



# CHELTENHAM

## BOROUGH COUNCIL

### Notice of a meeting of Cabinet

**Tuesday, 18 October 2011**

**6.00 pm**

**Pittville Room**

**Municipal Offices, Promenade, Cheltenham, GL50 9SA**

#### Membership

<b>Councillors:</b>	Steve Jordan, John Rawson, Klara Sudbury, Andrew McKinlay, John Webster, Roger Whyborn and Colin Hay
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#### Agenda

		<b>SECTION 1 : PROCEDURAL MATTERS</b>	
<b>1.</b>		<b>APOLOGIES</b>	
<b>2.</b>		<b>DECLARATIONS OF INTEREST</b>	
<b>3.</b>		<b>MINUTES OF THE LAST MEETING</b> None - minutes of Cabinet of 13 October 2011 will be approved at the next meeting.	
<b>4.</b>		<b>PUBLIC QUESTIONS AND PETITIONS</b> The deadline for public questions has been extended in view of the public interest in a number of items on the agenda. Any public questions must now be received by post or email by <b>10 am on Thursday 13 October</b> . Questions should be sent to Democratic Services at the Municipal Offices or emailed to <a href="mailto:rosalind.reeves@cheltenham.gov.uk">rosalind.reeves@cheltenham.gov.uk</a> . You must be a registered elector in the borough and need to supply your name and address but your address will not be made public. Please phone 01242 774937 if you need more information.	
		<b>SECTION 2 :THE COUNCIL</b> <i>There are no matters referred to the Cabinet by the Council on this occasion</i>	
		<b>SECTION 3 : OVERVIEW AND SCRUTINY COMMITTEES</b> <i>There are no matters referred to the Cabinet by Scrutiny Committees on this occasion</i>	

		<b>SECTION 4 : OTHER COMMITTEES</b> <i>There are no matters referred to the Cabinet by other Committees on this occasion</i>	
		<b>SECTION 5 : REPORTS FROM CABINET MEMBERS AND/OR OFFICERS</b>	
<b>5.</b>		<b>IMPERIAL AND MONTPELLIER GARDENS STRATEGY</b> Report of the Cabinet Member Sustainability	(Pages 1 - 14)
<b>6.</b>		<b>NORTH PLACE AND PORTLAND STREET DEVELOPMENT</b> Report of the Cabinet Member Built Environment	(Pages 15 - 38)
<b>7.</b>		<b>HOUSING REVIEW</b> Report of the Cabinet Member Housing and Safety	(Pages 39 - 78)
<b>8.</b>		<b>DRAFT HRA BUSINESS PLAN</b> Report of the Cabinet Member Housing and Safety	(Pages 79 - 106)
<b>9.</b>		<b>ADVICE AND INCLUSION CONTRACT</b> Report of the Cabinet Member Finance and Community Development	(Pages 107 - 128)
<b>10.</b>		<b>QUARTERLY BUDGET MONITORING REPORT</b> Report of the Cabinet Member Finance and Community Development	(Pages 129 - 142)
<b>11.</b>		<b>BUDGET STRATEGY AND PROCESS</b> Report of the Cabinet Member Finance and Community Development	(Pages 143 - 158)
<b>12.</b>		<b>PROMOTING CHELTENHAM FUND</b> Report of the Leader (appendix 2 to follow awaiting outcome of panel meeting on 7 October 2011)	(Pages 159 - 168)
<b>13.</b>		<b>ENVIRONMENTAL IMPROVEMENTS FUND</b> Report of the Cabinet Member Built Environment (appendix 3 to follow)	(Pages 169 - 180)
<b>14.</b>		<b>CHELTENHAM PARTNERSHIP STRUCTURES AND ARRANGEMENTS</b> Report of the Leader	(Pages 181 - 200)
<b>15.</b>		<b>AIR QUALITY MANAGEMENT</b> Report of the Cabinet Member Housing and Safety	(Pages 201 - 220)
<b>16.</b>		<b>REVIEW OF THE CONSTITUTION-EXECUTIVE FUNCTIONS</b> Report of the Cabinet Member Corporate Services (please refer to report for Council 10 October Agenda item 10)	(Pages 221 - 226)

17.		<b>COMMISSIONING FRAMEWORK FOR BUILT ENVIRONMENT-UPDATE REPORT</b> Report of Cabinet Member Built Environment	(Pages 227 - 258)
		SECTION 6 : BRIEFING SESSION • Leader and Cabinet Members	
18.		<b>BRIEFING FROM CABINET MEMBERS</b>	
		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 See Agenda item 20 which will be taken under exempt business	
		<b>SECTION 9 : LOCAL GOVERNMENT ACT 1972 - EXEMPT BUSINESS</b>	
19.		<b>LOCAL GOVERNMENT ACT 1972 - EXEMPT BUSINESS</b> <b>The Cabinet is recommended to approve the following resolution:-</b>  “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.		<b>A FINANCIAL MATTER</b> Report of the Cabinet Member Sport and Culture	(Pages 259 - 290)

**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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## **Imperial and Montpellier Gardens - Phase 1 Proposed Enhancements**

<b>Accountable member</b>	<b>Cabinet Member Sustainability, Councillor Roger Whyborn</b>
<b>Accountable officer</b>	<b>Assistant Director of 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</b>
<b>Executive summary</b>	<b>Following the council's cabinet meeting of the 26<sup>th</sup> July 2011 firm quotations and costings have been obtained for the proposed phase 1 works to Imperial Gardens and these are outlined in appendix B.</b>
<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 undertake the first phase of the proposed works in Imperial Gardens as outlined in Appendix 2 and in accordance with the consultation plans entitled "Imperial Gardens Design" and dated May 2011, and subject to minor alteration where it is deemed necessary.</b></li> <li><b>2) That tentage designs for Montpellier gardens be restricted to 4700M2, and 2750m2 in Imperial Gardens (excluding walkways and gazebos) in 2012 and onwards. All to be contained in the areas outlined in red on appendix C and D.</b></li> <li><b>3) That both Imperial Gardens and Montpellier Gardens be subject to a maximum usage cap of 75 special event days each (including setting up and taking down).</b></li> </ol>

<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. An additional one-off budget of £5,000 is allocated for works to the side of the Town Hall.</p> <p>The final scheme, to be agreed by Cabinet in October 2011 must be delivered within the approved one off revenue budget, and the ongoing maintenance of the gardens to be financed from existing annual revenue budgets.</p> <p>Contact officer: Andrew Powers andrew.powers@cheltenham.gov.uk 01242 264121</p>
<p><b>Legal implications</b></p>	<p>The award of the contracts must be 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>Contact officer: Donna Ruck, Solicitor, One Legal donna.ruck@tewkesbury.gov.uk 01684 272696</p>
<p><b>Development Control Implications.</b></p>	<p>Elements of these proposals will require planning permission and listed building consent; an application has currently been made.</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 forthcoming planning applications.</p> <p>Contact officer: Robert Lindsey robert.lindsey@cheltenham.gov.uk, 01242 26416</p>
<p><b>HR implications (including learning and organisational development)</b></p>	<p>None.</p> <p>Contact officer: Julie McCarthy julie.mccarthy@cheltenham.gov.uk, 01242 264355</p>
<p><b>Key risks</b></p>	<p>The risk assessment is included as appendix 1</p>

<p><b>Corporate and community plan Implications</b></p>	<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>
<p><b>Environmental and climate change implications</b></p>	<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 26th July 2011, the Council's Cabinet resolved the following;

- 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.
- Tentage designs for Montpellier Gardens be restricted to approximately 4700M2, (excluding walkways and gazebos) and authority be delegated to the Director Operations in consultation with the Cabinet Member, Sustainability to agree the exact figure.
- 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.
- Authority be delegated to the Director Operations in consultation with the Cabinet Member, Sustainability and the Council Leader, to submit the relevant sections of the scheme for planning approval and listed building consent.
- 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 18th October 2011 in time for completion of works over the winter 2011/2.

## 2. Progress Report

2.1 Phase 1 of the work has now been worked up in more detail and competitive quotations received. Other items that are being undertaken "in house", such as planting have also been costed. Details of these costs are provided in Appendix B to this report.

- 2.2 The provision of upgraded electricity and water supply in both Gardens is still under discussion between the Council and festival event organisers in order to best meet their requirements. The cost of this element has therefore been capped.
- 2.3 Listed building and planning consent has been applied for in relation to elements of the landscape design in Imperial Gardens that require this.

**3. Next Steps**

- 3.1 If approved by Cabinet, orders and contracts for the works will be put in place, and detailed discussions held with contractors about the precise timing of works taking into account lead in periods for ordering of materials and allocation of resources. All contractors have indicated that they can undertake the work within the required timescale.

Once the precise details are known on timings then this will form the basis of a press release. It is anticipated that the first piece of work to occur will be the redesign of the seasonal flower bed areas, as this will need to take place as soon as possible after the Literature Festival this October in order for the Spring plants to be planted. Temporary notices will be put up on site explaining the works as they take place.

Beyond phase 1 works the Friends of Imperial Square and Gardens have started planning and fund raising to replace the historic railings surrounding Imperial Gardens.

<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 A – Risk Assessment Appendix B – Cost Plan Appendix C – Imperial Gardens Appendix D – Montpellier Gardens



<b>Background information</b>	<p>Environment Scrutiny Committee, 2nd March 2011 -Imperial and Montpellier Gardens Strategy</p> <p>Cabinet, 15<sup>th</sup> March 2011- Imperial and Montpellier Gardens Strategy</p> <p>Council, 27<sup>th</sup> June 2011 - Imperial Gardens Outline Design and Consultation</p> <p>E&amp;BI Scrutiny Committee, 18<sup>th</sup> July 2011 - Imperial and Montpellier Gardens Strategy</p> <p>Cabinet – 26<sup>th</sup> July 2011, Imperial Gardens Outline Design and Consultation</p> <p>Environment Scrutiny Committee, 14th September 2011 -Imperial and Montpellier Gardens Strategy</p>
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Page 6

