plan	0	65,100	65,100	0			0				(2,600)	(2,600)
D30200 Miscellaneous Properties	(412,100)	140,700	171,707	31,007	(22,605)		8,402				(8,100)	22,907
D30220 Regeneration sites	79,400	78,900	78,900	0			0				(2,700)	(2,700)
D30300 War Memorials	6,400	7,300	5,407	(1,893)			(1,893)				(200)	(2,093)
	948,100	1,512,000	1,502,254	(9,746)	(45,795)	10,700	(44,841)				31,021	(74,892)
TOTAL BUILT ENVIRONMENT	31,200	1,407,900	1,495,292	87,392	(45,795)	10,700	52,297	87,392	0	(119,336)	20,967	(10,977)
COMMUNITY SERVICES												
H22600 Community Services	(990,600)	0	(2,435)	(2,435)			(2,435)				44,796	0
D33950 Resource Centre (Holding Account)	2,600	1,800	3,328	1,528			1,528			(42,360)	(200)	1,528
D37100 Hesters Way	50,900	43,600	43,600	0			0				(200)	(200)
D37200 Whaddon	50,800	43,600	43,600	0			0				(200)	(200)
D38100 Community Dev. Strategy	90,200	91,200	90,920	(280)			(280)				(3,900)	(4,180)
D38300 Chelt. Disability Action	500	500	(372)	(872)			(872)				(300)	(872)
D38600 Pensioners Forum	500	500	500	0			0				(300)	(369)
D39100 SLA-Citizens Adv. Bureau	161,100	163,700	163,631	(69)			(69)				0	0
D39130 'SLA-Hesters Way Project'	0	3,700	3,700	0			0				0	0
D39150 SLA-CCAVA	40,600	38,300	38,300	0			0				(200)	(200)
D39160 SLA-Whaddon, Lymworth & Priors	0	3,000	3,000	0			0				0	0
D39210 Sml Grants-Property	8,000	8,000	8,000	0			0				0	0
H22225 Housing Standards	363,200	241,200	240,775	(425)			(425)				(13,000)	(13,425)
H22260 Housing Strategy	28,200	27,900	27,900	0			0				(1,520)	(1,520)
H22270 Housing Enabling	120,700	67,300	177,300	110,000			110,000		(110,000)		(3,300)	(3,300)
H22125 Neighbourhood Regeneration	0	9,500	9,500	0			0				0	0
H22300 Housing Grants	154,600	100,000	97,794	(2,206)			(2,206)				(1,400)	(3,606)
H22350 Supporting People	27,700	18,500	18,500	0			0				(700)	(700)
H22400 Homeless Persons	316,200	337,911	337,911	711			711			(411)	(14,011)	(13,711)
H22500 Community Alarms	(37,900)	(45,400)	(42,381)	3,019			3,019				(4,440)	(1,421)
H22230 'PSDH grants / loans'	0	0	(95,649)	(95,649)			(95,649)				(3,100)	(3,100)
H22550 Disabled Facilities Grants	0	64,300	236,300	172,000			172,000				(3,100)	(3,100)
TOTAL COMMUNITY SERVICES	387,300	1,218,400	1,403,722	185,322	0	0	185,322	185,322	(186,351)	(42,772)	(1,475)	(45,276)

REVENUE OUTTURN 2010/11	2010/11 Original Budget (b/bk)	2010/11 Revised Budget	2010/11 Actual	(Under)/Overspend before SerCOP Adjustment	Transfer to/(from) reserve	Request for underspend c/f	Adjusted (Under)/Overspend	(Under)/Overspend before SerCOP Adjustment	SORP / IFRS 2010 Adjustments	IAS 19 Adjustment	SerCOP Adjustment	Adjusted (Under)/Overspend
	£	£	£	£	£	£	£	£	£	£	£	£
BUSINESS CHANGE												
Go7 Go7 Project	0	15,000	15,154	154			154	154				154
GoCOE Go Project -Centre of Excellence	0	43,100	42,867	(233)			(233)	(233)				(233)
GoERP Go Project -ERP System	0	170,600	174,343	3,743			3,743	3,743				3,743
IT0055 Government Connect	13,000	46,500	40,718	(5,782)		5,800	(5,782)	(5,782)				(5,782)
IT0062 Working Flexibly	4,000	25,700	7,319	(18,381)		18,400	(18,381)	(18,381)				(18,381)
IT0070 Shared Legal Services set-up costs	0	16,300	7,211	(9,089)	9,100		(9,089)	(9,089)				(9,089)
IT0071 Revenues & Benefits Sourcing Strategy	0	166,800	100,113	(66,687)		66,700	(66,687)	(66,687)				(66,687)
IT0072 Customer Services Sourcing Strategy	0	65,000	62,531	(2,469)		2,500	(2,469)	(2,469)				(2,469)
IT0073 ICT Sourcing Strategy	0	53,800	44,248	(9,553)		9,500	(9,553)	(9,553)				(9,553)
TOTAL BUSINESS CHANGE	17,000	602,800	494,502	(108,298)	9,100	102,300	3,702	(108,298)	0	0		(108,298)
FINANCIAL SERVICES												
D11300 Accountancy Division	17,300	0	(21,926)	(21,926)		11,700	(10,226)	(21,926)		(24,181)	46,108	0
D32600 Insurances	(31,500)	0	(1,695)	(1,695)			(1,695)	(1,695)			1,695	0
D32700 Treasury Management	83,900	122,500	113,957	(8,543)		12,000	3,457	(8,543)				(8,543)
D32750 Pension Fund Backfunding	1,304,700	1,189,000	1,190,463	1,463			1,463	1,463		(12,366,000)		(12,364,537)
D33800 Unison Sports & Social Club	12,700	14,400	14,400	0			0	0				0
D35100 Gloucestershire Airport	(3,000)	24,100	30,743	6,643			6,643	6,643				6,643
H22280 Housing Advances	1,300	0	(118)	(118)			(118)	(118)				(118)
TOTAL FINANCIAL SERVICES	1,385,400	1,350,000	1,325,824	(24,176)	0	23,700	(476)	(24,176)	0	(12,390,181)	47,802	(12,366,555)
CUSTOMER ACCESS & SERVICE TRANSFORMATION (CAST)												
CAST MANAGEMENT												
D12400 CAST Management	(13,700)	0	23,499	23,499		0	23,499	23,499		(3,281)	(20,219)	0
	(13,700)	0	23,499	23,499		0	23,499	23,499		(3,281)	(20,219)	0
SERVICE DEVELOPMENT												
D12485 Procurement	27,300	0	3,586	3,586			3,586	3,586		(3,636)	50	(0)
D12600 Service Development	6,200	0	(73)	(73)			(73)	(73)		(38,797)	38,870	0
	33,500	0	3,513	3,513		0	3,513	3,513		(42,433)	38,920	(0)
CUSTOMER SERVICES & CASHIERS												
D12450 Cash Receipting / Banking	700	0	(2,443)	(2,443)			(2,443)	(2,443)		(4,704)	7,147	0
D12455 Car Park Income Collection	3,700	0	(522)	(522)			(522)	(522)		(4,182)	4,704	0
D12495 Customer Service Areas	24,500	0	(4,498)	(4,498)			(4,498)	(4,498)		(12,906)	17,404	0
D13120 Central Mail Room	5,100	0	(1,106)	(1,106)			(1,106)	(1,106)		(2,715)	3,821	0
D13160 Custodians - Municipal Offices	1,400	0	(3,856)	(3,856)			(3,856)	(3,856)		(2,353)	6,209	0
	35,400	0	(12,424)	(12,424)		0	(12,424)	(12,424)		(26,860)	39,285	0
BENEFITS												
D12430 Housing & Council Tax Benefits	65,500	500	(13,325)	(13,825)			(13,825)	(13,825)		(29,328)	43,153	0
D12435 Housing Allowances Scheme	(132,700)	(127,700)	(127,492)	208			208	208			(208)	0
D12470 Housing Benefit Fraud	4,600	0	13	13			13	13			(13)	0

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	£	£	£	£	£	£	£	£	£	£	£	£
H23100 Housing Benefits - Rent Allowances	(37,900)	(31,600)	40,591	72,191	(50,000)		22,191	72,191			(23,298)	72,191
H23150 Housing Benefit Administration	107,900	59,700	63,796	4,096			4,096	4,096				(19,202)
H23200 Rent Rebates	(97,700)	(110,100)	(135,521)	(25,421)			(25,421)	(25,421)				(25,421)
	(90,300)	(209,200)	(171,939)	37,261	(50,000)	0	(12,739)	37,261	0	(29,328)	19,635	27,568
REVENUES												
D12440 Council Tax Overheads	14,100	(600)	(8,028)	(7,428)	1,000		(6,428)	(7,428)		(14,674)	22,102	0
D12450 Property Inspection	(39,800)	0	(4,007)	(4,007)			(4,007)	(4,007)		(4,176)	8,182	0
D12480 Business Revenues	(5,500)	100	(2,499)	(2,599)			(2,599)	(2,599)		(3,989)	6,588	0
D12490 Sundry Debtors	0	0	(553)	(553)			(553)	(553)			553	0
D31200 Council Tax benefits	664,600	585,200	598,124	12,924			12,924	12,924			(63,578)	(40,655)
D31300 NDR Collection	(63,900)	(65,100)	(67,830)	(2,730)			(2,730)	(2,730)			(4,862)	(7,592)
D39400 Discretionary Rate Relief	12,100	32,100	13,299	(18,801)			(18,801)	(18,801)				(18,801)
	581,600	551,700	528,506	(23,194)	1,000	0	(22,194)	(23,194)	0	(22,839)	(21,015)	(67,047)
ICT SERVICES												
D11800 ICT Division	9,300	0	(2,444)	(2,444)			(2,444)	(2,444)		(41,240)	43,684	0
D11820 ICT Infrastructure	700	0	(38,336)	(38,336)	37,000		(1,336)	(38,336)			38,336	0
D13250 Corporate Telecommunications	5,900	0	4,855	4,855			4,855	4,855			(4,855)	0
	15,900	0	(35,925)	(35,925)	37,000	0	1,075	(35,925)	0	(41,240)	77,165	0
TOTAL CAST	562,400	342,500	335,229	(7,271)	(12,000)	0	(19,271)	(7,271)	0	(165,979)	133,771	(39,479)
WELLBEING & CULTURE												
MANAGEMENT												
L17200 Sport/Play Division	22,800	0	(562)	(562)			(562)	(562)		(7,733)	8,296	0
D38850 Youth Affairs	37,000	43,800	37,297	(6,503)		6,500	(3)	(6,503)			(200)	(6,703)
	59,800	43,800	36,735	(7,065)	0	6,500	(565)	(7,065)		(7,733)	8,096	(6,703)
SPORTS AND PLAY												
L16100 Holiday Recreation Programme	98,000	109,900	109,882	(18)			(18)	(18)		(1,530)	(1,000)	(2,547)
L17300 Sport Development	74,300	87,200	86,743	(457)			(457)	(457)		(1,478)	(1,000)	(2,936)
L17400 Support to External Sports Organisations	4,000	4,000	4,000	0			0	0			(200)	(200)
L17500 Healthy Lifestyles	49,000	56,500	55,640	(860)			(860)	(860)		(1,590)	(1,100)	(3,550)
	225,300	257,600	256,265	(1,335)			(1,335)	(1,335)		(4,598)	(3,300)	(9,233)
RECREATION												
L11500 Leisure@	1,279,600	1,709,900	1,623,472	(86,428)		10,000	(76,428)	(86,428)		(32,395)	(2,756)	(121,579)
L11400 Sandford Outdoor Pool	600	0	0	0			0	0				0
	1,280,200	1,709,900	1,623,472	(86,428)		10,000	(76,428)	(86,428)	0	(32,395)	(2,756)	(121,579)
ART GALLERY AND MUSEUMS & TOURISM												
L23500 Arts Grant/Enabling Funds	184,400	191,000	188,734	(2,266)			(2,266)	(2,266)		(22,709)	(1,740)	(2,266)
L41100 Art Gallery & Museum	776,200	840,600	820,124	(20,476)		20,000	(476)	(20,476)		(25,947)	(3,350)	(44,925)
L31100 Tourist Information Centre	310,700	361,100	356,316	(4,784)			(4,784)	(4,784)			(200)	(34,081)
L81100 Everyman Theatre	149,200	159,200	160,373	1,173			1,173	1,173			(200)	973
L81200 Playhouse Theatre	7,700	19,100	12,703	(6,397)	6,400		3	(6,397)		(48,656)	(5,290)	(6,397)
	1,428,200	1,571,000	1,538,251	(32,749)	6,400	20,000	(6,349)	(32,749)	0	(48,656)	(5,290)	(86,695)

