



# CHEL TENHAM

## BOROUGH COUNCIL

### Notice of a meeting of Cabinet

Tuesday, 26 July 2011  
6.00 pm

Municipal Offices, Promenade, Cheltenham, GL50 9SA

Membership	
<b>Councillors:</b>	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 - 6)
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**

- |  |                   |
|--|-------------------|
| <b>5. STRATEGY FOR THE USE OF IMPERIAL AND MONTPELLIER GARDENS</b><br>Agree outline design for both gardens before the tendering process | (Pages 7 - 36)    |
| <b>6. GO PROGRAMME - SHARED SERVICE DELIVERY</b><br>Report of the Cabinet Member Corporate Services                                      | (Pages 37 - 104)  |
| <b>7. BUILT ENVIRONMENT COMMISSIONING - UPDATE ON ANALYSIS AND SCOPE</b><br>Report of the Cabinet Member Built Environment               | (Pages 105 - 122) |
| <b>8. LEISURE AND CULTURE COMMISSIONING STRATEGY</b><br>Report of the Cabinet Member Sport and Culture                                   | (Pages 123 - 198) |
| <b>9. ANNUAL PERFORMANCE REPORT</b><br>Report of the Leader  | (Pages 199 - 210) |
| <b>10. COMMUNITY PRIDE SCHEME 2011 - APPROVAL OF BIDS</b><br>Report of the Leader  | (Pages 211 - 222) |
| <b>11. COMMISSIONING SUPPORT FOR VCS PROVIDERS OF YOUTH ACTIVITIES</b><br>Report of the Cabinet Member Housing and Safety                | (Pages 223 - 232) |
| <b>12. NEW HOMES BONUS - BIDDING CRITERIA FOR ECONOMIC DEVELOPMENT FUND</b><br>Report of the Leader                                      | (Pages 233 - 244) |
| <b>13. PARKING SYSTEMS BUSINESS CASE</b><br>Report of the Cabinet Member Built Environment   | (Pages 245 - 266) |
| <b>14. BATH TERRACE TOILETS</b><br>Report of the Cabinet Member Built Environment  | (Pages 267 - 272) |
| <b>15. STANTON ROOMS CHARLTON KINGS TOILETS</b><br>Report of the Cabinet Member Built Environment  | (Pages 273 - 278) |
| <b>16. MONTPELLIER LODGE - PROPOSED DISPOSAL</b><br>Report of the Cabinet Member Built Environment                                       | (Pages 279 - 290) |
| <b>17. ACCOMMODATION STRATEGY</b><br>Report of the Cabinet Member Corporate Services   | (Pages 291 - 328) |

## **SECTION 6 : BRIEFING SESSION**

- Leader and Cabinet Members

- 18. 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**

### **19. 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 3, 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)

- 20. REGENT ARCADE LEASE RE-GEAR** (Pages 329 - 342)  
Report of the Cabinet Member Built Environment
- 21. A WAIVER REPORT ON THE APPOINTMENT OF A PROJECT MANAGER FOR THE AG&M DEVELOPMENT SCHEME**  
Report of the Cabinet Member Sport and Culture  
THIS ITEM HAS BEEN WITHDRAWN

## **Section 10: BRIEFING NOTES**

The following 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](mailto:democratic.services@cheltenham.gov.uk)





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## Cabinet

**Tuesday, 21st June, 2011  
6.05 - 7.05 pm**

<b>Attendees</b>	
<b>Councillors:</b>	Steve Jordan (Leader of the Council), John Rawson (Cabinet Member Built Environment), Klara Sudbury (Cabinet Member Housing and Safety), John Webster (Cabinet Member Finance and Community Development), Roger Whyborn (Cabinet Member Sustainability) and Colin Hay (Cabinet Member Corporate Services)

## Minutes

**1. APOLOGIES**

Apologies were received from Councillor McKinlay.

**2. DECLARATIONS OF INTEREST**

None declared.

**3. MINUTES OF THE LAST MEETING**

Resolved that the minutes of the meeting of 24 May 2011 be approved as a correct record.

**4. PUBLIC QUESTIONS AND PETITIONS**

None received.

**5. CORPORATE RISK REGISTER**

The Cabinet Member Corporate Services introduced the report which had been circulated with the agenda. The council had acknowledged that members need to be aware of the corporate risks which may impact on the council and the decisions it takes. The risk register had been updated by the Senior Leadership Team at their meeting on 3 May 2011 and set out progress against mitigating actions.

He highlighted that under the current system the risk register reviewed at Cabinet and by the scrutiny committee was often out of date. Therefore he was proposing a new regime which would overcome this. Cabinet Members would continue to review risks in their regular meetings with their relevant directors. The public overview of the risk register would be carried out by the Economy and Business Improvement Overview and Scrutiny Committee (EBI O&S) and any significant comments from that scrutiny would be reported to the next meeting of the Cabinet. It would then be the role of Cabinet to determine if

appropriate actions had been put in place to address the concerns raised by the scrutiny committee. The Cabinet Member intended to highlight the new regime with the council's auditors at the Audit Committee on Wednesday but he was confident they would be satisfied with the new proposals.

He provided the following additional updates on specific risks commented on by the EBI O&S committee and he assured the Cabinet that all the risks identified were now being managed responsibly.

- Risk 1 - At that time there had been huge pressure on payroll resources but since then contingency plans had been put in place to reduce the risk score from 20 to 12.
- Risk 5 – a significant amount of work has already been done to ensure the council has robust business continuity plans for all its services but the team was aware of a weakness in the testing of ICT systems. A major exercise is being planned in the summer to test the recovery of 25 major systems which would include ICT and the service teams and recovery of the GO systems hosted by Cheltenham.
- Risk 9 – the dependence between the waste project and GO had been identified and further work is being done and was addressed in the report for agenda item 11.
- Risk 23 – acknowledged that an 'emerging' car parking strategy was too vague and deadlines for finalising the strategy need to be included. This was now timetabled for a Cabinet report in October.
- Risk 32 – at the time, Gloucestershire airport was in the final stages of completing the deal regarding Blenheim House which was delaying the project. This deal has now been concluded satisfactorily and so work at the airport could now get started. This had reduced the score from 8 to 6.

**Resolved that the Corporate Risk Register as at 3 May 2011 be noted with no further risks identified and the proposals for the new regime were noted.**

### **6. HEALTH AND SAFETY DELIVERY PLAN**

The Cabinet Member Housing and Safety introduced the Health and Safety Service Delivery Plan which was the Council's expression of commitment to the delivery of an improving cost effective and efficient regulatory service.

When Cabinet had reviewed the plan in June 2010 they had requested that in future any changes to the plan were brought to their attention. The Cabinet Member highlighted the formation of the Work Well Gloucestershire project where neighbouring authorities and the Health and Safety Executive worked in partnership. One of the first successes of this project had been to achieve full compliance with the new standards for enforcement of Section 18 of the Health and Safety at Work Act 1974 (HSWA) which became mandatory from 1 April 2011.

Cabinet Members commended officers in their ongoing work to ensure delivery of the plan. In particular the Cabinet Member Corporate Services highlighted the



excellent work they had done in dealing with the asbestos risk during the demolition of the Greyhound.

**Resolved that the Health and Safety Service Delivery Plan for 2011/12 be approved.**

**7. FOOD SAFETY DELIVERY PLAN**

The Cabinet Member Housing and Safety introduced the Food Service Delivery Plan which was the Council's expression of commitment to the delivery of an improving cost effective and efficient regulatory food service. She concluded that it was a good news story for Cheltenham where working with limited resources, officers were providing excellent services to businesses, residents and visitors to Cheltenham.

In response to a question she highlighted that premises categorised as low risk would still be reviewed every three years but providing there had been no significant changes they remained low risk. This categorisation enabled efforts to be concentrated on the higher risk premises.

**Resolved that the Food Safety Delivery Plan for 2011/12 be approved.**

**8. FINANCIAL OUTTURN 2010/11 AND QUARTERLY BUDGET MONITORING TO MAY 2011**

The Cabinet Member for Finance and Community Development introduced the joint report and made the following points :

- The predicted overspend of £801,700 in the budget monitoring report to the end of August 2010 had been converted to an underspend of £174,086 in 2010/11 which was an outstanding achievement by officers across the council.
- £303,200 required Member approval at Council to carry forward requests.
- The proposed solution for the Bath Road toilets was an innovative approach involving local people in the service and satisfying their needs at a reduced cost to the council.
- Indications were that there would be a favourable verdict to the Icelandic Bank situation but this had not been assumed.
- The LAA performance reward grant was enabling a further round of Community Pride awards to the value of £30,000.
- An innovative use of the New Homes Bonus was being proposed to fund small environmental works and a fund to support events in the town. Both of these initiatives would help to attract visitors and trade to the town during the difficult economic climate.
- He supported the recommendations of the Section 151 Officer and considered it was prudent to increase the bad debt provision in view of the changes to the benefit regime.
- Additional proposals for bringing forward the roof repairs at the Everyman Theatre and funding the much-needed toilet refurbishment at the Town Hall were included.
- There had been a drop in income from offstreet parking and garden

waste. Despite the result in the take-up for the new garden waste scheme he still considered that the previous scheme had been unsustainable and it would not have been possible to continue subsidising it. A publicity campaign would now be put in place.

The Cabinet Member Finance and Community Development concluded that careful monitoring of the budget situation throughout the year had provided early warnings of problem areas which could then be addressed. This would continue to be a rolling programme in the current budget climate.

The Cabinet Member Built Environment highlighted the impact that reductions in income from planning fees and car parking had on the budget. There was a public perception that all council services were funded from council tax but in fact the budget was heavily dependent on fees and charges and therefore fluctuations in income led to budget instability. He was pleased to see the emphasis on the invest to save initiatives such as the setting up of a local authority waste company which would deliver long-term savings to the council. He also welcomed the use of the New Homes Bonus and hoped that it would continue over the next four years at least to provide some continuity to the funding.

The Leader acknowledged the outstanding effort from officers in achieving this budget outturn position but also stressed that this had not been without some pain. He was pleased that having lost the funding from the Local Authority Business Growth Incentive Scheme, there were recommendations for the use of the New Homes Bonus which would continue to maintain Cheltenham's position as a festival and events town and support the local economy in the process.

**Resolved that the following recommendations to Council be approved:**

- 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:**
  - £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 a partner as set out in the exempt report to Cabinet on 21<sup>st</sup> 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. Approve 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).

**9. BRIEFING FROM CABINET MEMBERS**

The Leader updated members on a meeting of the joint scrutiny working group he had attended earlier that week where they had reviewed the Gloucestershire Airport Green Policy. Good progress was being made by the airport in meeting the targets in policy although there had been some difficulties in fixing baseline figures. Now that work had commenced on the airport safety project further monitoring could now take place and this would continue to be carried out by overview and scrutiny.

The Leader advised that he had attended the launch of the Local Enterprise Partnership earlier that day with Diane Savory in the chair. He was a member of the Board along with up to eight other members and there had been good attendance at its first meeting.

**10. LOCAL GOVERNMENT ACT 1972 - EXEMPT BUSINESS**

Resolved that in accordance with Section 100A(4) Local Government Act 1972 the public be excluded from the meeting for the remaining items of business 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 3 and 7A, 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**

The Cabinet Member Sustainability introduced the report which had been circulated with the agenda. He explained that the Gloucestershire Authorities have been looking at the case for joint working in waste to understand the value of potential savings and the implications of realising these savings and this was still the vision for the county. This report set out the option to create a Local Authority Company (LAC), wholly owned by Cheltenham Borough Council and another partner but with flexibility to include other partners in the future.

Resolved that:

1. The business case annexed to this report for a Local Authority Company between Cheltenham Borough Council and another partner be approved but with flexibility to include other partners in the future.
2. The services in scope identified in section 3 of the business case in respect of Cheltenham which are not in scope for the other partner (namely public toilet cleaning, grounds maintenance and management and maintenance of cemeteries and crematorium) be regarded as purely indicative at this stage to be tested by a separate commissioning study the result of which will be reported back to Cabinet.
3. The Chief Executive, in consultation with the Cabinet Member Sustainability, the Director of Resources and the Borough Solicitor be authorised to develop the Articles of Association, Shareholder Agreement, Service Level Agreement and all other legal documents to enable the local authority company formation.
4. A further report be submitted to Cabinet in September 2011 for approval of the details of the Local Authority Company and the documentation referred to in 3. above plus any further updates of the issues raised in this report.

**Chairman**

## Cheltenham Borough Council Cabinet – 26 July 2011

### Imperial Gardens Outline Design and Consultation

<b>Accountable member</b>	<b>Cabinet Member Sustainability, Councillor Roger Whyborn</b>
<b>Accountable officer</b>	<b>Assistant Director Operations, Rob Bell</b>
<b>Accountable scrutiny committee</b>	<b>Environment</b>
<b>Ward(s) affected</b>	<b>Lansdown</b>
<b>Key Decision</b>	<b>Yes / No</b>
<b>Executive summary</b>	<p>Following the council's Cabinet meeting of the 15<sup>th</sup> March 2011 outline designs have been drawn up for landscape enhancements to Imperial Gardens. As well as improving the public amenity of the gardens for the people of Cheltenham, the designs are part of a strategy that entail reducing the number of festivals that take place in Imperial Gardens, and in so doing reducing the pressure on it's infrastructure, but at the same time allowing the festivals more space (approximately 2750m<sup>2</sup>) and the use of Montpellier Gardens so that they may grow to meet the increase in popularity. The design proposals have been drawn up and widely publicised. This report and accompanying appendices presents to Cabinet the results of the consultation process and the largely positive feedback that has been received.</p>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li><b>1) That authority be delegated to the Director Operations in consultation with the Cabinet Member, Sustainability and the Council leader, to go forward with a tendering process to undertake the first phase of the proposed works in Imperial Gardens</b></li>   <li><b>2) That tentage designs for Montpellier gardens be restricted to approximately 4700M<sup>2</sup>, (excluding walkways and gazebos) and authority be delegated to the Director Operations in consultation with the Cabinet Member, Sustainability to agree the exact figure.</b></li>   <li><b>3) At the same time, authority be delegated to the Director Operations in consultation with the Cabinet Member, Sustainability and the Council leader to go forward with a tendering process for infrastructure in Montpellier Gardens.</b></li>   <li><b>4) That authority be delegated to the Director Operations in consultation with the Cabinet Member, Sustainability</b></li> </ol>

and the Council leader, to submit the relevant sections of the scheme for planning approval and listed building consent.

- 5) The final decision to go ahead with works in Imperial Gardens and Montpellier Gardens are to be referred back to Cabinet for decision on the 18<sup>th</sup> October 2011 in time for completion of works over the winter 2011/2.

<p><b>Financial implications</b></p>	<p>The 2011/12 budget as approved by Council on 11<sup>th</sup> February 2011 included a one-off revenue budget of £140,000 for Investment in Imperial and Montpellier Gardens to provide improved facilities for hirers, including Cheltenham Festivals.</p> <p>It should be noted that the consultation feedback expressed concern that there may be insufficient funding for the proposed scheme or for the additional future costs of maintaining the gardens in accordance with public expectations (paragraph 2.4 to this report).</p> <p>The final scheme, to be agreed by Cabinet in October 2011 must be delivered within the approved one off revenue budget. exceed the approved one-off budget and the ongoing maintenance of the gardens met from existing annual revenue budgets..</p> <p><b>Contact officer: <a href="mailto:andrew.powers@cheltenham.gov.uk">andrew.powers@cheltenham.gov.uk</a> 01242 264121</b></p>
<p><b>Legal implications</b></p>	<p>The tender exercises mentioned in this report must be carried out in accordance with the Council's Contract Procedure Rules.</p> <p>The Council has powers under Section 145 Local Government Act 1972 to use and/or enclose areas of parks or gardens for the provision of entertainment.</p> <p><b>Contact officer: Donna McFarlane, Solicitor, One Legal <a href="mailto:donna.mcfarlane@tewkesbury.gov.uk">donna.mcfarlane@tewkesbury.gov.uk</a> 01684 272696</b></p>
<p><b>Development Control Implications.</b></p>	<p>Elements of these proposals will require planning permission and listed building consent.</p> <p>The planning application will seek to resolve the uncertain planning situation regarding temporary use of the parks for tented accommodation with a view to resolving this situation from 2012 onwards. Planning has indicated that there will be no issue with the provision of the tents in Montpellier Gardens this year in view of the forth coming planning applications.</p> <p><b>Contact officer: <a href="mailto:robert.lindsey@cheltenham.gov.uk">robert.lindsey@cheltenham.gov.uk</a>, 01242 26416</b></p>

<b>HR implications (including learning and organisational development)</b>	None. <b>Page 9</b>
<b>Key risks</b>	The risk assessment is included as appendix 1
<b>Corporate and community plan Implications</b>	<p>Four outcomes from the Council's Corporate Strategy that are of relevance:</p> <ul style="list-style-type: none"> <li>• Cheltenham has a clean and well-maintained environment</li> <li>• Cheltenham's natural &amp; built environment is enhanced and protected</li> <li>• Create a financially sustainable structure for delivering arts and culture activities.</li> <li>• Arts and culture are used as a means to strengthen communities, strengthen the economy and enhance and protect our environment</li> </ul>
<b>Environmental and climate change implications</b>	<p>The proposed planting arrangement in Imperial Gardens will largely stay the same in terms of seasonal bedding requirements with the use of perennials where possible. Skillicorne Gardens will contain mainly perennial plants that are less resource hungry in terms of compost and water.</p> <p>The re-instatement method advocated will minimise water usage by employing drill seeding techniques in Spring and turfing in Autumn.</p>

## 1. Background

1.1 On the 15<sup>th</sup> March 2011, the Council's Cabinet resolved the following;

- "Option 2 of this report be adopted, subject to a maximum area of tentage of approximately 2750 M2 for Imperial Gardens.
- The Assistant Director (Operations), in consultation with the Cabinet Member Sustainability and the Council Leader, produces an outline design for Imperial Gardens for public consultation which shall take place during Spring 2011.
- Following public consultation and Cabinet agreement, the Assistant Director (Operations), in consultation with the Cabinet Member Sustainability and the Council Leader, undertakes a tendering process for design or design and works in Imperial Gardens.
- At the same time as 3, the Assistant Director (Operations), in consultation with the Cabinet Member Sustainability and the Council Leader, undertakes a tendering process for upgrades to infrastructure in Montpellier Gardens.
- The final decisions to go ahead with works in Imperial Gardens and Montpellier Gardens be referred to Cabinet, in time for completion of works over Winter 2011/2.

1.2 Previously, Imperial Gardens has been the main public park used by the Cheltenham Festivals. Starting from 2012, it is proposed that the Jazz Festival will take place in Montpellier Gardens in May and the Science Festival in Imperial Gardens in June.

Starting in October this year, the Literature Festival will take place in both Gardens.

- 1.3** The Council's Cabinet has allocated £140,000 to undertake landscape improvements to Imperial Gardens for the benefit of park users, and to upgrade it's infrastructure in order to accommodate the increased marquee footprint. This sum also includes modifications to incoming public utility supplies which will be needed in Montpellier Gardens in order to accommodate this, and existing special event usage.

## **2. Imperial Gardens Design and Consultation**

- 2.1** Taking on board the comments of stakeholders and the needs of the Cheltenham Festivals the outline design is focused on the following outcomes:

- Retaining colourful floral bedding.
- Improving Skillicorne Gardens
- Improving the garden bar area.
- Accommodating sustainable forms of planting.
- New water, electricity, and drainage supplies to Montpellier Gardens
- Access improvement to Imperial Gardens

- 2.2** Proposals for the redesign were put out for consultation on week commencing 16<sup>th</sup> May 2011 and ended on Friday the 24<sup>th</sup> June 2011 They were extensively publicised through the local newspaper and radio. Venues for the display included the Regent Arcade, Beechwood Arcade, libraries, neighbourhood resource centres, the Imperial Gardens Garden Bar, Municipal Offices, as well as the Council's web site. Separate meetings have taken place with the Cheltenham Civic Society, Cheltenham in Bloom, the Friends of Imperial Square and Gardens and the Friends of Montpellier Bandstand and Gardens.

- 2.3** In total 223 comments cards have been received the results of which are summarised in Appendix 1, and general comments listed in Appendix 2. Collective responses from The Cheltenham in Bloom Committee are contained in Appendix 3. Members will be updated on any further responses received.

- 2.4** In summary, the feedback received to date indicates good support for the scheme, but with some reservations about the positioning of marquees over flower beds for the duration of the festivals. This may reflect concerns that the subsequent re-instatement will not be adequate or effective enough. There are also concerns about achieving and delivering the scheme within a reasonable timeframe and with the funds available. Further comments raise concerns about providing adequate resources with which to maintain the gardens upon completion of any improvement works.

## **3. Montpellier Gardens**

- 3.1** Discussions on the proposed use of Montpellier Gardens for the Jazz and Literature Festival are ongoing, but a maximum area of approximately 4700m<sup>2</sup> is currently being considered for all structures except temporary gazebos.



- 4.1 If approved by Cabinet, phase 1 of the works will be worked up in detail to enable firm fixed quotations. Planning and listed building consent will be applied for where required with a view to works being undertaken during this coming Autumn and Winter. All of which will be subject to a Cabinet decision on October 18<sup>th</sup> 2011.

<b>Report author</b>	<b>Contact officer:</b> Adam Reynolds – Green Space Development Manager adam.reynolds@cheltenham.gov.uk, 01242 774669
<b>Appendices</b>	Appendix 1 – Risk Assessment Appendix 2 – Summary of comment card returns Appendix 3 – General Comments Appendix 4 – Written response from Cheltenham in Bloom Appendix 5 – Written response from Civic Society Appendix 6 – Written response from Cheltenham Conservation Area Architects Panel
<b>Background information</b>	Environment Scrutiny Committee, 2nd March 2011 -Imperial and Montpellier Gardens Strategy  Cabinet, 15 <sup>th</sup> March 2011- Imperial and Montpellier Gardens Strategy  Council, 27 <sup>th</sup> June 2011 - Imperial Gardens Outline Design and Consultation  EBI Scrutiny Committee, 18 <sup>th</sup> July 2011 - Imperial and Montpellier Gardens Strategy

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## Updated Risk Assessment

## Appendix 1

The risk												
Risk ref.	Risk description	Risk Owner	Date raised	Updated	Original risk score (impact x likelihood)			Managing risk				
					I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	Does not offer the space required by Cheltenham Festivals and they decide to relocate else where.		23/02/2011	06/07/2011	4	3	12	Yes	Identify suitable space else where. Enter into agreement with Cheltenham Festivals for continued commitment to use of both gardens following Council investment.		Cheltenham Festivals Legal	
	Heritage Lottery Fund declare that the council is not allowing appropriate level of public access to Montpelier Gardens and object to proposals		23/02/2011	06/07/2011	1	3	3	No	Legal view is that appropriate level of access will be maintained and to liaise with heritage lottery fund. Heritage Lottery Fund have accepted proposals allow suitable public access, but want to be satisfied that park is adequately protected and re-instated.	April 2011	NW Legal	
	Park users at both gardens may be dissatisfied with the extent of each site from which they excluded during festival times		23/02/2011		4	4	16	Yes	Do not offer any further space in either gardens. Reduce set up and take down duration		RB / AR	
	Increased use of the gardens for festival activities could accelerate wear and tear on the fabric of the gardens. i.e. use of heavy vehicles and machinery on surfaces not designed to accommodate such use.		23/02/2011	06/07/2011	4	4	16	Yes	Festivals invest in regular aeration of ground. Re-instatement clauses in land use agreement enforced. Cheltenham Festivals build these items into their cost plan. Make alterations to hard		RB / AR/ Festivals	





## IMPERIAL GARDENS DESIGN

### COMMENT CARD SUMMARY

PLEASE LET US KNOW IF YOU SUPPORT THE MAIN DESIGN ELEMENTS OUTLINED IN THE ATTACHED DISPLAY.

Total number of ticks received from respondents on each design element.

#### Phase 1

The enhancement of all existing shrub borders with additional perennials, shrubs and roses.

The new design of the floral bedding areas to accommodate temporary festival marquees (re-instating grass and flower beds after both festivals).

Planting of new trees.

Creation of attractive paved seating area to front of garden bar.

Refurbishment of Skillicorne Garden.

#### Future Phases

Refurbishment of existing raised garden bar steps, paving and planters.

Extension of decorative buff coloured bonded gravel surfacing to the remaining macadam paths.

Reintroduction of the heritage railings (not gates) around the perimeter of the gardens.

Widening and strengthening of Eastern entrance and grass reinforcement to improve vehicle access and reduce setting up and taking down time.

	Like	Don't like
	182	31
	144	71
	178	39
	176	36
	173	38
	176	34
	171	42
	147	64
	166	47

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## General Comments from Respondents to Imperial Gardens Redesign Consultation

- As a compromise these plans could be a lot worse but damage caused by people and tents will not be avoidable Cheltenham is losing a valuable tourist attraction and place of peace and comfort for its own residents. It would have been better as it used to be.
- Railings - desirable but very expensive would need some form of sponsorship or grant - widening entrance - Remember Planning Permission I think the redesigning of the gardens to accommodate marquees is a complete waste of our money. The gardens which should be at their best May & June will be a sea of tents. Why cannot the festivals be at the Race Course? They have the room and parking space etc. and it is near enough to town for the general public to travel too. What is ornamental turf?. Artificial. The grass seed won't regenerate for ages and the whole gardens will look a mess for most of the summer. Any money should be spent on having the present flower beds looking lovely for all of the summer. I would be interested in Bob Shackell's view.
- Seems a good compromise
- Railings - removable sections for events
- Railings - Definitely agree long overdue!
- I understand their influence on tourism in Cheltenham. Railings will be in keeping with Montpellier Gardens (a welcomed long awaited return Thank You. The attraction to the Festivals is continuously increasing any improvements horticultural will take a year or two to bed in but the hard continuous work do the landscape Services is outstanding. I expect an increase in sales at the Gardens Bar with these improvements with increased interest. Good luck for the future.
- Planting - really good - Refurbishment - yes underused - railings - not sure
- This plan if implemented will really enhance the gardens and improve the whole area in the vicinity I hope it will go ahead.
- Please bring resurfacing forward of paths as they are disgrace at the moment and a hazard
- The new beds for annuals are too narrow to give an attractive display.
- Not sure about the new design of floral bedding area. It will always be in a state of repair after the last festival/event. Also I am sure when people queue for the marquees some of the beds will be trampled and used as dustbins. Can't more use be made of Montpellier and leave this area alone. The bedding areas in Imperial Gardens are famous and do attract visitors to Cheltenham.
- Would like widening of eastern entrance included in phase 1 also inc. minor earthwork.
- The beds could be replaceable beds bought in on low loaders and craned into place. This would also allow the plants to be planted at the nursery bed bought in flower perfect.
- Do not like suggested replacement building for Sillicorne Gardens
- Please be aware of the need for disabled access around the gardens
- Disabled access from west side parking areas replacing steps

- Toilets need to improve lots!
- It would be super to be able to afford all the overleaf suggestions but cost is surely the deciding factor
- As long as the beds are re-instated. Trees - will they be nature trees or saplings, how quick will they grow?
- Please replant missing trees on the Broad walk
- Bully advertisers to put flowers on the roundabouts
- Open up skillicorne gardens
- As long as the trees are not too big
- More water features
- Replacing railings would be great
- Marquees raised floor to help grass re growth. Railings great idea. More shrubs not flowers beds that cost time & money to upkeep, giving colour & evergreens all year. Teenager proof shrubs.
- Trees - selection of type vital (life of tree size) consider planting style appropriate to period could be useful (18th/) Vermicular access @ East entrance
- At this point in time - money should be used for street cleaning in autumn (of leaves) pavements made safe.
- Perhaps thought can be given to "Sastro Turf" instead of reseeding
- What about an Art festival
- Great - fruit trees could be planted to be sold or given to people
- What about an art festival
- A great improvement on the current system of bald patches after festival events. Also Garden Bar could be re developed as a more family friendly outlet.
- Clarence Sq & Wellington Sq require up grading
- Personally I do not think that Roses are at all suitable for these gardens unless the Rose Rugova is used as a hedging plant. Perennials & shrubs will need to be carefully chosen. There are gaps on the Southern bank due to vandalism. If replanting and new planting is going to be made then the absence of MAINTENANCE will need to be rectified. There is absolutely NO POINT in replanting if the plants are then ignored as those that have been ignored - e.g. the plants paid for by the Horticultural Society on the Southern bank. 2. Trees should, in my opinion, not have a heavy canopy, or should be fastigiated, in form.
- I strongly disagree with the temporary marquees being erected over the flower beds. I can not see how this would work with the number of festivals being held and would mean that for a large percentage of time this area would look neglected and drab.
- Re public bar am concerned that vandalism will occur constantly from drunken youths as one used to happen with a bar (tented) facing the prom.
- I would like to see more flowerbeds on the grassed areas in the south east corner and on the eastern side. If the flowerbeds can be built over for the festivals, this



should be feasible and would improve the overall colour content as well as being spread over all the gardens in a uniformed way.

- I think trees are a big mistake in Imperial Gardens. All is well while they are small but when they grow they create shade & people like to take the sun in the gardens. They also need maintenance & create work if they shed their leaves. I prefer NO TREES, in addition to what is there currently. 3. I hope that the most important factor will be that of COLOUR I hope that the tradition of formal flower beds will continue. I do not want any extra shrubs roses etc. i.e. perennials in the flower bed areas. 4. I am delighted that there will be two new benches facing south. 5. Congratulations and thanks on trying to find a solution for all.
- We fully support the move of the Jazz Festival elsewhere, as this will take pressure off the flower beds and lawns. This will allow recovery between other festivals especially in the spring.
- Please could the plan include additional flowerbeds (covered over if necessary during festivals) on the south east side of the gardens. This would add considerably to the floral colour in the gardens and restore them to their appearance of a few years ago.
- We welcome the restoration and access to Skillicorne Gardens as part of the bar facility, but this should be closed to drinkers after 8.00 pm.
- The extension of decorative buff coloured bonded gravel paths should be part of Phase 1 some of the existing paths are a mess & restored with the wrong materials (colours etc.)
- The real key to the success of these proposals, is the punctual erection & take down of marquees & prompt restoration of flower beds & lawns to a high standard, after events
- The existing shrubs border above dry stone wall is too narrow and too dry.
- Grass will regroup for the 1st year or two but then the ground will become compacted & hard, sometimes boggy!
- Planting new trees should be very small or will change this from a square into woodland. We should be able to see across the square from the side roads - change ambience & historical appearance. Gravel agree if existing paths. Skillicorne Gardens - good to use this charming little area & to be lock it at night. Festival Tents - Should be at east end of square (gardens) nearest to Town Hall. Plus little ones for advertising on the wide pavement area below the trees at the side of the Promenade. Tented village appearance at EAST PART could have one hard standing, less grass, maybe no flowerbeds here. Grass at NW corner - should be re-instated after soil drainage work/sand underneath or whatever. Plus some flower beds? To enhance appearance of bar area behind & make it look lovely place to sit. Fountain area would look much nicer with this surrounding.
- Would like to see an assessment of wildlife around whole area. To find out how to improve habitat and what the impact of marquees has on wild life. Good to know marquees will not be on gardens for so long each year.
- Agree to all only if maintain regularly
- Agree with new trees but dependent type of trees
- I think the introduction of more permanent bedding would enhance the gardens. Personally I am not great fan of bedding plants
- Better signage for the toilets

- NB 3rd Para introduction does not make it plain that the £140K is to spend on all the work to Imperial and Montpellier Gardens.
- We have no money for this! Spend my money on Libraries not plants
- This is a complete waste of money at a time when budget cuts are being made at the expense of current staff. Far too much money has already been wasted on restoring the gates at Pittville as well.
- No money
- Where will money come from?
- Don't agree with spending money when we're supposed to be cutting back! If there's "spare" money what about helping communities take over the libraries (i.e. Hesters Way) as for the marquee things people should fund their own marquees and also they should have to pay for any re-instatement of grass etc.
- As the gardens are an integral part of Cheltenham attraction, I see no reason to erect temporary buildings to the detriment of said gardens.
- Railings - Not sure
- Why when you are so short of Money! Sheer Madness
- No more expenditure
- Trees - variety to include oak English
- The Festivals should not take over the Gardens, leave the floral beds as they are. Injecting money into these gardens is needed, and agree with your outline plans for improvement.
- Why do you allow cars on grassed areas within the gardens when festival is on? Security cars/sponsor cars seem to be on grass areas which surely cannot be right, This was viewed on Monday 6<sup>th</sup> June, more damage to grass area could appear, adding even more problems other than marquees make!
- I reluctantly support the compromise that seems to have been achieved by these plans to support The festival to grow and to keep the Gardens for the public to enjoy. My main concern is when the marquees come down I hope that there will be no damage to the new corner half moon floral beds, the marquees look pretty close to these flowers. There must be a guarantee that reinstatement of any damage to plants and grass is adhered to with immediate effect, otherwise it will look an utter mess for us rate payers of the town and visitors!
- It all sounds 'too good to be true' can it all be achieved with the money that has been set aside for this? What happens if you run out of funds? Continuing maintenance is almost more important than the original work and to this end, it is vital that more permanent and experienced gardeners are employed by CBC. This is a huge job, but the rest of this Cheltenham's open spaces must not suffer whilst this is being developed. It will be a shame if smaller events are 'bullied out' because C.F. have taken up the permitted 75 days themselves. It will be a credit to all if it is successful.
- These designs appear to be a compromise which will allow the festivals to expand and thrive. It is good that Cheltenham Borough Council supports the Festivals and wishes their business to grow. It is great pity that this may be to the detriment of these well known and well used public gardens. I have grave reservations that the ground/grassed areas which will be covered up for temporary marquees will not be reinstated in time for the general public to admire as we have all been accustomed to in the past after the festivals have moved off. If the grass has huge yellow and brown patches all over the place along with any damage to floral beds and indeed floral

beds that have to be planted up, what will this look like for our visitors to the town and park users? I fear that Cheltenham Town will not be in a good position to showcase this area in any future 'Bloom Campaign' as one of our 'jewel's in the Crown' in the months of June and July, I appreciate that 2012 will be a challenging time for gardeners to reinstate areas where marquees have been placed, I hope that I will be able to retract my concerns. When all the bedding plants, shrubs and trees has been planted, can CBC guarantee that you will have sufficient workforce to maintain Imperial Gardens to the standard that we have all come to expect and enjoy, please do not let the standard of our parks and gardens decline through lack of reinstating staff that have retired or left for other reasons, we need to employ experienced gardeners to maintain the towns floral image for the residents and visitors alike. With all the utilities that appear to be needed in Montpellier Gardens to accommodate the festivals in the future, this surely will make a large hole in the budget allocated for both these gardens makeover, what happens if you run out of funds before you get to complete the much needed cosmetics within Imperial gardens?

YOU HAVE DISPLAYED AND SOLD THESE DESIGNS ON VIEW TO THE GENERSL PUBLIC, THEY THINK THAT THIS IS WHAT WILL BE ACHIEVABLE WITH THE PRICE TAG THAT HASD BEEN SET IN THIS YEARS BEDGET, WAS IT EXPLAINED TO THE PUBLIC WHAT MAY HAPPEN IF AN OVERSPEND HAPPENS BEFORE ALL PHASES OF THE PLANS ARE COMPELTED? WOULD IMPERIAL GARDENS HAVE TO PUT UP WITH THE DIABLICIAL PATCHING OF TRAMAC IN THE PATHWAYS, SIMILAR AS TO THE WORK UNDETKEN THIS YEAR?

Directors and Cabinet please note, you should allow emergency work in the footpaths to be made to a decent standard, you efforts this year were a disgrace, no officers at fault here, only the accountable folk who hold the purse strings. Do you have a written guarantee from The Festivals that any damage to grounds, hard surface and grassed areas will be fully covered by them. Why not take a 'Bond@ similar as you have done so in the past from Danter's Fun Fair etc for any damage that the Festivals may incur upfront, this rule should apply to all large event users. Enough said.

- How soon after the marquees are down will gardens beds in re-instated. If most of the marquees are to be at Montpellier why widen entrances.
- Suggest that 'Flowering trees' are to be planted. Please use lots of imagination in choosing which species-please avoid more flowering cherries and seek out some really interesting species: not necessarily 'flowering'.
- I am not sure how you are going to manage the replanting of the flower beds once the marquees have been removed. From a tourist's prospective if you time your visit badly the gardens will not look as attractive. I am not sure why there is a need to cover the beautiful flower beds when there is plenty of space just around the corner at Montpellier Gardens.
- From the drawings I have seen too much space has been given over to the festivals and in a manner that will ruin any existing flower beds. The Festivals should be held at Cheltenham Racecourse and the gardens retained as all year gardens. I am wholly and vehemently opposed to this scheme!!
- I think in those times of cost cutting – CBC need to provide more information on the proposal before asking for comments. Apart from the capital costs of the work, what are the ongoing costs of maintaining the enhanced gardens in a good condition? A recent visit to imperial Gardens demonstrated how this is sometimes not the case. The Gustav Holst water feature was fifthly and full of rubbish. Also, look at the gardens in Sandford Park. The borders are full of dead flowers and clearly not being maintained. How can you commit these resources to this project when you cannot look after your existing ones. What are the projected revenues for the town as a result of this work? Will there be any pay-back as a result of it being completed. This is a lot of money – there are hundreds of other projects in the town that could benefit from this.
- Please make the replanting of the shrub beds interesting – and please ensure there is a regular maintenance plan throughout the year (witness the many planted shrub beds in park's and verges in the town which have been neglected in recent years).

Please try to retain the best elements of the floral bedding as it is something you do very well.

- Stop 'chavs' gathering on their bikes and riding through the planting to impress their mates and girlfriends!
- Like the tress – but be careful over the correct species choice – not too ornamental please and correct scale is so important. Can Skillicorne gardens be opened up regularly through the main visitor season and made more interesting? Possibly through assistance from volunteers or through support from the Festivals? Go and look at Stratford upon Avon and the Bancroft Gardens as an example of how not to improve an important town centre garden!
- Public access to the park and bar from all areas should not be restricted by railings. The lack of enclosures creates access, freedom and openness which would be lost with railings. The park and bar should remain clear. Let clutter remain in the demise of highways not in parks.
- No railings give impression of excluding.
- I really resent the encroachment of so many tents! I'm a festival goer but think it's got to big and busy. FAR too many marquees ENOUGH enough!
- Refurbishment of Skillicorne Gardens – but not the fussy paving – leave it to the plants for interest.
- Would like to see shrubs. However more in keeping with Regency style. Victorian beds look so out of keeping with Regency Cheltenham. Colour schemes too strong and not harmonious. Softer colours and more emphasis on Regency style.
- I haven't, alas, time to consider the plan fully, but 2 minutes personally finds that the proposed paving for Skillicorne Gardens (existing) is glaringly multi-coloured adjacent to the stone colour paving for the Gardens submission. It surely would be best to have a continuity of paving colour, regardless of stone/paver scale. Furthermore, entrance to the gardens shows the ground plane surrounded by borders against the mellow, gold stone of the Town Hall façade. This cries out for the vertical and horizontal plans to be in unity!
- Not all that into parks but this is a really weak survey with rather leading questions (who would say 'no' to more plants in a park) if you can't do this right what chance does Imperial have! Get an expert in!
- Please roll out gorgeous mixed borders all over the park, along top wall and round quadrangle where there is already an apology for a border, get some actual decent plants in there.
- This is impractical, unsightly and the bed layout will not have the current visual impact.
- Don't fill up the space with too many trees (or tents for that matter) keep it open, that's the charm of a square the openness surrounded by buildings.
- A waste of time it's a home for drop-outs and even a few rose bushes won't keep them out. Open the area up – a secluded area in a public park will never work.
- Lovely idea so does some work in the beautiful Imperial gardens but it seems to be less of a garden now and the place only in favour of festival growth. The gardening aspect should be at the core of the new plans.
- New design of the floral beds – cannot see how this will work!
- Skillicorne gardens – Why bother for the tramps!

- Could we not have paths across the park from corner to corner, this is where we really want to walk. Esp. do not want marquees blocking the ways across. There is no denying the festivals are taking over our park. Is this truly the best solution or not? Are you trying to make a nice park or a cheap festival?
- The new design of the floral bedding- too much work & mess
- Yes to planting of perennials/cottage garden style – less work, better for wildlife.
- Enhance shrub borders? The shrubberies up there are pretty poor rip them out and start again. Keep the flower beds because they look gorgeous and it needs a lot of them to give the same impression not a measly few here and there.
- Railings would be an unnecessary expense.
- Cost!!!

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### **Comments of the Cheltenham in Bloom Committee**

Cheltenham in Bloom committee would like the following comments to be noted by whom it may concern with regard to Imperial Gardens Design recently displayed for consultation.

We support the compromise although several members do have reservations

To ensure that The Festival Board/Management adheres to the number of days it has allocated to it for the use of the Gardens, Montpellier and Imperial and do not overrun at the expense of other events, which may exclude them or offer less days.

There should be a guarantee in place from The Festivals that reinstatement is in good time for further use of the Gardens, perhaps using an independent body or organisation to judge the before and after conditions of the gardens other than officers from the council.

That the promised improvements and redesign of Imperial Gardens are fully funded for all phases of this scheme, otherwise it may never be achieved! What happens if there is an overspend on the first phase of the project, will there be a guarantee that money will be ring fenced/found to complete designs that have been displayed to public if approved?

If all the main design elements outlined in the display are accepted and achieved, will there be ongoing resources for the maintenance of these gardens. If these plans come to fruition they would need regular maintenance to be an acceptable standard for all to view.

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## **Response of Cheltenham Civic Society to the Imperial Gardens Redesign Consultation**

### **1. Introduction**

Thank you for the opportunity to comment on the proposed redesign for Imperial Gardens and the new arrangements for Cheltenham Festivals use of Imperial and Montpellier gardens.

We commend the efforts of Fiona Wild to bring the concerns about Imperial Gardens to the fore through her petition and the positive response of Cheltenham Borough Council and Cheltenham Festivals to this initiative to find a way forward.

Whilst in general we welcome the outcome of this exercise we do have a number of reservations about the re design. We have suggested changes which we believe will more closely meet the desires of residents and visitors without compromising the Festivals use.

### **2. Our Aims**

Imperial Gardens and Cheltenham Festivals at the heart of our town are key attractions to both residents and visitors to the town and important to the future economy of the town. Our objectives are to reverse the decline in the quality of the Gardens, in order that they should continue to be enjoyed by all and that the Gardens and the Festivals should be able to bloom and blossom in the centre of Cheltenham in harmony.

### **3. Festival within a Garden**

We do welcome the concept of the “Festivals in the Gardens” provided that the Council and the Festivals work closely together to ensure that the “Garden” component is respected as important.

The provision of an attractively paved area in front of the Garden Bar is very welcome and we hope that it will be used during the Festivals. We hope that the passage way between the Town Hall and the Quadrangle to the Gardens will at long last receive the upgrading and tidying up that we have campaigned for. The addition of flowering trees within the gardens will add structure and bring new colour to the Gardens.

### **4. Reservations**

#### **a. Time of occupation in Imperial Gardens and Montpellier Gardens**

We are concerned about the number of days occupied by the Festivals, particularly for the erection and removal of tents and marquees. We welcome the reduction in the number of days over the season and trust that the Festivals will seek ways of reducing this further. As Montpellier Gardens do host other events, we would suggest that the Council need to set a maximum number of days of use



for each of the 2 gardens and reduce any overlap between the 2 gardens occupation as a reassurance to the residents of Cheltenham that they have places to enjoy and be proud of throughout the year.

**b. Recovery Risk for areas covered by Marquees**

We welcome the proposals to pre-prepare the grass and replant beds covered by the marquees although we do recognise that quick recovery of the Gardens after the Festivals is still a high risk, and particularly that expectations may not be met.

**c. Damage to grass in the event of bad weather**

We are concerned about the possible damage to the grass in the event of wet weather at the time of a festival and suggest that all walkways over grass will need to be protected. (We have noted that tents and marquees cannot always be aligned with the surface paths in the Gardens, resulting in the walkways being a mixture of surfaced path and grass.)

**d. Skillicorne Garden**

The reopening of Skillicorne Garden will be a relatively costly item in the proposal and will only be of benefit to users of the Garden Bar. The lily pool will present a health and safety problem in its current form. We believe that the removal of these gardens is a better alternative which would bring greater benefit.

**5. Suggested Improvements**

**a. Open up the back of the Town Hall by removing Skillicorne Garden**

The removal of Skillicorne Garden could open up the back of the Town Hall to provide a new space, suitably hard landscaped, to form an attractive open seating area for the Garden Bar and in the time of festivals form a base for one of the large marquees. It would also allow the other tents to be aligned with the current surfaced paths. We would also suggest that it would make a more attractive entrance to the Town Hall from the Gardens and an area for temporary use by the Town Hall and thereby increasing the flexibility and income to the Town Hall.

**b. Permanent flower bed in the West, Festivals in the East**

The premise of the proposed arrangements for the Festivals is that the gardens will recover quickly after the Festivals. We suggest that by removing Skillicorne Gardens to provide a new space at the back of the Town Hall, that the same amount of tentage could be achieved in the eastern half of the gardens allowing the western half to remain throughout the year for floral beds and providing colour along the Promenade side to be appreciated by a much larger audience than a restored Skillicorne Garden and truly give the impression of a Festival within a Garden. A possible arrangement for the Festival is attached as an example. (See Appendix 1 below)



**c. Remove Round Municipal Flower Bed**

The round municipal bed is no longer planted as it was intended in the 1950s. We suggest that it is removed and the space released.

**6. A Garden for the 21<sup>st</sup> Century**

**a. A New Design for the Gardens**

To get the best out of this valuable space at the centre of the town, we feel that it would be extremely worthwhile to involve an independent respected landscape architect in redesigning the gardens to provide an attractive space, to open up the Town Hall to the gardens, to meet the expanding needs of “festivals”, to incorporate future reinstatement of railings, to possibly merge the Promenade into the Gardens and, most importantly, to enable the Gardens to shine again as gardens we are all proud of in this 21<sup>st</sup> Century. To this end, we the Cheltenham Civic Society are prepared to make a financial contribution towards this design exercise.

**b. A Parks and Gardens Leader**

Gardens are, like people, living entities that need to be nurtured and developed. It is the vision and creativity of people that make the difference. Cheltenham is renowned for its parks and gardens and we would assert that this is part of the attractiveness of Cheltenham to its highly skilled and creative workforce and hence important to the future prosperity of the town. We suggest that serious consideration should be given to how the necessary leadership and vision can be achieved for the future of our parks and gardens, as it has been achieved so successfully for the Festivals.

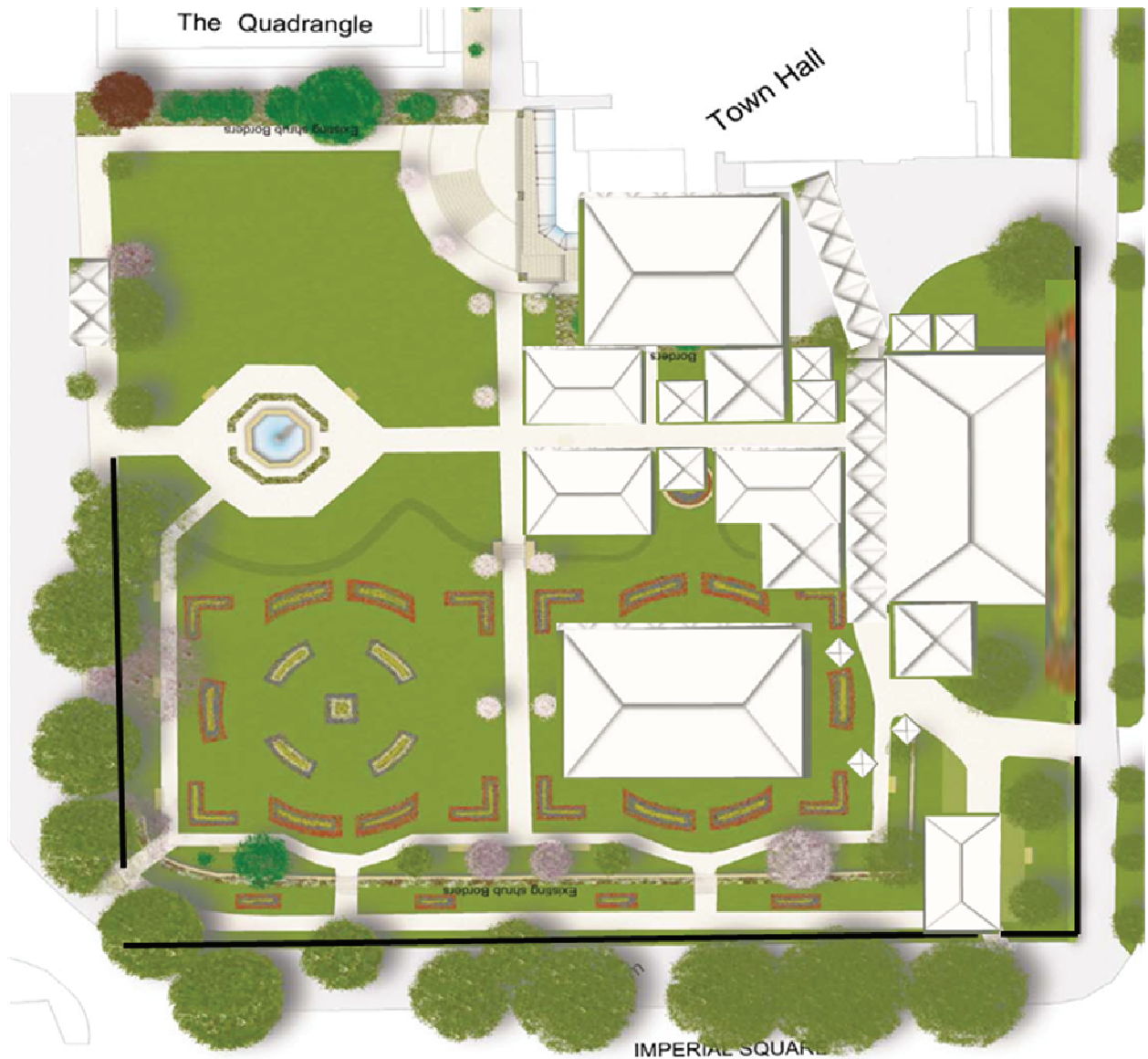
**7. The Festival Contribution**

We hope that the Festivals will do their bit in the Gardens to reflect this essence of Cheltenham by seeking to improve the appearance of the marquees and tents. As examples, we suggest a “Festivals in Bloom” competition, or sponsorship for floral displays in the Gardens, the involvement of students from the University, or even an architectural pavilion, tented or otherwise, for the Festival season.

Stephen Clarke  
Chairman, Cheltenham Civic Society  
June 2011



**Appendix 1: Example of alternative arrangements for Festivals if Skillicorne Gardens removed.**



- Assumes Skillicorne Gardens and round municipal bed removed.
- Rear of Town Hall opened up to the Gardens.
- Permanent floral beds in south west area
- Festival tentage restricted to eastern area of Gardens
- Garden Bar open to Promenade
- Black line marks railings plinths.

**Response from Cheltenham Conservation Area Architects Panel****GEORGE A. J. MATHERS** A.R.I.B.A., CHARTERED ARCHITECTPARK HOUSE, Thirlestaine Road, Cheltenham GL53-7AS  
Tel (01242) 515771 Fax: (01242) 227496 Email: mathers@parkhouse65.freeserve.co.uk24<sup>th</sup> June 2011**NOTES ON IMPERIAL GARDENS**

The gardens are an important feature in the town, containing established trees, fountain and statue feature, a garden layout which is unimaginative and is broken up with beds in a formal geometrical arrangement leaving little opportunity for 'recreation' for the young or community sitting space.

Three sides are against major residential and traffic roads, and that onto the Queens Hotel is permanently lined with car parking from residential and nearby office employment.

The rear of the Town Hall has no presence as an important access into the building discharging onto a car park as a 'back door' to the building and adjoining an oddly located enclosed Skillicorn Garden which is generally inaccessible to the public.

The town has become noted for its support of cultural, social and technical festivals and events throughout the year and whilst the gardens are accepted as a treasured asset to the town it must also be accepted that the Town Hall has become inadequate to accommodate certain of the festival displays and activities and the use of some portions of the gardens for overflow accommodation is reasonable if this can be provided without interfering basically with the amenity which the gardens provide.

The proposals now being considered address only the location of tentage sporadically arranged across the existing garden pattern and providing no coherent and permanent resolution to the problem presented. The multiplicity of large and small tents proposed and the wear and tear to the gardens caused by erection and demolition of the units would be disastrous and rather than attempt to provide the accommodation by proposing dual use of what is already there, the problem should be resolved permanently by comprehensively redesigning the whole area for such dual use planned by a competent designer, since to deal with the problem correctly alterations needed to the rear access to the Town Hall as well as the re-landscaping of the gardens. The comment card questions are irrelevant to nay new and necessary approach to the dual use of the gardens as set out above.

As a brief for the project the following is proposed:-

1. The features of the garden to be maintained would include all the major trees on the perimeter of the area, the fountain and statue.
2. The rear of the Town Hall to be improved to provide adequate and pleasant public access from the Town Hall into the gardens and vice-versa and to upgrade the immediately adjoining area to a presentable condition.

**Response from Cheltenham Conservation Area Architects Panel**

3. The Skillicorn Garden is badly sited and in view of its proposed re-planning an alternative location within the gardens better integrated with the overall design should be found.
4. The proposed marquee space should be confined to a single area which would be prepared with a permanent hard surface integrated as a sitting and play terrace or piazza attached to the rear approach to the Town Hall with a separate permanent built kiosk to provide refreshments. The gardens should be remodelled in a less formal style with a combination of hard, grass and garden surface providing recreation space more appropriate to current society. The present existing geometrical formality is meaningless and unrelated in any way to the Town Hall or any other feature surrounding the area.
5. There is no doubt a fear that creating hard surface in replacement of garden space is retrograde but this must be more acceptable than the proposal that the gardens proper should be covered presumably with temporary flooring over the existing flower beds to provide a base for temporary tenting. The array of marquees and tents shown on the drawing have no pattern or reason and visually could be disastrously unattractive. The gardens re-planned with a substantial area of carefully chosen quality paving as a permanent base for a large marquee to meet the requirements of the festivals would not only provide good recreational space when not in use for a festival but would allow a more imaginative landscaping for the remainder of the gardens. These could be designed with the fountain and sculpture and new entrance to the Town Hall as focal points.
6. The success of the scheme will depend much on the use of quality materials, particularly in the paved areas and the fixed furniture employed. The use of gravel for paths, however well bonded, is not appropriate.

George Mathers A.R.I.B.A

**Response from Cheltenham Conservation Area Architects Panel****Imperial Gardens**

I am a practicing Chartered Landscape Architect with in excess of twenty years professional design and landscape appraisal experience. I have been asked to provide comments on proposals to develop Imperial Gardens as a festival park based on drawing reference 'IMPERIAL GARDENS REDESIGN' prepared by Cheltenham Borough Council dated May 2011.

The proposals plan prepared by the Council is assumed to be illustrative only and show the total area of temporary festival structures required for festival use from 2012. The illustrative plan shows clearly the proposed areas of use amongst both permanent layout of paths and planting beds as well as the position of planting beds which would be covered over during festival periods. The plans do not give any indication of supplementary facilities such as service/VIP vehicle parking, mobile toilets, waste management facilities or security/control barriers which might also be expected to be required during active festival periods. It would have been useful to have a better understanding of where these facilities would be accommodated within the present proposals.

Imperial Gardens is one of only two limited areas of park, along with Montpellier Gardens which provide public accessible open space within the centre of Cheltenham. Both parks have been long established and are an intrinsic part of the historic fabric of central Cheltenham. Both parks provide open space contained by established trees and buildings (both old and new) which were designed to look onto the open space. This long established relationship between building facades and the parks is a significant feature of the historic urban centre and a critical element of the urban character for which Cheltenham is famous throughout the world.

From personal observation over many years the parks are widely used by a broad spectrum of the local population throughout the year but in particular during the period April to October. Montpellier Gardens has developed as a simple park which now provides space for active recreation including ball games, cycling/skating/skateboards and dog walking. Imperial Gardens has retained the flora displays and as such provides smaller scale spaces for more passive recreational activities. The close proximity of Imperial Gardens to the very centre of the town also encourages the park to be used simply for resting during visits to the town for other intended purposes or by local workers for taking breaks. This strategic position within the town has created a dynamic pattern of use which changes throughout the day and sees shoppers, office/shop workers and local teenagers gather to use the same park spaces at different times and for their own specific requirements.

The overview of the historic importance, distinctive landscape character and present use of Imperial Gardens by a broad spectrum of the public has been used as a baseline from which impacts of changes can be considered. The present proposals put forward by Cheltenham Borough Council have been viewed both in the light of this baseline and also

**Response from Cheltenham Conservation Area Architects Panel**

being mindful of the importance and success of the festivals for promoting the town and the associated commercial and resource value to local businesses and residents.

**Observations**

1. **Loss of public open space** - the present proposals would result in a significant loss of public open space through the replacement of open lawn with tented structures. Whilst this loss is temporary and understood to be limited to 75 days a year, the period of recover for the lawns could add a further 21 days after each festival before sufficiently attractive or hardwearing to be used for leisure purposes by the general public. This represents a significant period of being out of use to the general public during the well used periods of early and late summer. In addition this period also corresponds with potential periods when tourists are present in larger numbers.
2. **Loss of landscape openness and historic setting** – the temporary loss of visual openness will have a corresponding impact on the landscape character of the park. As the park contributes significantly to the setting of the historic buildings then there will be an impact on way these buildings are seen. Whilst this is only temporary it corresponds with potentially important periods when visitors and tourist to the town will be present. There is also potential for significant detrimental impact on key views from the Promenade to the Queens Hotel . The historic setting of the Queens Hotel and immediately adjoining historic buildings on the Promenade will temporarily lost and the open park seen under mature tree canopy will be seen to be lost to tented enclosure.
3. **Permanent damage to ground and unsustainable approach to design** – the loss of up to 75 day of sunlight, loss of air movement and rainwater percolation will have a detrimental impact on the lawn sward beneath tented structures and walkway coverings. This will be compounded by localised compaction of the soil at entrance points and feature points within and around tented structures. At the very least this will temporarily damage the grass sward requiring a period of recover up to 3 or 4 weeks during the growing season and more if the recover period commences during late October. Compounded over several years this is likely to create an increasingly poor and weak turf unless substantial and expensive maintenance operations are undertaken after each festival event. The areas of damage are likely to extend well beyond the area covered by tented structures and covered walkways and into the narrow areas in which people will be 'squeezed' around such structures. The combination of excessive wear and tear and poorer recover periods would require regular decompaction and returfing and as such does not promote a good approach to sustainable design. The permanent display borders which would not be temporarily covered by structures would be potentially subject to damage by excessive shading from tented structures on northern aspects as well as potentially high levels of rainwater from run off from tented structures. It is interesting to note that the areas presently used for tented



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structures are also the areas which suffer from compaction and associated poor drainage and grass growth. These areas are shown without any permanent or temporary flower beds within the present proposals.

4. **Operational difficulties** – the illustrative proposals indicate a very fragmented layout to the festival structures in order to avoid conflict with permanent park beds and features. This appears to raise potential problems from excessive guying and fixing requirements as well as security and crowd direction measures. Large vehicle access for set up and dismantling appears difficult and awkward along with servicing of these tented structures during event periods. The layout of tented structures does not appear practical with the permanent flower beds as shown in the present proposals.
5. **Limited scope for future expansion** – the potentially difficult operational conflicts that are likely to arise from the festival structures, operational use and the permanent park features suggests that the present proposals allow little scope for future expansion. Even if there are no present plans to continue to develop the festivals it would appear short sighted to not have scope for some future expansion if only for a single special festival event.

Paul Harris CMLI

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## Cheltenham Borough Council

**Cabinet – 26<sup>th</sup> July 2011**

### GO Shared Services

<b>Accountable member</b>	<b>Cabinet Member for Corporate Services, Colin Hay</b>
<b>Accountable officer</b>	<b>Director of Resources, Mark Sheldon</b>
<b>Accountable scrutiny committee</b>	<b>Economy and Business Improvement O&amp;S</b>
<b>Ward(s) affected</b>	<b>None</b>
<b>Key Decision</b>	<b>Yes</b>
<b>Executive summary</b>	This report outlines the proposals from the GO Programme Board for the arrangements for shared service delivery for Finance, Procurement, Human Resources, and Payroll services.
<b>Recommendations</b>	<p>Cabinet is requested to:</p> <ul style="list-style-type: none"> <li>a) Approve the revised GO Shared Services business case and appendices which reflect the provision of advisory and transactional services that will be delivered from GO Shared Services and which are expected to deliver an annual saving of £285k to Cheltenham Borough Council from 1 April 2013.</li> <li>b) Delegate to Cotswold District Council (CDC) its Finance, Procurement, HR and Payroll services (including the transfer of staff under TUPE) as set out in this report in accordance with s101 Local Government Act 1972 and s19 and s20 Local Government Act 2000.</li> <li>c) Delegate authority to the s151 Officer in consultation with the relevant Executive Director and Cabinet Member for Corporate Services to enter into the following agreements on terms approved by the Borough Solicitor, subject to all GO partner councils entering into similar relevant agreements at the same juncture: <ul style="list-style-type: none"> <li>(i) Revised GO Programme collaboration agreement</li> <li>(ii) Agreement under s101 Local Government Act 1972 and s19 and s20 Local Government Act 2000 with Cotswold District Council (CDC) in respect of Finance, Procurement, HR and Payroll services as set out in this report.</li> </ul> </li> <li>d) Nominate the Cabinet Member for Corporate Services as the elected member representative to the GO Shared Services Joint Monitoring and Liaison Group (JMLG.)</li> <li>e) Delegate authority to the s151 Officer in consultation with the relevant</li> </ul>

Executive Director and Cabinet Member for Corporate Services to enter into an agreement with Cotswold District Council ( CDC) and Cheltenham Borough Homes Limited ( CBH Ltd) under the Local Authorities ( Goods and Services) Act 1970 for the provision of transactional services to CBH Ltd on terms approved by the Borough Solicitor.