## Risk Assessment

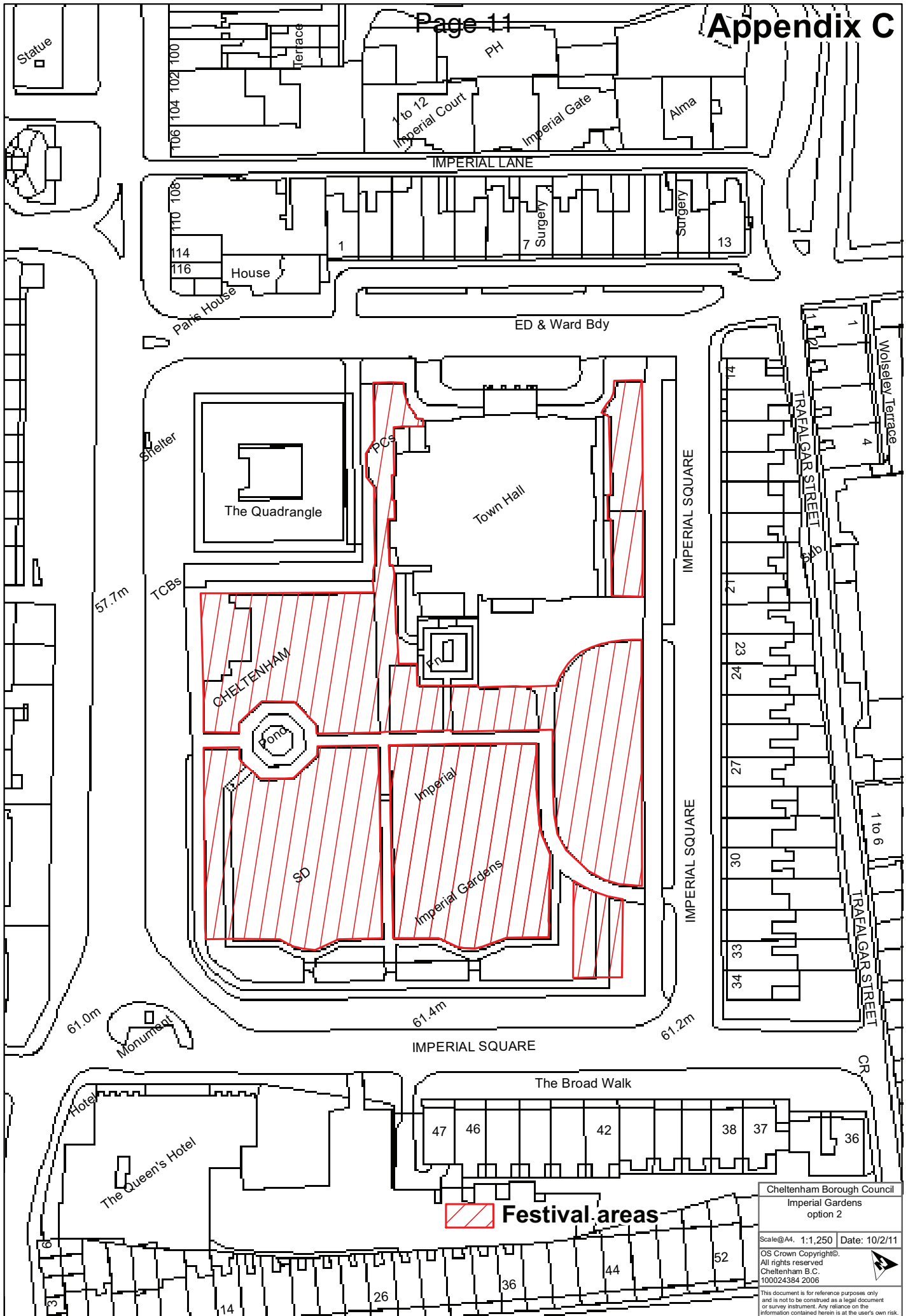
## Appendix A

The risk		Original risk score (impact x likelihood)				Managing risk						
Risk ref.	Risk description	Risk Owner	Date raised	Updated	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	



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Page 10



Cheltenham Borough Council  
 Imperial Gardens  
 option 2

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Page 12





Cheltenham Borough Council  
 Montpellier Gardens  
 option 1 & option 2

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 **Festival areas**

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Page 14

## Cheltenham Borough Council

**Council – 10 October, 2011**

**Cabinet – 18 October, 2011**

### North Place & Portland Street - progress update

### Report of the Cabinet Member for Built Environment

Note: this report will only go to Council & Cabinet if the bid passes the assessment process and the evaluation panel wants to recommend proceeding with the appointment of a preferred bidder

<b>Accountable member</b>	<b>Councillor John Rawson, Cabinet Member Built Environment</b>
<b>Accountable officer</b>	<b>Grahame Lewis, Executive Director</b>
<b>Accountable scrutiny committee</b>	<b>Environment</b>
<b>Ward(s) affected</b>	<b>St. Paul's &amp; Pittville directly</b>  <b>All Saints, Lansdown &amp; College indirectly</b>
<b>Key Decision</b>	<b>Yes</b>
<b>Executive summary</b>	<p>The Cheltenham Development Task Force was established on 4<sup>th</sup> January, 2010, with the purpose of driving forward the ambitions previously set out under the Civic Pride banner. It became clear that due to changing circumstances the previously adopted brief for this key site was not likely to be deliverable, so following public consultation, the Council approved the revised development brief for this site in December 2010. As a result, the site was marketed in line with the EU Competitive Dialogue procedure set out in the Public Contracts Regulations from 24<sup>th</sup> January 2011. A tight timetable was proposed in order to maximise developer interest. This resulted in a positive market response and by 26<sup>th</sup> July, 2011, it was possible to identify two short listed bidders, who were invited to work up full schemes based upon their initial proposals (which were judged both on their design interpretation and financial package).</p> <p>Unfortunately, one of the two shortlisted consortia withdrew in early August. However, given the merits of the remaining scheme, it was decided to proceed with the competitive dialogue process, albeit with minor amendments reflecting the change in circumstances.</p> <p>Dialogue meetings have continued with a specific focus upon design and financial factors. Design considerations have been informed by input from the urban design and planning teams, together with responses from the public, whilst the financial focus has been on capital values and assessed scheme deliverability.</p> <p>Cabinet will now consider whether to convey preferred bidder status on Augur Buchler and their associated scheme, at its meeting on 18<sup>th</sup> October, 2011. In view of the significance of the proposed development, Cabinet is</p>

keen to engage with the wider Council and to secure input from fellow Councillors, to help inform its own deliberations and subsequent decision.

Additionally, the proposal will be considered by the Cheltenham Development Task force on 14<sup>th</sup> October, 2011, and that too will result in a recommendation to help inform the Cabinet decision.

Given the visual nature of the development proposal, a short presentation will be provided. Additionally, given the financial and commercial sensitivity of this matter, members are advised that it will be necessary to consider any financial aspects of the scheme in closed session, if they want to debate or consider these matters in more detail.

Officers consider that the key factors are design issues and financial outputs.

Note: The following additional documents will be made available to Cabinet prior to its meeting on 18th October: 1) the Council recommendation 2) a report and recommendation from the Cheltenham Development Task Force; and 3) an exempt Appendix attaching Augur Buchler's final proposal.

**Recommendations**

- 1. That Council recommends to Cabinet that it should appoint Augur Buchler Partners Limited as the preferred bidder to undertake the redevelopment of the North Place and Portland Street sites.**
- 2. That Cabinet:**
  - a. considers the recommendation of Council on 10 October 2011 and taking into account the advice of the Cheltenham Development Task Force, agrees to appoint Augur Buchler Partners Limited as the preferred bidder to undertake the redevelopment of the North Place and Portland Street sites (the Sites);**
  - b. delegates authority to the Head of Property Services in consultation with the Borough Solicitor to:**
    - i) conclude the documentation necessary to appoint Augur Buchler Partners Limited as the preferred bidder;**
    - ii) conclude the documentation required to dispose of the Sites as necessary (noting that the Sites may be disposed of in parts by way of leasehold and freehold disposals and to more than one party);**
  - ii) enter into an agreement with Gloucestershire County Council for the purchase of land at Warwick Place.**

<b>Financial implications</b>	<p>The final financial details are commercially sensitive and will therefore be exempt information, made available to Council and Cabinet as a confidential exempt Appendix.</p> <p><b>Contact officer: Paul Jones</b></p> <p><b>E-mail: paul.jones@cheltenham.gov.uk</b></p> <p><b>Tel no: 01242 775154</b></p>
<b>Legal implications</b>	<p>The Council has undertaken the competitive dialogue procedure as set out in the Public Contract Regulations 2006, to choose a developer to redevelop the North Place and Portland Street sites. This involved a staged process of assessment as follows:</p> <ul style="list-style-type: none"> <li>• Pre-qualification selection process;</li> <li>• Invitation to shortlisted candidates to participate in a dialogue process during which aspects of the project were discussed and solutions developed;</li> <li>• Two bidders were chosen from the shortlisted candidates and invited to continue dialogue;</li> <li>• Dialogue closed and final tenders invited for selection of a preferred bidder.</li> </ul> <p>If Augur Buchler is chosen as the preferred bidder the Council will need to enter into a preferred bidder letter, inviting the preferred bidder to enter into a contract with the Authority to deliver the Project.. Following appointment of a preferred bidder there is a further opportunity to 'clarify aspects of the tender or confirm commitments' provided that there are no substantial changes to the tender.</p> <p>The Council can dispose of the Sites using its powers under Section 123 Local Government Act 1972 and unless it can rely on a general or specific consent issued by the Secretary of State, it must achieve best consideration for the disposals. The Council can purchase the land at Warwick Place by using its powers under Section 120 Local Government Act 1972.</p> <p><b>Contact officer: Donna Ruck, Solicitor</b></p> <p><b>E-mail: donna.ruck@tewkesbury.gov.uk</b></p> <p><b>Tel no: 01684 272696</b></p>
<b>HR implications (including learning and organisational development)</b>	<p>None arising from this report</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></p>	<ol style="list-style-type: none"> <li>1. The state of the global economy and the current fragility of markets in relation to support for new investment are an on-going concern.</li> <li>2. If the scheme is not considered deliverable, the Council's investment plans for infrastructure improvements in other areas of the town centre will be put at risk due to the lack of available capital funding.</li> <li>3. The Council's reputation could be significantly damaged and the authority may be at risk of legal challenge if it was to withdraw from the tender process without good reason.</li> </ol>
<p><b>Corporate and community plan implications</b></p>	<p>This high profile development has the potential to improve an existing distinct scar on the urban landscape, to deliver much needed housing (including 40% affordable provision), employment opportunities, modern parking facilities, a bus node and public square; all in a sustainable manner.</p> <p>Additionally, sale of the site will yield a capital receipt that can be targeted at future town centre improvement schemes.</p>
<p><b>Environmental and climate change implications</b></p>	<p>The design brief for the site envisaged a scheme that would deliver an exemplar in terms of sustainability. The proposals at this stage indicate that this ambition will be realised, with a host of environmental improvements proposed. These include green walls and roofs which will limit run-off and flood issues as well as absorb pollutants; improvements to the local bio-diversity through trees and other planting; bus connectivity; minimum code 4 housing with the potential to reach code 5 and minimum BREEAM rating of very good on the commercial elements.</p>

## 1. Background

- 1.1 Council established The Cheltenham Development Task Force, under the independent chairmanship of Graham Garbutt on 4<sup>th</sup> January, 2010, to drive forward the ambitions previously set out under the Civic Pride banner.
- 1.2 Initial analysis by the Task Force (subsequently substantiated by independent property advice), established that the previously adopted development brief for the North Place and Portland Street sites was unlikely to be delivered in its adopted format. For this reason, an amended brief was developed and publicly consulted upon. This brief essentially retained all of the principal elements of the previous scheme, including commitments to sustainability, the delivery of a public square, a minimum of 100 housing units (of which 40% to be affordable), a minimum 300 public car parking spaces and a bus node, but a reduced level of specificity concerning what other uses would be allowed to underpin the financial provision of such requirements. The brief allowed for a wide spectrum of uses, including residential, commercial and/or leisure.
- 1.3 As a result of the requirement for physical outputs, such as the car park, the procurement moved from a simple land disposal to one whereby a comprehensive development solution was required. As a result of this, the proposal redevelopment of the Sites needed to be advertised in the Official Journal of the European Union regulations as a "concession for works". The key challenge to the Public Contracts Regulations 2006 requirement is that many potential developers find the process extremely slow and frustrating, so it was felt prudent to follow an aggressive timetable, to demonstrate to the market that CBC and its partners were serious about delivering this scheme and releasing capital for other public realm improvement initiatives.