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	£	£	£	£	£	£	£	£	£	£	£	£
ENTERTAINMENTS												
L21100 Town Hall	529,700	646,600	616,053	(30,547)		5,000	(25,547)	(30,547)		(53,797)	(1,140)	(85,485)
L21200 Pitville Pump Room	95,800	245,400	244,238	(1,162)			(1,162)	(1,162)			(790)	(1,952)
L21400 Stanton Room	6,300	8,000	4,200	(3,800)			(3,800)	(3,800)				(3,800)
L24500 Box Office	144,600	189,500	149,078	(40,422)			(40,422)	(40,422)		(6,429)	(530)	(46,851)
L32200 Christmas in Cheltenham	36,900	44,000	44,576	576			576	576			(300)	46
L23200 Cheltenham Arts Festivals Ltd	301,200	258,000	258,000	0			0	0				(300)
	1,114,500	1,391,500	1,316,144	(75,356)	0	5,000	(70,356)	(75,356)	0	(60,226)	(2,760)	(138,342)
TOTAL WELLBEING & CULTURE	4,108,000	4,973,800	4,770,867	(202,933)	6,400	41,500	(155,033)	(202,933)	0	(153,609)	(6,010)	(362,553)
HUMAN RESOURCES												
D12300 Personnel & Payroll	(97,400)	0	(9,429)	(9,429)		9,500	71	(9,429)		(18,387)	27,816	0
D21260 Health & Safety	77,000	0	(1,725)	(1,725)		600	(1,125)	(1,725)		(4,027)	5,752	0
D12310 Corporate Training	(12,800)	0	(126)	(126)			(126)	(126)			126	0
TOTAL HUMAN RESOURCES & ORG. DEVELOPMENT	(33,200)	0	(11,280)	(11,280)	0	10,100	(1,180)	(11,280)	0	(22,414)	33,694	0
OPERATIONS												
ENVIRONMENTAL MAINTENANCE												
C23100 Refuse Collection	1,225,900	1,277,400	1,245,894	(31,506)	40,688		9,182	(31,506)		(28,971)	(9,350)	(69,827)
C23110 Street Cleansing	929,100	824,800	842,834	18,034	3,000		21,034	18,034		(21,252)	(7,600)	(10,818)
C23120 Recycling Centre/CA site	280,100	286,000	255,556	(30,444)	20,000	10,000	(444)	(30,444)		(6,442)	(2,746)	(39,631)
C23125 Recycling: Bring Schemes	61,400	55,000	55,020	20			20	20		(1,425)	(2,160)	(3,565)
C23130 Building Cleaning	(10,500)	8,500	9,134	634			634	634		(2,006)	(1,100)	(2,471)
C23140 Public Conveniences	232,800	237,000	220,847	(16,153)		15,000	(1,153)	(16,153)		(3,072)	(2,800)	(22,025)
C23160 Environmental Maintenance Division	(10,300)	0	(11,878)	(11,878)		10,000	(1,878)	(11,878)		(18,363)	30,242	0
C23180 Recycling: Collection Schemes	328,800	459,500	333,988	(125,512)	153,323	17,000	44,811	(125,512)		(14,322)	(6,250)	(146,084)
C23190 Dry Recycling (Garden Waste)	402,200	293,300	140,873	(152,427)	29,700	45,000	(77,727)	(152,427)		(8,698)	(4,400)	(165,526)
C24100 Fleet Maintenance	2,100	4,400	(5,482)	(9,882)			(9,882)	(9,882)		(8,217)	(4,944)	(23,042)
C24150 Fleet Management	(8,600)	0	0	0			0	0		(3,524)	3,524	0
E22150 CBC Highway Works	76,500	86,200	86,544	344			344	344		(1,075)	(180)	(3,061)
E33500 Winter Maintenance	3,800	0	0	0			0	0			(80)	(80)
	3,513,300	3,532,100	3,173,330	(358,770)	246,711	97,000	(15,059)	(358,770)	(2,150)	(117,366)	(7,844)	(486,131)
GREEN ENVIRONMENT												
B51125 Private Trees	15,800	50,300	50,300	0			0	0			(3,100)	(3,100)
C22100 Green Environment Division	(24,500)	0	(36,456)	(36,456)			(36,456)	(36,456)		(26,652)	63,108	0
C22105 Housing Forecourts	38,300	(1,000)	(940)	60			60	60		(5,195)	(4,100)	(9,235)
C22110 Parks & Gardens	1,035,600	837,400	756,090	(81,310)	5,000	83,882	(76,310)	(81,310)		(10,063)	(19,286)	(26,766)
C22115 Grass Verges	(8,200)	0	0	0			0	0		(3,062)	(3,000)	(6,062)
C22120 Sports & Open Spaces	984,700	1,174,600	1,165,161	(9,439)	5,000	14,500	10,061	(9,439)		(11,377)	(25,222)	(46,038)
C22140 Nursery	(9,400)	(31,600)	(28,344)	3,256			3,256	3,256		(1,778)	(2,800)	(1,321)

REVENUE OUTTURN 2010/11	2010/11 Original Budget (b/bk)	2010/11 Revised Budget	2010/11 Actual	(Under)/Overspend before SerCOP Adjustment	Transfer to/(from) reserve	Request for underspend c/f	Adjusted (Under)/ Overspend	(Under)/Overspend before SerCOP Adjustment	SERP / Adjustments	IAS 19 Adjustment	SerCOP Adjustment	Adjusted (Under)/ Overspend
	£	£	£	£	£	£	£	£	£	£	£	£
C22141 L/Serv Miscellaneous Works	0	54,500	56,302	1,802			1,802	1,802				1,802
C22190 Allotments	93,300	75,800	82,150	6,350	(6,393)		(43)	6,350			(5,700)	650
C22440 GCC Schools	(31,100)	(7,000)	(32,612)	(25,612)	5,000		(20,612)	(25,612)		(4,492)	(4,900)	(35,004)
E34200 NPR Environmental Maintenance	173,600	114,900	128,904	14,004			14,004	14,004				14,004
E63100 Cemetery & Crematorium	(571,100)	(650,200)	(607,194)	43,006	(374)		42,632	43,006		(14,316)	(2,090)	26,600
	1,697,000	1,617,700	1,533,363	(84,337)	8,232	14,500	(61,605)	(84,337)	83,882	(76,924)	(7,092)	(84,471)
PUBLIC PROTECTION												
E71150 Public Protection Division	1,006,600	0	(4,274)	(4,274)			(4,274)	(4,274)		(52,259)	56,532	0
A21500 Licensing	13,100	12,100	11,898	(202)			(202)	(202)			(16,330)	(16,532)
C24200 Abandoned Cars	54,400	21,800	22,865	1,065			1,065	1,065			(1,200)	(135)
D34510 Crime and Disorder	41,700	277,300	278,565	1,265	1,655		2,920	1,265			(12,433)	(11,168)
E61100 Food Safety	203,300	116,300	116,296	(4)			(4)	(4)			(5,700)	(5,704)
E61200 Health & Safety at Work Act	189,700	79,800	79,800	0			0	0			(3,900)	(3,900)
E61250 Pollution Control	143,500	139,500	136,322	(3,179)			(3,179)	(3,179)			(6,700)	(9,879)
E61300 Animal Welfare	56,200	58,000	48,862	(9,138)			(9,138)	(9,138)			(1,910)	(11,048)
E61350 Pests Control	85,600	86,700	76,088	(10,612)			(10,612)	(10,612)			(5,310)	(15,922)
E61450 Water Sampling	500	500	(104)	(604)			(604)	(604)			(600)	(604)
E61500 CCTV/Town Centre Safety	127,100	131,500	134,597	3,097			3,097	3,097			(600)	2,497
E61600 Contaminated Land	48,000	29,900	23,907	(5,993)			(5,993)	(5,993)			(1,300)	(7,293)
E61650 Air Quality	37,300	39,400	36,235	(3,165)			(3,165)	(3,165)			(1,700)	(4,865)
	2,007,000	992,800	961,058	(31,742)	1,655	3,000	(27,087)	(31,742)	0	(52,259)	(551)	(84,552)
TOTAL OPERATIONS	7,217,300	6,142,600	5,667,750	(474,850)	256,599	114,500	(103,751)	(474,850)	81,732	(246,550)	(15,487)	(655,154)
PROGRAMME MAINTENANCE	811,000	751,600	510,179	(241,421)	241,421		0	(241,421)				(241,421)
SAVINGS FROM PROCUREMENT	(120,000)	0	0	0			0	0				0
SAVINGS FROM VACANCIES	(400,000)	(50,000)	0	50,000			50,000	50,000				50,000
BAD DEBTS PROVISION	40,000	40,000	45,626	5,626			5,626	5,626				5,626
TOTAL ALL SERVICES	17,908,750	20,247,300	19,185,019	(1,062,281)	638,864	351,200	(72,217)	(1,062,281)	(104,620)	(13,222,000)	(0)	(14,388,900)

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PLANNED MAINTENANCE PROGRAMME 2010/11

Code	Scheme	Description	Budget Book 2010/11	Revised Budget 2010/11	Outturn 2010/11	Under/(Over) spend on Projects	Comments
REVENUE							
PM0000	All properties (H&S)		5,000	0	0	0	
PM0010	Art Gallery & Museum	Provision of additional walkways, redecoration of timber windows/doors, redecorations to external render, replacement of heating convectors/pipework	0	2,700	466	2,234	
PM0020	Town Hall	External redecorations to windows and doors, provide palisade fencing to bin store, replacement of lighting, replacement of ventilation, provide demountable partition, redecoration of walls/ceiling linings/moulding, refurbishment of timber floor, replacement of floor finishes & carpets, replacement of kitchen equipment, replacement of sound equipment.	83,500	83,500	80,317	3,183	
PM0030	Pitville Pump Room	Roof repairs, general repairs to stonework, upgrade of consumer distribution boards, annual maintenance of "Spar water" pumps, consequential repairs, refurbishment of cleaning chandeliers, sanding & re-sealing of Ballroom floors, sanding & re-sealing of Spar Room timber floor, refurbishment of disabled toilet facilities, refurbishment of catering equipment, refurbishment of portable staging.	88,700	115,700	98,226	17,474	£12,500 required in 2011/12 for chair store alterations, CCTV upgrades and chandelier repairs.
PM0040	Recreation Centre	Bird control measures, risk management checks, voltage optimiser, replacement of pool filters, replacement of lighting/lamps to main pool, deep clean of diving board tower, deep clean of ducting & wall tiling.	17,000	37,700	36,310	1,390	
PM0041	Prince of Wales Stadium	Annual maintenance of track lighting, remedial repairs to running track surface, replacement of bird guards.	29,300	29,300	32,957	(3,657)	
PM0042	Pavilions	Burrows Pavilion - Replacement of "Andrews" gas fired water heaters Priors Farm Pavilion - Emergency repair works & refurbishment Beeches Pavilion - General refurbishment.	158,000	47,000	26,756	20,244	£11,500 required in 2011/12 external works & boathouse repairs. Underspend as a result of joint project with community group not going ahead due to withdrawal of funding.
PM0044	Pitville Cricket Hall	Replacement Sports Hall covering	0	12,200	6,303	5,897	
PM0060	Depot	Replacement of window/doors, replacement of wiring & fittings, upgrade to external security alarm system, replacement central fuel line	30,000	33,000	34,965	(1,965)	
PM0070	Municipal Office	General repairs to any element.	20,000	10,000	7,180	2,820	
PM0080	Cemetery	General repairs & redecorations, installation of new CCTV system, general improvements to access.	29,500	29,500	14,795	14,705	Underspend due to re-prioritisation of works.
PM0081	Crematorium	Major repairs to cremators, precontract works for furnace equipment replacement.	50,000	50,000	30,938	19,062	Underspend due to cremator works delayed as a result of procurement complexities.
PM0090	Miscellaneous Properties	Montpellier Gardens Shelter - repairs to pitched roof Sandford Park Offices - replacement of flat roof coverings, redecorations to frames & sills Berkeley Mews - Electrical testing & consequential repairs, communal areas redecoration 55 Bath Road - redecorations to frames & sills, redecorations of doors, redecorations to render & coatings	90,800	90,800	58,225	32,575	Balance required in 2011/12 for postponed works at Berkeley Mews.
PM0091	Everyman Theatre	General maintenance & repairs.	35,000	35,000	8,640	26,360	£26,000 required in 2011/12 for joint roof repairs.
PM0092	Central Nursery	Repairs and repointing to free standing structures.	46,700	46,700	15,842	30,858	£24,000 required in 2011/12 for electrical rewire. Underspend due to works put on hold ending outcome of strategic asset review.
PM0099	Statues & Memorials	Precontract works for memorial restorations.	0	1,000	2,733	(1,733)	
PM0120	General Car Parks	Rodney Road CP - patch repairs to macadam surface.	8,000	8,000	5,250	2,750	
PM0131	Regent Arcade Car Park	Redecoration and repairs to amco barriers/railings/bollards.	6,500	6,500	5,417	1,083	
PM0150	Bridges	Brick replacement and repair to Honeybourne Line.	98,000	98,000	37,741	60,259	Underspend due to original budget being set from estimates of costs by bridge consultants. Subsequent competitive tendering procedures resulted in substantial cost savings.

PLANNED MAINTENANCE PROGRAMME 2010/11

Code	Scheme	Description	Budget Book 2010/11	Revised Budget 2010/11	Outturn 2010/11	Under/(Over) spend on Projects	Comments
PM0160	Public Toilets	General repairs and redecorations, cyclical wiring and repair work.	12,500	15,000	7,118	7,882	Several sites closed resulting in savings.
	TOTAL REVENUE PROGRAMMED MAINTENANCE		811,000	751,500	510,179	241,421	
CAPITAL PM0081	Crematorium		750,000	200,000	0	200,000	Project delayed until 2011/12. Full budget will be required in forthcoming year as expenditure planned and procurement process complete.
	TOTAL CAPITAL PROGRAMMED MAINTENANCE		750,000	200,000	0	200,000	
	TOTAL PROGRAMMED MAINTENANCE		1,561,000	951,500	510,179	441,421	

* The variance, after carry forward requests, will be retained in the Programme Maintenance Reserve and allocated to future years programmes.

Capital Charges

	2010/11 ORIGINAL £	2010/11 REVISED £	2010/11 ACTUAL £	2010/11 VARIANCE £	NOTE
Minimum Revenue Provision (MRP)	498,600	875,100	875,112	12	1
Debt Redemption Premiums	220,700	145,700	145,594	(106)	2
Depreciation	(1,855,300)	(2,753,700)	(2,753,672)	28	3
Amortisation	(65,800)	(105,800)	(105,875)	(75)	4
Government Grants / Capital Contributions Deferred	444,200	0	0	0	5
Capital Charges	(757,600)	(1,838,700)	(1,838,841)	(141)	

NOTE

- 1 Prescribed % required to be set aside to repay debt as set in the MRP Policy
 - 2 Amortised cost of debt re-scheduling
 - 3 Depreciation - depreciation charged on the Council's tangible fixed assets
 - 4 Amortisation - amortisation charged on the Council's intangible fixed assets
 - 5 Capital Grants and Contributions Deferred - contribution to offset depreciation and amortisation charges on those assets financed from Government Grants and external contributions
- As a result of IFRS (International Financial Reporting Standards) this is no longer required from 1st April 2010

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Interest and Investment Income

	2010/11 ORIGINAL £	2010/11 REVISED £	2010/11 ACTUAL £	2010/11 VARIANCE £	NOTE
External Interest Payable	1,234,300	1,212,600	1,209,976	(2,624)	1
HRA Item 8 Credit	54,700	74,200	83,220	9,020	2
External Interest received	(243,200)	(221,100)	(228,577)	(7,477)	3
Interest due from Icelandic banks	0	(331,500)	(303,267)	28,233	4
Icelandic Banks impairment	0	(230,000)	(2,714,328)	(2,484,328)	5
HRA Item 8 Debit	(752,200)	(576,900)	(524,956)	51,944	6
Interest and Investment Income	293,600	(72,700)	(2,477,932)	(2,405,232)	

NOTE

- 1 External interest payable - interest paid on the Council's treasury management / cashflow activity
- 2 Item 8 credit - contribution to the Housing Revenue Account (HRA) in respect of discount received from debt re-scheduling and interest receivable on cash balances held by the HRA
- 3 Interest earned on Council's funds and treasury management / cashflow activity
- 4 Interest due in year from Icelandic banks
- 5 Impairment of Icelandic banks deposits credit
- 6 Item 8 debit - contribution from the Housing Revenue Account in respect of premium incurred from debt re-scheduling and debt charges

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**SIGNIFICANT VARIANCES IN REVENUE OUTTURN FOR 2010/11
(OVER £10,000) BY SERVICE**

Community Services

There is an overspend within the Community Services' service of £185,300 made up as follows:-

Disabled facilities grants

In accordance with the requirements of the 2010 Code of Practice on Local Authority Accounting in the United Kingdom (the Code) revenue expenditure funded from capital under statute has been charged direct to the Income and Expenditure Account for the year. These total £186,300 in 2010/11 which are reflected in the management accounts as an overspend. The accounting treatment is such that these entries are funded from capital reserves and capital receipts and are reversed in the Movement in Reserves Statement. There is therefore no effect on the overall council position or the council tax payer for the year.