<p><b>Financial implications</b></p>	<p>The implementation costs of the GO Programme were set out in the business case approved by the GO partner councils in the autumn of 2010. Although the contingency funding within the business case is now anticipated to be fully utilised, overall the Programme costs remain in line with the approved budget of £1.4m. Further expected savings have arisen as a result of the delivery arrangements proposed in this report, and are detailed in Sections 13, 14, 15 of this report and in Appendix C.</p> <p><b>Contact officer: Mark Sheldon, mark.sheldon@cheltenham.gov.uk, 01242</b></p>
<p><b>Legal implications</b></p>	<p>The legal implications are covered in Section 18 of this report.</p> <p><b>Contact officer: Shirin Wotherspoon</b> <b>shirin.wotherspoon@teWKesbury.gov.uk, 0168 272 017</b></p>
<p><b>HR implications (including learning and organisational development)</b></p>	<p>The HR Implications (in particular TUPE implications) are covered in detail in Sections 9, 10, 11 and 12 of this report.</p> <p><b>Contact officer: Julie McCarthy, julie.mcarthy@cheltenham.gov.uk, 01242 264355</b></p>
<p><b>Key risks</b></p>	<p>The GO Programme maintains a risk log of all risks. High level risks, ie those risks scoring 6 or above, are included at Appendix 1 to this report. This includes a description of the risks and the actions being taken to mitigate them. Risks that have high residual risk rating are also transferred to the each partner Council's Corporate Risk Register (CRR). The risk rating approach adopted by partners for the Programme differs from the Council's own method of scoring and rating risks, but where risks are transferred to CBC's CRR, they are re-scored.</p>
<p><b>Corporate and community plan Implications</b></p>	<p>Contributes to the corporate aim of delivering cashable savings, improved customer satisfaction overall and better performance through the effective commissioning of services.</p>
<p><b>Environmental and climate change implications</b></p>	<p>The overall impact of the programme as this stage is seen to be neutral in terms of energy, water, and transport. The move to one integrated computer system which replaces several may have a positive environmental impact. A further assessment may be needed post go-live.</p>

## 1. Background

- 1.1 For Cheltenham Borough Council, the GO Programme has its origins in that early work to holistically review support services – the Sourcing Strategy. Agreed in 27 October 2009, the Sourcing Strategy project was committed to supporting the delivery of excellent outward facing services recognising that good quality behind the scenes services were essential to support efficient and effective front-line services; additionally in the current financial climate driving out savings in support areas can help protect valuable front line services. The Sourcing Strategy objectives were agreed as cashable savings, customer satisfaction, effective performance underpinned by a *platform for excellence and partnership*. Cashable savings were seen as the most important objective - critical to securing the Council's long term financial future. These same objectives now lie at the heart of the GO Shared Services Programme.
- 1.2 The (implementation phase – v3.0) business case for the GO Programme was approved by each GO partner council in the autumn of 2010. The GO partner councils authorised the GO Programme Board to proceed with implementation of the ERP and to develop the proposals for sharing transactional and some professional services. At the same time, s101 delegation arrangements were approved to enable the creation of the IT & Hosting Centre of Excellence (CoE). It was stated that Member approval would be sought for the establishment of the two remaining CoEs covering Finance/Procurement and HR/Payroll once details had been worked up.
- 1.3 The ultimate vision of the GO Programme, as stated in the approved business case, was to share all finance, procurement and HR services but it was recognised this may not be 100% achievable due to local requirements of each GO partner council. The approved business case was based on sharing of transactional services and some professional services, called level 3.5.
- 1.4 Since approval of the GO business case, work has been proceeding on the system design and hardware procurement for the IT & Hosting CoE. In addition, two project teams were set up to manage the specification, selection process and approval of the Finance/Procurement and HR/Payroll CoEs.
- 1.5 The Local Government funding settlement announced in December 2010 resulted in higher than anticipated cuts in government grants over the next 2 years. This economic reality has resulted in the need to increase the savings anticipated from the GO Programme.

## 2. Development of the business case

- 2.1 In view of the requirement to increase savings from the GO Programme, Officers have revisited the decisions previously made about the services in scope for the GO Shared Services, and the concept and number of CoEs that would be required to deliver shared services across the partnership.
- 2.2 The GO Programme Board has taken into account the political aspirations for greater savings than projected in the original business case and has therefore considered the feasibility of moving the business case on from sharing transaction services plus some advisory services (referred to as level 3.5 in version 3 of the GO Programme business case) to sharing all transactional and advisory Services (level 4 and the ultimate aspiration in the version 3 business case).
- 2.3 Implementing three CoEs (Centres of Excellence), as originally planned, would require individual management structures to manage both the staff and the services delivered

to each GO partner council. In addition, lead authorities would need to be identified for each of the CoEs and separate delegation agreements prepared and approved. Moving to a combined shared service for Finance, Procurement, HR and Payroll will reduce the management overhead significantly. In addition, only one set of delegation agreements would be needed, reducing the complexity and time needed to prepare the necessary documents.

- 2.4** Many of the posts in current Finance, Procurement, HR and Payroll functions provide both transactional and advisory services. Sharing services at level 4 avoids the need to segregate out level 3.5 transactional and advisory services, the required restructuring to create level 3.5 shared services and advisory services, followed by a further reorganisation when moving to level 4 services. The revised business case (version 4.0), which includes the savings from sharing advisory services, is attached at Annex A to this report. The transactional, professional and advisory services to be provided by the GO Shared Services are shown in Appendix A of the Business Case. This Appendix also sets out details of strategic services which will remain the responsibility of each of the GO partner councils.
- 2.5** The GO Programme Board has concluded that savings can be increased by implementing a single combined Shared Service for Finance/Procurement and HR/Payroll, instead of two separate CoEs. The IT & Hosting CoE will still be needed owing to IT and infrastructure requirements.

### **3. Development of the governance arrangements**

- 3.1** The current delivery model for the GO Shared Services, as approved by each authority in the autumn of 2010, is a s101 Lead Authority (employing council) delegated arrangement (as per the agreements for the IT Support & Hosting CoE) supported by a Collaboration Agreement between the councils.
- 3.2** The GO Programme Board is aware of the requirement to deliver further efficiency savings over and above the savings set out in version 4.0 of the Business Case. These savings will require further action to be taken either to market the GO Shared Services to attract new partners or to expand the scope of services provided by the partnership to include more Council services such as ICT, Internal Audit, Revenue and Benefits or other services. Following establishment of the GO Shared Services, which is expected to be completed by October 2012, an options appraisal will be carried out to explore the options for expanding the GO Shared Services with indications of the level of savings available. The options appraisal will include a review of the governance options.
- 3.3** At a meeting in January, SPMB members indicated a preference for a governance mechanism that would allow the GO Shared Services to trade with external bodies. As a result, the GO Programme Board has reviewed the governance options available for the GO Shared Services.
- 3.4** Discussions have taken place regarding the advantages and disadvantages of the different options and the GO Programme Board concluded that, for trading purposes, setting up a Local Authority Company (LAC) would be the most appropriate solution, subject to an assessment of potential procurement requirements. The GO Programme Board also considered various private sector and third sector models and has discussed whether these private sector and third sector models should be considered in more detail, but have concluded it would not be appropriate at this stage. The main reason for coming to this conclusion is the fact that these models require allocating some of the shareholding, and a degree of control, to outside bodies, whereas the LAC model meets the fundamental requirement of allowing the GO Shared Services to trade whilst being wholly owned by the GO partner councils.

**3.5** The GO Programme Board is therefore recommending that the GO Shared Services is established using a s101 delegation arrangement for an initial two year period (1st April 2012 to 31st March 2014). During that time (by 31 October 2013), an options appraisal for developing the GO Shared Services will be carried out which will include a review of the governance options.

**3.6** When April 2014 is reached, there are 3 potential scenarios:

a) The GO Shared Services becomes another legal entity

b) The GO Shared Services continues under the existing Lead Authority (employing council) and the s101 arrangement is extended

c) The GO Shared Services continues under a new Lead Authority (employing council) and a new s101 arrangement is implemented.

Scenarios a) and c) above would involve a second TUPE of staff.

**3.7** It is the GO Programme Board's view that option c) above is a highly unlikely situation for the new GO Shared Services. The Lead Authority (employing council) will have been operational for two years by April 2014, and been subject during that time to regular monitor and review by the GO Joint Monitoring and Liaison Group (JMLG) made up of Members and Senior Officers of the GO partner councils. It would be difficult to envisage a set of circumstances that would justify a move away from the existing Lead Authority (employing council), but it must be acknowledged that the option does exist for the GO partner councils.

#### **4. The Lead Authority (employing council) Relationship with the Joint Monitoring and Liaison Group (JMLG)**

**4.1** The role and responsibilities of the JMLG are set out in Appendix B of the GO Business Case at Annex A to this report, and more fully in the GO Collaboration Agreement.

**4.2** The lead authority (employing council) will have the same representation on the JMLG as the other GO partner councils (one Member and one Senior Officer). Therefore, the lead authority (employing council) will have no greater say in the future development of the GO Shared Services than any other GO partner council.

#### **5. The Delegated Responsibility for the Go Shared Services**

**5.1** Each GO partner council is being requested to delegate authority to enter into the s101 agreement to the appropriate Members and Officers.

**5.2** The details of the functions to be delegated to the GO Shared Services are set out in Annex A of the GO Business Case at Appendix 2 to this report. Annex A also details the responsibilities that will remain with each GO partner council.

**5.3** The JMLG will monitor the performance of the GO Shared Services using key performance indicators (KPIs) included within the finalised s101 agreement. The aim is to minimise the number of KPIs but ensure that they remain at a level that establishes the performance of the GO Shared Services (highlighting under or over delivery against

performance standards) and delivery of benefits as per the business case. Some illustrative examples of KPIs include:

- Costs to GO partner councils compared to benchmark
- Transactional costs for payroll, accounts receivable and accounts payable services
- No of days to pay non-disputed invoices
- The outcome of customer satisfaction surveys for advisory services

### **6. Selection of the Lead Authority (employing council)**

**6.1** As agreed by the SPMB a mutually agreed process was followed for the selection of the lead authority (employing council). The broad areas for the selection of the lead authority (employing council) were defined by the GO Programme Board as:

- Capacity; particularly the ability to provide strategic support for the GO Shared Services
- The ability, in the future, to be able to provide services to the new waste company being considered by some of the GO partner councils
- Policies which support and enable shared services
- Experience of shared services
- Demonstration of ability to deliver efficiencies from shared working
- Political support for the concept of shared services and this programme
- Effective member/officer relations
- Alignment with vision for the lead authority
- Alignment with other shared services
- An embedded risk management culture and processes
- A clear line of accountability and management of the GO Shared Services

**6.2** Two authorities, Cotswold District Council and the Forest of Dean District Council expressed an interest in being the lead authority (employing council) for the partnership.

**6.3** The Chief Executives of all the GO partner councils considered the expressions of interest on 11<sup>th</sup> May 2011 and it was mutually agreed to recommend Cotswold District Council as the lead authority (employing council) for the GO Shared Services.

**6.4** In order to provide Members with some assurance over the selection of the lead authority (employing council), Audit Cotswolds, working in conjunction with the South West Audit Partnership, have carried out a due diligence review and concluded that Cotswold District Council in general meets the criteria for the due diligence and can be considered for the lead authority (employing council). This is based on the evidence identified and considered in the time available for the due diligence exercise. However, there were observations noted by Internal Audit that will need resolving prior to the appropriate milestone.

### **7. Lead Authority (employing council) Risks**

**7.1** Following the political approval of the GO Business Case in the autumn of 2010, each GO partner council entered into a Collaboration Agreement and a s101 agreement for the ICT Support and Hosting CoE. Within the Collaboration Agreement is a "hold harmless" clause. This effectively means that each GO partner council will not sue its partners over the negligent performance of the GO Shared Services. Instead, the GO



partner councils will work collaboratively in order to find a resolution to the problem. This gives the lead authorities for the Support and Hosting Centre of Excellence and the GO Shared Services some comfort regarding the level of risk that those Councils are being exposed to.

- 7.2** The key risks to the lead authorities for the Support and Hosting CoE and the GO Shared Services relate to being the employing authority. There is the potential for some financial risk should the funding level of the Gloucestershire Local Government Pension Scheme (LGPS) worsen. This risk has been minimised as the pension fund deficit contribution is now paid as a lump sum by each of the GO partner councils. Should pension fund contributions become a financial burden to the lead authorities in the future, this can be resolved using the charging principles which are discussed in the Financial Implications section of this report at section 13 of this report.

## 8. Risks to the GO Programme

- 8.1** Risks are reviewed by the Programme Board fortnightly, and significant risks are included on the corporate risk registers at each GO partner council. The programme significant risks at the date of this report are included at Appendix 1 of this report.

## 9. Delivery of the GO Shared Services

- 9.1** When considering how the GO Shared Services will be delivered, there are 3 levels of function envisaged that can be expressed as, Strategic, Tactical and Operational functional levels as follows:

- 9.2 Strategic Function** - the term "strategic" refers to the management of the GO Shared Services, not to any strategic professional advice from within the tactical or operational functional areas. Effective strategic leadership for the GO Shared Services needs to be in place during the tenure of the Lead Authority (employing council) for the interim period (April 2012 – March 2014) in order to provide clarity of accountability to the JMLG and to ensure delivery of key accountabilities during the period which are envisaged as:

- Construction and delivery of a business case during 2013 including options for future GO Shared Services governance arrangements (i.e. local authority limited company, continuation of s101 or other arrangement) and future savings/income targets
- Management of an effective transition to an agreed GO Shared Services governance structure beyond April 2014.
- Accountability for the delivery of the agreed savings targets for the period October 2012 – March 2014.
- Accountable to the JMLG for the GO Shared Services performance during the interim period as per the s101 agreement.
- Accountable for ensuring that the ICT Support & Hosting Centre of Excellence provides an effective service to the GO Shared Services in accordance with the s101 Agreement.
- Responsibility for leading the work on the definition of the future vision for the GO Shared Services and getting agreement from the JMLG for the same. This is likely to include assessing opportunities for additional business and engaging potential customers in order to ensure the business case delivered during 2013 is realistic and deliverable.
- Leading the development of the GO Shared Services as an entity, creating and then embedding a suitable culture for the service.
- Stakeholder engagement, communication and management (includes Cheltenham Borough Homes Ltd)

- Sound financial and business leadership of the GO Shared Services
  - Ensure JMLG is engaged and kept fully informed on a regular basis of GO Shared Services performance, risks, issues and benefits realisation.
  - Management of tactical functions – this will include line management and ultimate accountability for delivery.
  - Finalisation of costs, structures and arrangements for 1<sup>st</sup> April 2012. It should be noted that this element of the role is planned to be in place at the latest by end December 2011.
- 9.3** It is the view of the GO Programme Board that it is a key requirement for a single person to be accountable for the strategic functions, even if the workload is shared between more than one individual.
- 9.4** **Tactical Function** - this is the day to day management of the services, (also providing support for the strategic function) and includes:
- Management of operational functions (including responsibility for day to day performance, charging, client liaison with the Support and Hosting Centre of Excellence)
  - Driving the ongoing development of ERP system (including system upgrades)
  - Project management
  - Operational enhancements to GO Shared Services (e.g. common banking arrangements)
- 9.5** Strategic professional advice delivered by officers within the GO Shared Services, will sit within the tactical function backed up by operational and advisory resources. With regard to officers who currently undertake the role of deputy s151 officer, they will also sit within the tactical function but will be seconded back to their previous authorities to formally undertake that role.
- 9.6** It should be noted that elements of the Tactical functions will need to be provided from late 2011 and that the individuals performing these roles will need to be in post prior to April 2012 if a smooth and effective transition to GO Shared Services operations is to be achieved (see section GO Shared Services management below).
- 9.7** **Operational Function** - this comprises all the day to day operational and administrative support and includes:
- Transactional [what was called “level 3”] (e.g. Payroll, Accounts Payable, purchase ordering etc)
  - Professional & Advisory [what was called “level 4”] (e.g. HR Advisor, General accountancy)
- 9.8** It is the view of the GO Programme Board that in terms of actual resources required for the Tactical and Strategic functions above, the minimum will be the equivalent of 3 FTE (excluding any requirements for strategic professional advice provided by officers at the tactical level). Furthermore it is also considered essential by the GO Programme Board that the strategic resources are contained within the GO Shared Services and s101 arrangement.
- 9.9** The arrangements for the delivery of the strategic function has formed a key part of the due diligence process performed on the proposals of the intended Lead Authority (employing council).
- 9.10** As Cotswold District Council are proposing to split the role of an existing member of their Strategic Management Team it will be necessary to second the resource into a

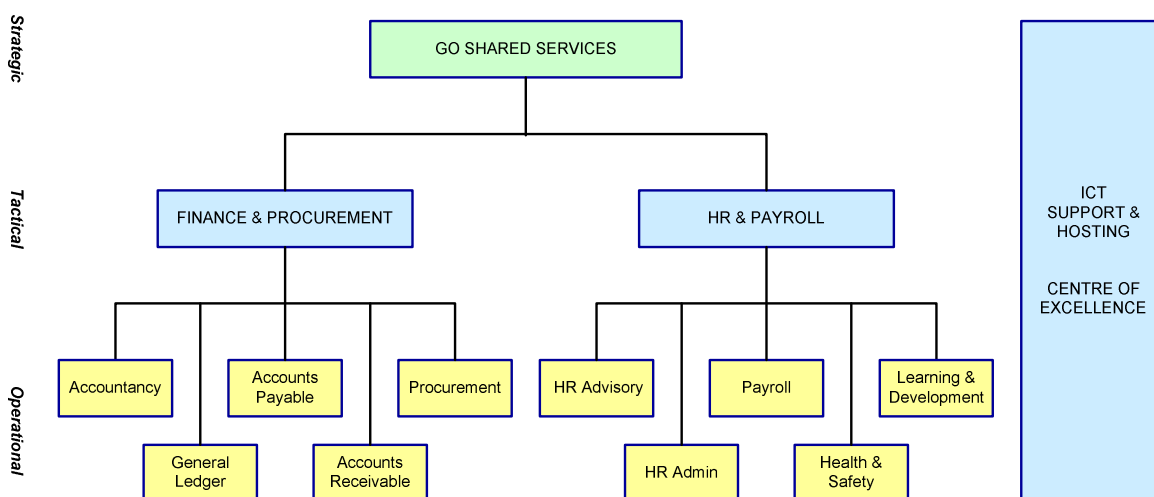
defined role within the GO Shared Services to meet governance requirements and to demonstrate separation from the Lead Authority (employing council) management structure. It should be noted that the individual concerned may, by virtue of employment law, in particular TUPE, acquire the right to transfer to a Local Authority Limited Company in 2014 if this is the direction that is agreed in 2013.

**9.11** It should also be noted that due to the timescales involved, it is the working assumption of the GO Programme Board that the operational structures for April 2012 will be as defined by projects GOPA and GOPB (and thus having GO Programme Board approval). The due diligence process has reviewed the suitability of the strategic structure and some elements of the tactical roles to give an independent view of proposals.

**9.12** The GO Shared Services is proposing to use a business partnering model for the advisory elements of the HR and Finance services. Details of business partners and which services and authorities they will support will be determined in the period between April 2012 and October 2012 when the full GO Shared Services will be implemented. In the period between “go-live” and the full GO Shared Services being in operation, officers at each authority will retain their existing access to HR and Finance officers. Administrative (transactional services) delivery arrangements will also be determined during the same period, with GO partner councils committed to ensuring best use is made of their collective accommodation going forward.

## 10. GO Shared Services management

**10.1** There are a number of posts in the proposed GO Shared Services that it is proposed need to come into operation in advance of 1<sup>st</sup> April 2012 go live date to begin to help shape and create the new services. It is envisaged that 3 full time equivalent capacity is required at strategic (overall accountability for performance and leadership of the GO Shared Services) and tactical levels (key roles to lead the Finance & Procurement, and Human Resources & Payroll operational levels) as described below:



**10.2** Cotswold District Council will provide capacity for the strategic leadership of the GO Shared Services. The strategic lead role will need to be supported by the tactical lead roles. It is recommended that capacity for these key roles is set in place as soon as possible after a decision is made on the governance arrangement in order to help lead arrangements for the new service, effect a smooth transition, plus provide some certainty for employees on the future management of the service. It is proposed therefore that the lead authority (employing council) moves as quickly as possible to

secure the required capacity and have this in place no later than end December 2011. If new roles are conceived, these will need to be described, evaluated, and recruited to, and ideally offered in the first instance to those within GO partner councils' existing employee base and potential TUPE ring fence.

## 11. Human Resource Implications – TUPE

**11.1** The Transfer of Undertakings (Protection of Employment) Regulations 2006, are envisaged to apply in the creation of the GO Shared Services, as part of each GO partner council's business or undertaking will transfer as a going concern to the lead authority (employing council) under the s101 agreement.

**11.2** Under TUPE all the employees who spend more than (as a guide) 50% of their work time on work transferring to a lead authority (employing council) will, unless they object, automatically transfer to the employment of the lead authority (employing council) under their existing terms and conditions of employment, along with continuity of service.

**11.3** If any employees object to the transfer then they do not move across to the lead authority, but equally they do not stay - instead the transfer itself terminates their employment and they usually have no rights against anyone in consequence. A refusal to transfer will usually mean that the employee has in effect resigned, i.e. no entitlement to redundancy.

**11.4** Work will need to commence to comply with TUPE regulations. Key steps to be taken are as follows:

a) Identify which employees will be affected by the transfer. This group includes not only all the transferring employees but also anyone whose work will be affected by the transfer (e.g. remaining employees who may be taking on additional work, those at CDC who will not transfer under TUPE but may be impacted the transfer of others into CDC employ). Impacted employees are currently estimated as follows for each authority:

b)

	No of employees	FTE
Cheltenham Borough Council	33	28.9
Forest of Dean District Council	20	14.0
West Oxfordshire District Council	25	20.2
<i>No TUPE transfer but impacted by the GO Shared Services:</i>		
<i>Cotswold District Council</i>	19	14.3
<b>Totals</b>	<b>97</b>	<b>77.4</b>

- c) There is a statutory requirement for full and proper consultation with employees, their representatives and any recognised trade unions. Consultation with representatives and employees impacted directly and indirectly needs to take place regarding the TUPE transfer. Consultation must take place in good time before the transfer, and is planned to commence towards the end of 2011, through to March 2012). Due diligence in passing employee information (see below) to the new employer must take place; any failure to carry out this step could cost up to 13 weeks' gross pay per affected employee. Note that it is no defence that full information or consultation would make no difference to the end result, or that the staff suffered no loss as a result. There is no specified minimum period over which consultations must be conducted prior to a transfer taking place and it is important to note that there is no link between TUPE and redundancy provisions.
- d) GO partner councils will need to give the lead authority (employing council) certain employee liability information about the transferring employees, essentially detailing the financial, legal and contractual information that comes with each. The information must be given no later than 14 days before the transfer and must include:
- each transferring employee's name, age, terms and conditions
  - information on any grievances they have lodged
  - any claims they have brought or disciplinary action taken against them.

This is legally required by TUPE (to ensure all possible cost liabilities are known pre-transfer) therefore there are no data protection issues as it is covered by the legal obligation exemption in respect of the disclosure of this information (see The Employment Practices Data Protection Code). Wherever practicable information handed over to the new employer will be anonymised. Employees will be advised that their employment records are to be disclosed to the new employer before transfer. Each council will need to obtain formal assurances regarding the use and safekeeping of the information and its return if the transfer does not in the event proceed.

There is a penalty of a minimum of £500 in respect of each employee for whom the required information was not provided or was defective, in addition to which the lead authority (employing council) can bring proceedings to recover any loss arising from its reliance on poor or incomplete information.

- e) It is worth noting that if any employee is dismissed for reasons connected to the transfer, this dismissal may be automatically unfair. The new entity may, however, dismiss them post-transfer from some other reason not connected with the transfer (e.g. for economic, technical or organisational reasons).
- f) All relevant employees will transfer into the new GO Shared Services with effect from 1 April 2012, the date that it is envisaged that the TUPE transfer will take effect, and will fall under the new management arrangements described above. No immediate staffing changes, with the exception of the management arrangements, are envisaged before this date, nor on transfer. Any variations to operational arrangements post 1st April 2012, for example to ensure the savings envisaged are realised, will be subject to separate discussions and consultation. The new ERP system will be implemented as per the planned programme, however it is envisaged that existing management arrangements will continue until the TUPE transfer is effected (which takes account of ERP implementation in two phases).

## 12. Accommodation

- 12.1** The GO Partnership aims to make best use of its collective accommodation across the partnership, locating services to best meet service needs and that is most cost-effective and efficient.

- 12.2** Overall the service needs to accommodate 97 individuals (77.4 FTE). An initial assessment has shown that no single GO partner council has sufficient accommodation to locate all services on one site. The types of services in-scope for GO Shared Services also indicates some services to be more fixed location dependent than others (e.g. accounts payable/payroll, versus advisory). There is the potential to provide some services across the GO partner councils corporately, whilst other services could work on a more geographic (East/West), or service group basis (e.g. advising all GO partner councils' community services or built environment). A key additional factor will be where employees are currently located, and that accommodation does not create unnecessary staff turnover which would destabilise the services in its first year of operation.
- 12.3** More work will need to be done to resolve the accommodation issues, working from the principles of ensuring the delivery model does not overly add to cost and reduce performance and capacity (e.g. redundancy, excessive travel).

### 13. Financial Implications

- 13.1** The implementation costs of the GO Programme were set out in the business case approved by the GO partner councils in the autumn of 2010. Although the contingency funding within the business case is now anticipated to be fully utilised, overall the Programme costs remain in line with the approved budget of £1.4m.
- 13.2** The general charging principle is that the GO Shared Services will recharge all costs on a cost recovery basis. In the interim period, up to 31st March 2014, costs will be recharged in proportion to the original baseline staffing position. This will ensure an equitable level of savings for all GO partner councils in line with the original Business Case. The long-term aspiration will be that transactional services will be recovered on a unit cost per transaction basis by April 2014 and other posts will be shared on an agreed equitable basis. For the period 1<sup>st</sup> April 2012 to 30<sup>th</sup> September 2012, while the GO Shared Services is being established, costs will be recharged to the pre-transfer authority on a full cost recovery basis.
- 13.3** Each authority will provide a baseline staffing position for each GO Shared Services area (Accounts Payable, Accounts Receivable, Payroll, Accountancy, HR transactional and HR advisory). This will reflect the full establishment of each service by person, post, grade and budget. The Baseline costs will be measured against the service costs once the GO Shared Services has been fully implemented, the difference being the savings to accrue to each respective authority.
- 13.4** It is anticipated that the savings from the GO Shared Services will increase from £394,456 per annum (as per the original business case) to £619,042 per annum. The Business Case at Appendix 2 has been updated to include additional savings of £224,586 per annum.

	<b>Original</b>	<b>Revised</b>
	Savings	Savings
Cheltenham Borough Council	131,632	221,856
Cotswold District Council	82,364	116,940
Forest of Dean District Council	74,300	113,495

West Oxfordshire District Council	106,160	166,751
<b>Total</b>	<b>394,456</b>	<b>619,042</b>

- 13.5** The additional savings generated from moving to a full shared service by 1<sup>st</sup> April 2012 are £90,224 when compared to the Business Case approved by Cabinet in September 2010. In addition to this figure, a saving of £16,300 has been realised in advance of the full shared service going 'live' through the deletion of the systems and business improvement manager post in 2011/12.
- 13.6** However, the medium term financial strategy already accounts for the deletion of the post of Assistant Director – Human Resources and Organisation Development from 1<sup>st</sup> October 2012 with assumed savings of £69,000 which therefore reduces the additional cashable saving from moving to a full shared service to £37,524. It does mean, however, that the organisation will retain access to strategic HR support which under the existing arrangements would have needed to have been 'bought in' as and when required with no base funding identified.
- 13.7** Any additional savings arising from any future restructures will be shared in proportion to the original baseline staffing position. Any new income generated by the GO Shared Services will be shared equally by the GO partner councils.
- 13.8** The programme payback period in the original business case was 5.5 years. Taking into account the revised savings figures the programme payback period has improved to 4.35 years. For this council, the payback period has improved from 4.98 years to 3.75 years.

#### **14. Pension Liabilities**

- 14.1** Advice to date from Gloucestershire's LGPS Actuary indicates that staff transferring to the lead authority (employing council) will transfer with fully funded pensions as any deficit on those staff will remain with their original employing body. This means that the councils who are not the lead authority (employing council) will have less employees to spread the recovery of that deficit over. However, this is not likely to have a significant impact on recovery rates given the relatively small number of staff transferred and the change by the Actuary to recover deficits as a fixed sum rather than as a percentage of total pensionable pay.
- 14.2** The possible move to a Local Authority Company (LAC) in the future would have different pension implications and will be appraised subject to a business case for this option. However, staff that transfer to a LAC must be offered protection for their accrued LGPS future pension rights going forward. On this basis the lead authority (employing council) may wish to caveat the s101 agreement to ensure that no GO partner council is disproportionately disadvantaged should the GO Shared Services change its operating vehicle (e.g. LAC) in the future.

#### **15. VAT**

- 15.1** The supply of GO Shared Services to the GO partner councils will be via a s101 agreement under the Local Government Act 1972. This enables the service to be provided as a non-business supply, which means that VAT is not chargeable from the lead authority (employing council) to its partners.
- 15.2** Each local authority is required to prepare a partial exemption calculation for VAT accounting purposes. The partial exemption calculation substantiates each local

authority's right to reclaim all VAT input tax back from HMRC. Although, there will be a small impact upon this calculation, it is not anticipated that any authority will be unable to fully recover VAT input tax as a direct result of the use of the delegated authority.

### **16. Other considerations / changes required**

- 16.1** The Business Solution Design documentation for the ERP system has now been signed off by the GO Programme Board. A significant amount of work has been carried out to standardise processes to enable the GO Shared Services to deliver the maximum efficiencies. However, as a result of standardising processes, each GO partner council has identified changes that will be required to documents such as Financial Procedure Rules, Contract Procedure Rules, Constitutions, HR policies etc. that need to be approved by Members prior to the implementation of the new ERP system. Reports will be taken to each GO partner council during the remainder of 2011, to seek the necessary approval for any changes.
- 16.2** There is likely to be an impact on the retained organisation at the Council in terms of certain roles not identified as being in scope. These are – ICT training (0.5fte) which will need to be located on the retained organisation side, and the lead accountability for delivery of member training, which was taken on by Human Resources last year and which would return to Democratic Service. The s151 role will be retained by each partner council retained organisation, with those officers fulfilling the Deputy s151 role being seconded back to partner councils for the purpose of fulfilling this role.
- 16.3** A Joint Waste Local Authority Company (LAC) is intended to be established between Cotswold BC and Cheltenham Borough Council. It is envisaged that the HR, Finance, Procurement and Payroll services will be provided by the GO Shared Services to the LAC company. Work is currently underway to assess and cost the service requirements as part of a further report to Cabinet in the autumn.
- 16.4** The “client” interface between the Council and the GO Shared Services will need further exploration, as part of establishing the governance arrangements (Client Officer Group, and Joint Monitoring and Liason Group). It will be important to ensure that establishing an effective performance monitoring interface impacts positively on efficiency and does not negatively impact capacity and cost.
- 16.5** Significant process and behaviour change will be required across the Council to support the implementation of the ERP system (Agresso Business World), including management and employee self-service for certain processes. A £26k investment in business change has been allocated to support business change within the Council. Scoping for the programme overall has begun on this aspect. The Council's local implementation project (GO Project K) commences in July, with implementation for both Cheltenham and Cheltenham Borough Homes Ltd set for 1<sup>st</sup> April 2012.

### **17. ICT Implications**

- 17.1** The GO Shared Services will be supported by the ICT Support and Hosting Lead Authority (Cheltenham Borough Council) to find a method of accessing ICT systems at all of the sites to enable staff, particularly in advisory roles, to perform their roles as efficiently as possible. For example, staff will need access to one system for accessing emails, electronic calendars etc. and will also need to access shared drives and intranets at all client sites.
- 17.2** More work will need to be done to resolve these ICT implications.



## 18. Legal implications

**18.1** On 8 November 2010 the Council, together with the other GO partner councils entered into the following agreements:

- Collaboration Agreement
- S101 Support and Hosting Agreement with Cheltenham Borough Council (CBC) as the lead authority
- ERP System supply contract

**18.2** In order to implement the next stage of the GO Programme as set out in this report it will be necessary to make some changes to the Collaboration Agreement and to enter into a new s101 Agreement for the delegation of the Finance, Procurement, HR and Payroll functions to CDC.

**18.3** Although, in law, CDC will have these specific functions delegated to it, and the delegating councils will no longer undertake these functions, any decisions by CDC with relation to these functions will be governed by the Collaboration and s101 agreements. Therefore, in practice, CDC will effectively be an 'employing' body.

### Collaboration Agreement

**18.4** Members will recall that this is an overarching agreement between the GO partner councils to work together to deliver the GO Programme and to make the savings as set out in the business case. The main consequential changes arising from creating the single GO Shared Services are:

- References to Finance/Procurement and HR/Payroll Centres of Excellence will be deleted and replaced with references to GO Shared Services;
- Membership of the Client Officer Group (COG) will need to change. Membership is currently set out in the Collaboration Agreement as follows:
  - 1 Officer from each council with a Finance portfolio
  - 1 Officer from each council with an HR or Payroll portfolio
  - Heads of COEs (non voting)
  - 1 Officer with an audit portfolio (non voting).

For the GO Shared Services it is only necessary to have the following representation:

- 1 Officer from each council with (a Finance portfolio and/or HR and /or Payroll and/or IT Support portfolio)
- 1 Officer from Cheltenham Borough Homes Ltd
- 1 Officer with an audit portfolio (non voting)
- Head of GO Shared Services (non voting)
- Head of Support & Hosting COE (non voting).

Furthermore, as the GO partner council membership is 4, it would be appropriate to reduce the quorum from 5 to 4.

S101 Agreement

**18.5** By entering into this agreement, the council delegates the services within the scope of the GO Shared Services to CDC. The Collaboration Agreement included a template s101 agreement. This template agreement will be used to draft the proposed s101 agreement but with the following changes:

- that the term will be 2 years not 10 years and
- unlike the s101 Support & Hosting COE, a number of staff will transfer to CDC as the Transfer of Undertakings (Protection of Employment) Regulations 2006 will apply. Therefore additional clauses will be added to reflect the operation of these Regulations.

**19. Equalities Analysis**

**19.1** An Equalities Analysis will be completed prior to the start of the GO Shared Services. Indicative costings compiled for the business case suggest the GO Shared Services can be delivered at a lower overall cost. Once the GO Shared Services organisation is established it will need to consider how best to deliver the savings identified in the business case. Partner councils have been actively managing vacancies since 2009, wherever possible posts have been filled by agency or temporary staff.

**20. Cheltenham Borough Homes Ltd**

**20.1** Cheltenham Borough Homes Ltd have joined the GO Shared Services as users of Agresso Business World under the Cheltenham Borough Council license arrangement. CBH Ltd will not be receiving the full range of services, as they are included in the governance arrangements as a "GO Organisation" to whom the GO Shared Services will deliver a level of service. A customised version of the full range of services (Business Case Appendix A) has been agreed with CBH Ltd, reflecting that they are taking transactional services only, not professional and advisory services. As CDC will be providing these transactional services, and not CBC, it will be necessary to enter into an agreement with CDC and CBH Ltd, under the Local Authorities (Goods and Services) Act 1970, for the provision of these services by CDC to CBH Ltd.

**20.2** The governance structure in the Collaboration Agreement has been revised to reflect the arrangement, with CBH Ltd having voting representation on the COG (Client Officer Group).

**21. Conclusion**

**21.1** The GO Programme Board proposes that Cotswold District Council is designated the lead authority (employing council) for the GO Shared Services partnership. The due diligence exercise carried out by Audit Cotswolds and South West Audit Partnership concluded that Cotswold District Council in general meets the criteria for the due diligence and can be considered for the lead authority (employing council). This is based on the evidence identified and considered in the time available for the due diligence exercise. However, there were observations noted by Audit Cotswold and South West Audit Partnership that will need resolving prior to the appropriate milestone.

**21.2** It is proposed that staff from Cheltenham Borough Council, West Oxfordshire District Council, and the Forest of Dean District Council will transfer in accordance with the TUPE regulations to Cotswold District Council with effect from 1 April 2012. Consultation on the transfer will be carried out later this financial year and will be completed by the end of March 2012.

- 21.3** It is anticipated that the change from sharing transactional and some advisory services (level 3.5) to full sharing of services (level 4) will increase the savings to the GO partner councils by £224,586 per annum.
- 21.4** More work will be required to determine where employees will be located. No relocation of staff is planned as part of the proposed TUPE transfer arrangements. Further consultation would need to be carried out on any potential relocation after the TUPE transfer is complete. It is also envisaged that professional and advisory services will be provided by staff with an in-depth knowledge of the relevant GO partner council. These employees will forge strong and effective relationships with the relevant GO partner council.
- 21.5** The strategic and tactical roles need to be in place by the end of December 2011 to ensure a smooth transition to the new GO Shared Services and to undertake the TUPE consultation with affected staff.
- 21.6** Further work needs to be carried out on the ICT infrastructure to enable advisory staff to access systems which are essential for them to be able to deliver services as efficiently and effectively as possible. It is envisioned that staff in the wider organisation will communicate with the GO Shared Services by email, telephone, and work flow within the ERP system. Services will be provided with details of a named business partner in relation to advisory aspects of Finance and HR Services.
- 21.7** Performance of the GO Shared Services will be monitored by the JMLG against the performance standards contained within the s101 agreement.
- 21.8** Each GO partner council has committed to a hold harmless clause in the Collaboration Agreement. This means that the GO Shared Services will not be liable for negligent performance and in such circumstances the GO partner councils will use best endeavours to resolve performance issues by working collaboratively rather than by litigation.
- 21.9** The GO Shared Services will commence on 1 April 2012. Following this the GO Shared Services will consult on the structures necessary to enable financial benefits realisation from October 2012.
- 21.10** A timetable for TUPE consultation has been developed and will be used during staff information sessions.

## **22. Reasons for recommendations**

- 22.1** That these proposals will realise further savings for Cheltenham Borough Council consistent with the approach approved in Autumn 2010.

## **23. Alternative options considered**

- 23.1** Alternative options were considered as part of the Council's former Sourcing Strategy programme.

## **24. Consultation and feedback**

- 24.1** E&BI were consulted on 23rd May 2011, with a further report on 18<sup>th</sup> July. Concerns were raised to ensure that business change was well managed, and anticipated benefits (including savings) were realised. These concerns have been addressed through the approval of a business case for the provision of £26k business change capacity funding within Cheltenham Borough Council, Programme business change

scoping work, and the development of a benefits realisation plan for the Programme. The performance reporting mechanism was also raised. The governance arrangements have been revised and updated in the GO Shared Services business case. Further work will be undertaken with the Client Officer Group to clarify the performance reporting process (e.g. what is reported where). E&BI reviewed this draft report on 18<sup>th</sup> July 2011. The Council’s Strategic Commissioning Programme Board has commented on the need to ensure learning is captured, and to ensure clarity over the role of “client” at CBC. For the GO Shared Services Programme, “lessons learned” will form part of Programme closure phase (Stage C). The Client function is outlined in the Collaboration Agreement, and work will be undertaken at CBC to ensure clarity over the client role interface.

**24.2** An update has been provided to the Audit Committee.

**24.3** The Trade Unions have been fully consulted throughout and employee briefings held. A GO Shared Services website has been developed and regular newsletters produced.

**25. Performance management –monitoring and review**

**25.1** Performance and review of the GO Shared Services will be monitored via the Governance arrangements detailed in the revised Business Case 6.0 i.e. monitored by the JMLG (Joint Monitoring and Liason Group) and the COG (Client Officer Group) against the performance standards contained within the s101 agreement. The Council will have representation on the JMLG (Chief Executive, and if approved the Cabinet Lead for Corporate Services), and the COG (either Director of Resources or Director of Commissioning).

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<b>Appendices</b>	<ol style="list-style-type: none"> <li>1. Appendix A Programme Risk Assessment</li> <li>2. Appendix B GO Business Case v6.0</li> <li>3. Appendix C Detailed financial projection for Cheltenham Borough Council. (Exempt)</li> </ol>
<b>Background information</b>	<ol style="list-style-type: none"> <li>1. Previous reports -             <ol style="list-style-type: none"> <li>i) Cabinet - Sourcing Strategy, 27/10/2009</li> <li>ii) Council – GO Shared Services 11/10/2010</li> <li>iii) Cabinet - GO – ICT Support and Hosting 27/7/10</li> </ol> </li> <li>2. Due Diligence Report</li> <li>3. GO Collaboration Agreement</li> </ol>

## Appendix 1 Go Shared Services Programme – Significant Risks

Description	Gross	Residual	Target	Actions	Owner	Status
Resourcing : Availability of critical resources during the implementation and post implementation period Officers involved in project unable to provide day to day delivery of service to their authority	8	8	3	Project structure and reporting defines resource requirements and will highlight any issues. 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	RW	OPEN
Due to financial constraints it has been necessary to proceed without appointment of Business Change manager - There is a risk that necessary change (both within the retained organisations as well as within the shared service) does not take place to the required level, compromising the savings being delivered.	8	8	3	Programme Manager to maintain a close watching brief of Business Change tasks - Update (20/4/11) Risk raised from 6 to 8 as it is felt that mitigating action is insufficient for the task. Other possible mitigations are being investigated (1-Jun-2011) Business Change scoping document being prepared - local funding available (CBC and FoDCC)	RW	OPEN
Required data for process projects (including Interface data) is not made available in required timescale	8	8	6	To be monitored and actively managed through effective project management of process projects. Update(06/04/11) - Concerns exist about the (local) resource available for required data cleansing & preparation activities. No additional mitigation is possible at this stage. Risk raised from 6 to 8	RW	OPEN

CSR settlement efforts will consume resource required for GO Programme	7	7	3	Monitor on a regular basis	PP	OPEN
Inability to get required data link installed (either capacity or timescale) at FoDDC due to geographical communication infrastructure issues	5	8	3	Monitor situation - Update 28/4/11 - Delays in getting network contract signed delay implementation and reduce contingency if supplier estimates re Forest of Dean prove incorrect. RW to work with relevant individuals to progress - Risk raised to 8 (1-Jun-2011) Order placed with Virgin Media	SM	OPEN
Due to sickness there is a risk that there will not be enough resources to support necessary tasks regarding Payroll and ABW implementation at CBC	9	8	2	Situation will be monitored closely. A recruitment approval has been gained and is currently being recruited. Update (06/04/11): Sickness ended for 1 individual giving temporary assistance to the situation (Risk reduced from 9 to 8) (1-Jun-2011) Maternity leave - two payrolls to go. Out for recruitment - drawn blank externally and within local councils.	AA	OPEN
The Waste Project between some of the GO partners has potentially very significant effects on the GO programme from both Governance and operational perspectives.	8	8	3	A set of fact finding tasks has been initiated and a meeting arranged on 3rd May to progress the matter further - Update 12/5/11 Two meetings have been held to discuss the issues involved. Progress has been made, although challenges remain.	PP	OPEN
Demands on PMO are exceeding capacity due to unforeseen issues such as the Waste Project and a number of current challenges	8	8	3	Partners will investigate what temporary project management resources might be available.(1-Jun-2011) Short term support to GOPA & B from SRO; joint interfaces / data migration (GOPH/I); specific ICT support from Mike Brown	RW	OPEN



## DOCUMENT COVER SHEET

**Programme** : GO Shared Services Programme  
**Title** : **Business Case**  
**Programme Manager** : Robert Wood  
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**Originator** : Jenny Poole

### Approval

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Paul Stuart	Programme Board	
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## Document Control Sheet

### Document Location

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### Changes History

Release	Date	Description
0-01	28-Sep-2009	Initial draft for review and comment
0-02	29-Sep-2009	Additional sections completed and comments incorporated
0-03	30-Sep-2009	Final sections completed and comments incorporated
0-04	02-Oct-2009	Incorporate review comments from Project Board
1-00	05-Oct-2009	Approved by Project Board
1-01	13-Aug-2010	Updated to reflect changes to partner councils
1-02	16-Aug-2010	Incorporate review comments
1-03	20-Aug-2010	Correction of typographical errors and third party costs
1-04	20-Aug-2010	Amendments to gross and net programme savings
2-00	24-Aug-2010	Approved by Programme Board
3-00	26-Aug-2010	Correction of implementation dates
3-01	12-May-2011	Base document for v4 revision
3-02	25-May-2011	Incorporate comments from Programme Board
3-03	1-Jun-2011	Incorporate comments from Programme Board
4-00	1-Jun-2011	Approved by Programme Board
4-01	15-Jun-2011	Revision to Governance Models
5-00	15-Jun-2011	Approved by Programme Board
5-01	16-Jun-2011	Revision to Governance Models
6-00	16-Jun-2011	Approved by Programme Board

### Distribution List

Name	Role
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Mark Sheldon	Chief Finance Officer Cheltenham Borough Council
Kate Walton	Cheltenham Borough Homes Ltd
Nicola Templeman	Cheltenham Borough Homes Ltd

### Changes Planned

Changes in next issue will incorporate comments from review of this issue.

### References

GO Shared Services Programme Business Case (v3.00), dated 26 August 2011

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## 1. Strategic fit

### Business need

- 1.1. All Councils nationally have faced and continue to face relentless budget pressures. The impact on the Government spending plans over the coming years as a result of the worst economic global crisis in many decades will have a significant impact on Local Government finances for many years to come.
- 1.2. The 2006 Government White Paper "*Strong and Prosperous Communities*" which set out a new relationship for local government to work together to improve public services has now been enacted by the *Local Government and Public Involvement in Health Act 2007*. The government also stated that it would be looking for councils within two-tier areas, such as Gloucestershire, to operate at a financial level equivalent to that of unitary authorities.
- 1.3. The government stressed the importance of implementing effective working arrangements to deliver increased efficiencies and improved outcomes, and set as one of the goals for continuing two-tier areas "*to achieve shared back office functions and integrated service delivery mechanisms*".
- 1.4. The Government responded to the 2008-2010 recession with an unprecedented reduction in public sector funding. The Queen's speech of 25 May 2010, stated that the Government will implement '*A significantly accelerated reduction in the structural deficit over the course of a parliament, with the main burden of deficit reduction borne by reduced spending rather than increased taxes*'.
- 1.5. With the stated commitments to ring-fence health and education, town hall spending will bear the larger proportion of cuts. Indeed, the financial settlements for 2011/12 and 2012/13 have been announced and councils are facing cuts of up to 16.2% in 2011/12 and a further 14.2% in 2012/13.
- 1.6. The challenge facing all Councils is how to continue to provide good quality services to customers with ever decreasing resources. In this respect, it is well acknowledged that back office efficiencies can significantly reduce operational costs for frontline services.
- 1.7. The Chartered Institute of Public Finance and Accountancy (CIPFA) paper 'sharing the gain – collaborating for cost-effectiveness' sets out the major challenges in protecting frontline services while also dealing with budget reductions and spending restraint. Shared services and collaborative working provide many important opportunities. By introducing new business structures, improving processes and deploying new technologies and management systems, such approaches have a major role to play in improving cost-effectiveness and service quality.

### GO Programme

- 1.8. The work of the GO Programme is critical because of the potential to benefit from cost savings through working together – benefiting from economies of scale that one council could not achieve alone. GO has the potential to provide better value for money for local council tax payers. Version 3.00 of the Business Case referred to four partner councils (Cheltenham Borough Council, Cotswold District Council, Forest of Dean District Council and West Oxfordshire District Council) working together. This Business Case has been updated to include the delivery of transactional services to Cheltenham Borough Homes Ltd (CBH Ltd) and move to full Shared Services for the four GO partner councils.
- 1.9. The concept of sharing services is not new to Local Government. There are many examples around the country of Councils working together to provide more efficient services. Recently the Lincolnshire Shared Services Partnership (LSSP) announced

the launch of new shared services including Procurement Lincolnshire, Legal Services Lincolnshire, ICT projects and customer service training. In June 2010, Havant Borough Council and East Hampshire District Council agreed a business case that outlined proposals for shared management arrangements across both councils. It is proposed that the management of functions (which include Finance, HR and procurement) will be fully implemented by October 2011. Once the shared management structures are in place, the new management teams will undertake service reviews in order to identify the most appropriate service design and mode of delivery. Further examples are provided later in Section 3 - Achievability.

- 1.10. Sharing of resources, particularly amongst support services will produce efficiencies and whilst more and more projects are coming together, successful partnership working has proved to be challenging.
- 1.11. The potential benefits identified for sharing services include:
  - (a) achieve cost savings
  - (b) deliver more efficient and resilient services
  - (c) provide improved, user-friendly IT systems

### Strategic Drivers

- 1.12. The main strategic drivers for the GO Programme are summarised in the table below:

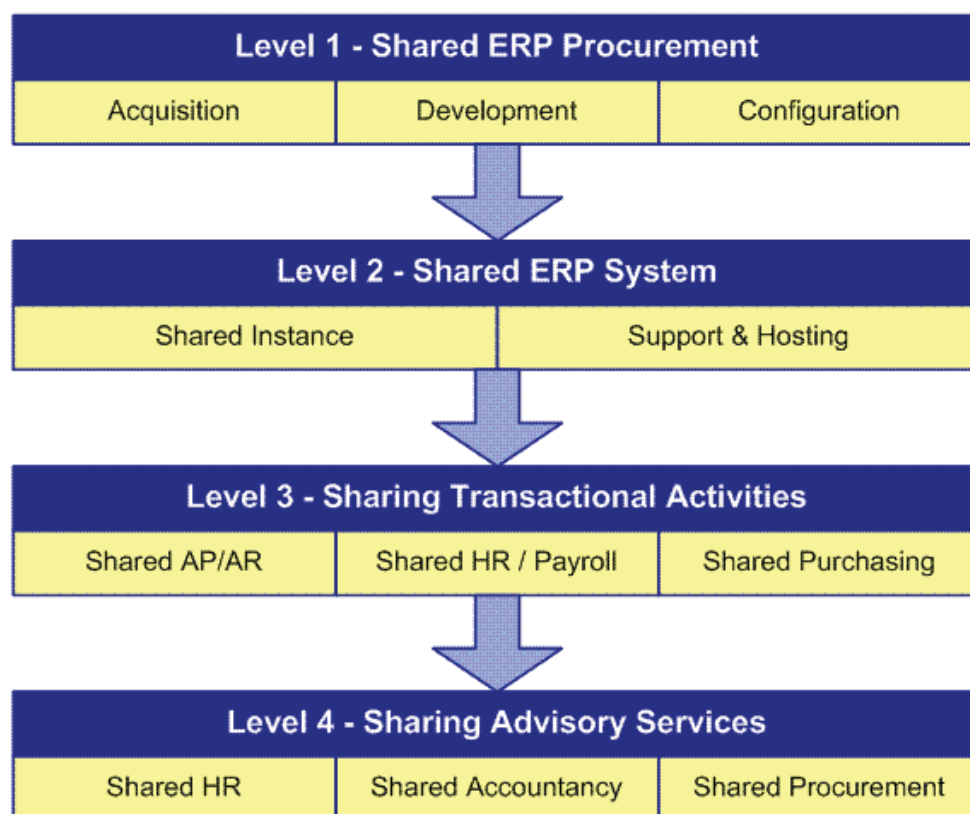
Name	Effect
Government White Paper <i>Strong and Prosperous Communities</i>	Sharper focus required from all services in the delivery of cost efficiencies, whilst maintaining service needs and standards required by customers. The increased need to move resources away from management and support into front line service delivery.
Changing role of Local Government (LGPIH Act 2007)	Moving from service provision to one of service facilitation and monitoring. Becoming more of a broker for community governance, and the provision of purely 'core' services.
Transformational and E-Gov agenda(s)	Requiring services to re-appraise the electronic systems and resources used in service delivery and how these can be further leveraged for customer and cost advantage. The more for less scenario, using ICT as the integrating capability. Allowing greater flexibility in work-life issues, home working whilst maintaining data security.

**Table 1-1: Summary of drivers for change**

- 1.13. The shared local drivers are:
  - (a) Efficiency and revenue savings
  - (b) Sharing scarce resources (people and money)
  - (c) Improved resilience
  - (d) Systems need improvement or upgrade
  - (e) Improved end user experience (i.e. for all managers and staff)
  - (f) Avoiding duplication of effort

## Strategic Outcomes

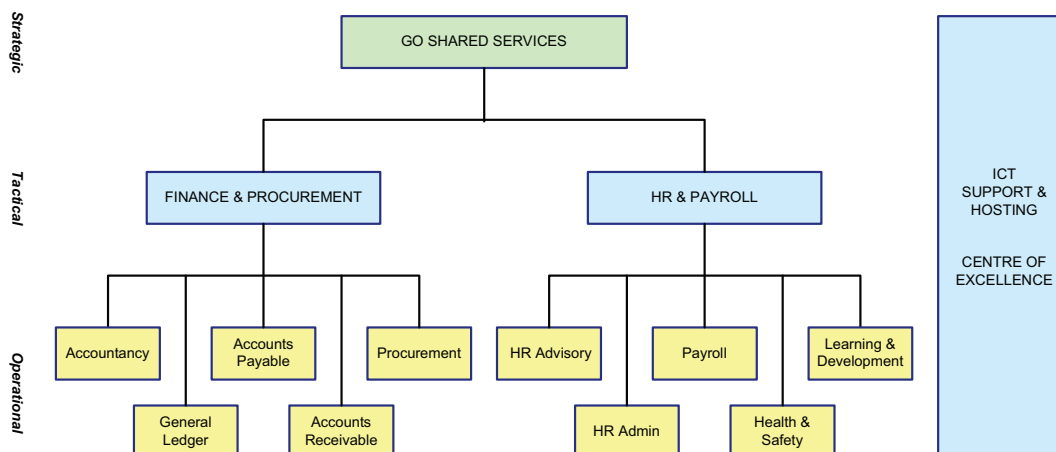
- 1.14. The strategic outcomes are:
- Cost savings
  - Efficient and resilient service
  - Improved, user-friendly systems
- 1.15. The vision has 4 levels as illustrated in the diagram below.
- Level 1** refers to partners coming together to purchase an ERP system and so benefit from economies of scale.
  - Level 2** refers to the sharing of the system i.e. one GO partner council hosting the hardware and software, having one database and one Chart of Accounts. This will allow for more streamlined system administration and standardisation of reporting and auditing.
  - Level 3** refers to the sharing of data processing capabilities such as paying invoices, collecting debts, processing payroll and shared HR and purchasing. For example, this might mean one GO partner council paying all the invoices instead of having a payments team at each of the 4 GO partner councils. (CBH Ltd will be provided with services at this level only)
  - Level 4** this refers to the sharing of all accountancy and HR services including advice.



**Figure 1-1: Level of Shared Services**

- 1.16. In conclusion, the ambition for the partnership is to share all transactional and advisory functions (Level 4). However, each GO partner Council will retain its own Section 151 officer (Local Government Act 1972).
- 1.17. The shared service will be provided by:

- (a) A shared service providing HR, Payroll, Finance and Procurement transactional and advisory services, supported by
- (b) A centre of excellence which is providing the ICT support and hosting functions, based at Cheltenham Borough Council



**Figure 1-2: GO Shared Services**

- 1.18. The transactional and professional & advisory services are detailed in Annex A: Services in Scope for Shared Service. The same annex also details the responsibilities which will be fulfilled locally at each GO organisation (not in scope for shared service).
- 1.19. Cheltenham Borough Homes Ltd have a separately scoped version of the Finance and Procurement, Human Resources and Payroll services listed in Annex A, to reflect that they will be using transactional (administrative) services only, and not professional/advisory services. Transactional services delivered to Cheltenham Borough Homes Ltd will be included in the contractual arrangements with the GO Shared Service.

### Contribution to key objectives

- 1.20. The key objectives for the GO Programme are as follows:
  - (a) **Cashable savings** – All GO organisations have within their strategic aims and ambitions, the need to find solutions to budgetary pressures
  - (b) **Staff retention and opportunities** – It is essential to retain good staff in local government to meet the challenges currently being faced by councils
  - (c) **Service efficiencies** – All councils undertake similar work, thus creating duplication of effort and resources. Joint training, single sourcing and standardised documentation also provide opportunities for service efficiencies
  - (d) **Service resilience** – All councils lack capacity and resilience to respond to peaks in demand or absence of staff. The lack of capacity also leads to buying in external expertise which can be expensive
  - (e) **Enhanced reputation** – At a strategic level, the implementation of a shared ERP application and service across Gloucestershire and West Oxfordshire may provide a catalyst for future shared services. If the approach can deliver successful outcomes then it may well serve as a proof of concept that other potential shared services could adopt

## Stakeholders

- 1.21. Work has been undertaken to establish the identity and basis of each stakeholder interest in the shared services. These stakeholders are key to the success of the Programme. Without continued consultation and their support the Programme will not succeed.

Name	Effect
Elected Members	<p>Have the authority to approve, reject or modify the shared services proposal.</p> <p>Elected members from all of the GO partner councils will have a leading and supporting role in the Programme and will be asked to approve the recommendations for the shared services. They will be required to contribute to the governance arrangements that will need to be in place to report on the potential impact on staff.</p>
Chief Executives, Board of Directors (in particular CBH Ltd) and senior management	<p>Will need to continue to promote the vision of the GO Programme and its implementation within their organisation. Will need to continue to make resources available to form the Programme team and backfill positions where necessary.</p> <p>Will be keen to obtain cost efficiencies and improved service resilience and service innovation.</p>
Employees (in scope of Programme)	<p>Will form the new shared services. Must be satisfied that their hopes, fears and ideas are being listened to and acted upon. Opportunity for wider skill use and development.</p>
Employees; ALMO <sup>1</sup> / agencies (service users)	<p>The departments, and third parties, within the GO partner councils that use the finance, HR and procurement services. They will need to be satisfied that the new shared service is effective and affordable. They will also be concerned about any adverse effects to service during the transition period.</p> <p>Will also be keen to understand changes to them, for example the use of self-service tools and record keeping.</p>
Unions	<p>Concerned for the welfare of staff throughout the transition to the new service.</p>
Press / Media	<p>Due to the scope and scale of this Programme there is expected to be strong interest from the trade press.</p> <p>Local media will be interested to report an initiative that delivers better value for money for council taxpayers across Gloucestershire and West Oxfordshire. The press will also be keen to report on the potential impact on staff resulting from this Programme.</p>

<sup>1</sup> ALMO – Arms Length Management Organisation

Name	Effect
Joint Waste Company – Directors, Employees	<p>Should Cheltenham Borough Council and Cotswold District Council decide to establish a joint waste company; the assumption is GO Shared Services will provide services to the company. Officers that will have responsibilities within the waste company will need to become engaged in the build and testing of the ERP system and the establishment of the shared service.</p> <p>Directors and employees will need to be assured that the new shared service will be able to adequately support the new company, this is especially critical as the company is planned to be established at the same time as the ERP system is being implemented and the shared service is being created.</p>
Suppliers	<p>Relationships will need to be maintained with suppliers of existing business applications for availability of historic data, or for the development of interfaces with the ERP system.</p> <p>Any changes made to the way suppliers are paid must be to the benefit of this stakeholder group (e.g. electronic invoicing may be good for larger companies but must ensure the smaller businesses are not excluded).</p>
Public	<p>Will be interested in cutting down bureaucracy and keeping Council Tax as low as possible through cashable savings and efficiencies.</p> <p>Again, need to ensure payments made to the public, whilst made efficiently do not exclude any particular groups of people.</p>

**Table 1-2: Stakeholder Analysis**

**Scope: minimum, desirable, and optional**

- 1.22. The initial focus of the GO Programme was around a financial management system. This included general ledger; accounts payable; accounts receivable; bank reconciliation; purchase order processing and asset accounting.
- 1.23. The scope now also includes integrated HR, payroll and procurement systems, shared systems administration and for the system to be hosted at Cheltenham Borough Council.
- 1.24. Included within the first phase of the Programme are:
  - (a) The joint procurement of an ERP system (completed);
  - (b) The installation and build of a single ERP system which is shared by all GO organisations (in progress);
  - (c) The sharing of transactional and advisory services across all partner Councils;
  - (d) The provision of transactional services with Cheltenham Borough Homes Ltd;
  - (e) If it is decided that a joint waste company is to be created, the GO Programme will provide transactional and advisory services to the new company.



## Constraints

- 1.25. The business case for the GO Programme contains a limited budget for contingencies. The partner Councils are all running change programmes in response to the level of cuts in central government funding. These change programmes require support from the same Officers that are also involved in the implementation of the GO ERP system and development of the shared service.
- 1.26. Some of the programmes running at the partner councils are introducing new constraints on the GO programme, for example, the potential establishment of a Joint Waste Company, means that the GO Programme will be required to develop a client within the ERP system for the joint waste company along the same timelines as the development of the clients for Cheltenham Borough Council, Cheltenham Borough Homes Ltd and Cotswold District Council.

## Strategic benefits

- 1.27. Benefits can be identified from two different aspects of this Programme:
  - (a) The implementation of an integrated system
  - (b) Sharing services across the partnership
- 1.28. Implementation of an Enterprise Resource Planning (ERP) system will:
  - (a) Improve decision making by giving online access to up to date data.
  - (b) Save time by supporting e-enabled processes for day to day tasks such as ordering goods, claiming expenses and requesting annual leave.
  - (c) Allow the council to respond quickly to changes by bringing together all the data concerning human resources, finance and assets and supporting improved modelling and forecasting.
  - (d) Through co-ordinated procurement ensure the right goods and services are provided at the best possible cost. It will also play a role in stimulating and maintaining local economies.
  - (e) Allow managers to control and take direct ownership of their service costs removing the reliance on centralised corporate control.
- 1.29. Sharing services will:
  - (a) Produce cashable savings from shared implementation and ICT support & hosting costs, shared transactional processing costs and shared costs of advisory services. These savings could be used to protect frontline services.
  - (b) Improve capacity by bringing together staff resources from all the GO partner councils.
  - (c) Deliver increased resilience by standardising processes across all organisations and creating skilled teams which can support all of the shared service clients.
  - (d) Provide the opportunity for further partnership working supported by the shared data stored on the system, for example identifying shared procurement opportunities; streamlining policies and procedures which will generate further efficiency gains.
- 1.30. Benefits will be gained from:  
**Shared ERP system:**
  - (a) Implementing integrated modules rather than a number of separate systems
  - (b) Installing a single, rather than multiple, ICT solutions
  - (c) Simplify the number of interfaces required, thereby potentially reducing costs
  - (d) Using a single set of resources to administer systems

- (e) New systems are more flexible to:
  - (i) Configure initially, and
  - (ii) To amend in line with both legislative changes, and
  - (iii) Organisational development (the cost of change)
- (f) Overall administration can benefit from economies of scale

**Shared Finance:**

- (a) Centralising and standardising Accounts Receivable (AR) and Accounts Payable (AP) and payroll transaction processing to reduce administration costs
- (b) Financial management can be decentralised and delegated to service managers

**Shared Human Resources:**

- (a) Human Resource (HR) management and record keeping can be delegated to individuals themselves
- (b) Efficiencies can be improved by moving progressively to a self-service regime for budget management, procurement management, HR and payroll.

**Shared Procurement:**

- (a) Sharing procurement information to improve procurement strategies and enable further efficiency savings to be delivered
- (b) Aggregating spend to achieve better prices
- (c) Rationalising suppliers to reduce the cost of procurement administration
- (d) Standardising specifications to help simplify purchasing aggregation
- (e) Reducing/eliminating rogue purchasing to help purchasing aggregation

**Shared Advisory Services:**

- (a) Improved and more effective management support and advice.