- 1.4 The formal marketing of the site began on 24<sup>th</sup> January, 2011 and a process has been followed that sequentially reduced bidders in a structured manner. Thus, from 115 initial expressions of interest, 9 formal bids were received; on the basis of an objective scoring matrix five were invited to participate in a competitive dialogue process (ITPD). One of these withdrew at this stage, leaving four bidders to submit 'Outline Solutions' by 1<sup>st</sup> July, 2011. Throughout the process, all bid proposals were considered against an evaluation matrix endorsed by Cabinet at its meeting on 8th February, 2011, which essentially allocated scores on a 50:50 basis for design and financial return criteria.
- 1.5 From the 4 bids received, two schemes scored much higher than the others and were invited to continue dialogue on 26<sup>th</sup> July, 2011, with the purpose of ultimately partaking in an invitation to submit a final tender (ISFT). The two schemes were from Salmon Harvester and Augur Buchler.
- 1.6 Unfortunately, on 9<sup>th</sup> August, 2011, the bid from Salmon Harvester was formally withdrawn for commercial reasons. This changed the dynamics of the process as it was anticipated to have two bidders up to the final stage, with one ultimately chosen as the preferred partner. Meetings were held between Augur Buchler and CBC, where both parties agreed to continue the process based upon some key assumptions, including a commitment by the bidding team not to exploit their position or CBC would feel obliged to withdraw from the process. Both Councillor Steve Jordan and Andrew North were present at these meetings.
- 1.7 In light of this commitment and the mobilisation of an even larger design and consultant team by Augur Buchler, the dialogue process has continued. Although Augur Buchler is the only bidder remaining in the process, it can only be granted preferred bidder status by a Cabinet decision.
- 1.8 The original timetable has now been accelerated to reflect this solus position. Cabinet will be asked to consider granting 'preferred bidder' status to Augur Buchler on 18<sup>th</sup> October, having first heard the views of Council on 10<sup>th</sup> October and the recommendation of the Cheltenham Task Force on 14<sup>th</sup> October. If preferred bidder status is supported and there is no overview and scrutiny call-in, so that an Award Decision Notice with a 10 day "standstill" period can be issued, it would be technically possible to secure the Development Agreement between CBC and Augur Buchler on or around 15<sup>th</sup> November, 2011, with final completion of the transaction subject to securing planning permission for the preferred scheme.

## 2. Key considerations

### 2.1 Minimum Requirements

- 2.1.1 The proposed scheme will deliver the mandatory bid requirements set out in the various bidding documents which mirror the design brief approved by Council. This includes:-
  - A minimum 100 housing units – the scheme proposes 130 units, of which 40% will be affordable;
  - A public square – in this case opposite the church and aptly alluded to as 'Trinity Square';
  - A bus node – utilising the stopped-up highway land at Warwick Place, in the ownership of GCC;
  - A minimum 300 car park spaces – the scheme proposes two car parks albeit within the same structure – a 300 space car park dedicated for public use and another, of similar footprint, for the use of the foodstore. The hotel will use the public space car park as its demand for space complements general day time use (Note: this is the same model deployed by the nearby NCP / Holiday Inn Express). Parking provision for the housing is separate to these allowances and will comprise at least one space per dwelling.
  - A substantial capital receipt for the Council;
  - An on-going revenue stream from the car park provision, equating to the current net current revenue generated by CBC for the Portland Street car park.

Note: These proposals may be subject to modification as a result of the formal planning process, which will ultimately determine the acceptability or otherwise of the finer details of the overall scheme.

**2.1.2** In addition to the above, the level of sustainability proposed is higher than prescribed and will be an exemplar, with BREEAM (Building Research Establishment Environmental Assessment Method) Excellent targets for the commercial elements and Code for Sustainable Homes Level 4 targets for the housing, (level 5 if residential elements can be linked to the store's combined heat & power provision).

## **2.2 Public Engagement**

**2.2.1** The scheme has been subject to significant scrutiny by the urban design and planning teams and critically, by the public. The scheme was unveiled to the public on 20th August, 2011, via the front page of the Echo and CBC website. This was supported by static and manned displays plus an evening meeting targeted at local residents and a further meeting with the Civic Society.

**2.2.2** Details of the consultation and its outcomes are set out in section 3 below.

## **2.3 Legal Structure**

**2.3.1** A development agreement will be entered into, which will set out the developer's obligations for building out the sites and setting out when land will be disposed of by the Council and to whom. At the time of writing the report the disposal of the Sites is being negotiated, but the likely method of disposal is as follows:-

- CBC releases the freehold of the sites for housing and commercial development;
- CBC retains the freehold and grants a long lease (250 years) over the area containing the car park reserved for public use;
- CBC to receive an annual payment for the leased area; this effectively becomes ground rent, but is set at a rate that equates to the net revenue from 300 spaces currently on the site. There would be a break clause in the lease in line with the commercial lets, but if enacted it requires the asset (the car park) to be handed over to CBC to run. Alternatively, the lease could be extended, or both parties could at some point in the future determine to redevelop the site again.
- At exchange of contracts, CBC will receive 5% of the capital receipt and the remainder (95%) upon confirmation of planning permission. On this basis, CBC will release freehold title to the land before commencement of works, as it will have received all monies arising from the scheme.
- The developer is required to use all reasonable and commercially sensible endeavours to obtain a satisfactory planning permission within a fixed period from exchange of contracts (to be agreed). Additionally, the developer is required to commence and complete works within a fixed period from exchange of contracts (again, to be agreed). Failure to do so will require the developer to pay a daily sum (equivalent to the car park revenue) for each extra day.
- If the car park is not managed within the agreed terms i.e. public access for a minimum 300 spaces and quarterly rent payments to the Council, CBC has the ability to seek forfeit of the lease.
- There will be a pro-rata payment to GCC for their interest in Warwick Place (which enables the bus node facility), based upon the net capital receipt received for the whole site.



## 2.4 Financial Considerations

- 2.4.1 Should members wish to discuss the indicative financial receipt and mechanics of the car park income, this will need to be done in closed session due to the commercial sensitivity involved.

## 3. Consultation

- 3.1 Augur Buchler's initial proposal for North Place / Portland Street was made available for public comment between 22nd August and 10th September. The objective of the consultation was twofold - to gauge public reaction to the proposal and to feed comment back to Augur Buchler and the Council's design and planning teams, so that if appropriate, the scheme could be amended.

- 3.2 Consultation arrangements were as follows:-

- 20<sup>th</sup> August – front page and positive leader comment in the Echo
- 22<sup>nd</sup> August – 10<sup>th</sup> September
  - Static, unmanned displays throughout the period at
    - Municipal Offices (main and Built Environment receptions)
    - Hester's Way Resource Centre
    - Springbank Resource Centre
    - Oakley Resource Centre
    - The new Lower High Street Community Resource Centre
    - Charlton Kings Library
    - Hill View Community Centre/Hatherley Library
  - Council website, with on-line comment form
- 3<sup>rd</sup> September – 10<sup>th</sup> September (excluding Sunday 4<sup>th</sup>)
  - Manned exhibition in High Street (outside Marks & Spencer) – 1 Council officer and 2 Augur Buchler representatives available from 9am to 5pm each day. Written comment forms available.
- 6<sup>th</sup> September
  - Face to face discussions with officers and Augur Buchler representatives at the Municipal Offices – 500 invites sent out to properties neighbouring the site.. Written comment forms available.
  - Presentation to Civic Society by Jeremy Williamson and Auger Buchler representatives

Press releases resulted in articles in the Echo and exchanges in the letters column. Initially, a record of attendance numbers was kept at the High Street exhibition, but numbers on the first day overwhelmed the staff's ability to keep tally, and a counting system was abandoned. About 50 neighbours attended the event on 6<sup>th</sup> September.

Other meetings took place to help inform the design debate including with active local residents and also the Cheltenham Civic Society.

100 comments were received in writing; 68 on-line. These 168 break down as follows

Outright Support	44	26%
Qualified Support	43	26%
<b>Total Support</b>	<b>87</b>	<b>52%</b>
Outright Objection	50	30%
Qualified Objection	26	15%

**Total Objection 76 45%**

Other comments 5 3%

An analysis of the comments shows the following trends.

- Outright support comments were stridently in favour of the scheme as displayed – particularly supportive of:-
  - Contemporary architectural style and overall design quality
  - High sustainability credentials.
  - Scheme layout.
  - Traffic management objectives
  - Landscape and open space provision.

Typically, comments include “get on with it” and “about time”.
- Qualified supporters are generally supportive of the proposals, but have some concerns. The most frequent concerns are:
  - Query the need for a supermarket and suggest the Council looks for an alternative use (generally not specified, though there are references to leisure uses – e.g. skating rink - and youth related uses).
  - A need to be less restrictive in traffic management arrangements on St Margaret’s Road junctions to allow all-way turning movements and relieve rat-running to the site through Monson Avenue and Clarence Square
  - Introduce 2-way movement on Portland Street.
  - Introduce Regency style architecture.
  - More greening
- Qualified objectors are against the scheme as drawn and are generally looking for a rethink. Often these are people directly affected (neighbours or near neighbours). Typical concerns:
  - Introduce Regency style architecture.
  - No need for supermarket
  - Noise, amenity and visual amenity issues (particularly impact of the car park and service access on housing in Northfield Terrace/Passage and impacts on Dowty House)
  - Building height
  - Impact on car parking in neighbouring streets (a number seeking a residents parking scheme)
- Outright objectors have nothing positive to say about the project. Concerns include:
  - Supermarket is unnecessary – not needed, will impact on town centre viability, etc
  - Dislike architectural style
  - Need to retain all car parking on the site
  - Hotel is unnecessary – will impact on local hotel trade
  - Parking provision totally inadequate
  - Traffic impact untenable
  - Amenity, noise and crime issues
  - Social housing unnecessary
  - Parking impact on neighbouring streets (a number seeking a residents parking scheme).
  - Underground parking

The comments have been forwarded to Augur Buchler and have been discussed with the Council’s planning and design team. This level of support is unusual, in that consultation events often elicit predominantly negative responses, with those supporting remaining silent – officers consider this level of support an endorsement of the scheme and the process followed thus far. A

number of the issues raised can be addressed through amendments to the proposal; others require action by outside agencies – notably the County Council on wider traffic and parking management issues.

Turning to the remaining issues of concern:

- Amenity impacts on neighbours are being closely examined for possible design solutions – particularly the impacts resulting from service and car park access, height and overlooking.
- The supermarket is not of a size that necessitates any special retail assessment in this edge of town centre location, which is within the core commercial area.
- Both supermarket and hotel elements will be assessed in terms of their impact as part of the planning process. Notwithstanding this, both of these elements have been considered through previous bidding rounds, including through the economic integration assessment, which has provided sufficient assurances about the potential impact of the proposals for this stage of the OJEU process.
- The County highways team has been supportive of this scheme in principle, as it makes no amendments to the existing highway network. However, it is likely that existing junction priorities will have to be amended once the full traffic modelling impacts are understood. This analysis will be a fundamental requirement of the formal planning submission.
- Initial discussions with County highways suggest that lifting the junction restrictions maybe an acceptable solution, subject to modelling and detailed consideration.
- It is a requirement of the development brief approved by Council that architectural style should be of its time and not a Regency copy or pastiche. This is also the view of the Council's officers and the developer team.
- Underground parking has been an issue in the press, but only an occasional issue in the comments received. The adopted development brief offers a range of options for parking -on-street, in public spaces, undercroft, underground or multi-storey. The proposal offers on-street, multi-storey and on-plot parking, which is compliant with the requirements of the brief. The solution proposed reflects a commercial decision by Augur Buchler, having regard to the overall requirements of the brief and the site specific circumstances.

## 4. Next steps

- 4.1 If the Cabinet decides to grant preferred status to Augur Buchler on the 18th October, 2011, sufficient time will be allowed for any potential Overview & Scrutiny call-in. If no such call-in arises, an Award Notice will be issued. This requires a “standstill” of 10 days to give the opportunity for judicial challenge of the award process. If no such challenge is received, CBC can proceed to exchange of contracts, on the basis of the legal structure outlined in 2.3 above and will secure a 5% deposit at point of exchange.
- 4.2 Following exchange, Augur Buchler is keen to submit a planning application as soon as practicable. This could be submitted as early as late January/early February 2012.
- 4.3 The scale of the scheme necessitates a 13 week planning decision time frame including statutory consultation, but the public engagement exercise has already identified the key issues that need to be addressed by the applicants. On this basis, it should be possible for the detailed scheme to be considered as early as the May 2012 planning committee.