There are therefore no significant variances in the Community Services operational budgets for 2010/11.

Wellbeing & Culture

There is a net underspend within the Wellbeing & Culture service of £202,900 including the following significant variances:-

leisure@ cheltenham

There is a net underspend in leisure@ budgets of £86,400, including the following main variances-

There is a net underspend in employee costs of £17,600 due to the management of vacant posts and staff restructuring in the second half of the financial year. A request has been made for £5,000 of this underspend to be carried forward, to cover the backfilling costs associated with planned systems thinking work within leisure @ in 2011/12.

There is a net underspend of £26,300 in premises budgets, including £16,200 in the NNDR budget due to an unexpected refund relating to 2008, an underspend in the utility budgets of £18,000 and an overspend in response maintenance budgets of £6,400 for the year.

There is an underspend of £23,500 in supplies and services budgets, including £25,000 contingency budget which has not been drawn upon, and has been deleted as part of the 2011/12 approved budget. There is also an underspend of £9,200 in the hire of outside services budget, including £5,000 set aside to fund a feasibility study on options for the future provision of new leisure facilities. This feasibility study is expected to be undertaken in 2011/12 and a request has been made to carry the £5,000 budget forward for this purpose.

Leisure@ income has continued to grow and it is pleasing to report that there is an over-achievement of income of £16,400 at the year end. It should be noted that this

is in addition to the £30,000 additional income that was incorporated into the revised budget 2010/11 and original budget 2011/12 due to increased activity at that time.

Art Gallery & Museum

There is a net underspend of £20,500 in the Art Gallery & Museum including a saving of £17,400 in employee costs due to the management of long term sick leave and staff vacancies arising during the latter part of the year.

Town Hall

There is an under spend of £30,500 to report for the Town Hall in 2010/11. Employee costs generated a saving of £16,100 through the management of casual staff at supporting events.

Income generated a surplus of £14,100 against revised income targets for 2010/11. This was mainly due to the success of attracting big star names and having sell out audiences and surplus programme advertising income. A carry forward of £5,000 for a committed promotion brochure in 2011/12 has been agreed by the S151 Officer.

Box Office

There is an under spend of £40,400 to report on the Box Office for 2010/11.

Employee costs have generated a saving of £18,600 due to the freeze on vacant posts put into place in the latter part of the financial year. A small saving of £3,100 was achieved on some supplies and services expenditure.

Income from ticket commission and telephone calls helped achieve a surplus of £18,700 against target as many of the Town Hall events whether held by CBC or by outside agents had surpassed ticket sale expectations.

Assistant Chief Executive

There is a net underspend within the Assistant Chief Executive service of £179,400 including the following significant variances:-

Neighbourhood Management Services

There is an under spend of £14,800 for 2010/11 as some of the grant payments to support community coordination of neighbourhood management meetings will be paid over in instalments during 2011/12. A carry forward request for the full amount has been agreed by the S151 Officer under delegated powers.

Cheltenham Strategy Partnership

There is an under spend of £11,200 to report for 2010/11. £7,200 has been carried forward after agreement by the S151 Officer for commitments in 2011/12 for the children and young people's partnership, to support the Inspiring Families project. A further carry forward of £4,500 for the installation of external LED security lighting at the depot has been approved by the S151 Officer. This project was delayed due to difficulties with initial suppliers, which has resulted in the need to re-source the lamps to another supplier.

Community Pride

There is an under spend of £21,400 which is to be carried forward to 2011/12 for projects which were approved in July 2010. The grant applicants have twelve months to spend their allocation of grant.

Business & Economic Development

There is an under spend of £45,600 which is made up of £35,500 under spend of

LABGI funding for projects which were cancelled or did not go ahead, such as signage at Kingsditch Trading Estate, and £10,100 savings on staff turnover and general supplies and services.

Legal Services

This service, which now operates under a shared service arrangement with Tewkesbury BC, has under spent compared to the revised budget by £10,200 and has been appropriated to an earmarked reserve to cover the restructuring costs in 2011.

Former employee dispute

There is a net credit balance of £25,500 in respect of the dispute with the former managing director. A legal claims provision was made as part of the 2009/10 accounts to cover the estimated settlement of costs awarded in the 2009 court case. This settlement has now been reached and the unused provision of £28,400 has been transferred back to revenue. The net amount of £25,500 has been transferred back to the general reserve, originally used to fund the dispute expenditure.

Elections

There is a net under spend of £10,500 for 2010/11 due to savings in the cost of elections and electoral registration for the year. The under spend has been transferred back into the elections reserve, which will be drawn upon to fund any non-reimbursable costs of the AV Referendum and any unexpected future elections.

Democratic and Civic Services

There is a net under spend of £24,200 in democratic and civic service budgets for the year, made up of £14,100 under spend in members allowances, training and conference fees, an under spend of £8,000 within the DSU with savings made within supplies and services expenditure and £2,100 under spend in various civic expenses and events due to a reduction in expenditure.

Human Resources (HR)

There is an under spend within HR of £11,300 including the following significant variances:-

Human Resources

There is an under spend on Human Resources of £9,400 mainly from back funding income received under the gifting arrangements of the GO Programme. All of this is requested to be carried forward to 2011/12; it will be used to support the service resilience of the payroll function, which has been highlighted on the Corporate Risk Register as an area of concern.

Health & Safety

An underspend on training and equipment within Health & Safety has left £1,700 in 2010/11. A carry forward request for £600 will be requested to fund defibrillator training for officers, to ensure the council meets its Health & Safety requirements.

Customer Access & Service Transformation (CAST)

There is a net under spend within Customer Access and Service Transformation (CAST) of £7,200, including the following significant variances:

Housing and council tax benefits

The cost of rent allowances, rent rebates and council tax benefits paid out is wholly funded by government subsidy. In addition, subsidy is also paid on overpayments made due to changes in claimant's circumstances (i.e. not due to local authority error). The unpredictability of this demand-led service, particularly in the level of overpayments, makes the net cost of this service difficult to estimate.

The final outturn shows a net over spend of £72,200 on rent allowances and £4,500 on Council tax benefits, however rent rebates are under spent by £25,400. Overall the net cost for all three types of benefit was -£157,513, compared to a revised budget of -£208,800, an 'over spend' of £51,300. However, almost all of this over spend results from an additional £50,000 transferred to the bad debts provision to cover potential uncollectible overpayments.

A review was undertaken during the year of the bad debts provision for overpayments, which are recovered either from ongoing benefit or (if the claimant is no longer on benefit), by debtors invoice. Given the increasing level of overpayments and write offs and the uncertainty over how much may be able to be recovered in future from ongoing benefit, it was felt prudent to increase the provision to cover uncollectible debts. The additional contributions increase the provision as a proportion of debt outstanding by 12% (from 30% to 42%). Further increased contributions will need to be sought in future years to increase the provision to a prudent level of 50% or more.

The Benefits administration cost centre was under spent by £9,700, mainly arising from staff turnover since the revised budget was prepared in November 2010.

Council Tax and Business Rates Collection – employee costs

There is a net under spend of £8,700 on these budgets, again made up mainly from savings arising from staff turnover since the revised budget was prepared in November 2010.

Business Rates – Discretionary Rate Relief

This £37,100 budget, made up of £12,100 ongoing base budget plus £25,000 one-off for hardship relief carried forward from 2009/10 (from LABGI funds), is under spent by £18,800. Since the spending of the one-off budget is dependant on applicants submitting claims and on these claims meeting the approved criteria, it is not known if and when the remaining budget will be spent. It is recommended therefore that the under spend is not carried forward at this stage but that the cost of any successful claims be funded from the revised budget if and when required.

CAST Management

Redundancy costs have resulted in an over spend against this budget. This has been offset by an under spend on supplies and services of £4,100 netting the over spend position to £23,500.

Procurement

This budget is over spent by £3,600 due to additional salary payments, which have been incurred due to additional work commitments and reduced resource capacity in the team arising from maternity and sickness absence.

ICT Infrastructure and Corporate Telecommunications

There is an under spend in the ICT and ICT infrastructure budgets of £40,800, due mainly to fewer hardware and software purchases, delayed due to resources being diverted to other projects and in ensuring all purchases meet government connect compliance. The under spend is offset by an over spend on the corporate

telecommunications budget of £4,800, due partly to the need for additional telecom lines for business continuity purposes. The under spend on ICT Hardware of £37,000 has been transferred to the ICT renewals and replacement reserve, to fund the hardware and software purchases delayed to 2011/12. The reserve exists to 'smooth out' the cost of hardware and software renewals, so that they do not fall unevenly over financial years.

Customer & Support Services

There is an under spend of £12,400 in customer services budgets, made up as follows:-

There is an under spend of £3,000 across supplies and services budgets, including a saving of £1,000 from reducing the courier service from 5 to 3 collections per week since December 2010.

There is an under spend in employees budgets of £9,400 from savings in Customer & Support Services from staff turnover and maternity leave, including £3,600 in Car Park Income Collection and Custodians overtime and temporary staff budgets.

Financial Services

There is a net underspend within Financial Services of £24,200, made up of the following significant variances:

Financial services division

There is a net under spend of £21,900 on this cost centre, partly from supplies and services but mainly from income received under the 'gifting arrangements' for the GO Partnership with the balance relating to prudent control of supplies and services. A carry forward request of £11,700 will be made to continue back-filling members of staff that have been seconded to the GO Programme in lieu of the income received from other members of the GO Partnership.

Treasury Management

There is an under spend of £8,500 on Treasury Management, mainly from a net effect of an over spend on the cost of e-payments totalling £6,700 and an under spend of £12,000 on consultancy and legal fees relating to recovery of the Icelandic bank investments. Further expenditure on the legal costs in respect of Icelandic banks is anticipated in 2011/12, and so a carry forward request will be requested for the £12,000 under spend. The Cabinet approved £50,000 to cover the legal and consultancy costs, of which £12,000 remains unspent.

Gloucestershire Airport

This cost centre is over spent by a net £6,600 as a result of additional legal costs incurred during 2010/11 due to the delays and complexities of the Runway Safety Project.

Business Change

The Business Change budgets are under spent by a net £108,300 made up of the following significant variances:

Government Connect

The budget for this in 2010/11 was £49,500, comprising an annual £13,000 (base

budget) plus £36,500 carried forward from 2008/09 and 2009/10. Although work has been continuing on Government Connect, this budget is under spent by £5,800, due to the need to ensure all equipment purchases comply with the new standard. Given the need to continue with this essential work, a carry forward request for £5,800 will be put forward.

Working Flexibly

This budget is under spent by £18,400. It is the intention of the Working Flexibly project to procure a replacement access gateway in 2011/12. The gateway acts as the secure 'door' which customers face before access is given to the Citrix remote access infrastructure. A request will therefore be made to carry forward the full amount of the under spend to support the business change initiative and ensure project delivery.

Revenues & Benefits Sourcing Strategy

The approved operational budget for this initiative is £100,000 of which £33,300 has been spent in the current year. Further work on a potential shared service with one of the GO partners is ongoing with a business case being worked upon, much of which is dependent on the progress of the GO Programme. A request will be made to carry forward the balance of the budget £66,700 to support the work required in developing a future shared service, subject to formal approval from the Senior Leadership Team (SLT).

Customer Services Sourcing Strategy

Systems Thinking work within Customer Services continues, with the balance of £2,500 being requested for use in 2011/12 to complete the works outstanding.

ICT Sourcing Strategy

A budget of £10,000 was allocated for Systems Thinking work within ICT. £500 was spent in delivering this during 2010/11, and the balance of £9,500 will be requested to be carry forward to 2011/12 to continue work in changing business processes in light of the GO Programme.

Built Environment

There is a net overspend within the Built Environment service of £87,400, including the following significant variances:-

Elderly Transport

There is an overspend of £21,900 on this cost centre as a result of additional payments to Other Operators (excluding Stagecoach) resulting from increased passenger journeys and additional average fares charged during 2010/11.

Car Parking – Off Street

This cost centre is overspent by £76,900. This is represented by savings of £20,000 on NNDR payments, £20,000 on Equipment purchase and maintenance. Additional costs of £30,000 on security payments at Regent Arcade and £20,000 on public related insurance costs. Net expenditure is therefore overspent by £10,000. Income is under recovered by £66,900 reflecting the continued decline in ticket sales and severe winter weather of 2010/11.

Development Control

The cost centre is overspent by £32,400. This is represented by savings of £21,700 on legal costs and advertising with an under recovery in income of £54,100. Pre-planning applications have exceeded budget by £13,000, however, planning fee income is under recovered by £67,100.

Civic Pride

There has been additional expenditure incurred of £23,200 on this cost centre due to increased expenditure on consultants associated with development schemes within the Civic Pride program. This has been financed by an additional contribution of £23,200 from the Civic Pride reserve.

Building Control

This cost centre is under spent by £32,400 represented by a £17,000 under spend on supplies and services of which £8,500 is attributable to Tewkesbury BC. Cheltenham BC have a £15,400 over recovery of fee income.

Built Environment Overhead A/c

This cost centre is under spent by £28,000 which is represented by a saving of £20,000 on employee costs, a £10,000 saving on supplies and services on ICT costs and a £2,000 under recovery of income.

Municipal Offices

This cost centre is under spent by £16,200 represented by savings on operational maintenance budgets. £5,000 of this under spend is requested to be carried forward to fund the removal of Christmas Lights control boxes from lamp columns in the Promenade.

Miscellaneous Properties

There is an overspend of £31,000 on this cost centre. This is represented by a saving of £13,000 on operational maintenance costs. Supplies and Services include £23,000 of capital expenditure reclassified as revenue which has been funded from the capital reserve, £44,000 of additional insurance costs relating to claims against CBC properties and a saving of £4,000 on other costs. Income is over recovered by £19,000 due to additional rental leases.

Operations

There is a net underspend within the Operations service of £474,850, including the following significant variances:-

Public Protection - Pest Control

There is a net underspend of £10,600 in pest control budgets, made up of £3,000 saving in transport budgets, £2,700 in the seagull protection budget, £3,000 in other supplies and services budgets and £1,700 surplus income on the fees for services budget.

Refuse Collection

This cost centre is under spent by £31,500. This is due to additional expenditure on agency labour of £18,000, a saving of £8,000 on transport, a £40,000 saving on residual bins which has been appropriated back to reserves to fund this expenditure in 2011/12 and an £8,000 saving on other supplies costs. Income is under recovered by £6,500.