## Strategic risks

- 1.31. The key strategic risks associated with this Programme can be grouped into three areas:
  - (a) Risks associated with the partnership
  - (b) Risks associated with the critical nature of an ERP system
  - (c) Risks associated with the level of change required by the Programme
- 1.32. Risks associated with the partnership arise principally from the fact that the Programme benefits are derived from aggregations of scale; any failure or reduction of the partnership would result in the benefits being reduced or, in the worst case, being lost. While all GO organisations are fully committed at the start of the Programme, the main benefits, particularly the cashable savings, will require some time before they materialise. The savings are planned to be delivered from October 2012. Keeping the partnership together over a number of years will require significant commitment at a senior level in each partner council. Failure to keep the partnership together will at best result in reduced benefits and at worst create an atmosphere which will make it difficult for the councils to work together in other areas.
- 1.33. Risks associated with the critical nature of an ERP system arise from the importance of finance and HR services to the councils. Any failure of the systems managing these resources, or of the processes associated with them, could have severe consequences for the councils concerned which will result at least in loss of money and effectiveness, or in the worst case loss of reputation and legal action.

- 1.34. Risks associated with the level of change required by the programme arise if the councils cannot realise the benefits identified above because stakeholders are unwilling or unable to change the way in which they work. Implementation of the ERP system will require nearly every member of staff to change the way they work, and will also affect suppliers and debtors.
- 1.35. The GO Programme Board operates an adopted Risk Management Strategy. The Programme Board monitor all risks on a fortnightly basis. Any risks with a mitigated score of 8 or above (red) will also be transferred to the Corporate Risk Registers of GO partner councils or shared service clients as applicable.

### **Critical success factors**

- 1.36. The factors critical to the success of this programme are:
  - (a) The commitment of all GO partner councils to the programme
  - (b) The successful implementation of the ERP system to support the efficiency gains envisaged in this business case
  - (c) The successful realisation of the benefits of shared working to a level envisaged in the vision of the programme.

(b) and (c) are both sensitive to benefits being eroded because new ways of working are not embraced.

### **Options Appraisal**

- 1.37. Version 3.0 of the Business Case set out details of the options appraisal carried out for the GO Programme.

### **Opportunities for innovation and/or collaboration with others**

- 1.38. The scale and size of the GO programme is already an innovative solution for collaborative working and shared services.
- 1.39. The GO programme has already provided the opportunity for Cheltenham Borough Homes Ltd to join as a client of the shared service. In addition, work is progressing on the opportunity to provide services to the possible new joint waste company which may be established in April 2012 by Cotswold District Council and Cheltenham Borough Council.
- 1.40. The governance arrangements set out in Annex B – Governance Models, provide for GO partner councils to delegate responsibilities (under s101 of the Local Government Act 1972) to lead authorities for the shared service and Support and Hosting Centre of Excellence. The lead authority for the shared service will undertake the responsibility for an initial two year period. During 2013, the governance arrangements will be reviewed in line with the vision for the shared service.

### **Service delivery options – who will deliver the programme?**

- 1.41. During the implementation phase, the GO partner councils and Cheltenham Borough Homes Ltd will be incurring significant financial liabilities and contributing significant officer time. However the contractual relationships are clear and until the system is operational risk is limited to loss of finance.
- 1.42. Once the ERP system has been implemented and is operational it will become a critical part of each GO organisation's working and therefore each GO organisation will need to ensure it is managed and monitored carefully and it is robust and resilient. A shared system also requires the GO organisations to align their working

practices and agree on a number of issues from business processes; through to changes and developments on the system; and the governance structure will need to be flexible enough to support swift decision making on priorities in circumstances where there are urgent issues to be resolved.

## 2. Financial assessment

- 2.1. The following summarises the **overall** financial business case for the implementation of a shared ERP system and the creation of a shared service for the partnership.

### Set up / Implementation principles

- 2.2. The partnership has agreed that the implementation of an ERP system needs to maximise the operational and financial benefits from sharing. Whilst transactions and ledgers for individual organisations will need to be maintained, the ability to look across the database for all organisations must be allowed for in the building of the system. This will facilitate the creation of an individual entity's set of financial ledgers for accounting purposes (budgeting and Statement of Accounts) and for reporting across all GO organisations (e.g. reporting total spend on supplies or by supplier) which could lead to a more collaborative approach to procurement of supplies and services across one or more GO organisations and further collaborative procurement savings. This approach to the implementation of an ERP system has been agreed between the Councils and Cheltenham Borough Homes Ltd. and is the most economic option for all involved since it avoids the cost of the replication of the system build process in 5 entities.
- 2.3. The maximisation of the savings derives from sharing all transactional and advisory functions (refer to Figure 1-1: Level of Shared Services). In order to achieve this, it is critical that a standard approach to processing is agreed amongst all GO organisations. As such, a common coding structure (allowing for local needs), standard chart of accounts, and procurement are critical to ensuring that the reporting and analysis opportunities are maximised. The ambition is to enable each GO organisation to produce its own management accounts using standard reports but also to automate the production of the Statement of Accounts, VAT returns, Government statistical returns, etc.
- 2.4. The business case financial projections over a 10 year period (typical life expectancy of an ERP system) are at Annex C – GO Programme Costs and Savings to this report.
- 2.5. In developing the business case, the partner Councils have agreed the principles of sharing both costs and the savings generated from an ERP system which form the basis of the business plan financial projections. The allocation of implementation cost is based upon the assumption that all GO organisations jointly procure a single system and share the costs and savings.
- 2.6. The charging principles, for the ongoing shared services, have been established as:
- The GO Shared Services will recharge all costs to the initial GO organisations on a cost recovery basis.
  - In the interim period, up to 31st March 2014, costs will be recharged in proportion to the original baseline staffing position. This will ensure an equitable level of savings for all GO partner councils in line with the original Business Case. The long-term aspiration will be that transactional services will be recovered on a unit cost per transaction basis by April 2014 and other posts will be shared on an agreed equitable basis.
  - For the period 1st April 2012 to 30th September 2012, while the Shared Service is being established, costs will be recharged to the pre-transfer GO partner council. Where staff will have transferred (TUPE'd) to the lead / employing authority but will still be providing a service to their pre-transfer GO partner council, all employee and related costs will be recharged to the employee's former employing council on a full cost recovery basis.

- Each GO partner council will provide a baseline staffing position for each Shared Service area (Accounts Payable, Accounts Receivable, Payroll, Accountancy, HR transactional and HR advisory). This will reflect the full establishment of each service by person, post, grade and budget. The Baseline costs will be measured against the service costs once the Shared Service has been fully implemented, the difference being the savings to accrue to each respective GO partner council
  - Any additional savings arising from any future restructurings will be shared in proportion to the original baseline staffing position. Any new income generated by the Shared Services will be shared equally by the GO partner councils.
- 2.7. There will be a formal review of all charging mechanisms and allocation basis to take into consideration all processes to provide specific services. Any changes would aim to be implemented for the start of April 2014. It is intended that data for such charging can be generated from within the new ERP system and will not create a complex administrative burden. However, the principle for charging is that it should be transparent and relative to individual partner usage.

### **Implementation costs**

- 2.8. The cost of implementing a shared ERP system, based on an approach which realises the above aspiration for sharing of system and services includes the following components:
- (a) One off hardware and licence costs as per version 3.0 of the GO Business Case.
  - (b) Implementation team: In order to realise the benefits and maximise savings from sharing, all councils will work collectively on building the system. A core, multi specialist, implementation team has been created, drawing individuals from the 4 councils, which will implement the system in all GO organisations ensuring that the consistency in approach is maintained. The principle of gifting implementation team resource to the project was agreed in order to keep the project costs to an affordable level.
  - (c) The aim of the programme is the implementation of a shared ERP system, the creation of the ICT Support & Hosting Centre of Excellence and the establishment of a shared service providing Finance, Procurement, HR and Payroll functions. The establishment of the ICT Support & Hosting Centre of Excellence has required some initial set up costs which have been shared equally amongst all GO partner councils.
  - (d) The creation of the shared service should ultimately reduce the number of posts required to provide the functions in the GO partner councils. The future service delivery model has been considered and an estimate made on the likely impact on posts and a provisional sum has been allowed for to finance any 'one off' staffing costs.
  - (e) The change to include all professional and advisory services has increased the overall level of savings available, £112,000 of this has been set aside in 2012/13 to increase the provision for one-off costs. No one partner council will be disproportionately disadvantaged as a result of the cost of redundancy due to local arrangements. These costs have been netted off against savings generated in the earlier years of the programme in the financial projections but the phasing and amounts may change.
  - (f) A provisional sum has been assumed for the writing of interfaces with residual systems into an ERP system (e.g. bank files or retained systems). However, the intention is to minimise the number required since this removes the need

for systems support and reconciliation work. This should ultimately lead to less ICT support, although this has yet to be quantified.

## Savings

- 2.9. The collective procurement of an ERP system is the most cost effective way of acquiring an ERP system. The cost for each GO organisation individually procuring its own acquisition of an ERP system would be more expensive and would not enable the partnership to access the operational efficiency saving which the business case identifies.
- 2.10. The financial modelling is based on a conservative assessment of savings over a 10 year period which can be used as indicative figures for forward planning in the individual councils Medium Term Financial Strategies.
- 2.11. The business case for GO (included at Annex C – GO Programme Costs and Savings) indicates that the overall investment required for the programme is £1,418,647. This is projected to generate annual savings of £52,046 in 2012/13 rising to annual saving of £672,752 by 2013/14 across all 4 partner councils. **Overall**, the gross programme savings are estimated to be £5.2m with savings, net of the investment, of £3.8m across all 4 partner councils over a 10 year period. This compares to the original Business Case that provided for gross programme savings estimated to be £3.4m with savings, net of the investment, of £2.0m. For each council, the savings delivered will vary depending on the current cost of annual licences, ERP modules being used and associated projects which are enabled as a result of the potential sharing of an ERP system.
- 2.12. Given the complexity of the programme, the timing of savings may vary from the projections above.
- 2.13. Savings will arise from 2 areas. The first being the anticipated saving in licence costs resulting from the replacement of many individual interfaced systems in individual councils (e.g. Finance, Accounts Receivable, Payroll and HR with one integrated package for all partner councils). The other area is staffing within the scope of the GO Shared Services.
- 2.14. There are likely to be further savings across the organisation resulting from introducing new processes and procedures which are typically available in an ERP system (e.g. electronic ordering and payment for goods and services). These are likely to have a significant impact across all 4 partner councils. The final business case assumes that each council will save one administrative post beyond those identified in the shared service as a result of streamlined processes. In reality, it is anticipated that these savings may be greater.
- 2.15. The implementation and sharing of an ERP system is likely to lead to a closer collaboration between the GO organisations which may ultimately drive out more savings beyond the existing parameters of the programme (e.g. combined banking contracts, insurance tenders, reduction in need for individual duplication of core Financial and Human Resources, systems audit work etc).
- 2.16. The financial projections do not currently assume any savings in residual ICT departments as a result of no longer having to manage several independent systems or the hosting and management of a single ERP system moving to a single council. Each GO partner council will manage the access to the shared ERP system for individual users up to the respective fire walls but that system management (e.g. upgrades and data base management) and administration (authorisation levels, access to ledgers etc.) will be managed in the Support and Hosting Centre of Excellence. The business case assumes additional staff and on-going revenue cost in the Support and Hosting Centre of Excellence to manage the systems on behalf of

all GO organisations but there is no assumption of savings elsewhere to offset these costs.

### **Investment Payback Period**

- 2.17. The financial projections are based on these costs and savings and project cumulative savings over a 10 year period of £5.2m and indicate an overall project payback of circa 4 years. The payback period is considerably earlier than would normally be expected from the implementation of an ERP system (typically 10 years) as a result of the sharing of costs amongst the GO partner councils. The individual GO partner council payback period is likely to vary depending upon the starting position (i.e. the cost of annual licences and the age and quality of the existing Financial Management Systems and payroll systems).

### **Funding**

- 2.18. The Funding for the GO Programme has already been agreed by the GO partner councils. At this point in time, costs are within the approved budget.



### 3. Achievability

#### Evidence of similar projects, where available

- 3.1. Private Sector companies have been sharing services for a number of years and have delivered significant benefits in terms of cost savings and efficient processes. Development of shared services in the public sector is more recent but the following examples show where the projects will (and have) achieved excellent results.
- (a) Nottingham and Leicestershire County Councils - The councils will generate estimated savings of £2 million a year sharing HR, payroll and finance services
  - (b) Bromsgrove and Redditch Councils - sharing management services and a chief executive has saved the councils an estimated £500,000 over the last 18 months
  - (c) East Kent District Councils – four councils have set up a joint management business to oversee the delivery of some back-office services and waste management. It aims to deliver 10 per cent savings on current costs.
  - (d) Huntingdonshire and Cambridgeshire District Councils - Since 2005 the councils have shared a call centre saving £71,000 a year.
  - (e) North and North East Lincolnshire – The councils have jointly saved more than £1.4 million since 2006 by joining forces to procure items like telecommunications, heavy vehicles, wheelie bins and furniture.
  - (f) South Hams and West Devon District Councils – sharing management teams and a chief executive has saved the councils £350,000 since the measures were introduced in 2009.
  - (g) Cambridgeshire County Council and Northamptonshire County Councils are merging various functions including IT and Human Resources and will be saving £1.3 million annually with a further £1 million predicted.

#### Programme plan

- 3.2. The table below details the key dates for the programme since the original business case was agreed:

Date	Activity
August 2010	Business Case approved by Programme Board
Sep 2010 – Oct 2010	Programme approved by GO partner councils
November 2010	Start of implementation
Nov 2010 – Aug 2011	Establish Support & Hosting Centre of Excellence
Nov 2010 – Oct 2011	Installation, implementation and configuration of ERP application
November 2011	First GO organisations “live” on ERP application
Nov 2011 – Apr 2012	Rollout to other GO organisations (see Table 3-2: Intended “Go-live” dates for each GO below)
April 2012	Start of GO Shared Services and staff TUPE to lead authority
Apr 2012 – Oct 2012	Establish shared service

**Table 3-1: Implementation Plan – Key dates**

Go-Live Date	Module		
	Finance	HR/Payroll	Procurement
November 2011	Forest of Dean West Oxfordshire	Forest of Dean West Oxfordshire	Forest of Dean West Oxfordshire
April 2012	Cheltenham Cheltenham Borough Homes Ltd Cotswold	Cheltenham Cheltenham Borough Homes Ltd Cotswold	Cheltenham Cheltenham Borough Homes Ltd Cotswold

**Table 3-2: Intended “Go-live” dates for each GO organisation**

- 3.3. The key programme milestones are included at Annex D – GO Programme Milestones.

### **Risk management strategy**

- 3.4. Clearly a programme of this scale and nature will carry a number of significant risks and a comprehensive risk register is in place, along with accompanying risk strategy. These documents have been developed in compliance with a standard Risk management approach (PRINCE2 / Managing Successful Programmes (MSP)) for assessing and managing risk.
- 3.5. There are two main types of risk faced by the implementation of this programme:
- (a) risk involving the development and implementation of the GO partnership, and
  - (b) risk of the subsequent failure of the GO partnership
- 3.6. In compiling the programme risk strategy there are some fundamental questions that have been addressed, including:
- (a) what risks are to be managed
  - (b) how much risk is acceptable
  - (c) who is responsible for the risk management activities
  - (d) what relative significance time, cost, benefits, quality, stakeholders have in the management of risks
- 3.7. Possible risks to the success of the programme in meeting its time, cost and scope targets will be identified, assessed and managed. A risk log has been generated to register and track the programme risks in a simple and pragmatic way.

### **Benefits Realisation Plan (BRP)**

- 3.8. The benefits realisation plan is indicative at this stage of the programme however, it will be compiled in order to track the realisation of benefits (outlined in paragraph 1.20 above) across the GO Programme as part of the implementation following the approval of this revised Business Case.
- 3.9. The outline arrangements for benefits management that will be applied to this programme are summarised below:
- (a) the Benefits Realisation Plan will clearly show what will happen, where and when the benefits will occur and who will be responsible for their delivery
  - (b) the plan for benefits needs to be integrated into, or co-ordinated with, the project plan and should be very clear about handover and responsibilities for

ongoing operations in the changed state (where the benefits will actually accrue)

- (c) there should also be a tracking process which monitors achievement of benefits against expectations and targets. The tracking process must be capable of tracking both 'hard' (e.g. cost) and 'soft' (e.g. reputation) benefits and operates alongside the changed operation
- (d) in addition, there should be evidence of realisation of actual benefits (through the tracking process). The benefits claimed should be defensible against independent (third party) scrutiny.

### **Shared Services Business Continuity Plan**

- 3.10. Once committed to this programme, any delay or failure during the implementation phase has the potential to threaten business continuity to one, or more, of the GO organisations,
- 3.11. A Business Continuity Plan will be essential to summarise the outline arrangements for managing unexpected events, including a fallback position if the GO programme is delayed for any reason. It will be necessary to cover possible ways of ensuring the continuity of business services in the interim period.
- 3.12. The Business Continuity Plan for the ICT Support & Hosting Centre of Excellence is part of the implementation, and will be tested before the first GO partners are live.
- 3.13. The full Business Continuity Plan will be developed for the GO partnership during the next stage of the programme. This Business Case will be reviewed and revised, as appropriate, during the duration of the programme.

## 4. Annex A: Services in Scope for Shared Service

### Transactional Services (Administrative experts) and Business Partners

Keeping the business running day to day, creating an efficient administrative infrastructure, with effective and efficient processes, re-engineering processes and where needed, providing shared services.

Working on the ground with services to deliver effective solutions to business problems, give advice and guidance, trouble shoot, effect on the ground improvements.

Finance and Procurement	
<b>Finance</b>	
<b>1. Accounts Payable</b>	<ul style="list-style-type: none"><li>• Process invoices</li><li>• Create payment batches from Creditors module and feeder systems such as: Housing Benefits, Council Tax, and National Non Domestic Rates as required.</li><li>• Arrange for authorisation and submission of BACS payments.</li><li>• Printing and dispatching cheques.</li><li>• Manage enquiries from suppliers.</li><li>• Printing and dispatching remittance advices (preferably e-remittances).</li><li>• Cancelling out of date cheques</li><li>• Produce management reports</li></ul>
<b>2. Purchase ordering</b>	<ul style="list-style-type: none"><li>• Maintain Purchase Order module including closing down out of date orders</li><li>• Produce management reports</li></ul>
<b>3. Accounts Receivable</b>	<ul style="list-style-type: none"><li>• Raise debtor accounts, printing and posting invoices</li><li>• Issue reminders</li><li>• Apply income to debtor accounts</li><li>• Negotiate and administer instalment arrangements</li><li>• Liaise with service departments over recovery action</li><li>• Pass non paid accounts to legal dept for recovery action</li><li>• Manage queries from customers</li><li>• Process cancellation and write offs</li><li>• Production of management reports</li><li>• Calculation of bad debt provision</li></ul>
<b>4. General ledger management</b>	<ul style="list-style-type: none"><li>• Scoping of reports/changes to reports</li><li>• Production of Trial Balance and confirming Ledger is in balance</li><li>• Reconciliation of modules</li><li>• Maintenance and balancing of management reporting budget views</li></ul>
<b>5. Cash and Bank input</b>	<ul style="list-style-type: none"><li>• Import income files into ledger</li><li>• Import cashed cheques into the ledger</li></ul>

- Manual cash posting
  - Management of Local Cash Receipting Systems (including system administration)
- 6. VAT**
- Preparation and submission of monthly VAT returns
  - Calculation and submission of partial exemption return where necessary
  - Preparation of VAT guidance/VAT Manual
  - Liaise with external VAT advisor to provide specialist advice as required
  - Advice on changes to VAT regulations and how changes need to be implemented
  - Preparation of ad hoc (returns such as Isle of Wight claims)
  - Support for any VAT disputes including referrals to VAT Tribunal
  - Produce monthly and year-end VAT working papers
- 7. Bank reconciliation**
- Monthly reconciliation of bank accounts to ledger
  - Analyse and correcting discrepancies
  - Produce year-end working papers
- 8. Cheltenham Box Office Reconciliation**
- Monthly reconciliation of Cheltenham Town Hall box office system (Infx) to financial ledger, to include transfer of ticket sales to council promotions
  - Analyse and correcting discrepancies
  - Produce year end working papers
- 9. Trust Funds**
- Treasurer to trust funds, providing advice and support to Trustees, Members and Tenants
  - Production of annual Charity accounts and presentation at the Annual General Meeting
  - Produce year-end working papers
- 10. Mortgages, Car Loans and Loans to Third Parties**
- Maintain records of mortgages, car loans and other loans to third parties
  - Preparation of car loan documentation
  - Reconcile new advances to general ledger
  - Reconcile mortgage, car loan and other loan instalments to ledger – including payments made through third parties (e.g. LAAMAC)
  - Administration of salary sacrifice schemes
  - Produce year-end working papers
- 11. Freedom of Information Requests (FOI)**
- Maintain records of FOI requests received by GO Shared Services
  - Allocate to relevant Financial Services officer to action
  - Co-ordinate response and liaising with FOI officer as necessary
- 12. Mayors / Chairmans Charity**
- Provide financial support to officers for charity fundraising activities
  - Maintain records of income and expenditure
  - Prepare annual Charity accounts
- 13. Leasing (Financial aspects) – Employee cars/pooled cars**
- Advice to officers regarding obtaining quotations for and ordering leased cars (where the employee is entitled to a leased car)
  - Completion of leased car contract

- Arrange for the contract to be signed by the as applicable
- Pay invoices for leased cars
- Complete year end working papers for leased cars

#### **14. Leasing – Other Leases**

- Keep up to date with accounting regulations applicable to leases and advising on any changes to be implemented – including impact upon budgets
- Maintain a register of leases
- Contribute to the final accounts production plan
- Account for leases in accordance with IFRS
- Provide advice on the accounting treatment of new contracts/leases – including impact on budgets
- Produce year end working papers for leases including information for the Asset Register, Balance sheet, Comprehensive Income and Expenditure Account etc.

#### **15. Support services costing**

- Contribute to final accounts project plan and budget preparation plan
- Prepare budgets for support services recharges
- Prepare and entering journals for management accounting purposes
- Complete year end working papers and journals to allocate support services costs to services

#### **16. Journals**

- Administer journal requests
- Entry of all Finance generated journals
- Complete all necessary year end journal entries including accruals and prepayments

#### **17. Statement of Accounts**

- Provide advice on any proposed changes to the accounting regulations, with impact assessment which include changes which need to be incorporated at the respective GO organisation(s)
- Prepare project plan for production of statement of accounts
- Prepare guidance notes for budget managers and management teams preparation for year-end
- Collate returns (e.g. year end creditors or debtors, petty cash, stock values) to enable year-end transactions to be posted to each general ledger
- Prepare statement of accounts in accordance with the IFRS and CIPFA Code of Practice
- Provide weekly updates on statement of accounts progress including details of any returns which have not been provided by, or have not been correctly completed, by GO organisations
- Statements to be prepared before 30<sup>th</sup> June each year
- Prepare working papers in accordance with requirements from external auditors
- Liaise with external auditors during audit of the statements
- Incorporate any changes agreed with the external auditor into the financial statements ready for approval by 30<sup>th</sup> September each year
- Carry out a review of the final accounts process and recommend any changes to improve the process

#### **18. Collection Fund Accounting**

- Keep up to date with accounting requirements for production of the Collection Fund accounts
- Advise of the impact of any changes to the accounting regulations
- Report details of any projected Collection Fund surplus or deficit to partner authorities for submission to appropriate precepting authorities by 15<sup>th</sup> January
- Contribute to the final accounts project plan
- Prepare Collection Fund accounts in accordance with the final accounts project plan
- Prepare working paper for external auditor review
- Liaise with the external auditors
- Incorporate any changes resulting from the external audit review into the final accounts to be approved at the end of September

#### **19. Fixed Asset accounting**

- Maintaining the asset register module for new assets, asset disposals, depreciation, impairments etc.
- Advise of the implications of any change to asset accounting regulations
- Contribute to the production of the final accounts project plan
- Complete fixed asset accounting entries in accordance with the final accounts project plan
- Check that appropriate journal entries have been completed to enable production of statement of accounts
- Provide fixed asset notes to statement of accounts in accordance with the final accounts project plan
- Provide working papers to support the accounting entries and notes to the statements
- Liaise with external auditors during audit of financial statements
- Incorporate any changes from the external audit into the final statements to be approved by 30<sup>th</sup> September

#### **20. Financial Strategy/Budget Preparation**

- Assist with development of Medium Term Financial Strategy by providing details of forecast interest and inflation rates and projected investment returns
- Prepare guidance notes for the update of the MTFS and Budget Preparation Process
- Prepare a project plan for budget setting
- Prepare returns (capital and revenue) for budget managers to complete and to assist with the development of the MTFS
- Collate returns from budget managers to assist with update of the MTFS
- Provide data to support the MTFS report
- Use data from update of the MTFS to prepare budgets for the next financial year.
- Prepare salary estimates and salary allocations
- Prepare budget book in electronic format by end of February each year

#### **21. Business Partnering**

- Assist budget holders and other officers with the development of business cases for changes to services
- Review reports for financial implications and advise report author accordingly
- Advise budget holders of changes to regulations that have a financial impact upon

budget

- Work with budget holders to review consultation documents to understand the financial implications of proposals and provide feedback to s.151 officer where there is a significant financial impact
- Prepare monthly management reports for budget holders
- Produce monthly Key Variance Report for Portfolio Holders
- Produce quarterly financial performance data for performance report to Cabinet
- Produce forecasts of budget outturn
- Provide assistance with budget monitoring, preparation of budget forecasts etc.
- Support budget holders with the process to be followed where budgetary pressure needs to be address – assist with finding solutions or escalate as per Financial Rules
- Support to budget holders and other officers for one off projects / capital schemes
- Support to third parties for ad-hoc requests
- Client financial support to third parties

**22. Cheltenham Borough Homes Ltd**

- Maintain the Cheltenham Borough Homes Ltd (CBH) holding account, held with Cheltenham's general ledger
- Raise of invoices between CBH and CBC
- Reconciliation of holding account
- Produce year-end working papers

**23. Gloucestershire Airport**

- Support Runway Safety Project in capacity of shareholder (e.g. attendance of monthly project boards, arranging for the release of funds, ad hoc queries etc.)
- Analysis of monthly management accounts and reporting back to Strategic Director.

**24. Government returns – RO, RA, QRO, CO. etc.**

- Complete statutory government returns in accordance with statutory timescales for approval by each GO organisation

**25. Technical Accounting support**

- To keep up to date with accounting regulations as they apply to local authority ALMO, company, charity, trust fund, joint committee etc. accounts
- Advise on any proposed changes to accounting regulations, including implications to enable each GO organisation to respond to consultation as appropriate
- Provide advice on all technical accounting issues as required including the development of policy
- Provide support to service managers upon s.106 developer contributions

**26. Council Tax insert note**

- Prepare the financial tables and narrative detail for inclusion within the council tax leaflet for approval by each GO partner council

**27. Benchmarking**

- Provide data to enable benchmarking of services
- Provide data to support the reporting of performance indicators in accordance with each GO organisation's requirement. Performance indicator data requirements to be submitted to the shared service before the end of March each year
- Liaise with auditors over the production of the performance indicator data as necessary



## **28. Statistical reporting**

- Assist with the completion of statistical returns such as “CIPFA stats” or VFM data as required by each GO organisation

## **29. Treasury Management**

- Keep up to date with the latest Treasury Management Rules and Regulations
- Advise GO organisations on any proposed changes to rules and regulations together with impact assessments
- Carry out competitive procurement exercises for external Treasury Management advice on behalf of the GO organisations, as required.
- Work with any external advisor to develop the annual Treasury Management Strategy including Prudential Indicators and Minimum Revenue Provision policy
- Maintain a cash-flow forecast for each GO organisation, to feed into budget setting process
- Carry out daily cash management
- Negotiate investment in accordance with the appropriate Treasury Management Strategy
- Arrange borrowing in accordance with the appropriate Treasury Management Strategy
- Ensure that each GO partner council maintains bank balances in accordance with its Treasury Management Strategy and Financial Rules
- Produce quarterly Treasury Management Performance Reports
- Monitor new investment opportunities and advise each GO organisation on the risks, opportunities and legality of entering into such investments
- Provide support to Treasury Management Panels (or similar Member groups) at each GO partner council as required
- Maintain Treasury Management Practices and Policies
- Produce statutory reports as required for each GO organisation.

## **30. Insurance support and advice**

- Collate information for tendering of insurance services, as required
- Prepare tender documentation for approval by GO organisations, as required
- Advertise the tender in accordance with Procurement Rules
- Agree evaluation criteria with GO organisation
- Carrying out evaluation of responses
- Make recommendation on supplier
- Post tender work – notifying successful/unsuccessful bidders
- Claims processing
- Preparation of insurance budgets for each GO organisation
- Allocation of insurance premium charges within finance system for each GO organisation
- Insurance and risk management advice to service managers for each GO organisation

## **31. Collate Precept data from Parish Council, Upper Tier Authorities, Police Authorities**

- Obtain council tax base data per parish and for district as a whole
- Write to all Parish Council to request details of the value of the parish precept and banking details for the following financial year

- Collate feedback from Parish Councils
- Collate precept data from upper tier authorities, police authorities, as appropriate
- Ensure all Parish Councils have submitted precept requests
- Provide details of all Parish Council and other precepts to each GO partner council by the end of the first week of February

## Procurement

### 1. Common Procurement Strategy, reflecting local flexibility

- Write GO Procurement Strategy, incorporating agreed local information

### 2. Common Contract Rules

- Write GO Contract Rules, incorporating agreed local information

### 3. Common suite of Standard Documentation

- Write GO Standard Procurement Documentation, incorporating agreed local information

### 4. Standardised procurement web pages

- Facilitate GO Website

### 5. Common Contract Register

- Responsibility for maintaining contract register
- Include all current contracts

### 6. Full tender / quotation process

- Research Suppliers/collaborative opportunities/frameworks. Undertake Internet Research
- Provide incumbent supplier details
- Develop advertisements
- Advertising (GO website/e-portal/supply2gov/OJEU): Publish Advertisement on website and through e-portal
- Legal: Send Instruction Memo to appropriate legal team. Sending regular updates.
- Draft Invitation To Tender: Use common standard documents for ITT
- Specification: Provide common outline template, advice and guidance
- Evaluation documentation: Provide common outline template, advice and guidance
- Evaluation Criteria: Provide common outline template, advice and guidance
- Tender Returns (all tenders to be returned to Shared Service): Undertake formal receipting process
- Tender evaluations: Facilitate evaluation meetings/scorings from a compliance view.
- Supplier References/Due Diligence reports: Apply for appropriate references/undertake snapshot financial checks/facilitate due diligence checks, deciding on outcome of report
- Supplier presentations: Facilitate the process. Providing advice and guidance
- Site visits: Facilitate the process, provide common template, advice and guidance
- Contract Award process: Inform winning supplier/s. Debrief losing suppliers
- Legal Terms & Conditions: Liaise with appropriate legal team to formulate the contract, provide all necessary documentation and clauses specific to this contract, relevant legal team to provide closing memo for entry in the contract register

### 7. Contract Management

- Provide advice to GO partner councils if any issues arise

- Day to day contract monitoring will be undertaken on a GO partner council basis
- Report for all contracts placed by Shared Service (current contracts placed by authorities will be reported locally)

#### **8. Contract Monitoring**

- Overview of all contracts will be a role for the Shared Service. Collating feedback and end of contract report before starting the process again
- Liaise with Procurement if there are any specific issues that need raising
- Report for all contracts placed by Shared Service (current contracts placed by GO partner council will be reported locally)

#### **9. Spend Analysis, Reporting and identification of procurement savings**

- Provide current spend data and supplier information as requested

#### **10. Common Work plan**

- Developing work plan from contract register and authority requirements

#### **11. Supplier Adoption on E-portal, where in use**

- Maintain the e-portal

#### **12. Category Management**

- Collate individual contract information from each GO partner council to enable category management technique to be utilised.

#### **13. Purchase Order Management**

- Monitoring of Purchase Order process

#### **14. Purchase Cards**

- Administration

#### **15. Procurement Training provided by Shared Service**

### **HR and Payroll**

#### **Human Resources (HR)**

##### **1. Workforce Intelligence**

- Production of workforce intelligence reports direct from system, downloaded to relevant media: e.g. word/excel
- Analysis of information and conversion into formats for publication: e.g. reports/intranet, etc.
- Standard monthly/quarterly reports
- Cabinet/Committee reports & workforce planning
- Analysis and recommendation for performance monitoring, responding to request, benchmarking, etc

##### **2. Recruitment**

- Recruitment approval form and check that it is an established vacant post
- Advert , JD and person spec – post advert on intranet – external advertising if applicable
- Online applications forms or paper – receive applications – record equal opportunities monitoring stats
- Short-listing for interview (Admin process), invite to interview letters, receipt and storage of interview notes / test results, reject letters
- Authorisation to appoint form and offer letter for successful person
- Clearances to include: proof of right to work; CRB if applicable; references; medical; qualifications; benefit check

- Update establishment list
- Terms and conditions document (contract) and other welcome paperwork
- Signed paperwork received back and bank details etc
- Advise relevant parties of new starter e.g. training and ICT
- Advice and guidance on resourcing and recruitment
- Interview support and Interview testing

### **3. Leavers**

- Termination form, including leave calculations
- Exit questionnaires (if not line manager function)
- Exit Interviews (by phone or in person) and any follow up actions
- Analysis of Exit interviews/questionnaires
- References

### **4. Induction**

- Paper
- Health & Safety
- Government Connect Training
- Corporate Induction
- Arranging Security Pass

### **5. CRB, Vetting and Barring Scheme, Independent Safeguarding Authority**

- Train / Coach Managers & employees
- Send out paperwork to new employee
- Monitor ERP system and send out renewal reminders & paperwork to existing employee
- Receive completed CRB form & check against original ID documents – (If check not done at interview by local advisory “Level 4” professional)
- Add info to ERP system
- Pass completed form to counter signatory for approval
- Liaise with third parties and umbrella organisations

### **6. Employee Relations/Case work**

- To be the first point of contact to provide basic advice to managers and staff about conditions of employment, HR policies and HR systems, employee relations, employee welfare
- Detailed advice to managers and staff about conditions of employment, HR policies and HR systems, employee relations, employee welfare and restructures including attending meetings and briefing managers

### **7. Grievance, Disciplinary & Capability**

- Admin (Prepare Evidence Pack, Letters etc)
- Note taking at meetings (if required)
- Updating ERP system
- Advice and guidance
- Train / coach managers & employees
- Advice on investigations
- Support and advice at Hearings / Appeals
- Absence Management
- Train / coach managers & employees
- Advice and guidance

- Support and advice at Hearings / Appeals
- Home Visits (Visit and note production) and follow up

#### **8. Absence Management**

- Monitoring trigger points
- Admin (Prepare Evidence Pack, Letters etc)
- Note taking at meetings (if required)
- Updating ERP employee file
- Occupational Health referrals (all admin)
- Home Visits (Letter production)

#### **9. Change Management**

- Admin support (e.g. letter production and distribution) as required
- Advice and guidance
- Train / coach managers & employees
- Advice and guidance on restructures
- Consultation Support

#### **10. Redundancy**

- Admin support (e.g. letter production and distribution) as required
- Redundancy calculations
- Advice and guidance
- Train / coach managers & employees
- Consultation Support

#### **11. Job Evaluation**

- Admin support (e.g. letter production and distribution) as required
- Updating ERP employee file
- Advice and guidance
- Train / coach managers & employees
- Grading Panels
- Any required board approvals

#### **12. HR Procedure & Policy Development**

- Research, write, consult, agree and publish operational procedures whose content solely relates to the transactional workings of the HR/Payroll Shared Service.
- Publish all approved HR/Payroll Policies and Procedures
- Research, write, consult and agree (including committee approval) HR policies
- Train / coach managers & employees

#### **13. Health, Fire and Safety**

- Develop, update and implement H&S policy, fire risk assessments, ensuring compliance with H&S legislation, Construction Design Management, regulations compliance, Legionella assessment, input to H&S aspects of contracts and procurement, working with buildings managers re health and safety issues, H&S communications and updates, advice to managers on public health and safety (events management).
- Accident, incident and near miss reports entered into ERP
- Maintain fire warden list on ERP system
- Maintain First Aid list
- Manage and administer first aider training arrangements. Process on ERP system
- Manage and administer eye testing arrangements. Process on ERP system

- Manage and administer VDU/Workplace assessment arrangements. Process on ERP system. Co-ordinate Annual review & returns.
- Publish information relating to above items
- Advice and guidance
- Review of accident, incident and near miss reports and RIDDOR reporting to HSE
- Investigation support into accidents, incidents and near misses, and investigations where needed, and HSE liaison
- Health, Fire and Safety audits and monitoring
- Train / Coach managers and employees in all Health, Fire and Safety matters (**except** First Aid, Eye Testing and VDU/Workplace safety)
- Risk management and assessment
- Fire Evacuations & Fire Marshall training
- Violent Persons Register
- Advising manager re any issues identified as part of VDU/Workplace assessment

#### **14. Benefits**

- Manage and administer Nursery vouchers/Childcare scheme
- Manage and administer Cycle scheme
- Manage and administer Staff Loans

#### **15. Employee Job Cycle**

- Address Change
- Name Change
- Changes to grade of post
- Changes to line manager reporting
- Changes to where post sits in organisation
- Changes to hours worked
- Changes to days worked
- Changes to car mileage allowances
- Changes to Rota

#### **16. Maternity / Paternity**

- Pay calculations
- Record details on ERP system
- Advice and guidance
- Train / coach managers & employees
- Maternity interviews

#### **17. Pensions**

- Management of employee records in respect of LGPS membership: joiners/leavers/ hour changes
- Completion of associated forms/paperwork for joiners/leaver/changes
- Annual Banding of employees contributions
- Periodic re-banding of employee contributions following salary changes
- Maintenance of employers contributions following changes/re-valuations of the scheme
- Provision of estimates in respect of retirement/redundancy (including associated employers costs)

#### **18. Long Service Awards**

- Administration / Letters

- Award ceremony organisation (in conjunction with local advisory “Level 4” professionals)
- Gift purchase

#### **19. Retirements & Flexible Retirements**

- Calculations
- Record details on ERP system
- Advice and guidance
- Train / coach managers & employees

#### **20. Death in Service**

- Pension information
- Record details on ERP system
- Advice and guidance
- Support to line manager, family, employees

#### **21. Annual Leave & Flexi Leave**

- Monitor & process on ERP system (where not a self service function)
- Process and forward for approval by line management requests to Buy and Sell leave
- Calculations of leave entitlement

#### **22. Performance & appraisals**

- Record details on ERP system
- Advice and guidance
- Training and coaching appraisal process (where appropriate and required)
- Monitor and update the appraisal process and documents
- Retain Investors in People (where appropriate and required)
- Design and develop, review and update competency frameworks
- Monitor appraisal statistics, reports to management

#### **23. Reward & recognition**

- Recording details on ERP system and processing of any payments/gifts
- All functions except recording details on ERP system and processing of any payments/gifts
- Advice and guidance on reward and recognition

#### **24. Apprenticeships, future jobs fund, backing young Britain**

- Undertake scheme administration activities
- Promote schemes and benefits
- Acquire & maintain funding for schemes
- Mentor and monitor apprentices progress and development

#### **25. Structure Charts**

- Preparation
- Distribution

#### **26. Periodic staff communications**

- Collation and distribution of internal communications (e.g vacancies, newsletters), with input from local advisory “Level 4” professionals
- Ensure communications are maintained to individuals on long term sickness or maternity leave.

#### **27. Organisational HR Strategy**

- Advice and guidance

- Research, consult, develop strategy
- Agree and deliver strategy, monitor, review and report on outcomes

#### **28. Learning & organisational development, learning skills, knowledge, behaviours**

- Learning management system and e- learning
- Training needs analysis
- Design and delivery
- Evaluation
- Monitoring of expenditure
- Commissioning external training providers
- Facilitation of events (where appropriate/required)
- Team building away days, focus groups Professional development
- Leadership skills and knowledge development
- Elected Member development (where appropriate and required)
- Talent management - any programmes to support development of talent
- Succession management and planning

(NB recording of completed training on ERP system and Induction, CRB, first aider, eye testing and VDU/Workplace assessment are covered by transactional service)

#### **29. Other**

- Government Employment Statistical Returns
- Work Experience Co-ordinator
- Work Experience Paperwork/H&S
- Maintain Casual register

### **Payroll**

#### **1. Payroll Function**

- Maintenance of employee records: New starters, transfers, post amendments, hours/grade changes, fixed allowances & leavers
- Maintenance of employee records and dealing with enquiries in respect of Tax & NI: e.g. P45/P46/P38(S)
- Maintenance of employee records in respect of car users (casual, regular & essential) and vehicle information. Generation and electronic submission of forms
- Input of temporary pay information: Overtime claims, expenses, temporary allowances, car mileage payments
- Manage allowances (Mileage Allowances, Evening Meeting Allowances, Overtime, Casual hours, Unpaid leave, First Aid Payments)
- Maintenance of records and calculation of entitlements for occupational and statutory sick pay, maternity, paternity and adoption leave
- Calculation of pay for both monthly and weekly payrolls: Including calculation of gross & pensionable pay and the deduction of Tax, NI, Pension Contributions and other deductions
- Reconciliation of costing information and transfer to FMS systems
- Reconciliation of deductions from payroll and the payment and distribution of monies to 3rd parties: HMRC, Pensions, Trade Unions and other internal accounts
- Generation and distribution of relevant tax forms to employees and transfer of periodic returns to HMRC
- Year end reconciliations and transfer of appropriate returns/forms to HMRC & employees: e.g. P35, P14, P60 & P11D



- Ad-hoc reporting
- Completion of periodic questionnaires, statistical returns and correspondence from employees and others. e.g.: Mortgage applications & insurance claims
- Salary sacrifice advice and scheme maintenance
- Processing pay awards, calculating backpay and updating tables
- BACS processing (Physical file transmission may need to remain a local function)
- Set up and maintenance of new elements/schemes
- Advice and guidance
- Management information and reporting
- Research, develop and implement improvements

## Services Not In Scope for Shared Service

### Strategic Partner

**Aligning business and strategy, a change agent role working to improve, transform and develop the organisation.**

The finance roles are anticipated to be carried out by the Section 151 Officer or designated deputy.

### Finance & Procurement

#### Finance

1. Approve and submit statutory government returns, where statutory section 151 officer (or designated deputy) approval is required
2. Approve budget table and narrative for inclusion within council tax leaflets
3. Use advice from shared service to communicate to Members and develop responses to consultation documents
4. Support strategic programme management (e.g. Briding the Gap at CBC, One Team at CDC)
5. Liaison with actuary on pensions including negotiations in respect of triennial revaluation / revised pension contribution rates and development of pension fund strategy
6. Client role in relation to Housing Revenue Account/Cheltenham Borough Homes
7. Approve award of insurance contracts
8. Approve award of contracts for advisory services (Treasury Management, VAT/Tax etc.)
9. Receive the proposed Treasury Management Strategy from the shared service, review draft and present to Council for approval
10. Production and presentation of the Medium Term Financial Strategy report and Budget Strategy for approval by Council
11. Presenting the Council Tax setting report to Council for approval.
12. Development of Corporate Plan, Corporate Performance Indicators
13. Section 151 (or designated deputy) statutory, strategic and performance roles including:
  - Attendance at Senior Management Team (or equivalent) meetings

- Attendance at Treasury Management Panel meetings (or equivalent) and liaison with Members on treasury matters
- Attendance at informal cabinet/portfolio holder or other Member briefings

## Procurement

### 1. Full tender / quotation process

- Specification. Provide authority specific detail to complete the specification
- Evaluation Documentation. To be populated by individual GO partner councils.
- Evaluation Criteria. To be agreed between procurement and individual GO partner councils
- Tender Evaluation. Nominated officers from individual GO partner councils undertake actual evaluation process. Scoring etc.
- Supplier presentations. Attendees required from individual GO partner councils. Complete scoring, as necessary.
- Site visits. Attend site visits if required. Complete scoring, as necessary.

### 2. Contract Management

- Report for contracts placed by GO partner councils prior to creation of Shared Service

### 3. Contract Monitoring

- Report for contracts placed by GO partner councils prior to creation of Shared Service

### 4. Purchase Cards

- With appropriate GO partner councils

### 5. Purchase Order Management

- Requisitioners at each authority responsible for day to day raising of orders and receipting.

## HR and Payroll

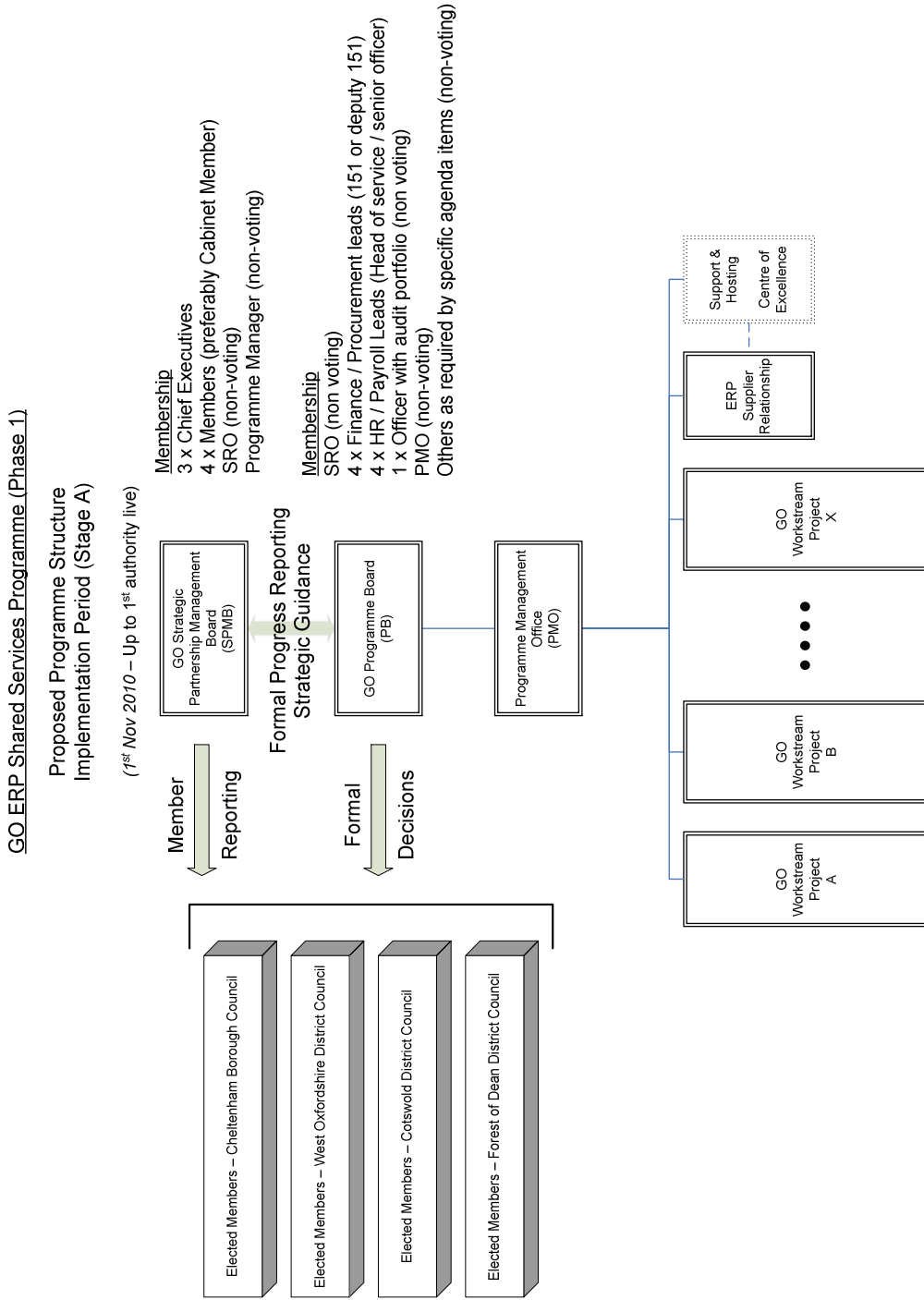
### Human Resources (HR)

#### 1. Member Development

#### 2. ICT training

## 5. Annex B – Governance Models

### Phase 1 – Stage A (Up to 1<sup>st</sup> GO Organisation “live”)



**Figure 5-1: Programme Structure – Development of business case**

# Phase 1 – Stage B (1<sup>st</sup> GO Organisation “live”)

## GO ERP Shared Services Programme (Phase 1)

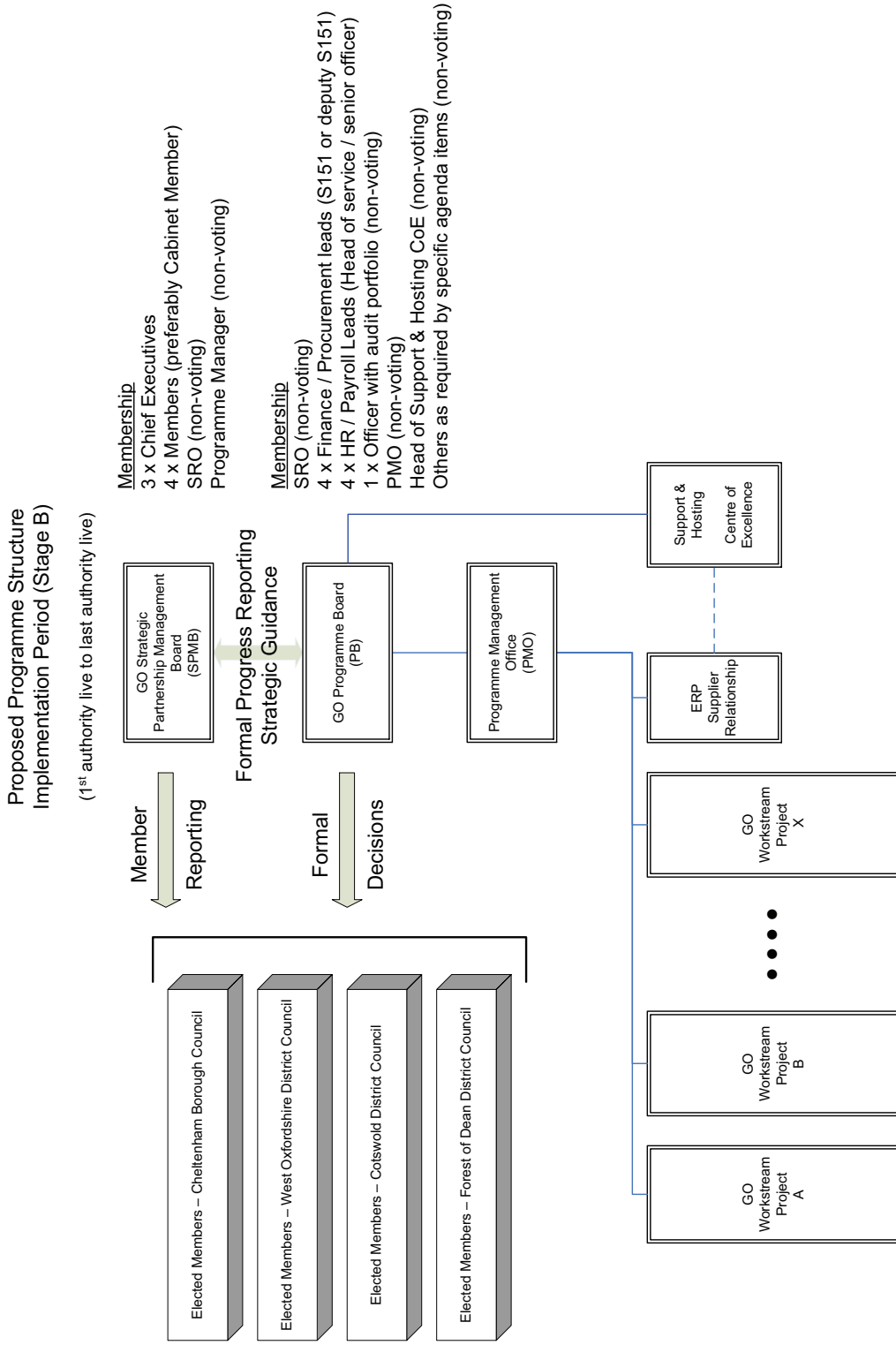


Figure 5-2: Programme Structure – Implementation

## Phase 1 – Stage C (After all GO Organisations “live”)

### GO ERP Shared Services Programme (Phase 1)

#### Proposed Programme Structure (Phase 1) Post Implementation Period (Stage C)

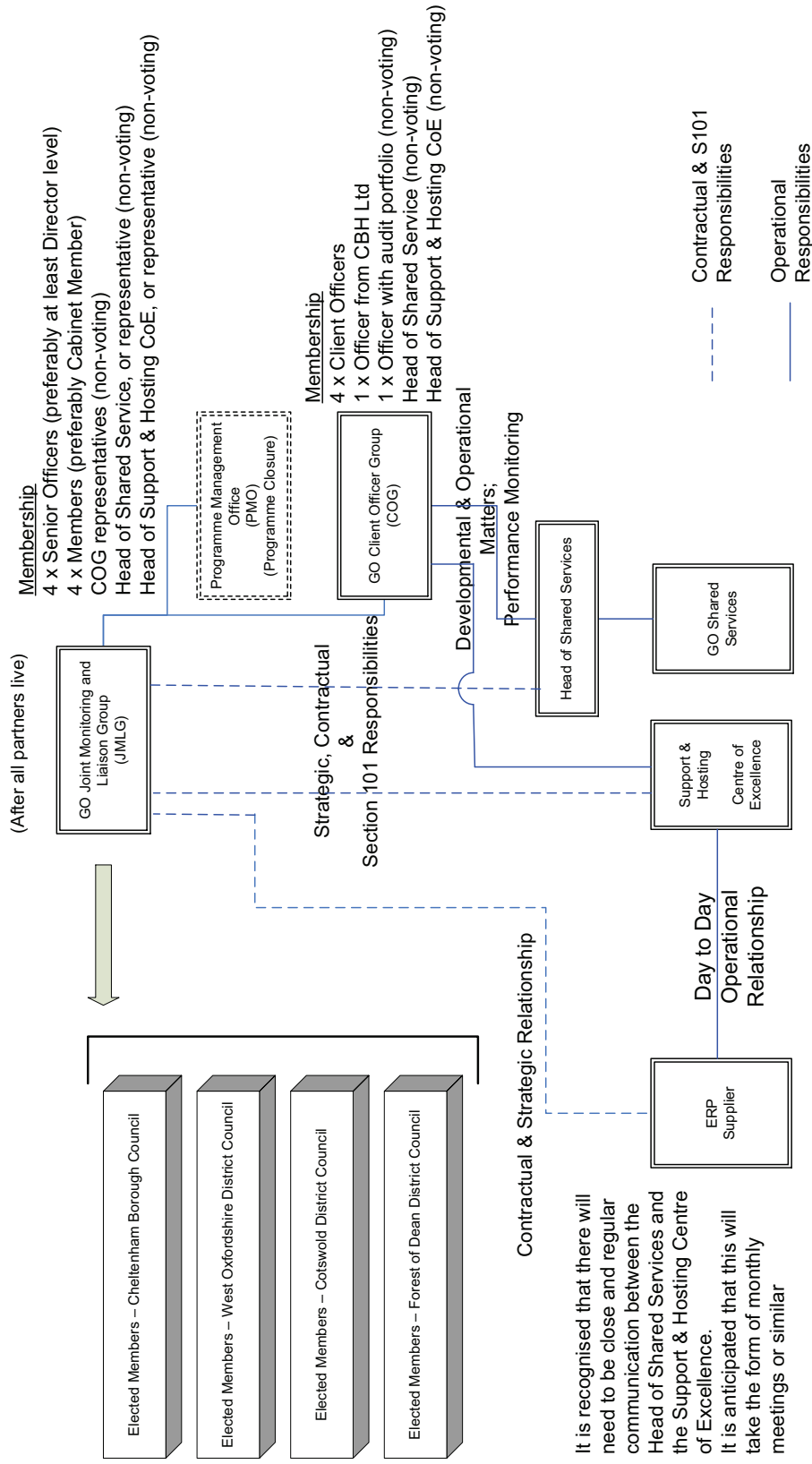


Figure 5-3: Programme Structure – Operations

## **Programme Governance – Organisation Roles**

### **GO Strategic Partnership Management Board (SPMB)**

- Receive monthly (and major exception) reporting for the Programme.
- Take responsibility for any further periodic dissemination of reporting to other elected members (i.e. cabinet or scrutiny) or directors (i.e. council leadership teams). The Programme Board via the Programme Management Office will retain responsibility for specific operational or exception communications.
- Act as an important (but informal) strategic source of advice and guidance relating to major decisions, issues or disputes.

### **Programme Board (PB)**

- Responsible for the delivery of the Programme to the agreed business case (timescales, costs and performance).
- Responsible for the monitoring of Programme risks and issues
- Responsible for day to day decisions with the limits of its delegated authority
- Responsible for escalation of key decisions to the Cabinet committees of the GO partner councils.

### **GO Joint Monitoring and Liaison Group (JMLG)**

- Responsible for the ongoing strategic delivery and governance of the GO Shared Services to the required standards
- Responsible for decisions within the limits of its delegated authority
- Responsible for monitoring risks & issues
- Responsible for the ongoing enhancement of the system and shared service arrangements, including the identification of new partnership opportunities

### **GO Client Officer Group (COG)**

- Responsible for performance monitoring of the GO Shared Services with regards to target service levels and customer satisfaction. Provide periodic (and exception) key performance summaries to JMLG
- Discuss operational issues and escalate to the JMLG for any key decisions (i.e. those with a legal, cost or significant performance impact)
- Identify opportunities for improvement of the system or service to JMLG



## 7. Annex D – GO Programme Milestones

M/S ID Mxxx	Milestone Name	Project / Workstream	Notes	Due Date	Expected Date	RAGB
M001	ABW Software Installed	GOPC		16/03/2011	16/03/2011	B
M002	ABW SD Sign Off (Finance)	GOPD	Finance SDDs signed off.	28/03/2011	18/04/2011	B
M003	ABW SD Sign Off (Procurement)	GOPG	Procurement SDDs signed off.	28/03/2011	18/04/2011	B
M004	ABW SD Sign Off (HR)	GOPE	HR SDDs signed off.	05/04/2011	17/05/2011	A
M005	ABW SD Sign Off (Payroll)	GOPF	Payroll SDDs signed off.	04/05/2011	27/05/2011	B
M006	Process / Regulation Gap & Impact Analysis (Finance)	GOPD	Agreed revised milestone date	04/05/2011	13/05/2011	B
M007	Process / Regulation Gap & Impact Analysis (HR)	GOPE	Agreed revised milestone date	04/05/2011	13/05/2011	B
M008	Process / Regulation Gap & Impact Analysis (Payroll)	GOPF	Agreed revised milestone date	04/05/2011	13/05/2011	B
M009	Process / Regulation Gap & Impact Analysis (Procurement)	GOPG	Agreed revised milestone date	04/05/2011	13/05/2011	B
M010	Shared Service Paper (Fin & Proc elements)	GOPA	Agreed revised milestone date	12/05/2011	25/05/2011	G
M011	Shared Service Paper (HR & Payroll elements)	GOPB	Agreed revised milestone date	12/05/2011	25/05/2011	G
M012	Regulation & Policy changes paper complete (FoD)	GOPH		30/05/2011		G
M013	Regulation & Policy changes paper complete (WO)	GOPI		30/05/2011		G
M014	Regulation & Policy changes paper complete (CDC)	GOPJ		30/05/2011		G
M015	Regulation & Policy changes paper complete (CBC)	GOPK		30/05/2011		G



M/S ID Mxxx	Milestone Name	Project / Workstream	Notes	Due Date	Expected Date	RAGB
M016	Regulation & Policy changes paper complete (CBH)	GOPL		30/05/2011		G
M017	Solution Build Sign Off	GOPC		27/06/2011	04/07/2011	A
M018	User data collection complete (FoD)	GOPH		29/06/2011		G
M019	User data collection complete (WO)	GOPI		29/06/2011		G
M020	Network Installation Complete	GOPC	Delays in procurement	04/07/2011		A
M021	IST Phase 1 Sign Off	GOPC		22/07/2011		G
M022	Data migration specification complete (FoD)	GOPH		25/07/2011		G
M023	Data migration specification complete (WO)	GOPI		25/07/2011		G
M024	BC Test Sign Off	GOPC		02/08/2011		G
M025	Deployment plan sign off (FoD)	GOPH		25/08/2011		G
M026	Deployment plan sign off (WO)	GOPI		25/08/2011		G
M027	IST Phase 2a Complete (FoD)	GOPC		26/08/2011		G
M028	IST Phase 2a Complete (WO)	GOPC		26/08/2011		G
M029	User data collection complete (CDC)	GOPJ		30/09/2011		G
M030	User data collection complete (CBC)	GOPK		30/09/2011		G
M031	User data collection complete (CBH)	GOPL		30/09/2011		G
M032	UAT sign off (FoD)	GOPH		04/10/2011		G
M033	UAT sign off (WO)	GOPI		04/10/2011		G
M034	Go Live (FoD)	GOPH		01/11/2011		G
M035	Go Live (WO)	GOPI		01/11/2011		G
M036	Data migration specification complete (CDC)	GOPJ		28/11/2011		G
M037	Data migration specification complete (CBC)	GOPK		28/11/2011		G

M/S ID Mxxx	Milestone Name	Project / Workstream	Notes	Due Date	Expected Date	RAGB
M038	Data migration specification complete (CBH)	GOPL		28/11/2011		G
M039	Deployment plan sign off (CDC)	GOPJ		20/12/2011		G
M040	Deployment plan sign off (CBC)	GOPK		20/12/2011		G
M041	Deployment plan sign off (CBH)	GOPL		20/12/2011		G
M042	IST Phase 2b Complete (CBC)	GOPC		23/01/2012		G
M043	IST Phase 2b Complete (CDC)	GOPC		23/01/2012		G
M044	IST Phase 2b Complete (CBH)	GOPC		23/01/2012		G
M045	UAT sign off (CDC)	GOPJ		14/03/2012		G
M046	UAT sign off (CBC)	GOPK		14/03/2012		G
M047	UAT sign off (CBH)	GOPL		14/03/2012		G
M048	Go Live (CDC)	GOPJ		02/04/2012		G
M049	Go Live (CBC)	GOPK		02/04/2012		G
M050	Go Live (CBH)	GOPL		02/04/2012		G
M051	Shared Service Benefits Realisation	Programme / All		01/10/2012		G

<b>RAGB Status</b>	<b>G</b>	<b>LOW</b> – No issues exist that will delay the delivery
	<b>A</b>	<b>MEDIUM</b> – Progress is delayed, and mitigating actions are in place
	<b>R</b>	<b>HIGH</b> – Will not meet end date without management intervention
	<b>B</b>	<b>COMPLETE</b> - Milestone has been completed

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## Cheltenham Borough Council

**Cabinet – 26 July 2011**

### **Towards a commissioning framework for the built environment – update report**

<b>Accountable member</b>	<b>Cabinet Member Built Environment, Councillor John Rawson</b>
<b>Accountable officer</b>	<b>Director of commissioning, Jane Griffiths</b>
<b>Accountable scrutiny committee</b>	<b>Environment</b>
<b>Ward(s) affected</b>	<b>All</b>
<b>Key Decision</b>	<b>No</b>
<b>Executive summary</b>	<p>The council has commenced a review of the services under scope of the outcomes for the built environment and this report updates the Cabinet on the work to date and what is planned for the future. The review has reached a stage when it now needs to engage more widely with the community, partners and key stakeholders.</p> <p>The review is still in the analysis stage which has comprised developing a needs analysis, identifying outcomes, benchmarking of current provision and identifying other providers. English Heritage has also been able to support the project with a small amount of money to enable a facilitator to engage with some of the key stakeholders.</p> <p>The attached update report (<b>appendix 2</b>) was considered by the Environment Overview and Scrutiny Committee at their meeting on 13 July and a verbal update will be provided to Cabinet.</p>
<b>Recommendations</b>	<p><b>I recommend that Cabinet agree to the following actions:</b></p> <ul style="list-style-type: none"> <li>• <b>Engage with local partners and stakeholders, including the voluntary and community sector, parish councils, Local Strategic Partnership, Business partnership, Civic Society, Architects Panel, developers and users of the services within scope to bring them up to date with the review so far on the direction of travel, priorities for further work and emerging outcomes.</b></li> <li>• <b>Engage with other providers to understand more fully the opportunities for different delivery models and where the market may need to be developed in the longer term.</b></li> <li>• <b>To bring a report back to Cabinet on 26 September setting out the findings from the above and a draft action plan.</b></li> </ul>

<b>Financial implications</b>	<p>English Heritage funding of £2,000 is to be spent on consultancy fees in supporting the commissioning review with emphasis on developing the outcomes model and reviewing alternative service delivery models.</p> <p><b>Contact officer: Andrew Powers</b>  <b><a href="mailto:andrew.powers@cheltenham.gov.uk">andrew.powers@cheltenham.gov.uk</a> , 01242 264121</b></p>
<b>Legal implications</b>	<p>None directly arising from this report</p> <p><b>Contact officer: Shirin Wotherspoon, Onelegal</b>  <b><a href="mailto:shirin.wotherspoon@teWKesbury.gov.uk">shirin.wotherspoon@teWKesbury.gov.uk</a>, 01242</b></p>
<b>HR implications (including learning and organisational development)</b>	<p>There are no immediate HR implications arising from this phase of the Built Environment Commissioning review. However, on going informal consultation with the recognised trade unions and employees working within Built Environment service area is recommended to ensure employee engagement is maintained and that any proposed changes that are needed in the future are properly understood.</p> <p><b>Contact officer: Julie McCarthy HR Operations Manager,</b>  <b><a href="mailto:julie.mccarthy@cheltenham.gov.uk">julie.mccarthy@cheltenham.gov.uk</a>, 01242 264355</b></p>
<b>Key risks</b>	<p>See attached risk register</p>
<b>Corporate and community plan Implications</b>	<p>The commissioning process is aligned to the councils corporate objectives and these have been used as a basis for discussions on the outcomes for the built environment</p>
<b>Environmental and climate change implications</b>	<p>The commissioning process includes a climate change/sustainability assessment and this will need to be completed as part of the analysis stage.</p>



**1. Background**

- 1.1 The council is undertaking a number of commissioning reviews all of which are at different stages of the process. The built environment review is in an initial analysis stage, gathering evidence and looking at needs and outcomes.
- 1.2 **Appendix 2** “Towards a Commissioning Strategy for the built environment” summarises the work to date.