<b>Report author</b>	David Roberts, Head of Property Services Cheltenham 264151 (Ext 4151) <a href="mailto:david.roberts@cheltenham.gov.uk">david.roberts@cheltenham.gov.uk</a>
<b>Appendices</b>	1. Risk Assessment

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
CR57	If the North Place & Portland Street process is compromised by misunderstanding of the proposal or legal framework (OJEU) within which proposal has been developed then Councillors will not lend their support to the scheme.	AN	23/05/11	4	3	12	Reduce	Full debate at council and recommendation from Cheltenham Development task Force to inform Cabinet decision	18/10/11	GL	Yes
	If the global economic situation deteriorates further then it is possible that bidding partners will either withdraw from the scheme or fail to commit.	AN	01/09/11	4	5	20	Accept	Given only one bidder remaining steps have been taken to accelerate the process in order to reduce the period of risk exposure.		GL	
	If the scheme does not proceed to conclusion then funds will not be available to re-invest in other town centre improvement schemes	AN	01/09/11	4	3	12	Contingency	Council would need to decide whether other disposals could help provide funding		GL	

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Page 26



## North Place & Portland Street

### 1.0 Background

- 1.1 The Cheltenham Development Task Force met on Friday 14<sup>th</sup> October, 2011 to consider any bids submitted at the latter stage of the OJEU (Office of the Journal of the European Union) exercise for this site.
- 1.2 There was only one bid to be considered, as the other successful bidder identified through the evaluation process in late July 2011 withdrew voluntarily on 9<sup>th</sup> August, 2011. This left Augur Buchler as the sole remaining bidder.
- 1.3 This bid was the subject of a public engagement exercise from 22<sup>nd</sup> August to 10<sup>th</sup> September, 2011.
- 1.4 A final bid was submitted on 6<sup>th</sup> October 2011.

### 2.0 Update

- 2.1 Prior to the Task Force consideration of this item the Chair had invited Adam Lillywhite to address the Task force on behalf of Cheltenham Hoteliers, who expressed concern over the inclusion of a hotel within the Augur Buchler scheme. At the end of the statement, the Chair noted the difference between the role of the Borough Council as a land owner and its role as a planning authority and recommended that Mr Lillywhite ensure that he is acquainted with the planning process, as this would be the time to flag any objections should Cabinet choose to select Augur Buchler as their preferred bidder. It was also probable that the hotel operator could bring forward an alternative town centre site proposal if this scheme did not progress.
- 2.2 In the confidential part of the meeting the Task Force considered the following key items:-
  - A previously circulated paper detailing the background to the scheme and actions taken, including the public engagement exercise;
  - A presentation highlighting key issues, critically the outstanding items to be resolved through the planning process, the financial return and risks that remain until the scheme is delivered;
  - Financial analysis;
  - Evaluation score;
  - A "red book" valuation and commentary from GVA as independent property advisers, confirming that the offer represents best consideration.

GVA and One Legal were present to respond to queries concerning due process.
- 2.3 These items were debated, along with other key aspects, such as the ability to vary the scheme. It was clear from One Legal and GVA that varying the scheme by either requiring a material change from the brief, or changing key components, would require the Council to start the process again, as it was effectively

changing the rules after the procurement process had started. It was noted that Augur Buchler had not considered the site appropriate for underground car parking.

- 2.4 The risks that remain until planning is achieved and conditionality falls away were noted as follows:
- The volatility of the financial markets;
  - Challenge to the procurement process;
  - Ensuring that the price offered and quality of design are maintained up to the point of delivery;
  - Judicial review of the cabinet decision;
  - Planning consent risk;
  - Secretary of State call-in given CBC ownership of the site.
- 2.5 The Chair reminded those present of the advisory nature of the Task Force and the need for the Council as landowner to satisfy itself on all financial, legal, due diligence and other relevant matters, based on the very substantial professional work undertaken by staff and consultants, all of whom had confirmed their support for the recommendation.
- 3.0 Recommendations**
- 3.1 Having considered all of the material presented, the Task Force recommended unanimously that Cabinet should appoint Augur Buchler as preferred bidder for the North Place & Portland Street sites.

**Cheltenham Development Task Force membership attendees – 14<sup>th</sup> October, 2011:**

**Present:** Graham Garbutt (Independent Chair)  
 Chas Fellows  
 Michael Ratcliffe  
 Stephen Clarke  
 John Rawson  
 Andrew North  
 Dorian Wragg  
 Bernice Thompson  
 David Oldham  
 Robert Duncan  
 Simon Excell (on behalf of Nigel Riglar)  
 Andrew Willets

**Other:** Steve Jordan – CBC Leader of Council  
 Amanda Lawson-Smith – GCC Principal Transport Planning Officer  
 Paul Jones – Head of Financial Services  
 David Roberts – Head of Property Services (for item 67/11)  
 James Petherick – GVA (for item 66/11)  
 Mark Brunson - GVA (for item 66/11)  
 Wilf Tomaney – CBC Urban Design Manager



Jeremy Williamson (Managing Director)  
Adam Lillywhite – (for a 10 minute presentation at start of meeting)

**Apologies:** Members – Diane Savory, Andrew Vines, Tony Bray, Cllr Tim Cooper,  
Cllr Antonia Noble & attendees Mark Sheldon (sub Paul Jones)

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Page 30

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Page 32

**Council**

**Monday, 10th October, 2011**

**Minutes**

**NORTH PLACE AND PORTLAND STREET - PROGRESS UPDATE**

The Mayor invited Jeremy Williamson, the Managing Director of the Cheltenham Development Task Force to make his presentation.

Jeremy Williamson advised that the presentation was in two halves, the first half would be open to the public but the second half would need to be taken in exempt session given the financial and commercially sensitive content. The public would be permitted to return to the chamber for the debate.

He apologised on behalf of Graham Garbutt, the Independent Chair of the Advisory Board, who had hoped to attend but was unable to for medical reasons.

He introduced the presentation (see attached) and highlighted that the number of residential properties referred to in the presentation, 122, differed from the 130 referenced within the report that was circulated in advance of the meeting. This was a consequence of the decision to create more houses and less apartments.

The following responses were given by Jeremy Williamson to questions from members;

- Construction time would be 18 months.
- Diverts to alternative parking would be in place but there were no funds for an electronic signage system.
- Cosmetic improvements could be made to the Grosvenor Terrace car park, though this would require funding.
- The revised development brief for this site was approved by Council in December 2010. The brief allowed for uses including residential, commercial and/or leisure and therefore did not exclude a hotel or food store.
- It would be for the Planning Committee to undertake an Impact Assessment in determining whether there was a need for a hotel and ultimately the planning application.
- The level of response to the consultation (168 of a possible 120,000 residents) was an unfortunate reality of any such consultation. Key issues had been identified as a result of the exercise which would be addressed by the applicant. There would be further consultation at the appropriate time.
- An option for underground/croft parking was included in the development brief but not stipulated. The proposed scheme did include residential under-croft parking.
- An exact figure for those against the proposal for a food store would be made available to Councillor Godwin outside of the meeting.

The Mayor moved a resolution and it was;

**RESOLVED 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)**

Members of the public were ushered from the public gallery.

Jeremy Williamson talked through the slides of the presentation which contained financial and commercially sensitive information and answered questions relating to this information.

Once discussion had concluded, members of the public were welcomed back to the Chamber.

The Mayor addressed the public and explained that she had been contacted by members of the public who were under the impression that this item would go before Council in November.

Whilst she understood their concern about the change of date, this item was simply giving Council an opportunity to make its views known to the Cabinet in advance of them making a decision on Tuesday 18 October. She reassured members of the public that they were able to put questions to the Cabinet. Members called for the deadline to be extended from 10am on Tuesday 11 October to 10am on Thursday 13 October. This was agreed and would be publicised on the website.

Those speaking in defence of the scheme had been impressed with the process thus far and urged those with concerns to consider the bigger picture and accept that there would be elements of any scheme that some people would not fully support.

Councillor Wheeldon spoke as the Ward Councillor for the St. Pauls area and as a resident of Cheltenham, living within 300 metres of the site. The majority of residents within his Ward had welcomed the inclusion of a food store and personally, he was delighted that the new homes would be constructed to code 4 sustainability, resulting in utility bills 30-40% lower than average. He put forward Crabtree Place as a short term parking solution and queried whether parking at the Prince of Wales Stadium could be considered as a long term solution.

The Leader apologised to the public for any confusion regarding the date on which this item would come before Council. The decision was for Cabinet but given the magnitude of the decision it was important that Council were in agreement. Ultimately the Council could only proceed with something that a developer was willing to deliver and Council had agreed the scheme brief in December. This was not to say that the Planning Committee did not have a role to play.

The Cabinet Member Built Environment thanked his Council colleagues for what had been a generally positive discussion and welcomed the acknowledgement of some members that there were many varying aspirations for the site, which included concert halls, ice rinks, etc. He accepted that there were concerns, including those legitimate concerns of residents in close proximity to the site about short and long term parking solutions.

Upon a vote it was unanimously

**RESOLVED that Council recommend to Cabinet that it should appoint Augur Buchler Partners Limited as the preferred bidder to undertake the redevelopment of North Place and Portland Street sites.**

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Page 36



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Page 38

**Cheltenham Borough Council  
Cabinet – 18 October 2011  
Housing Review Working Group**

<b>Accountable member</b>	<b>Councillor Klara Sudbury, Cabinet Member Housing and Safety</b>
<b>Accountable officer</b>	<b>Jane Griffiths, Director of Commissioning</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>	A housing review was initiated in response to legislative changes both to housing policy and welfare reforms. A cross party member working group was established including members from the social and community overview and scrutiny committee. The working group are concerned about some of the changes which are being proposed and this report sets out the key issues, opportunities and challenges which they wish to bring to the attention of the Cabinet.
<b>Recommendations</b>	<ol style="list-style-type: none"> <li><b>1. The Cabinet endorse the recommendations of the review group as set out in appendix 2 and builds them into workplans.</b></li> <li><b>2. The Cabinet endorse the principle of the development of a housing and homelessness strategy which incorporates the review groups findings for consideration by Cabinet in March 2012.</b></li> <li><b>3. The Cabinet endorses the outcomes framework as set out at appendix 4 as a basis for consultation with stakeholders and to be used to inform the development of the housing and homelessness strategy.</b></li> <li><b>4. The Housing Review Member Working Group continues to meet to support the development of the strategy and to provide a sounding board on the development of the HRA business plan preparation ready for Council in February 2012.</b></li> </ol>

<b>Financial implications</b>	No financial implications arising from this report. However as housing strategies and policies are developed, future reports could identify financial implications for the council.  <b>Contact officer: Andrew Sherbourne,</b> <b>andrew.sherbourne@cheltenham.gov.uk, 01242 264337</b>
<b>Legal implications</b>	There are no direct legal implications arising out of the report. Legal advice and assistance will be sought on the implications of any future proposals, strategies or work plans.  <b>Contact officer: sarah.farooqi@tewkesbury.gov.uk, 01684 272693</b>
<b>HR implications (including learning and organisational development)</b>	No HR implications arising from this report. However as housing strategies and policies are developed, future reports could identify HR implications for the council.  <b>Contact officer: Julie McCarthy, Julie.McCarthy@cheltenham.gov.uk, 01242 264355</b>
<b>Key risks</b>	These are set out in appendix 3 and identify the risks associated with the new legislation and changes and the mitigating action that can be taken.
<b>Corporate and community plan Implications</b>	The challenges set out in the issues paper will impact on the delivery of the outcomes the council's wishes to achieve as set out in the corporate plan and therefore it is important that the council is responds proactively to the changes
<b>Environmental and climate change implications</b>	

## 1. Background

1.1 A housing review was initiated in response to legislative changes both to housing policy and welfare reforms. A member working group has been established including members from Social and Community Overview and Scrutiny committee. Members of the working group are:

- Councillor Klara Sudbury (Chair)
- Councillor Barbara Driver (also a CBH board member)
- Councillor Chris Coleman
- Councillor Wendy Flynn
- Councillor Rowena Hay
- Councillor Duncan Smith
- Councillor Jon Walklett (also a CBH board member)
- Karl Hemming – overview and scrutiny co-optee

1.2 This report sets out some of the key issues, opportunities and challenges which have been

highlighted to the review group of the reforms.