Street Cleaning

There is an overspend on this cost centre of £18,000. Additional expenditure of £32,000 is represented by overtime payments to employees and agency labour costs. Transport expenditure is under spent by £8,000 following slippage in the vehicle replacement program of which £3,000 has been appropriated to reserves to fund vehicle acquisitions in 2011/12. Income is over recovered by £6,000 due to additional receipts from winter snow clearing activities in 2010/11.

Recycling Centre/CA Site

This cost centre is under spent by £30,400. £20,000 of this is due to slippage in the annual vehicle replacement program and this underspend has been appropriated to reserves to meet the future costs of vehicle replacements. £10,000 of the under spend is due to slippage in the improvement program to the CA Site infrastructure and this is requested to be carried forward to fund the improvements works to be undertaken in 2011/12.

Public Conveniences

There is an under spend on this cost centre of £16,200. This is due to savings on operational maintenance. £15,000 of this under spend is requested to be carried forward to fund the continued operation of the Bath Road toilet facility in 2011/12.

Environmental Maintenance overhead A/c

This cost centre is under spent by £11,900. This is represented by a saving of £4,900 on supplies and services on ICT expenditure. Additional income of £7,000 has been generated due to increased rebate payments for Agency Labour. £10,000 of the cost centre underspend is requested to be carried forward into 2011/12 to fund Admin support to support the customer services team based at Swindon Road to deal with customer enquiries relating to the introduction of the new recycling schemes

Recycling Collection Schemes

There is an under spend on this cost centre of £125,500. This is represented by a £55,000 overspend on employee costs following the introduction of the new recycling initiatives and a saving of £155,000 on transport costs due to a change in policy regarding the financing on fleet vehicle acquisitions moving from leasing to prudential borrowing. Supplies and services are under spent by £38,000 due to a £6,000 saving on equipment purchases, equipment leases of £10,000, advertising of £6,000 and other £16,000. Income is under recovered by £12,500. Contributions to reserves to fund fleet vehicle and equipment acquisitions in 2011/12 amount to £142,800. £17,000 is requested to be carried forward into 2011/12 to fund bringing forward the full roll-out of the plastic bottle collection scheme across the Borough

Garden Waste Recycling Scheme

The under spend on this cost centre is £152,400 in 2010/11. There is an overspend of £24,000 on employee costs and £22,000 on transport costs reflecting the additional costs incurred on rolling out the new garden waste service. Supplies and Services are under spent due to a saving of £20,000 identified in the revised budget for the acquisition of composters, £10,000 for equipment leases and £42,000 for the hire of outside services. The £20,000 underspend is transferred to reserves to fund the purchase of composters in 2011/12 and £45,000 is requested to be carried forward to fund the ongoing delivery of bins and hire of vehicles to support the new Garden Waste recycling scheme. Garden Waste sales are over recovered by £126,400.

Parks and Gardens

This cost centre is under spent by £81,300 which is almost wholly attributable to the impairment loss associated with the Montpellier Park Restoration scheme. Further adjustments mean this does not impact on the cost of service delivery. In 2009/10 a revaluation exercise on the council's assets was undertaken which resulted in a significant number of impairments; this included the Montpellier Park Restoration Scheme. However the asset's current depreciated value prior to revaluation was too high resulting in the impairment being overstated in 2009/10. An adjustment has been required in 2010/11 to correct this and ensure the council's balance sheet is

carrying the correct net book value.

GCC Schools

There is an underspend on this cost centre of £25,600 due entirely to additional income received following the successful acquisition of further maintenance contracts for additional school sites in 2010/11.

NPR Environmental Maintenance

There is an overspend on this cost centre of £14,000 due to a reduction in income following a reduction in extra works orders received.

Cemetery and Crematorium

There is an overspend on this cost centre of £43,000. This is attributable to a reduction in income levels for cremations and burials with a marked impact in the month of February 2011.

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2010/11 CARRY FORWARD REQUESTS

Ref	Amount £ (Net of VAT)	Expenditure Code	Cost Centre	Reason for carry forward	A		B
					Amounts agreed by S151 Officer under delegated powers	Amounts for member approval	
1	5,000	L11500-0101	Leisure@	Underspend set aside to cover staff backfilling costs associated with the planned 'systems thinking' work ongoing in 2011/12.	5,000		
2	5,000	L11500-3501	Leisure@	Underspend set aside to fund a feasibility study on options for the future provision of new leisure facilities in 2011/12, as part of the Leisure and Culture commissioning review.			5,000
3	5,000	L21100	Town Hall	Request for carry forward of committed promotion and marketing budget - Corporate occasion brochures	5,000		
4	6,500	D38850-3801	Youth Affairs	One off youth affairs grant, committed to support the St Paul's child poverty initiative in 2011/12	6,500		
5	20,000	L41100	Art Gallery & Museum	To support the off-site touring events and exhibitions programme, Off the Wall, on the move, during 2011/12. The touring programme is in response to the closure of the Art Gallery & Museum for redevelopment, which was delayed from January to April 2011 pending the outcome of the lottery bid to the Heritage Lottery fund. The touring programme has now been launched from April 2011 and the funds will be used to fund 4 key projects, which are match funded by the Arts Council and sponsors.			20,000
	41,500			Total Wellbeing & Culture	16,500		25,000
6	4,500	D21800-3185	Chelt Strategic Partnership	Installation of external LED security lighting at the Depot. Delayed due to difficulties with initial suppliers, which has resulted in the need to re-source the lamps to another supplier.	4,500		
7	21,300	D21970-3677	Community Pride	Funding has been allocated to projects by way of grants which organisations have until the end of July 2011 to spend	21,300		
8	7,200	D21800-3501	Chelt Strategic Partnership	Funding awarded by Cheltenham Strategy Partnership (CSP) to the children and young people's partnership to support the Inspiring Families project	7,200		
9	14,800	D11715-3501	Neighbourhood Management	Funding committed to support community coordination of the neighbourhood management meetings in 2011/12. Payments are by way of installments based on their progress	14,800		
	47,800			Total Assistant Chief Executives	47,800		0

2010/11 CARRY FORWARD REQUESTS

Ref	Amount £ (Net of VAT)	Expenditure Code	Cost Centre	Reason for carry forward	A Amounts agreed by S151 Officer under delegated powers	B Amounts for member approval
10	5,700	E22100-1129	Chelt Rivers and Watercourses	To fund completion of flood alleviation works delayed due to project slippage in 2010/11	5,700	
11	5,000	D13100-1801	Municipal Offices - Repairs and Maintenance	To fund the removal of Christmas Lights control boxes from lamp columns in the Promenade		5,000
	10,700			Total Built Environment	5,700	5,000
12	3,000	E61650-3103	Public protection - Air Quality	Request for carry forward to fund extended air quality monitoring in 2011/12, including roadside units for annual roadside monitoring, leading to the declaration of an Air Quality Management Area (AQMA) later in the year.		3,000
13	7,500	C22120-1304 £5,000 C22120-3874 £2,500	Sports and Open Spaces	Both these sums represent the retention outstanding at the end of the defects liability period of the Leckhampton Hill Dry Stone Walling project	7,500	
14	7,000	C22120-1301	Sports and Open Spaces	To fund the pile works for Pittville Bridge delayed to avoid the completion of these works interacting with the Easter Holidays 2011	7,000	
15	10,000	C23120-3501	Recycling Centre / CA Site	For improvement works to the recycling centre which were not achieved as intended in 2010/11 due to priority being given to the scheme change project.	10,000	
16	15,000	C23140+*	Public Conveniences	To fund the continued operation of the Bath Road toilet facility		15,000

2010/11 CARRY FORWARD REQUESTS

Ref	Amount £ (Net of VAT)	Expenditure Code	Cost Centre	Reason for carry forward	A Amounts agreed by S151 Officer under delegated powers	B Amounts for member approval
17	10,000	C23160-0115	Env Maint O/heads	Requested for Admin support to support the customer services team based at Swindon Road to deal with customer enquiries relating to the introduction of the new recycling schemes	10,000	
18	17,000	C23180-3501	Plastic Recycling Collection scheme	To bring forward the full roll-out of the plastic bottle collection scheme across the Borough	17,000	
19	45,000	C23190-3501	Recycling: Garden Waste Schemes	For ongoing delivery of bins and hire of vehicles to support the new Garden Waste recycling scheme	45,000	
	114,500			Total Operations	96,500	18,000
20	11,700	D11300	Financial Services	Funding received via the gifting arrangements in lieu of back filling under the GO Programme which will be used during 2011/12.	11,700	
21	12,000	D32700-3501	Debt Management	Balance of the £50,000 funding allocated by Cabinet on 27th April 2010 to fund the potential costs of legal action in the group claims for the recovery of the council's Icelandic deposits through the Icelandic courts.	12,000	
	23,700			Total Financial Services	23,700	0
22	600	D21260-0205	Health & Safety	To fund training on defibrillators to meet the council's health & safety requirements.	600	
23	9,500	D12300	Human Resources	Funding received via the gifting arrangements in lieu of back filling under the GO Programme, which will be used during 2011/12 to support service resilience, in particular in respect of Payroll which has been identified on the Corporate Risk Register as an area of concern.	9,500	

2010/11 CARRY FORWARD REQUESTS

Ref	Amount £ (Net of VAT)	Expenditure Code	Cost Centre	Reason for carry forward	A		B
					Amounts agreed by S151 Officer under delegated powers	Amounts for member approval	
	10,100			Total Human Resources and Organisational development	10,100	0	
24	5,800	IT0055	Government Connect	To continue essential work delayed due to need to ensure all equipment purchases comply with the new standard.	5,800		
25	18,400	IT0062	Working Flexibly	To support the business change initiative through the procurement of a replacement access gateway in 2011/12. The gateway acts as the secure 'door' which customers face before access is given to the Citrix remote access infrastructure.	18,400		
26	66,700	IT0071	Revenues & Benefits Sourcing Strategy	To support work towards developing a future shared service, including the development of a business case subject to SLT approval.	66,700		
27	2,500	IT0072	Customer Services Sourcing Strategy	To complete Systems Thinking work within Customer Services.	2,500		
28	9,500	IT0073	ICT Sourcing Strategy	To support continuing work in changing business processes in light of the GO Programme.	9,500		
	102,900			Total Business Change	102,900	0	
	351,200			Total Carry Forward Requests	303,200	48,000	

Use of Balances and Reserves

DETAILED RESERVE MOVEMENTS

RSVE REF:	BUDGETBOOK 2010/11 £	REVISED 2010/11 £	ACTUAL 2010/11 £	VARIANCE 2010/11 £	NOTE
7301	1,712,947	4,307,793	7,583,774	3,275,980	
8240	(1,587,300)	(5,273,496)	(5,363,740)	(90,243)	
8248	(811,000)	(751,600)	(539,178)	212,422	
	(685,353)	(1,717,303)	1,680,855	3,398,158	
* CONTRIBUTIONS TO RESERVES					
BR02	150,000	150,000	150,000		0 Contribution to pension reserve to fund future pension and augmentation costs
BR05	26,700				0 Contribution to fund cost of IBS licence paid up front
BR09			6,400	6,400	Contribution to fund Playhouse Theatre development
BR12	7,500	7,500	7,500		0 Contribution towards survey every 3 years
BR12		57,590	57,590		0 Reserve realignment from Housing Needs Assessment Reserve
BR14		148,900	148,900		148,900 Contribution to fund Civil Emergencies - flood alleviation works
BR14			3,939	3,939	3,939 Contribution to fund Civil Emergencies - EU flood alleviation restoration works
BR42		40,688	40,688		40,688 Contribution to fund Wheely Bins for residual waste
BR42			6,923	6,923	Contribution to fund Caddy Liners re food waste
BR42			20,000	20,000	Contribution to fund Compostors
BR45		123,800	38,000	85,800	38,000 Contribution to fund the slippage in the 2010/11 Vehicle Replacement Program
BR45			780	780	Contribution to fund the Joint Core Strategy with Tewkesbury and Gloucester
BR54			9,100	9,100	Contribution to fund the Joint Core Strategy with Tewkesbury and Gloucester
BR54			10,200	10,200	Contribution to fund the One-Legal shared service with Tewkesbury
BR58		1,000,000	1,000,000		0 Reserve realignment from Housing Capital Reserve
BR63	131,400	131,400	131,400		0 Contribution to fund future costs in lieu of additional administration grant
BR65			1,655	1,655	Contribution to fund future taxi marshal costs
BR67		331,500	303,267	28,233	Contribution to cover any additional losses arising in the value of Icelandic deposits and/or (28,233) to reduce the borrowing arising from the capitalisation of the losses
BR67			2,484,328	2,484,328	Contribution to cover impairment adjustment re Icelandic banks
BR76			10,500	10,500	Contribution to Elections to cover AV Referendum costs & future elections
BR88	77,500	127,500	127,500		0 Contribution to fund IT replacement programme
BR88			37,000	37,000	Contribution to fund IT replacement programme
BR89	693,000	693,000	693,000		0 Contribution to fund Planned Maintenance programme
BR91			303,200	303,200	Carry forward of budgets to fund expenditure in line with original budget - Appendix 7
BR92	625,000	625,000	625,000		0 Contribution to capital reserve (subject to future review of capital financing strategy)
BR92		29,500	29,500		0 Reserve realignment from LABGI Reserve
BR92		300,000	300,000		0 Reserve realignment from Housing Capital Reserve
BR92			1,000	1,000	Contribution to capital reserve to fund additional cost of IBS software-saving in Revenues
BR92			136,800	136,800	Contribution to fund the provision of Recycling Vehicles for the Food Waste recycling scheme
BR92			9,600	9,600	Contribution to fund the acquisition of Food Caddies