**2. Reasons for recommendations**

- 2.1 Although there has been some discussion with others outside of the council, the whole basis of commissioning is to ascertain what the needs are and how outcomes can be developed and services delivered to meet these needs. In order to undertake this work we need to engage with a range of stakeholders and users of the service and the recommendation is to carry out this work ahead of a report back to Cabinet in the autumn.

**3. Consultation and feedback**

- 3.1 The council has set up a member working group, which has proved extremely productive. The focus of these initial meetings has been a consideration of a range of outcomes and outputs they would want to see delivered. There is more work to be done in translating these discussions into measurable outcomes and outputs which can be tested. The attached update report is not a report of the member working group but they have been sent a copy of the draft report in advance and comments where received have been incorporated. The environment overview and scrutiny committee were consulted on the attached report and their views will be updated verbally at the meeting.

**4. Performance management –monitoring and review**

- 4.1 The project is being run using Prince2 methodology and there is a project plan for the key work strands. In developing the commissioning strategy for the built environment the review will need to identify realisable benefits which will need to be monitored and a set of performance measures for the outcomes.

<b>Report author</b>	<b>Contact officer: Jane Griffiths</b>  <b>Director Commissioning</b>  <b>Jane Griffiths@cheltenham.gov.uk</b>  <b>01242 264126</b>
<b>Appendices</b>	<ul style="list-style-type: none"> <li>1. Risk Assessment</li> <li>2. Towards a commissioning strategy – update report July 2011</li> </ul>
<b>Background information</b>	<ul style="list-style-type: none"> <li>1.</li> </ul>

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	If the needs analysis is inaccurate, the wrong outcomes may be defined.	Richard Gibson	05/04/2011	2	2	4	A	The needs analysis will be consulted on and shared with key stakeholders to test whether it fully reflects the key issues	August 2011	Richard Gibson	Details held on the project risk log
2	If the wrong outcomes are selected, the service will not be focussed on addressing the true needs of the community.	Grahame Lewis	05/04/2011	3	2	6	A	The outcomes will be tested with the community and key stakeholders to ensure that they fully reflect needs	August 2011	Jane Griffiths	Details held on the project risk log
3	If we do not successfully engage other partner organisations, the opportunity to pool resources and deliver greater outcomes may be missed.	Jane Griffiths	05/04/2011	2	2	4	A	Conversations have already been held with key partners but these will continue over the next few months	August 2011	Jane Griffiths	Details held on the project risk log
4	If we do not thoroughly research alternative delivery models and review the possibilities with open minds, we could miss the opportunity to implement more efficient outcome focussed delivery models.	Grahame Lewis	05/04/2011	2	2	4	A	Further discussions are planned to explore alternative models.	August 2011	Jon Hyde	Details held on the project risk log
5	If project team members (including officers and members) are overloaded with work, then there is a risk that the reports will not be ready in time for the scheduled Cabinet meetings, or that the report quality will suffer. The likelihood of this occurring has increased as a Housing Review and a Joint Waste commissioning project have been initiated which call upon many of the same resources as the built environment commissioning review.	Jane Griffiths	03/05/2011	3	3	9	A	Continue to monitor resourcing issues through the corporate resource management process. Be wary of scope creep which would exacerbate resource issues.	August 2011	Jon Hyde	Details held on the project risk log
6	If service managers and officers are not involved in the commissioning process, the project will fail to benefit from their expertise, threatening the accurate assessment of needs and outcomes. This could also have a negative impact on the assessment of alternative delivery models and make it difficult to implement changes to the	Mike Redman	23/06/2011	2	2	4	A	Continue to involve service managers in all aspects of the project.	August 2011	Mike Redman	Details held on the project risk log

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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
	services.										
7	If contracts for new service models are too rigid, it becomes difficult to respond to change. For example local authorities who outsourced before the government spending review was conducted subsequently found that they were unable to cut costs in this area, which meant that additional savings had to be found elsewhere. The localism bill is still being considered by the House of Lords. The bill is likely to have a big impact on the way that development management and strategic land use is performed. We need to ensure that any new delivery model arrangements that are entered into are flexible enough to enable the service to respond to external change – as there is a risk that external contractors will not be willing to give us the desired level of flexibility, or that this condition could make the contract cost prohibitive.	Shirin Wotherspoon	23/06/2011	5	2	10	A	Ensure that future arrangements are flexible.	December 2011	Shirin Wotherspoon	Details held on the project risk log
8	The cost centres for built environment department do not map perfectly onto the individual services making it difficult to establish the true costs of service delivery. There is a risk that costs will not be accurately established, which could lead to an incorrect comparison of current and alternative delivery models.	Andrew Powers	23/06/2011	3	2	6	A	Need to be aware of this as service costs are calculated.	August 2011	Andrew Powers	Details held on the project risk log
9	If current shared service partners (e.g. Tewkesbury BC for building control) are not properly consulted throughout the process, then there is a risk that they will not agree to any future proposed service changes.	Mike Redman	23/06/2011	2	2	4	A	Ensure that TBC officers and members are well briefed and engaged throughout the project.	August 2011	Mike Redman	Details held on the project risk log
10	When local fee setting comes into effect, there is a risk that Cheltenham is seen as being out of line in comparison to other similar authorities. If this happens we will need to find additional savings to bring our costs and fees into line with others, or communicate the fact that Cheltenham is investing more in this area to maintain a high level of quality.	Mike Redman	23/06/2011	2	2	4	A	The Council needs to be sensitive to the market rate when adjusting fees should the legislation be passed.	December 2011	Mike Redman and Shirin Wotherspoon	Details held on the project risk log

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
								Any arrangements must be worded to ensure that the Council receives a fair share of any increased revenue opportunities arising from legislative change.			
11	With elections due next year there is a risk that the political makeup of the Council could change leading to a change of opinion around the desirability of certain delivery models. Effort could be wasted if time is put into developing an option which following the elections is no longer seen as desirable. Effort may also be wasted if members are not kept properly briefed on project progress, leading to a lack of buy when recommendations are put forward.	Grahame Lewis	23/06/2011	2	2	4	A	Continue to work with the cross-party member working group so that the project can continue to be steered in a direction that is agreeable to members.	August 2011	Jane Griffiths	Details held on the project risk log
12	If project objectives and timescales are not clearly communicated to staff then there will be increased uncertainty and a negative impact on staff morale.	Mike Redman	23/06/2011	2	2	4	A	Continue to brief all staff on project progress	August 2011	Mike Redman	Details held on the project risk log
13	If a clear end date is not set for the review, then staff resource will continue to be diverted from delivering the service, leading to a reduction in service efficiency.	Jane Griffiths	23/06/2011	2	2	4	A	Ensure that the September report has clear recommendations on proposed changes to service delivery, and agree how long services that wont be affected will have before a new review is initiated.	August 2011	Grahame Lewis	Details held on the project risk log

## Cheltenham Borough Council

### Towards a commissioning strategy for the built environment

#### Update report

## 1. Introduction

- 1.1 The council has agreed to become a commissioning council by April 2012 and has commenced a series of reviews which will enable it to achieve this ambition. The review of its built environment services started earlier this year and a member working group was established to support the process.
- 1.2 This report provides an update on the work to date and the key findings and sets out what further work needs to be undertaken prior to consideration of a report to Cabinet at the end of September in time, to inform the 2012/13 budget and corporate strategy.
- 1.3 The services which are within the scope of the review are:
  - Strategic land use
  - Development management
  - Building control
  - Urban design, heritage and conservation

## 2. Context

- 2.1 Nationally, the Government has set out its ambitions for the built environment in the Localism Bill, which proposes a number of changes to the planning regime. The Bill supports the concept of the Big Society and encourages community empowerment, social action and the opening up of public services. Although elements of the Bill, which is proceeding through Parliament, may change, the Council still needs to be alert to the direction of the Bill and to be in a position to respond to the proposals once passed by Parliament. The Government has also established a framework for Local Enterprise Partnerships which have a remit which includes economic development and strategic transport.
- 2.2 Locally, the review will also have regard to the context set by the Cheltenham Development Task Force, which was established by the Council and key partners. It has an ambition (underpinned by supplementary planning guidance) to “support the town’s economic strength and sustainable development by revitalising key streets and spaces to the highest attainable quality for the benefit of the whole community”. The Council needs to ensure that the outcomes of the review are able to support this ambition both directly and indirectly.
- 2.3 Cheltenham has a unique heritage which underpins its economic prosperity and which can provide the basis for a design code for future development. In developing the outcomes for the built environment this opportunity needs to be exploited and this will be explored with the help of English Heritage (see section 9).
- 2.4 The Council is already working in partnership with Tewkesbury Borough and Gloucester City Councils on the development of a Joint Core Strategy for the area and this is also helping to set the broader strategic framework for the built environment.
- 2.5 The council also has a funding gap identified as set out in its medium term financial strategy and savings will need to be identified to close this gap. Councillors have explicitly indicated that they

wish to see front-line services protected so we need to think innovatively about how we can secure quality outcomes at a reduced net cost to council tax payers. Commissioning provides a framework in which to have these discussions with officers, elected members, customers and stakeholders.

### **3. Methodology**

- 3.1 The review is being undertaken by the Commissioning Division supported by those within the services in scope. A project team has been established chaired by the Executive Director and includes the Cabinet Member for Built Environment. The review is supported by a member working group chaired by the Cabinet Member and comprises:

Councillor John Rawson  
Councillor Tim Cooper  
Councillor Barbara Driver  
Councillor Jacky Fletcher  
Councillor Bernard Fisher  
Councillor Peter Jefferies  
Councillor Helena McCloskey

The project team meets every two weeks and the member working group has met three times since it was established.

- 3.2 The review is using the commissioning methodology (analysis, plan, procure and review) and is currently in the first stage i.e. analysis. Set out below is a summary of the work undertaken to date.

### **4. Future proofing**

- 4.1 Officers from the services within scope plus other officers from the commissioning division undertook a future proofing exercise at the start of the review. This enabled officers to think about the strategic context in which they deliver their services and what the future may hold in terms of service delivery. It allowed them to identify some of the risks and uncertainties and also the opportunities that may arise from the proposed changes at the national level. They recognised that however services were delivered there needed to be a fair and transparent process which underpins our place-shaping role, and that any future service delivery needs to be flexible, cost efficient and to be able to exploit new technology.

### **5. Needs analysis**

- 5.1 The Cheltenham Strategic Partnership has prepared a “needs analysis” for the area. It is based on evidence drawn from a range of sources including the Joint Strategic Needs Assessments undertaken at a county level but also drawing on more locally based information provided by a range of stakeholders and partners.
- 5.2 The review has taken this information and developed its own needs assessment for the built environment, a copy of which has been made available to members. The member working group considered the analysis and requested that it be updated to reflect the needs of Cheltenham’s diverse communities and neighbourhoods either through their physical characteristics (especially identified in the 19 neighbourhood character appraisals and management plans) or through their demographic profiles, particularly in relation to people living in the town centre. The working group is of the view that when commissioning services, a “one-size-fits-all-approach” may not be appropriate for some areas of the borough.

- 5.3 The needs analysis sets out key messages in relation to the economy, housing, green space, climate change, demography, health and deprivation. A spatial planning response to these issues is being addressed through the development of the Joint Core Strategy, but the review needs to consider how the identified needs will inform the outcomes that we wish to commission.

## 6. Developing outcomes

- 6.1 Developing outcomes is the critical phase of any commissioning exercise as they answer the question “what do we want our services to achieve”. Experience from the leisure and culture review, has enabled a more rigorous approach to developing outcomes:
- Do the outcomes describe an end result / the difference we will make?
  - Do the outcomes relate to the needs we have identified?
  - Are the outcomes easily understood by elected members and members of the public?
  - Do the outcomes feel like an intrinsic part of what Cheltenham Borough Council does?
- 6.2 Using this framework, the project group developed an initial set of outcomes based on the needs and the current corporate strategy and these were tested with the member working group. Debating the fundamentals of “what do we want our built environment services to achieve” has enabled members to have healthy and innovative discussions and they have inputted a further range of outcomes that they would wish to see delivered, focusing on the economy, good design and flexible use of space, heritage and sustainability. In discussing outcomes they have also identified some of the underlying principles that they would want to see built into any service provision.
- 6.3 The work to develop a final set of outcomes is still being finalised, and the working draft of the outcomes is included as **appendix A**. The member working group is meeting on 13 July and will be giving further consideration to the outcomes before we then test them more widely with a range of stakeholders and the community.
- 6.4 The review also needs to make the necessary linkages with other commissioning reviews and outcomes, as the built environment services have the ability to wider health and social outcomes.

## 7. Current service delivery

- 7.1 There are a number of services within the scope of the review but it is also obvious that defining outcomes for these services will also impact on other services eg parks and gardens, housing, economic development and car parking. However these areas have not been considered as part of this review in order to keep the review process to a manageable scale.
- 7.1.0 ***Building control***
- 7.1.1 Building Control seeks to achieve minimum standards of construction to ensure the health and safety of people in or around buildings and is also increasingly concerned with energy conservation and with access and facilities for disabled people. It does have an enforcement requirement and this can result in action through the courts. The Building Regulations are a statutory framework against which the service provides advice and support to customers about safe, secure and comfortable buildings and so enforcement is generally considered to be a ‘last resort’.
- 7.1.2 Tasks which the Building Control team undertake include:
- Assisting customers so that their projects are successfully completed and comply with the requirements of the Building Regulations;
  - Checking applications for compliance with the Building Regulations;
  - Site inspections to check for compliance with the Building Regulations;
  - Enforcement action relating to the Building Regulations;

- Dealing with dangerous structures;
- Providing help and advice on access for all people to building - inclusive design;
- Helping colleagues in the Development Management team (Planning);
- Street naming and numbering;
- Access audits;
- Assisting with the resolution of dangerous structures and related incidents.

7.1.3 The Building Control service operates in a competitive market and there are numerous private sector suppliers of services. Building Control is required by government guidance to breakeven on fee income.

7.1.4 There are a total of 14 full-time equivalent (FTE) staff comprising. 3 support officers, 10 site inspection and 1 manager.

7.1.5 Joint working with Tewkesbury Borough Council (TBC) has been operational since November 2009 through a Section 101 agreement where we deliver the services to TBC. This action was aimed at providing a resilient service which could be developed to work effectively within a competitive environment. There was also assessed to be a small financial benefit resulting from the loss of one manager and one support team member.

## 7.2 **Strategic land use**

7.2.1 The work of this team provides the strategic framework within which spatial planning related to the community strategy outcomes can be delivered. This requires effective engagement both internally with officers and elected members and externally with statutory stakeholders and the wider public. The Localism Bill will require a review of engagement and the way in which services are delivered; particularly in respect of activities undertaken with parish councils and community groups. The work of the team can be broken down across three strands which are set out below:

<b>Delivering the statutory development plan for Cheltenham</b>	<b>Monitoring and research</b>	<b>Stakeholder engagement</b>
Preparation and implementation of the Cheltenham Borough Local Plan and Cheltenham's Local Development Framework.	Land use monitoring.	Working with stakeholders and organisations across Cheltenham Borough in disseminating planning policies/advice/best practice.
Support preparation and management of Gloucester, Cheltenham and Tewkesbury Joint Core Strategy.	Preparing LDF annual monitoring report.	Working with divisions across the Council to input into spatial planning.
Delivering Strategic Environmental Assessment (SEA).	Undertaking residential land availability and capacity studies.	Working through the local strategic partnership to ensure the Sustainable Community Strategy and LDF are co-ordinated and deliverable.
Providing advice and responding to planning applications and appeals – both in Cheltenham and neighbouring authorities where development has implications for Cheltenham.	Undertaking projects/research to support the strategic planning function.	Working with neighbouring local authorities.
Responding to national planning policies and proposals.		Working with parish councils.



7.2.2 There are 4.5 FTE staff in the team. One of these posts is a fixed term post shared by Cheltenham, Gloucester & Tewkesbury to support the JCS programme and there is a shared planning manager (0.5 of FTE) dedicated to supporting Tewkesbury Borough planning service.

7.2.3 Through the Joint Core Strategy team, officers work across all three councils on a reciprocal basis. Currently one of the members of the team is on maternity leave and the development management team have seconded a member of their staff to support the JCS.

### 7.3 **Development Management**

7.3.1 The team manages the development of land and buildings within the borough, carrying out the Council's statutory obligations as set out in the legislative framework (Town and Country Planning Act 1990, Planning (Listed Buildings and Conservation Areas) Act 1990, Planning and Compulsory Purchase Act 2004). The objective is for development in the borough to achieve the aims and aspirations of national and local policy and create a better environment for Cheltenham, its inhabitants, workers and visitors.

7.3.2 The team assesses and determines a variety of proposals including applications for: planning permission (both building works and change of use); listed building and conservation area consent; advertisement consent; and certificates of lawful use or development.

7.3.3 The work can be broken down across two work strands as set out in the table below:

<b>The application process</b>	<b>Other services and activities</b>
<p><b>Validation</b> – acknowledge application, check relevant information provided and request any additional information needed.</p> <p><b>Consultation</b> - inform interested parties, neighbours, consultees and invite comments on proposal.</p> <p><b>Negotiation</b> – hold discussions with applicant and other interested parties to steer proposal successfully through planning process. Identify flaws and opportunities for improvement.</p> <p><b>Determination</b> – most applications are delegated to officers, but planning committee determines contentious schemes.</p>	<p><b>Duty planning officer</b> – provides advice to anyone who contacts the planning department (in person, email, phone).</p> <p><b>Pre-application discussions</b> – with applicants ranging from private individuals to large corporations (chargeable and non-chargeable).</p> <p><b>Post-decision work</b> – appeals, amendments to proposals, monitoring of compliance with conditions and investigating and enforcing breaches of planning control.</p> <p><b>Councillor enquiries</b> – work closely with members to help with their case work.</p>

7.3.4 There are a total of 16.5 FTE staff comprising a manager, 9.5 FTE planning/enforcement, 5 FTE support officers and an apprentice. As outlined above one FTE planner is currently seconded to planning policy on JCS.

#### 7.3.5 Key development management performance data

<b>Indicator</b>	<b>result for (Q4 2010)</b>	<b>Previous quarter</b>
% of apps decided within 8 weeks	88% (245 of 278)	84% (283 of 337)
% of major apps decided in 13 weeks	66.67% (4 of 6) (Target – 60%)	66.67% (4 of 6)
% of minor apps decided in 8 weeks	84.62% (33 of 39) (Target – 65%)	61.40% (35 of 57)
% of other apps decided in 8 weeks	90.13% (210 of 233) (Target 80%)	90.51% (248 of 274)
% of delegated decisions	91.67% (264 of 288)	92% (320 of 349)

## 7.4 *Urban Design*

- 7.4.1 The Urban Design Team consists of professionals in urban design, heritage, arboriculture and landscape architecture. They deal with projects and cases both proactively and reactively. The focus ranges from strategic (policy development, cross boundary issues) to detailed (building construction details, planting schedules, tree health, street design).
- 7.4.2 The team deals with a range of partners and customers – both internal and external – officers and elected members; central government, county and district councils; developers, property owners, members of the public, interest groups etc. Much of the work is now focussed on working with local community groups interested in improving or maintaining their environments (streets, parks, urban spaces, heritage assets, trees etc) which is in tune with the Government’s thinking on the Big Society but is resource intensive. The other major work strand is support for the Cheltenham Development Task Force.
- 7.4.3 The work can be broken down between two different work streams as set out below:

<b>Reactive work</b>	<b>Proactive work</b>
<ul style="list-style-type: none"> <li>○ Lead case officers for listed building consent, tree preservation orders and conservation area tree applications.</li> <li>○ Work with Development Management (and applicants) on planning and related applications, pre-application, enforcement, s.215, compliance, appeals &amp; court cases (expert witness) &amp; Planning Committee.</li> <li>○ Best practice, design advice and project support on traffic management, street design, maintenance and asset management to the Integrated Transport team, GCC and Gloucestershire Highways.</li> <li>○ The tree team manage CBC &amp; CBH tree assets (3-yearly conditions survey, planting, remedial work, contract management etc) and management of tree response in adverse weather, accidents, damage to buildings etc.</li> <li>○ The Heritage team advises Property, Parks &amp; client divisions (listed buildings, registered parks etc).</li> <li>○ Support &amp; advise Cheltenham Development Task Force on planning, urban design, landscape and heritage issues.</li> <li>○ Support policy work on the joint core strategy.</li> <li>○ Advise developers, owners &amp; prospective purchasers on responsibilities etc regarding trees &amp; historic buildings.</li> </ul>	<ul style="list-style-type: none"> <li>○ Prepare &amp; adopt supplementary planning documents, development briefs, concept statements, conservation area character appraisals etc.</li> <li>○ Heritage organises Heritage Open Days, annual review of Local Index &amp; instigate repairs and s.215 notices.</li> <li>○ Project design &amp; implementation eg Civic Pride, street/space enhancement, public art, heritage repairs etc.</li> <li>○ Professional, design, funding &amp; project management advice on community projects eg DIY Streets, Jenner Gardens.</li> <li>○ Presentations to the public, interest groups, members &amp; officers on tree, heritage &amp; urban design issues.</li> <li>○ Work with University of Gloucestershire, Festivals and education work.</li> </ul>

The team is made up of a team manager, 2 FTE heritage officers, one landscape architect and 2 trees officers.

## 8. Other providers and market development

- 8.1 The review team has started to consider what other delivery models are available to the Council. A paper was prepared for the member working group setting out case studies. Further work is required but it appears that there are examples elsewhere in the country where some of the services in scope have been outsourced, where decision making has been devolved to other public sector bodies such as parish councils, and of course there are examples of shared-service delivery.
- 8.2 Some elements of the work could be undertaken by the voluntary and community sector and an initial conversation has been undertaken with the Gloucestershire Rural Community Council which currently supports the development of parish councils in respect of neighbourhood planning. Depending how the Localism Bill progresses the GRCC sees an opportunity to play a part in helping empower local communities.
- 8.3 The Council also works with other groups such as the Civic Society and the Architects' Panel and there is an opportunity to explore with them how they may help in the delivery of the Council's outcomes.
- 8.4 Work is ongoing to explore with other Councils the reasons why they decided to outsource their services and what benefits it has derived. It will also be useful to explore with them how they propose to accommodate changes to planning legislation as set out in the Localism Bill and how they will address the local setting of planning fees if they are tied to a contract with an external provider.
- 8.5 Discussions will also need to be held with parish councils about their appetite to play a greater role in the planning process although as previously identified by the Environment Overview and Scrutiny Committee and by the member working group, not all of the borough is covered by parish councils. It is proposed that the C5 group, which comprise the chairs of each of the parishes will be updated about the review and discuss how we might engage further with individual parish councils.
- 8.6 In terms of existing shared-service provision we clearly cannot consider any changes without fully engaging with Tewkesbury Borough Council and Gloucester City who are our partner in delivery of some of the services.
- 8.7 There is also an opportunity as part of this review to explore with Gloucestershire County Council whether there are ways in which we could be commissioned to deliver some of their services or whether there are opportunities to commission them to undertake certain aspects of service delivery for us. The relevant commissioning director at the County Council has already been alerted to the review and we have already shared some of the background information with him. Some consideration has also been given as to whether sharing with other councils is an option which could be explored.
- 8.8 The project team has also explored whether there is an opportunity to consider a trading company model for some of the services under scope. At the current time given other capacity issues for OneLegal, Finance and HR the project group is of the view that consideration of such alternative models is probably not achievable at this time, but should be considered at a later date and built into future business plans. This has yet to be tested with the member group and will be dealt with in more detail when the detailed report is presented to Cabinet in September.

## 9. English Heritage

- 9.1 The Council took the opportunity to work with English Heritage on the review and have secured a small sum of funding from them as part of a wider national review programme. The aim is for them to support us with the review particularly in relation to the challenges and opportunities from having a large conservation area, a significant number of listed buildings and a local interest list. An initial meeting has been held with one of their officers who has agreed to act as a critical friend on the review. Funding is likely to be used to support a number of facilitated sessions with members, officers, stakeholders and listed building applicants drawing upon where conservation and heritage has helped to deliver better outcomes and what lessons can be learnt from this.
- 9.2 English Heritage is aware that many councils are looking to reduce their spending in this area or indeed explore different delivery models and are keen therefore for us to share the learning from our review with others. The officer from English Heritage has also provided some useful feedback on the way in which we are defining outcomes and how these will be used to set service levels in future.

## 10. Benchmarking

- 10.1 Some of the services in scope have undertaken a benchmarking exercise co-ordinated through the Planning Advisory Service and the Chartered Institute of Public Finance and Accountancy (CIPFA). The purpose of the benchmarking exercise is to use the information to compare performance and costs with peers and to support more effective service improvement plans.
- 10.2 Along with 97 other councils, CBC submitted data on its activity, income and costs to CIPFA which was based upon one month activity and then multiplied up for the year. CBC then selected 11 similar authorities to be within its benchmarking group to compare itself with:
- Cambridge City Council
  - City of Lincoln Council
  - Gloucester City Council
  - Guildford Borough Council
  - Harlow District Council
  - Norwich City Council
  - Oxford City Council
  - Tunbridge Wells Borough Council
  - Watford Borough Council
  - Welwyn Hatfield
  - Worcester City Council
- 10.3 The data indicates that compared to the authorities within this group we have the second lowest costs for strategic planning, are in the second quartile (slightly better than average) for the costs of processing planning applications, the costs of compliance (enforcement) and the amount of income we generate from fees. We are in the third quartile (slightly worse than average) for the costs associated with “other” planning work.
- 10.4 From other benchmarking data, we know that Cheltenham has the highest costs and spends the most hours on appeals compared with other authorities. However, the number of planning appeals is less than 2% of the total number of applications, and it is not clear whether this is high or low compared with other authorities. The project team is now considering the reasons for this, as well as considering the percentage of appeals won/lost and the level of costs awarded against the Council. In recognition of this as an issue, the corporate strategy includes a commitment to monitor the proportion of planning decisions upheld at appeal on a quarterly basis.

		Total Reported Costs £'k						
Authority	Population	Applics Received (High is good)	Generic (Low is good)	Strategic Planning (Low is good)	Planning Applics (Low is good)	Compliance & Delivery (Low is good)	Other (Low is good)	Application Fees (High is good)
Oxford City Council	154	1444	341	567	651	132	259	665
Cambridge City Council	123	1222	550	470	857	185	604	547
Norwich City Council	136	1134	228	352	424	94	291	299
Guildford Borough Council	136	1973	314	434	930	185	578	624
<b>Cheltenham</b>	<b>112</b>	<b>1534</b>	<b>218</b>	<b>182</b>	<b>553</b>	<b>78</b>	<b>286</b>	<b>495</b>
Gloucester City Council	115	926	329	135	267	87	135	315
Welwyn Hatfield	108	1760	140	264	456	52	336	428
Tunbridge Wells Borough Council	107	1876	206	478	809	213	199	478
Worcester City Council	94	765	182	504	370	77	205	266
Watford Borough Council	81	880	280	449	829	137	243	275
Harlow District Council	79	315	87	214	197	41	112	123
<b>Ranking within club</b>	<b>6</b>	<b>4</b>	<b>5</b>	<b>2</b>	<b>6</b>	<b>4</b>	<b>7</b>	<b>4</b>
<b>Ranking within 50 districts</b>	<b>22</b>	<b>19</b>	<b>34</b>	<b>24</b>	<b>32</b>	<b>17</b>	<b>41</b>	<b>22</b>
Key to ranking of quartile								
Top quartile		3rd quartile						
2nd quartile		Bottom quartile						

- 10.5 The project team have reviewed the benchmarking data and feel that it is a useful starting point for considering future service delivery, but is mindful of not drawing too many conclusions from it due to different ways in which authorities will allocate costs and also the diverse nature and character of the built environment in each locality.
- 10.6 The benchmarking exercise and further analysis however has highlighted some issues relating to support service recharges and the way that they are allocated across the range of built environment services. The review will be giving further consideration to this, so that there is clarity on allocations and what this might mean for different delivery models.

## 11. Systems thinking

- 11.1 As part of the commissioning review of the built environment services, the project team requested that a systems thinking review be undertaken to assess how efficient current processes are. The review team have started by considering the planning application process which has led to a number of suggestions for redesign which should result in a significant reduction in the time customers wait for their planning applications to be determined.
- 11.2 The next areas for redesign are the committee process and appeals. The team are clear about what needs to happen for committee and we will be contacting all parties involved in this process shortly. The team is due to begin the work on the appeals process in July.
- 11.3 The review group will keep an overview on the systems thinking work and report this back to cabinet in September.

## 12. Costs/savings and the MTFS

12.1 The cost of the services in scope are set out below:

Commissionable costs	Development Control and Urban Design	Heritage and Conservation	Strategic Land Use	Building Control	Total
Expenditure	113,400	0	148,100	590,400	<b>851,900</b>
Income and recharge to outside bodies	(462,900)	0	(26,600)	(659,100)	<b>(1,148,600)</b>
<b>Net operational budget</b>	<b>(349,500)</b>	<b>0</b>	<b>121,500</b>	<b>(68,700)</b>	<b>(296,700)</b>
Overheads - BE	642,500	78,100	19,400	23,400	<b>763,400</b>
Overheads – other divisional recharges	296,200	25,900	44,500	95,200	<b>461,800</b>
Recharges to other CBC services			(67,900)		<b>(67,900)</b>
<b>Net Cost of Service</b>	<b>589,200</b>	<b>104,000</b>	<b>117,500</b>	<b>49,900</b>	<b>860,600</b>

12.2 The Government has proposed that councils may be able to set their own planning fees to more closely reflect the costs of running the service. The legislation and detail of how this might work is yet to be finalised and the review group has yet to have a discussion about how this might work in practice, but are alert to the need to reduce costs, so that the new charging regime does not impact adversely on applicants, whilst at the same time potentially enabling us to cover our costs which will contribute to reducing the MTFS funding gap.

## 13 What next?

- 13.1 Over the next couple of months, further work and analysis as set out in the above sections will be undertaken and which will be overseen by the member working group. Specifically this will entail:
- Engaging with local partners and stakeholders, including the voluntary and community sector, parish councils, Local Strategic Partnership, Business partnership, Civic Society, Architects' Panel, developers and users of the services within scope to bring them up to date with the review so far on the direction of travel, priorities for further work and outcomes for consultation. This will include some specific workshops on conservation that will be funded through English Heritage funding;
  - Engaging with other providers to understand more fully the opportunities for different delivery models and where the market may need to be developed in the longer term.
- 13.2 In addition it is proposed to undertake a consultation exercise with users of the service and key stakeholders to test the proposed outcomes and to gauge opinion of the services within scope.
- 13.3 A report will be brought back to Council's cabinet on 26 September setting out the findings from the above and a draft action plan.

# Appendix A

# Draft built environment outcomes framework v 1.3

## Under-pinning principles

- A service that promotes sustainable development
- A service that enables and supports economic regeneration
- Policies that are based on sound evidence and that are future-proofed
- An outward looking service that involves stakeholders in policy-making through to service delivery
- Transparent and fair processes with customers feeling that their views have been listened to
- Processes that take into account the emotional aspect of the service
- Effective engagement, consultation and participation processes
- Having a distinct offering within the market of local providers
- Providing value for money for residents

## Quantifiable service outputs

- Sustainability checklists undertaken
- Retail facilities approved completed
- Number of green space enhancements
- Employment uses approved completed
- New homes approved completed
- % of planning decisions upheld when taken to appeal
- Customer satisfaction
- Bench-marked outputs with comparable services
- Costs vs fees plus additional income generated; new homes bonus, CIL, s.106

## Direct outcomes for residents

- People live in safe, warm & affordable homes that meet their personal needs
- People have access to a wide range of social and community facilities
- People have access to a diverse range of shopping facilities
- People have access to a wide range of green space that is safe and accessible
- People have access to local employment opportunities
- People live in energy efficient homes that are adaptable to climate changes
- People are satisfied with the planning system
- People have influence over and contribute to their local environment
- People benefit from additional investment into community facilities and local energy
- People receive value for money from the services

## Direct outcomes for businesses / investors

- Cheltenham has an attractive environment where businesses want to & can grow, develop & invest.
- Promoting adaptable employment space that is responsive to changing needs and technological advances
- There is sufficient land to enable flexibility to the local economy and attract new businesses to Cheltenham
- Ensuring that the economy develops in a sustainable way which reflects environmental limits and the need to reduce carbon emissions.
- Protecting and enhancing the look and feel of the built & green environment

## Corporate objectives and outcomes

- Cheltenham has a clean and well maintained environment
- Natural and built environment is enhanced and protected
- CO2 emissions are reduced & we adapt to impacts of climate change
- Cheltenham recovers quickly from the recession
- We attract more visitors and investors to Cheltenham
- Communities feel safe and are safe
- People have access to decent and affordable housing
- People are able to lead healthy lifestyles
- Residents enjoy a strong sense of community

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## Cheltenham Borough Council

### Social and Community Overview and Scrutiny – 11 July 2011

#### Cabinet – 26 July 2011

### Towards a Commissioning Strategy for Leisure and Culture Outcomes – Preliminary Analysis – July 2011

<b>Accountable member</b>	<b>Cabinet Member for Sport and Culture, Andrew McKinlay</b>
<b>Accountable officer</b>	<b>Executive Director – Pat Pratley</b>
<b>Accountable scrutiny committee</b>	<b>Social and Community</b>
<b>Ward(s) affected</b>	<b>All</b>
<b>Key Decision</b>	<b>No</b>
<b>Executive summary</b>	<p>This report provides a summary of the content and approach set out in the attached report (<b>Appendix A</b>) - <i>“Towards a Commissioning Strategy for Leisure and Culture Outcomes – Preliminary Analysis – July 2011”</i>, hereafter referred to as the “preliminary analysis report”.</p> <p>The primary objective of the preliminary analysis has been to;</p> <p><b>“Assess the ability of the current delivery arrangements to deliver an agreed set of outcomes within a challenging financial framework.”</b></p> <p>The preliminary analysis report sets out the context for the review and contains research and background information which is then drawn upon in arriving at the review conclusions.</p> <p>The preliminary analysis report concludes by describing an assessment process called the “Current Model Exercise”. The purpose of the assessment was to evidence the current delivery arrangements ability to meet the primary objective from 2 aspects; (a) deliverability of new proposals and (b) positive direction of travel for the service across a number of key areas. The assessment was based on submissions completed by the current service providers.</p> <p>The report makes a number of service specific recommendations arising directly from the Current Model Exercise and also some more general recommendations arising from the context and background research.</p>
<b>Recommendations</b>	<p><b>Cabinet is requested to:</b></p> <ol style="list-style-type: none"> <li><b>1. Support the proposal that the review team engages with local partners and stakeholders, including the voluntary and community sector, Local Strategic Partnership and Health and Well-Being Partnership to; (a) bring them up to date with the review, (b) outline the priorities for further work and (c) consult on the currently proposed outcomes for leisure and culture reporting back to Cabinet on the above by October 2011.</b></li> <li><b>2. Acknowledge that in the development of a joint strategic cultural</b></li> </ol>

plan for Cheltenham there should be alignment between the outcomes commissioned through this review and the conclusions of the Joint Overview and Scrutiny Festivals Working Group.

3. Approve the commencement of an option appraisal of the alternative delivery arrangements for the Art Gallery and Museum (AG&M), as compared to the status quo, and by April 2012, a business case be presented recommending the most appropriate option that:
  - Delivers the outcomes and measures of success required by the Heritage Lottery Fund;
  - Meets the requirements of the HLF special conditions;
  - Creates an opportunity to secure wider economic and creative growth as well as the regeneration potential that a cultural quarter presents for the town; and
  - Reduces the ongoing AG&M operational subsidy (based on an appropriate business case).
4. Endorse the approach that as part of the above AG&M appraisal process the review team engages with all relevant partners and stakeholders to ensure that options and outcomes are fully identified, assessed and consulted upon.
5. Approve, subject to agreement through the budget and Bridging the Gap processes, proposals to generate additional Town Hall revenue of £10K (2012-13).
6. Approve proposals for the review team to commence testing the outcomes for the Town Hall and Pittville Pump Room with other commercially operated public facilities, recognising the need to balance commercial aspects with its community role and report back to Cabinet by April 2012.
7. Depending on the outcome of (6) above, investigate the potential to develop a strategy for capital investment in the venues and in particular the commercial feasibility of improving conference facilities at the Town Hall.
8. Approve, subject to agreement through the budget and Bridging the Gap processes, savings arising from Leisure@ of £140K (2012-13) and a further £64K (2013-14).
9. Endorse the approach that by December 2011, service providers will have explored how, within a difficult financial framework, Leisure@ and Sport, Play and Healthy Lifestyles can deliver outcomes and provide more mutual support for each other.
10. Endorse the approach that the review team commences discussions with the Local Strategic Partnership and the NHS with a view to being best placed to act as a provider of choice for health commissioners locally for physiotherapy and activity based patient treatment pathways
11. Endorse the proposal that an assessment of other alternative

delivery arrangements for Leisure@ and Sport, Play and Healthy Lifestyles is an ambition for the future with the AG&M work taking a priority.

12. Endorse the proposal that Leisure@ service providers continue to pursue additional savings/income opportunities so that operational subsidy will be reduced to a minimum over the medium term.

13. Endorse the proposal that the review team, together with the Cabinet Member Working Group, starts the process of building knowledge and understanding of alternative delivery arrangements for leisure outcomes through visits and discussions with other providers and commissioners, with the objective to defining next steps by May 2012.

<p><b>Financial implications</b></p>	<p>The assessment of the current delivery arrangements for leisure and culture has identified savings of £150k which can be delivered in 2012/13 with a further £64k savings being delivered in 2013/14. It is proposed that these savings will be agreed through the budget and bridging the gap processes.</p> <p><b>Contact officer: Paul Jones, paul.jones@cheltenham.gov.uk, 01242 775154</b></p>
<p><b>Legal implications</b></p>	<p>None directly arising from this report.</p> <p><b>Contact officer: Shirin Wotherspoon, shirin.wotherspoon@tewkesbury.gov.uk, 01684 272017</b></p>
<p><b>HR implications (including learning and organisational development)</b></p>	<p>There are no immediate HR implications arising from this phase of the L&amp;C Commissioning review. However, ongoing informal consultation with the recognised trade unions and employees working within the leisure and culture service area is recommended to ensure employee engagement is maintained and that any proposed changes that are needed in the future are properly understood.</p> <p><b>Contact officer: Julie McCarthy, julie.mccarthy@cheltenham.gov.uk, 01242 26 4355</b></p>
<p><b>Key risks</b></p>	<p>The main risks to the recommendations are:</p> <ul style="list-style-type: none"> <li>• Incomplete or unsuccessful engagement with the local partners and stakeholders</li> <li>• Inadequate appraisal of options</li> <li>• Lack of internal capacity</li> </ul> <p>The approach to managing these and other risks may be found in the Risk Assessment (Appendix B)</p>
<p><b>Corporate and community plan Implications</b></p>	<p>The services within scope of this review and the outcomes described support a number of the Council's corporate outcomes, in particular:</p> <ul style="list-style-type: none"> <li>• Arts and culture are used as a means to strengthen communities, strengthen the economy and enhance and protect our environment</li> <li>• Cheltenham is able to recovery quickly and strongly from the recession</li> <li>• We attract more visitors and investors to Cheltenham</li> </ul>

<b>Environmental and climate change implications</b>	As part of the review process, service providers have completed an environmental impact assessment. This has been assessed as part of the direction of travel assessments.
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## 1 Background

- 1.1 The Leisure and Culture Commissioning Review is one of 3 strategic projects using commissioning principles. The review encompasses Leisure@ (including Prince of Wales Stadium), Town Hall, Pittville Pump Room, Art Gallery and Museum (including Tourism and TIC), Sport Play and Healthy Lifestyles. Grants for the Playhouse Theatre, Everyman Theatre and Gardens Gallery do not fall within the scope of this review.
- 1.2 Like many authorities, Cheltenham Borough Council, faces significant financial constraints and has been required to adopt a rigorous approach to finding year on year financial savings. The outcome of the Comprehensive Spending Review (CSR) resulted in a cash reduction in government support of £1.090M, a cut of 15.16% in 2011-12 to be followed by a further provisional cut of £579K (9.57%) in 2012-13. Cumulatively, this equates to a 23.86% cut over 2 years.
- 1.3 Members have been clear in their priority to maintain the level and quality of front-line services. The financial backdrop is, however, like never before, forcing the Council to fundamentally review and assess priorities. Commissioning provides the Council with a way of re-thinking and re-shaping how “outcomes” vital to the social and economic well-being of the community might best be provided for across the wider public and voluntary sector community.
- 1.4 The challenge for the Council is, therefore, in a period of significant financial restraint, how best to commission the outcomes for leisure and culture, which secure that viable and sustainable future, but from a standpoint of a significantly reduced level of direct public investment.

## 2 Towards a Commissioning Strategy for Leisure and Culture Outcomes – Preliminary Analysis

- 2.1 The preliminary analysis report is attached at **Appendix A**. The primary objective of the preliminary analysis has been to:  
**“Assess the ability of the current delivery arrangements to deliver an agreed set of outcomes within a challenging financial framework.”**
- 2.2 The “challenging financial framework” set for the preliminary analysis review was a target of finding savings/increased revenue of £690Kpa by 2013-14. This represents 30% of the net cost of expenditure for the services within scope.
- 2.3 The preliminary analysis report contains research and background important in setting the context for the review. The report concludes by describing a process called the “**Current Model Exercise**”. The report draws on the conclusions of the Current Model Exercise and the background research to arrive at recommendations for next steps.
- 2.4 It should be pointed out at this point, however, that the Art Gallery and Museum (AG&M) did not complete the Current Model Exercise owing to the timing of the Heritage Lottery Funding (HLF) application and the outcomes and conditions attached to the bid. However, the AG&M has been considered in terms of recommendations for next steps and these are outlined later in this report.

## 3 Background to Leisure and Culture Services

- 3.1 Section 2 of the preliminary analysis report considers the background to current day provision of leisure and culture services.
- 3.2 The DPA report (2006) provided a 5 year framework for cultural services. The Council has driven forward this longer-term approach and continues to support investment into its cultural provision, taking opportunities where possible to explore alternative delivery arrangements, eg, Cheltenham Festivals.
- 3.3 More recently, the Council has remained committed to its leisure provision, making the decision to reinstate Leisure@ following the 2007 floods and also the commitment to the re-development of the Art Gallery and Museum (AG&M).

3.4 The framework has worked well in achieving one of the DPA report aims “to reduce the net cost of cultural activities, in line with other economies across the Council”. This reduction in cost strategy has been extended to leisure as well as cultural services.

3.5 Reflecting back again to the DPA report, the challenge then was recognised as the ability of the Council to maintain “the Borough’s cultural heritage ... in light of financial pressures”. This challenge is as real today, perhaps even more so, than it was in 2006.

#### **4 Current Service Performance and Public Perception**

4.1 Section 3 of the preliminary analysis report reviews the current service performance.

4.2 Headline performance data and user/customer information has given a flavour of the activity being undertaken. The services provided by Leisure and Culture are well-performing and, particularly from the culture perspective, make Cheltenham “what it is”.

4.3 Ongoing reduction in net operational expenditure, and hence public subsidy, for leisure and culture services has been an ongoing theme. Over the financial years 2007-08 to 2011-12 the strategy to reduce the net cost of the services has achieved savings amounting to £573,200.

4.4 Public perception of the services gained through the 2010-11 budget consultation process has shown the public regard Leisure@ and Cheltenham Festivals very highly. The value of the Town Hall and Pittville Pump Room (PPR) as venues was also recognised as important. Whilst it is probably dangerous to draw significant conclusions without further research, the “mid-range” ranking of the AG&M may be reflective of the very fact that it needs that capital investment to re-develop its offer and so raise its standing in the public perception.

#### **5 Cheltenham’s Leisure and Culture Offer**

5.1 Section 4 of the preliminary analysis report considers Cheltenham’s leisure and culture offer. The conclusion drawn is that the offer is rich and diverse. Strategically, leisure and culture are key priorities for the Council and are seen as not having an end in themselves, rather a catalyst for social, economic and environmental development and improvement within the town.

5.2 The Council’s offer does not sit in isolation from the Cheltenham offer, and this will be an important consideration moving forward. The report identifies a number of other similar providers in the market place, particularly locally and, therefore, understanding the “fit/relationship” between the offers will be important. The joint strategic cultural plan for the town, referred to later in this report, will be important in this respect.

#### **6 Alternative Delivery Arrangements**

6.1 Section 5 of the preliminary analysis report summaries, at a very high level, alternative delivery arrangements particularly within Gloucestershire. Not unexpectedly, a mixture of delivery arrangements exists locally. Research shows that nationally, the arts, sport and leisure sectors have become increasingly engaged with, and reliant on the voluntary, private and partnership sectors to deliver and sustain the level of provision previously enjoyed.

6.2 Of the case studies analysed there is evidence of improvement in service standards and user/footfall numbers. There are also examples where new ventures have been less successful.

6.3 However, at this stage any direct comparisons with the Council’s services must be treated with caution. Facilities may not be exactly the same and the baseline position needs to be understood in order to be able to make a direct comparison.

6.4 The Council itself does of course have a track record of creating or supporting the creation of other operating models. Commissioning leisure and culture outcomes through alternative delivery arrangements may be an option for the Council to consider moving forward, and there is

local knowledge and expertise to draw upon should that direction of travel be chosen.

6.5 Section 5 of the report concludes the research part of the review.

## **7 Needs Analysis to Defining Outcomes**

7.1 Section 6 of the preliminary analysis report moves on to describe the process of identifying the needs of the community and translating these into meaningful outcomes. This is not an easy process.

7.2 One of the lessons learned from the preliminary analysis phase was that outcomes for Leisure@ and Sport, Play and Healthy Lifestyles (SP&HL) should be the same, reflecting the close relationship and connection between the services. Therefore, in outlining conclusions and recommendations from the Current Model Exercise Leisure@ and SP&HL will be considered together.

7.3 The currently defined outcomes for Leisure@, SP&HL and Town Hall and PPR are outlined in Tables M and N of the preliminary analysis report.

7.4 As explained earlier the AG&M did not complete the Current Model Exercise. The HLF grant uses an outcomes based approach and also includes special conditions attached to the HLF application itself. To create yet another set of outcomes at this time would overcomplicate an already understood and well-researched project. At this point, therefore, the outcomes for the AG&M are those required by the HLF and which must be delivered as a requirement of the re-development scheme.

## **8 General Observations and Recommendations**

### **8.1 The Financial Challenge**

8.1.1 In the short term, perhaps not surprisingly, it was not possible, without seriously impacting upon the outcomes sought, for the services within the scope of this review to identify new short-term proposals to deliver savings to the value of the financial challenge set, ie, £690K by the end of the financial year 2013-14. However, savings totalling £214K have been identified, the significant proportion of which relate to Leisure@. **(Recommendations 5 and 8).**

### **8.2 Engagement and Consultation**

8.2.1 The preliminary analysis review, having concentrated on looking at the current delivery arrangements, has not engaged more widely with local partners and key stakeholders. There is now, following Cabinet's approval of the recommendations, a real necessity to bring stakeholders up to date with the review work so far, the direction of travel and proposed priorities for further work and also to consult on the currently proposed outcomes for leisure and culture. **(Recommendation 1)**

### **8.3 Joint Strategic Cultural Plan**

8.3.1 The preliminary analysis report makes reference to the recent review of the Joint Overview and Scrutiny Festivals Working Group (December 2010) and the proposal put forward for a Joint Strategic Cultural Plan for the town. The analysis of the Cheltenham "offer" has highlighted the importance of understanding the "fit/relationship" between the Council's offer and the wider provision. Therefore, an opportunity to contribute to, and be engaged in, the development of a Joint Strategy Cultural plan is welcomed. **(Recommendation 2)**

## **9 Art Gallery and Museum – Conclusions and Recommendations**

9.1 Whilst, as outlined, the AG&M did not complete the Current Model Exercise the review has concluded that an opportunity exists, during the period of re-development period, to conduct an options appraisal of the alternative delivery arrangements for the AG&M. The objective would be

to report on the outcomes of this appraisal to Cabinet by no later than April 2012. The reasons for drawing this conclusion may be summarised as follows.

- 9.2 The current trend, post CSR, appears to be for decreasing public sector funding for museums and galleries. This is not the case for Cheltenham. The support and commitment to the re-development of the AG&M, which houses one of the nation's national collections, is clear and unequivocal.
- 9.3 The AG&M has successfully reduced its net operational expenditure by £156K (2007-08 to 2011-12) and plans to reduce this by a further £50K upon re-opening in 2013-14. However, it will still have the largest public subsidy of the services within the scope of this review and there is a need to ensure its continued sustainability and viability post re-development.
- 9.4 The review has confirmed, what is probably well known and understood, that the AG&M is much more than the sum of its parts. The AG&M has the potential to contribute so much more to the community of Cheltenham; a potential catalyst for bringing in those people who do not currently see the arts and culture scene as something for them. Furthermore, there is the vision for the AG&M as part of a cultural quarter and the regeneration potential that brings to the town.
- 9.5 One of the trends now being seen nationally is a move towards alternative delivery arrangements for the provision of museum and gallery outcomes. This drive is supported by one of the sector's most respected organisations, the Museums and Libraries Archives (MLA).
- 9.6 The AG&M team have already acknowledged the need to look at its management arrangements during the closure period and also post the AG&M re-opening in April 2013. As with anything timing is crucial and the programme of commissioning activity can be driven by a number of factors. But the opportunity now exists, during the re-development period, to look more widely than the current delivery arrangements for the AG&M.
- 9.7 It is recognised that the HLF has placed strict conditions/outcomes on which the Council must deliver. The HLF measures of success relate not just to increasing direct participation in the arts and culture but wider economic and social "big society" outcomes through volunteering opportunities, engagement in training, etc. There is an absolute recognition that these obligations must be honoured in any consideration of alternative delivery arrangements.
- 9.8 It is also recognised that the milestones referred to later in this report may not be achievable due to the demands of this review set alongside other corporate change projects. It will, most likely, be necessary to bring in specialist external support to assist with the options appraisal work and it is the intention to seek funding for this from existing resources, eg, Business Change Capacity Funding. It will also be necessary to assess the internal support needed from finance, HR, procurement etc and to review how these can be delivered as part of the Council's resource planning process.
- 9.9 In conclusion, therefore, the re-development scheme is not only about creating a modern and accessible museum space, it creates an opportunity to secure wider economic and creative growth as well as the regeneration potential that a cultural quarter presents for the town. This broader focus requires exploration to determine whether there are alternative delivery arrangements that can deliver not only a state of the art museum and gallery but also the wider social, economic and community benefits that are at the heart of the re-development proposals.  
**(Recommendations 3 and 4)**

## 10 Current Model Exercise – Conclusions and Recommendations

- 10.1 Section 7 of the preliminary analysis report draws conclusions and recommendations from the Current Model Exercise. This exercise was designed to **assess the current delivery arrangements in their ability to deliver an agreed set of outcomes within a challenging financial framework**. The assessment seeks to confirm:
  - (1) Whether the current delivery arrangements can deliver new proposals put forward, which reduce cost, but which do not undermine the outcomes being sought; and
  - (2) Whether the service provision direction of travel is satisfactory from a number of standpoints,



ie, service outputs (eg footfall, attendances), direct outcomes for people (eg improved health), service delivery principles (eg, quality of venues, outreach work), sustainability impact and finally equality impacts being sought.

## 10.2 Town Hall and Pittville Pump Room – Conclusions and Recommendations

- 10.2.1 The Town Hall and Pittville Pump Room new proposals' risk assessment and service direction of travel assessments are satisfactory. The detailed assessments are appended to the full report. The new proposals do not require capital investment and deliver modest income growth from corporate business. Therefore proposals to deliver £10K (2012-13) are assessed as not undermining the delivery of the outcomes and are also assessed as deliverable. **(Recommendation 5)**
- 10.2.2 In terms of strategy for the Town Hall and PPR moving forward the following observations are made. The focus for business growth is the civil ceremonies, weddings, and conference market. The Cheltenham "offer" indicates an already healthy market with ready competition for this business. If the venues are to pursue this strategy then it will be necessary for the unique selling point of the venues to be clear to differentiate them from competitors in the eyes of the customer.
- 10.2.3 The Council's Tourism and Marketing Strategy set expectations for business growth at the Town Hall requesting that this review "*develop a strategy for capital investment and development plan for the Town Hall*" and also "*consider the commercial feasibility of improving conference facilities*". The proposals presented did not indicate this request might be fulfilled. However, some outline suggestions for further investigation were identified and it would be useful to explore these in more detail.
- 10.2.4 Finally, what is less clear from the review and the proposals presented for the Town Hall and PPR is how the venues see themselves as fitting in and contributing to the wider cultural offer now and in the future, and also how the proposed outcomes and direction of travel compares with other commercially operated public facilities across the country. **(Recommendations 6 and 7).**
- ## 10.3 Leisure@ and Sport, Play and Healthy Lifestyles – Conclusions and Recommendations
- 10.3.1 The Leisure@ new proposals' risk assessment and service direction of travel assessments are satisfactory. The detailed assessments are appended to the full report. The new proposals do not require capital investment, are not factored into the MTFs, and do not incur de-commissioning costs. Therefore new proposals to deliver £140Kpa (2012-13) and £64Kpa (2013-14) are assessed as not undermining the delivery of the outcomes and are also assessed as deliverable. **(Recommendation 8)**
- 10.3.2 The SP&HL new proposals risk assessment and service direction of travel assessments has identified that the new proposals would have a detrimental impact on the delivery of positive outcomes. Therefore, modest new proposals for savings are not assessed as deliverable and are not being accepted at this time.
- 10.3.3 The assessment, in particular, revealed the vulnerability of the SP&HL service but has also, revealed the synergy that exists between the activities of SP&HL and Leisure@ which has created the opportunity to develop a set of shared outcomes. Rather than taking short-term savings now, the review team felt it would be beneficial to see how Leisure@ and Sport, Play and Healthy Lifestyles can deliver these outcomes and provide more mutual support for each other. **(Recommendation 9)**
- 10.3.4 Turning to general conclusions from the assessment. Leisure@ membership continues to grow and the service is building on its traditional role of leisure centre to a "health" hub. The growth in GP referrals is particularly impressive and plans to increase preventative health care into the facility are welcomed. This latter activity is an area that should be pursued in the immediate future with a view to supporting the primary outcome and to put Leisure@ in a good place to be a provider of choice and to be commissioned by health. **(Recommendation 10)**

- 10.3.5 Leisure@ has a good track record in delivering savings/increased revenue and this track record suggests that leisure outcomes may be secured at a further reduced net operational expenditure in the medium term using the current delivery arrangements. In prioritising next steps, therefore, it is proposed that any review of alternative delivery arrangements for Leisure@, including SP&HL, be a later activity. **(Recommendation 11)** However, current service providers are expected to continue to pursue additional savings/income opportunities in line with the overall expectation that net operational expenditure will be reduced to a minimum over the medium term, say 3 years. **(Recommendation 12)**
- 10.3.6 In the meantime, however, a short term goal should be to begin, together with the Cabinet Member Working Group, building knowledge and understanding of alternative delivery arrangements for leisure outcomes, using visits and discussions with other providers and commissioners in preparation for a future commissioning opportunity. **(Recommendation 13)**

## **11 Plan for Next Stage and Capacity Management**

- 11.1 The anticipated milestones for the next stage of the project are:
- Complete consultation on the commissioning outcomes by October and ask Cabinet to agree any changes at their meeting on 8th October 2011;
  - Complete the options appraisal of alternative delivery arrangements for the AG&M by April 2012 and ask Cabinet to agree recommendations at their meeting on 17<sup>th</sup> April 2012;
  - Complete the investigation of commercially run public facilities similar to the Town Hall and Pittville Pump Rooms by April 2012;
  - Complete the exploration of mutual support options for Leisure@ and Sport, Play and Healthy Lifestyles by December 2011; and
  - Build knowledge and understanding of other delivery arrangements for Leisure@ and Sport, Play and Healthy Lifestyles and decide next steps by May 2012.
- 11.2 There is a risk that these milestones may not be achievable due to the demands of this review set alongside other corporate change projects. There are known capacity issues in Finance, HR, Procurement and in the Leisure and Culture teams themselves which may impact this review and which are being addressed through the council's corporate resource management process.

## **12 Reasons for recommendations**

- 12.1 The recommendations contained within this report deliver medium term financial savings additional to those included within the MTFs. The new proposals from which the savings arise have been risk assessed to ensure proposals do not have a detrimental impact upon the delivery of identified outcomes.
- 12.2 The recommendations provide a prioritised approach. In particular the timing of the AG&M re-development scheme is important creating an opportunity to look more widely at the best way of operating the AG&M to deliver its stated purpose, post re-opening, even if that operation is found to be through current delivery arrangements.

## **13 Alternative options considered**

- 13.1 At this time the recommendations set out relate to prioritising next steps of the commissioning project. However, the recommendation in relation to the AG&M refers to an option appraisal and business case to support any change in delivery arrangement post re-opening.
- 13.2 Alternative options will be considered as and when more detailed work progresses, eg, with the AG&M option appraisal work.

## **14 Consultation and feedback**

- 14.1 Recommendation (1) explicitly acknowledges that following Cabinet's approval of the recommendations in this report, there is a necessity to; (a) bring stakeholders up to date with the

review work so far, (b) outline the proposed direction of travel and priorities for further work and (c) consult more widely on the currently proposed outcomes for leisure and culture. Stakeholder analysis work is currently underway.

14.2 When considering in particular recommendation (3) for the AG&M, a specific obligation is placed upon the review team to engage with all relevant partners and stakeholders to ensure that options and outcomes are fully identified, assessed and consulted upon.

14.3 Turning to the review consultation which has taken place up to this point in the review:

- An information / discussion paper was presented to the Social and Community Overview and Scrutiny committee on 9<sup>th</sup> May 2011 and the Cabinet Member has regularly briefed the committee on the review.
- A Cabinet Member Working Group has been formed and met for the first time on 18<sup>th</sup> May 2011.
- There has been extensive involvement from the council's Leisure and Culture teams in the review so far including; identifying needs and outcomes, testing needs and outcomes against anticipated societal changes, responding to the Current Model Exercise
- The Cabinet Member for Sport and Culture and the Director of Wellbeing and Culture are members of the Leisure and Culture Programme Board
- Employees in the Leisure and Culture teams are briefed regularly on the progress of the review and, also in the early stages of the review, took part in a future-proofing exercise
- Employee representatives are updated a monthly meetings on this and other commissioning projects

## 15 Performance management – monitoring and review

15.1 The Leisure and Culture Commissioning Review is one of the Council's strategic commissioning projects. It reports to the monthly Strategic Commissioning Programme Board (SCPB) chaired by the Chief Executive. Key risks and issues and progress to date are reported to the SCPB.

15.2 The commissioning programme of activity is monitored through Economy and Business Improvement Overview and Scrutiny Committee.