## **2. Reasons for recommendations**

- 2.1 Shelter is a basic human need, but the homes we live in also serve as a basis for broader positive outcomes for individuals and families. Accessing suitable housing is the first stage in enabling people to live their lives in a fulfilled and positive way. It is therefore vitally important for people to have access to appropriate housing; for example, good quality, well designed, affordable and safe.
- 2.2 Accessing appropriate housing is just the first stage. The physical environment in which people live has a significant impact on both an individual's well being and that of the community at large. Everyone benefits when we have strong, balanced communities that are free from hazards, pollution and conflict.
- 2.3 Local and National policies are vital to enable new housing development which is affordable and sustainable. Policies should encourage the ongoing provision of adequate housing and sustainable communities, providing the basis for people to undertake their daily lives, achieve positive outcomes and contribute and participate positively at a wider community level. Communities can then in turn increase their self-reliance, resilience and collective productivity and decrease reliance on mainstream statutory services.
- 2.4 There has recently been considerable change in relation to the planning, regulation and financial frameworks for the delivery of housing and affordable housing. The changes have been duly documented and are being analysed in terms of how they are to be implemented and delivered. However to understand the issues surrounding housing the working group also looked at the wider reforms and changes to funding regimes to try to assess the implications at a local level.
- 2.5 The recent changes present both opportunities and challenges which are often interdependent and can create a 'domino' affect with regard to interaction with each other and the subsequent collective impact on our ability to achieve outcomes to meet the needs and aspirations of our customers.
- 2.6 Set out in the attached document (appendix 3) are the issues and opportunities which arise from these reforms. Additionally there is a risk assessment with actions to mitigate against these risks. The review group were concerned about the scale of changes and particularly the impact on some of the most vulnerable in the community.
- 2.7 Listed at appendix 2 is a set of recommendations from the working group which they feel should be built into the council's workplans. These recommendations summarise the discussions within the group and also some of the specific actions as set out in the issues paper in appendix 3.
- 2.8 The review group also provided a useful sounding board for the development of the HRA business plan and for the advice contract, both of which are on the agenda this evening for discussion. In hindsight it would have been appropriate for the Cabinet member finance and community development to be a standing member of the working group (rather than just invited for specific agenda items) because of the interdependencies between his portfolio and the housing portfolio. It is suggested that in taking the review work forward that the Cabinet member becomes a full member of the group.

## **3. Developing a housing and homelessness strategy**

- 3.1 The scale of change means that it is appropriate to develop a long term strategy to meet these challenges and it is proposed that a housing and homelessness strategy is developed. Attached

## Page 42

at appendix 5 is proposed contents page. The intention would be to develop the strategy over the coming months and align this to the HRA business plan. Attached at appendix 4 are an initial set of draft outcomes based on needs and the challenges ahead which the working group have developed. These have yet to be tested with stakeholders.

- 3.2** The working group have developed a good knowledge base about the impacts of the proposed changes. It is therefore recommended that the working group continues to meet to provide member input into the strategy until it is approved next March.

<b>Report author</b>	<b>Contact officer: jane.griffiths, director of commissioning,</b> <a href="mailto:jane.griffiths@cheltenham.gov.uk">jane.griffiths@cheltenham.gov.uk</a> ,  <b>01242 264126</b>  <b>Martin Stacey, housing and communities manager,</b> <a href="mailto:martin.stacey@cheltenham.gov.uk">martin.stacey@cheltenham.gov.uk</a>  <b>01242 775213</b>  <b>Bob Dagger, Assistant Chief Executive,</b> <a href="mailto:bob.dagger@cheltborohomes.org">bob.dagger@cheltborohomes.org</a> <b>01242 26 4225</b>
<b>Appendices</b>	<ol style="list-style-type: none"><li>1. Risk Assessment</li><li>2. Recommendations of the working group</li><li>3. Issues paper</li><li>4. Outcomes framework</li><li>5. Outline content page for housing and homelessness strategy.</li></ol>
<b>Background information</b>	<ol style="list-style-type: none"><li>1. None</li></ol>

Risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-4	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If the council does not plan to address the legislative changes arising from housing and welfare reform there is a risk that residents and tenants could be adversely affected.	Jane Griffiths Director of commissioning	30 September	3	3	9	Reduce	The working group have identified a number of recommendations and suggested course of action. Housing and homelessness strategy to be prepared. Specific actions to be built into the corporate strategy and or workplans	31 March 2012	Martin Stacey Housing and communities manager Paul Aldridge Benefits manager	Divisional risk register

**Explanatory notes**

**Impact** – an assessment of the impact if the risk occurs on a scale of 1-4 (4 being the greatest impact)

**Likelihood** – how likely is it that the risk will occur on a scale of 1-6 (6 being most likely)

Impact Description	Impact score	Probability	Likelihood Description	Likelihood Score
Negligible	1	0% - 5%	Almost impossible	1
Marginal	2	5% - 15%	Very low	2
Major	3	15% - 30%	Low	3
Critical	4	30% - 60%	Significant	4
		60% - 90%	High	5
		> 90%	Very high	6

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Page 44



## Key recommendations arising from the Housing Review Working Group

1. Cheltenham Borough Council responds to the changes being brought about as a result of the new Local Housing Allowance Regulations and the introduction of the Welfare Reform Bill by:
  - Reviewing the Housing Options Service to ensure it best meets the needs of low-income households both currently in, and trying to access, the private rented sector
  - Aligning the Housing Options Service to meet the needs of Private Landlords, through the provision of appropriate landlord services
  - Tackling issues which may arise through reduced standards in private sector rented accommodation through the Private Sector Housing Team
  - Ensuring there is effective and timely advice and support given to those directly affected by the Local Housing Allowance changes
  - Re-commissioning the Advice Contract to reflect emerging priorities
  - Reviewing Gloucestershire Homeseeker's Allocations Policy to ensure it takes consideration of the welfare reform bill, specifically in relation to under-occupancy.
  
2. Develop a Tenancy Strategy to take account of the introduction of flexible tenancies by Registered Providers, in relation to:
  - The kinds of tenancies they grant, and
  - Where flexible tenancies are granted, the length of the terms, and
  - The circumstances in which RPs should renew a flexible tenancy

The Housing Review Working Group agreed that long-term flexible tenancies should be supported. Any Strategy will ensure regard is had to homelessness prevention and to supporting the Allocations Policy.
  
3. Ensure the proposed Housing & Homelessness Strategy 2012-17 is compatible with CBC's updated HRA Business Plan, ensuring that key priorities are aligned. Initial priorities currently being explored seek to
  - Support the provision of new affordable housing
  - Tackle fuel poverty
  - Introduce a programme of external works improvement
  - Build the capacity of communities, including non-cbc tenants, with a particular focus on improving the life changes of young people.
  - Manage the potential impact on tenants of any changes brought about by the implementation of the Welfare Reform Bill
  - Ensure the future provision of sheltered housing continues to meet rising expectations
  
4. Promote a consistent approach across the county to implementing the agreed Supporting People Strategy. This will be done through representation at the County SP Core Strategy Group and at the County SP Partnership Board, as well as through representation at Cheltenham's Housing & Support Forum.
  
5. To seek to ensure the support needs of our tenants in CBC Sheltered Housing continue to be safeguarded, following the implementation of the Supporting People Strategy.

6. Review, via the Gloucestershire Homeseeker Partnership, whether the Allocations Policy should be changed in light of new freedoms and flexibilities that could allow Local Authorities to re-house transfer tenants outside the allocations scheme, as well as allowing Local Authorities to close housing waiting lists to households not perceived to be in housing need.
7. To explore ways in which CBC is able to influence Registered Providers' decisions, when they are setting Affordable Rents and considering the scale of rent conversions, so as to minimise the risk of rents being set at locally unaffordable levels.
8. Improve the resilience of low income households affected by Affordable Rents through an increased focus on financial inclusion and capability provision in order to help sustain their tenancies.

## Housing Review Working Group Issues Paper

### Localism Bill

#### Context

For the government, the Localism Bill goes beyond just reforming the way councils work. It lays out its philosophy about the relationship between the state and the citizen.

The intention of the Bill is to see a radical shift in the balance of power and to decentralise power to the lowest possible level, including individuals, neighbourhoods, professionals and communities as well as local councils and other local institutions.

The Bill contains provisions which are geared to come into force from April 2012 and therefore the ultimate aim for the Bill is to receive Royal Assent in the autumn 2011.

Summary of most relevant housing related details include:

#### **Planning System**

##### Abolition of Regional Strategies

The Localism Bill will abolish top-down regional targets in favour of democratic local decision-making. Local Authorities will still be required to produce a plan for their administrative area. Beneath this, there may be a series of Neighbourhood Plans which would need to be in general conformity with the Authority's plan and local area vision. The changes will be underpinned by a national planning policy framework.

##### Community Infrastructure Levy

The Bill will require local authorities to allocate a proportion of Community Infrastructure Levy revenues back to the neighbourhood from which it was raised. This will allow those most directly affected by development to benefit from it.

##### Local Plan Reform

Intention to give local authorities and communities greater choice and control by removing the ability of the Planning Inspectorate to re-write local plans - and by removing procedures on timetabling and monitoring. The changes will be underpinned by a national planning policy framework.

##### Neighbourhood Planning

The Bill will radically reform the planning system to give local people new rights to shape the development of the communities in which they live.

#### **Social Housing Reform**

##### Social Housing Allocations reform

The Bill will allow councils the freedom to determine who should qualify to go on their housing waiting list. The rules on eligibility will continue to be set centrally but they intend to make it easier for existing social tenants to move, by giving Local Housing Authorities the option of removing transferring tenants who are not in housing need from the scope of the allocation rules – they will no longer have to compete with those on the waiting list in housing need. The bill includes a measure for creating a National Homewrap scheme to assist in this movement between social tenants.

**Reform of Homelessness legislation**

The Bill will give local authorities the flexibility to bring the homelessness duty to an end with an offer of suitable accommodation in the private rented sector without requiring the household’s agreement. The private sector tenancy would need to be for a minimum fixed term of 12 months. The duty would recur if, within 2 years, the applicant becomes homeless again through no fault of his or her own (and continues to be eligible for assistance).

**Reform of Council Housing Finance – see detail page 11**

This reform will replace the current annual centralised system for subsidising council housing and replace it with a locally run system. Under the new system, councils will keep their rental income and use it locally to maintain their homes. To achieve this, the Bill will enable a one-off payment between Government and the council to pay off loans. This will put councils in a position where they can support their stock and housing debt from their own income in future.

**Reform of Social Housing Regulation**

Under the plans social housing tenants will receive tools to hold landlords to account and there will be a greater role for locally elected representatives in resolving problems in their area.