DETAILED RESERVE MOVEMENTS

RSVE REF:	BUDGETBOOK 2010/11 £	REVISED 2010/11 £	ACTUAL 2010/11 £	VARIANCE 2010/11 £	NOTE
BR92			9,700	9,700	Contribution to fund the acquisition of 240L Garden Waste bins
BS01		717,373	717,373		0 Reserve realignment from PDG Reserve
BS01		13,584	13,584		0 Reserve realignment from Highways Insurance Reserve
BS01			25,500	25,500	0 Unused Legal provision transferred back to general reserve
BS01	1,847	47	47		0 Transfer to General Balances
	1,712,947	4,307,793	7,583,774	3,275,980	
** CONTRIBUTIONS FROM RESERVES					
BR01		(94,000)	(94,000)		0 Contribution to fund transitional costs of single status
BR01		(23,800)	(23,800)		0 Contribution to fund 2010/11 back-pay
BR01	(201,700)	(200,900)	(200,900)		0 Contribution to fund pay protection
BR02	(150,000)	(150,000)	(150,000)		0 Contribution to fund increased pension costs as a result of the 2004 triennial revaluation
BR05	(65,500)	(65,500)	(65,500)		0 Contribution to fund increased pension costs as a result of the 2007 triennial revaluation
BR05	(1,800)	(1,800)	(1,800)		0 Contribution to fund cost of IBS licence
BR05	(5,000)	(5,000)	(5,000)		0 Contribution to fund maintenance on upgrades to Council Tax / Benefits system
BR08	(3,300)	(3,300)	(3,300)		0 Contribution to fund health & safety requirements (374) Contribution to grave maintenance reserve
BR09		(54,200)	(54,200)		0 Contribution to fund Art Gallery & Museum development
BR09		(10,000)	(10,000)		0 Contribution to fund Playhouse Theatre development Contribution to fund economic and cultural development as agreed by Council in previous financial years
BR10	(135,000)	(135,000)	(135,000)		0 Contribution to fund economic and cultural development as agreed by Council 29/6/09
BR10	(25,000)	(10,000)	(10,000)		0 Contribution to fund supported one-off growth items as agreed by Council 12/2/10
BR10	(50,500)	(50,500)	(50,500)		0 Reserve realignment to Capital Reserve
BR11	(29,500)	(29,500)	(29,500)		0 Reserve realignment to House Survey Reserve
BR12	(57,590)	(57,590)	(57,590)		0 Contribution to fund housing stock conditions survey costs
BR14	(100,000)	(150,000)	(150,000)		0 Contribution to fund flood alleviation works
BR14	(30,000)	(52,000)	(52,000)		0 Contribution to fund local flood alleviation works for 3 years (from EU Grant)
BR14	(63,000)	(10,000)	(10,000)		0 Contribution to fund Severn Trent Water community fund schemes
BR14		(16,680)	(16,680)		(16,680) Contribution to fund Civil Emergencies - SWT Community Funded Schemes
BR42		(101,200)	(101,200)		0 Contribution to fund new waste recycling service
BR62	(66,000)	(66,000)	(66,000)		0 Use of developers contributions to fund maintenance costs
BR54		(16,300)	(16,300)		0 Contribution to fund set up costs of One Legal
BR58	(104,600)	(107,400)	(107,400)		0 Contribution to fund Project Manager
BR58	(54,900)	(39,800)	(39,800)		0 Contribution to fund project costs
BR61	(245,900)	(130,800)	(23,189)		(23,189) Contribution to fund program development works
BR61		(717,373)	(130,800)		0 Contribution to fund future PDG costs
BR63	(65,300)	(72,100)	(717,373)		0 Reserve realignment to General Balances
BR65	(17,000)	(17,000)	(122,100)		(50,000) Contribution to fund increased net cost compared to budget
BR72		(60,000)	(17,000)		0 Contribution to fund Taxi Marshalls in 2009/10
BR72		(20,000)	(60,000)		0 Contribution to fund the Joint Core Strategy with Tewkesbury and Gloucester
BR76	(65,200)	(65,200)	(20,000)		0 Contribution to fund compensation
BR77		(1,300,000)	(65,200)		0 Contribution to fund local election costs in 2010/11
BR78		(13,584)	(1,300,000)		0 Reserve realignment to Civic Pride and RCOO Reserves
BR88	(134,900)	(109,900)	(13,584)		0 Reserve realignment to General Balances
			(109,900)		0 Contribution to fund IT infrastructure

RSVE REF:	DETAILED RESERVE MOVEMENTS	BUDGETBOOK		REVISED		ACTUAL		VARIANCE		NOTE
		2010/11	2010/11	2010/11	2010/11	2010/11	2010/11	2010/11	2010/11	
		£	£	£	£	£	£	£	£	
BR89	Property Repairs & Renewals Reserve			(53,800)	(53,800)					0 Contribution to fund revaluation and business rate reviews
BR89	Property Repairs & Renewals Reserve									0 Contribution to fund Everyman Theatre grant
BR89	Property Repairs & Renewals Reserve			(166,800)	(166,800)					0 Contribution to fund Regent Arcade improvements
BR91	Old Year Creditor Rsv - RR	(4,500)				(4,500)				Contribution to fund the one-off staffing costs associated with the 2008/09 budget proposals as agreed by Council 8/2/08
BR92	Revenue Contribution to Capital Outlay (RCCO)			(350,000)	(350,000)					0 Contribution to fund Regent Arcade improvements
BR92	Revenue Contribution to Capital Outlay (RCCO)			(8,000)	(8,000)					0 Contribution to fund Brizen Young People's Centre set-up costs
BS01	General Reserve			(44,150)	(44,150)					0 Contribution to fund additional MRP in 2010/11 as agreed by Council 12/2/10
BS01	General Reserve			(37,100)	(37,100)					0 Contribution to fund Eumonia joint waste management project
BS01	General Reserve			(114,000)	(114,000)					0 Contribution to fund Sourcing Strategy investment
BS01	General Reserve			(3,300)	(3,300)					0 Contribution to fund GO Programme
BS01	General Reserve			(50,000)	(50,000)					0 Contribution to fund Icelandic banks court case
BS01	General Reserve			(248,600)	(248,600)					0 Contribution to fund the one off staffing costs associated with the 2010/11 budget proposals
BR91	Chief Executives			(110,600)	(110,600)					0 Approved carry forwards at 28/6/10
BR91	CAST			(20,000)	(20,000)					0 Approved carry forwards at 28/6/10
BR91	Health & Culture			(83,900)	(83,900)					0 Approved carry forwards at 28/6/10
BR91	Built Environment			(14,900)	(14,900)					0 Approved carry forwards at 28/6/10
BR91	Integrated Transport			(1,700)	(1,700)					0 Approved carry forwards at 28/6/10
BR91	Operations			(12,600)	(12,600)					0 Approved carry forwards at 28/6/10
BR91	Business Change			(9,800)	(9,800)					Approved carry forwards at 28/6/10
			(1,587,300)	(5,273,496)	(5,363,740)	(90,243)				
	*** CONTRIBUTIONS FROM RESERVES TO FUND ONE OFF REVENUE									
BR89	Property Repairs & Renewals Reserve		(811,000)	(751,600)	(510,179)	241,421				To fund Programmed Maintenance
BR92	Capital Reserve				(22,605)	(22,605)				(22,605) Contribution to fund Land & P resale costs capital programme reclassified as revenue
BR92	Capital Reserve				(6,393)	(6,393)				(6,393) Contribution to fund Allotments capital programme reclassified as revenue
			(811,000)	(751,600)	(539,178)	212,422				

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Cheltenham Borough Council

Treasury Management Panel – 6th June 2011

Treasury Outturn 2010/11

Report of the Director, Resources

1. Introduction

- 1.1 Treasury Management in Local Government is governed by the CIPFA Code of Practice on Treasury Management in the Public Services and this Council has adopted the Code and complies with its requirements, one of which is the receipt by Treasury Council of an Annual Review Report after the financial year end.

2. Economic Outlook for 2010/11

- 2.1 At the time of determining the Treasury Strategy Statement for 2010/11 in February 2010, interest rates were expected to remain low in response to the fragile state of the UK economy, but were forecast to rise through the second part of the financial year. Spending cuts and tax increases seemed inevitable post the General Election if the government had a clear majority. The money markets at the time viewed a hung parliament as potentially disruptive particularly if combined with a failure to voice a credible plan to bring down government borrowing. The outlook for growth was uncertain due to consumers and businesses trimming their spending and financial institutions exercising restraint in new lending.
- 2.2 The economy's two headline indicators moved in opposite directions - growth was uninspiring whilst inflation spiked sharply higher. The economy grew by just 1.3% in 2010 and the forecast rate for 2011 was revised down to 1.7% by the Office of Budget Responsibility in March 2011 from 2%. Consumer Price Inflation during the year hit a high of 4.4% in February 2011 but then unexpectedly dropped back to 4% in March 2011, led by falling food and non-alcoholic beverages. The decrease eased pressure on the Bank of England to raise the Bank Rate from 0.50%, which had remained at that rate throughout 2010/11.
- 2.3 Consumer confidence and spending continues to be affected by modest wage increases, weak house price growth and a shortage of cheap credit. Unemployment is just over 2.5 million and will increase as the public sector shrinks but private sector employment grows at only a modest pace.
- 2.4 The credit crisis migrated from banks to European sovereigns in 2010/11. The ratings of Ireland, Spain, Portugal, and Greece were all downgraded. The results from the EU Bank Stress Tests, co-ordinated by the Committee of European banking Supervisors, highlighted that only 7 out of 91 institutions failed the 'adverse scenario' tests. The tests were a helpful step forward, but doubts remained if they went far enough. The main UK banks (Barclays, HSBC, Lloyds Banking Group and RBS) all passed the test.

3. Portfolio position 1/4/10-31/3/11

Movements in the Council's borrowing during 2010/11 can be seen in the table below. Long term loans are deemed to be those repayable over a period of more than one year.

Source of Loan	Balance at 1 April 2010 £	Raised during the year £	Repaid during the year £	Balance at 31 March 2011 £
Temporary Borrowing				
- Building Societies	1,200,000	5,000,000	1,200,000	5,000,000
- Banks	0	0	0	0
- Local Authorities	15,800,000	102,840,000	110,640,000	8,000,000
Temporary Investment	614,303	2,705,513	2,980,026	339,790
Total Short Term Borrowing	17,614,303	110,545,513	114,820,026	13,339,790
Long Term Borrowing				
- Public Works Loan Board	11,000,000	0	0	11,000,000
- Market Loans	15,900,000	0	0	15,900,000
Long Term Borrowing	26,900,000	0	0	26,900,000
Total External Borrowing	44,514,303	110,545,513	114,820,026	40,239,790

3.1 In 2010/11 the Council's actual debt management costs (borrowing) were £1,209,976 compared to a revised budget of £1,212,600, a saving of £2,624. The weighted average rate on all loans for 2010/11 was 3.13% (2009/10 2.81%) against a revised estimated rate of 3.08%.

The interest repaid from the HRA for the use of debt balances amounted to £524,956 against a revised budget of £576,900. The primary reason for this shortfall is that the calculation for the HRA Item 8 Debit at revised budget estimated the consolidated rate of interest to be 3.08% on all borrowing, however due to the Council's weighted average of total borrowing for 2010/11 being lower than the Capital Financing Requirement (CFR), a different formula was used to calculate the HRA Item 8 Debit. This resulted in the HRA being charged 2.80% compared with 3.13% and a shortfall of £51,944 interest payable to the General Fund occurred. Furthermore due to slippage in capital expenditure and savings made on revenue expenditure the HRA revenue balances were higher than estimated at revised budget time. Interest paid to the HRA for revenue balances amounted to £83,220 compared with the revised budget of £74,200.

3.2 No debt rescheduling was undertaken in 2010/11. One of the reasons for this was due to a change in the rates of PWLB loans. Following the Comprehensive Spending Review in October 2010, on instruction from HM Treasury, the PWLB increased the margin for new borrowing to average 1% above the yield in the corresponding UK Government Gilt. Premature repayment rates did not benefit from this increase, which potentially makes future rescheduling of PWLB loans more challenging.

4. Investments

4.1 The CLG's Guidance on Local Government Investments in England was revised during 2009/10 and came into effect on 1st April 2010, reiterating security and liquidity as the primary objectives of a prudent investment policy. In the revised Guidance, Specified Investments are those made with a body or scheme of "high credit quality". Both the Guidance and the revised Treasury Management Code emphasise that counterparty credit criteria should not rely on credit ratings alone but should include a wider range of indicators. The revised Code nonetheless requires that ratings assigned by all three agencies – Fitch, Moody's and Standard & Poor's be taken into account and the lowest rating be used.

Security of capital remained the Council's main investment objective. This was maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2010/11. Investments made during the year were kept to Call Accounts and deposits with UK banks which met the credit criteria and are all systemically important to the UK's banking system.

4.2 Investments - Movements in the Council's investment portfolio during 2010/11 can be seen in the table below.

Source of Loan	Balance at 1 April 2010 £	Raised during the year £	Repaid during the year £	Balance at 31 March 2011 £
Temporary Lending				
- Building Societies	0	0	0	0
- Banks	2,000,000	7,800,000	4,800,000	5,000,000
Bank of Scotland Call A/C	0	60,460,000	59,560,000	900,000
	0			
Total Short Term Lending	2,000,000	68,260,000	64,360,000	5,900,000

Long Term Lending	Balance at 1 April 2010 £	Raised during the year £	Repaid during the year £	Balance at 31 March 2011 £
- Building Societies	0	0	0	0
- Banks	13,950,000	0	2,540,000	11,410,000
Total Long Term Lending	13,950,000	0	2,540,000	11,410,000
Total External Investments	15,950,000	68,260,000	66,900,000	17,310,000

- 4.3** The Council had £9.56 million deposited in the collapsed Icelandic banks as at 31st March 2011. The Council has received £540,000 from the administrators of Kaupthing Singer & Friedlander (KSF) in 2010/11, which equates to 18p in the pound and a total of 53p in the pound overall. Of the original £3m deposited with KSF, £1.41m principle is still due. Recent information provided by the administrators have indicated a recovery rate of 78p to 86p in the £ (up from 65p to 78p reported in the 2009/10 outturn report).
- 4.4** The deposits with Glitnir Bank (£3m) and Landbanki Bank (£5m) have been through the process of legal proceedings. Both cases were heard by the Icelandic District Court in early 2011, which decided that UK Local Authorities' deposits should be classified as priority claims. The decision of the Icelandic District Court is being appealed to the Icelandic Supreme Court by the other parties and a final judgement is anticipated in the autumn of 2011. If the Supreme Court confirms the deposit claims of UK Local Authorities are priority claims, the Council could receive all outstanding monies with Glitnir towards the end of 2011. If the Supreme Court decides the claims are not priority claims, the recovery will be the same as that of other general unsecured creditors, which is expected to be 29% and will be paid over a longer period. Similarly with Landsbanki, if depositor priority is upheld creditors will recover 95% over a number of years. If depositor priority is not upheld, then the recovery for all general unsecured creditors is expected to be 38%.
- 4.6** The Council's investment income for 2010/11 was £228,577 compared to a revised estimate of £221,100, a surplus of £7,477. As mentioned in paragraph 3.1 the HRA revenue balances are higher than forecast as less capital expenditure was required which resulted in the General Fund having more to invest for a longer period.
- 4.7** At the year end, the overall treasury management position (external borrowing less external investments) was such that the Council was a net borrower to the sum of £22.9m (2009/10 £28.4m). The overall interest receivable and payable for 2010/11 was an underspend against revised budget of £10,101 on the General Fund while the Housing Revenue Account (HRA) is £60,964 favourable against revised budget, meaning a shortfall in interest of £50,863 to report for the financial year.