15.3 The project operates using Prince 2 project management methodology and the review team meets on a monthly basis to set work priorities, review and monitor progress.

15.4. As individual projects move forward they also will use Prince 2 project management principles and will report in their own right to the council's Operational Programmes Board as appropriate.

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<b>Appendices</b>	<b>Appendix A - Towards and Commissioning Strategy for Leisure and Culture Outcomes – Executive Summary and Full Report</b> <b>Appendix B - Risk Assessment</b>
<b>Background information</b>	1. Social and Community Overview and Scrutiny Information/Discussion Paper 9 May 2011 2. Good Commissioning Guide in Gloucestershire 3. Alternative Delivery Arrangements – Research Documents 4. Report on Cultural Needs and Priority Outcomes 5. Report on Healthy Lifestyle Needs and Priority Outcome

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## Appendix A.4

## Gloucestershire Leisure and Culture Delivery Arrangements

Local Authority	Directly Operated By Local Authority	Operated Via Private Contractor	Operated Via Trust/Charity
Cheltenham	<ul style="list-style-type: none"> <li>Leisure@ Cheltenham and PoW</li> <li>Cheltenham Art Gallery &amp; Museum</li> <li>Cheltenham Town Hall</li> <li>Pittville Pump Rooms</li> </ul>		<ul style="list-style-type: none"> <li>Cheltenham Festivals</li> <li>Everyman Theatre</li> <li>Playhouse Theatre</li> <li>Holst Museum</li> <li>Sandford Park Lido</li> </ul>
Cotswold	<ul style="list-style-type: none"> <li>Cirencester Leisure Centre</li> <li>4 Dual use leisure centres at Bourton, Tetbury, Fairford and Chipping Campden</li> <li>Corinium Museum</li> </ul>	<ul style="list-style-type: none"> <li>Cirencester Cornhall – sold to private operator in 2006</li> </ul>	<ul style="list-style-type: none"> <li>Brewery Arts Centre, Cirencester</li> </ul>
Forest of Dean	<ul style="list-style-type: none"> <li>5 Dual use leisure centres in Newent, Cinderford, Coleford, Lydney and Chepstow</li> </ul>		<ul style="list-style-type: none"> <li>Dean Heritage Centre</li> <li>Mercury/Artspace, Cinderford</li> </ul>
Gloucester	<ul style="list-style-type: none"> <li>Gloucester Guildhall</li> <li>Gloucester Folk Museum</li> <li>Gloucester Museum &amp; Art Gallery</li> <li>Gloucester Festivals &amp; Carnival</li> </ul>		<ul style="list-style-type: none"> <li>Aspire Leisure &amp; Cultural Trust (incorporating GL1 Leisure Centre and Oxstalls Tennis Centre)</li> </ul>
Stroud	<ul style="list-style-type: none"> <li>6 Dual Use Leisure Centres</li> <li>Dursley Pool &amp; Wotton Pool</li> <li>Stroud Subscription Rooms</li> <li>Museum In The Park</li> </ul>	<ul style="list-style-type: none"> <li>Stratford Park Leisure Centre – currently operated by Parkwood Leisure</li> </ul>	<ul style="list-style-type: none"> <li>Cotswold Playhouse</li> <li>Edward Jenner Museum</li> </ul>
Tewkesbury	<ul style="list-style-type: none"> <li>Cascades Leisure Centre &amp; Pool</li> <li>Out of The Hat Heritage Museum</li> </ul>	<ul style="list-style-type: none"> <li>(Recently withdrawn from 4 Dual Use leisure centres in Churchdown, Bishops Cleeve, Brockworth and Winchcombe)</li> </ul>	<ul style="list-style-type: none"> <li>Roses Theatre Trust</li> </ul>

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**Towards a Commissioning Strategy  
For  
Leisure and Culture Outcomes**

**Preliminary Analysis – July 2011**

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## 1 Introduction and Context

- 1.1 Cheltenham's journey towards becoming a strategic commissioning authority began with the publication of Sir Michael Lyons report (2007) Place-shaping: a shared ambition for the future of local government. Sir Michael said
- "I believe that local government is an essential part of our system of government today. Local government's place-shaping role – using powers and influence creatively to promote the well-being of a community and its citizens – is crucial to help improve satisfaction and prosperity through greater local choice and flexibility".*
- 1.2 Many of the issues facing our communities – the physical environment, local economy, carbon footprint, crime and anti-social behaviour, health and well-being, public health, all depend on contributions from a range of different agencies and organisations. A strategic commissioning approach allows the Council to fulfil its democratic role as the "governor of place".
- 1.3 The services provided by Leisure and Culture are generally well-performing and, particularly from the culture perspective, make Cheltenham what it is and bring a huge benefit to the local economy. In fact a loose interpretation of Cheltenham's motto '*Salubritas et Eruditio*' is 'Through Health and Learning,' which is an apt description of the benefits of leisure and culture outcomes.
- 1.4 However, the services are discretionary and the Council is facing unprecedented financial pressures. Choices around priorities will inevitably need to be made.
- 1.5 In the Council's role as strategic commissioner of outcomes and "governor of place", the challenge will be to ensure that the available deployable resources (people, assets and money) are used to their best effect to deliver the right outcomes for communities.
- 1.6 This report represents the start of the journey Towards a Commissioning Strategy for Leisure and Culture Outcomes.

### Cheltenham's Journey towards Commissioning Outcomes

- 1.7 The Council has, over the last two to three years developed a good track record in transforming services. Initial sharing of services – internal audit, building control, legal services – have proved successful in delivering moderate savings and good service performance. More ambitious projects are now being developed to share services across multiple partners (GO Shared Services Programme) and also through the creation of a Local Authority Company for a range of services including waste.
- 1.8 At the same time as transforming services the Council has been active in embracing its place-making duty through the enhancement of the economic prospects for the town via the Cheltenham Development Taskforce. Significant investment has also been made in working with partners to deliver a Joint Core Strategy – the planning framework for Cheltenham and its neighbouring authorities, Tewkesbury and Gloucester City.
- 1.9 In keeping with its duties to engage citizens and lead communities and in its "governor of place" role, the Council has made significant investment in its Local Strategic Partnership (LSP). Strong local thematic partnerships exist with a focus on outcomes necessary for vital and thriving communities. The existing local partnerships are viewed as being productive, self-starting and successful in delivering local outcomes for local communities. This strength in partnership working

places the Council in a good position as it reviews the LSP in the light of the move to commissioning outcomes. A Place Based Commissioning Project is currently underway with the ultimate aim of facilitating the development of joint commissioning, based on shared outcomes, with partners. The project is recommending a fundamental review of the existing partnership structures to support commissioning outcomes and these structures are being consulted on over the coming months.

- 1.10 The journey thus far has been one of responding to local opportunities and “sourcing” rather than “commissioning”. The move and focus now is to one where the needs and outcomes of the community are at the core; strategic commissioning is then about prioritising outcomes and delivering them in the most appropriate way to meet the needs of the community.

### **The Council’s Financial Context**

- 1.11 Like many authorities, the Council faces significant financial constraints and has been required to adopt a rigorous approach to finding year on year financial savings. The outcome of the Comprehensive Spending Review (CSR) resulted in a cash reduction in government support of £1.090M, a cut of 15.16% in 2011-12 to be followed by a further provisional cut of £579K (9.57%) in 2012-13. Cumulatively, this equates to a 23.86% cut over 2 years. Funding levels for the following 2 years have yet to be announced but it is likely that they will continue to have a detrimental impact on the council’s finances.
- 1.12 The Medium Term Financial Strategy (MTFS) indicates a funding gap for the financial years 2011-12 to 2016-17 of £5.3M. The 2011-12 budget shortfall of £2.808M has been bridged – in that projects are in place which are planned to deliver this financial target. Future years’ initiatives have identified savings totalling £0.964m, leaving a remaining shortfall of £1.54m across the years 2012-13 to 2016-17. The Bridging the Gap (BtG) Programme is responsible for monitoring the delivery of agreed cashable savings. Work is currently underway to identify how the remaining shortfall will be met. Whilst the primary objective of commissioning reviews is to ensure that needs are met through the delivery of appropriate outcomes there is an explicit requirement that commissioning will deliver financial savings.

### **Leisure and Culture Review Scope and Financial Context**

- 1.13 This review encompasses Art Gallery and Museum (including Tourism and the Tourist Information Centre) (AG&M), Town Hall and Pittville Pump Room (PPR), Leisure@ (including Prince of Wales Stadium), Sports, Play and Healthy Lifestyles (SP&HL). Grants for the Playhouse Theatre and Gardens Gallery do not fall within the scope of this review; neither do sports pitches and outdoor activities, eg, Tennis, football pitches as these have just been the subject of a new management agreement.
- 1.14 Net operational expenditure totals £2.517M rising to £4.032M after the inclusion of support services and depreciation. Net spend (excluding depreciation is £3.0M) representing 21.33% of the council’s net revenue budget (**Table A**).

<b>Table A – Leisure and Culture Net Operational Expenditure and Net Cost of Service (2011-12)</b>		
<b>Service Area</b>	<b>Net Operational Expenditure</b>	<b>Net Cost of Service</b>
Town Hall	£206,800	£445,100
Box Office*	£175,200	£201,900
Pittville Pump Room	£165,300	£237,200
Museums and Tourism	£799,550	£996,450
Arts Enabling/Grants**	£186,900	£187,000
Leisure@ (including Prince of Wales Stadium)	£744,500	£1,689,300
Sport, Play and Healthy Lifestyles	£239,400	£265,600
<b>TOTAL</b>	<b>£2,517,650</b>	<b>£4,032,550</b>

*Note: The box office costs are separated out for costing purposes but the box office supports both the Town Hall and Pittville Pump Rooms as well as taking bookings for a number of other events outside the Council's direct activity.*

- 1.15 Whilst descriptions of mandatory and discretionary spend are not necessarily useful in isolation, it is worthwhile noting that the expenditure falling within the scope of this commissioning review is discretionary spend.

### **Revenue Expenditure – 2007-08 to 2011-12**

- 1.16 Reductions in the net cost of cultural activities are not a new phenomenon. The David Pratley Associates Report (DPA)<sup>1</sup> (Section 2) had as one of its 2 overriding objectives “to reduce the net cost of cultural activities, in line with other economies across the Council, that will be required to balance future budgets”. Ongoing reduction in net operational expenditure, and hence public subsidy, for leisure and culture services has been an ongoing theme. Over the financial years 2007-08 to 2011-12 revenue budget savings amounting to £573,200 (Table B) have been achieved through a mixture of restructures and staff reductions, efficiency projects, increased revenue and other operational expenditure reductions eg, ICT software, training budget reductions.

<b>Table B – Savings to Base Budgets 2007-08 to 2011-12</b>	
Art Gallery and Museum (AG&M) – including Tourist Information Centre (TIC)	£155,700
Entertainments (Town Hall and Pittville Pump Room (PPR))	£222,800
Leisure@ (including Prince of Wales Stadium (PoW))	£153,700
Sport and Play	£41,000
<b>Total</b>	<b>£573,200</b>

<sup>1</sup> Culture in Cheltenham – Planning for a Sustainable Future Final Report February 2006

### Planned Maintenance Expenditure – 2007-08 to 2011-12

- 1.17 Planned maintenance expenditure over the same financial period averages £300Kpa for ongoing maintenance works, eg, cyclical electrical testing, external light, cleaning (swimming pools), repairs to track and field, etc.

### Capital Expenditure – 2008 - 09 to 2012 - 13

- 1.18 The in scope services will account for £2.285M of Council funded capital expenditure (2008-09 to 2012-13); £2M of which relates to the Council’s contribution to the new Art Gallery and Museum re-development scheme as agreed by Council in July 2008. This figure has been further supplemented by underwriting £922K (Section 3) following the successful Heritage Lottery Fund (HLF) second round application.

### Benchmarking

- 1.19 Recognising that benchmarking is not an exact science it can provide a “useful indication” how the Council performs/spends its money when compared with other district councils. CIPFA (Chartered Institute of Public Finance and Accountancy) 2009-10 benchmarking for sport, recreation and cultural services shows that, in terms of spend per head of population Cheltenham, when compared to the average district council spends:
- Around 3 times more on its culture and heritage services, and at £1,940 is the second highest spending lower-tier council behind Ipswich (£2,544);
  - Around twice as much on tourism
  - At about the same level in relation to recreation and sport

<b>Table C Average Spend Per Head of Population 2009-10</b>		
<b>Service Area</b>	<b>Average Spend of 202 District Councils</b>	<b>Cheltenham Spend</b>
Recreation and sport	£1,235	£1,230
Open Spaces	£987	£639
Tourism	£181	£350
Culture and Heritage	£623	£1,940
Net total cost culture, sport and recreation	£3,619	£4,159

- 1.20 Arts, culture and tourism are inextricably linked and therefore the results of this initial benchmarking exercise are perhaps not a surprise, positively reflecting where the Council has made decisions to invest. It is recognised that comparisons are with all districts and not those whose social and economic profile is necessarily more aligned with Cheltenham.
- 1.21 Data in relation to attendances is less current, ie, 2008-09. However, the data shows a positive position for the Council where, compared to all district councils there were;
- 172,791 attendances at the Council’s leisure centre compared to an average of 124,940;
  - 55,182 attendances at the Town Hall compared to an average of 32,657
  - 65,000 visitors to the Art Gallery and Museum compared to 18,784 for all councils.

Therefore, a general conclusion which might be drawn is that a better comparator than spend per head might be cost per attendance in providing a very high-level value for money comparison.

### **Wider Economic Benefit to Cheltenham**

- 1.22 Whilst the revenue and capital expenditure to deliver leisure and culture services are important to understand, the cultural offer, in particular, is acknowledged as bringing wider social, economic and community benefits. In 2003 Comedia reported that the cultural offer generated community vitality and a sense of belonging bringing an annual contribution of some £34 million to the economic well-being of the Borough and its residents. This represented 0.8% of the total business turnover. It must be recognised that their assessment of the value of the “cultural offer” was making a statement of the “whole town” offer of which the services provided by the Council are an element.
- 1.23 However, more recently (2010) an independent study commissioned by Cheltenham Festivals reported that:  
*“The economic impact of the four Festivals in the town has increased by nearly 200% since 2002, rising to £5.2 m of primary and secondary spending from £1.8 m in 2002 and support around 139 jobs.”*
- 1.24 Almost three-quarters of local businesses rated Cheltenham Festivals as important to the town, and having a positive impact on their business. During the recent Times Cheltenham Literature Festival 20% of businesses commented that they saw turnover rise by more than 10%, and 12% employed additional staff.
- 1.25 As noted in the DPA Report (2006) *“maintaining the Borough’s cultural heritage ... in the light of financial pressures represents a substantial challenge but not one that the council is shying away from”.*
- 1.26 The Council’s commitment to providing for a sustainable and viable future for its leisure and culture portfolio is as strong today as it was when the DPA report was produced. However, what is different today from 2006 is the financial climate within which the Council operates and the significant reductions to budget suffered over a number of years but most recently through the CSR.

### **Environmental and Economic Strategic Context**

- 1.27 Alongside the challenge of public sector financial restraint are wider social, economic and environment challenges. The Sustainable Community Strategy (SCS) 2008-2011 set out a range of issues facing Cheltenham which are still relevant today and which need to be considered when commissioning leisure and culture outcomes.

#### **Access to energy supplies and climate change**

- 1.28 The SCS identified access to energy supplies and the link to climate change as the single most important issue that will affect Cheltenham over the next 20 years. The concept of “peak oil” is widely known as are the impacts of climate change. When commissioning outcomes the challenge will be to promote the efficient use of fuel and other natural resources to reduce carbon emissions as well as reduce cost. There is also the very practical issue of services which can cope with the impacts of severe weather; a very real need as the 2007 floods demonstrated.

### **An ageing population**

- 1.29 Cheltenham already has an ageing population with 17.1% of people 65 years or over. This figure is likely to increase to 24% by 2026. Whilst some older people will remain fit and active for longer there is the potential for some older people to be vulnerable and isolated, and in need of additional health, social care and housing services. Joint commissioning will therefore become even more important. A partnership approach; public, voluntary and maybe private, will be needed. The focus on outcomes will need to be holistic. It will not be sufficient to just consider improving health and well being, providing care, support and protection for older people. It will also be important to recognise the relationship between these outcomes and wider provision, eg, appropriate housing, social, education, employment and transport.

### **Integration and cohesion**

- 1.30 Cheltenham has an increasingly diverse population which brings advantages to the local economy including access to a more skilled workforce and availability of labour. This is in addition to the benefits of sharing different cultures. Pressures, however, also build including for example demands on housing stock. Commissioning must be an inclusive process. The Council must work with people from all backgrounds, faiths and circumstance so that all can have similar life opportunities and be able to live and work alongside each other.

### **Development**

- 1.31 One of the most pressing issues that will affect Cheltenham over the next few years is the need to plan its growth and development through the Joint Core Strategy. The risk from additional growth is that local people do not want to see the unique character of the Borough and their local identity undermined. However, there are opportunities from new development particularly around the potential to provide more affordable housing, improved support infrastructure for both new and existing communities, additional employment land and retail and leisure opportunities all within the context of low carbon development.

### **National Policy Context**

- 1.32 The national policy context is important, in particular the changes planned for the NHS and GP Commissioning. As NHS Gloucestershire consults on the future of "Your NHS" it will be important to build upon the opportunity for more integrated working between local government and other partners, and in particular GP consortia.
- 1.33 The 2012 Olympics also creates an opportunity for improving and encouraging wider participation in sports and healthy lifestyles. Cheltenham's hosting of the Olympic torch is a once in a lifetime opportunity to showcase leisure and culture in Cheltenham and, in particular, to connect leisure and healthy lifestyles with the public consciousness.

### **Commissioning Leisure and Culture Outcomes**

- 1.34 Members have been clear in their priority to maintain the level and quality of front-line services wherever possible. The financial backdrop is, however, like never before, forcing the Council to fundamentally review and assess priorities. Commissioning provides the Council with a way of re-thinking and re-shaping how "outcomes" vital to the social and economic well-being of the community might best be provided for across the wider public and voluntary sector community.
- 1.35 Leisure and culture are the Council's highest areas of non-discretionary spend theoretically making them more vulnerable than statutory services to the impact of

budget reductions. Yet these services are held in high regard and add significant value to the social, economic and community well-being of Cheltenham and in many ways “make Cheltenham what it is”.

### Leisure and Culture Preliminary Analysis

- 1.36 This **Preliminary Analysis** has purposely concentrated on looking at how **current service delivery arrangements** are able to deliver an agreed set of outcomes. This preliminary analysis has sought to define:
- (1) What we currently do
  - (2) What we want to do?; and
  - (3) How best to do it?.
- 1.37 To answer (1) “*what we currently do*” has involved some context setting and background research to
- Document the background to the leisure and culture services; (Section 2)
  - Capture performance data and user/customer information; (Section 3)
  - Understand how the Council’s leisure and culture provision fits into Cheltenham’s wider leisure and culture offer; (Section 4)
  - Gain a basic understanding of what other alternative delivery models for leisure and culture exist, how they are performing, always recognising the importance to learn from failures as well as successes (Section 5)
- 1.38 To answer (2) “*what we want to do?*” the main requirement has been to define the outcomes for Leisure and Culture based on “needs assessment”. Section 6 explains the process of moving from “assessment of need” to “defining outcomes”.
- 1.39 The objective of Section 7 is to **assess the current delivery arrangements in their ability to deliver an agreed set of outcomes within a challenging framework**. The assessment seeks to address 2 criteria:
- (1) Whether the current delivery arrangements can deliver new proposals, which reduce cost, but do not undermine the outcomes being sought; and
  - (2) Is the service provision direction of travel assessment satisfactory from the standpoint of improving service outputs (eg, footfall, attendances), direct outcomes for people (eg, improved health), service delivery principles (eg, quality of venues, out-reach work, volunteering) sustainability impact (eg, environmental considerations) and finally equality impact (eg access for all).
- 1.40 The assessment draws conclusions as to whether the evidence presented satisfies the criteria together with recommendations for next steps. These recommendations do not as yet, however, fully answer question (3) above. The recommendations do, though, suggest a way of moving forward where progress can be made on all fronts but being clear about the priority for further intensive and targeted work.
- 1.41 The review has also identified a number of more general issues which need to be considered and some general recommendations are also made in Section 7.
- 1.42 Section 8 outlines milestones for next steps; Section 9 describes the broad consultation arrangements. Service providers have been represented on the review project team and have been consulted on the recommendations within this report. There are risks to the plan for the next steps, arising from the number of corporate

change programmes and projects taking place in the Council with some resource conflicts already identified. Current project risks are set out in Appendix 5.

### **Art Gallery and Museum**

- 1.43 It should be noted at this point, that the Current Model Exercise was not completed by the AG&M. At the same time as the second round HLF bid was being considered this review commenced. It was therefore felt inappropriate to ask service providers to complete the exercise and instead await the outcome of the HLF bid. In fact the HLF grant uses an outcomes based approach and also includes special conditions attached to the HLF application itself. To create another set of outcomes would overcomplicate an already understood and well-researched approach. However, the AG&M has been considered in terms of recommendations for next steps and these are outlined in Section 7.

### **Summary**

- 1.44 Like many authorities, the Council faces significant financial constraints and has been required to adopt a rigorous approach to finding year on year financial savings.
- 1.45 High level benchmarking indicates that Cheltenham spends approximately 3 times per head of population on its culture and heritage services when compared to all district councils (2009-10 CIPFA). It spends around the average of all district councils on its leisure services.
- 1.46 Ongoing reduction in net operational expenditure, and hence public subsidy, for leisure and culture services has been an ongoing theme. Over the financial years 2007-08 to 2011-12 the Council has been successful in achieving leisure and culture budget savings amounting to £573,200.
- 1.47 The Council's commitment to providing for a sustainable and viable future for its leisure and culture portfolio is as strong today as it was when the DPA report was produced. However, what is different today from 2006 is the financial climate within which the Council operates and the significant reductions to budget suffered over a number of years but most recently through the CSR.
- 1.48 The challenge for the Council is, therefore, in a period of significant financial restraint, how best to commission the outcomes for leisure and culture, which secure that viable and sustainable future, but from a standpoint of a significantly reduced level of direct public investment.

### **Report Structure**

- 1.49 The report structure is as outlined below:
- Background to Leisure and Culture services
  - Current service provision
  - Cheltenham's leisure and culture offer
  - Alternative Delivery Arrangements
  - From Needs Analysis to Defining Outcomes – The Current Model Exercise
  - Current Model Exercise Assessment and Recommendations
  - Milestones
  - Consultation



## 2 Background to Leisure and Culture services

### Culture in Cheltenham: Planning for a Sustainable Future

- 2.1 DPA were commissioned in 2005 to produce a review document "*Culture in Cheltenham : Planning for a Sustainable Future*". The report was jointly commissioned by the Council and Cheltenham Festivals, with the majority of funding coming from Arts Council (South West).
- 2.2 Some of the report's initial options such as the creation of a 'Cultural Foundation' or Trust, and the sale or long lease of some of the venues were rejected in favour of what were judged to be financially sustainable alternatives which were supportive of the then current programme. The report made it very clear that the status quo was not a sustainable option.
- 2.3 The report was presented to Cabinet in March 2006 when the following decisions were taken to:
  - Endorse an outline scheme to develop the Art Gallery and Museum, using funds from the sale receipt of the Axiom to support the scheme.
  - Seek partnership opportunities for the operation of both the Town Hall and the Pittville Pump Room.
  - Endorse the principle of full independence for Cheltenham Festivals and that this be achieved as quickly as possible.
  - Endorse the principle of the Council as an enabler rather than direct provider of arts.
- 2.4 The DPA report and the decisions taken by Cabinet in 2006 created a 5year framework for the Council's work on arts and cultural services and the current context for the services in scope of this commissioning review are discussed below.

### Art Gallery and Museum (AG&M)

- 2.5 The development scheme for the AG&M was developed through a Royal Institute of British Architects (RIBA) Open Design Competition in January 2008 and Cheltenham Art Gallery & Museum Development Trust (CAG&MDT) was established and registered as a charity to support fundraising efforts.

### Pittville Pump Room (PPR)

- 2.6 In July 2007 Cabinet agreed to retain the in-house management of Pittville Pump Room, with operational responsibility eventually falling under the remit of the Town Hall Manager. Cabinet's request was that steps be undertaken to restore levels of business at the PPR by increasing commercial revenue and reviewing operating costs.

### Cheltenham Festivals

- 2.7 To support the independence of Cheltenham Festivals, the council agreed to invest £500,000 of Local Authority Business Growth Incentive (LABGI) funding over 3 years and to monitor and measure progress through a Joint Overview & Scrutiny Festivals Working Group. Following a recent review by the Working Group, in December 2010 a number of proposals were put forward to Cabinet including:
  - A further review of the existing Town Hall catering arrangements to ensure greater flexibility of use by Cheltenham Festivals

- A joint strategic cultural plan for the town is developed as part of the 2011/2012 Corporate and Community Planning process

### **Tourism and Marketing Strategy**

- 2.8 Going beyond the remit of the DPA report, the council has recently adopted a Tourism and Marketing Strategy. This was developed in 2010 by the Tourism & Marketing Working Group, a joint group from both Social & Community and Economic & Business Improvement Overview and Scrutiny Committees.
- 2.9 The strategy has a three year action plan with three actions for the leisure and culture review:
- As part of the Leisure and Culture Review devise proposals for improving Cheltenham's 'family offer' - working with fellow cultural and commercial partners to explore the potential of joint revenue-earning
  - As part of the Leisure Culture Review develop a strategy for capital investment and development plans at the Town Hall
  - As part of the Leisure & Culture Review consider the commercial feasibility of improving conference facilities

### **Leisure@**

- 2.10 In November 2002, Cabinet took the decision to bring the management of the leisure centre in-house from April 2003.
- 2.11 Following the devastating floods in the summer of 2007, the Council debated a number of options for the future of the site, including creation of a new leisure\fun facility with joint local authority partners, downsizing the existing facility mix to retain a limited level of wet and dry-side provision, complete closure of the facility, or refurbishment of the core leisure facility with more thought being given to the re-opening of the cricket hall which had been particularly affected by the floods.
- 2.12 Council fully supported the latter option to reinstate Leisure@ with the service goal summarised as to maximise income, improve efficiency, and to grow health and partnership opportunities. The centre re-opened in September 2008 and the improved equipment and facilities have received much positive feedback from customers. The current business model reflects the consultation with stakeholders and advice sought to redesign the business post-flood. This model has delivered well and the positive direction of travel continues.

### **Sports Development**

- 2.13 To compliment the direct provision of sport and recreational facilities, the Council continues to support a Sport, Play and Healthy Lifestyles (SP&HL) service to deliver school holiday programmes, family events and a range of targeted out-reach projects across the Borough. Since 2008 a healthy lifestyle post has also been jointly funded between the Council and NHS Gloucestershire to promote healthy lifestyles and tackle health inequalities.

### **Other developments**

- 2.14 Alongside the commitments to improve the quality of in-house delivered services, the Council has also been pro-active in working with and supporting other leisure and culture providers. These include the Holst Birthplace Trust, the Sandford Lido Trust,

the Everyman Theatre, the Playhouse Theatre and the Gardens Gallery Community Interest Company.

### Summary

- 2.15 The 2006 DPA report provided a 5 year framework for cultural services. The Council has driven forward this longer-term approach and continues to support investment into its cultural provision, taking opportunities where possible to explore alternative delivery arrangements, eg, Cheltenham Festivals.
- 2.16 The Council has also remained committed to its leisure provision, making the decision to reinstate Leisure@ following the 2007 floods.
- 2.17 The framework has worked well in achieving one of the DPA report aims *“to reduce the net cost of cultural activities, in line with other economies across the Council”*. However, the question remains whether it is possible to continue to deliver the outcomes for leisure and culture, which are important from an economic, social and community perspective, through the current delivery arrangements and at the same time deliver year on year savings.
- 2.18 Again, reflecting back to the DPA Report, the challenge then was recognised as the ability of the Council to maintain *“the Borough’s cultural heritage... in the light of financial pressures represents a substantial challenge but not one that the council is shying away from”*. This challenge is as real today as it was in 2006.

### 3 Current Service Provision

#### Introduction

- 3.1 Leisure and Culture Services generally perform well and are well regarded. The strategy since 2006 has been to reduce the level of public subsidy whilst at the same time enhancing the customer satisfaction with service facilities.
- 3.2 The purpose of this section is to provide a brief summary of:
- Background and current service provision
  - Headline performance data
  - User/customer data
- 3.3 This section will also provide a brief commentary on community perception of Leisure and Culture services gained through the 2011-12 budget consultation exercise, the 2008 Place Survey and 2009 Tourism and Marketing Strategy consultation.

#### Art Gallery and Museum (AG&M) – including Tourism

##### Background and Current Service Provision AG&M

- 3.4 Cheltenham Art Gallery & Museum was established between 1898 (gallery) and 1907 (museum) and now holds several outstanding collections (many of which were given by local people); including a nationally designated Arts and Crafts Movement collection, much of which relates to the Cotswolds. It is based in Cheltenham town centre and is open 7 days a week; admission is free and it receives over 65,000 visits annually and works with a further 6,000 people through community outreach.
- 3.5 The AG&M cost centre accounts for the highest level of public subsidy of the leisure and culture services, £799,550 (2011-12) (Table A). It has however, over the period 2007-08 to 2011-12 delivered savings of £155,700 (Table B), this includes £50K saving in 2011-12 as a result of a restructure taking place with the AG&M is closed for the re-development. The MTFS also includes a further £50K saving following re-opening in 2013-14.
- 3.6 The DPA Report concluded that *“in order to attract more visitors, it is critical that the AG&M develops larger spaces for temporary exhibitions”*. It went on to recommend that the then current refurbishment scheme be further developed and that Council endorse an outline scheme to develop the AG&M. Council accepted this recommendation.
- 3.7 Cheltenham Tourist Information Centre (TIC) is currently located adjacent to the main Council offices. Whilst it is a central location, it is extremely hampered by its accessibility for visitors. In addition its opening hours are restricted to those of the Council offices due to access restrictions particularly during weekends.
- 3.8 The proposals to relocate the TIC to the new AG&M will ensure that this key visitor service becomes fully accessible to all customers. Visitors to the TIC will be drawn into the AG&M, one of Cheltenham's finest attractions, which in turn will develop and increase AG&M footfall.

- 3.9 The re-development scheme funding requirement is now £6.3M. At April 2011 fundraising stood at £5.4M. A requirement of the HLF second round application was that any shortfall in scheme cost was required to be underwritten. In March 2011, the HLF second round application was secured. The Council has undertaken to underwrite any shortfall to a maximum of £922K.
- 3.10 The Cheltenham Art Gallery and Museum Development Trust (CAG&MDT) was established and registered as a charity in the autumn of 2008 with aims including;
- The provision of support for improvements to the AG&M through assisting in raising funds towards the new development;
  - Safeguarding the financial management of the project; and
  - Ensuring the AG&M subsequent viability.
- 3.11 The CAG&MDT, all unpaid, have extensive cultural, heritage and charities experience. Together with the Friends of Cheltenham Art Gallery and Museum considerable commitment and effort has gone into raising a not insignificant proportion of the total development scheme cost.
- 3.12 As well as creating a modern and accessible museum space the development scheme also creates the opportunity to secure wider economic and creative growth as well as the regeneration potential that a cultural quarter presents for the town. The relationships being forged with the University of Gloucestershire and the Gloucestershire Guild of Craftsmen will be central to bring to life the vision of a “crafts” hub. Furthermore, working with other partners including the Cheltenham Development Taskforce (CDTF) there is a real opportunity to secure wider regeneration around St Mary’s Churchyard strengthening the linkages between the lower High Street and Brewery site.
- 3.13 During the redevelopment period, when the museum is closed the AG&M is, through modest investment, focussing on its very popular out reach work and one-off exhibitions in an effort to engage and interact with new audiences. One of the development scheme’s key measures of success is to reach a more diverse audience and customer base, this is in addition to significantly increasing footfall generally.

### **Headline Performance Data –AG&M**

- 3.14 Table D shows that over the 4 years 2007-08 to 2010-11 visitor figures to the AG&M have gradually increased due to the expansion of activities, talks and exhibitions. In 2009-10 the AG&M successfully hosted two touring exhibitions from the National Portrait Gallery. Visitor figures have been further boosted by the opening of the AG&M on Sundays and regular late evening openings on the third Thursday of the month.

<b>Table D – AG&amp;M Visitor Numbers and Website Hits</b>				
	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>
Visitor Numbers	65,405	61,728	74,302	79,934
Website Hits	328,806	247,471	227,327	164,487

<b>Table E – AG&amp;M Education Statistics</b>				
	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
School visits (both on-site and out at schools)	5,500	5,581	4,830	2,875
Museum 'Take-Away' <sup>2</sup> loan service	1,015	1,095	1,213	1,244

- 3.15 Table E shows that school visits have declined since 2007. This decline is reflective of reductions in school budgets and the recession with public/schools having to pay for visits. However, the AG&M has seen an increase in the numbers using the "Take Away" service. This is a loan box service provides a collection in a box which can be taken to schools and community groups and hired for a period of time.

<b>Table F – Tourist Information Statistics</b>				
	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
Visitor Numbers	75,251	77,623	79,522	76,221
Website Hits	534,480	510,406	1,127,944	1,287,375

### **Users/Customer Data – AG&M**

- 3.16 Since 1995, the AG&M has commissioned consultation/research at set periods to understand and get to know existing audiences, as well as importantly, to understand who they are not reaching. The research shows that visitor demographics tend to reflect the middle class, middle-aged, white, socio-economic group who are generally perceived as traditional visitors to museums and art galleries. There are very few visitors from culturally diverse groups. In 2007, 89% of the respondents described themselves as white British with low numbers of young people between the ages of 16 and 18.

### **Town Hall and Pittville Pump Room**

#### **Background and Current Service Provision**

- 3.17 The Town Hall is a 900 seat (main concert hall) and 300 seat (Pillar Room) venue which promotes a wide and varied selection of events and activities, including, booking and hosting live music, comedy, dancing as well as festivals and community events. More recently, refurbishment of the facilities, in particular the Drawing room, has opened up the opportunity to market the Town Hall for civil ceremonies including weddings and celebrations of life.

- 3.18 The Pittville Pump Room (PPR) was the last and largest of the spa buildings to be built in Cheltenham; built by the architect John Forbes between 1825 and 1830. The venue is often used as a concert hall, especially during the Cheltenham Music Festival. Previous considerations to dispose of the asset (DPA 2006 report) were not moved forward. PPR is in particular a splendid location for weddings, concerts, meetings and gatherings, as well as a destination for tourists visiting the town.
- 3.19 The operating subsidy for the Town Hall and Pittville Pump Room is £547,300 (including the box office) (Table A). The venues have delivered savings of £222,800 (Table B) in particular through bringing together the management of the two venues, and increased income from weddings and other bookings.
- 3.20 Complementing these two significant cultural venues are the town's parks and open spaces. These too are often used for festivals and open air concerts which have the added benefit of attracting visitors to the towns many gardens. In particular the physical location and proximity of the Town Hall to Imperial and Montpellier Gardens is increasingly important particularly for the staging of Cheltenham Festivals. Consultations are currently taking place on the future usage of the gardens for festivals. The issue at hand is how to maintain a delicate balance between preserving for residents and visitors well-tended green and open spaces with their ongoing use as venues for festival events.

**Headline Performance Data – Town Hall**

Table G – Town Hall Venue Income		
Year	Promotions	Hall Hire
2007/8	£56,268	£140,091
2008/9	£87,100	£160,543
2009/10	£46,966	£144,418
2010/11	£84,942	£135,244

- 3.21 Following the recommendations of the DPA Report the Town Hall and PPR venues have made strides to improve their performance as business models. Whilst hall hire income for the Town Hall has declined due to the financial climate and the recession this has been more than offset by the growth in the promotions market with the Town Hall hosting headline acts and performances throughout the year.
- 3.22 The Tourism and Marketing Strategy (Section 3) recognised the importance of the Town Hall not only to the cultural offering of the town but also as one of Cheltenham's finest buildings and therefore important from the perspective of wider economic potential. The strategy and accompanying action plan contains 2 actions of specific relevance to this review and the Town Hall:
  - Develop a strategy for capital investment and development plans at the Town Hall.
  - Consider the commercial feasibility of improving conference facilities.

## Headline Performance Data – Pittville Pump Room

Table H– Pittville Pump Room Income	
Year	Income
2007/8	£135,446
2008/9	£149,579
2009/10	£168,900
2010/11	£179,538

- 3.23 PPR hall hire has steadily increased over the last 4 years due to a commercial approach to the use of the venue.
- 3.24 The bringing together of the management and administration of both venues has delivered operational savings as well as providing one point of contact for customers looking for a special celebration venue. What the Town Hall might not be able to provide the PPR might, and this inter-relationship between venues has increased profitability.

Table I – Box Office Ticket Sales and Income		
Year	Tickets Sold	Income (gross)
2007-08	243,328	£2,449,911
2008	259,248	£2,570,401
2009-10	288,629	£2,930,136
2010-11	233,314	£2,553,803

*Note: Cheltenham Festivals ticket sales transferred from 1 January 2011*

- 3.25 The number of tickets has increased steadily over the last four years (Table I). It is worth noting that ticket sales represent events at the Town Hall, PPR, Cheltenham Festivals and other festivals including Wychwood and the Food and Drink Festival. (67% of tickets sold relate to Cheltenham Festivals).

## User/Customer Data – Pittville Pump Room

- 3.26 The numbers of tickets purchased per ward has been mapped and shows that a significant proportion of customers live in the Lansdown, Park, College and Leckhampton wards. However, there are relatively low numbers of customers in Swindon Village, St. Pauls, Oakley and Springbank wards. Whilst not drawing any definitive conclusions in relation to this data it is a fact that these areas feature in the list of top 10% most deprived areas in the county.

## Leisure@, Prince of Wales Stadium, Sport Play and Healthy Lifestyles

- 3.27 The Council's leisure provision may be described as having 3 main areas of business;
- Leisure@ - a commercial leisure operation



- Prince of Wales Stadium
- Targeted community/health operation (partly provided from within Leisure@ and partly from the separate Sport, Play and Healthy Lifestyles (SP&HL))

### Background and Current Service Provision – Leisure@

- 3.28 Leisure@ offers a wide range of facilities and services with over 500,000 visits per annum. Customers of the facility take part in physical, health and learning activities across sport, recreation and health. Leisure@ is the only publicly provided leisure facility available within Cheltenham and pricing is designed to enable engagement in physical activity with targeted services at zero or low cost on a session by session basis.
- 3.29 Looking at headline fees and charges data Leisure@ charges, when compared to a number of comparable facilities, are competitive.
- 3.30 The centre provides a very popular swimming pool together with a range of sporting facilities that are hired out by individuals, groups and clubs, plus a membership-based scheme for the fitness suite. This mainstream provision is complemented by specific programmes to improve the health of key client groups including older people, people with disabilities and people with identified medical/clinical needs. The mainstream provision subsidises the targeted service provision.
- 3.31 The centre also offers a wide range of health related services including a hairdresser (tenant), Health & Beauty treatment (tenant), osteopath & sports injury massage (tenant) plus a meeting room and café.

**Table J – Leisure@ Service Provision**

- Three swimming pools; Main pool (33m), Teaching pool (23.8m), Diving pool
- Sports hall; Eight badminton courts, five-a-side football, volleyball, netball, short tennis and circuits, martial arts
- Cricket hall; Five cricket nets, full hall cricket, five-a-side football, four badminton courts
- Squash; five courts for racquet ball and squash
- Fitness suite with cardio vascular and resistance fitness equipment
- Spin studio with 25 spin bikes
- Multi activity room for pilates, yoga, parties, low impact exercise to music
- Dance studio
- Health spa with sauna, steam room, jacuzzi and relaxation area

### Headline Performance Data – Leisure@

- 3.32 The 2007 floods provided a perhaps somewhat unexpected opportunity for the Council to recommit its categorical support for Leisure@. Through extensive consultation with the public it re-shaped its offering and since re-opening the centre has proved very popular. Footfall has increased and attendances have gone from strength to strength.

<b>Table K – Leisure@ Attendance Data (selected schemes)</b>			
<b>Activity</b>	<b>2009-10 Total</b>	<b>2010-11 Total</b>	<b>% Change</b>
Under 16	47,235	47,506	+1%
50+ Active Life	27,811	43,445	+56%
£1 Concession Swim	15,244	15,545	+2%
Reactive GP referral Programme	38	296	+678%
Footfall	279,895	291,613	+4.3%
Income	£1,349,374	£1,481,200	+9%

3.33 **Table K** highlights some key performance data. In particular the Reactive GP referral programme<sup>3</sup> continues to go from strength to strength. Held up as good practice, the physiotherapy services and others using the reactive concession schemes have identified these partnerships as delivering excellent outcomes and quality to patients. The employee training and expertise in these areas complements the programmes.

### **User/Customer Data – Leisure@**

3.34 A range of subscription schemes or packages on offer are used by 3,900 subscribers of which 1,400 are gym memberships. Member distribution shows that the centre's reach is approximately 3 miles from the facility and a 10 minute driving time. Leisure@ itself is used by:

- 37 educational establishments
- 26 schools/colleges for swimming lessons
- The University use a range of facilities including the gym and the pool for water polo
- 25 sporting clubs including football, netball, rugby, athletics, martial arts and canoe polo.
- 14 health/community partners who are using the facilities to improve health outcomes for their clients including GP Referral Schemes.

### **Background and Current Service Provision – Prince of Wales Stadium**

3.35 As part of Leisure@, the Council also operates the Prince of Wales Stadium which has a capacity of c2,000.

<b>Table L – Prince of Wales Stadium Service Provision</b>
<ul style="list-style-type: none"> <li>• 6 lane 400m circuit including steeple chase &amp; 8 lane 100m home straight</li> <li>• Long Jump / High Jump / Triple Jump / Pole Vault</li> <li>• Throwing cage (Hammer &amp; Discuss), Shot put, Javelin</li> <li>• 2 full pitches primarily used for Rugby &amp; Rugby League</li> <li>• Personal Training Gym (tenant) in basement</li> <li>• 2 Meeting Rooms and club house</li> </ul>

<sup>3</sup> GP referral is an exercise on prescription service provided at leisure@ Cheltenham with all GP surgeries in Cheltenham using the service.

### **Headline Performance Data – Prince of Wales Stadium**

- 3.36 During 2010/11 57 events took place with attendance between 400 and 2,000; events invoiced for the current financial year to date total 30 with similar attendance levels. General income is £24k per annum and rental income totals £11k per annum excluding utility charges to CRFC.

### **User/Customer Data – Prince of Wales Stadium**

- 3.37 The Prince of Wales Stadium is the home of Cheltenham Rugby Club who have a 35 year lease and operate from the facility between September and April. The university's Rugby Union and Rugby League teams use the stadium for fixtures and training. The athletics track is booked with 6 educational establishments. The stadium is home to the Cheltenham Harriers, Gloucestershire's leading athletics club and provides a base for a number of other groups, eg, the Women's Running Network.

### **Sports, Play and Healthy Lifestyles (SP&HL)**

- 3.38 The council provides a well regarded programme of sports development, healthy lifestyles and play development activities that is delivered in a range of community settings. The NHS part-fund the post of healthy lifestyle development officer reflecting a joint commitment to health improvement in communities.

### **Background and Current Service Provision – SP&HL**

- 3.39 Programmes are provided under 3 categories;
- Sports development (eg after school projects, disability sport, summer of sport);
  - Play development (eg holiday play-schemes, play ranger sessions, family play events, equipment loan scheme);
  - Healthy lifestyles (eg, physical activity, healthy eating, alcohol/drugs misuse, emotional health and well being)

### **Headline Performance Data – SP&HL**

- 3.40 Attendances at Sport, Play and Healthy Lifestyles activities (2010) are described in Appendix 3.
- 3.41 The "Play Zone holiday schemes" are run from Balcarras and Rowanfield schools; the Balcarras scheme is a full day scheme from 8.30am to 6.00pm and charges £14 per child. The Rowanfield scheme runs from 10.00am to 3.30pm and charges £3 per child. The charge per day is extremely competitive compared to the market.
- 3.42 In addition to the holiday schemes, the council provides a weekly programme of play and sport ranger activities in local parks across the borough, and sport zone road shows 3 days per week for the 5 weeks of the sport specific camps.

### **User/Customer Data – SP&HL**

- 3.43 Community outreach work focuses on priority areas and specific target groups to promote healthy lifestyles and contributes to a reduction in health inequalities.
- 3.44 The service works in partnership with local agencies and community groups to ensure the provision of a broad range of sport, play and physical activity opportunities across the Borough.
- 3.45 Some key headline user/customer data outlined in more detail in Appendix 3 shows that during the summer programme in 2010-11
- 2,887 children attended play-zone sessions
  - 3,035 children attended play ranger sessions.
  - 1,480 children attended the 2010 Summer of Sport during a 5 week period
- 3.46 In addition, community based exercise classes and volunteer-led health walks attract 150 attendances per week and a series of large scale Play Events during the year attracted 1,000+ people.

### **Grants to third parties**

- 3.47 The Council also provides a number of direct grants to cultural organisations including Cheltenham Arts Council, Holst Birthplace Trust, Everyman Theatre, Playhouse Theatre and Festival of Performing Arts. Direct grants totalled £371K (2011-12) with a further in-kind support of £138K to Cheltenham Festivals.

### **Public Perception of Leisure and Culture Services**

#### **2011-12 Budget Consultation**

- 3.48 The public were asked, as part of the 2011-12 budget consultation to rank the services provided by the Council according to whether they should be protected, reduced or stopped. Whilst not a scientific or statistically reliable survey, the public had an opportunity to “have their say” more directly and in a much more accessible way than in previous years.
- 3.49 Leisure@ and outdoor sports facilities, playing fields and play areas appeared in the top 5 services to protect, together with the grant to Cheltenham Festivals. The Town Hall (delivering Cheltenham Festivals and concerts), was ranked 9<sup>th</sup> with PPR (delivering Cheltenham Festivals, weddings and conferences) being ranked 22. The AG&M and exhibitions and out-reach work ranked as 28<sup>th</sup> out of a total of 57 services being consulted upon.

#### **Place Survey 2008**

- 3.50 The Place Survey 2008 showed that satisfaction with the Council’s museums and galleries (62%) and theatres (76%) were significantly higher in Cheltenham than elsewhere in Gloucestershire with both being rated in the top 10 in the country.

## **Tourism and Market Strategy**

- 3.51 The retail and business community were consulted as part of the production of the strategy. The cultural offer was considered as being one of the town's key strengths and key to its future economic prosperity in terms of investment and as a visitor attraction.

## **Summary**

- 3.52 Cheltenham's leisure and culture offer is rich and diverse. Strategically and corporately, arts, leisure and culture is a key priority and is one of the Council's principle objectives. Leisure and culture is seen as not having an end in itself, rather a catalyst for social, economic and community development and improvement within the town.
- 3.53 Current service provision works well and is popular. Public subsidy has reduced by £573,200 over the period 2007-08 to 2011-12. In terms of net operating subsidy by venue/service ranking from highest to lowest is (1) AG&M (including Tourism and TIC), (2) Leisure@, (3) Town Hall and Pittville Pump Room and (4) Sport, Play and Healthy Lifestyles.
- 3.54 Public perception of the services importance has shown that the public regard Leisure@ and Cheltenham Festivals very highly and gave the Council a clear steer when consulting on a difficult financial challenge to set the 2011-12 budget. The value of the Town Hall and PPR as venues was also recognised as important. The ranking of the AG&M may be reflective of the very fact that it does need that capital investment to redevelop its offer and so raise its standing in the public perception.

## 4 Cheltenham's Leisure and Culture Offer

### Introduction

- 4.1 People in Cheltenham are well-served by a wide-range of leisure and recreation facilities provided by the Council, by not-for-profit organisations or by the commercial sector.
- 4.2 When considering commissioning leisure and culture outcomes it is important to understand how the current provision fits not only into the Cheltenham "offer", but also possibly the wider offer within Gloucestershire. Not to identify, understand and acknowledge significant linkages and relationships with the wider offer could result in commissioning decisions which have unintended impacts.
- 4.3 Whilst recognising this report is presenting the **preliminary analysis stage**, it will be making recommendations for next steps. The background research presented here, admittedly high level, will need to be more thoroughly understood moving forward.

### Art Gallery and Museum

- 4.4 The AG&M operates within a context of a range of other galleries including the Gardens Gallery (which is supported by the Council) and a number of private galleries which offer art-work for sale. The Holst Museum, which again the Council supports, is dedicated to show-casing the life and work of the famous composer.
- 4.5 There is a very real sense that the AG&M complements the other provision in the town by creating and supporting a thriving network of artists and stimulating interest and a market in art. This complementary activity is probably most evident through the very popular AG&M out-reach work and furthermore in the objectives of the re-development scheme to increase exhibition space as well as reach audiences who do not traditionally take part in the arts.
- 4.6 Important linkages already exist with the University of Gloucestershire and these are being reinforced through the development scheme as is the intention to work with the Gloucestershire Guild of Craftsmen. Both these important relationships will be crucial to ensure the long-term sustainability of the cultural offer.
- 4.7 The Borough also boasts a thriving community of independent artists as well as a considerable amount of voluntary sector activity, under the umbrella of Cheltenham Arts Council. This voluntary sector activity not only creates wider social and community benefit; recognising a need, stepping in and plugging the gap, but also will be able to operate in a way that is not possible, either from a financial or operational standpoint, for the traditional public sector.
- 4.8 Outside Cheltenham a number of museum services are provided (Appendix 4) eg, Corinium Museum in Cirencester, Gloucester Museum and Art Gallery, Museum in the Park in Stroud. When considering alternative delivery arrangements it should be remembered that there may be an opportunity to commission with others.

## Town Hall and Pittville Pump Room

- 4.9 The Town Hall and Pittville Pump Room operates in the context of other entertainment and conference venues including;
- **Everyman Theatre** - a fully functioning professional theatre with a 682 seat main auditorium and the 66 seat Everyman Studio Theatre. The venue includes a café, bar, Matchams Restaurant and the Langtry Room function space.
  - **Playhouse Theatre** – an amateur theatre seating approximately 200
  - **Bacon Theatre** – state of the art facilities seating 566. Also on site 120 seat Prince Michael Hall and Tuckwell Amphitheatre
  - **Parabola Arts Centre** – world class facility with a 328 seat theatre. Operating primarily as a space for Cheltenham Ladies College drama, music and art departments, but also hosts local arts organisations and hired by local businesses
  - **Centaur** – state of the art conference, exhibition and conference facility. Seats 2,250, 4,000 standing or 1,100 sitting down to dinner. The facility has a state of the art lighting and sound system plus a large reception area for drinks.
- 4.10 In addition to these concert and entertainment venues Cheltenham has a wide-range of pubs, clubs and hotels. The council's venues could, therefore, be considered to be competing against other not-for-profit and commercial venues. The size of venues and supporting facilities – in particular their quality - will be key determining factors in arriving at whether there is direct competition between venues. In reality, the Town Hall cannot compete, financially, for example against the Centaur for some nationally recognised artistes because of the size of its concert hall and the sound and lighting system available.
- 4.11 In looking forward the Town Hall and PPR management considers the civil ceremony market, eg, weddings, and also conferences as its target growth markets. This is not an easy market in which to operate and there are a number of competitors including several hotels in Cheltenham and beyond that are competing for the same trade. The Town Hall markets itself as Gloucestershire's largest entertainment venue with the Pump Room Cheltenham's number one tourist destination.

## Cheltenham's Festivals

- 4.12 Cheltenham Festivals provides four international festivals; Jazz, Science, Music and Literature. The Town Hall and Pittville Pump Room promotes the annual Folk Festival, Ballroom Dance Festival and Comedy Festival. The venue also plays host to several independent festivals such as Cheltenham Festival of the Performing Arts, Ukulele Festival, Guitar Festival and Cheltenham Festivals four international offerings of Music, Literature, Science and Jazz. The venue also sells tickets for amongst others, Wychwood, Greenbelt, Food and Drink, and the Film Festival.
- 4.13 Cheltenham Town Hall puts on the Folk Festival and is the base for the independent Cheltenham Festival of Performing Arts. These more established festivals are now complemented by an emerging comedy festival, a film festival, a food and drink festival, a ukulele festival and a ballroom festival.

- 4.14 The proximity of the Town Hall to the Imperial Gardens is important in that it provides a focus for the festivals. Whilst it is recognised that from demographic information the festivals do not have a “uniform” reach to all socio-economic groups, the contribution the festivals make to the economic prosperity of the town is well recognised. However, festivals also provide a platform for new talent to emerge, an opportunity to bring in new audiences, which ultimately may directly benefit the Town Hall and PPR through independent appearances at these venues.

### **Cheltenham Racecourse**

- 4.15 Cheltenham Racecourse has 16 days of horse racing spread over 8 fixtures each season including the internationally famous Gold Cup Festival in March. The racecourse also accommodates the Wychwood and Greenbelt Festivals bringing many thousands of people to Cheltenham. As with Cheltenham Festivals the contribution that Cheltenham Racecourse makes to the economic prosperity of the town is well recognised making a significant contribution to the £34M reported by Comedia. The racecourse and racing festivals also emphasise the wider leisure and recreation offering and the “festival town” image.

### **Leisure@**

- 4.16 Leisure@ operates in the context of the following, profit and not-for-profit, provision within Cheltenham:
- Swimming pools; 1 not-for profit outdoor heated pool open April to October (Sandford lido), 4 school-based pools with limited public access (Cheltenham Ladies College, Dean Close, Cheltenham College, Bettridge School) and five private pools in gyms and hotels.
  - Fitness suites: 1 not-for profit gym (YMCA), 6 school-based gyms with public access and 13 gyms in the private sector.
  - Sports Halls: 1 not-for profit sports hall (YMCA), 8 school-based sports halls with public access
  - 5 a-side football: 5 school-based pitches with public access.
- 4.17 Given the level of competition from all sectors and across all forms of provision the council has to provide quality services and good value for money. However, the range of facilities on offer does make the membership of Leisure@ attractive. A range of subscription schemes or packages are on offer and used by 3,900 subscribers of which 1,400 are gym memberships.

### **Sport, Play and Healthy Lifestyles**

- 4.18 In terms of play-schemes, the council is providing services in a competitive market though admittedly not as crowded a market as that for leisure.
- 4.19 There are two commercial providers of holiday play-schemes; Kings Camps that runs from Cheltenham College and Super Camps that runs from Dean Close. Both charge around £36 per day though discounts are available for multiple-bookings.
- 4.20 The Council holiday play-schemes charge £14 for a full day and £3 for a shorter day. The charge per day is extremely competitive and would appear



to be making an explicit statement about providing affordable and accessible child-care during the school holidays. The shorter day drop in play-schemes are more heavily subsidized in recognition of the needs of low income families living in the targeted areas that the play-schemes operate in.

### **Cheltenham Rugby Club**

- 4.21 Cheltenham Rugby Club dates from 1889. In 1981 the club took a lease from the Council at the Prince of Wales stadium, where they still have a lease. In 2007, the club purchased the former Smiths sports and social club and the re-named Newlands Park provides training facilities, playing pitches plus a range of community and sporting facilities for hire. Their senior matches are played at the Prince of Wales Stadium due to national league requirements for stadia facilities which are not available at Newlands Park.

### **Cheltenham Town Football Club**

- 4.22 Cheltenham Town Football Club has been playing in the football league following their promotion from the football conference in 1999. Their ground is leased from Cheltenham Borough Council on a 99 year lease (with 94 years left) and has a capacity of 7,200.

### **Summary**

- 4.23 Considering the future, it is important to recognise that the Council's provision does not sit in isolation from a wider Cheltenham "offer". Understanding the "fit/relationship" between the offers is important to create a commissioning strategy which is not narrowly focussed, but is complementary. The strategy also needs to pay sufficient regard to the wider social, economic and community benefits of leisure and culture to the town.
- 4.24 If outcomes are too narrowly focussed, and the relationship with the wider offer not recognised, then important relationships and interdependencies may be overlooked to the detriment of wider social, economic and community outcomes.
- 4.25 Commissioning always presents opportunities to; (1) commission or (2) de-commission. The assessment of the current market offer may indicate that it is already developed to such an extent that it is not cost-effective or beneficial in other ways for the Council to remain in that market. Therefore, the appropriate decision may be to de-commission and let the market fill any residual gap.
- 4.26 Conversely, understanding the wider offer may identify gaps thus revealing a new market. In such a case it may be appropriate to work with others to develop that market and this maybe a particular area where the voluntary and community sector have a key role to play.

## 5 Alternative Delivery Arrangements

### Introduction

- 5.1 The Council has a track record of creating or supporting the creation, eg, by way of grant, alternative delivery arrangements, eg, Sandford Lido, Cheltenham Festivals, Playhouse Theatre, Holst Museum, and Everyman Theatre.
- 5.2 At a national level, the arts, sport and leisure sector have become increasingly engaged with and reliant on the voluntary, private and partnership sector to deliver and sustain the level of provision that has in the past traditionally been a local authority domain.
- 5.3 Commissioning leisure and culture outcomes, through alternative delivery arrangements, might be an option for the Council to consider moving forward. When compiling this research the focus has been to provide a summary of the Gloucestershire provision as well as considering some other national examples. The research has also considered evidence where alternative delivery arrangements have performed less well, become financially insolvent or failed.

### Alternative Delivery Arrangements

- 5.4 Not unexpectedly, a mixture of delivery arrangements exists within Gloucestershire for leisure and culture provision (Appendix 4). Whilst the majority of leisure centres, theatres, galleries and entertainment venues are operated in house, a number of cultural facilities are now being operated through private management contractors, trusts and charitable organisations.
- 5.5 Of the case studies analysed both locally and nationally there is evidence of improvement in the service standards and user/footfall numbers. However, direct comparisons with the Council's services must be treated with caution. Facilities will not be exactly the same and the baseline position needs to be understood in order to be able to make a direct comparison. The examples are however of interest because they do indicate a direction of travel in terms of service performance and cost reduction – but that is all.

### Leisure

- 5.6 Aspire Trust (Gloucester) increased total users by 70,000+, gym membership increased by 250 members, over 60s swimming showed a 25% increase in new swimmers with a 42% increase in under 16's swimming (29% from deprived areas of the city). Operating subsidy per user has reduced from £1.75 per user to £1.58 per user.
- 5.7 Sandford Lido Trust has demonstrated growth of 51,000 average seasonable attendances since becoming a Trust and Cheltenham Festivals has seen a substantial increase in ticket sales.
- 5.8 Moving away from Gloucestershire there are several examples of alternative delivery arrangements for leisure provision which have allowed Councils to reduce their subsidies or invest in improved facilities.

- 5.9 There remains an established market for commercial management of leisure centres which has grown significantly over recent years. The Leisure Management Contractors Association represents a number of commercial operators including DC Leisure, Serco Leisure and Active Nation (previously Community Leisure), who collectively operate more than 300 facilities, employing over 20,000 staff on behalf of more than 100 clients.
- 5.10 Rapidly catching up with the commercial sector is the not for profit sector, with 40% of leisure facilities in England now being operated through leisure trusts, with more than 120 in existence. This figure alone highlights the growth of the leisure trust market and hints at the financial benefits of operating leisure facilities through trusts – largely, but not solely, as a result of business rate savings afforded to trusts and not for profit organisations.
- 5.11 The theatre and entertainment venue market is significantly less developed with only a small number of companies providing commercial management of facilities. The two most established companies within this market are the Ambassador Theatre Group (25 theatres) and HQ Theatres (8 theatres).

### **Museums and Galleries**

- 5.12 The Museums, Libraries and Archives (MLA) has advocated for local authorities to consider alternative management arrangements as a means of improving and sustaining cultural service delivery in the context of a market driven by greater user expectation, more choice, and greater demand for accessibility – with less resource.
- 5.13 The MLA recognises that the services that will thrive in this environment are those that are able to “re-vision” and “re-think” their service delivery model, traditional working structures and partnerships. A number of profit and not-for-profit models exist, eg, York Museum Trust, Museum of East Anglian Life, Chatham Historic Dockyard. Not dissimilar to the Council’s own AG&M a number also have a wider social, economic and community cohesion agenda. These objectives are in no way secondary activities to a primary purpose but intrinsic to it.

### **Failure as Well as Success**

- 5.14 Recognising that, in pursuing alternative delivery arrangements, success is not always the outcome has been important. It is not possible from the evidence available to be absolutely clear as to the root cause of any failure; however, it does drive home the fact that decisions will be complex, and need to be based on a well thought through business case and justification.
- 5.15 Examples where alternative delivery arrangements have not been successful include:
- A leisure trust with a deficit of £500K in the first year of a 5 year contract. The council concerned was forced to terminate the contract and transfer the service and jobs to another trust.
  - A district council had to write off £1.2M and terminate a trust in 2004 after amassing significant debts since its formation. The trust sought to increase the management fee to a level which the Council could not support.

- A district council's leisure centre has been operated by a private sector company since 1988 with varied performance over the length of the contract leading to poor performance and increased customer complaints.

### **The Financial Case for Alternative Delivery Models**

- 5.16 The research has provided evidence that alternative delivery arrangements do exist to deliver the outcomes for leisure and culture. One of the main drivers identified for the adoption of trust status is the apparent financial benefit, eg, non-domestic rate savings, and possibly VAT advantages. Pension implications must also be considered, both positive and negative. Whilst acknowledging that financial incentives exist each case is individual. It is not possible, nor indeed wise, to generalise or speculate on savings at this time. Any approach to the assessment of options will be well considered and robust and this will include financial benefits.

### **Summary**

- 5.17 The Council has a track record of creating or supporting the creation of alternative delivery arrangements.
- 5.18 Locally in Gloucestershire there is experience of delivering leisure and culture outcomes through alternative delivery arrangements. Nationally the not for profit sector is catching up with the commercial providers in the leisure sector. Currently the entertainments sector is less well provided for and the MLA has advocated alternative management structures to deliver a sustainable future for cultural services.
- 5.19 Research has also concluded that there are successes as well as failures and any decision to adopt a different operating model requires a robust assessment and business case.
- 5.20 This section concludes the research part of this report.

## 6 From Needs Assessment to Defining Outcomes – The Current Model Exercise

### Introduction

- 6.1 To answer (2) “*what we want to do?*” requires outcomes to be defined which are based on a “needs assessment”. This section explains the process of creating outcomes for Leisure and Culture – “from needs assessment to defining outcomes”.
- 6.2 The outcomes are very important because they are central to answering the question whether the current delivery arrangements can deliver the necessary outcomes but within a very challenging financial framework.
- 6.3 The outcomes were also considered in the context of the Council’s corporate objectives and how the outcomes described satisfied this requirement.