**Social Housing Tenure reform**

Currently, social landlords are normally only able to grant lifetime tenancies. The provisions in the Bill will enable local authority landlords to grant tenancies for a fixed length (the minimum length being five years, or two years where a Registered Provider can show exceptional circumstances). Landlords will retain the power to grant lifetimes tenancies.

The localism bill places a duty on LAs to produce a Tenancy Strategy for RPs to have regard to when formulating their own policies on:

- The kinds of tenancies they grant, and
- If they grant flexible tenancies, the lengths of the terms, and
- The circumstances in which RPs should renew a fixed term tenancy

In producing this Strategy, the LA must have regard to the Homelessness Strategy and to its Allocations Policy.

**Facilitating moves out of the social rented sector**

The Government is keen to see that support is given to help realise social tenants’ ownership aspirations, which in turn can help to enable better housing outcomes for those in need through more effective use of social rented stock. The Bill will ensure that housing association tenants who are also members (e.g. share holders) of their landlord organisation are allowed to take up incentive schemes which facilitate moves out of the social rented sector into owner occupation.

Opportunities	Challenges
<p><b>CIL</b> To allocate resources to meet the localised need of the area to support the additional development</p> <p><b>Local Plan Reform</b></p>	<p><b>CIL</b> Need for co-ordinated planning at county and district level to identify infrastructure requirements at a localised area in relation to broader infrastructure requirements and deliverability to ensure sustainable development.</p> <p><b>Local Plan Reform</b></p>

<p>Increased community involvement and ownership of local development plans and therefore positive interaction and engagement with communities of new developments</p> <p><b>Allocations and transfers</b> The enablement of social tenant transfers outside of the waiting list could facilitate an increase in the speed in which existing tenants could have their changing housing and wider social needs met</p> <p><b>Determining who goes onto the housing list</b> Removing from the housing list those households with no or little housing need could reduce the administrative burden on housing options team.</p> <p><b>Homelessness</b> To be able to discharge duty into private rented sector may alleviate pressure on social housing</p>	<p>Infrastructure and capacity to support community engagement, involvement and integration. Communities not supporting development at all and therefore limiting the opportunities for growth and economic viability.</p> <p><b>Allocations and transfers</b> The challenge is to ensure we support stronger communities whilst having a balanced approach to prioritising housing needs of both existing and non social tenants for the purposes of allocating and making best use of stock.</p> <p>Reducing the availability of housing stock for non-tenants in high housing need or who are homeless, is likely to place increased pressure on the homelessness service, increasing the use of inappropriate temporary accommodation (such as Bed &amp; Breakfast), particularly for homeless families seeking 3 bedroom or larger accommodation.</p> <p>Where tenants believe they will have an opportunity to move to alternative or ‘better’ housing, they may be less willing to invest – or feel a part of – their existing neighbourhood, potentially putting at risk the stability of these local communities.</p> <p>There will continue to remain a limited availability of housing stock, with a risk that tenants will be left with a false hope that they will be able to move. In reality, tenants will still need to be prioritised in some way to ensure fairness.</p> <p><b>Determining who goes onto the housing list</b> Refusing to allow some households onto the housing list is likely to lead to appeals and challenges against such decisions, increasing the administrative burden on the Housing Options Team.</p> <p>If households perceive that their only mechanism to apply for social housing is by worsening their housing circumstances, this may create a perverse incentive for them to do this.</p> <p>Many households who are ‘adequately housed’ apply for social housing because they are struggling financially and occupy relatively insecure housing. If housing lists were closed to these households the local authority would lose sight of housing need based on these reasons.</p> <p><b>Homelessness</b> The availability of private rented sector for homeless households to access and sustain is</p>
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<p>and reduce use of temporary accommodation</p> <p><b>Flexible Tenancies</b></p> <p>The rationale behind flexible tenancies is to give LAs and RPs more options around how to respond to local housing needs, with a view to making best use of local social housing.</p> <p>In particular, it provides LAs and RPs with an opportunity to reconsider a tenant’s position where that tenant’s financial situation has improved significantly. In these circumstances, the RP might, with the tenant’s agreement, convert the property to shared ownership.</p> <p>In addition, when a household is under-occupying accommodation at the end of the fixed term, a landlord could potentially choose not to renew the tenancy because of this under-occupation. This might be seen as a mechanism for overcoming the potential affordability issues resulting from the changes to how bedroom entitlement is to be calculated in the social housing sector, under the HB regulations see page 7</p>	<p>likely to be reduced in light of changes and impacts detailed in Welfare Reform section page 8</p> <p><b>Flexible tenancies</b></p> <p>Lifetime tenancies remain an option. If fixed term tenancies are introduced, then the shorter the fixed term the greater the likelihood of the following:</p> <p>There will be a disincentive for households to improve their financial circumstances, if they believe they will lose their tenancy as a result. This is likely to also have a wider community impact.</p> <p>Increased instability/loss of security of tenure, combined with Registered Providers evicting tenants from fixed term tenancies, will increase the turn around of households in neighbourhoods, which in turn will threaten the stability of those communities.</p> <p>Fixed term tenancies, combined with affordable rents (see page 6), if not carefully considered could lead to increased difficulties in letting certain tenancies; resulting in long-term voids and potentially increased anti-social behaviour within communities.</p> <p>Evicting tenants at the end of their fixed term tenancies is likely to lead to increased homelessness – whereby the responsibility of the landlord is simply <i>to inform the tenant on where they are able to seek advice and assistance</i>. (i.e. directing tenants at risk to the Housing Options Service). This is likely to increase demand on the housing list, as households seek to bid for alternative properties - as well as resulting in the LA ultimately picking up many of these households again as homeless. This will put further pressures on the use of temporary accommodation, which in turn will lead to increased financial costs to the Local Authority.</p> <p>Managing fixed term tenancies is likely to be bureaucratic, with landlords having to monitor and assess changes in circumstances, and tenants being able to request reviews on decisions to end tenancies. Plus, there will be additional court costs associated with enforcing evictions.</p> <p>Ending fixed term tenancies will be challengeable under the Human Rights legislation, unless the landlord can demonstrate it has acted proportionately</p>
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	<p>Changes from rented tenure to shared ownership tenure could potentially result in staircasing to 100% ownership and the loss of an affordable housing unit.</p> <p>The introduction of flexible tenancies may restrict the ability of tenants with 'lifetime' tenancies to mutually exchange with those having 'flexible' tenancies, thereby limiting their ability to move.</p> <p><b>General</b> There is a challenge in ensuring that communities are kept informed of changes and reforms and the impact they might have.</p>
<b>Interdependencies/Impacts</b>	<b>Position to date</b>
<p>Built Environment Commissioning Project Joint Core strategy Homelessness Strategy Advice Services Supporting People Strategy Gloucestershire Homeseeker Policy (Choice Based Lettings system) Registered Providers Allocation policies &amp; tenancy agreements Homes and Communities Agency grant funding framework Housing revenue account</p>	<p>The county Health &amp; Well being joint commissioning card includes actions to ensure co-ordination at county and district level regarding identifying infrastructure needs.</p> <p>Joint working with districts and registered providers tentatively begun regarding scoping tenancy strategies.</p> <p>A review of Gloucestershire Homeseeker under current criteria for allocations completed.</p> <p>A private rented sector landlords forum has been established in Cheltenham.</p> <p>Working collaboratively with TBC/City on joint core strategy and infrastructure planning</p> <p>The Localism Bill is not yet finalised and some parts are still in development therefore it is difficult to set policy or strategy where there is such a void.</p>

Risk Description <b>Localism Bill</b>	Original risk score (impact x likelihood)		Managing risk			Deadline	Lead Officer	Partners
	I	L	Score	Control	Action			
<b>Allocations and Transfers</b>  If existing tenants are to be given priority outside of the allocations system our ability to make best use of stock to meet housing need and support stronger communities may be detrimentally affected.	3	4	<b>12</b>	Reduce	The Gloucestershire Homeseeker Choice Based Lettings system has been evaluated and a policy review undertaken (via GHP). Further review to be undertaken with particular regard to the localism bill and benefit changes.	June 2012 tbc	Martin Stacy	Gloucestershire Homeseeker Partnership (GHP)
<b>Flexible tenancies</b>  Fixed term tenancies may create a range of issues such as disincentivising households to improve their financial situation, generating more demand for social housing from those coming to the end of their fixed term tenancies, increasing homelessness, and producing bureaucratic and costly challenges for Registered Providers in enforcing the termination of these tenancies.	3	3	<b>9</b>	Reduce	The LAs Tenancy Strategy should address the challenges and risk identified, with a general focus on supporting lifetime tenancies and/or long-term fixed tenancies on larger properties, and potentially avoiding the recommendation of short term tenancies	April 2012	Martin Stacy	Registered Providers  Gloucestershire Homes and Communities Group



<p>As the localism bill is still in development, there is a risk to the local authority in setting its strategic direction or policy whilst there is an opportunity for emerging legislation to change it.</p>	<p>3</p>	<p>3</p>	<p>9</p>	<p>Reduce</p>	<p>Monitor the progress of the Localism Bill,  Prepare a strategic direction based on what is known and proposed in legislation but ensure there is flexibility within working practices to allow for legislative changes.</p>	<p>April 2012</p>	<p>Martin Stacy</p>	<p>Gloucestershire Planning Officers Group &amp; JCS Group  Gloucestershire Homes and Communities Group</p>
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## Affordable Homes Programme 2011-2015

The Homes and Communities Agency’s (HCA) Affordable Homes Programme supports that Registered Providers of social housing (RPs) will be able to set an ‘affordable rent’ on almost all new build and will be able to convert a percentage of their existing stock from social rent to affordable rent. The affordable rent can be set at up to 80% of the market rent and RPs will be able to determine themselves the proportion of their existing stock that is to be converted to affordable rent tenure.

Affordable rent tenure can provide an alternative funding stream for RPs that can be used to support the development of more new affordable homes in the future. Local Authorities will still be required to allocate these properties under the Allocations Policy.

The Localism Bill supports that LAs will have a choice to continue with lifetime tenancies or to introduce flexible tenancies (minimum term of 2 years) on new tenancies from April 2012. It also places a duty on LAs to produce a Tenancy Strategy to which RPs will need to give due regard when formulating their own tenancy policies.