5. Credit Risk

As stated in the Annual Investment Strategy 2010/10 the Council will monitor and update the credit standing of the institutions on a regular basis. Information was not just based on credit ratings but was also assessed and monitored with reference to:-

- Statement of Government Support
- Credit default Swaps
- Corporate developments
- Share price

Counterparty credit quality has been maintained as demonstrated by the Credit Score Analysis table summarised below on all deposits for the Council held during the 2010/11 financial year which has been provided by Arlingclose Ltd.

Date	Total Investments (Excluding Icelandic Banks)	Average rate of Investments	Time Weighted Average Credit Rating	Time Weighted Average Credit Risk Score	Value Weighted Average Credit Risk Score	Average Life (days)
31/03/2010	£6m	4.57%	A+	5.10	4.89	452
30/06/2010	£7.4m	3.85%	A	5.56	4.78	194
30/09/2010	£6.5m	2.84%	A+	5.12	4.74	249
31/12/2010	£9.9m	2.17%	A+	5.05	4.67	144
31/03/2011	£7.9m	2.67%	A+	4.77	4.67	195

Appendix 9a gives a brief description of the credit scores and headings included in the table above.

7. Treasury Limits and Prudential indicators

7.1 During the financial year the Council operated within the treasury limits and Prudential Indicators set out in the Council's Treasury Policy Statement and Annual Treasury Strategy Statement. In 2010/11 the Council set an authorised limit of £76m and an operational limit for borrowing of £69m, which was not breached during the financial year.

8. Treasury Management Advisors

8.1 Arlingclose Ltd were first appointed as the Council's treasury management advisors in April 2007 and the contract was extended for a further year from 1st April 2011.

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During 2010/11 Arlingclose as part of their service have delivered:-

- Over 55 Counterparty Credit updates
- 26 Technical updates
- 28 Economic updates/Interest rate forecasts
- Held 9 workshops to attend to learn new legislation/changes in treasury management
- Quarterly reviews on the Councils Debt and Investment portfolio
- Attended 2 Treasury Management Panel meetings in 2010/11
- Provide templates for treasury reports – x 3
- Email 2 weekly bulletins – Preview and a review of the week.

8.2 The Council is clear as to the services it expects and is provided under the contract. The Council is also clear that overall responsibility for treasury management remains with the Council.

9. Conclusions

9.1 Members are asked to note the outturn for 2010/11.

Table 1: Credit Score Analysis

Scoring:

Long-Term Credit Rating	Score
AAA	1
AA+	2
AA	3
AA-	4
A+	5
A	6
A-	7
BBB+	8
BBB	9
BBB-	10
Not rated	11
BB	12
CCC	13
C	14
D	15

- **Value Weighted Average Credit Risk** - The value weighted average reflects to the credit quality of investments to the size of the deposit.
- **Time Weighted Average Credit Risk** – This reflects the credit quality of investments according to the maturity of the deposits. An ideal scenario would have a lower time weighted average credit score than for Value weighted credit score, this would then indicate that where a long term investment decision were taken a higher credit quality counterparty had been selected. The Council aims to achieve a score of 5 or lower, to reflect the Council’s overriding priority of security of monies invested
- **Average number of days to maturity** – As a general rule Council would aim to, over time, convert a greater average length of portfolio duration into a greater than average return.
- **Value Weighted Average V’s Average number of days to maturity** – Council should strive to take less credit risk when extending their investments for a greater duration.

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RESERVES AT 31ST MARCH 2011

EARMARKED RESERVESOther

Purpose of Reserve	31/3/10	2010/11	2010/11	2010/11	31/3/11
	£	Movement Revenue	Movement Capital	Transfer of Underspend	Reserve Re-alignment
	£	£	£	£	£
BR01 Single Status Reserve	(332,947.00)	318,700.00			(14,247.00)
BR02 Pension Reserve	(93,873.38)	65,500.00			(28,373.38)
BR03 CPA Reserve	0.00				0.00
BR04 Economic Development Reserve	(14,200.00)	6,800.00			(14,200.00)
BR05 IBS License Reserve	(155,500.00)				(148,700.00)
BR06 Keep Cheltenham Tidy Reserve	(626.27)				(626.27)
BR07 Grave Maintenance Reserve	(3,674.33)	3,674.33			0.00
BR08 Cultural Development Reserve	(80,161.00)	57,800.00			(22,361.00)
BR09 LABGI Reserve	(301,052.86)	225,000.00			(76,052.86)
BR10 Housing Needs Assessment Reserve	(57,589.83)			57,589.83	0.00
BR11 House Survey Reserve	(39,935.00)	(7,500.00)		(57,589.83)	(105,024.83)
BR12 Twinning Reserve	(17,400.00)				(17,400.00)
BR14 Flood Alleviation Reserve	(423,934.70)	75,841.18			(348,093.52)
BR15 Art Gallery & Museum Development Reserve	(2,000,000.00)				(2,000,000.00)
BR25 Pump Room Insurance Reserve	(28,066.11)				(28,066.11)
BR26 Museum Shop Reserve	0.00				0.00
BR27 TIC Shop Reserve	(11,729.18)				(11,729.18)
BR30 GF Insurance Reserve	(159,971.44)				(159,971.44)
BR42 Vehicle Leasing Equalisation Reserve	(111,674.04)	(4,411.20)			(116,085.24)
BR45 Joint Core Strategy Reserve	(110,000.00)	(124,580.36)			(234,580.36)
BR54 Legal Staff Reserve	(16,350.00)	(3,000.00)			(19,350.00)
BR58 Civic Pride	(253,586.76)	170,389.16		(1,000,000.00)	(1,083,197.60)
	(4,212,271.90)				(4,428,058.79)
Repairs & Renewals Reserves					
BR52 Committed Maintenance Reserve	(329,629.37)	66,000.00			(263,629.37)
BR78 Highways Insurance Reserve	(28,583.91)			13,583.91	(15,000.00)
BR83 Council Tax/Benefits IT Reserve	(30,000.00)				(30,000.00)
BR88 I.T. Repairs & Renewals Reserve	(78,464.70)	(54,600.00)			(133,064.70)
BR89 Planned Maintenance Reserve	(1,063,708.61)	37,779.49			(1,025,929.12)
	(1,530,386.59)				(1,467,623.19)

RESERVES AT 31ST MARCH 2011								
	<u>Purpose of Reserve</u>	<u>31/3/10</u>	<u>2010/11</u>	<u>2010/11</u>	<u>2010/11</u>	<u>2010/11</u>	<u>Reserve</u>	<u>31/3/11</u>
		£	<u>Movement</u>	<u>Capital</u>	<u>Transfer of</u>	<u>Re-alignment</u>	£	£
			<u>Revenue</u>		<u>Underspend</u>			
			£	£	£	£		
<u>EARMARKED RESERVES</u>								
<u>Equalisation Reserves</u>								
BR61	Planning Delivery Grant Equalisation	(648,172.67)	130,800.00			717,372.67		0.00
BR63	Rent Allowances Equalisation	(110,355.60)	(9,300.00)					(119,655.60)
BR64	Planning Appeals Equalisation	(38,955.09)						(38,955.09)
BR65	Licensing Fees Equalisation	(43,700.00)	15,345.00					(28,355.00)
BR66	Interest Equalisation	0.00	(2,787,594.76)					(2,787,594.76)
BR72	Local Plan Equalisation	(135,030.00)	80,000.00					(55,030.00)
BR76	Elections/Electoral Reg. Equalisation	(66,200.00)	54,700.00					(11,500.00)
		(1,242,413.36)						(3,041,090.45)
<u>Reserves for commitments</u>								
BR91	Old Year Creditor Rsve - RR	(258,000.00)	258,000.00					0.00
<u>CAPITAL</u>								
BR77	Capital Reserve - GF Housing	(2,202,476.15)				1,300,000.00		(902,476.15)
BR92	Capital Reserve - GF	(816,457.80)	(453,600.00)	668,258.12		(300,000.00)		(901,799.68)
		(3,018,933.95)						(1,804,275.83)
		(10,262,005.80)						(10,741,048.26)
<u>TOTAL EARMARKED RESERVES</u>								
<u>GENERAL FUND BALANCE</u>								
BS01	General Balance - RR	(2,446,376.13)	471,603.00	212,308.86	(174,086.18)	(730,956.58)		(2,667,507.03)
		(2,446,376.13)						(2,667,507.03)
		(12,708,381.93)	(1,406,654.16)	880,566.98	(174,086.18)	0.00		(13,408,555.29)
<u>TOTAL GENERAL FUND RESERVES AND BALANCES</u>								

GENERAL FUND CAPITAL PROGRAMME

Code	Fund	Scheme	Scheme Description	Original Scheme Cost	Payments to 31/03/10	Revised Budget 2010/11	Outturn 2010/11	(Underspend)/ Overspend 2010/11	Approved Budget 2011/12	Revised Budget 2011/12	Comments
		<u>BUILT ENVIRONMENT</u>									
Various	C/R	Programmed Maintenance	New cremators			200,000	0	200,000	455,000	655,000	Complexities in procurement process have delayed expenditure until 2011/12.
	C	Regent Arcade	Estimated share of refurbishment costs - reclassified as revenue expenditure as asset was revalued at 31st March 2010	350,000	0	0	0	0			
		<u>GREEN ENVIRONMENT</u>									
LC6001	S	S.106 Play area refurbishment	Developer Contributions			50,000	23,431	26,569	50,000	76,500	Focus during 2010/11 has been placed on spending Playbuilder funds which are time limited, resulting in a delay to other planned works. The remaining funds will be used to continue these refurbishments in 2011/12.
LC6006	C	Play Area Enhancement	Ongoing programme of maintenance and refurbishment of play areas to ensure they improve and meet safety standards			226,000	228,223	(2,223)	80,000	80,000	
LC6011	P	Pitville Park Boathouse	Enhancements to Pitville Park including the Boathouse bridge funded from Severn Trent Water Community Fund awarded following the floods in 2007.			72,000	0	72,000	0	72,000	The budget of £72,000 is funded by the Severn Trent Community Fund for improvements to the Pitville Park Boathouse Bridge. Contracts have been let, but works will not be completed until July 2011.
LC6015	P	Leckhampton Hill dry stone wall	Match funded with Natural England to construct dry stone walling on Leckhampton Hill sit of special scientific interest (SSSI)	620,000		483,000	540,418	(57,418)			The construction of dry walling on Leckhampton Hill has been match funded by Natural England, balance of overspend will be funded by Natural England in 2011/12.
LC6020	C	Multi Use Games Areas (MUGAs)	Provision of MUGAs at Brizen Recreation Ground, Sandford Park, Naunton Park, and Oakley	135,000	121,754	13,000	13,650	(650)			
		<u>INTEGRATED TRANSPORT</u>									
EC0033	C	CCTV in Car Parks	Additional CCTV in order to improve shopping areas and reduce fear of crime			84,000	28,113	54,887	50,000	104,800	Further work is required in the strategic management process associated with CCTV. Car Parks and Community Protection will be working on linking the various CCTV facilities including operation and monitoring, which will include the need for investment in Automatic Number Plate Recognition (APNR) technology. The 2010/11 underspend will be needed in 2011/12 to support this investment.
EC0037	C	s106 Integrated Transport Division				0	9,661	(9,661)			
		<u>ENVIRONMENTAL MAINTENANCE</u>									
EC0051	C	Re-joining High Street/Promenade pedestrianised area	Re-joining works required to improve safety and appearance of the core commercial area	60,000	36,734	23,000	15,259	7,741	0	7,700	The Highways Authority has yet to confirm dates for the remaining works to be needed undertaken, the underspend will be needed in 2011/12.

GENERAL FUND CAPITAL PROGRAMME

Code	Fund	Scheme	Scheme Description	Original Scheme Cost	Payments to 31/03/10	Revised Budget 2010/11	Outturn 2010/11	(Underspend)/ Overspend 2010/11	Approved Budget 2011/12	Revised Budget 2011/12	Comments
LC6022	C	Burial Chapel	Invest to save scheme to convert burial chapel to handle cremations.	110,000	£	110,000	99,829	10,171	0	10,100	Further works to the Chapel are planned including, the provision of a removable external speaker system for large funerals that are unable to fit within the chapels, improvement to roads, road markings and signage around the chapel, new furniture/fittings for the chapel waiting room and new planting. The remaining budget will be required to fund these works in 2011/12.
LC6023	P	Gardners Lane	A part council owned unadopted lane which provides access to the animal shelter, Gardners Lane Primary School, the University's playing field and Midwinter allotments required major repair prior to Gloucestershire County Council being willing to adopt it. To negate the council's ongoing maintenance responsibility the road has been repaired to adoptable standards in partnership with the other organisations using the access lane. The council has responsibility for managing the project and investing the partners funding contributions.		£	0	89,891	(89,891)			The road has been repaired but further payments totalling c. £21k will be required in 2011/12 to cover the final contractor payments and retention. These costs will be funded by the partners.
EC0057	C	Recycling Vehicles			£	0	619,136	(619,136)			Capital expenditure in 2010/11 on assets required for the delivery of the Waste & Recycling Scheme.
EC0058	C	Recycling Caddies			£	0	192,887	(192,887)			
EC0059	C	Recycling 240l Bins (Green Waste)			£	0	270,580	(270,580)			
GCERP	C	GO ERP	Development of ERP system within the GO Partnership		£	321,700	212,309	109,391	100,000	209,400	Balance of 2010/11 budget will be required in 2011/12 to ensure delivery of the GO Programme.
	C	Gloucestershire Airport	Contribution towards the redevelopment project - £1.2m loan		£				1,200,000	1,200,000	
DC3204	C	ICT Business Change Programme	Preparation of the GO Centre of Excellence proposals for ICT hosting		£						The balance of this budget will be required in 2011/12 to support the procurement of a replacement remote application access gateway, licences and professional services as a result of the current supplier's imminent decommissioning of the gateway in current use. This is necessary for the continued delivery of the remote working functionality.
DC3211	C	Working Flexibly	Deliver council services at a time and place which suit the customer. Implementation of Citrix environment to deliver business applications to the home / remote users desktop		£	116,000	80,698	35,302	0	35,300	The remaining funds will be needed in 2011/12 to enable additional servers to be in scope for continual improvement, software and professional services.
DC3213	C	Storage Area Network	Storage for the council's data in a secure, expandable and robust environment	155,000	£	155,000	142,297	12,703	0	12,700	