### Needs Analysis

- 6.4 To support the commissioning exercise two needs analyses documents were produced, one for healthy lifestyles and one for culture. The needs analyses are a way of estimating the nature and extent of the needs of the community so that services can be planned accordingly. This will help commissioners and providers focus effort and resources where they are needed most.
- 6.5 The needs analysis is only a start; it will need refining in consultation with others to enable it to be used in a way to work together to deliver better outcomes for local people.

### Healthy Lifestyles Needs – Summary

- 6.6 The detailed analysis of healthy lifestyle needs highlighted the following key areas:

#### Total Approach to Healthcare

- 6.7 Demands on health services will increase significantly in the future. Cheltenham already has an ageing population with 21.7% of people aged 60 or over but this figure is predicted to increase to 29% by 2033, an increase of over 12,000 people. This growth is at the expense of younger people where there is a predicted decline in overall numbers. 17,115 people in Cheltenham have a long term illness, 3,400 children live in poverty. **Outcomes need to consider** seeking to ease demand through a preventative approach that works in particular with groups who are more vulnerable to poor health.

#### Demographics

- 6.8 Activity rates decline as people get older. **Outcomes need to consider** delivering activities that older people enjoy and that either encourage better transport provision or provide community based leisure activities.

#### Dealing with Risks to Good Health

- 6.9 Risks to good health include smoking, alcohol, obesity, etc. **Outcomes need to consider** how to collaborate with health colleagues through preventative

work which is a key element of the NHS community services approach to total healthcare.

### **Making Provision More Accessible**

- 6.10 Research shows that to drive up overall health outcomes investment in activities that target females and people in lower socio-economic groups is necessary. **Outcomes need to consider** accommodating the particular requirements of these groups, such as, longer opening hours, help with childcare and more social opportunities to increase participation.

### **Responding to Demand**

- 6.11 Demand for sporting and recreation activities is on the increase with Cheltenham residents being significantly more active than the national or regional averages. For example, participation rates for swimming and athletics. **Outcomes need to consider** seeking to widen interest and participation in a broad range of sporting activities.

### **Culture Needs – Summary**

- 6.12 The detailed analysis of cultural needs highlighted the following key areas:

#### **Demographics**

- 6.13 Cheltenham is relatively affluent in terms of its GVA and its income levels (which are both around 15% above the county average). Audience profiles are skewed towards the more cash-rich and time-rich. **Outcomes need to consider** the balance to be struck between maximising income for providers with the wider benefits that a rich, varied and vibrant cultural scene can bring to a general feel of “well-being” with our lives.

#### **Participation Demand**

- 6.14 National studies show that people from BME groups, single males, and social housing tenants are less likely to take part or access cultural events/activities. **Outcomes need to consider** how the latent demand for arts and culture might be tapped into and how better to “reach out” to those not traditionally taking part.

### **From Needs Analysis to Defining Target Groups**

- 6.15 The needs analysis provides a picture of the groups that are already participating in line with expectations and those groups that are under-represented (Table L).

<b>Table L – Target Group Participation</b>		
<b>✓ = In Line with Expectations      X = Under-Represented</b>		
<b>Group</b>	<b>Leisure</b>	<b>Arts &amp; Culture</b>
Older People	X	✓
Families	✓	✓
Children and Young People	✓	✓
People from Upper Socio-Economic Groups	✓	✓
Disabled People	X	X
People with Mental Ill-Health	X	X
BME Groups	X	X
People from Lower Socio-Economic Groups	X	X
Males	✓	X
Females	X	✓
Social Housing Tenants	X	X
People Living in areas of multiple deprivation	X	X

Source: "Report on the healthy lifestyles needs of the local community and associated outcomes" – Cheltenham Borough Council 2011

### From Defining Target Groups to Defining Outcomes

- 6.16 The combination of the needs analysis and the target group participation data formed the basis of the creation of outcomes for leisure and culture.
- 6.17 Given the level of subsidy going into the Town Hall and Pittville Pump Room and the nature of the service, the project group agreed that there should be just two outcomes and that these should be ensuring access to a diverse range of entertainments and activities whilst reducing the level of subsidy. The group felt that this approach would encourage innovation in terms of the entertainments programme.
- 6.18 The crafting of meaningful outcomes for the more complex areas of Leisure and SP&HL has been one of the lessons learned during the review. The outcomes originally sought to try to encapsulate what might be described as the "quality of life" impacts of a healthy and active lifestyle. For example, "strengthened family relationships", "improved emotional health and well-being", "older people are able to live at home longer", "increased well-being and self-esteem", etc.
- 6.19 Service providers made two observations on the outcomes. Firstly, they felt the outcomes needed to describe more precisely what they actually delivered. This is not to say that those "quality of life" factors are not important but they are influenced by many factors outside the control of the services.
- 6.20 Secondly, that outcomes should be described as primary and secondary and Leisure@ and SP&HL should share the same outcomes. The relationship between the two services is very strong and they in fact already work closely together and share some of the same customer base.

## Outcomes for Leisure and Culture

- 6.21 In consultation with service providers the commissioning outcomes for Leisure and Culture were agreed as shown in Tables M and N.

<b>Table M – Town Hall and Pittville Pump Room</b>
<b>Primary Outcome</b> – People have access to a diverse range of entertainments and activities
<b>Supporting Outcome:</b>
<ul style="list-style-type: none"> <li>• The outcomes are delivered with minimal call on Council funding</li> </ul>

<b>Table N – Leisure@ and Sport, Play and Healthy Lifestyles</b>
<b>Primary Outcome</b> – People are physically, socially and mentally active and enjoy life to the full
<b>Supporting Outcomes:</b>
<ul style="list-style-type: none"> <li>• People are healthy and physically active</li> <li>• People enjoy new experiences whilst learning valuable skills and knowledge</li> <li>• Children and young people have active and healthy lifestyles by participating in positive leisure activities</li> <li>• People from all backgrounds can access the services at affordable prices</li> <li>• Families are able to be together to enjoy a range of fun leisure activities</li> </ul>

- 6.22 The outcomes are used in the Current Model Exercise explained in Section 7.

## Art Gallery and Museum – Outcomes

- 6.23 The HLF grant will be monitored against a set of outcomes, many of which relate back to “physical” characteristics of the re-development, eg, *design and build a new extension, refurbish to the highest standards, create a new picture gallery, provide flexible and temporary exhibition galleries, provide a new integral pedestrian link running between Clarence Street and Chester Walk, etc, etc.*
- 6.24 The HLF measures of success also include outputs such as; *more people are engaged in heritage, more diverse audiences are reached, more people are engaged in training etc.*
- 6.25 The outcomes and measures of success are non-negotiable and have to be met to satisfy the HLF. This does not mean that these conflict in any way with the outcomes that may have been created if the HLF bid had not existed.
- 6.26 Moving forward, however, it will be critical to consult on those measures of success important to the re-development and how these might be achieved taking account of needs and participation. This will most likely result in a set of supporting outcomes for the AG&M which describe the benefits for people.



## Summary

- 6.27 The needs analysis has identified some key issues for commissioners to consider. For example, being mindful of how leisure and culture fits into the total approach to healthcare, the issues that demographics raises in terms of accessing future service as well as design, increasing participation by being aware of factors which may place limitations on people to take part.
- 6.28 Moving from needs analysis to considering target groups provides a picture of certain groups not participating to the expected level, eg, disabled people, people with mental ill-health, people living in less affluent neighbourhoods. The question for commissioning is how to ensure, or whether it is indeed possible, to create opportunities so that everyone who wishes to can take part.
- 6.29 Crafting meaningful outcomes is challenging of itself. It is important to listen and be flexible and work closely with service providers; they are the experts in service delivery.

## 7 Current Model Exercise Assessment and Recommendations

### Introduction

- 7.1 The objective of the Current Model Exercise is to:
- **Assess the current service delivery arrangements in their ability to deliver an agreed set of outcomes within a challenging financial framework**
- 7.2 In their responses service providers were asked to:
- Identify **new proposals** which would support the outcomes whilst reducing the level of current expenditure
  - Describe the **service outputs** eg attendance levels, footfall levels by demographic activity, activity attendances, participation from key groups
  - Describe the **outcomes for individuals** eg, increased participation in sport, increased health awareness, reduced risk of debilitating conditions
  - Describe the **principles for service delivery** eg, quality of venues, spaces, level of out-reach activity, equality of access, partnership working, volunteering opportunities.
- 7.3 Service providers were also asked to explain how outcomes would make a positive contribution to **sustainable development**, how outcomes had been **equality impact assessed** and any **constraints** that they believed prevented them from delivering the outcomes.
- 7.4 In assessing the evidence the 2 following criteria were tested:
- (1) Whether the current delivery arrangements can deliver new proposals, which reduce cost, but do not undermine the outcomes being sought; and
- (2) Whether the service provision direction of travel assessment is satisfactory from the standpoint of improving service outputs (eg, footfall, attendances), direct outcomes for people (eg, improved health), service delivery principles (eg, quality of venues, out-reach work, volunteering) sustainability impact (eg, environmental considerations) and finally equality impact (eg access for all).
- 7.5 The above 2 criteria are tested as follows:
- **Risk Assessment** to confirm that **new proposals**, with the aim of reducing the current level of expenditure, do not undermine the outcomes being sought
  - **Service Provision Direction of Travel Assessment** covering service outputs, direct outcomes for people, service delivery principles, sustainability impact and equality impact
- 7.6 Whilst the AG&M did not complete the assessment process, recommendations for next steps are referred to later in this section.

## General Observations following the Assessment Process and Relevant Recommendations

### Review Prioritisation

- 7.7 The Leisure and Culture review has presented difficulties in terms of capacity to support, ie, breadth of services within the scope of the review. As this has been a preliminary assessment on the current delivery arrangements, recommendations presented do not fully answer the question “*how to best deliver the outcomes*”. The recommendations do, however, provide a way of moving forward where progress can be made on all fronts but being clear about the priority for further intensive and targeted work (Section 8) the milestones for the next steps.

### Achievement of Financial Target

- 7.8 Perhaps not surprisingly, service providers were unable to identify how they could deliver the target £690K savings by 2013-14. However, a contribution of £214,026 over 2 years has been identified through this preliminary analysis phase.

### Future Proofing and Service Delivery Constraints

- 7.9 At a “future-proofing” event the Leisure and Culture management teams started to test – future proof – the current service delivery arrangements. Therefore, if the Council was delivering the services in the future what organisational characteristics would it need.
- 7.10 For example, a culture of innovation versus tried and tested methods, flexibility to respond versus tightly defined policies, etc. Service providers have identified constraints which they believe mean they are less able to operate effectively to deliver the outcomes. These constraints are yet to be discussed in detail with service providers. This is a piece of outstanding work. However, it will be completed because it will be important to inform thoughts on alternative delivery arrangements, be they within the Council or outside.

### 7.11 Systems Thinking

Systems thinking “check” phase is being factored in to all strategic commissioning reviews as part of the analysis phase. It is important that the Council identifies early on any efficiency gain that may be possible as any savings will be a direct saving to the Council.

“Check” phase has been completed at Leisure@ and is due to start over the summer at the Town Hall and PPR. Check phase at Leisure@ has identified “waste” in the operational/administrative systems. It is not yet clear whether further cashable savings for Leisure@, beyond those identified in this report can be delivered as a result of systems thinking. Service provider management is currently reviewing the check phase results.

### Engagement and Consultation

- 7.12 This preliminary needs analysis, having concentrated on looking at the current service provision has not engaged more widely with local partners, and key stakeholders including the voluntary and community sector, Local Strategic Partnership and Health and Well-Being Partnership. There is now a

real necessity to bring them up to date with the review work so far, the direction of travel and proposed priorities for further work (Section 9).

**Recommendation:**

- 7.13 Engage with local partners and stakeholders, including the voluntary and community sector, Local Strategic Partnership and Health and Well-Being Partnership to bring them up to date with the review so far on the direction of travel, priorities for further work and outcomes for consult on the currently proposed outcomes for leisure and culture

**Joint Strategic Cultural Plan**

- 7.14 Section 2.7 referred to recommendations of the Joint Overview and Scrutiny Festivals Working Group (December 2010) and to the preparation of a “joint strategic cultural plan for the town”. It is important to recognise that this commissioning review will not be producing a cultural plan for the town but would very much welcome being closely involved with future work of the Group to produce such a plan. A number of desires, eg, future investment in the Town Hall, have been expressed in this report. Therefore the opportunity to contribute to, and be engaged in, the development of a Joint Strategic Cultural Plan is to be welcomed.

**Recommendation:**

In developing a joint strategic cultural plan for Cheltenham as part of the corporate and community planning process, ensure that there is alignment with the outcomes commissioned through this review.

**Art Gallery and Museum – Observations and Next Steps**

- 7.15 Whilst the current trend, post CSR, appears to be public sector direct funding disinvestment in museums and galleries, this is not the case for Cheltenham. The support and commitment to the re-development of the AG&M, which houses one of the country’s national collections, is clear and unequivocal.
- 7.16 One of the trends now being seen nationally is a move towards alternative delivery arrangements (Section 5) for the provision of museum and gallery outcomes. This drive is supported by one of the sectors most respected organisations, the MLA.
- 7.17 The AG&M has delivered savings of £156Kpa between 2007-08 and 2011-12 (Table B). The AG&M has the highest operating subsidy of the services in scope - £799,550 (Table A). Whilst acknowledging it is planned this will reduce by a further £50K on re-opening in 2013, this is still a significant level of ongoing public subsidy moving forward.
- 7.18 Public perception through the budget consultation process (Section 3) showed that the AG&M is well regarded but not seen as much as a priority as other things the Council does, eg, Leisure@, Cheltenham Festivals. This public perception may be confirmatory of the very fact that the AG&M needs the capital investment to redevelop its offer and so raise its standing in the public’s mind.
- 7.19 AG&M supports the needs assessment in terms of the **demographic need** and the **participation demand need**. In terms of the demographic need it

has the potential through the re-development to create a vibrant cultural scene, especially with the vision for the AG&M as part of a cultural quarter. Similarly, the AG&M could be a catalyst for bringing in those people who do not currently see the arts and culture scene as something for them.

- 7.20 The HLF measures of success relate not to just increasing direct participation in the arts and culture but wider economic and social “big society” outcomes through volunteering opportunities, engagement in training, etc.
- 7.21 A further measure of success is to work with cultural partners and providers to ensure the long-term sustainability of Cheltenham’s cultural offer. This outcome is set against a backdrop of reducing revenue budgets.
- 7.22 The aims of the Cheltenham Art Gallery & Museum Development Trust (CAG&MDT) are not just to assist in raising funds for the redevelopment – and it is acknowledged here that they have been extremely successful in this endeavour. The aims of CAG&MDT are also to safeguard both the financial management of the project and **ensure its subsequent viability**.
- 7.23 It is this final point which is important as the Council moves forward with the re-development scheme. In terms of timing, the re-development presents a unique and timely opportunity to conduct an assessment of the alternative delivery arrangements for the AG&M to deliver the outcomes required by the Council, partners, key stakeholders, the public as well as the HLF.
- 7.24 Regardless of whether the Council was undertaking a commissioning review of Leisure and Culture this would be the time to look at the best way of operating the AG&M post re-opening, even if that operation is found to be through current delivery arrangements.
- 7.25 It is important to state that any assessment of alternative delivery models for the AG&M must involve engagement with key stakeholders, including the CAG&MDT and Friends of Cheltenham Museum. The objective of the assessment being, aligned to the current aims of CAG&MDT, ie, to secure the future viability and sustainability of one Cheltenham’s most significant cultural assets.
- 7.26 It is also absolutely recognised that any assessment process must not slow down or interfere with the re-development scheme timetable and progress.
- 7.27 In undertaking any assessment it will be necessary to report back to Cabinet on the outcome of the initial options appraisal. It is recognised that any options presented must be mindful of the need to reduce the ongoing operating subsidy of the AG&M and have an eye to the re-opening date of April 2013.

### **Art Gallery and Museum Recommendations**

- 7.28 **Undertake an option appraisal of the alternative delivery arrangements for the AG&M, as compared to the status quo and, by April 2012, present a business case which recommends the most appropriate option that:**
- **Delivers the outcomes and measures of success required by the Heritage Lottery Fund**

- **Meets the requirements of the HLF special conditions and any other funders**
  - **Creates an opportunity to secure wider economic and creative growth as well as the regeneration potential that a cultural quarter presents for the town**
  - **Reduces the ongoing AG&M operational subsidy (based on an appropriate business case)**
- 7.29 **As part of the appraisal process work with all relevant partners and stakeholders to ensure that options and outcomes are fully identified, assessed and consulted upon.**

### **Town Hall and Pittville Pump Room Current Model Assessment Outcome**

- 7.30 **New proposals** submitted by the **Town Hall and PPR**:
- To secure permissions to hold weddings at the Town Hall and maximise the number of weddings at the PPR:
  - To increase the amount of corporate business
  - To explore the potential for charging for time and expertise in helping others with their event
  - To explore more commercial events and activities at both venues.
- 7.31 The new proposals are estimated to deliver a modest income growth of £10Kpa from 2012-13. These proposals are not included in the MTFS, do not require capital investment. Proposals originally submitted delivered £78Kpa, and included changes related to the catering operation, however, concerns over their feasibility were raised with the service provider. It is appreciated however that a decision on the catering operation needs to be made in the foreseeable future.

### **Risk Assessment of New Proposals – Town Hall & Pittville Pump Room**

- 7.32 Appendix 5 provides a **risk assessment of the impact of the new proposals** on the outcomes for the Town Hall and PPR. The risk assessment demonstrates that the new proposals can be implemented with minimal detriment to the delivery of positive outcomes for the community. The only negative is the proposal to charge community groups for time and expertise which may impact on the number of local events at the venues. Service providers should be alert to this possibility and monitor accordingly.

### **Service Provision Direction of Travel Assessment – Town Hall and Pittville Pump Room**

- 7.33 Appendix 2 provides a **service provision direction of travel assessment** showing how the service provider submissions would support or undermine the key characteristics of how the Council would wish to see services delivered.
- 7.34 The outcome of the assessment is that the direction of travel is acceptable. The proposals will in general support greater service outputs through

increasing attendances and are acceptable in all other respects. There is potentially some missed opportunity to increase energy efficiency at the Town Hall which with subsequent benefit on reduced running costs as well as impacting positively on sustainability objectives.

### **Town Hall and Pittville Pump Room – Current Model Exercise Conclusions**

- 7.35 The **risk assessment of new proposals** and **service direction of travel assessments** are satisfactory. The new proposals do not require capital investment, delivering modest income growth from corporate business. Therefore proposals to deliver £10Kpa additional revenue (2012-13) are assessed as deliverable.
- 7.36 The Town Hall and PPR were also given the added challenge to deliver the agreed outcomes *“with minimal call on Council funding”* (Table M). The providers’ submission confirms that it would not have been possible to deliver this financial target in the short-term without significant adverse impact on the agreed outcomes.
- 7.37 It is acknowledged that total savings of £78Kpa were originally submitted requiring a review of the catering operation. However, this has not been put forward at this time. There remains an outstanding question over whether the proposed savings could be achieved. This outstanding issue is important as a *“further review of the existing Town Hall catering arrangements to ensure greater flexibility of use by Cheltenham Festivals”* was a recommendation of the Joint O&S Festivals Working Group.
- 7.38 In terms of strategy for the Town Hall and PPR moving forward the following observations are made. The focus for business growth is the civil ceremonies, weddings, and conference market. The Cheltenham *“offer”* (Section 4) indicates an already healthy market with ready competition for this business. If the venues are to pursue this strategy then it will be necessary for the unique selling point of the venues to be clear to differentiate them from market competitors in the eyes of the customer.
- 7.39 The Tourism and Marketing Strategy (Section 2) set expectations for business growth at the Town Hall requesting that this review *“develop a strategy for capital investment and development plan for the Town Hall”* and also *“consider the commercial feasibility of improving conference facilities”*.
- 7.40 A number of outline suggestions for developing the venues, which would require capital investment, were proposed and these are suggestions it would be useful to explore in more detail.
- 7.41 The review has confirmed what is already known and understood and that is that Cheltenham’s cultural offer is held in high regard and is an intrinsic element of what makes the town *“what it is”*. The offer is wide-ranging and includes venue based and out-reached based programmes.

### **Town Hall and Pittville Pump Room – Recommendations**

- 7.42 **Subject to agreement through the budget and Bridging the Gap processes, savings arising from additional Town Hall revenue of £10Kpa (2012-13) be accepted.**
- 7.43 **Recognising the need to balance commercial aspects with the role of functioning amenities for the community, test the outcomes for the Town Hall and Pittville Pump Room with other commercially operated public facilities by April 2012 and report back to Cabinet.**
- 7.44 **Depending on the outcome of 7.43 above investigate the potential for developing a strategy for capital investment in the venues and in particular the commercial feasibility of improving conference facilities at the Town Hall.**

### **Leisure@ and Sport, Play and Healthy Lifestyles Current Model Assessment Outcome**

- 7.45 **New Proposals submitted for Leisure@:**
- Savings through changed working practices
  - Some key target areas for growth around income streams – Membership, Children's Activities, Courses, Concession schemes
  - Price based opportunities to increase fees and charges – limited small scale above inflation increases
  - Potential partnership opportunities that could grow income streams – Education, Health, University & Student Body
- 7.46 These proposals lead to potential savings of £140K (2012-13) and a further £64K 2013-14). These proposals are not factored in to the MTFS do not require capital investment to implement or incur de-commissioning costs.
- 7.47 **New Proposals submitted for Sport, Play and Healthy Lifestyles:**
- Reduce the length of Play Ranger sessions, and operate with 3 staff instead of 4
  - Increase cost of longer Play-Zone schemes by £1 per day from £14 to £15
  - Introduce small charge for taking part in some activities at Family Events
  - Reduced expenditure of leaflet production and distribution and focus more on e-marketing.
- 7.48 Collectively, these proposals would save £7k pa (2012-13) and a further £2K (2013-14). These proposals are not factored into the MTFS and do not require investment or incur decommissioning costs to implement.
- 7.49 It should be noted that a number of suggestions for capital schemes were put forward for Leisure@ with very indicative estimates of £2.3M capital requirement. Whilst the indicative estimates suggested a reasonable payback period, ie, less than 5 years it was considered that significant further



work would be required to verify the robustness of the proposals, which will be done as part of a feasibility study being undertaken regarding these proposals.

### **Risk Assessment of New Proposals – Leisure@ and SP&HL**

- 7.50 **Appendix 5 provides a risk assessment of the impact of the new proposals** on the outcomes for Leisure@ and SP&HL.
- 7.51 In relation to **Leisure@** the risk assessment has demonstrated that the new proposals can be implemented with minimal detriment to the delivery of positive outcomes for the community. In particular the proposals strongly support the achievement of the financial framework target and generally support achievement of the other outcomes. The one possible exception is the proposed small percentage increase in entry charges. Service providers are urged to undertake some market assessment before implementing this proposal to ensure that some customers are not unfairly disadvantaged by the proposals.
- 7.52 In relation to **Sport, Play and Healthy Lifestyles** the risk assessment has shown that proposals would have a detrimental impact on the delivery of positive outcomes for the community. This is due to the size of the current budget for the service area which has seen reductions in previous years. Outcomes particularly impacted would be affordable access, ability of families to play together and children and young people being active and healthy.
- 7.53 **Service Provision Direction of Travel Assessment – Leisure@ and Sport Play and Healthy Lifestyles**
- 7.54 In relation to **Leisure@** (Appendix 1) the assessment is that the direction of travel is acceptable. The positive areas include proposals to grow membership and develop more partnership opportunities. One area for service providers to consider is the impact on sustainability from increased usage which could be mitigated by capital investment in renewable schemes, rainwater harvesting and solar heating.
- 7.55 In relation to **Sport, Play and Healthy Lifestyles** (Appendix 1) the assessment is that the direction of travel in relation to price increases, although acknowledged as small, may impact on service outputs, outcomes for people and equality of access.

### **Leisure@ and Sport, Play and Healthy Lifestyles – Current Model Exercise Conclusions**

- 7.56 The **risk assessment of new proposals and service direction of travel assessments** for Leisure@ are satisfactory. The new proposals for this venue are not factored into the MTFs, do not require capital investment and do not incur de-commissioning costs. Therefore proposals to deliver £140Kpa (2012-13) and £64Kpa (2013-14) are assessed as deliverable.
- 7.57 The **risk assessment of new proposals** for SP&HL has shown that the new proposals would have a detrimental impact on the delivery of positive outcomes. Therefore proposal to deliver £7Kpa (2012-13) are assessed as not deliverable and should not be accepted.

- 7.58 The assessment has revealed the vulnerability of the SP&HL service but has also revealed the synergy that exists between it and Leisure@ by the service providers identifying that the outcomes for both services should be the same.
- 7.59 SP&HL deliver benefits which cannot be achieved through a traditional leisure centre building. These include building community relations, via healthy lifestyle activities near the home, nurturing the future customers of Leisure@, eg, through children's out-reach programmes, using education and community facilities to deliver sporting and health related activities across the Borough. SP&HL can also provide access for those who might not feel able, or want to access activities in a large leisure centre but are keen to take part where activities are provided in say their local community facility.
- SP&HL delivery arrangement could therefore be seen as supporting a **demographic need** by providing community based leisure activities as well as potentially improving access to an **under-represented target group**, eg, females.
- 7.60 It would, therefore, rather than taking modest savings now, be beneficial to see how the SP&HL offering might be more integrated with Leisure@ to reduce its vulnerability
- 7.61 Turning to general conclusions from the review. Membership continues to grow and Leisure@ is building on its traditional role of leisure centre to a "health" hub. The growth in GP referrals is particularly impressive and plans to increase preventative health care into the facility are welcomed. Leisure@ supports the **total approach to health care need** through its service concessions to promote preventative health care to groups which are more vulnerable to poor health. Leisure@ delivery arrangement also already contributes significantly to **dealing with risks to good health need** through its GP referral programme. This latter activity is an area that should be pursued in the immediate future with a view to supporting the primary outcome and to put Leisure@ in a good place to be a provider of choice and to be commissioned by health.
- 7.62 In light of the foregoing, and seeking to prioritise next steps for the review Leisure@ is in a reasonable place to potentially make further savings in the short-term under the current operational arrangements. Therefore in considering a review of alternative delivery arrangements for Leisure@ outcomes, this should be a later activity.
- 7.63 However, a short term goal should be to begin to build knowledge and understanding of alternative delivery models through visits and discussions with other providers and commissioners in preparation for a future commissioning opportunity.

### **Leisure@ and Sport, Play and Healthy Lifestyles – Recommendations**

- 7.64 **Subject to agreement through the budget and Bridging the Gap processes, savings and income arising from Leisure@ of £140Kpa (2012-13) and £64Kpa (2013-14) be accepted.**

- 7.65 **By December 2011, explore how, within a difficult financial framework, Leisure@ and Sport, Play and Healthy Lifestyles can deliver outcomes and provide more mutual support for each other and, therefore, at this time defer the acceptance of short-term savings.**
- 7.66 **Commence discussions with the Local Strategic Partnership and NHS colleagues with a view to being best placed to act as a provider of choice for health commissioners locally for physiotherapy and activity based patient treatment pathways.**
- 7.67 **Leisure@ service providers continue to pursue additional savings/revenue income opportunities in line with the overall expectation that the operational subsidy will be reduced to a minimum within the current delivery arrangement.**
- 7.68 **Recognise that an assessment of other alternative delivery arrangements for Leisure@ and Sport, Play and Healthy Lifestyles is an ambition for the future with the AG&M work taking priority.**
- 7.69 **Working with the Cabinet Member Working Group, start the process of building knowledge and understanding of other delivery arrangements through visits and discussions with other providers and commissioners, with the objective of deciding on next steps by May 2012.**

## 8 Plan for next stage and capacity management

- 8.1 The anticipated milestones for the next stage of the project are:
- Complete consultation on the commissioning outcomes by October and ask Cabinet to agree any changes at their meeting on 8th October 2011
  - Complete the options appraisal of alternative delivery arrangements for the AG&M by April 2012 and ask Cabinet to agree recommendations at their meeting on 17<sup>th</sup> April 2012.
  - Complete the investigation of commercially run public facilities similar to the Town Hall and Pittville Pump Rooms by April 2012
  - Complete the exploration of mutual support options for Leisure@ and Sport, Play and Healthy Lifestyles by December 2011
  - Build knowledge and understanding of other delivery arrangements for Leisure@ and Sport, Play and Healthy Lifestyles and decide next steps by May 2012.
- 8.2 There is a risk that these milestones may not be achievable due to the demands of this review set alongside other corporate change projects. There are known resource conflicts in Finance, HR, Procurement and in the Leisure and Culture teams themselves which may impact this review and which are being addressed through the council's corporate resource management process.



















## 9. Consultation

- 9.1 An information / discussion paper was presented to the Social and Community Overview and Scrutiny committee on 9th May 2011 and the Cabinet Member has regularly briefed the committee on the review.
- 9.2 A Cabinet Member Working Group has been formed and met for the first time on 18th May 2011. Its objectives are:
- To consider the outcomes which the council may want to commission in the context of the localism bill, the current budget situation and other factors
  - To challenge assumptions and evidence presented for the current delivery of outcomes for leisure and culture
  - To consider the opportunities for alternative delivery models
  - To consider the lessons learned from past experiences when considering future opportunities
  - To consider risk and mitigating actions to secure the future delivery of outcomes
  - To consider how best to engage with and obtain feedback from other stakeholders, eg, Health and Wellbeing Partnership, PCT, local stakeholder groups
  - To advise on how best to engage with other members including Social and Community Overview Committee













- To act as champions for the review and to use this as an opportunity to develop the member role in commissioning
- 9.3 There has been extensive involvement from the council's Leisure and Culture teams in the review so far, including:
- Identifying needs and outcomes
  - Testing needs and outcomes against anticipated societal changes
  - Planning the response of in-house services to identified needs and outcomes (the 'current model exercise')
- 9.4 Employees in the Leisure and Culture teams are briefed regularly on the progress of the review.
- 9.5 As acknowledged above, there has been little opportunity to consult with the wider community and with stakeholders outside the council so far. This is a priority for the next stage of the review as is emphasised in recommendation

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# New Proposals Risk Assessment – Leisure@ and Sport Play and Healthy Lifestyles Appendix A.1







Risk assessment of how the proposals will impact on the outcomes for Leisure@ and Sport, Play and Healthy Lifestyles (SP&HL)						
Outcomes	Ability to meet financial framework challenge	People are physically active	People enjoy new experiences	Children and Young People are Active and Healthy	Everyone can access services at affordable prices	Families are able to play together
<b>Leisure@;</b> Savings achieved through changed working practices	Positive - modest savings of £39K proposed; services have a good track record at delivering savings. 	Neutral – proposed changes to working practices should not impact on the provision of sport and recreation activities. 	Neutral – proposed changes to working practices should not impact on the provision of sport and recreation activities. 	Neutral – proposed changes to working practices should not impact on the provision of sport and recreation activities. 	Neutral – proposed changes to working practices should not impact on the price people pay. 	Neutral – proposed changes to working practices should not impact on the provision of family related activities. 
<b>Leisure@;</b> Key target growth areas – membership, children's activities, courses, concessions	Positive - latent demand suggests that growth in membership by 250 achievable but income track record from membership is good. 	Positive – through targeting certain groups, the proposals will encourage more people to enjoy sport and recreation facilities. 	Positive – through encouraging more people to leisure@, the proposals will enable more people to enjoy new experiences. 	Positive – the proposals will provide better activities and facilities for children. 	Positive – through encouraging more people to attend and use the facilities, particularly through the use of concessions to attract groups that might otherwise not use leisure@. 	Positive – through providing more activities and facilities for children the proposals will encourage more families to play together. 
<b>Leisure@;</b> Price-based opportunities	Positive – some of the entry prices at leisure@ are cheaper than other similar facilities so this would suggest that prices could be increased by small amounts so increasing income for the centre. 	Neutral – small increases in entry prices should not impact on the overall numbers of people accessing sport and recreation facilities. 	Neutral – small increases in entry prices should not impact on the overall numbers of children using leisure@ particularly if this is balanced with better activities and facilities. 	Neutral – small increases in entry prices should not impact on the ability of people on low incomes to use leisure@. This may be countered by the use of concessions 	Negative – the proposed price increases could impact on the ability of people on low incomes to use leisure@. This may be countered by the use of concessions 	Neutral – small increases in entry prices should not impact on the overall numbers of children using leisure@ particularly if this is balanced with better activities and facilities. 

# New Proposals Risk Assessment – Leisure@ and Sport Play and Healthy Lifestyles Appendix A.1
















Risk assessment of how the proposals will impact on the outcomes for Leisure@ and Sport, Play and Healthy Lifestyles (SP&HL)						
Outcomes Proposals	Ability to meet financial framework challenge	People are physically active	People enjoy new experiences	Children and Young People are Active and Healthy	Everyone can access services at affordable prices	Families are able to play together
<b>Leisure@;</b> Partnership opportunities – education, health, university	Positive – Leisure@ already has a good track record of working with partners and there are opportunities to generate additional income streams from being commissioned by NHS, GPs, care services to deliver healthy lifestyles activities for a range of groups. 	Positive – through entering into more partnership arrangements, there are opportunities to develop new ways of encouraging a wider range of people to use the sport and recreation activities. 	Positive - through entering into more partnership arrangements, there are opportunities to develop new ways of enabling more people to enjoy new experiences. 	Positive – leisure@ already has strong partnership with 37 educational establishments; and there might be opportunities to develop additional partnership arrangements with other schools. 	Positive – partnering arrangements will include opportunities to offer concessionary health and recreation opportunities at affordable prices; as leisure@ successfully do with the reactive programme. 	Neutral – partnering arrangements might not specifically focus on opportunities for families to play together but the proposals will not undermine this. 
<b>SP&amp;HL;</b> Reduce the length of Play Ranger sessions, and operate with 3 staff instead of 4	Positive – the proposals will generate a small saving of £2k pa 	Neutral – the proposals will not reduce opportunities for people to be physically active. 	Neutral – the proposal to cut sessions by one hour will be less time for children and families to engage in outdoor activity. 	Negative - The proposal to cut sessions by one hour will be less time for children and families to engage in outdoor activity. Fewer members of staff will reduce interaction with children and parents alike. 	Neutral – The proposal will not impact on the price people pay to access the service. 	Negative – The proposal to cut sessions by one hour will be less time for children and families to engage in outdoor activity. Fewer members of staff will reduce interaction with children and parents alike. 
































Risk assessment of how the proposals will impact on the outcomes for Leisure@ and Sport, Play and Healthy Lifestyles (SP&HL)						
Outcomes	Ability to meet financial framework challenge	People are physically active	People enjoy new experiences	Children and Young People are Active and Healthy	Everyone can access services at affordable prices	Families are able to play together
<p><b>SP&amp;HL</b>; Increase cost of longer Play-Zone schemes by £1 per day from £14 to £15</p>	<p>Positive – the proposals will generate a small saving of £2k pa</p> 	<p>Neutral - the proposals will not reduce opportunities for people to be physically active</p> 	<p>Neutral - the proposals will not reduce opportunities for people to enjoy new experiences</p> 	<p>Negative – the proposal to increase the costs of the play-zone may prevent some children from low income families from accessing the service.</p> 	<p>Negative – the proposal to increase the costs of the play-zone may prevent some low income families from accessing the service and therefore price out those that need the service due to low income. However the schemes will continue to be subsidised and will remain cheaper than alternative commercially operated day care providers.</p> 	<p>Negative – the proposal to increase the costs of the play-zone may prevent some low income families from accessing the service.</p> 
<p><b>SP&amp;HL</b>; Introduce small charge for taking part in some activities at Family Events</p>	<p>Positive – the proposals will generate a small saving of £2k pa. Previous feedback has indicated that parents are largely willing to pay for good quality events.</p> 	<p>Neutral - the proposals will not reduce opportunities for people to be physically active</p> 	<p>Neutral - the proposals will not reduce opportunities for people to enjoy new experiences</p> 	<p>Negative – the proposal to introduce a small charge for events may put off a small amount of families with large number of children.</p> 	<p>Negative – the proposal to introduce a small charge for events may put off a small amount of families with large number of children. Payment for events has not been introduced before due to BIG Lottery funding which has ended.</p> 	<p>Negative – the proposal to introduce a small charge for events may put off a small amount of families with large number of children.</p> 

Outcomes Proposals	Ability to meet financial framework challenge	People are physically active	People enjoy new experiences	Children and Young People are Active and Healthy	Everyone can access services at affordable prices	Families are able to play together
<p><b>SP&amp;HL</b>; Reduced expenditure of leaflet production and distribution and focus more on e-marketing.</p>	<p>Positive – the proposals will generate a small saving of £1k pa.</p> 	<p>Neutral - the proposals will not reduce opportunities for people to be physically active</p> 	<p>Neutral - the proposals will not reduce opportunities for people to enjoy new experiences</p> 	<p>Neutral - the proposals will not reduce opportunities for children and young people to be active and healthy</p> 	<p>Neutral - the proposals will not impact on the price people pay to access the service.</p> 	<p>Negative – the proposals will mean that every child is no longer given a leaflet, therefore families without internet access may not receive information, and may be unaware of programmes.</p> 









# Service Provision Direction of Travel Assessment – Leisure@ and Sport Play and Healthy Lifestyles Appendix A.1





















Charac- teristics	service outputs	outcomes for people	Service delivery principles	sustainability impacts	equality impacts
<b>Proposals</b> <b>Leisure@;</b> Savings achieved through changed working practices	Neutral –the proposals will not impact on the achievement of service delivery outputs, though we need to make sure that the proposals do not lead to a rise in customer complaints. 	Neutral – see risk assessment above 	Neutral - the proposals will not impact on the achievement of service delivery principles 	Neutral – the proposals will not impact on the achievement of sustainability principles 	Neutral – the proposals will not have any negative impacts in relation to equality and diversity. 
<b>Leisure@;</b> Key target growth areas – membership, children’s activities, courses, concessions	positive – the proposals will increase footfall and a range of other key outputs 	Positive - see risk assessment above 	positive – the proposals will help leisure@ meet the service delivery principles 	Negative – although the building already has a commendable B rating, the proposals may lead to a more intensive use of facilities which is likely to increase energy consumption to some degree. This could be mitigated by capital investment in renewable schemes (eg PV, biomass CHP rather than gas?) rainwater harvesting and solar heating. 	Positive - The proposals are generally positive in regard of equalities seeking to maintain existing programmes that support disabled people, older people, people with mental ill-health. The centre has also worked with BME groups are currently has a female only swim session targeted at Muslim women. 
<b>Leisure@;</b> Price-based opportunities	Neutral – although small price increases may have an impact on overall attendance, this will be countered by an increase in income. 	Neutral - see risk assessment above 	Neutral - the proposals will not impact on the achievement of service delivery principles 	Neutral - the proposals will not impact on the achievement of sustainability principles 	Negative – the proposed small price increases may impact on the ability of certain groups to access leisure@ 

# Service Provision Direction of Travel Assessment – Leisure@ and Sport Play and Healthy Lifestyles Appendix A.1

Direction of travel assessment for the Leisure@ proposals					
Charac- teristics	service outputs	outcomes for people	Service delivery principles	sustainability impacts	equality impacts
<b>Proposals</b> <b>Leisure@;</b> Partnership opportunities – education, health, university	Positive – increased partnership arrangements will increase football, attendance at specific activities and participation from key groups. 	Positive - see risk assessment above. 	Positive - increased partnership arrangements will support the delivery of the service delivery principles, particularly those around equal access and delivering services in partnership with others. 	Neutral - the proposals will not impact on the achievement of sustainability principles 	Positive – the proposed partnering arrangements will increase attendances from disabled people, older people, people with mental ill-health. 
<b>SP&amp;HL;</b> Reduce the length of Play Ranger sessions, and operate with 3 staff instead of 4 	Neutral – the proposals will not impact on the ability of the service to deliver the required service outputs 	Negative – see risk assessment above. 	Neutral - the proposals will not impact on the achievement of service delivery principles 	Neutral - the proposals will not impact on the achievement of sustainability principles 	Neutral – the proposals will not have any negative impacts in relation to equality and diversity. 
<b>SP&amp;HL;</b> Increase cost of longer Play-Zone schemes by £1 per day from £14 to £15 	Neutral – the proposals may deter a small number of low income families, but the play zone will still be cheaper than other commercial playschemes 	Negative – see risk assessment above. 	Neutral - the proposals will not impact on the achievement of service delivery principles 	Neutral - the proposals will not impact on the achievement of sustainability principles 	Neutral – the proposals will not have any negative impacts in relation to equality and diversity. 
<b>SP&amp;HL;</b> Introduce small charge for taking part in some activities at Family Events 	Negative - the proposals may deter a small number of low income families 	Negative – see risk assessment above. 	Neutral - the proposals will not impact on the achievement of service delivery principles 	Neutral - the proposals will not impact on the achievement of sustainability principles 	Negative – the proposed small price increases may impact on the ability of certain groups to access the service. 
<b>SP&amp;HL;</b> Reduced expenditure of leaflet production and distribution and focus more on e-marketing. 	Neutral – the proposals will not impact on the ability of the service to deliver the required service outputs 	Neutral - see risk assessment above. 	Negative – the proposal will reduce the amount of information that we provide to local residents about the service 	Neutral - the proposals will not impact on the achievement of sustainability principles 	Neutral – the proposals will not have any negative impacts in relation to equality and diversity. 

# New Proposals Risk Assessment Page 9 of 9 Town Hall and Pittville Pump Room Appendix A.2

Risk assessment of how the proposals will impact on the outcomes for Town Hall and Pittville Pump Room		
Outcomes Proposals	People have access to a diverse range of entertainments and activities	The service is delivered with minimal call on council funding
To maximise the number of weddings held at the Town Hall	Neutral – Due to spare capacity, the proposals could be delivered without significant impact on the existing entertainments programme. However, this would need to be kept under review as success in weddings may lead to lack of entertainment opportunities for the general public. 	Positive – the proposals are estimated to generate £6k per annum. 
To increase the amount of corporate business	Neutral – as above due to spare capacity, the proposals could be delivered without significant impact on the existing entertainments programme. However, this would need to be kept under review as success in corporate functions may lead to lack of entertainment opportunities for the general public. 	Positive - the proposals are estimated to generate £4k per annum. 
To charge for time and expertise in helping others with their events	Negative – charging community organisations and charities for time and expertise in relation to licence permission, road closures, crowd control, Health & Safety, noise pollution, risk assessments, child protection etc. Could mean that not as many local events are put on. 	Positive - the proposals are estimated to generate £1k per annum. 
To explore more commercial events and activities at both	Positive – the proposals will enable a more diverse range of entertainments and activities to be provided at both venues. 	Positive – though the potential additional income from more commercial operations have not yet been identified. 

Charac- teristics  Proposals	service outputs	outcomes for people	service delivery principles	sustainability impacts	equality impacts
To maximise the number of weddings held at the Town Hall	positive - the proposals will increase footfall and attendances 	Neutral – see risk assessment above 	Neutral - the proposals will not impact on the achievement of service delivery principles 	Neutral – the proposals will not impact on the achievement of sustainability principles 	Neutral – the proposals will not have any negative impacts in relation to equality and diversity. 
To increase the amount of corporate business	positive - the proposals will increase footfall and attendances 	Neutral – see risk assessment above 	Neutral - the proposals will not impact on the achievement of service delivery principles 	Neutral – the proposals will not impact on the achievement of sustainability principles 	Neutral – the proposals will not have any negative impacts in relation to equality and diversity. 
To charge for time and expertise in helping others with their events	Neutral –the proposals will not impact on the achievement of service delivery outputs 	Negative - see risk assessment above 	Neutral - the proposals will not impact on the achievement of service delivery principles 	Neutral – the proposals will not impact on the achievement of sustainability principles 	Negative – the proposals to charge community organisations and charities for time and expertise in may mean that not as many local events are put on. 
To explore more commercial events and activities at both	positive - the proposals will increase footfall and attendances 	Neutral – see risk assessment above 	Neutral - the proposals will not impact on the achievement of service delivery principles 	Neutral – the proposals will not impact on the achievement of sustainability principles 	Neutral – the proposals will not have any negative impacts in relation to equality and diversity. 

Activity	Overall Figures	Additional information
<p><b>Healthy Lifestyles Physical Activity Programme</b></p>	<ul style="list-style-type: none"> <li>Total of 7 weekly walks organised across the Borough – average of 70 walkers</li> <li>Total of 6 Women’s Running Network weekly running groups established across the Borough, attracting an average of 60 runners per week</li> <li>3 Active Lifestyles outreach sessions delivered in community locations each week (Springbank, Warden Hill, Leckhampton) average attendances of 45 weekly</li> <li>Re-Active Exercise Referral Programme – 119 GP referrals since January 2010</li> </ul>	<p>120 women registered with WRN since April 2008</p> <p>total of 350 registered to the Active Lifestyles scheme</p>
<p><b>Sports Development</b></p>	<ul style="list-style-type: none"> <li>2010 Summer of Sport attracted a total of 1480 attendances over a 5 week period</li> <li>521 “semi sporty” young people aged 11 -16 were regularly engaged in a range of sports projects during the past year funded via the Sport Unlimited programme.</li> <li>193 Sport in the Park sessions were successfully delivered in priority areas over the past 12 months year linked to youth centres, community projects and open spaces. Total attendances were in excess of 2,600, with an average of 56 per week</li> </ul>	<ul style="list-style-type: none"> <li>SportsZone Roadshow attracted 386 attendances(average 77 per week)</li> <li>35 sport specific sessions attracted 611 attendances (average of 17 per session)</li> <li>Sport In The Park sessions attracted 483 attendances</li> </ul>
<p><b>PlayZone Playschemes</b></p>	<ul style="list-style-type: none"> <li>Total of 2,887 attendances, by a total of 575 different children</li> <li>Average daily attendances of 115 (72.2% capacity)</li> <li>4 activity trips all fully booked</li> </ul>	<p>Balcarras – 229 children Dunalley – 85 children St. Marks – 109 children Rowanfield – 152 children</p>
<p><b>Play Rangers</b></p>	<ul style="list-style-type: none"> <li>Total of 3,036 recorded attendances during 5 week period.</li> <li>Average daily attendance of 126 (measured at hourly intervals)</li> <li>The highest recorded single daily attendances was 312 (Pittville Park – sunny day)</li> </ul>	<p>Play Gloucestershire also delivered 4 sessions per week (3,100 attendances in 12 months)</p>
<p><b>One Off Events During 2010</b></p>	<ul style="list-style-type: none"> <li>Sport Relief (March); 850 runners, plus estimated 200 spectators</li> <li>St Georges Day (April); estimated 1,500 attendances</li> <li>National Play Day (August); estimated 3,000 attendances</li> <li>Montpellier Fiesta (July); estimated 3,000 attendances</li> </ul>	

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The risk		Managing risk				Original risk score (impact x likelihood)					
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1	If the proposals arising from the review are unpopular there may be significant reputational damage to the council	Pat Pratley	15/09/2010	2	4	8	Reduce	Cabinet report recommends engagement and communications approach with external stakeholders which acknowledges their role in shaping the review.	July 2011	Ken Dale	Yes
2	If the review is unable to engage fully or successfully with stakeholders outside the council, opportunities may be missed, e.g. for gaining community support for outcomes and for a holistic understanding of provision across the town.	Pat Pratley	15/09/2010	4	3	12	Accept / Reduce	Risk needs to be balanced against the risks of premature engagement. Risk accepted in stage 1. Engagement of external stakeholders is a recommendation of the final cabinet paper.	From July 2011 onwards To July 2011 October 2011	Pat Pratley	Yes
3	If the objectives of members are not aligned with those of the officer team, then the potential benefits of the review may not be realised.	Pat Pratley	15/09/2010	4	2	8	Reduce	Regular contact established with the Cabinet Member at Project Board meetings. Cabinet Member Working Group now in place and will be used	Complete	Pat Pratley / Sonia Phillips	Yes

4	If the needs analysis fails to accurately capture the needs of the whole community, this could result in the wrong outcomes being established, leading to the inappropriate commissioning of provision.	Richard Gibson	15/09/2010	4	2	8	Reduce	to test members views on desired outcomes Review will report to informal cabinet and Soc & Comm O&S before presenting a final report for agreement by Cabinet. Needs analysis will be tested with members and, subsequently, more widely.	July 2011	Richard Gibson	Yes
5	If the options appraisal for alternative service delivery models fails to accurately capture all costs, benefits and risks associated with each option, this could lead to the wrong model being selected and/or unexpected post-implementation costs.	Pat Pratlley	15/09/2010	4	3	12	Reduce	July 2011 cabinet report does not definitively recommend solutions. Ensure no final decisions are taken before options appraisal is adequate. Assess whether external support is required for options appraisal	Ongoing	Ken Dale	Yes
6	If there is insufficient internal capacity then	Pat Pratlley	21/06/2011	3	4	12	Reduce	Preliminary assessment has	Ongoing	Ken Dale	Yes

	<p>target timescales set by the review may not be met.</p>						<p>identified potential resource shortfalls in Finance, HR, Procurement and in the Leisure and Culture teams themselves. These will be addressed through the council's corporate resource management process.</p> <p>Consideration will be given to using external resource, funded by money already set aside by council.</p>	<p>September 2011</p>		
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## Review of the council's performance at end of 2010-11

<b>Accountable member</b>	<b>Cabinet Member Corporate Services, Councillor Colin Hay</b>
<b>Accountable officer</b>	<b>Richard Gibson, Policy and Partnerships Manager.</b>
<b>Accountable scrutiny committee</b>	<b>Economy and Business Improvement</b>
<b>Ward(s) affected</b>	<b>All</b>
<b>Key Decision</b>	<b>No</b>
<b>Executive summary</b>	The performance review takes information and data from our performance management system to provide Cabinet with an overview of how the council is performing. This enables Cabinet members to input into discussions about how to resolve areas where there maybe performance concerns and also to recognise where performance is better than expected. This review summarises how the council performed last year in regard to the published milestones, performance indicators and outcomes set out in the 2010-2015 corporate strategy.
<b>Recommendations</b>	<b>That Cabinet approve the performance review for 2010-11</b>

<b>Financial implications</b>	There are no financial implications as a result of this report.
<b>Legal implications</b>	There are no legal implications as a result of this report
<b>HR implications (including learning and organisational development)</b>	There are no HR implications as a result of this report
<b>Key risks</b>	<p>The business planning process helps the council manage risk in a number of areas, but particularly through creating a strategic framework for the management of projects and initiatives.</p> <p>If we do not respond to performance information, then we may not direct change and improvement in a positive direction.</p>
<b>Corporate and community plan Implications</b>	This report sets out performance information relating to the delivery of corporate priorities in 2010-2011.

<b>Environmental and climate change implications</b>	None identified as a result of this report
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## 1. Background

- 1.1** The council agreed its corporate strategy 2010-2015 in March 2010. The strategy sets out our 5 objectives and 11 outcomes and a range of milestones and indicators to measure performance in 2010-11.
- 1.2** The performance review takes information and data from our performance management system to provide elected members with an overview of how the council is performing. This enables elected members to input into discussions about how to resolve areas where there maybe performance concerns and also to recognise where performance is better than expected. This review summarises how the council performed last year in regard to the published milestones, performance indicators and outcomes set out in the 2010-2015 corporate strategy.

## 2. 2010-11 Performance Review

### 2.1 Corporate Strategy milestones

In the 2010-11 corporate strategy, we identified 53 milestones to track our progress. Out of these:

- 91% (48) of milestones were on target or completed at the end of the year
- 9% (5) of milestones were not achieved:

The milestones that were not achieved were as follows:











<b>milestone</b>	<b>commentary</b>
Consideration of preferred options by Councils.	In 2010, the government announced the abolition of the regional spatial strategy framework which meant delays to the production of the Joint Core Strategy whilst the team reflected on the best way forward. Plans are still in place to carry out consultation on the emerging draft strategy in the Autumn of 2011.
Preferred options consultation.	
Pre-submission draft of JCS.	
Commence building of new homes as part of phase 1 of St Paul's Regeneration Project.	The project was delayed due to road closure procedures. The start date was early June 2011.
Social and Community O+S to review first stage of neighbourhood management approach as agreed at Cabinet on 16 March 2009.	Agenda space was not found within the year; the review of neighbourhood management will go to committee in September 2011.

### 2.2 Performance indicators

In the 2010-11 corporate strategy, we identified 68 key indicators to track our progress. Out of these:

- 46% (31) of all indicators were on or above target;
- 15% (10) indicators were below target;
- 40% (27) are no longer collected due to the demise of the national indicator set.

The proportion of indicators below target is the same as last year (15%). The indicators that were below target are shown below.

Indicator	Status	Commentary
Repeat incidents of domestic violence (Quarterly)		Repeat incidences of domestic violence are still high; the average for the year is 38% against a target of 22%
Overall Employment rate (working-age) (Quarterly)		The overall employment rate in Cheltenham was below target at 81.9% against of 85%
Per capita reduction in CO2 emissions in the LA area		The actual per capita reduction was 5.7% against a target of 9.1%.
Percentage of household waste sent for reuse, recycling and composting (Quarterly)		Recycling and composting rates came out at 34.4% below the target of 40%.
Percentage of municipal waste land filled (Quarterly)		68% of waste was landfilled against a target of 64%.
No of FTE days absence per employee (Quarterly)		The out-turn was 9.82 FTE days compared to a target of 8 days. All areas of the council were well under the 8 day target with the exception of the former Customer Access and Service Transformation division (out-turned just over 8 days, and Operations division at 15 days.
Number of apprentices on placement with the council (Quarterly)		The council had 5 apprentices against a target of 8. Services have been considering the use of apprentices when making a business case to fill vacancies. Apprenticeships are subject to the recruitment challenge for filling any vacancies
the number of visitors to Cheltenham's TIC (Quarterly)		There were 76,221 visitors to the TIC against a target of 90,800.
the number of accommodation bookings (Quarterly)		There were only 571 accommodation bookings against a target of 1,200.
Attendances during the annual Summer of Sport initiative		There were 1480 attendances against a target of 1599.

### 3. Consultation

- 3.1** The draft performance review was presented to Economy and Business Improvement Overview and Scrutiny Committee on 18<sup>th</sup> July and a verbal update will be made to Cabinet on that committee's views.

## Review of outcomes 2010-11

Outcomes	what went well	what didn't go so well
Cheltenham has a clean and well-maintained environment.	<p>In order to increase recycling rates, a complete re-design of the waste and recycling service was agreed by Cabinet. The garden waste service started to be rolled out in February with the food waste and alternate weekly collections rolled out in April 2011. Plastic bottle recycling has been rolled out to 48,000 households. The new service has been designed to increase recycling performance to over 40%.</p> <p>A new street scene enforcement team has been created which, together with other staff reorganisations, has enabled more a targeted approach to improve the town centre backed up with enforcement when needed.</p>	Recycling and composting rates have started to increase and came out at 34.4% for the year, up from 32.4% in the previous year, but this was still below the target of 40%.
Cheltenham's natural and built environment is enhanced and protected.	<p>Good progress has been made by the Cheltenham Development Taskforce in bringing forward the regeneration of town centre sites; decisions were made to put North Place and Portland Street car parks on the market supported by a revised supplementary planning guidance that set out the council's ambitions for the sites.</p> <p>In terms of green spaces, funding was secured to build a new dry stone wall on Leckhampton Hill and with new fencing and grazing regimes, the site has been brought back into "favourable condition". British Trust for Conservation Volunteers are now helping to manage Griffiths Avenue Nature Reserve and Springfields Park site was awarded "Planting Places "Award by Sustainability South West with a Green Flag award currently submitted for 2011.</p>	In 2010, the government announced the abolition of the regional spatial strategy framework which meant delays to the production of the Joint Core Strategy whilst the team reflected on the best way forward. Plans are still in place to carry out consultation on the emerging draft strategy in the Autumn of 2011.



Outcomes	what went well	what didn't go so well
<p>Carbon emissions are reduced and Cheltenham is able to adapt to the impacts of climate change.</p>	<p>2010-11 saw an explicit commitment by the council to the 10:10 carbon reduction scheme. To support this, a number of carbon saving measures have been installed including new security lighting at the depot with low energy units, a voltage optimisation unit at Leisure@. Due to improvement works carried out at leisure@ it was awarded a 'B' grade for energy efficiency, the typical grade for a leisure centre is 'D'.</p> <p>Emissions due to electricity across the council fell by 80 tonnes. Overall carbon emissions were down by 8.5 tonnes.</p> <p>The council also approved a new energy management policy in September and backed this up with staff awareness campaigns.</p>	<p>Due to the difficult financial situation, the council has found it more difficult to find capital funding for specific carbon reduction projects. The government's review of the feed-in tariffs scheme for renewable energy schemes has also meant that schemes might not be as financially viable as originally hoped for.</p> <p>Emissions due to gas useage went up by 25 tonnes mainly due to the pro-longed cold spell in the winter.</p> <p>Work to embed climate change adaptation across the whole work of the council has also been slower than hoped.</p>
<p>Cheltenham is able to recover quickly and strongly from the recession.</p>	<p>The Business Pride grants programme has been successful with positive business feedback and media coverage. As a result the grant scheme was oversubscribed.</p> <p>The council has set up an inward investment task force in association with Gloucestershire 1st in response to the proposed closure of a number of national and international HQs. A programme of work is being developed.</p> <p>The council also supported Gloucestershire 1st with the concept of a local enterprise partnership for Gloucestershire which has now been agreed by the Government.</p>	<p>Only five apprentices (against a target of 9) were recruited, although all 5 have so far secured employment with CBC.</p> <p>In terms of its economic health, Cheltenham is still feeling the impacts of the recession; the overall employment rate in Cheltenham was below target at 81.9% and bad weather in December led to a reduction in footfall and customer spend in the High Street, though local shops were reported to be busier.</p>

Outcomes	what went well	what didn't go so well
We attract more visitors and investors to Cheltenham.	<p>The tourism website was re-vamped and led to a doubling in the number of virtual visitors with nearly 1.3m hits compared to last year. The tourism and marketing strategy was agreed by Cabinet.</p> <p>Work progressing at the county-level to improve tourism offer across the county.</p>	Physical visitor numbers to the Tourist Information Centre and those booking accommodation failed to meet their annual targets and reflect the downward trend with regards to visitors actually using the TIC in person.
Communities feel safe and are safe.	The total volume of crimes continues to fall, with 3% less crimes than last year (10,187 in total). Anti-social behaviour incidents are also on the decrease, with around 3% less incidents (7,024) compared to last year.	Repeat incidences of domestic violence are still high; the average for the year is 38%, with the figure for the last quarter being 60%. This is being tackled through increasing staff awareness and improving communications between partners. Domestic burglary had risen by 19% compared to the previous year and is a significant issue impacting on people's lives. Partners held a "turning the curve" workshop to explore the many ways in which burglary can be tackled – in the last 3 months (Mar, April and May), burglary rates have since fallen back by 19%.
People have access to decent and affordable housing.	<p>In terms of enabling new homes, 41 new affordable homes have been delivered in the year. Building work started on building 16 properties at Brighton Road which will meet Code for Sustainable Homes Level 4 meaning that they will be highly energy efficient and include photo-voltaic panels to generate electricity.</p> <p>Homes and Community Agency funding was secured and contract signed for the regeneration work at St. Pauls.</p> <p>The number of households living in temporary accommodation, at 16, is very low which is a direct result of the council's homelessness prevention service.</p>	At the end of the financial year, work had not yet started on the St. Pauls project which was delayed due to road closure procedures with the county council. The start date was early June 2011.

Outcomes	what went well	what didn't go so well
<p>People are able to lead healthy lifestyles.</p>	<p>Leisure@ has seen attendances just above target with just over 290,000 attendances against a target 288,000. Overall attendances are up compared to 2009/10 overall footfall based on sales is up by 11,718. Reactive and reactive concessions have seen double the expected levels of attendance. The Active life concession programmes have also performed well above target with 7700 additional visits compared to what would have been expected in Q4.</p> <p>The sports, play and healthy lifestyles team have continued to support a number of projects funded through the Health &amp; Wellbeing Partnership linked to healthy eating, activities for older people and a self help emotional wellbeing training programme. The Sports Development team have continued to deliver a range of Sports Unlimited projects for semi-sporty young people including badminton, cricket, girls football, girls running network and street football. All have been well attended, and a number have exceeded targets.</p> <p>Figure released in December 2010 shows a significant increase in the percentage of Cheltenham residents meeting the target 3 x 30 minutes per week of "Sport &amp; Active Recreation".</p>	<p>The 2010 summer holiday programme was slightly below its target as it only operated for a 5 week period in July/August, whereas the 2009 programme operated for 6 weeks, due to a longer school holiday period. Whilst the total attendance is therefore slightly lower than in 2009, the weekly average attendances have in fact increased significantly from 254 in 2009, to 296 in 2010</p>
<p>Our residents enjoy a strong sense of community and involved in resolving local issues.</p>	<p>In terms of neighbourhood management funding has been agreed with Hesters Way, Oakley, Cheltenham West End and Charlton Kings Parish Council to support their local areas. The DIY street projects are also supporting local residents improve their environment in Bath Road, East End Road and Mersey, Avon, Humber Roads.</p>	<p>Review of neighbourhood management will not go to Social and Community until September 2011 so the milestone target was not met.</p>

Outcomes	what went well	what didn't go so well
	<p>The Inspiring Families project was launched to support children and families in St. Pauls, Hesters Way and Oakley.</p> <p>In terms of BME work: community ambassadors formally launched at the Everyman on 19 April and steering group has now been established. A new Asian womens' group was set up at St. Pauls Church which now has 40 regular attendees.</p> <p>The Midsummer Fiesta was successfully held on 10 July 2010 and the 2011 event was held on 9<sup>th</sup> July.</p> <p>25 Community Pride projects were supported in 2010 with £40k worth of grants including Cheltenham Connect who are leading on improvements to Bath Road.</p>	
<p>Arts and culture are used as a means to strengthen communities, strengthen the economy and enhance and protect our environment.</p>	<p>There has been considerable success in implementing the Art Gallery and Museum development scheme. The first-phase fundraising target was achieved with the news that the AG&amp;M was successful with the second round bid of £750K to the Heritage Lottery Fund on the back of the council agreement to underwrite the remaining shortfall. The AG&amp;M was closed for the start of the decanting programme from 1st April 2011.</p>	<p>The work to merge the AG&amp;M Visitor and Tourism services teams has been slightly slower than anticipated but will now be completed by 30th June 2011.</p>
<p>The council delivers cashable savings, as well as improved customer satisfaction overall and better performance through the effective commissioning of services.</p>	<p>The 2011-12 budget was finalised and approved by Council and closed a budget gap of £2.87m with a range of projects and initiatives that will be monitored and reviewed through the Bridging the Gap programme.</p>	<p>Sickness absence was above target largely due to high levels in the Operations division where the main reason for absence in Operations was musculoskeletal (c15 days per fte per annum where the main absence reason was musculo-skeletal). All other areas in the Council were well below target at about 6 days, comparing favourably with private sector averages. A health and wellbeing plan for</p>

Outcomes	what went well	what didn't go so well
	<p>The in year potential budget overspend was addressed by pro-active management by Cabinet and the senior leadership team.</p> <p>The council has now formally agreed to adopt a strategic commissioning approach which will put a strong focus on understanding the needs of Cheltenham and its people in designing outcomes for public services. The Built Environment and Leisure and Culture Commissioning reviews began and are on track to report to Cabinet in July 2011.</p> <p>The GO programme is now into implementation phase and the business case is on track to deliver original savings and will go onto deliver further savings by moving to a full shared service, including advisory services, for Finance, HR, Payroll and Procurement.</p> <p>Property disposed of a number of properties to generate capital receipts.</p>	<p>the Operations division is being developed aiming to reduce absence.</p>

<b>Report author</b>	<b>Contact officer: Richard Gibson</b> <b>Policy and Partnerships Manager</b>  <b>richard.gibson@cheltenham.gov.uk,</b> <b>01242 235 354</b>
<b>Appendices</b>	1. Risk Assessment
<b>Background information</b>	2010-2015 Corporate Strategy, Report to Council, 29 <sup>th</sup> March 2010.