Opportunities	Challenges
<p><b>Affordable Rent</b></p> <p><b>Development</b> Opportunities to generate income to support future affordable housing development where government grant funding is no longer available.</p> <p>The resources generated by increasing rents to affordable rent levels are intended to be reinvested to finance the development of further units of social housing.</p> <p>Additional development will help to increase the opportunity to raise income for the Local Authority and community from New Homes Bonus scheme.</p> <p>The Affordable Rent model is the HCA’s preferred rent tenure where HCA grant funding is required to deliver a scheme. LA support for this tenure will assist in maximising the opportunity and levels of grant funding for the LA area.</p> <p><b>Affordability</b> Introduction of affordable rents will provide tenure choice for customers and access to another type of affordable housing tenure that could help to meet a range of needs and support mixed income households.</p>	<p><b>Affordable Rent</b></p> <p>The resources generated at a district level are not ringfenced for reinvesting in the same district area and can be used to finance developments elsewhere.</p> <p>A registered provider’s ability to reinvest in the same local area from where revenue is raised could be restricted due to:</p> <ul style="list-style-type: none"> <li>- the RPs own strategy and business case</li> <li>- the amount of increased rents – determined by volume of stock in any area</li> <li>- the ability to ‘financially stack’ any development which is determined on availability/cost of land, subsidy arrangements etc</li> </ul> <p><b>Affordability</b></p> <p>‘Affordable rents’ may not be affordable to all households in housing need (particularly those requiring larger family homes and single room dwellings) and may result in households becoming increasingly dependent upon housing and other benefits. The Welfare Benefit Cap/benefit reforms will impact upon the affordability of rents in general.</p>

	<p>With affordable rent levels being higher than social rent, this may create a disincentive for households to seek employment however the Coalition Government is seeking to provide employment incentives and this may help to mitigate this issue. There may also be an increase in the number of households requiring debt advice in the longer term.</p> <p>Conversions from social rent to affordable rent in existing affordable housing stock may exacerbate levels of social deprivation in areas that are already experiencing it.</p> <p>Homelessness presentations may increase with the impact of higher affordable rents. This in turn may increase the burden on existing Housing Options staff.</p> <p><b>Increased void times and impact on revenue streams</b></p> <p>A high conversion rate from social rent to affordable rent and the provision of shorter-term tenancies, may lead to increased void times due to applicants being reluctant to move into such properties and pay more than social rent levels for similar property tenure types in the same area.</p> <p>The turnover of social housing stock may slow down or tenant's movements to certain areas may be restricted with the higher rent levels. This may adversely impact on the ability to move tenants in order to complete a regeneration scheme.</p> <p>With increased rents to 'affordable rent level' there may be an increased need for debt and financial advice especially where tenants have acquired loans and debts based on their current income and social rent outgoings.</p> <p>The above issues are likely to be exacerbated if combined with flexible, particularly short-term, tenancies.</p>
<b>Interdependencies</b>	<b>Position to date</b>
Welfare Reform Bill Homelessness Strategy Allocations Policy Supporting People Strategy Investment in Financial Inclusion & Financial Capability Services	The first round of the new HCA funding has been announced and we are working with RPs on the implications of this. The tenancy strategy will need to reflect the proposed changes to tenancy arrangements..

Risk Description	Original risk score (impact x likelihood)		Managing risk			Deadline	Lead Officer	Partners
	I	L	Score	Control	Action			
<b>Affordable rents</b>  If affordable rents on new build and % conversion rates from social rents to affordable rents are calculated without sufficient regard to local market forces, there is a heightened risk of households experiencing affordability issues, falling into arrears and becoming homeless. RPs may experience an increase in void times, with a resulting loss in revenue, plus an increased risk of crime/anti-social behaviour in these areas.	3	3	9	Reduce	Support a targeted early intervention and prevention approach to tackling housing related support needs via the Supporting People Strategy.	April 2011 and ongoing?	Martin Stacy	SP Core Strategy Group
					Increase the focus on financial inclusion and capability work, seeking collaborative working opportunities wherever possible	April 2012 (and ongoing)	Martin Stacy	Financial Inclusion & Capability Forum
					Influence Registered Providers' rent setting on new build (particularly for larger properties)	Now and ongoing	Tracey Crews	Benefit Take-up Forum
					Influence decision-making amongst the HCA and RPs to moderate % conversion rates on existing housing stock - particularly in areas of high densities of social	Now and ongoing	Tracey Crews	RPs/HCA
								Gloucestershire Homes & Communities Group

<p><b>New Build</b> RPs are not obliged to generate new build in this district using any increase in revenue they receive from affordable rents. Market forces may put pressure on them to finance new build outside the district.</p>	3	4	12	Reduce	housing and on certain dwelling types where demand is already low.	April 2012	Martin Stacy	County Tenancy Strategy Working Group
					Ensure Tenancy Strategy takes account of the challenges presented above when considering its position on fixed term tenancies			
					<p>Influence RPs to ensure new build is proportionate to increased revenue coming from the district as a result of affordable rents</p> <p>Enable new development in the LA area to support identified affordable housing needs so that PR's have sufficient opportunity locally to use the revenue funding they generate from local affordable rents</p>			

## Welfare Reforms

The welfare reform bill will legislate for the biggest change to the welfare system for over 60 years. The purpose of the bill is to make the benefits and tax credits systems fairer and simpler by:

- creating the right incentives to get more people into work by ensuring work always pays
- protecting the most vulnerable in our society
- delivering fairness to those claiming benefit and to the taxpayer.

In addition, the government are making significant changes to the Local Housing Allowance scheme, which began to take effect from 1<sup>st</sup> April 2011, with a view to reducing the overall cost of welfare benefits leading up to the introduction of Universal Credit in October 2013.

Another significant impact in relation to the private rented sector specifically is the ending of Private Sector Renewal funding from central government. Last year nationally PSR was £317m and this year it is zero. Traditionally this money was used for regeneration programmes, improvement grants, home improvement loans and energy efficiency grants.

Opportunities	Challenges
<p>The main elements of the Bill are:</p> <ul style="list-style-type: none"> <li>• the introduction of Universal Credit to provide a single streamlined benefit that will ensure work always pays</li> <li>• a stronger approach to reducing fraud and error with tougher penalties for the most serious offences</li> <li>• a new claimant commitment showing clearly what is expected of claimants while giving protection to those with the greatest needs</li> <li>• reforms to Disability Living Allowance, through the introduction of the Personal Independence Payment to meet the needs of disabled people today</li> <li>• creating a fairer approach to Housing Benefit to bring stability to the market and improve incentives to work</li> <li>• driving out abuse of the Social Fund system by giving greater power to local authorities</li> <li>• reforming Employment and Support Allowance to make the benefit fairer and to ensure that help goes to those with the greatest need</li> <li>• changes to support a new system of child support which puts the interest of the child first.</li> </ul>	<p><b>Impact in the private rented sector</b></p> <p>The scale of the impacts of the benefit changes in relation to private rented accommodation and social housing in Cheltenham are detailed in the supplementary document: <a href="#">Scale of benefit change impact 2011.06.28.doc</a></p> <p>Summary of significant challenges are:                      Single room rent levels extended to single under 35 year olds means that many more people will be living together in houses of multiple occupation – which in turn raises issues of stability of those individual properties and the knock on effect this can have on the wider community in terms of transitional residents and anti social behaviour issues.</p> <p>The Local Housing Allowance is to be calculated based on the 30<sup>th</sup> percentile of market rents – a reduction from 50<sup>th</sup> percentile, as was calculated previously. This change has been effective from April 2011 for new tenants, and raises challenges regarding the affordability of the</p>

	<p>private rented sector and the council's ability to access it for the purposes of discharging our homelessness duties as the intention of the changes in the localism bill see page 2</p> <p>These LHA changes will have an greater impact on those households requiring larger accommodation further increasing pressure on larger social rented accommodation</p> <p><b>Impact in the social housing sector</b></p> <p>The rules relating to how HB is calculated for tenants of working age who are under-occupying social housing is changing. From 2013 social housing tenants of working age will only be entitled to HB for the bedrooms they are entitled to under the HB regulations. This means that those tenants whose households do not meet the HB criteria for bedroom entitlement will be deemed to be under-occupying their accommodation. This will raise challenges for rent payments and/or debt for tenants and increase movement and pressures within social housing. The scale of the issue is currently unknown as data is not held on the benefits system regarding size of social housing property.</p> <p><b>Cross tenure impact</b></p> <p>The way in which non-dependent deductions are calculated is changing, meaning that non-dependents lodging from a tenant who is claiming LHA will have to pay more to that tenant in order to meet their reduction in LHA entitlement</p>
<p><b>Interdependencies</b></p>	<p><b>Position to date</b></p>
<p><b>Supporting People</b></p> <p>The increased financial pressure, particularly on more vulnerable households, will put an increased pressure on Supporting People services. The SP Strategy will need to be continually influenced at district level to ensure a targeted early intervention and prevention approach is taken to tackling housing related support needs.</p> <p><b>Ending the homelessness duty by placing households into the private rented sector</b></p> <p>The localism bill proposes to introduce the ability for housing options to discharge its</p>	<p>Housing Options are currently reshaping their service to more closely meet the needs of private landlords, with a view to maintaining their success in preventing homelessness by continuing to house some homeless households in the private rented sector.</p> <p>Housing Options are already targeting those most likely to be affected by the LHA changes to support them in moving into more affordable alternative accommodation.</p> <p>Changes to the Allocations Policy have</p>

<p>housing duty to households accepted as homeless by offering them a 12 month tenancy in the private rented sector.</p> <p>This move will support key efforts covered below to continue to utilize the private rented sector as a means for tackling housing demand</p> <p><b>Affordable Rents and the Benefit Cap</b></p> <p>To consider what impact, if any, Affordable Rents could have, if implemented at the maximum levels on larger properties, on for those families who could potentially be affected by the proposed Benefit Cap.</p> <p><b>HRA changes</b></p> <p>Consider the potential for new HRA flexibilities to support and potentially commission the increased need for financial inclusion and financial capability, and also potentially support a strengthening of tenants incentive schemes to enable households affected by the underoccupation issues to move more easily.</p> <p><b>Allocations Scheme</b></p> <p>The localism bill will give LAs an opportunity to close waiting lists for those with no perceived housing need. If implemented, those who are struggling financially, but are otherwise adequately housed, could be excluded from the housing lists.</p> <p><b>Private Sector Renewal Funding</b></p> <p>The private sector house condition survey currently being undertaken will identify the extent of unsafe private sector housing in the borough. Detail obtained may provide the basis for future bidding exercises, if alternative replacement funds are identified.</p>	<p>been agreed via the county-wide group, ensuring that sufficient priority will be given to those who need to move because of their under-occupation in social housing, and those changes will be implemented as soon as possible.</p> <p>Further changes to the Allocations Policy on bedroom entitlement cannot be made until there is further clarity from central government on what the bedroom entitlement criteria will be for claiming HB for those households in social housing.</p> <p>Housing Options and CBH are working with Gloucestershire Credit Union with a view to potentially supporting collection points within Cheltenham, and to promote the use of them thereafter.</p> <p>The advice contract expires end March 2012.</p> <p>The cutting of this financial aid will impact</p>
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	<p>on the most vulnerable in society, especially those vulnerable owners who are living in unsafe conditions. This will increase pressure on access to other forms of housing tenure, as vulnerable owner occupiers are increasingly unable to stay in their unsafe housing accommodation. The challenge in Cheltenham will be to identify other sources of funding and to prioritise remaining funds to help safeguard the most vulnerable households including the old and frail</p>
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Risk Description	Original risk score (impact x likelihood)		Managing risk			Deadline	Lead Officer	Partners
	I	L	Score	Control	Action			
<b>Welfare Reform</b>								
Local Housing Allowance changes: If existing tenants that are to be affected by the changes are not aware of the impact on them and their requirements than we will see an increase in people struggling to afford their properties and conversely an increase in debt issues and homelessness cases	3	4	12	Reduce	Develop and deliver an action plan between benefit departments, advice agencies and all related housing and appropriate support agencies to ensure people are made aware of impact and are supported appropriately.	April 2012	Martin Stacy/ Paul Aldridge	Housing Benefit dept  Registered providers  Benefit Take-Up Forum  Housing & Support Forum
Affordability of the Private Rented Sector: Changes to the LHA and other welfare reforms will lead to private rented accommodation becoming less affordable and less accessible. This will create more demand for social housing and will lead to increased homelessness and use of temporary accommodation, leading to increased financial costs to the Local Authority.	3	4	12	Reduce	Develop new Homelessness Strategy and review the role of the Housing Options Service. Increase the focus on financial inclusion and capability, particularly through collaborative working opportunities.	April 2012	Martin Stacy	Financial Inclusion & Capability Forum  Gloucestershire Homeseeker Partnership
The implementation of the Universal Credit will heighten the risk of vulnerable households mismanaging their financial affairs, as lump sum payments	3	4	12	Reduce	Review priorities for the forthcoming Advice Contract  As above	April 2012  April 2013	Martin Stacy  Martin Stacy	Registered Providers  Housing & Support Forum