GENERAL FUND CAPITAL PROGRAMME

Code	Fund	Scheme	Scheme Description	Original Scheme Cost	Payments to 31/03/10	Revised Budget 2010/11	Outturn 2010/11	(Underspend)/ Overspend 2010/11	Approved Budget 2011/12	Revised Budget 2011/12	Comments
DC3214	G	REVENUES & BENEFITS IBS PTC scheduler DSU	Scheduling software for the Revenues & Benefits System to automate the running of processes.		£ 10,600	11,600	(1,000)	£			A saving of £5,000 following the procurement and installation of the Committee Web System will be returned to the capital reserve.
DC3212	C	Replacement of committee web system	This proposal is to migrate to a purpose built committee management system, modern.gov which would be accessible from the new Jadu website	20,000	20,000	15,000	5,000	£	600,000	600,000	
HC7440	C/SCG/PSR	COMMUNITY SERVICES Disabled Facilities Grants	Mandatory Grant for the provision of building work, equipment or modifying a dwelling to restore or enable independent living, privacy, confidence and dignity for individuals and their families.		614,000	618,100	(4,100)		26,000	26,000	
HC7445	C	Adaptation Support Grant	Used mostly where essential repairs (health and safety) are identified to enable the DFG work to proceed (e.g. electrical works).		12,000	12,000	0				
HC7400	PSDH	Health & Safety Grant / Loans	A new form of assistance available under the council's Housing Renewal Policy 2003-06		400,000	375,351	24,649		299,800	324,400	The remaining 2010/11 works have been approved and will be completed in 2011/12.
HC7405	PSDH	Vacant Property Grant	A new form of assistance available under the council's Housing Renewal Policy 2003-06								
HC7410	PSR	Renovation Grants	Grants provided under the Housing Grants, Construction and Regeneration Act 1996								
HC7455	PSDH	Warm & Well	A Gloucestershire-wide project to promote home energy efficiency, particularly targeted at those with health problems								The remaining budget will be used to help fund transformational improvements in the St.Pauls area to private households. This will assist private householders to raise the standard of their private housing in the area, to keep in line with new build council housing stock.
HC9200	C/S	Housing Enabling	Expenditure in support of enabling the provision of new affordable housing in partnership with registered Social Landlords and the Housing Corporation		42,000	12,000	30,000		0	30,000	
HC9200	C/S	Housing Enabling	Expenditure in support of enabling the provision of new affordable housing in partnership with registered Social Landlords and the Housing Corporation						370,000	370,000	
HC9200	C/S	Housing Enabling	Expenditure in support of enabling the provision of new affordable housing in partnership with Cheltenham Borough Homes		110,000	110,000	0		1,790,000	1,790,000	
EC0006	C	CCTV/Town Centre initiative	Expansion of on street CCTV in the town centre to increase safety and secure the environment		55,000	54,245	755		50,000	50,000	
		HEALTH AND WELL BEING									
	RP	Art Gallery & Museum Development Scheme	Council's commitment to new scheme as agreed by Council 20th July 2008						1,000,000	1,000,000	
LC4007	C	Everyman Theatre	Contribution towards the redevelopment project - £1m loan and £250k grant	1,250,000					1,250,000	1,250,000	
		INTERIM BUDGET PROPOSALS FUTURE CAPITAL PROGRAMME:									
	C	Telephony switch upgrade							70,300	70,300	

GENERAL FUND CAPITAL PROGRAMME

Code	Fund	Scheme	Scheme Description	Original Scheme Cost	Payments to 31/03/10	Revised Budget 2010/11	Outturn 2010/11	(Underspend)/ Overspend 2010/11	Approved Budget 2011/12	Revised Budget 2011/12	Comments
	C	Car park management technology		£	£	£			£	£	
		CAPITAL SCHEMES - RECLASSIFIED AS REVENUE									
DC1066	C	Land & Property presale costs	Property & Legal costs associated with the proposed Midwinter Development and Fellmongers site	353,100	336,450	10,000	22,605	(12,605)	250,000	250,000	
LC6005	C	Allotments	Allotment Enhancements - new toilets, path surfacing, fencing, signage, and other improvements to infrastructure.			16,600	6,383	10,207	0	10,200	Planned to use remaining budget to purchase a compost toilet at the Alma Road site once the location becomes available.
EC0043	C	Rationalisation & maintenance of street furniture and signposting	Obsolete furniture that need removing. Backlog of repairs to signposts and street furniture	20,000	8,071	12,000	12,000	0	0	0	
EC0054		Depot Rationalisation	Costs associated with incorporating Tewkesbury Borough Council within the Depot site at Swindon Road	200,000	191,973	108,000	80,807	27,193	0	27,200	Underspend to be carried forward to 2011/12 to fund outstanding works necessary to complete the project. This includes further improvements to the Household Recycling Centre, safety improvements and building works to the main office buildings.
LC4003	C	Public Art				0	538	(538)			
		TOTAL CAPITAL PROGRAMME				3,263,900	3,898,023	(634,123)	7,641,100	8,261,600	
		Funded by:									
		G Government Grants				10,600	10,600				
		SCG Specified Capital Grant (DFG)				306,000	310,100		306,000	306,000	
		LPSA Local Public Service Agreement				791,000	848,316		299,800	299,800	
		P Partnership Funding				548,000	523,351		100,000	100,000	
		PSDH Private Sector Decent Homes Grant				200,000			455,000	655,000	
		HLF Heritage Lottery Funding				50,000	46,629		1,000,000	1,000,000	
		HRA Housing Revenue Account Contribution				321,700	212,309		50,000	50,000	
		R Property Planned Maintenance Reserve				110,000	110,000		390,000	390,000	
		R AG&M Development Reserve				227,000	242,954		370,000	370,000	
		S Developer Contributions S106				42,000	925,505		3,600,000	3,600,000	
		C General Balances				657,600	668,258		1,070,300	1,480,800	
		C HRA Capital Receipts									
		C GF Capital Receipts									
		C HIP Capital Reserve									
		C Prudential Borrowing									
		C GF Capital Reserve									
		TOTAL CAPITAL PROGRAMME				3,263,900	3,898,023		7,641,100	8,261,600	

Developer Contributions (S106) - Outturn Position 31st March 2011

	Balance @ 1/4/10 £	Receipts/ Refunds in year £	Amounts Applied to fund fixed assets £	Applied to fund Revenue expenditure funded from Capital under Statute £	Amounts transferred to revenue £	Useable Developer Contributions c/fwd @ 31/3/11 £
Developers Contributions						
C-N75034-B999 Courts-Kingsdich-Bond Sum Indexed Linked	(19,800.00)					(19,800.00)
C-N75047-B999 St James South-Bond Sum Indexed Linked	(63,000.00)					(63,000.00)
	(82,800.00)	0.00	0.00	0.00	0.00	(82,800.00)
C-N75130-E012 Merrowdown-Sustainable Transport	0.00	0.00				0.00
C-N75999-E012 GCC-Sustainable Transport	0.00	0.00				0.00
	0.00	0.00	0.00	0.00	0.00	0.00
C-N75038-H001 Market Street-Affordable Housing	(29,621.50)			12,000.00		(17,621.50)
	(29,621.50)	0.00	0.00	12,000.00	0.00	(17,621.50)
C-N75070-L001 Dunalley St-Public Art	0.00	(7,000.00)			137.68	(7,000.00)
C-N75111-L001 Rosemullion-Public Art	(3,500.00)					(3,362.32)
C-N75116-L001 75-79 Rowanfield Road-Public Art	(5,342.50)					(5,342.50)
C-N75119-L001 Lawnswood-Public Art	(399.82)				399.82	0.00
C-N75141-L001 Hatherley Lane-Public Art	0.00	(25,000.00)				(25,000.00)
	(9,242.32)	(32,000.00)	0.00	0.00	537.50	(40,704.82)
C-N13281-P801 S106 Playspace-Adult/Youth	(34,649.81)	(17,296.50)				(51,946.31)
C-N75038-P801 Market Street-Adult/Youth	(24,968.00)		9,091.06			(15,876.94)
C-N75056-P801 58-60 St Pauls-Adult/Youth	(3,756.13)					(3,756.13)
C-N75070-P801 Dunalley Street-Adult/Youth	0.00	(2,720.00)				(2,720.00)
C-N75097-P801 Welch Road-Adult/Youth	(6,035.94)		6,035.94			0.00
C-N75116-P801 75-79 Rowanfield Road-Adult/Youth	(3,529.26)					(3,529.26)
C-N75130-P801 Merrowdown-Adult/Youth	0.00	(201.98)				(201.98)
C-N75140-P801 Charlton Lane-Adult/Youth	0.00	(1,840.00)				(1,840.00)
C-N13281-P802 S106 Playspace-Agg Gardners	(1,881.62)		1,093.00			(788.62)
C-N13281-P804 S106 Playspace-Beeches	(364.00)					(364.00)
C-N13281-P805 S106 Playspace-Caernarvon Road	0.00					0.00
C-N13281-P808 S106 Playspace-New Chelt walk	0.00					0.00
C-N13281-P809 S106 Playspace-Clyde Crescent	(2,172.00)		508.02			(1,663.98)

	Balance @ 1/4/10 £	Receipts/ Refunds in year £	Amounts Applied to fund fixed assets £	Revenue expenditure funded from Capital under Statute £	Amounts transferred to revenue £	Useable Developer Contributions c/fwd @ 31/3/11 £
C-N75074-P809	(2,172.00)		2,172.00			0.00
C-N75038-P811	(27,803.00)					(27,803.00)
C-N13281-P812	(150.50)		150.50			0.00
C-N13281-P813	(106.50)					(106.50)
C-N75057-P813	(1,201.54)					(1,201.54)
C-N75051-P816	(194.38)		194.38			0.00
C-N13281-P822	(957.50)		957.50			0.00
C-N13281-P823	0.00	(972.50)				(972.50)
C-N13281-P824	(875.00)		832.00			(43.00)
C-N13281-P827	(150.50)					(150.50)
C-N13281-P831	(1,028.34)		1,028.34			0.00
C-N13281-P832	0.00					0.00
C-N13281-P833	0.00					0.00
C-N13281-P834	0.00	(182.00)				(182.00)
C-N13281-P835	0.00					0.00
C-N13281-P839	0.00					0.00
C-N13281-P840	(284.50)					(284.50)
C-N13281-P842	(577.67)					(577.67)
C-N13281-P843	0.00	(150.50)				(150.50)
C-N75116-P843	(1,742.19)		458.00			(1,284.19)
C-N13281-P844	(910.00)		910.00			0.00
	(115,510.38)	(23,363.48)	23,430.74	0.00	0.00	(115,443.12)
C-N75118-COMM	(42,407.44)				9,660.58	(32,746.86)
	(42,407.44)	0.00	0.00	0.00	9,660.58	(32,746.86)
Total Developers contributions	(279,581.64)	(55,363.48)	23,430.74	12,000.00	10,198.08	(289,316.30)

Barbridge Nursery-Community Facilities

Council Tax and Business Rates Collection Rates 2010 - 2011

Business Rates 2010/2011

Current Year Charges - 2010/2011			
Period	% Collected As at 31.03.11	2010/2011 Target As at 31.03.11	Revised 2010/2011 Target As at 31.03.11
	98.71%	98.45%	98.60%
Comparison with 2009/2010	As at 31.03.10	% Collected 31.03.10	Top Quartile
	98.41%	98.41%	N/A

The end of year collection rate is higher than the target and higher than at same time last year.

Previous Years Charges Outstanding in Current Year (2010/2011)

Period	Previous Year Debts Outstanding As at 31.03.11	2010/2011 Target As at 31.03.11	Revised 2010/2011 Target As at 31.03.11	Comments
	£282,559	£240,000	£285,000	The arrears are slightly lower than the revised yearend target but higher than at the same time last year. This is still a very good achievement. We are working with businesses to assit them during the current economic climate and as a result arrears are being collected more slowly than anticipated.
Comparison with 2009/2010	As at 31.03.10	Amount o/s 31.03.10	Top Quartile	
	£238,558	£238,558	N/A	

Council Tax 2010/2011

Current Year Charges - 2010/2011			
Period	% Collected As at 31.03.11	2010/2011 Target As at 31.03.11	Revised 2010/2011 Target As at 31.03.11
	98.19%	98.20%	N/A
Comparison with 2009/2010	As at 31.03.10	% Collected 31.03.10	Top Quartile
	98.18%	98.18%	N/A

The end of year collection rate is slightly lower than the target but is slightly higher than the same time last year. This is a very good achievement in the current economic climate

Previous Years Charges Outstanding in Current Year (2010/2011)

Period	Previous Year Debts Outstanding As at 31.03.11	2010/2011 Target As at 31.03.11	Revised 2010/2011 Target As at 31.03.11	Comments
	£751,099	£690,000	£750,000	The arrears are slightly higher than the target and higher than at the same time last year. We are working with council tax payers having difficulty in paying and the arrears are being collected slightly slower than anticipated.
Comparison with 2009/2010	As at 31.03.10	Amount o/s 31.03.10	Top Quartile	
	£680,499	£680,499	N/A	

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Sundry Debtor Invoices Outstanding 2010 - 2011

APPENDIX 14

Sundry Debt 2010/2011

Current Year Invoices - 2010/2011						
Period	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	Comments
	As at 31.03.11	As at 31.03.11	As at 31.03.11	As at 31.03.11	As at 31.03.11	
General Fund Invoices	10,009 £8,444,435	659 £641,653	177 £64,077.00	27%	Less than 15%	A large number of invoices are raised between January and March which has results in proportionately more invoices than usual being outstanding for more than a month
HRA Invoices	1,624 £291,193	486 £132,642	378 £77,076	78%	Less than 50%	

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Previous Year Invoices Outstanding in 2010/2011			
Period	Previous Year Invoices Outstanding	2011 Target	Comments
	As at 31.03.11	As at 31.03.11	
General Fund Invoices	84 £69,208	£50,000	The value of previous year invoices is higher than the target but action is being taken to recover the sums due
HRA Invoices	849 £206,410	£140,000	

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	2010/11	
	Revised	Actual
	£	£
<u>EXPENDITURE</u>		
General & Special Management	1,803,300	1,781,521
ALMO Management Fee	4,263,700	4,263,700
Rents, Rates, Taxes and Other Charges	39,500	35,664
Transfer to Housing Repairs Account	3,735,000	3,769,814
Provision for Bad Debts	200,000	139,438
Interest Payable	576,900	524,956
Depreciation of Dwellings	3,101,300	3,101,391
Depreciation of Other Assets	78,000	82,946
Debt Management Expenses	46,500	46,500
Rent Rebate Subsidy Limitation	122,000	129,671
Housing Revenue Account Subsidy	3,628,400	3,633,762
TOTAL	<u>17,594,600</u>	<u>17,509,363</u>
<u>INCOME</u>		
Dwelling Rents	15,773,000	15,823,763
Non Dwelling Rents	404,800	421,192
Charges for Services and Facilities	661,000	665,488
HRA Subsidy - ALMO Allowance	2,515,200	2,515,200
Supporting People Grant	150,000	146,809
TOTAL	<u>19,504,000</u>	<u>19,572,452</u>
NET COST OF SERVICES	-1,909,400	-2,063,090
Amortised Premiums / Discounts	8,900	8,891
Interest Receivable	-79,400	-88,204
NET OPERATING INCOME	<u>-1,979,900</u>	<u>-2,142,402</u>
<u>Appropriations</u>		
Revenue Contributions to Capital	649,700	132,969
Transfer from Major Repairs Reserve	-78,000	-82,946
HRA SURPLUS carried to reserve	1,408,200	2,092,379
Revenue Reserve brought forward	1,580,800	1,580,800
Revenue Reserve carried forward	<u>2,989,000</u>	<u>3,673,179</u>