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If the commissioning division does not ensure quality of performance data and associated analysis then we will not be able to support the council make in making service improvements	Policy and Partnerships Manager	Jan 2011	2	3	6	reduce	Quarterly performance reports to SLT	31-Mar-12	Policy and Partnerships Manager	Divisional risk register

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**Cheltenham Borough Council**

**Cabinet – 26 July 2011**

**Allocation of funds through the Community Pride Scheme**

<b>Accountable member</b>	<b>Leader of the Council, Councillor Steve Jordan</b>
<b>Accountable officer</b>	<b>Richard Gibson, Policy and Partnerships Manager</b>
<b>Accountable scrutiny committee</b>	<b>Social and Community Overview and Scrutiny Committee</b>
<b>Ward(s) affected</b>	<b>All</b>
<b>Key Decision</b>	<b>No</b>
<b>Executive summary</b>	<p>As part of the 2011-12 budget, the council agreed to set aside £30,000 for the community pride scheme. The budget papers set out the Cabinet's aspiration that the funding be used to enable "big society" initiatives such as promoting volunteering or voluntary initiatives.</p> <p>Cabinet on 19<sup>th</sup> April 2011 agreed the application guidelines and the grant scheme went live from Thursday 21 April and was publicised through Gloucestershire Association for Voluntary and Community Action, media releases and information on the council's website. The closing date was Friday 1<sup>st</sup> July 2011 which gave applicants a 10 week period to submit applications.</p> <p>A panel comprising the Leader of the Council, Cllr. Anne Regan, Angela Gilbert from Gloucestershire Association for Voluntary and Community Action, Andrew Sherbourne Principal Accounting Technician and Richard Gibson, Policy and Partnerships Manager met on Wednesday 6<sup>th</sup> July to evaluate the 35 applications and make recommendations to Cabinet.</p>
<b>Recommendations</b>	<b>Cabinet to approve the list of projects to be funded from community pride funds as set out in appendix 1.</b>

<b>Financial implications</b>	<p>On the 27<sup>th</sup> June 2011 as part of the 2010/11 Outturn Report, Council approved an allocation of £30,000 to support the community pride grant scheme from the New Homes Bonus Scheme received.</p> <p><b>Contact officer: Andrew Sherbourne</b>  <b>Principal Accounting Technician</b>  <b>E-mail: <a href="mailto:andrew.sherbourne@cheltenham.gov.uk">andrew.sherbourne@cheltenham.gov.uk</a></b>  <b>Tel no: 01242 264337</b></p>
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<b>Legal implications</b>	<p>The payment of these mostly small grants does not generally require much in the way of formal documentation. However, written agreements will be used to document these grants, based on the Community Giving Grant template, with necessary adaptations for the very small grants.</p> <p><b>Contact officer: Nicolas Wheatley, Solicitor, One Legal</b>  <b>E-mail: nicolas.wheatley@teWKesbury.gov.uk</b>  <b>Tel no: 01684 272695</b></p>
<b>HR implications (including learning and organisational development)</b>	None
<b>Key risks</b>	If funding is allocated to an organisation that subsequently goes onto use the funding on a fraudulent basis.
<b>Corporate and community plan Implications</b>	<p>The proposed allocations set out in appendix 1 will enable the council to deliver on the following outcomes:</p> <ul style="list-style-type: none"> <li>• Cheltenham has a clean and well maintained environment;</li> <li>• Cheltenham's natural and built environment is enhanced and protected;</li> <li>• Our residents enjoy a strong sense of community.</li> </ul>
<b>Environmental and climate change implications</b>	Out of the 21 grants being awarded, 17 will enable local organisations to make a positive difference to their local environment.

## 1. Background

- 1.1 2011 will be the fifth year of the council's community pride scheme which has allocated just over £200,000 to match-fund over 80 community-based projects that have improved and enhanced the public realm.
- 1.2 The focus of the scheme has remained resolutely on the public environment but more recent rounds have seen an added emphasis on promoting sustainability and on building-up community ownership over the environment.
- 1.3 For 2011, Cabinet proposed a shift in emphasis to reflect the council's aspirations that communities are more influential in shaping and delivering public services. As funding for all public services continues to fall, there are more opportunities for communities to be involved in delivering services that might have traditionally been provided by the public sector. This direction of travel is being shaped by the coalition government's localism bill, which when enacted, will enshrine new rights for communities.
- 1.4 Cabinet on 19<sup>th</sup> April 2011 agreed the application guidelines and from Thursday 21<sup>st</sup> April 2011 onwards, the council invited community organisations to bid for funding from its community pride fund that was made available to match fund neighbourhood-based projects that will build up community resilience and enable local groups to be more influential in supporting their communities and improving their neighbourhoods. The type of projects the council was looking for included:
- Participation in training courses for volunteers and paid staff to develop specific skills such as fund-raising, management structures, governance and accountability;
  - The purchase of equipment to enable the group to be more effective in improving their neighbourhood;
  - Access to specific advice and support to enable community groups to take on public assets and/or public services, including looking at new organisational models;
  - The use of technology and social media to create a sense of community;
  - The organisation of community events that will build community resilience; and
  - Implementing environmental improvements that will promote sustainability and build up community ownership over the local environment.
- 1.5 The closing date was Friday 1<sup>st</sup> July and a panel comprising the Leader of the Council, Cllr. Anne Regan, Angela Gilbert from Gloucestershire Association for Voluntary and Community Action, Andrew Sherbourne Principal Accounting Technician and Richard Gibson, Policy and Partnerships Manager met on Wednesday 6<sup>th</sup> July to evaluate the 35 applications and make recommendations to Cabinet.

## 2. Reasons for recommendations

- 2.1 Due to the large numbers of applications received this year, which collectively were requesting just under £87,000 (against a total available of £30,000), the assessment panel carried out an assessment of the applications to assess the degree to which the applications met the primary objectives of this year's community pride fund:
- Does the project benefit a particular neighbourhood?
  - Does the project build up community resilience?
  - Does the project enable a community to improve their neighbourhood?
- 2.2 In addition, due to the pressure on the funding, each application was scrutinised to assess whether the project could go ahead if less funding was awarded.
- 2.3 The panel identified 21 projects that could answer in the positive to at least two of the three questions and agreed that they should be recommended for approval. The total sum awarded through this process totalled £28,862. The assessment of the projects is shown in **appendix 1**.

**3. Alternative options considered**

3.1 None

**4. Consultation and feedback**

4.1 None

**5. Performance management –monitoring and review**

5.1 Once approved, the council will enter into written agreements with the successful applicants which are based on the community giving grant template. This specifies that the grant recipient will submit a project monitoring report, summarising the project achievements, outcomes and lessons learnt to the grant administrator on completion of the project.

<b>Report author</b>	Richard Gibson, Policy and Partnerships Manager, 01242 235354, richard.gibson@cheltenham.gov.uk
<b>Appendices</b>	1. Assessment of projects 2. Risk assessment
<b>Background information</b>	

## Appendix 1 – List of community pride projects 2011

Organisation	Project	Description	cost of project	amount requested	neighbourhood based	build up community resilience	enabling groups to improve their neighbour hoods	First sift assessment	Recommendation	Amount £
1st Warden Hill Rainbows	Presence at Community events	Funding to allow a new Rainbows group to run fundraising events (purchase of table, hook-a-duck etc) at community events	178.08	178.08	yes	yes	no	amber	yes funded in full due to small request for funding	178
St. Marks/Hesters Way Community Association	Replace gas heating boiler	Replace old boiler with an energy efficient boiler	10,000	10,000	no	no	no	red	no	0
Indian Association	Hindu Centre Building Improvement Project	The group want to repair rooms to enable them to be used as community classrooms, and space for young children and elderly day care group	6000	3,000	yes	yes	no	amber	yes - but with a reduced amount	2000
Prestbury and Pittville Youth	Involve	A volunteering and leadership project for young people, training them in the skills needed for voluntary work	22,527	2,999	yes	yes	no	amber	yes - but with a reduced amount	2,000
Cheitham and County Cycling Club	BMX track in the Moors	Replace the old 1980's track with a new regional standard one, filling a gap between Hereford and Bristol	75,000	2,500	yes	no	no	red	No - the panel recognised the value of the project but noted that no other funding had been secured yet. There may be alternative sources of funding for this project	0
Third Sector Services	Community Volunteering	Support for groups taking over public assets and services; recruitment, marketing, developing programmes	6000	3000	No	uncertain	no	red	No	0
In Bloom for Warden Hill	Queen's diamond jubilee planting project	To place 2 round flower towers (3-tier planters) in and around Warden Hill	850	500	Yes	No	Yes	amber	yes funded in full due to small request for funding	500

Organisation	Project	Description	cost of project	amount requested	neighbourhood based	build up community resilience	enabling groups to improve their neighbourhoods	First sift assessment	Recommendation	Amount £
St. Vincents and St. Georges Assoc	Lansdown Community Composting Club	The club will provide a sustainable community amenity in the grounds of Well Close House for receiving organic garden material to transform this into compost	7,000	3,000	Yes	Yes	Yes	green	Yes - though with a slightly reduced amount	2435
Chinese Children and Parents Association	Living Chinese Culture	Hold a Spring Festival on 29 Jan 2012 to which local community will be invited and which will be involved in performances	3000	1,500	No	No	No	red	No	0
Friends of Jenner Gardens	Regeneration of Jenner Gardens	Provide additional seating in the garden	1500	750	Yes	No	Yes	amber	yes - but with a reduced amount	500
Cheltenham Saracens Sports Club	Cheltenham Saracens Football Club	The club has been promoted to level 5 of the national system and needs additional seating and covered areas	20,980	3000	Yes	No	Yes	amber	yes - but with a reduced amount	1500
Friends of Pittville	Friends of Pittville Roadshow	Invest in display and IT equipment so that the group can establish a roadshow project that will promote Pittville, increase awareness, recruit volunteers etc	5,121	2440.59	Yes	No	Yes	amber	yes - but with a reduced amount	1500
Hesters Way Partnership	Hesters Way Parks for People project	Work with local residents to improve Hesters Way Park and King George V playing fields using the successful model developed at Springfield Park, developing 2 self-managing park user groups	6000	3000	Yes	No	Yes	amber	yes - but with a reduced amount	2000
Charlton Kings in Bloom	Hambrook Park Bulb Project	To plant drifts of narcissus amongst trees at Hambrook Park - the grassed area between Glenfall Way and Sandhurst Road	250	250	Yes	No	Yes	amber	yes funded in full due to small request for funding	250

Organisation	Project	Description	cost of project	amount requested	neighbourhood based	build up community resilience	enabling groups to improve their neighbourhoods	First sift assessment	Recommendation	Amount £
Grow	Task Force Challenge from Grow in Gloucestershire	To work with nine disadvantaged 16 year olds giving them DIY, gardening and landscaping skills with 3 master craftsmen.	5,968	3000	No	No	No	red	No - the panel felt the project had some merits but noted that it was only for a 2 week period and were also uncertain about how this project would recruit apprentices and what would happen to them afterwards	0
Oakley Residents Association	Improvements to the road blocks in Humber and Mersey Roads	the current road-blocks although functional are unattractive - the group want to improve the landscape around the blocks and create practical floral displays	9768	3,000	Yes	No	Yes	amber	yes - but with a reduced amount	2000
Rendezvous Society	Footsteps local events programme	Re-launch the refurbished Portland Street building with a programme of events to increase the impact of the charity and make good use of the building	8,300	3000	No	No	No	red	no	0
Friends of Hatherley Park	Please Read Me (Us)!	To install an interpretation board in the enclosed wildlife area in the park and a smaller board on the path from Hatherley Court Road to help users understand the plants and wildlife	1638	819	Yes	No	Yes	amber	yes funded in full due to small request for funding	819

Organisation	Project	Description	cost of project	amount requested	neighbourhood based	build up community resilience	enabling groups to improve their neighbourhoods	First sift assessment	Recommendation	Amount £
Cheltenham Connect	Connect Local	Develop and expand the Connect concept into another area of Cheltenham - area to be agreed.	6,000	3,000	uncertain as neighbourhoods not defined	yes	uncertain as neighbourhoods not defined	red	No - the panel strongly support the work of Cheltenham Connect but felt that the bid to expand the work to other areas was not sufficiently well-developed	0
Fairview Community Association	Recruitment and Garden	To resource new membership to increase voluntary support for the upkeep of public gardens including Oxford Gardens	1200	800	Yes	Yes	Yes	green	Yes - though only 50% of the cost of the project	600
County Community Projects	Sandford Park restoration project	Work with a group of priority and prolific offenders to help clean, restore and maintain the ornamental part of Sandford Park, including using CCP allotment to grow bedding plants	10,270	3,000	Yes	uncertain	Yes	green	Yes - the panel have considered this application alongside the CiB bid (no.35) and agreed that £3k should be allocated to support a joint project; the panel wish to see Neptunes Fountain and Italian garden improved and work to develop a friends of group for Sandford Park	<del>9000</del> page 218
Gloucestershire Police	Lettuce grow	To provide a set of community gardens utilising local green spaces in Hesters Way; community to attend at set times	4,500	3,000	Yes	No	not clear	red	The panel were unclear about how the project fits in with other gardening projects in Hesters Way; garden equipment could be borrowed from other organisations	0



Organisation	Project	Description	cost of project	amount requested	neighbourhood based	build up community resilience	enabling groups to improve their neighbourhoods	First sift assessment	Recommendation	Amount £
Christian City Church (C3)	The Nest - pre-school activities at the Pavilion Hatherley	Establish a new pre-school club at the Pavilion to offer parents and pre-school children unique, high quality interactive play experiences	5,000	2,500	Yes	No	No	red	No	0
Cheltenham West End Partnership	Honeybourne Line Street Art	The project will look to create street art on the St. Georges Road underpasses as part of a wider project to improve community safety on the Honeybourne Line.	6,250	3,000	Yes	No	Yes	amber	yes - but with a reduced amount	1,500
Heart of St. Pauls Tenants and Residents Association	Community trip to Weston-super-Mare	Hire a coach to take 77 people to the coast and at the same time ask them about what community activities are needed in the area	500	500	No	Yes	No	red	No	0
Onside	Street Live Football	Street live football is a youth diversionary project using a mobile football pitch which is taken to various pre-advertised locations	6,000	3,000	uncertain	No	No	red	No	0
Onside	Corinthians Futsal	To create a new futsal club at the new All Saints Academy - futsal has Brazilian origins and is played indoors	5,700	2,700	No	No	No	red	No	0
1st Prestbury Scout Group	Scout Group buildings accessible to all	To make improvements to the scout hut and field to make them accessible to all - current access is limited for persons with reduced mobility	5,000	3,000	Yes	No	Yes	amber	yes - but with a reduced amount	1,500

Organisation	Project	Description	cost of project	amount requested	neighbourhood based	build up community resilience	enabling groups to improve their neighbour hoods	First sift assessment	Recommendation	Amount £
St. Pauls Road Area Residents Association	St. Pauls Road community improvement	To add greenery, planters boxes, seating areas, mural and community signage	10,000	5,000	Yes	Yes	Yes	green	Yes though the group bid for more than the maximum amount allowed.	2,000
Transition Town Cheltenham	Energy Descent Pathway Project	The plan will set out the steps a community can take to become more resilient and sustainable in the face of increasing energy and food prices; using multi-media materials to engage communities in seeing their future less dependent on oil.	6000	3000	Yes	Yes	No	amber	yes - but with a reduced amount	£1,500
Friends of Cheltenham Racecourse Station	Provision of disabled access to the station	Provision of disabled all weather access to the main passenger platform for visitors in wheelchairs to avoid the long sloping ramp to the Evesham Road.	5,800	2,600	Yes	No	Yes	amber	yes - but with a reduced amount	2,000
The Stable Company	The Stable Company	To gain expert advice and to have funding bids written for us and to improve gardening equipment.	2000	1,500	No	Yes	Yes	amber	yes - but with a reduced amount	500
Sue Ryder Home - Leckhampton	Snow blower for our drive	To purchase snow blower - In heavy snow we need to keep our drive clear	2500	1250	No	No	No	red	No	0
St. Philip and St. James Area Residents association	Infilling of historic avenue of trees Grafton Road	Grafton Road was part of the original design of the Park estate, with an avenue of 25 trees, there are currently 8 gaps and there is little hope of replacing the trees.	1600	400	Yes	No	Yes	amber	yes funded in full due to small request for funding	400

Appendix 2

Organisation	Project	Description	cost of project	amount requested	neighbourhood based	build up community resilience	enabling groups to improve their neighbourhoods	First sift assessment	Recommendation	Amount £
Cheltenham in Bloom	Heritage water features of our town - enhanced for all	The group wish to improve the surroundings of Neptune's Fountain and Sandford Park's Italian Gardens by planting fresh sustainable planting in and around them as well as providing an interpretation board near Neptune's Fountain	4000	2500	Yes	No	Yes	amber	Yes - the panel have considered this application alongside the CCP bid (no.21) and agreed that £3k should be allocated to support a joint project; the panel wish to see Neptunes Fountain and Italian garden improved and work to develop a friends of group for Sandford Park	0
				86687						29682

The risk	Original risk score (impact x likelihood)				Managing risk							
	Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
		If the commissioning division does not put proper controls in place for the management of the partnership small grants funds, then we run the risk of funds being used inappropriately or even fraudulently	Policy and Partnerships Manager	Apr 2010	3	3	9	reduce	Implement and monitor small grants protocols	ongoing	Policy and Partnerships Manager	Implementation of grant protocols has reduced the likelihood to 2.

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## Cheltenham Borough Council

**Cabinet – 26<sup>th</sup> July 2011**

### **Building resilience in providers of community-based youth work**

<b>Accountable member</b>	<b>Cabinet Member Housing and Safety</b>
<b>Accountable officer</b>	<b>Richard Gibson, Policy and Partnerships Manager</b>
<b>Accountable scrutiny committee</b>	<b>Social and Community Overview and Scrutiny Committee</b>
<b>Ward(s) affected</b>	<b>all</b>
<b>Key Decision</b>	<b>No</b>
<b>Executive summary</b>	<p>Gloucestershire County Council has agreed to invest £50k in each of the six Gloucestershire districts in 2011-12 in positive activities for young people, to be delivered by voluntary and community sector (VCS) organisations. This report seeks cabinet approval for a commissioning brief that will set out how the funding will be allocated in Cheltenham.</p> <p>Alongside the county council's funding, Cheltenham Borough Council has agreed to allocate a one-off sum of £50k from its local area agreement performance reward grant to support the sustainable development of additional capacity and expertise within VCS providers of community-based youth work. This report updates cabinet on the progress of the commissioning exercise undertaken to allocate the funding.</p>
<b>Recommendations</b>	<p><b>Cabinet approves the commissioning brief to allocate the county council's funding as set out in appendix 2.</b></p> <p><b>Cabinet agrees to allocate borough council's sum of £50k (subject to contract), further details to be reported verbally at the Cabinet meeting.</b></p> <p><b>Cabinet delegates authority to the Director of Commissioning to enter into any necessary documentation in consultation with the Borough Solicitor and Monitoring Officer.</b></p>
<b>Financial implications</b>	<p>In its out-turn report agreed at council on 27<sup>th</sup> June 2011, the Council agreed to allocate a one-off sum of £50k from its local area agreement performance reward grant to support the sustainable development of additional capacity and expertise within VCS providers of community-based youth work</p> <p><b>Contact officer: Andrew Sherbourne Principal Accounting Technician E-mail: <a href="mailto:andrew.sherbourne@cheltenham.gov.uk">andrew.sherbourne@cheltenham.gov.uk</a> Tel no: 01242 264337</b></p>

<p><b>Legal implications</b></p>	<p>A contract will be prepared for the borough council's funding to ensure that the selected provider will deliver the required outcomes.</p> <p>The payment of the grants allocated as part of the county council's funding will not generally require much in the way of formal documentation. However, written agreements will be used to document these grants, based on the Community Giving Grant template, with necessary adaptations for any small grants.</p> <p><b>Contact officer: Nicolas Wheatley</b>  <b>E-mail: <a href="mailto:nicolas.wheatley@tewkesbury.gov.uk">nicolas.wheatley@tewkesbury.gov.uk</a></b>  <b>Tel no: 01684 272695</b></p>
<p><b>HR implications (including learning and organisational development)</b></p>	<p>None</p>
<p><b>Key risks</b></p>	<p>If funding is allocated to an organisation that subsequently goes onto use the funding on a fraudulent basis.</p>
<p><b>Corporate and community plan Implications</b></p>	<p>The proposed allocations set out in appendix 1 will enable the council to deliver on the following outcomes:</p> <ul style="list-style-type: none"> <li>• Cheltenham has a clean and well maintained environment;</li> <li>• Cheltenham's natural and built environment is enhanced and protected;</li> <li>• Our residents enjoy a strong sense of community.</li> </ul>
<p><b>Environmental and climate change implications</b></p>	<p>None identified</p>

## 1. Background

- 1.1 The unprecedented financial crisis has resulted in huge cuts in public expenditure. As part of its 2011-12 budget, Gloucestershire County Council (GCC) has agreed to focus its resources on young people who are in greatest need and those at risk of not making a successful transition into adulthood. To achieve this, a complete redesign of Young People's services is now taking place which will see GCC withdraw from direct provision of general services for young people. In Cheltenham, this will affect the following youth centres:
- Whaddon Youth Centre (which is owned and operated by GCC);
  - Oasis Youth Centre (which is owned and operated by GCC);
  - Springbank Resource Centre (which is managed by Hesters Way Neighbourhood Project);
  - Aggs Garden Pavilion (which is owned by Cheltenham Borough Council - CBC);
  - Brizen Youth Centre (which is leased to Leckhampton with Warden Hill Parish Council and managed by the Brizen Management Committee);
  - Naunton Park Pavilion (which is owned by CBC and managed by a management committee);
  - Charlton Kings Youth Centre (which is owned by the trustees of Charlton Kings Youth & Community Centre).
- 1.2 The residual GCC funding is proposed to be targeted on prevention services aimed at young people in greatest need.
- 1.3 GCC have agreed to invest £50k in each of the six Gloucestershire districts in 2011-12 in positive activities for young people, to be delivered by voluntary and community sector (VCS) organisations.
- 1.4 In addition, to the GCC funding, the following partners have also agreed to contribute funding to support the direct delivery of youth activities:
- Cheltenham Community Safety Partnership and the Stronger Communities Partnership have agreed to allocate £5k to enable statutory organisations to deliver positive activities with young people
  - Cheltenham Health and Wellbeing Partnership has provisionally agreed to allocate £5k to enable groups to promote healthy lifestyles with young people.
- 1.5 This gives a total fund of £60k in Cheltenham to support the direct delivery of youth activities. The draft commissioning brief for this funding is set out in **appendix 2**.
- 1.6 In terms of the county's £50k Cheltenham Borough Council will lead the allocation process and make the decisions about which projects will be supported. It will seek advice and support from the Cheltenham Children and Young People's Partnership and the Social and Community O+S working group.
- 1.7 Given that the county's funding will go on one-off direct provision with VCS providers, the borough council is keen to build up their capacity so that they are better equipped to adapt to the financial challenges. It wishes to see a bottom-up community development approach to youth work that builds on existing community resources and expertise within the voluntary sector and bolsters this through the use of volunteers.
- 1.8 In its budget agreed on 11th February 2011 and the out-turn report agreed on 27<sup>th</sup> June 2011, the Council agreed to allocate a one-off sum of £50k from its local area agreement performance reward grant to support the sustainable development of additional capacity and expertise within VCS providers of community-based youth work.

## **2. Commissioning of positive activities for young people in Cheltenham – GCC funding**

- 2.1 The draft commissioning brief for allocating the county council's funding is attached as appendix 2. This sets out the overall outcome that the funding will be used for which will be as follows

*Young people are able to access a programme of activities, across the whole borough of Cheltenham that makes a positive difference to them, their health and wellbeing and the communities they live in.*

- 2.2 Cheltenham Borough Council will lead the allocation process and make the decisions about which projects will be supported. It will seek advice and support from the Cheltenham Children and Young People's Partnership and the Social and Community O+S working group.
- 2.3 Once the brief has been agreed, arrangements will be put in place to manage the bidding process. This will go live on Thursday 28<sup>th</sup> July and applications will have to be received by Monday 5<sup>th</sup> September which gives nearly 6 weeks for applicants to put their proposals together.
- 2.4 From 5<sup>th</sup> September onwards, an assessment panel, which will include the Cabinet Member for Housing and Safety, the Chair of the Cheltenham Children and Young People's Partnership, 1 representative from the Social and Community working group, 1 representative from the Safer, Stronger and Health and Wellbeing Partnerships and 1 young persons representative will assess all submitted applications.
- 2.5 The intention is that the panel makes recommendations to the borough council's cabinet that meets on 27<sup>th</sup> September 2011. Successful applicants will be notified shortly afterwards.

## **3. Building resilience in providers of community-based youth work – CBC funding**

- 3.1 The council adopted a commissioning approach to allocating its £50k. As part of this, the council worked with the Cheltenham Children and Young People's Partnership to define what we wanted to achieve with the funding and then undertake a process to identify a delivery partner(s) who could provide these at best value. As a result a commissioning brief was produced that set out the desired outputs and outcomes.
- 3.2 To progress the commissioning process, CBC advertised the brief widely and gave 8 weeks for interested parties the opportunity for to submit an expression of interest. The documents were also circulated to existing providers of community-based youth work and organisations that provide support for these organisations in order that they could set out their views on the proposed outcomes and the degree in which they met areas of need and gaps in existing support.
- 3.3 Four expressions of interest were received:
- Gloucestershire Association for Voluntary and Community Action (GAVCA)
  - Gloucestershire Enterprises Ltd
  - County Community Projects
  - Third Sector Services
- 3.4 The four organisations were asked to submit a detailed proposal to set out more detail with regard to the following issues:
- How will they spend the money
  - How will this meet the defined outcomes
  - How will VCS providers access the service
  - How will the proposal support equal access across the borough.



- 3.5** We were also keen that the organisations consider how they can best work together to pool expertise and capacity.
- 3.6** Three detailed proposals were subsequently received from:
- Gloucestershire Association for Voluntary and Community Action (GAVCA) incorporating Third Sector Services
  - Gloucestershire Enterprises Ltd
  - County Community Projects.
- 3.7** On 5<sup>th</sup> July, the three organisations were asked to attend an question and answer session with elected members from the Social and Community O+S Committee sub-group and the Chair of the Cheltenham Children and Young People’s Partnership. The outcomes from this session will be reported verbally to the cabinet meeting.

**4. Consultation and feedback**

- 4.1** The Cheltenham Children and Young People’s partnership has been heavily involved in both the exercise to alloacte the council’s funding and in defining the commissioning brief for the county council’s funding. In addition, a sub-group from Social and Community O+S Committee has met a couple of times to review progress and a VCS organised group has reviewed and commented on the draft commissioning brief for the county funding.

**5. Performance management –monitoring and review**

- 5.1** For the borough council’s funding, a contract will be prepared to ensure that the selected provider will deliver the required outcomes, with monitoring and review provisions as appropriate
- 5.2** For the county council’s funding, once approved, the council will enter into written agreements with the succesful applicants which are based on the community giving grant template. This specifies that the grant recipient will submit a project monitoring report, summarising the project achievements, outcomes and lessons learnt to the grant administrator on completion of the project.

<b>Report author</b>	Richard Gibson, Policy and Partnerships Manager, 01242 235354, richard.gibson@cheltenham.gov.uk
<b>Appendices</b>	1. Risk assessment  2. GCC commissioning brief.
<b>Background information</b>	

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If the withdrawal of universal youth services in Cheltenham is not mitigated with services to support vulnerable young people and support for providers of youth services, we may see an increase in youth-related crime.	Policy and Partnerships Manager	Jan 2011	3	3	9	reduce	Effective commissioning of the county council's £50k funding and the borough council's £50k funding, plus gaining additional funding from other partners'	31-Mar-12	Policy and Partnerships Manager	Divisional risk register

**DRAFT****Commissioning of positive activities for young people in Cheltenham****Background**

The unprecedented financial crisis has resulted in huge cuts in public expenditure. As part of its 2011-12 budget, Gloucestershire County Council (GCC) has agreed to focus its resources on young people who are in greatest need and those at risk of not making a successful transition into adulthood. To achieve this, a complete redesign of Young People's services is now taking place which will see GCC withdraw from direct provision of general services for young people. In Cheltenham, this will affect the following youth centres:

- Whaddon Youth Centre (which is owned and operated by GCC);
- Oasis Youth Centre (which is owned and operated by GCC);
- Springbank Resource Centre (which is managed by Hesters Way Neighbourhood Project);
- Aggs Garden Pavilion (which is owned by Cheltenham Borough Council - CBC);
- Brizen Youth Centre (which is leased to Leckhampton with Warden Hill Parish Council and managed by the Brizen Management Committee);
- Naunton Park Pavilion (which is owned by CBC and managed by a management committee);
- Charlton Kings Youth Centre (which is owned by the trustees of Charlton Kings Youth & Community Centre).

The residual GCC funding is proposed to be targeted on prevention services aimed at young people in greatest need.

**The proposal**

GCC have agreed to invest £50k in each of the six Gloucestershire districts in 2011-12 in positive activities for young people, to be delivered by voluntary and community sector (VCS) organisations.

In addition, to the GCC funding, the following partners have also agreed to contribute funding:

- Cheltenham Community Safety Partnership and the Stronger Communities Partnership have agreed to allocate £5k to enable statutory organisations to deliver positive activities with young people
- Cheltenham Health and Wellbeing Partnership has provisionally agreed to allocate £5k to enable groups to promote healthy lifestyles with young people.

This gives a total fund of £60k in Cheltenham.

In addition, Cheltenham Borough Council has allocated £50k to commission a programme of activity to support the sustainable development of additional capacity and expertise within the VCS providers of community-based youth work across the whole of the borough.

Cheltenham Borough Council will lead the allocation process and make the decisions about which projects will be supported. It will seek advice and support from the Cheltenham Children and Young People's Partnership and the Social and Community O+S working group.

## **What do we want to achieve with the funding**

### **Overall outcome**

Young people are able to access a programme of activities, across the whole borough of Cheltenham that makes a positive difference to them, their health and wellbeing and the communities they live in.

We will consider applications for funding that will deliver improved outcomes for young people aged 11-19 in at least one of the following areas:

- Young people making the right choices about the health and wellbeing.
- Young people feeling valued in their communities.
- Young people feeling safe in their communities.
- Young people making a positive contribution.
- Young people have fun.

### **The assessment criteria**

From xx onwards, an assessment panel, which will include the Cabinet Member for Housing and Safety, the Chair of the Cheltenham Children and Young People's Partnership, 1 representative from the Social and Community working group, 1 representative from the Safer, Stronger and Health and Wellbeing Partnerships and 1 young persons representative will assess all submitted applications. The panel will be looking for projects that have been well thought out and can demonstrate the following:

- How the project will meet the 5 outcomes for young people set out above;
- Evidence that there is a need for the project including evidence from consultation with young people;
- Overall value for money including any match funding (inc in-kind contributions) and possibility of sustaining the project beyond the initial year of funding;
- Accessibility of the project including affordability;
- Evidence of thorough planning including safeguarding arrangements, health and safety, any relevant licensing issues, appropriate risk management and contingency planning;
- Evidence of the active involvement of young people in the project.

We are also looking for assurances that project deliverers will put in place a robust system for collecting, monitoring and assessing the impacts of the project and for reporting and sharing this information.

The assessment panel will seek to distribute this funding to promote equality of access across the different areas of Cheltenham.

Recommendations will be made to the borough council's cabinet that meets on xxx. Successful applicants will be notified shortly afterwards.

### **Duration**

The 50k is an annual commitment for the period of the county council's medium term financial strategy ie for at least the next 4 financial years inc 2011/12, though the intention is not to support ongoing revenue projects for that period - but use the funding to support one off investments. The use of the funding will be reviewed by the county council's scrutiny committee which will make recommendations to the county's cabinet about the effectiveness of the funding.

Successful applicants will have a period of 12 months to implement the project.

**Who can apply?**

The GCC fund of £50k is to be allocated exclusively to Voluntary & Community Sector (VCS) organisations which includes community, parish and social enterprise organisations as well as voluntary ones.

The Health and Wellbeing and the Safer Stronger partnership funding is open to any statutory agency, public body, constituted voluntary sector, community or neighbourhood based organisation.

**What we will fund**

‘Positive Activities’ are defined to include ‘provision that delivers activities’. Delivery costs of running programmes of activities (venue, equipment and staffing) are eligible expenses.

**What we won’t fund**

- Staffing/managerial costs that are not related to the direct delivery of the project.
- Projects being delivered outside the boundaries of Cheltenham borough.
- Projects that cannot demonstrate that appropriate safeguarding arrangements are in place.

**How much can be applied for?**

To encourage a wide range of bids, there will be no lower amount and no upper amount. Bidders should be aware however, that there is a strong commitment to ensure that young people are able to access a wide-range of activities across the whole borough.

**Can an organisation make more than one grant application?**

Yes, though no more than one award will be awarded to any one organisation.

**Making an application**

Please complete all pages of the application form. Incomplete applications will not be considered.

We want to encourage applicants to complete their applications on a computer as hand written applications maybe difficult to read. If you require any help with completing the application forms please let us know as soon as possible and we will provide assistance.

Your grant application should also be accompanied by a copy of your last annual accounts (audited where this is a requirement for your organisation) and a copy of your constitution.

**Agreements and performance management**

Before the project can start, the council will enter into a project agreement with the provider which will set out various obligations on the two parties. This is very important as the way in which the money is used will be subject to inspection and audit and your monitoring plans will help us ensure that your project is progressing along the right tracks.

**Grant payments**

For successful applicants, payments will generally be made in arrears on receipt of completed performance management report and claim form. However, we can arrange advance payments to help with cash flow but this will be subject to checks and you will be liable to repay this if your project does not make satisfactory progress.

**Other considerations**

Please be aware that as this is public money, the funding will be subject to inspection and audit. Any fraudulent activity will be quickly identified and reported to the police.

DRAFT

## Cheltenham Borough Council

Cabinet – 26<sup>th</sup> July, 2011

### Economic development update and proposals for administering New Homes Bonus funding

#### Report of the Leader of the Council

<b>Accountable member</b>	<b>Council Leader, Steve Jordan</b>
<b>Accountable officer</b>	<b>Director Built Environment</b>
<b>Accountable scrutiny committee</b>	<b>Environment, EBI</b>
<b>Ward(s) affected</b>	<b>All</b>
<b>Key Decision</b>	<b>Yes</b>
<b>Executive summary</b>	<p>This report provides details of the proposals for administering 'New Homes Bonus' funding which was recently allocated by Council to:</p> <ol style="list-style-type: none"> <li>1. Environmental improvements; and</li> <li>2. Promoting Cheltenham.</li> </ol>
<b>Recommendations</b>	<p><b>Cabinet is recommended to delegate approval for bidding and governance arrangements in relation to the two identified funds set up by Council, which are being resourced using the New Homes Bonus allocation for 2011-12, as follows:-</b></p> <ol style="list-style-type: none"> <li><b>1.1 The Environmental Improvements fund to be subject to a bidding process by internal Council departments only, with bids prioritised by a member panel drawn from the Cabinet and comprising the Council Leader and Cabinet members for Built Environment and Sustainability;</b></li> <li><b>1.2 Environment Overview and Scrutiny committee to be requested to look at the prioritised bids for the Environmental Improvements fund and provide feedback to Cabinet prior to allocations being agreed;</b></li> <li><b>1.3 In respect of the Promoting Cheltenham fund, a panel, including external business and cross-party member representation and the appropriate Cabinet portfolio holders for Economic Development and Culture and Finance, will be established to sign off the bidding criteria (see draft at Appendix B) and advise Cabinet on allocations and appropriate performance monitoring arrangements.</b></li> </ol> <p>Note: Proposals for New Homes Bonus are being considered by the Economy and Business Improvement Overview and Scrutiny Committee on 18<sup>th</sup> July 2011 and there will be a verbal update at Cabinet on feedback received.</p> <p>There will also be a further report relating to the Environmental Improvements</p>

fund, which will be go to Environment O&S in September. Final allocations will need to be ratified by Cabinet in due course, once the bidding processes have been completed.

<p><b>Financial implications</b></p>	<p>As set out in the report.</p> <p><b>Contact officer: Mark Sheldon</b></p> <p><b>E-mail: mark.sheldon@cheltenham.gov.uk</b></p> <p><b>Tel no: 01242 264123</b></p>
<p><b>Legal implications</b></p>	<p>The payment of funding from the environmental improvements fund to internal council departments will not require any legal documentation. However, the payment of funding from the Promoting Cheltenham fund may require the production of documentation, based on the council's 'Community Giving Grant' template, to ensure that any funding is properly spent in accordance with the approved application.</p> <p><b>Contact officer: Nicolas Wheatley</b></p> <p><b>E-mail: nicolas.wheatley@tewkesbury.gov.uk</b></p> <p><b>Tel no: 01684 272695</b></p>
<p><b>HR implications (including learning and organisational development)</b></p>	<p>There may be capacity issues that will need to be fully considered, depending on what decisions are made as to the use of the New Homes Bonus.</p> <p><b>Contact officer: Julie McCarthy</b></p> <p><b>E-mail: julie.mccarthy@cheltenham.gov.uk</b></p> <p><b>Tel no: 01242 264355</b></p>
<p><b>Key risks</b> (See also Appendix A)</p>	<ul style="list-style-type: none"> <li>▪ Financial – it will be important to ensure that any funds allocated, particularly to external organisations are the subject of appropriate controls to make sure they effectively deliver target outcomes;</li> <li>▪ Capacity – staffing resources are currently stretched and the allocation and support mechanisms for the two funding schemes therefore need to take this into account, to minimise the risk of impacts on other corporate priorities.</li> </ul>



<p><b>Corporate and community plan Implications</b></p>	<p>The two schemes being supported using New Homes Bonus funding have the potential to contribute to one or more of the following corporate priorities:-</p> <ul style="list-style-type: none"> <li>▪ Cheltenham has a clean and well maintained environment;</li> <li>▪ Cheltenham's built and natural environment is enhanced and protected;</li> <li>▪ Carbon emissions are reduced and Cheltenham is able to adapt to the impacts of climate change;</li> <li>▪ Cheltenham is able to recover quickly and strongly from recession;</li> <li>▪ We attract more visitors and investors to Cheltenham;</li> <li>▪ Our residents enjoy a strong sense of community and are involved in resolving local issues;</li> <li>▪ Arts and culture are used as a means to strengthen communities, strengthen the economy and enhance and protect our environment.</li> </ul>
<p><b>Environmental and climate change implications</b></p>	<p>The Environmental Improvements fund offers the opportunity for the Council to support schemes which will directly enhance the town's environment and contribute to helping reduce climate change impacts.</p> <p>The Promoting Cheltenham fund could offer similar opportunities depending on the nature of bids received. The assessment panel and Cabinet will need to carefully consider the balance between economic vitality and potential environmental impacts during the bid prioritisation process.</p>

## 2. Economic development update

- 2.1** There has been some excellent work by the Council's economic development team over the last few years, with a range of successful projects having been completed.
- 2.2** Within the county, the impact of public sector spending cuts have had a significant affect in some areas and although CBC has maintained its staffing base, we are two full-time members of staff down – with the Economic development manager on maternity leave and our Economic development officer securing promotion to a new role in Swindon.
- 2.3** Responsibility for the Council's economic development activities moved to the Built Environment division with effect from 1st April 2011, recognising the particularly strong links between the planning system, physical improvements to the environment and the success of the local economy.
- 2.4** National public funding cuts have meant a 50% reduction in staffing at Gloucestershire First (now gfirst), the service that promotes Gloucestershire as a destination for businesses, visitors and investors. However, at the same time, Gloucestershire has made a successful bid to the government for support for a Local Enterprise Partnership (LEP).
- 2.5** Local Enterprise Partnerships (LEPs) are a cornerstone of the new economic development policy of the coalition government. They will be formally replacing the Regional Development Agencies when they finally disappear in April 2012 and will be based on more natural and functional economic areas, with an emphasis on private sector jobs growth and business involvement.

2.6 The Local Growth White Paper outlined the potential role of the LEPs as follows:

- Working with government to draw up key investment priorities;
- Coordinating proposals or bidding directly for the Regional Growth Fund;
- Supporting high growth business;
- Ensuring business is involved in the development and consideration of strategic planning applications;
- Leading change on local business regulation;
- Strategic housing delivery, including pooling and aligning supporting funding streams;
- Working with local employers, Jobcentre Plus and learning providers to help people into jobs;
- Coordinating approaches to leveraging private funding;
- Exploring opportunities to develop incentives to encourage renewable.

2.7 What does this mean for Cheltenham?

2.8 Now is an ideal time for the Council to review the role it wants to play in securing the economic well-being of the town, within the wider national and Gloucestershire context.

2.9 Structurally, the staffing situation means that there is some short term resourcing flexibility and officers have therefore been actively considering how best to respond to the emerging economic agenda.

2.10 Economic development is a theme which spans and impacts upon a wide range of activities, including not just those of the Council, but of partner organisations in the private, statutory and voluntary sectors.

2.11 Officers consider that the Council's role is primarily to help enable the right conditions within which businesses can thrive; in the future, the Council's economic development activities should be less about direct financial support to businesses and more about creating an environment which maximises the opportunities for the private sector to create jobs and prosperity for the local economy.

2.12 The proposed approach

2.13 There are three key strands to economic development activity, which are supported by the Council directly, these are:-

2.14 **Setting strategic context** – the Council has considerable influence, through the local development framework, its corporate plan and associated policies, to set the context for the town's development and in turn, the environment within which new and existing businesses can operate and prosper;

2.15 **Promoting Cheltenham** – whilst this should be strategically directed at a Gloucestershire level by the LEP, the Council is well placed to enable local business support, to promote the specific interests of the town and to help market this offer, both locally, nationally and internationally;

2.16 **Improving Environmental Quality** – in conjunction with its Regency heritage, Cheltenham's environment and also its reputation as a 'town within a park' are key selling points, together with its retail and cultural offer as a festival town. The Council is a major player both directly and in partnership with others, in securing direct investment in the local environment.

2.17 The strategic context needs to be an integral component of each of the Council's core policy documents, particular those that are important in framing the future development of the town. There are options in this respect and these will be the subject of detailed consultation, discussion

and agreement through the joint core strategy (JCS) process.

- 2.18 Promoting Cheltenham's economic offer and improving the environmental quality of the town are the two key areas where the Council's operational activities have the greatest impact, both directly and indirectly, through business support and engagement with our partners and the wider community.

### 3. New Homes Bonus 2011

- 3.1 The Council has recently received its first allocation of the New Homes Bonus (NHB) from central government.
- 3.2 NHB has been designed to address the disincentive within the local government finance system for local areas to welcome growth. Until now, increased housing in communities has meant increased strain on public services and reduced amenities. NHB reduces this disincentive by providing local authorities with the means to help mitigate the strain the increased population causes. This should ensure that the economic benefits of growth are returned to the local authorities and communities where growth takes place. In addition, in doing so, NHB is intended to engender a more positive attitude to growth, and create an environment in which new housing is more readily accepted.
- 3.3 The Bonus commenced in April 2011, and will match fund the additional council tax raised for new homes and long term empty properties brought back into use, with an additional amount for affordable homes, in each of the following six years.
- 3.4 Cheltenham's first allocation of NHB amounts to £290,275 and Council agreed on 27<sup>th</sup> June, 2011, that this will be used to create 2 funds for the following uses:-
- 3.5 **Environmental improvements** - £130,000, supplemented by £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 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.
- 3.6 **Promoting Cheltenham** - £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 tourism activities.
- 3.7 Criteria for applying and administering these funds are being established and will be the basis for prioritisation and associated recommendations by officers. Funding is likely to be distributed in 2 phases during the year. A draft of the 'Promoting Cheltenham' bidding guidance and criteria is attached to this discussion paper (see Appendix B).
- 3.8 The environmental improvements fund will be subject to a bidding process by internal Council departments, with bids signed off by a member panel drawn from the Cabinet.
- 3.9 In respect of the Promoting Cheltenham fund, a panel including external business representation, cross-party member representation and the appropriate Cabinet portfolio holders for both economic development and culture and finance, will be established to sign off the bidding criteria and advise Cabinet on allocations and performance monitoring arrangements.

### 4. Reasons for recommendations

4.1 Cabinet needs to be satisfied that appropriate arrangements are in place for prioritising projects under each of the identified funds and to ensure that it has considered the risks which may impact on the financing and delivery of relevant outcomes.

**5. Alternative options considered**

5.1 None.

**6. Consultation and feedback**

6.1 The ‘Promoting Cheltenham’ scheme has been the subject of consultation with the Economy and Business Improvement Overview and Scrutiny Committee.

6.2 The ‘Environmental Improvements’ scheme will be the subject of consultation with the Environment Overview and Scrutiny Committee in the autumn.

**7. Performance management – monitoring and review**

7.1 Performance in implementing the environmental improvements scheme will be monitored through the Council’s normal internal performance management and scrutiny processes.

7.2 The Promoting Cheltenham scheme will be subject to performance monitoring arrangements to be agreed by Cabinet, in consultation with the advisory panel being established to oversee the bidding process and make recommendations about funding allocations.

<b>Report author</b>	Mike Redman, Assistant Director Built Environment Cheltenham 264160 (Ext 4160) <a href="mailto:mike.redman@cheltenham.gov.uk">mike.redman@cheltenham.gov.uk</a>
<b>Appendices</b>	A. Risk Assessment B. Draft bidding guidance – ‘Promoting Cheltenham’ fund
<b>Background information</b>	

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
CR29	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.	01/09/2011	All Directors  Audit Partnership Manager  Richard Gibson, policy and partnerships manager	
	If insufficient staffing capacity is available to manage allocation and monitoring processes there is a risk that projects and related outcomes will not be delivered on time, or to an acceptable standard	Director Built Environment	26/07/2011	3	2	6	Accept	Internal bids need to clearly identify resources required for effective management and delivery  Capacity for managing bidding process needs to be identified	-	Directors and service managers tasked with project delivery	

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## Promoting Cheltenham Grant Fund

### Application Guidance

#### The Fund

The Promoting Cheltenham Grant Fund is a programme which will provide grant aid (typically up to £20,000 maximum) to support events, projects and initiatives that will stimulate economic and business growth to Cheltenham by attracting more visitors to the town.

#### The Grant

Grant applications will be prioritised on the basis of their relevant merits and will be awarded to projects that meet one or more of the following themes:-

- Increased visitor numbers;
- Increased business attraction, retention or expansion;
- Increased community engagement;
- Increased number of new residents.

#### What can the grant cover?

Those expenses **reasonably** incurred for the promotion of an approved project or activity will be considered.

#### How will applications be assessed?

Grant applications can be made throughout the calendar year and will be assessed by the Council biannually. Successful applications will be approved by the Council in September and March each financial year.

#### Application Criteria

1. The project supports one or more of the Grant's themes;
2. The project is intended to have lasting economic benefits for Cheltenham and the local community;
3. The project is existing or new, but must go beyond the routine activity of your organisation;
4. The project will involve participation by Cheltenham's community;
5. Your organisation is equipped to keep appropriate records and to submit reports in respect of the project or activity, including evidence of expenditure incurred on the project;
6. Other partners are actively being sought to assist in funding the project;
7. The project will have measurable economic results (e.g. the number of attendees, revenue generated for the organisation that will remain within the community, etc.)
8. The project has yet to incur any direct costs;
9. The project will take place in Cheltenham.

If you can answer “Yes” to **all** of the above-mentioned criteria, you may be eligible for funding to assist with the costs of your planned activity.

### **What can help to make your application successful?**

Your application **MUST** clearly demonstrate the following:

- How your project focuses **on one or more** of the identified themes
- How your project is **consistent with your organisation’s aims and objectives**.
- How the **success of your project will be measured**. In what manner will the project produce economic results for Cheltenham and how will this be measured by your organisation?
- The degree of **community involvement and support**. The project should be one that generates excitement and support within the community, or that has the potential to create new and lasting economic benefits to Cheltenham.
- Your project’s **lasting benefits to the community**. Once the project’s life span has expired, what continuing benefits are likely to flow from the existence of the project?
- For **on-going projects**, can you demonstrate **sustainability** of financial support and organisation?
- How your project is **not solely reliant on public funding**. The project budget in your application should also illustrate how you plan to raise additional financial support to complement grant funding from the Council.
- If your project is eligible for other funding, how will the Promoting Cheltenham Grant Fund **complement and add value to** those other sources of funds?

### **Payment and Accounting**

Large and small projects/events must properly account for expenditure and income. All receipts and invoices must be maintained. Cheltenham Borough Council reserves the right to audit any project for which grant funds were issued.

All payments will be made only **after** receipt of a claim form and final written report.

Within **two** months (60 days) of project completion, a project-end report and claim form **must** be submitted. The report must include information about whether the project’s goals were met, how its success was measured, the level of community engagement, sustainability of the project as well as any partnership and stakeholder involvement.

More details on what to include in the project-end report and claim form will be provided in a Letter of Agreement, which must be signed by a representative of your organisation. The final grant payment will not be issued until the above report and claim form is submitted and deemed complete and accurate.



## Application Tips

1. If you answer all questions completely, we will be able to process your application faster. Missing or incomplete information will slow the processing of your application and may result in its rejection or delay until the next decision deadline. Attach additional typewritten or hand PRINTED sheets if you need more space.
2. It is the applicant's responsibility to ensure that the proposed project or activity complies with all planning, licensing, highways, health and safety and any other relevant legislation. If applicable, attach a list of all permits required and standards known to apply to your project, and describe how your project complies with them.
3. Sign and mail or fax the original completed form and any supporting documents to:
 

Promoting Cheltenham project co-ordinator  
Municipal Offices  
Promenade  
Cheltenham  
GL50 1PP
4. Retain copies of all documents for your own records.

## APPLICATION FORM

### Section A:

#### Applicant Information

- 1) Full legal name of your organisation.
- 2) Mailing address (with postal code, telephone, fax, e-mail)
- 3) Aims & Objectives of your organisation
- 4) Contact information

### Section B:

#### The Project / Event

- 1) Describe the Project or Event
- 2) Grant theme to which your project/event
- 3) When will this event take place (Date, Time and Location) or When is the expected completion date of the project.
- 4) The project or activity complies with relevant legislation Photocopies of permits (if applicable) are attached.
- 5) Attach a detailed description of the project or activity (use additional paper if you need more space).

Be sure to include information on:

- Goal(s) of the project/activity;

- How the project/activity relates to the grant themes;
- Target audience (who will participate, who will benefit);
- Level of community support/involvement;
- How the project/activity complements the objectives of your organisation;
- How the project is intended to provide lasting benefits in promoting the community;
- How results of the project/activity will be measure;
- How the project/activity will be promoted and communicated, both in the community and outside the community.

6) Attach a detailed Marketing Plan

**Section C: The Budget**

- 1) Have you applied for funding from other sources for this project?
- 2) If yes, indicate the source and amount received (or expected to be received)
- 3) Attach a detailed budget projection for the ENTIRE Event or Project

**Section D: Applicant Declaration**

*To be added*

Signature of Treasurer (if applicable)

## Cheltenham Borough Council

Cabinet – 26 July, 2011

### Business case for the proposed replacement and upgrading of parking systems in the Regent Arcade multi-storey car park

#### Report of the Cabinet Member Built Environment

<b>Accountable member</b>	<b>Cabinet Member for Built Environment, Councillor John Rawson</b>
<b>Accountable officer</b>	<b>Director Built Environment, Mike Redman</b>
<b>Accountable scrutiny committee</b>	<b>Environment</b>
<b>Ward(s) affected</b>	<b>All</b>
<b>Key Decision</b>	<b>Yes</b>
<b>Executive summary</b>	This report seeks Cabinet approval for the business case relating to the proposed replacement and upgrading of parking systems at the Regent Arcade multi-storey car park.
<b>Recommendation</b>	<b>That Cabinet approves the business case attached at Appendix A (supported by financial details contained in exempt Appendix B) and delegates authority to the Director Built Environment, in consultation with the Cabinet Member Built Environment and Chief Finance Officer, to procure the new parking system.</b>

<b>Financial implications</b>	<p>The attached business case at Appendix A sets out the financial rationale for investment, and the likely costs and savings are as set out in the summary at exempt Appendix B.</p> <p><b>Contact officer: Andrew Powers, Accountant, Andrew.powers@cheltenham.gov.uk, 01242 264121</b></p>
<b>Legal implications</b>	<p>The Council needs to comply with its contract procedure rules which require that the EU procurement procedure needs to be complied with for any procurement over the current EU limit of £156,442.00 for goods and services</p> <p>During the procurement process, the project team will need to have regard for the new code of practice for surveillance cameras in the protection of freedom's bill and ensure compliance with the principles of the Data Protection Act 1998.</p> <p>The Council leases the car park from Canada Life Limited and if any alterations to the building are required as a result of the installation of a new system, it is likely that consent will be required.</p> <p><b>Contact officer: Donna McFarlane, Solicitor donna.mcfarlane@teWKesbury.gov.uk, 01684 272696</b></p>

<b>HR implications (including learning and organisational development)</b>	<i>None arising directly from this report.</i> <b>Contact officer: Julie McCarthy, HR Operation Manager</b> <b>julie.mccarthy@cheltenham.gov.uk, Ext 4355</b>
<b>Key risks</b>	The key risks associated with the project and mitigating actions are set out in the Business case.
<b>Corporate and community plan implications</b>	Included in the business case.
<b>Environmental and climate change implications</b>	This project is only one element of the Council's overall approach to managing access to the town by local residents, visitors and commuters.  The upgraded parking system for Regent Arcade has the potential to help manage carbon emissions by providing better real time information to customers about the availability of parking spaces within the car park, thereby reducing the risk of congestion both within the car park itself and on the town centre road network.  A comprehensive car parking strategy for Cheltenham is currently being prepared and is scheduled to be reported to Cabinet for adoption in July.

## 1. Background

### 1.1 Drivers for change

#### 1.1.1 Outdated unreliable equipment

The payment and barrier equipment in Regent Arcade car park is nearly nine years old and at the end of its life cycle. It is unreliable, and each breakdown results in a repair cost, potential loss of income (if we are unable to process payments), and customer inconvenience and dissatisfaction.

#### 1.1.2 PCI compliance

The Payment Card Industry (PCI) has imposed more rigorous requirements for credit and debit card payment systems. We must upgrade the credit and debit card handling facility in Regent Arcade by 1<sup>st</sup> January 2012. If we fail to do this, we must cease handling credit and debit card payments on that date and revert to a purely cash based system. 22% of our revenue currently comes from credit and debit card payments, so disabling this feature would not be good for customer satisfaction levels.

#### 1.1.3 Need to reduce car park running costs

The parking team has a £30,000 Bridging the Gap target to deliver during this financial year. This can only be achieved if more automated, reliable and modern systems are installed, which will enable staffing levels to be reduced.

Soft market testing indicates that additional savings in the range of £6,329 to £12,865 per annum are achievable on the basis of reduced support and maintenance charges, and a reduction in the level of security required (hire of outside services).

#### 1.1.4 Need to keep up with the competition by offering newer more flexible customer options

Other car parks which have invested in more modern and flexible solutions are better equipped to meet customer needs. If Regent Arcade is to maintain its level of custom, it must keep up with the competition by offering added value services such as virtual permits and internet payment options.

## 1.2 Options appraisal

The attached business case considers three options:

- Invest in a new or upgraded pay on foot parking solution
- Upgrade only the credit and debit card functionality of the existing system to maintain compliance with financial regulations
- Do nothing

The first option is recommended as it ensures that the project objectives can be fulfilled:

- Reduce the ongoing cost of operating the Regent Arcade MSCP through the installation of a lower maintenance and more automated parking solution - savings in the range of £36,329 to £42,865 are forecast;
- Protect the Regent Arcade revenue stream (£969,200 Ex Vat) by providing the customer with a reliable, accessible, easy to use and flexible parking solution;
- Ensure that our parking payment system remains secure and compliant with Payment Card Industry standards;
- Provide a technology platform to support CBC's Smarter Travel Town strategy implementation over the course of the next five to ten years.

## 1.3 Why we've pushed ahead with the procurement before the business case is signed off by Cabinet

The project team has taken the slightly unusual step of commencing a formal procurement exercise before Cabinet approval has been obtained for the funding. This is because of the tight timescale surrounding the PCI compliance deadline of January 1<sup>st</sup> 2012. Tenderers have been advised of this situation and should Cabinet reject the proposal to procure a new / upgraded system, the Council is entitled to cancel the procurement without the need to reimburse tendering costs. No contract will be signed without Cabinet approval for the investment.

## 2. Reasons for recommendations

See the options appraisal within the business case.

## 3. Alternative options considered

3.1 As set out in the business case.

## 4. Consultation and feedback

4.1 A wide range of officers have been consulted on this project to ensure that the new system will meet Equalities act, health and safety, technical, financial and environmental requirements. The officers all support this procurement.

## 5. Performance management – monitoring and review

5.1 Daily ongoing review and monitoring of system to accomodate all eventualities in particular reactive workload that cannot be predetermined.

<p><b>Report author</b></p>	<p><b>Contact officer: Mike Redman, Director Built Environment, mike.redman@cheltenham.gov.uk, Ext 4160</b></p> <p><b>01242 264160</b></p>
<p><b>Appendices</b></p>	<p>A: Business case</p> <p>B: Estimated costs for the new system including current costs for comparison – <b>Exempt from publication – commercially sensitive information</b></p>
<p><b>Background information</b></p>	<p>None.</p>

## **BUSINESS CASE FOR REPLACEMENT OF PARKING MANAGEMENT AND OPERATING SYSTEM**

“TRAVEL PLUS”  
REGENT ARCADE

<b>Authors</b>	Owen Parry, Jon Hyde
<b>Owner</b>	Mike Redman (Project sponsor)
<b>Document location</b>	S:\Special Projects\parking systems\business case\Parking business case v1.6.doc

<b>Version number</b>	<b>Date</b>	<b>Change summary</b>
1.0	28/03/2011	First draft
2.0	08/07/2011	Business case updated for inclusion with July Cabinet report

**This document requires the following approvals:**

Mike Redman, Cllr John Rawson (Portfolio holder for built environment services), Cabinet

**This document has been distributed to:**

Mike Redman, Owen Parry, project team, project board, Cabinet

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### ***Background and strategic context***

During 2010/11 the Head of Integrated Transport & Sustainability instigated an audit review of Parking Services now incorporated into the “Travel Plus” brand; the audit review found that over a number of years, little investment had been made in the parking management and operating systems at CBC.

The review concluded that CBC should consider investment across the CBC parking facilities portfolio, thus ensuring not only are we future-proofing the infrastructure that supports Cheltenham’s move towards becoming a “Smarter Travel Town” but in addition the Council delivers cashable savings, improved customer satisfaction and better overall performance.

The first stage of the investment is directed at the existing management and operating systems in Regent Arcade multi-storey car park (MSCP), which are now considered at the end of their expected life cycle. A solution will be purchased which will provide a platform capable of being extended to additional car parks in due course.

As part of the review and evaluation process, CBC undertook a ‘soft market test’ by inviting a number of suppliers of parking management and operating equipment to present their systems. Part of the exercise was to test the assumptions being made regarding customer needs and expectations through a “Smarter Travel Town” experience.

It is clear from the review that the demand from customers for smarter choices is a key driver in the market place. It is therefore essential that CBC positions itself to meet that demand and ensure it is able to grow with the market as it evolves.

Parking today is about the use and management of space linked to an experience; it is about complementing a destination and enabling customers to have a rewarding experience. In summary, visiting Cheltenham needs to be seamless and hassle free.

In addition to the customer visitation we need to consider how we support a “Cheltenham Experience” where we are able to offer options through our parking experience, such as incentivised parking, where as a customer, you can combine your day out in Cheltenham with a range of leisure and retail experiences.

The market place should be customer led and supported by advances in technology, for example Automatic Number Plate Recognition (ANPR) which supports services like virtual permits, less manual engagement in the operation and the ability for the customer to self-manage their parking choices. There is a demand for systems that can enable the use of smart cards, smart phone applications and cashless payment options.

The choice for CBC is clear, invest now in Cheltenham’s move towards becoming a “Smart Travel Town” and support this by investment in management and operating systems that will address the medium to long term customer needs, to achieve this goal. This will also reduce the current staffing need and facilitate a reduction in revenue expenditure.

## Objectives

This procurement has the following objectives:-

1. Reduce the ongoing cost of operating the Regent Arcade MSCP through the installation of a lower maintenance and more automated parking solution;
2. Protect existing parking revenue streams by providing the customer with a reliable, accessible, easy to use and flexible parking solution;
3. Ensure that our parking payment systems remain secure and compliant with industry standards;
4. To provide a technology platform to support CBC's Smarter Travel Town strategy implementation over the course of the next five to ten years.

## Revenue (operating) costs (£000's) for Regent Arcade in 2010-11\*

Item	Cost (£000's)
Hire of outside services - Glevum Security	47.8
Equipment Repairs & Maintenance	29.9
Staffing	47.0
Total	124.7

## Gross revenue (£000's) 2010-11

Car park	Revenue (£000's)
Regent arcade	985.5

## Options appraisal

### 1) Invest in a new or upgraded pay on foot parking solution

#### Advantages

- The current system is at the end of its anticipated lifespan. Upgrading or replacing the entire solution will reduce operating costs as the new equipment will be more reliable.
- Depending on the type of solution selected, the new system will bring one or more of the following new features for customers: option to pay for parking over the internet; pay by mobile/smart phone; automatic number plate recognition (ANPR); pay by stored value card; ability to pay for your parking as you buy a theatre ticket / book hotel accommodation
- Depending on the type of solution selected, the new system will bring one or more of the following new features to parking service staff and managers: Improved management reporting; improved system security; ability to access and operate the system remotely; improved maintenance alerts e.g. coins about to run out, barrier damaged; ANPR enabling customer disputes about the parking tariff to be easily settled.