HOUSING REPAIRS ACCOUNT

	2010/11	
	Revised £	Actual £
<u>EXPENDITURE</u>		
Repairs & Maintenance :-		
Reactive Repairs	2,559,000	2,640,225
Annual & Cyclical Maintenance	1,176,000	1,129,589
	<u>3,735,000</u>	<u>3,769,814</u>
<u>INCOME</u>		
Contribution from Housing Revenue Account	<u>3,735,000</u>	<u>3,769,814</u>
Surplus/Deficit for the Year	0	0
Balance brought forward	0	0
Balance carried forward	<u>0</u>	<u>0</u>

MAJOR REPAIRS RESERVE

	2010/11	
	Revised £	Actual £
Balance brought forward	0	0
Major Repairs Allowance	3,101,300	3,101,300
	<u>3,101,300</u>	<u>3,101,300</u>
Utilised in Year	-3,101,300	-2,797,099
Balance carried forward	<u>0</u>	<u>304,201</u>

HRA CAPITAL PROGRAMME

	2010/11	
	Revised	Actual
	<u>£'000</u>	<u>£'000</u>
<u>EXPENDITURE</u>		
Property Improvements & Major Repairs (incl fees)	3,391	2,623
Adaptations for the Disabled	350	350
Environmental Works (Tenant Selection)	60	43
Repurchase of Shared Ownership Dwellings	50	46
	<u>3,851</u>	<u>3,062</u>
<u>FINANCING</u>		
Capital Receipts	100	132
HRA Revenue Contribution	650	133
Major Repairs Reserve	3,101	2,797
	<u>3,851</u>	<u>3,062</u>

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The Prudential Code and Indicators – outturn 2010/11

Introduction:

The Prudential code set out a framework for self-regulation of capital spending which allows councils to borrow money to fund capital projects without any limit provided the plans are affordable, prudent and sustainable. In order to demonstrate this, the Code required the Council to set a minimum number of specific prudential indicators. These indicators must be monitored during the year and revised by the Council as necessary.

The indicators fall into three categories, according to whether they relate to Capital expenditure, External debt or Treasury Management. A comparison of the outturn indicators with those set by the Council in February 2011, with an explanation of variances and subsequent revisions to the 2010/11 indicators requiring approval follows:

Capital Expenditure Indicators

Forecast Capital Expenditure

The Code requires the Council to estimate its total capital expenditure, split between the Housing Revenue Account (HRA) and non HRA.

The following table includes estimated and actual expenditure incurred in 2010/11, the original estimate for 2011/12 and revised estimate for 2011/12 resulting from the impact of the 2010/11 outturn position. The actual outturn position for 2010/11 is to be noted and the revised estimate for 2011/12 (marked *) to be approved by Members.

Capital Expenditure

Capital programme	2010/11 Revised £000	2010/11 Outturn £000	2011/12 Estimate 11/02/11 £000	2010/11 * To be Revised 27/06/11 £000
General Fund	3,254	3,779	7,641	7,641
HRA	3,851	3,062	4,828	5,602
Total	7,105	6,841	12,469	13,243

The main variance between 2010/11 revised and 2010/11 General Fund actual is due to the Capitalisation of expenditure of Recycling Vehicles, Bins and Food Caddies which had in previous years been funded by leasing arrangements.

Estimates of the ratio of financing costs to the net revenue stream

This is an indicator of affordability. It would not be prudent for borrowing costs to be a significant proportion of net revenue either now or in the future.

The following table includes the actual figures for 2009/10 and estimates and the actual for 2010/11 of the ratio of financing costs to net revenue stream.

Ratio of Financing Costs to Net Revenue Stream

	2009/10 Actual	2010/11 Revised	2010/11 Outturn
Non-HRA	3.77%	2.23%	3.03%
HRA	3.74%	3.10%	2.55%

Capital Financing Requirement

The capital financing requirement measures the authority's underlying need to borrow for capital purposes. In accordance with best professional practice, Cheltenham Borough Council does not associate borrowing with particular items or types of expenditure. The authority has an integrated treasury management strategy and has adopted the CIPFA Code of Practice for Treasury Management in the Public Services. Cheltenham Borough Council has, at any point in time, a number of cashflow scenarios both positive and negative, and manages its treasury position in terms of its borrowings and investments in accordance with its approved treasury management strategy and practices. In day to day cash management, no distinction is made between revenue cash and capital cash. External borrowing arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending.

The Council can borrow without limit, provided it ensures such borrowing is affordable, prudent and sustainable.

The following table includes the estimated and actual capital financing requirement at 31/3/11, the original estimate for 31/3/12 and revised estimate for 31/3/12 (marked *) resulting from the impact of the 2010/11 outturn position. The actual outturn position at 31/3/11 is to be noted and revised estimate for 31/3/12 is to be approved by Members.

Capital Financing Requirement (CFR)

	31/03/11 Estimate £000	31/03/11 Actual £000	31/03/12 Estimate 11/02/2011 £000	31/03/12 * Estimate £000
Non-HRA	25,834	26,760	28,818	29,309
HRA	18,728	18,728	18,728	18,728
Total CFR	44,562	45,488	47,546	48,037

Through Prudential borrowing in 2010/11 the Council funded the capital expenditure for Recycling Vehicles, Food Caddies and Bins, which in past had been leased. The forecast for 31st March 2012 does not take account of a possible reduction in the CFR of an estimated £2.5m in 2011/12, should the appeal to the Icelandic Supreme Court confirm that local authority deposits in the collapsed Icelandic banks have priority status (see paragraph 4.15 of the Outturn report). This would reduce the Non-HRA CFR to £26.8m and the overall CFR to £45.5m.

Net borrowing and the Capital Financing Requirement

CIPFA's Prudential Code for Capital Finance in Local Authorities includes the following as a key indicator of prudence:

"In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that the net external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years."

Local authorities may borrow temporarily to cover cash flow shortages but over the medium term should only borrow to finance capital expenditure.

In order to ensure that over the medium term net borrowing will only be for capital purposes, the Council needs to ensure that its net external borrowing does not exceed its Capital Financing Requirement over the current and next three years. The table below demonstrates that the estimated and actual level of net investments remains lower than the capital financing requirement in each year, and therefore meets this requirement.

The actual outturn position for 2010/11 is to be noted and the revised estimate for 2011/12 (marked *) to be approved by Members.

Estimated net borrowing and capital financing requirement at year end

	2010/11 £'000 Estimate	2010/11 £'000 Outturn	2011/12 £'000 Estimate 11/02/2011	2011/12 £'000 Estimate 27/6/11 *
Gross borrowing	57,013	50,133	60,612	59,500
Investments	15,535	15,759	15,535	14,950
Net (Investment)/ borrowing	41,478	34,374	45,077	44,550
Capital financing requirement	44,562	45,489	47,546	48,037

As can be seen from the table, the net borrowing for the council did not breach the capital financing requirement for 2010/11.

Incremental impact of capital expenditure on the council tax and housing rents

A fundamental indicator of the affordability of capital expenditure plans is its impact on the council tax and housing rents. Any borrowing for capital purposes has an impact on the revenue account and, to the extent it is not supported by government or other contributions, on council tax and/or housing rents. Using capital receipts to fund capital expenditure also has an impact because the assets sold would no longer generate rental income or investment income. The use of revenue funding to fund capital clearly has a direct impact on the revenue account and council taxes/rents. The completed capital schemes will also have an impact in terms of running costs and income generated.

The Council must estimate the incremental impact of its capital expenditure plans on the council tax and housing rents.

The estimate of the incremental impact of capital investment decisions, over and above capital investment decisions that have previously been taken by the Council for 2010/11 and for average weekly rents were:

For the Band D Council Tax

2010/11 Estimate £	2010/11 Outturn £
nil	nil

For average weekly housing rents

2010/11 Estimate £	2010/11 Outturn £
*nil	*nil

* The Council is reducing housing rents over this period in line with the rent restructuring plan, hence capital investment decisions do not impact on the level of council house rent, but impact on the level of funds available to fund repairs.

The outturn position is the same as estimated since the council tax and housing rents were set, in February 2010, at levels to fund the capital programmes approved by Members.

External Debt Indicators

Two limits were set and monitored to ensure borrowing is prudent, affordable and sustainable. These limits, together with the Treasury Management limits discussed below, replaced the section 45 limits imposed by the Local Government and Housing Act 1989, which the Council previously approved in February/March each year.

Authorised Limit

The Council set an authorised limit for its external debt which took account of the following:

- the possible maximum level of borrowing that may need to be incurred and the limit beyond which borrowing will be prohibited
- the statutory limit specified in section 3(1) of the Local Government Act 2003
- reflects a level of borrowing which, although affordable in the short term may not be sustainable
- The 'outer boundary' of the Council's possible need to borrow.

In respect of its external debt, the Council approved the following authorised limits for its total external debt gross of investments. The Council delegated authority to the Section 151 Officer, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long term liabilities, in accordance with option appraisal and best value for money for the authority.

Authorised Limit for External Debt

	2010/11 £000	2011/12 Original £000	2011/12 Revised £000
Borrowing	83,000	81,000	81,000
Other long term liabilities	-	-	-
Total	83,000	81,000	81,000

In setting the limit, account must be taken of the authority's current commitments, existing plans and the proposals for capital expenditure and financing, and with its approved treasury management policy statement and practices.

This limit represents the worst case scenario, i.e. the effect on the cash flow of receiving no council tax income and borrowing to the maximum of the capital financing requirement, in addition to investments held. The calculation follows a prescribed formula and is in excess of the expected levels of borrowing in accordance with Treasury.

The Council did not breach this boundary during 2010/11.

Operational Boundary

The Council approved the following operational boundary for external debt for the same time period. The operational boundary for external debt is based on the same estimates as the authorised limit but reflects directly the estimate of the most likely, prudent but not worst case scenario, without the additional headroom included within the authorised limit to allow for example for unusual cash movements. The operational boundary represents a key management tool for in year monitoring. Within the operational boundary, figures for borrowing and other long term liabilities are separately identified. The Council delegated authority to the Section 151 Officer, to effect movement between separately agreed figures for borrowing and other long

term liabilities, in a similar fashion to the authorised limit.

The boundary may be breached occasionally due to unexpected cash flow shortages but a sustained breach would indicate the Council may be in danger of breaching the Authorised Limit.

Operational Boundary for External Debt

	2010/11 £000	2011/12 Original £000	2011/12 Revised £000
Borrowing	67,000	71,000	71,000
Other long term liabilities	0	0	0
Total	67,000	71,000	71,000

The operational boundary represents the maximum expected operational borrowing at a given time, which is significantly lower than the prescribed authorised limit. This measure reflects a more realistic view of likely cash flow scenarios, and should not be exceeded.

The Council did not breach this boundary during 2010/11.

The Council's actual external debt at 31st March 2011 was £50.133 million. It should be noted that actual external debt is not directly comparable to the authorised limit and operational boundary, since the actual external debt reflects the position at a single point in time.

Treasury Management Indicators

Adoption of the CIPFA Code of Practice for Treasury Management

Cheltenham Borough Council has adopted the CIPFA *Code of Practice for Treasury Management in the Public Services*. This includes the delegation of the day to day Treasury Management Function to the section 151 Officer.

Upper limits on interest rate exposure

The Council must set upper limits on its exposure to changes in interest rates for at least the next three years. An upper limit must be set for both fixed and variable rates covering both borrowing and investments. Investments are all classed as variable rate exposure as they are all repayable within 365 days.

The purpose of these indicators is to reduce the likelihood of an adverse movement in interest rates or borrowing / investment decisions impacting negatively on the Council's overall financial position.

The Council set an upper limit on its fixed interest rate exposures of its gross outstanding borrowing and an upper limit on its variable interest rate exposures of its gross outstanding borrowing.

This means the Section 151 Officer manages fixed interest rate exposures within the range 50% to 100% and variable interest rate exposures within the range 0% to 50%.

This has not been breached during 2010/11.

Maturity structure of borrowing

The Council set both upper and lower limits with respect to the maturity structure of borrowing. This indicator is designed to be a control over an authority having large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates. Therefore the aim should be a relatively even spread of debt repayment dates.

The Council sets upper and lower limits for the maturity structure of its borrowings as follows:

Amount of projected borrowing that is fixed rate maturing in each period is:

	Upper Limit	Lower Limit
Under 12 months	50%	0
12 months and within 24 months	50%	0
24 months and within 5 years	100%	0
5 years and within 10 years	100%	0
10 years and above	100%	0

Conclusions:

No breaches of the prudential code or indicators took place during 2010/11.

Members are asked to note the outturn for 2010/11 and approve the revisions to the 2011/12 estimates (marked with *).

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Everyman theatre financial support 2011/12 to 2016/17

Proposal agreed by council (February 2010) - £1m loan with interest, £250k grant, add'n property grant in move to full repairing lease and market rent and reduction in grant of £30k over 6 yrs

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
EVERYMAN THEATRE	£	£	£	£	£	£	£	CIG Review
Nature of support								
Community Interest Grant (CIG)	148,800	148,800	148,800	148,800	148,800	148,800	148,800	
Additional grant to cover move to full repairing lease (rephased per request)		60,000				15,000	15,000	To be reviewed
Additional grant to cover insurance liabilities taken on by theatre from the council		3,000	3,000	3,000	3,000	3,000	3,000	To be reviewed
Additional grant to cover move to market rent		53,250	48,250	43,250	38,250	33,250	28,250	To be reviewed
Current additional subsidy paid by CBC								
Maintenance liability	15,000							
Engineering insurance	3,000							
Total annual support	166,800	265,050	200,050	195,050	190,050	200,050	195,050	
Actual rent payable	(14,100)	(72,750)	(72,750)	(72,750)	(72,750)	(72,750)	(72,750)	
Net annual support (cost to CBC)	152,700	192,300	127,300	122,300	117,300	127,300	122,300	
Net impact on level of support on MTFs - reduction in property grant		(5,400)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)

Notes (i) Baseline rebt subsidy £58,650 (72,750 - 14,100)

- (ii) Rent review after 6 yrs then every 5 yrs to coincide with new rateable value, rent review for first 6 yrs offset by add'n grant, after which offsetting grant will be reviewed.
 (iii) Community Interest grant (CIG) review every 3 yrs - assessed against criteria for delivery of CBC outcomes, next review 2014/15.

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