#### Disadvantages

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\* All costs presented in this document exclude VAT

- Higher capital cost than just upgrading the credit / debit card processing element of the existing system (option 2).

## **2) Upgrade only the credit and debit card functionality of the existing system to maintain compliance with financial regulations**

### **Advantages**

- Lower capital cost than upgrading the entire system (A quote of £44,150 exc. VAT has been received from the incumbent supplier for the upgrade).
- Compliance with financial regulations is maintained

### **Disadvantages**

- This approach will not enable reduced operating costs as the rest of the equipment is still at the end of its life cycle and prone to failure, leading to an unpredictable increase in support and maintenance costs, lost income and reduced customer satisfaction levels.
- This approach does not give the customer the increased flexibility that is required in terms of payment options. Failure to keep up with the market may lead to the car park becoming less attractive compared to rival facilities leading to reduced patronage.
- This approach does not deliver the technological enhancements required to enable the council to support local businesses by offering seamless parking payment options while customers reserve entertainment tickets / hotel rooms etc.
- This approach does not deliver the enhanced system functionality described in option 1 for parking staff and managers.

## **3) Do nothing**

Doing nothing is not a viable option as the equipment is beyond its due date for replacement and will become increasingly unreliable and expensive to support and maintain. Furthermore, upgrades are required (by January 1st 2012) to ensure that the current system remains compliant with industry standards for the processing of credit and debit card payments. A quote of £44,150 exc. VAT has been received from the incumbent supplier for the upgrade.

Disabling the credit and debit card facilities (rather than paying for the upgrade) is not considered wise due to the fact that customers clearly value this option – approx 22% of all parking fees are paid for in this way. Disabling credit and debit card payments could therefore lead to a reduction in customer satisfaction and a reduction in parking revenues.

The failure to introduce more automated and modern equipment will prevent the planned reduction in staffing levels at Regent arcade and the associated reduction in service operating costs. A reduction in staffing by 1.5 FTE has already been built into Bridging the Gap targets based on the assumption that the equipment upgrade would go ahead.

Finally, parking technology continues to develop apace and unless our facility stays up to speed with customer needs and expectations, it will lose ground to rival car

parks and become underutilised. Keeping up with the competition is vital to maintain current revenue streams.

### **Recommendation**

Option 1 (Invest in a new or upgraded pay on foot parking solution) is the recommend approach as it enables the achievement of all four project objectives.

### ***Financial benefits of upgrading the parking solution***

Capital and revenue costs for a variety of solutions from three suppliers are shown in the table on the following page. The companies were not given detailed requirements specifications for the soft market test exercise, although they were asked:

- To focus on pay on foot solutions with an Automatic Number Plate Recognition facility.
- To quote for Regent arcade being fitted with six pay on foot machines.
- To quote for another car park being fitted with three pay on foot machines so that the team could gauge the likely cost of expanding the system in the future to cover additional car parks<sup>†</sup>.

The companies responded by offering a range of solutions, both with and without barriers and ANPR systems. The solution types have been classified as follows:

<b>Solution type</b>	<b>With barriers</b>	<b>With ANPR</b>
1	✓	✓
2	✗	✓
3	✓	✗

A preliminary comparison of the solution types is provided in Appendix A.

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<sup>†</sup> This business case presents the costs quoted for Regent arcade only. If in the future it is decided to extend the system to cover additional car parks, this will subject to a separate business case and procurement exercise.

## **Estimated costs for the new system including current costs for comparison (all costs exclude VAT)**

See Appendix B: Exempt from publication due to the commercially sensitive content.

Please note that communications line rental is an additional overhead. This is currently £379.20 net per annum which covers the rental of two broadband internet lines. It is assumed that there will be no increase in communications line rental as a result of the system upgrade.

### **Estimated cost comments and assumptions**

1. Staffing costs can be reduced by 1.5FTE owing to the installation of more reliable and automated systems.
2. The cost of all other overheads remains unchanged by the installation of the new system – e.g. electricity consumption, data / networking charges etc.
3. In order to achieve a maximum reduction in staffing costs, it will be necessary to remove the current exemption from car parking fees for blue badge holders. This change to policy will mean that blue badge holders can use the car park without any manual intervention from Civil Enforcement Officers. For the purpose of this business case, it is assumed that this policy change will be applied. If this policy change is not applied the anticipated reduction in staffing levels may not prove to be feasible.
4. The introduction of a barrier-less ANPR system (solution 2) would make it necessary for the parking administration team to begin to issue postal penalty charge notices (PCNs) for car park users who do not pay their parking fee. It is assumed that this extra work can be absorbed without increasing admin staffing levels.

### **Financial benefits summary**

The soft market test indicates that the budgeted amount (see cabinet report Appendix B) will enable CBC to upgrade its parking system at Regent Arcade to deliver the desired functional, reliability and customer satisfaction improvements as well as annual operating cost savings in line with Bridging the Gap targets.

### ***High level implementation plan***

- Issue advertisement asking for expressions of interest – 1<sup>st</sup> June 2011
- Deadline for expressions of interest – 22<sup>nd</sup> June 2011
- Invitation to tender documents issued – 1<sup>st</sup> July 2011
- Deadline for receipt of tender documents – 22<sup>nd</sup> July 2011
- Cabinet approval for business case – 26<sup>th</sup> July 2011
- Evaluation of tenders complete - 12<sup>th</sup> August 2011
- Supplier presentations complete - August 2011
- Site visits, customer references, financial checks complete – August 2011
- Preferred supplier selected – August 2011
- Contract signed – September 2011
- Equipment manufactured and configured – October 2011
- System installed and live – November 2011

**Key risks**

ID	Description	Risk owner(s)	Date raised	Date reviewed	Impact score (4 max)	Likelihood score (6 max)	Overall risk score (impact * likelihood)	Risk mitigation actions / comments
1	The ICT department is at near full capacity. There is a risk that they will not have the capacity to support the project which could lead to significant delays.	Jon Hyde	9-Mar-2011	08/07/2011	3	3	9	The project manager will work with ICT colleagues to produce a realistic plan which fits around existing ICT commitments.
2	Changes to policy regarding blue badge holders could be controversial. If there is a lack of political buy in for the change, it may not be approved, which would lead to higher system operating costs (staff would need to manually override the barrier system to enable blue badge holders to exit without paying)	Owen Parry	7-Mar-2011	08/07/2011	2	2	4	The team will work closely with members and disability groups to ensure that policy changes are acceptable.
4	There is a risk that the project will fail to secure the level of funds required for investment. If this happens the procurement will not be permitted and additional funds must be sought to upgrade the existing system (to gain PCI DSS compliance) and maintain high staffing levels needed.	Owen Parry	9-Mar-2011	08/07/2011	3	3	9	The environment O + S committee, director of the built environment department, and portfolio holder for the built environment will be briefed on progress as the business case is developed.

ID	Description	Risk owner(s)	Date raised	Date reviewed	Impact score (4 max)	Likelihood score (6 max)	Overall risk score (impact * likelihood)	Risk mitigation actions / comments
5	The business case is predicated on the fact that the new system can be operated by fewer staff. If this assumption is incorrect, the forecast reduction in operating costs will be threatened.	Owen Parry	9-Mar-2011	08/07/2011	3	3	9	System reliability and level of automation will be key tender evaluation criteria.
6	If the new/upgraded solution is unreliable, this would lead to low levels of customer satisfaction and possible negative publicity, resulting in reputation damage for the Council. This would also lead to reduced income as customers choose to park elsewhere.	Owen Parry	9-Mar-2011	08/07/2011	3	2	6	A thorough procurement exercise will be undertaken (including site visits, customer references, supplier presentations) to mitigate the risk of selection of a poor quality solution.  The system will also be tested thoroughly by staff while the car park is closed to the public, prior to the system going live.
7	The current system at Regent Arcade is unreliable. The longer the procurement process takes, the greater the chance of disruption for customers due to system breakdowns. System breakdowns incur callout charges and lead to reduced income, so the longer we operate an unreliable system, the greater the operating costs will be.	Owen Parry	9-Mar-2011	08/07/2011	2	2	4	The existing solution supplier has given a verbal commitment to provide a rapid response to 'system down' incidents. There is however no contractual obligation for this.  The procurement will be completed as quickly as possible so that reduced operating costs can be achieved as soon as possible.

ID	Description	Risk owner(s)	Date raised	Date reviewed	Impact score (4 max)	Likelihood score (6 max)	Overall risk score (impact * likelihood)	Risk mitigation actions / comments
8	An asset management review of Regent arcade car park is under way. If the parking team does not keep the property department informed of upgrade to the parking solution there is a risk that the increased value resulting from CBC's investment is not reflected in the market valuation of this facility.	Owen Parry	9-Mar-2011	08/07/2011	3	2	6	Property department to be briefed on changes to the parking facilities throughout the project.
9	The owners and operators of the Regent Arcade shopping centre are key stakeholders in this project. If we fail to involve them in the project early, they may not buy in to our chosen solution and the implementation may suffer without their full cooperation.	Martin Quantock	9-Mar-2011	08/07/2011	3	2	6	John Forward (Regent Arcade centre manager) will be consulted at all stages of the project to ensure that the management's requirements are captured, and that the implementation plan is compatible with the centre's needs.
10	If the new/upgraded solution fails to deliver a positive customer experience (i.e. easy to use, convenient, reliable), then there is a risk that customers will choose to shop elsewhere in future.	Martin Quantock	9-Mar-2011	08/07/2011	3	2	6	Ease of use of solution, convenience, and overall customer experience will form a key component of the tender evaluation criteria.
11	If the cutover to the new system is not clearly communicated to our customers, then they may fail to operate the new system correctly leading to an increased number of fines being issued, and reductions in customer satisfaction.	Rebecca Banner	9-Mar-2011	08/07/2011	2	2	4	Detailed customer communications and system 'go live' plans will be developed to ensure that the transition to the new system is easy for customers.



ID	Description	Risk owner(s)	Date raised	Date reviewed	Impact score (4 max)	Likelihood score (6 max)	Overall risk score (impact * likelihood)	Risk mitigation actions / comments
12	If a barrierless ANPR solution is implemented the parking team will need to start issuing postal PCNs. This will generate extra work for the parking admin team. If the team does not have the capacity to absorb the extra workload, then staffing levels may need to be increased leading to higher operating costs than are currently estimated.	Owen Parry	27-May-2011	08/07/2011	3	3	9	An assessment of the admin team's capacity to absorb the extra workload will be undertaken. The process for issuing postal PCNs will be designed as efficiently as possible.
13	The project plan forecasts a launch of the new system in November. If any delays are encountered, the launch date will move closer to the busy Christmas period which should be avoided if at all possible (it's better to iron out system teething problems outside of peak periods to minimise customer inconvenience and the risk of reduced revenue).	Owen Parry	27-May-2011	08/07/2011	3	4	12	The procurement and system implementation will be given a high priority and completed as swiftly as possible to avoid going live in December.

**Appendix A: Preliminary solution comparison**

The parking team are very interested in Automatic Number Plate Recognition (ANPR) – a system which automatically records license plates, vehicle photos, and dates/times of entry and exit. ANPR complements pay on foot solutions and improves the customer experience by removing the need for the customer to carry around a ticket or token.

With a ticket/token based system, the time of entry to the car park is recorded on the ticket/token. The time is then read when the token/ticket is entered into the pay station before the customer exits the car park. The entry time is compared with the current time to calculate the appropriate fee.

With ANPR, the parking fee is calculated when the customer enters their licence plate number into the pay station. The system looks up the time of entry to the car park and the appropriate tariff is requested. Ticketless/tokenless solutions are lower maintenance as they have fewer moving parts than traditional systems.

ANPR solutions offer the potential for barrierless parking. With ANPR, the customer does not need to insert a token/ticket at an exit barrier to prove that they have paid and therefore raise the barrier. Instead a camera reads the license plate when the vehicle exits. The system then checks that an appropriate tariff has been received for that vehicle. If the tariff has not been paid, the vehicle will be flagged by the system so that a reminder can be sent. If the reminder is ignored a Penalty Charge Notice will be issued.

Some ANPR solutions include entry and exit barriers to reduce the incidence of drivers exiting without paying, and to provide a ticket/token backup solution which comes in to play when the license plate cannot be recognised.

The table below summarises the key differences between the three models of operation: Pay on foot system with barriers and ANPR (Solution type 1); Pay on foot system without barriers, with ANPR (Solution type 2); Pay on foot system with barriers but without ANPR (Solution type 3):

Table 1: Solution comparison

Feature	Solution type 1	Solution type 2	Solution type 3
Barriers	<p>Entry and exit barriers required (more moving parts and higher system maintenance cost)</p> <p>Improved control over traffic flow – ability to prevent access if the car park is full.</p>	<p>No barriers means less moving parts and lower maintenance costs.</p> <p>Having no barriers may however not be desirable for Regent Arcade on health and safety grounds and because of the reduced control over entry to the car park. When the car park is full, it is helpful to prevent access so that the car park does not become over congested with customers hunting for a space.</p> <p>Without exit barriers, cars could potentially exit the car park at speed posing a risk to pedestrians. The introduction of speed bumps could mitigate this risk.</p>	<p>Entry and exit barriers required introducing more moving parts and higher system maintenance cost.</p> <p>Improved control over traffic flow – ability to prevent access if the car park is full.</p> <p>Improved safety – cars cannot speed in or out of the car park.</p>
Penalty Charge Notices	Barriers prevent customers who have not paid from leaving the car park, so no postal PCNs are issued under the regular pay on foot system. Some PCNs are left on vehicle windscreens where vehicles have been parked across bay perimeters	Customers who exit the car park without paying must be issued with postal PCNs. Going barrierless will therefore increase the workload of the parking administration team. Fines are expensive to recover, so the Council wishes to keep the number of fines issued to a minimum.	Barriers prevent customers who have not paid from leaving the car park, so no postal PCNs are issued under the regular pay on foot system. Some PCNs are left on vehicle windscreens where vehicles have been parked across bay perimeters.
Security	The ANPR system ensures that vehicle	The ANPR system ensures that vehicle	No license plate details are stored.

Feature	Solution type 1	Solution type 2	Solution type 3
	<p>license plates are logged and stored. This provides a wealth of information about vehicle movements which could potentially be of use to the police and security services. It is not clear however whether data protection legislation prevents the sharing of this information.</p>	<p>license plates are logged and stored. This provides a wealth of information about vehicle movements which could potentially be of use to the police and security services. It is not clear however whether data protection legislation prevents the sharing of this information.</p>	
<p>Ticket/chip coin entry and exit terminals</p>	<p>Where an ANPR system is implemented with barriers, the entry and exit terminals can operate as a backup system should the camera fail to read the car number plate. In this circumstance, on entry the barrier would not raise and the customer would instead take a ticket / chip coin. They would then use the system in the regular pay on foot manner (validating their ticket/chip coin at a paystation before leaving, and entering the ticket/chipcoin into the exit terminal to leave). This backup system means that no manual intervention is required when there is an ANPR mis-read.</p>	<p>It is possible to do away altogether with entry and exit ticket / chipcoin terminals with solution 2, leading to lower maintenance costs. Having no ticket/chip coin system does however pose a problem when license plates cannot be read, as there is no automated backup process for ensuring that appropriate fares are paid. This will lead to extra manual interventions.</p>	<p>Entry and exit ticket/chip coin terminals are required (with higher maintenance costs). The entry terminal issues the ticket/chip coin and writes the entry date and time to the token. For paper tickets, the date and time of entry is often visibly printed onto the ticket so that the customer can keep an eye on how much time has passed – and therefore how long they have left before the fee increases. This is not possible with a chipcoin.</p> <p>Before exiting, the ticket/chipcoin is validated when the customer pays at the pay station.</p> <p>On exiting, the ticket / chip coin is inserted into the exit terminal causing the barrier to be raised.</p>
<p>Pay on foot machines</p>	<p>These pay stations must enable both methods of payment calculation –</p>	<p>With type 2 solutions, the pay on foot machines must have an interface</p>	<p>As the customer simply enters their chipcoin/ticket into the pay station, there</p>

Feature	Solution type 1	Solution type 2	Solution type 3
	<p>customers entering license plate information and selecting their vehicle and customers entering a chipcoin / ticket.</p>	<p>enabling customers to identify and select their vehicle from all those currently present in the car park. Once the vehicle is selected, the relevant fee is presented and the customer pays. The additional step of finding and selecting the customer's vehicle (compared to the ticket/chip coin approach) adds time and complexity to the overall transaction. Elderly customers in particular are likely to find the extra step difficult which may lead to extra calls for assistance. Additional pay stations may be required in busy locations because of the extra time needed per transaction.</p>	<p>is no need to lookup their vehicle on the system. This means that transaction times are lower, and so potentially less pay on foot machines are required than in the ANPR setup.</p>
<p>Lost tickets / chip coins</p>	<p>The presence of ANPR means that pictures of cars entering the car park can be reviewed so that the correct fare can be calculated.</p>	<p>Provided that the customer's licence plate was correctly read on entry, they will not have a ticket or chip coin to lose, so there will be fewer incidents where customers need to negotiate the fare price with staff. ANPR also enables staff to go back through the images of vehicles entering the car park so that an accurate fare can be calculated even when there was a problem reading the licence plate.</p> <p>Dealing with misread license plates may</p>	<p>Without ANPR there is no way to establish which time a particular vehicle entered the car park, so in the event of a lost ticket / chip coin, the customer must negotiate a fare with a Civil Enforcement Officer, which is time consuming and can lead to an unpleasant confrontation.</p>

Feature	Solution type 1	Solution type 2	Solution type 3
		however equate to as much staff time as dealing with lost tickets / chip coins in a non-ANPR system.	

Until detailed tenders are received it is not possible to conclude which type of solution would be most appropriate for Regent Arcade car park. All bids will be scored against a standard set of evaluation criteria to enable the selection of the best all round performer. It is conceivable that a hybrid solution combining elements from two or more of the solution types will prove to be the optimum solution.

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**Lease of the Bath Terrace Car Park Toilets at less than best consideration to Bath Road Traders Association**

<b>Accountable member</b>	<b>Cabinet Member for Built Environment ,Councillor John Rawson</b>
<b>Accountable officer</b>	<b>Head of Property and Asset Management - David Roberts</b>
<b>Accountable scrutiny committee</b>	<b>Environment</b>
<b>Ward(s) affected</b>	<b>Park</b>
<b>Key Decision</b>	<b>No</b>
<b>Executive summary</b>	<p>The Cabinet is being asked to consider leasing the Bath Road Car Park toilets to the Bath Road Traders Association (BRTA) for three years. This is to allow BRTA to manage the cleaning , opening and closing of the toilets. This will allow the toilets to be kept open following the Councils previous decision to close them.</p> <p>It is proposed that a rent should not be charged and therefore could be considered to be at less than best consideration. Although the lease does not require best consideration consent under S123 of the Local Government Act of 1972, as it is for less then seven years. In line with Cheltenham Borough Council's constitution, all leases at less than best consideration must be agreed by Cabinet.</p> <p>The Council is retaining the responsibility for the building other than the cleaning, opening and closing. For example – repairs and insurance (including PLI).</p> <p>BRTA have already taken on the responsibility, and currently have occupation by way of a Tenancy at Will, which will remain in place until this decision is taken.</p>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li><b>1. To let the building shown edged red on the attached plan to Bath Road Traders Association</b></li> <li><b>2. To delegate authority to the Head of Property and Asset Management in consultation with the Head of Legal Services, to agree the terms of the lease and conclude the letting</b></li> </ol>

<b>Financial implications</b>	<p>The financial implications for operating the Bath Road toilet facility are as highlighted in the report below.</p> <p>In-house option Para 1.5 - £52,000</p> <p>Outsourcing option Para 1.6 - £23,500</p> <p>Bath Road Traders Association Para 1.8 - £7,194</p> <p><b>Contact officer:</b> Andrew.Powers</p> <p><a href="mailto:andrew.powers@cheltenham.gov.uk">andrew.powers@cheltenham.gov.uk</a> 01242 264121</p>
<b>Legal implications</b>	<p>Although the Council is not obliged by s123 of the Local Government Act 1972 to obtain best consideration, it must act prudently. Cabinet may consider that the wide powers contained in the Local Government Act 2000 enable it to grant the proposed lease at nil consideration.</p> <p>Appropriate steps will be taken prior to completion of the lease to ensure that the tenant does not obtain the benefits of security of tenure granted to business tenants by the Landlord &amp; Tenant Act 1954</p> <p><b>Contact officer: Rose Gemmell, <a href="mailto:rose.gemmell@tewkesbury.gov.uk">rose.gemmell@tewkesbury.gov.uk</a>, 01684 272014</b></p>
<b>HR implications (including learning and organisational development)</b>	<p>None</p>
<b>Key risks</b>	<p>No financial risks as costs are known</p>
<b>Corporate and community plan Implications</b>	<p><b>Enhancing and protecting our environment</b></p> <ul style="list-style-type: none"> <li>• Using our property assets effectively for the benefit of the community;</li> </ul> <p><b>Strengthening our communities</b></p> <ul style="list-style-type: none"> <li>• Working in consultation with the community, community groups and the voluntary sector;</li> </ul>

## 1 Background

- 1.1 The Public Toilets are located in Bath Terrace Car Park, which is in close proximity to the Bath Road shopping area.
- 1.2 Following the Cabinet decision in February 2011 (as part of the Bridging the Gap initiatives outlined in the General Fund Budget Proposals), to close the majority of the public toilets in Cheltenham including the toilets in Bath Terrace Car Park, the Bath Road Traders Association ( BRTA) made representations to the Council as they consider these toilets provide an important facility and contribute to the continuing success of the Bath Road shopping area.
- 1.3 CBC have already implemented a revision to the work force considered necessary to service the 5 toilet blocks that would remain open following the Cabinet decision in February.
- 1.4 The current crew are already working at full capacity servicing the remaining five public conveniences as they have the added responsibility of opening, closing and cleaning the pavilions located within our public playing fields throughout the borough which are regularly used

by sport's and social clubs throughout the year. As a result the optimum number of public conveniences the team can manage from an operational and cleaning perspective is 5

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- 1.5 To retain the opening and cleaning of the Bath Road Toilets in house due to the structure and commitment of the current work force would entail re-employing an additional public convenience crew of 2 full time equivalent staff, based on salary Grade C (and who in effect would not be working at full capacity) plus transport, it would also be necessary to account for 14 weeks agency labour to provide holiday and sickness cover. The total cost to CBC would be £52,000 pa and therefore would be a disproportionate cost to the Council for the work to be undertaken.
- 1.6 Consideration has also been given to employing external contractors estimates indicate that this would cost in the region of £23,500 pa to open close and clean the toilets in Bath Terrace
- 1.7 As a result of the above an alternative resolution to address the issue involved the engagement and negotiations with the BRTA.
- 1.8 The BRTA expressed an interest in assisting in keeping the toilets open, and subsequently agreement has been reached between BRTA and CBC, whereby BRTA will manage the cleaning, opening and closing of the toilets, for which CBC will pay BRTA for the service, at 12 equal monthly instalments of £599.50 which equates to £7194 pa. This represents by far the most cost effective option, and a saving of £16,306 over the next most cost effective option (Para 1.6).
- 1.9 With each of the above options responsibility for the repair, insurance (including PLI), utility charges and rates, will remain with CBC, and which are estimated at £5,820 pa.
- 1.7 To facilitate this it is necessary to grant to BRTA a lease for which it is not intended to charge a rent. It has been agreed that BRTA can use the building for advertising and could if they wish charge for use. Therefore, the lease could be considered to be at less than best consideration and must be agreed by Cabinet in-line with the Councils constitution.
- 1.8 General Consents issued by the Secretary of State include the Well Being Powers created under the Local Government Act 2000, give the Council authority to dispose at less than best consideration if it leads to:
  - The promotion or improvement of economic well-being
  - The promotion or improvement of social well-being
  - The promotion or improvement of environmental well-being
- 1.9 It is considered that the agreement negotiated with the BRTA satisfactorily meets these criteria.

## **2. Property Lease Information**

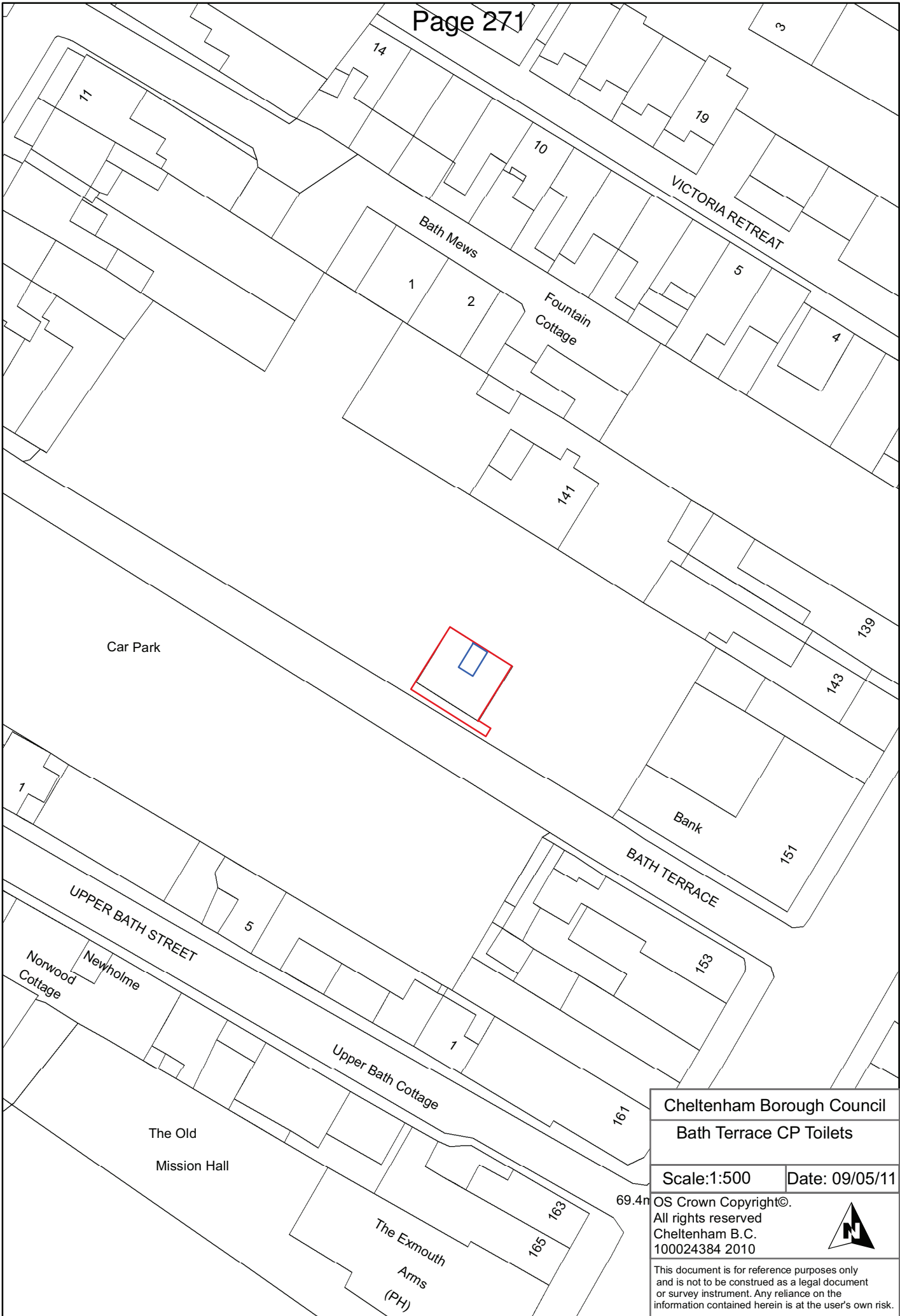
- 2.1 BRTA have already taken on the responsibility for provision of the toilets and currently have occupation by way of a Tenancy at Will, which will remain in place until this decision is taken.
- 2.2 The lease proposed is for three years, at nil consideration with an annual mutual break clause. The lease will be contracted out of the security of tenure provisions of the Landlord and Tenant Act 1954, allowing CBC to gain possession at the end of the lease or at the break clause if exercised.
- 2.3 BRTA are responsible for the cleaning, opening and closing of the toilets. BRTA will not be permitted to undertake any alterations to the premises, but will be allowed to affix notice/advertising boards to the building subject to Council approval, not to be unreasonably withheld. BRTA will not be permitted to assign or sublet the property. BRTA will be allowed to charge for use of the toilets if they wish.
- 2.4 CBC are responsible for keeping the premises in repair and decoration. CBC will pay the utility bills and Rates. CBC will insure the building, and provide PLI cover for the use as public toilets.


**2.5** Not to be included in the lease, but as part of the agreement, BRTA are to invoice CBC for the cost of the cleaning contractors and CBC will provide consumables to BRTA.

**3. Consultation**

**3.1** Councillor Whyborn has been heavily involved in the discussions and agreement with BRTA.

<b>Report authors and contact officers</b>	<b>Scott Ramsay, Estate Surveyor</b> <b>Scott.ramsay@cheltenham.gov.uk</b> <b>01242 775166</b>
<b>Appendices</b>	
<b>Background information</b>	



Cheltenham Borough Council	
Bath Terrace CP Toilets	
Scale: 1:500	Date: 09/05/11
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**Lease of the Stanton Rooms and Church Piece Public Toilets at less than best consideration to Charlton Kings Parish Council**

<b>Accountable member</b>	<b>Cabinet Member for Built Environment</b> <b>Councillor John Rawson</b>
<b>Accountable officer</b>	<b>Head of Property and Asset Management - David Roberts</b>
<b>Accountable scrutiny committee</b>	<b>Environment</b>
<b>Ward(s) affected</b>	<b>Charlton Kings</b>
<b>Key Decision</b>	<b>No</b>
<b>Executive summary</b>	<p>The Cabinet is being asked to consider leasing the Stanton Rooms and Church Piece public toilets to Charlton Kings Parish Council (CKPC). This is to allow CKPC to take over the provision of public toilet facilities and to allow them to operate the Stanton Rooms as a community facility.</p> <p>The lease is at nil consideration, and therefore could be considered to be at less than best consideration. Save for the exception set out below, under S123 of the Local Government Act of 1972, leases over 7 years must be at the best consideration reasonably obtainable and in line with Cheltenham Borough Council’s constitution, all leases at less than best consideration must be agreed by Cabinet.</p> <p>General Consents issued by the Secretary of State include the Well Being Powers created under the Local Government Act 2000, which give the Council authority to dispose at less than best consideration if it leads to:</p> <ul style="list-style-type: none"> <li>○ The promotion or improvement of economic well-being</li> <li>○ The promotion or improvement of social well-being</li> <li>○ The promotion or improvement of environmental well-being</li> </ul> <p>The Secretary of State has granted a General Consent to dispose of property (including the grant of leases for more than 7 years) at an undervalue where one or more of the above criteria is satisfied. The difference between the disposal value and the “best consideration” must be less than £2m. The disposal proposed by this report would enjoy the benefit of the General Consent</p> <p>The Council has agreed to undertake works to repair a leaking roof at the Stanton Rooms and to assist in CKPC’s proposed plan to re-configure both these and the toilets to create a parish office. The proposals are currently being progressed but the estimated costs are currently not available. However the view is that the works are not complicated and they should be able to be undertaken at a reasonable cost. CKPC will subsequently seek Central funding for the works, but should there be a gap in the funding they may approach CBC for a contribution.</p> <p>CKPC have already taken on the responsibility of providing public toilet facilities and have also taken on the running of the Stanton Rooms as interim managers. They have occupation by way of two Tenancy at Wills, which will remain in place until this decision is taken.</p>

**Recommendations**

1. To let the buildings shown edged red on the attached plan to Charlton Kings Parish Council
2. To delegate authority to the Head of Property and Asset Management in consultation with the Head of Legal Services, to agree the terms of the lease, to undertake the proposed works, providing the Head of Property considers the costs to be reasonable, and subsequently conclude the letting.

**Financial implications**

The costs of repairs to the Stanton Rooms roof are yet to be determined by Cheltenham BC, these costs will be financed from the Property Repairs and Maintenance budget.

The costs of creating a parish office are also yet to be determined and will be financed by Charlton Kings Parish Council who will seek potential external funding. If they are unsuccessful in obtaining external funding they are at liberty to approach Cheltenham BC and seek a contribution towards the cost of these works.

Savings from the closure of Stanton Rooms could deliver £4,800 in a full financial year represented by expenditure savings of £10,400 and lost income of £5,600.

The savings from the closure of the public toilet facility have already been taken in the 2011/12 budget process as part of the global savings on closure of public toilets generally through the Bridging the Gap process.

**Contact officer: Andrew Powers**  
[andrew.powers@cheltenham.gov.uk](mailto:andrew.powers@cheltenham.gov.uk) 01242 264121

**Legal implications**

The legal implications are contained in the Executive Summary above.

A separate agreement may be required with CKPC in respect of the agreed works, to include provision for any future roof works, and the ownership of any guarantees or warranties in respect of the works generally.

**Contact officer: Rose Gemmell, [rose.gemmell@tewkesbury.gov.uk](mailto:rose.gemmell@tewkesbury.gov.uk), 01684 272014**

**HR implications (including learning and organisational development)**

None

**Key risks**

Low financial risks



- Using our property assets effectively for the benefit of the community;

**Strengthening our communities**

- Working in consultation with the community, community groups and the voluntary sector;

## **1 Background**

- 1.1** The Stanton Rooms comprise a community room and associated kitchen and toilet facilities, located within the Charlton Kings local centre. The Church Piece public toilets are attached to the Stanton Rooms.
- 1.2** The Stanton Rooms were declared surplus to CBC requirements at the end of the last financial year, and during this year ran at a loss of £4,200. An option appraisal was being undertaken to investigate the best future use of the Rooms. There was a lot of political support for the Rooms to remain in community use and CKPC were considered to be the most suitable party to take over their running.
- 1.3** In the interim period whilst the site was being appraised and reports prepared for the various Working Groups and Cabinet, CKPC actually took over the running of the Rooms so they would not be closed. This kept the facility open for the community and protected the income generated by the users, which would have been lost to other facilities, making the Rooms more difficult to reopen.
- 1.4** Whilst the process as detailed above was taking place, the Council took the decision to close a number of the public toilets in Cheltenham. The toilets in Church Piece are a well used facility which CKPC are keen not to see the facility lost. As re-provision could not be found elsewhere in the local area negotiations with CKPC have been held in respect of the principle of them taking over responsibility for provision of public toilet facilities.
- 1.5** An agreement was reached between CBC and CKPC in respect of the buildings being leased to CKPC for nil consideration. CKPC will operate the Stanton Rooms as a community facility and have committed to keep a public toilet facility available.
- 1.6** CBC will undertake the previously agreed roof works to the Stanton Rooms and assist CKPC's proposed plan to undertake works to re-configure and extend the Rooms and toilets to create a Parish office
- 1.7** The lease of the Stanton rooms and toilets will be for nil consideration. CKPC can charge for the use of the rooms and could if they wish erect advertising and charge for the use of the toilets. Therefore the lease could be considered to be at less than best consideration and must be agreed by Cabinet in-line with the Councils constitution and under S123 of the Local Government Act 1972.

## **2. Property Lease Information**

- 2.1** CKPC have already taken on the responsibility for provision of the toilets and acting as interim managers of the Stanton Rooms. They currently have occupation by way of two Tenancy at Wills, which will remain in place until this decision is taken.
- 2.2** The lease is proposed to be for 99 years, at nil consideration.
- 2.3** CKPC will take on full responsibility for the buildings, and commit to providing a public toilet

facility. CBC are to undertake works to repair the roof of the Stanton rooms.

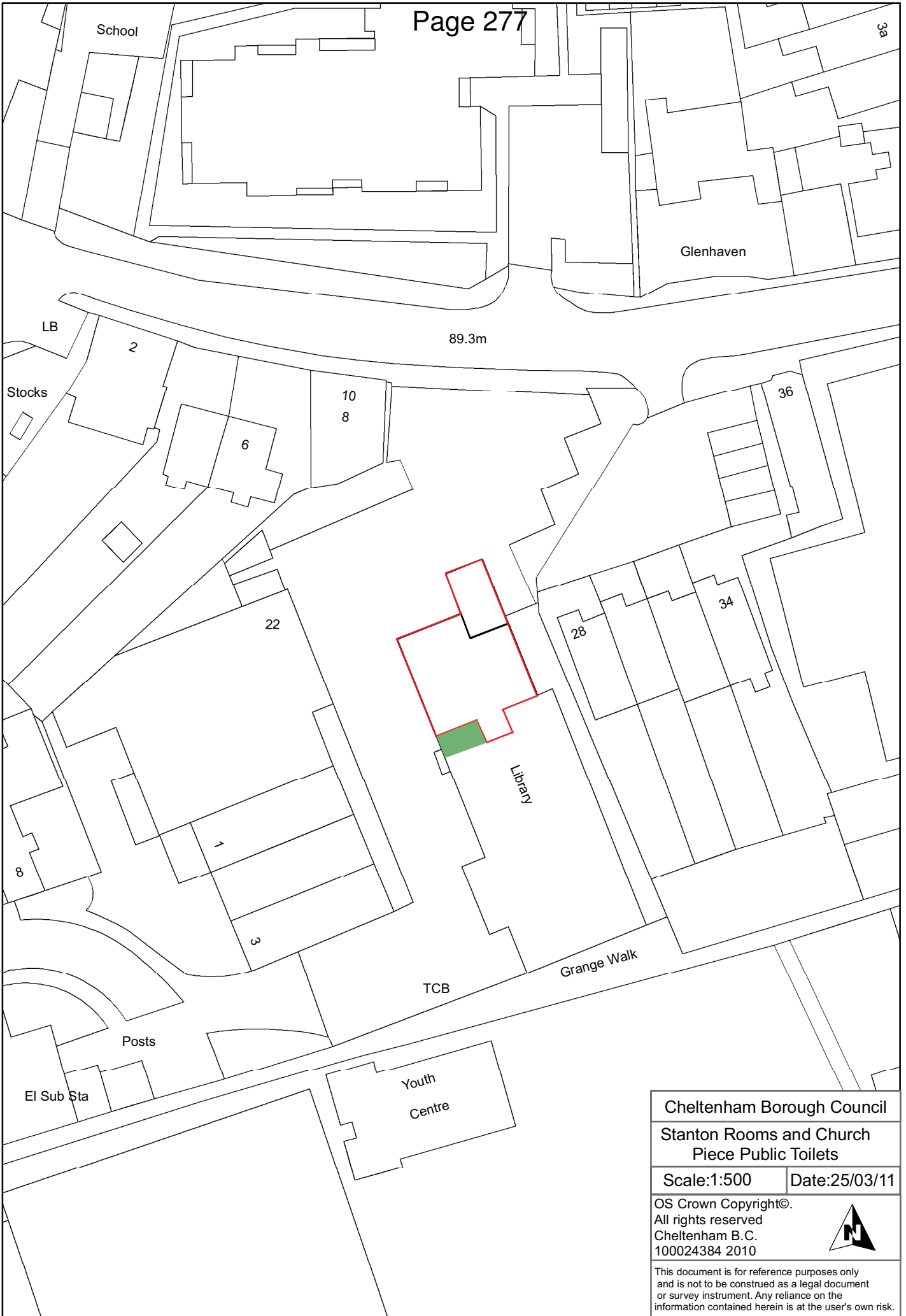
- 2.4 There will be a user clause to only allow the use of the buildings as public toilets, community rooms, and as a Parish office.
- 2.5 The Lease will not allow assignment or sub-letting, so CKPC cannot sell on their interest.
- 2.6 There will be an agreement that when the project to provide an extension/Parish office has been designed and the costs known, together with CKPC having explored funding opportunities, CKPC can approach CBC to discuss any funding contributions required to the project. This will however not be entered into the lease.

### 3. Consultation

- 3.1 The Ward Councillors were consulted in respect of the Stanton Rooms and supported the principle of CKPC having a future involvement in the Rooms. There was consultation between Councillor John Rawson and his Cabinet colleagues due to CKPC taking on the interim managers role. There was considerable political will for the Rooms to be let to CKPC to allow their continued community use.

Councillors Roger Whyborn and John Webster have been involved in the discussions around the re-provision of public toilets and are aware of the proposed agreement with CKPC.

<b>Report authors and contact officers</b>	<b>Scott Ramsay, Estate Surveyor</b> <b>Scott.ramsay@cheltenham.gov.uk</b> <b>01242 775166</b>
<b>Appendices</b>	
<b>Background information</b>	



Cheltenham Borough Council

Stanton Rooms and Church  
Piece Public Toilets

Scale:1:500

Date:25/03/11

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## Cheltenham Borough Council

**Cabinet – 26 July 2011**

**Montpellier Lodge, Montpellier Gardens.**

**Proposed disposal of freehold interest and consideration  
of formal objections received following public consultation**

<b>Accountable member</b>	<b>Cabinet Member Built Environment - Councillor John Rawson</b>
<b>Accountable officer</b>	<b>Head of Property and Asset Management - David Roberts</b>
<b>Accountable scrutiny committee</b>	<b>Environment</b>
<b>Ward(s) affected</b>	<b>Lansdown</b>
<b>Key Decision</b>	<b>Yes</b>
<b>Executive summary</b>	<p>Montpellier Lodge is in the western corner of Montpellier Gardens as shown edged red on the site plan below.</p> <p>The Lodge is surplus to operational requirements and is currently vacant</p> <p>An options appraisal was submitted to the Asset Management Working Group in September 2010 to consider whether the Council should retain the property for leasing out or dispose of the freehold.</p> <p>Discounted cash flows produced in consultation with Financial Services indicated that the best financial option was to dispose of the freehold</p> <p>Following an update to Asset Management Working Group in December 2010, authority was given for the Head of Property and Estate Management to place the premises on the open market and seek bids for the freehold purchase.</p> <p>Four of the resultant ten bids received were above the threshold level of £250,000, resulting in the necessity for the matter is to be considered at Cabinet level as a key decision.</p> <p>Prior to any decision being made on the bids received, consideration must first be given by Cabinet to all written objections to the proposed disposal of the premises, this due to the property being situated on land classed as public open space. These objections must be considered prior to any recommendation to sell the property</p>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li><b>1 That Cabinet consider the relevant objections received and to decide whether or not as a result of those objections to dispose of the freehold of Montpellier Lodge</b></li>   <li><b>2 If Cabinet decides to dispose of the freehold of Montpellier Lodge, this to be to the preferred purchaser as identified in Appendix 2, (Exempt information not for publication by virtue of paragraph 3,</b></li> </ol>

part (1), schedule (12A) Local Government Act 1972), subject to that purchaser obtaining all necessary planning and licensing consents.

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- 3 To delegate authority to the Head of Property and Asset Management in consultation with the Head of Legal Services, to agree the terms of the disposal to the preferred purchaser and conclude the sale.
- 4 In the event of a sale not proceeding to the preferred purchaser to delegate authority to the Head of Property and Asset Management in consultation with the head of Legal Services to negotiate with the under bidders and conclude a sale.
- 5 To repay to the Heritage Lottery Fund the grant funding attributable to monies spent on the subject premises in 2004, if requested to do so by the Trustees of the Fund

**Financial implications**

The offers were made following an appropriate period of marketing and as such reliance can be placed on the fact that they represent best available consideration.

The preferred option is the highest bid and this is wholly acceptable in financial terms.

Due to the Heritage Lottery Fund involvement in Montpellier Gardens, it is likely that some of the grant funding paid to the Council will have to be repaid. The amount is estimated to be £6 to £10k and the amount not affected by the option selected. This repayment is not significant enough to call into question the proposed sale. although it should be considered when decisions are made as to the use of the capital receipt.

The sale would generate a revenue saving of £141,000 as planned maintenance on the building over the next 20 years would no longer be required.

**Contact officer: Nina Philippidis**

**e-mail [nina.philippidis@cheltenham.gov.uk](mailto:nina.philippidis@cheltenham.gov.uk)**

**Tel no: 01242 775221**

<p><b>Legal implications</b></p>	<p>Under s123 of the Local Government Act 1972 the Council has a statutory duty upon the disposal of a freehold interest to sell the land for the best price that can reasonably be obtained.</p> <p>If however freehold ownership is retained, then under the Public Health Acts Amendment Act 1907, Section 76(1)(g), use of the building is restricted as it must be used in such a way that benefits the general public and is also ancillary to the park use.</p> <p>If however the freehold is disposed of, then subject to planning, there would be no limit on the use for the purchaser.</p> <p>Under s123 (2A) of the Local Government Act 1972, before taking a decision to dispose of land which forms part of open space land (which is defined as "any land laid out as a public garden, or used for the purposes of public recreation, or land which is a disused burial ground") the Council must first advertise such intention in a newspaper circulating in the area, and consider any objections.</p> <p>There is no other statutory obligation to consult prior to sale of land of this nature; nor is there a statutory period set out for objections to be received. The Council must therefore allow a "reasonable" period for the receipt of objections. In practice a period of 2-4 weeks (depending on the size and nature of the proposed disposal) is usually allowed for receipt of objections.</p> <p>As the requirement to advertise is limited to open space land, the objections to be considered must reasonably relate to the loss of open space land in order for them to be properly relevant.</p> <p><b>Contact officer: Rose Gemmell</b></p> <p><b>e-mail <a href="mailto:rose.gemmell@tewkesbury.gov.uk">rose.gemmell@tewkesbury.gov.uk</a> Tel 01684 272014</b></p>
<p><b>HR implications (including learning and organisational development)</b></p>	<p>None</p>
<p><b>Key risks</b></p>	<p>The highest bid for a restaurant/café/delicatessen with living accommodation over and with a proposal to erect a conservatory style extension in the rear courtyard is only viable after planning permission and a license to sell alcoholic drinks are first obtained.</p> <p>There is a risk these approvals may not materialise and should a sale be agreed with the second highest bidder (who would also require planning permission for conversion to a cafe) this would generate a significantly lower capital receipt to the Council.</p> <p>There is further risk that if the second highest bidder is unsuccessful with his planning application and that disposal also fails to materialise and approaches made to the third (and fourth) highest bidders, there is a risk the capital receipt would be substantially less than that of the preferred bidder</p>
<p><b>Corporate and community plan Implications</b></p>	<p>The capital receipt can be used to fund future capital expenditure, which will help to deliver corporate and community plan objectives.</p>

## 1 Background

- 1.1** The property is a former park-keepers cottage and is located in the western corner of Montpellier Gardens, as shown edged red on the site plan below. The Gardens themselves, as shaded in blue on the plan is established public open space close to the centre of Cheltenham and are an important part of the town's Regency landscape.

The Lodge has been vacant for almost 3 years and is surplus to operational requirements.

It has also been estimated that to keep the building in sound condition, planned preventative maintenance costs would amount to £141,000 over the next 20 years.

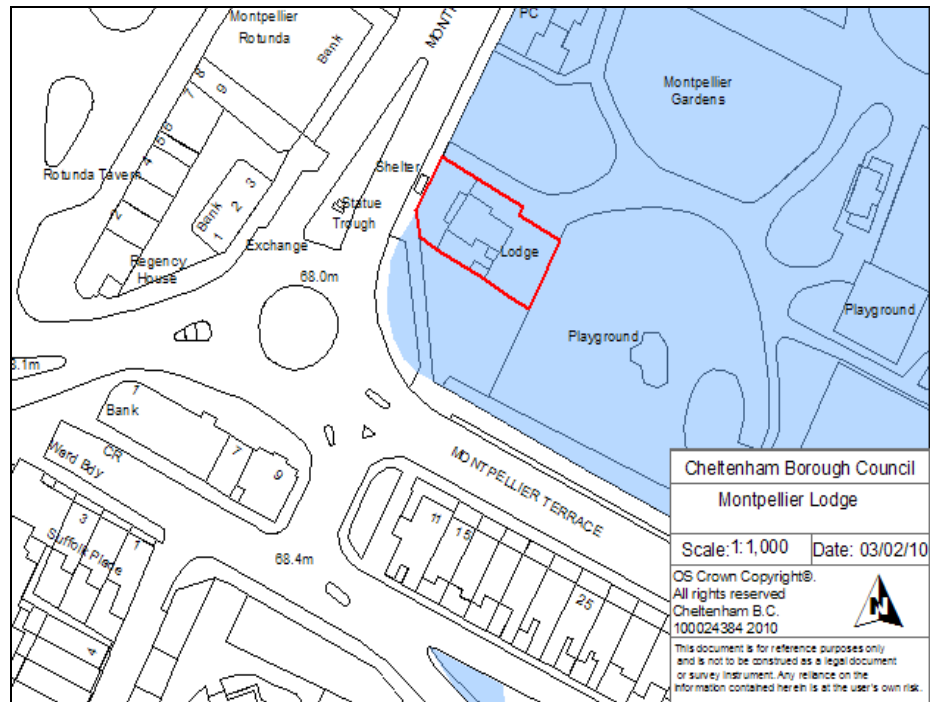
The property is within the Principal Urban Area and, being part of the Montpellier Gardens is identified as Public Open Space within the Local Plan.

The Planning Department has confirmed the planning use is as a dwelling, so no planning approval is required if subject premises sold off as a dwelling house

- 1.2** An options appraisal was placed before the Asset Management Working Group in September 2010 with a further update issued to its December meeting.
- 1.3** At the December meeting it was agreed that the Head of Property and Asset Management take steps to place the premises on the open market and invite bids for the freehold acquisition of the premises and to request of purchasers details of their intended use. On receipt of these bids and after the Head of Property and Asset Management had given due consideration to the viability of each, to then advertise in the local press the Council's intentions to dispose. together with the intended use.
- 1.4** Ten bids were received during marketing period in February (these detailed in Appendix 2)
- 1.5** The highest bid was for a restaurant/café/delicatessen use with living accommodation at first floor level and for the erection of a conservatory style extension in the rear courtyard.
- 1.6** An advert was placed in the local press for two consecutive weeks in late March detailing this proposed use, all in accordance with statutory procedures set out in Section 123 (2A) of the Local Government Act 1972. The deadline for objections was set at 11<sup>th</sup> April 2011.
- 1.7** Two letters of objection were received during the consultation period, a copy of one of which is contained in Appendix 1 as it contained a number of relevant objections relating to prospective loss of public open space. The other letter contained one objection – which was not relevant as it did not relate to the potential loss of public open space.
- 1.8** Responses to these two letters of objections from both the Head of Property and Asset Management and the Head of Legal Services are also included in Appendix 1.
- 1.9** At the same time as the consultations were being carried out it was established that if a freehold sale was being contemplated by the Council, approval to proceed with this would first be required from the Heritage Lottery Fund from whom a grant was obtained in 2004 to carry out improvements to the Montpellier Gardens.
- 1.10** Approval to this prospective disposal has now been given by the Trustees of the Heritage Lottery Fund and a side letter to that effect duly signed by both parties and attached to the grant contract in June 2011.



**Site Plan**



**2. Reasons for recommendations**

2.1 Potential capital receipt from a surplus asset.

**3. Alternative options considered**

3.1 Leasing out for both commercial and community use has been considered but Members of the Asset Management Working Group agreed at its December 2010 meeting to authorise the Head of Estates and Property Management to place the premises on the market for disposal

3.2 Ward members, Cllrs Seacombe and Driver were consulted prior to the premises being placed on the market.

**4. Performance management –monitoring and review**

Not applicable

<p><b>Report author</b></p>	<p><b>Norman Ashworth, Senior Estates Surveyor</b>  <b>norman.ashworth@cheltenham.gov.uk</b>  <b>Tel 01242 264109</b></p>
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<b>Appendices</b>	<p>Appendix 1 Letters of objection and responses</p> <p>Appendix 2 Bid summary - Exempt Information -Not for publication by virtue of paragraph (3) part (1) Schedule 12 (A) Local Government Act 1972.</p>
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## Proposed disposal of the freehold interest of Montpellier Lodge

### Consideration of formal objections received following public consultation

#### First letter of objection

- 1.1 A formal letter of objection was received on 5th April 2011 to the proposed disposal of the premises for use as a restaurant/cafe/tertia following press adverts issued in a local newspaper in late March.
- 1.2 The letter was from Proun Architects Ltd. in London – copy attached
- 1.3 Seven separate objections are raised in the letter.

#### The responses of the Head of Property and Asset Management and Head of Legal Services to each of the seven objections are detailed below

- 2.1 Objection 1 *The Lodge is part of a public open space. The sale of the property will result in an area of public land being lost to private developers.*

Response Although part of the park, the Lodge has and remains inaccessible to the public as it was the former park keepers private residence. For many years the Lodge, it's gardens and rear courtyard have been fenced off from the wider park gardens and entrance to the premises are kept locked at all times. This will change if a restaurant /cafe/teria opens, as the the site will be opened up for the public to use during opening hours. Therefore, no public land will be lost as the proposed sale will actually make the Lodge, garden and courtyard physically accessible to the public.

- 2.2 Objection 2 *The Lodge is owned by the public and should remain as such. It is an asset for future generations*

Response The Council has no current or known future need for the Lodge. Keeping it as an unused asset would be increasingly costly, the estimated preventative maintenance costs to simply keep the premises up to a reasonable standard over the next 20 years being £141,000, which would clearly be wasteful expenditure of public monies

- 2.3 Objection 3 *Any sale should be through auction with both the end use and finance taking equal stance*

Response This is not relevant as the objection does not relate to the potential loss of public open space.

- 2.4 Objection 4 *The Park is a place of relaxation. A small cafe exists. A large cafe will destroy the ambience*

Response The Lodge is situated in the western corner of the park and is in a small fenced off area. As well as being inaccessible to park users (as mentioned 2.1 above) either with or without the presence of the Lodge, this particular area of the park could never be regarded as a place of relaxation or to provide an ambience due to it being in close proximity to both Montpellier Walk and Montpellier Terrace and also very near to a busy roundabout where traffic queues build up. Also a bus stop exists right outside the front of the premises on what is a busy

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transport route and, to the right of the building is the main access road to the Gardens and just beyond that the public toilets.

A conversion of the Lodge to the proposed use is therefore most unlikely to have any greater adverse effect on any perceived ambience than the above, and to many a south facing conservatory style extension at the rear of the Lodge would provide both an ambience and a place for relaxation in all weathers.

Not all users wish for the park just to be a place of relaxation. It is a public space and different users may wish to use it in different ways. People may well see the new use as an additional benefit to the park and it is further anticipated having the Lodge converted and extended to the proposed use would actually attract more people into the park itself as the entrance to the premises is at the side of the building beyond the actual entrance gates to the Gardens.

- 2.5** Objection 5 *A further restaurant/café is not required in Cheltenham. There are numerous opposite the Lodge.*

Response This is not relevant as the objection does not relate to the potential loss of public open space.

- 2.6** Objection 6 *Smells from cooking on the premises will infiltrate the gardens*

Response This is not relevant as the objection does not relate to the potential loss of public open space.

- 2.7** Objection 7 *There has been inadequate public consultation on the sale of a public asset*

Response The Council has followed the provisions laid down in s123 (2A) of the local Government Act 1972 and has thus provided adequate public consultation.

## Second letter of objection

- 3.1** A second letter of objection was received during the consultation period from the tenant of the Council's cafe nearer to the centre of the Gardens. These premises are identifiable on the site plan of the main report, being located just to the north of the square shaped childrens play area.
- 3.2** The letter stated an objection to another cafe opening in the Gardens in competition to the tenant's business.
- 3.3** The Head of Property and Asset Management and the Head of Legal Services consider this objection to be not relevant as it does not relate to the potential loss of public open space.
- 3.4** However, this very aspect has been the subject of discussion at the Asset Management Working Group meeting in December 2011 and it was considered that this particular cafe caters for a different type of customer to that of the proposed restaurant.
- 3.5** The letter is not attached as this came from a private individual as opposed to the first letter, which had a Company letterhead.

ARCHITECTS AND PLANNERS



DESIGNERS

Ref: 102/PJ/SS

1<sup>st</sup> April 2011

Sarah Freckleton  
Borough Solicitor and Monitoring Officer  
Municipal Offices  
Promenade  
Cheltenham  
Gloucestershire  
GL50 9SA

Tewkesbury Borough Council  
One Legal Branch Office  
- 4 APR 2011  
Passed to: \_\_\_\_\_

Dear Ms Freckleton

**RE: MONTELLIER LODGE, MONTELLIER GARDENS**

RECEIVED  
- 5 APR 2011  
PROPERTY MANAGER

I object to the sale of the above property.

I object for the following reasons.

1. The lodge is part of a public open space. The sale of the property will result in an area of public land being lost to private developers. Public land should remain for the public.
2. The lodge is owned by the public and should remain as such. It is an asset for future generations.
3. Any sale should be through auction with both the end use and finance taking equal stance.
4. The park is a place of relaxation. A small café exists. A large café/ restaurant will destroy the ambience.
5. A further restaurant/ café is not required in Cheltenham. There are numerous opposite the lodge.
6. Smells from cooking on the premises will infiltrate the garden.
7. There has been inadequate public consultation on the sale of a public asset.

I wish to be notified of any meetings and decisions.

Yours sincerely

Peter Jenkins  
**PROUN ARCHITECTS**

cc. Brian Brace Girdle

90 BOROUGH HIGH STREET, LONDON SE1 1LL

Telephone: +44 (0)20 7407 3700 Fax / Modem: +44 (0)20 7407 3800

Email: proun@proun.co.uk

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## Cheltenham Borough Council

**Cabinet – 26 July 2011**

### **Accommodation Strategy**

<b>Accountable member</b>	<b>Cabinet Member Corporate Services, Councillor Colin Hay</b>
<b>Accountable officer</b>	<b>Head of Property and Asset Management, David Roberts</b>
<b>Accountable scrutiny committee</b>	<b>Environment O&amp;S and EBI</b>
<b>Ward(s) affected</b>	<b>All (Municipal Offices are located in the Landsdown Ward)</b>
<b>Key Decision</b>	<b>Yes</b>
<b>Executive summary</b>	<p>The intention was to review all the operational properties but as there are only small pockets of office space other than the Municipal Offices, the report therefore focuses only on the Municipal Offices.</p> <p>There are a number of key drivers, such as:- changing service delivery, commissioning, GO, flexible working, shared services, technological improvements and environmental issue, which impact on accommodation needs, it's suitability, adaptability and the level of investment required to meet modern day demands and the efficient utilisation of space.</p> <p>A space utilisation audit survey has been conducted and indicates that the average total occupancy of the Municipal Offices is only 54%. A historical assessment confirms that there is very little scope for future internal reconfiguration due to the nature of construction and historical content of the building.</p> <p>There is currently approximately 416 m<sup>2</sup> (4,600sq ft ) of surplus/underutilised space within the Municipal Offices which is not contiguous but spread throughout the building.</p> <p>Opportunities to let the surplus space will be extremely difficult due to the physical constraints of the building and the amount and quality of office space available elsewhere in Cheltenham</p> <p>A number of options have been considered and essentially are to either to remain and invest in the Municipal Offices or acquire and relocate to a suitable alternative building and dispose of the Municipal Offices realising it's commercial redevelopment potential, which in turn will have a positive effect on the economic market and activity of the town centre.</p> <p>A number of high level cost options have been produced, which indicate that a disposal of the Municipal Offices and acquisition of a suitable town centre alternative would be the most cost effective and therefore, be in long term economic interest of the Council.</p>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li><b>1. Provide the Head of Property and Asset Management a remit to engage in dialogue with owners or agents of suitable town centre office buildings</b></li> </ol>

2. To explore in more detail the feasibility of relocating to a suitable town centre alternative.
3. Explore vertical separation of the Municipal Offices.
4. Subsequently to report back to Cabinet upon the conclusion of the review.

<p><b>Financial implications</b></p>	<p>The current annual cost of occupying the municipal offices is c£373k. Over the next 20 years it is estimated that the council will need to spend £6.6m on upgrading the building to modern standards, make it DDA compliant and to maintain the building. The maintenance costs average out at a further £330k per annum (funded by revenue contribution to the property repairs and maintenance reserve), increasing total occupation costs to an average of £703k per annum over the next 20 years. The MTFS does not currently include the full implications of this funding requirement.</p> <p>Given the squeeze in public sector funding and the cost of operating from the municipal offices, it is important to investigate other options which may help to reduce the administration and overhead cost to the business in order to ensure that as much of the council's scarce resources as possible are directed toward funding front line services.</p> <p><i>In accordance with previous council decisions, the costs of the review will be met from the council's civic pride reserve.</i></p> <p><b>Contact officer: Mark Sheldon,</b> <b>E mail mark.sheldon@cheltenham.gov.uk, 01242 264123</b></p>
<p><b>Legal implications</b></p>	<p>There are no legal implications as a direct result of this report.</p> <p>One Legal's input will be required when suitable property or properties for relocation are identified and also in any disposal of the Municipal Offices.</p> <p><b>Contact officer: Donna McFarlane,</b> <b>Donna.McFarlane@tewkesbury.gov.uk, 01242 775116</b></p>
<p><b>HR implications (including learning and organisational development)</b></p>	<p>It is recognised that this stage is about moving forward with exploration of two possible routes. Effective communication is needed with employees, and the trades unions will need to be kept informed.</p> <p><b>Contact officer: : Amanda Attfield,</b> <b>amanda.attfield@cheltenham.gov.uk, 01242 264186</b></p>
<p><b>Key risks</b></p>	<p>None</p>
<p><b>Corporate and community plan Implications</b></p>	<p>The implications of the outcomes of the review if implemented will significantly contribute towards the delivery of the corporate plan objectives, namely strengthening our economy and providing value for money services.</p>

<b>Environmental and climate change implications</b>	All options take account of the Council's commitment towards enhancing and protecting our environmental.
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**1 Background**

1.1 See Attached Accommodation Strategy Report in Appendix 1 which is exempt and thus not for publication by virtue of paragraph 3 of part 1 of Schedule 12A of the Local Government Act 1972

**2. Reasons for recommendations**

2.1 See Appendix 1

**3. Alternative options considered**

3.1 See Appendix 1

**4. Consultation and feedback**

4.1 This report has been considered by Senior Leadership Team, Corporate Asset Group and Asset Management Working Group and reflects the comments made.

<b>Report author</b>	<b>Contact officer: David Roberts,</b>  <b>David.Roberts@cheltenham.gov.uk,</b>  <b>01242 264151</b>
<b>Appendices</b>	1. Risk Assessment  2. Accommodation Strategy
<b>Background information</b>	None

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	Provision of services are not affected by the accommodation strategy	DR	2011	1	2	2	Accept	Obtain AMWG and Cabinet approval	asap	DR	
2	Ability to improve sustainability issues will be limited if we remain in the Municipal offices.	DR	2011	3	3	9	Accept	Obtain AMWG and Cabinet approval	asap	DR	
3	Adaptability of space to help deliver occupational cost savings, is limited due to structural constraint and layout of the Municipal Offices	DR	2011	3	6	18	Accept	Obtain cabinet approval to the report	asap	DR	

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