<p>will be made directly to them. It is expected that all will have access to basic bank accounts.</p>								
<p>Changes to HB calculations on bedroom entitlement in the social housing sector will lead to accommodation being less affordable for those under-occupying social housing</p>	<p>3</p>	<p>4</p>	<p><b>12</b></p>	<p>Reduce</p>	<p>Ensure Allocations Policy minimises the impact of the HB changes relating to under-occupation.</p>	<p>June 2012</p>	<p>Martin Stacy</p>	<p>Gloucestershire Homeseeker Partnership</p>

There is likely to be an increase in houses of multiple occupation as under 35s become affected by the single room rent, which heightens the risk of lower accommodation standards within the district	3	4	<b>12</b>	Reduce	Support the development of tenants incentive schemes to facilitate moves for those unable to afford to remain in underoccupied social housing, by aligning bedroom eligibility criteria to HB and maximising priority given to those needing to downsize	April 2013 (and ongoing)	Martin Stacy	Gloucestershire Homeseeker Partnership  Registered Providers
Low income households who do manage to access private rented accommodation are more likely to be forced into poorer standard accommodation, which will be compounded further by the loss of Private Sector Renewal Funding	3	4	<b>12</b>	Reduce	Increased private sector housing enforcement action to meet statutory duties in respect of HMOs and health hazards. Increase in HMO licences issued/administered.  Incentivise the take up of the Accreditation Scheme in the private rented sector, to improve standards.  Seek alternative funding to help meet statutory duties in respect of dealing with category 1 hazards (HHSRS).	April 2013 (and ongoing)  Now (and ongoing)  Now (and ongoing)	Mark Nelson  Mark Nelson  Mark Nelson	Private Sector Housing Group  Private Landlords Forum

## Self Financing Housing Revenue Account

Context

### Background

The existing system for council housing finance has been criticised by local authorities, tenants and housing professionals for some years. It is based on an impenetrable and volatile subsidy system that is underfunded and redistributive and does not give a stable basis for long term business planning.

The Government acknowledged these issues and commissioned a comprehensive review which culminated in a consultation process with all stakeholders in 2009. The Labour Government then published a “prospectus for the future of council housing” in March 2010 as a second stage consultation document which proposed the dismantling of the subsidy system through a self financing debt settlement. This was accompanied by a financial model to be used for the calculation of debt settlements, the assumptions used in the model and indicative figures for each authority. The deadline for consultation responses was 6<sup>th</sup> July 2010.

Following the change in Government in May 2010, the new Housing Minister allowed the consultation process to continue and indicated the Coalition would support the completion of HRA reform. In February 2011 DCLG published their proposals for the implementation of self financing with revised assumptions. This is not a consultation document as the Localism Bill currently passing through Parliament provides for the change to be compulsory for all local authorities in April 2012.

CIPFA has also published a consultation document which seeks to resolve accounting issues arising from the introduction of self financing.

### Recap on March 2010 proposals

Scrap the current subsidy system through a one off debt settlement for each authority with future borrowing controlled by a debt cap. Rent increases continue to be controlled by the Government.

In the actual HRA the current annual subsidy payment would be replaced by interest charges on additional debt. The balance of those 2 figures determines the initial net impact on the authority. The key variables looking forward are assumptions about future rent levels, interest rates and need to spend.

The settlement figure for each council to be calculated as the net present value of 30 year notional cash flows using the following modelling assumptions:-

- Rent income to increase in accordance with rent restructuring policy (completion in 2015/16) followed by annual increases thereafter at RPI + 0.5%
- Management, maintenance and major repairs expenditure based on existing subsidy allocations but uplifted to provide additional funding. No provision was made for the funding of disabled adaptations.
- A base discount rate of 6.5% but also options to model 6% and 7%. The higher rate was said to provide “additional headroom to finance new build”
- No allowance for future stock losses.

Using the 6.5% discount rate the debt settlement for Cheltenham was £29.1m, taking total notional debt to £54.6m which would also be the debt cap for the authority. Actual HRA debt at April 2012 would be £47.9m giving initial borrowing headroom of £6.7m.

This debt settlement was input into our financial forecasts for Cheltenham and headline figures were presented to a joint CBC/CBH workshop on 29th June 2010. When compared to a continuance of the current subsidy system our projections indicated the settlement was affordable and provided additional resources from year 1 with the financial position improving year on year. Our need to spend on the existing stock, then estimated at a current cost of £30,500 per unit over 30 years, could be financed and still leave significant resources to finance proactive asset management or new build and/or repay debt.

### **February 2011 proposals**

The principles of the March 2010 proposals have been confirmed but the following changes have been made to the modelling assumptions used for the debt settlement calculation:-

- The debt settlement is to be based on the 6.5% discount rate – the previous option to use 7% which would give Councils more borrowing headroom for new build has been dropped.
- The notional expenditure included in the model reflects updated subsidy allowances and now includes funding for disabled adaptations.
- The model also makes allowance for stock losses from Right to Buy (but only using DCLG forecasts of numbers) and will also exclude demolitions planned for the first 3 years after implementation (we have already responded to DCLG within their deadline of 31<sup>st</sup> March).

The principle of an HRA borrowing limit is confirmed, set at the level of the self financing valuation.

DCLG reserves the power to re-open the settlement in the future but says it will only be used if there is a major change in policy which would have a substantial, material impact on the value of the business.

No further guidance on HRA ring fence will be published – continue to operate under existing guidelines using principle of “who benefits pays”.

### **Impact on Cheltenham**

In the notional model Cheltenham’s allowances for management, maintenance and major repairs have been uplifted by 16.73% from the current subsidy levels (the national average is 14.24%).

The revised debt settlement figure is now £28.4m increasing total notional debt to £53.9m. This represents a debt per dwelling of £11,712 (national average £18,679). Actual HRA debt at April 2012 will be £47.2m giving initial headroom for further borrowing of £6.7m.

The changes to the model have produced significant variations in the debt settlements for individual authorities, some having increased by more than 30%. However for Cheltenham the net change is a reduction of only £0.7m.

There are accounting issues to resolve, particularly the allocation of currently pooled debt to the HRA, depreciation and impairment.

In summary the deal continues to look good for Cheltenham, slightly improved on the previous proposals issued last year. We have benefited substantially from the subsidy settlement for 2011/12.

Opportunities	Challenges
<p>In addition the plan should determine a strategy for the use of surplus resources with options for new build, improvement of current stock and debt repayment.</p>	<p>We now have confirmation HRA reform will be in place by April 2012 and it is unlikely there will be any further significant changes to the methodology. It is therefore essential that we have a robust implementation plan which recognises the need for the involvement of all stakeholders.</p> <p>A new HRA business plan is being progressed and will be informed by 30 year financial forecasts. As indicated above the key variables, which will be the subject of sensitivity analysis, are:-</p> <ul style="list-style-type: none"> <li>• Future rent increases (controlled by Government policy)</li> <li>• Interest Rates</li> <li>• Need to spend on management, maintenance and major repair</li> </ul>
Interdependencies	Position to date
<p>There are significant treasury management implications arising from these proposals and it is essential that early advice on funding decisions is obtained.</p> <p>There are accounting issues to resolve, particularly the allocation of currently pooled debt to the HRA, depreciation and impairment.</p>	<p>A joint CBC/CBH Workshop was held on 15 June to discuss more detailed elements of the situation.</p> <p>Emphasis was made that key policy decisions will have to be made to ensure implementation from April 2012.</p> <p>Consultation of tenants is planned between September and December 2011 before which key principles will need to have been agreed by Cabinet/Council.</p>



Risk Description	Original risk score (impact x likelihood)		Managing risk			Deadline	Lead Officer	Partners
	I	L	Score	Control	Action			
<p>DCLG reserves the power to re-open the settlement in the future but says it will only be used if there is a major change in policy which would have a substantial, material impact on the value of the business.</p> <p>There are significant treasury management implications arising from these proposals and it is essential that early advice on funding decisions is obtained.</p>	3	3	9	Reduce	<p>Any investment decision should take into account the council's current view on interest rates.</p> <p>ArlingClose Ltd, the council's treasury advisors, have been appointed to advise on the impact that the HRA subsidy reform will have in respect of Cheltenham.</p> <p>The council has signed up to their Debt</p>	December 2011	Paul Jones	

<p>Rental income is still subject to Government policy. The surpluses shown are primarily driven by rent increase assumptions in line with current policy.</p>					<p>Allocation After Transfer (DAAT) service to ensure any borrowing limits are correctly allocated to the HRA.</p>			
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## Supporting People

### Context

Supporting People pays for much of the housing support that is provided to vulnerable people to help them live as independently as possible. The County Council is the Administering Authority for the programme and leads the Supporting People Partnership Board and Core Strategy Group.

The national Supporting People programme began on 1 April 2003, bringing together seven housing-related funding streams from across central government. It is now a wholly decentralised programme, administered through 152 top-tier authorities who have complete discretion over where to direct their funds to best meet local needs. From 2011/12, all Supporting People funds have been rolled into Formula Grant and allocated via the Local Government Finance Report. Services are largely delivered by the voluntary and community sector, and housing associations.

The government has advised that authorities should consider the most appropriate local arrangements, provided that they are consistent with the core requirements and objectives of the Supporting People programme. In all cases this means the Supporting People programme needs to harness a range of skills, knowledge and resources from across the Administering Authority and its partners.

### Gloucestershire arrangements

The Core Strategy Group is the key policy development group within the Supporting People decision-making structure. It is also responsible for developing new policies and practices for the operation of the programme in Gloucestershire.

The Core Strategy Group Membership includes:

- Representatives from the six district housing authorities;
- Gloucestershire County Council;
- Gloucestershire Partnership NHS Trust;
- The Primary Care Trust;
- Gloucestershire Probation;
- Two representatives from provider organisations

Partnership Board - this is the decision making group for the Supporting People Programme and membership comprises:-

- Gloucestershire County Council
- Forest of Dean District Council
- Cheltenham Borough Council
- Tewkesbury Borough Council
- Stroud District Council
- Cotswold District Council

- Gloucester City Council
- Gloucestershire Probation Trust
- 2Gether NHS Foundation Trust
- Gloucestershire PCT

Housing support includes helping vulnerable people to learn the basic skills to remain in their own homes, while achieving their aspirations such as becoming a more active member of their local community. It also helps them:-

- Gain access to education, training or employment;
- Contact other services such as social care, health, doctors and colleges;
- Make sure their home is safe and secure.

Failure to sustain accommodation has considerable social costs, not only in terms of the individual affected, such as interruption from education, employment, health services, community activities, loss of informal and formal support networks, to being unsafe; but also wider community costs whereby a volume of transient residents can destabilise an otherwise strong and cohesive community. Accommodation failure also carries significant costs to the public purse, with a potential requirement for interventions from housing authorities in terms of housing options and estate management; safeguarding and critical health services.

The Supporting People programme has always been Central Government funded and although the national level of funding has largely been protected, its redistribution now as part of formula grant means that central funding for the programme is substantially reducing. The Budget Forecast agreed by the county council confirmed that a total of £7 million savings would need to be made from the recurring base budget over the 4 financial years from 2011-2 to 2014-5.

Whilst a significant reduction, this is actually a higher level of investment in the programme than the County Council is actually receiving from central government, reflecting the positive impact of much of the expenditure on the budget for adult social care, which is an agreed County Council priority.

A county wide strategy has been consulted upon and endorsed by the County Council<sup>1</sup>

Opportunities	Challenges
<p>The Supporting People Partnership Board has committed to taking a strategic response to these changes, which involves work needed to reshape services to be more effective and efficient, by investing in early intervention and prevention. Make best use of resources by enabling access to timely and targeted brief interventions to prevent problems from becoming housing or care crises which will make better use of intensive accommodation based services.</p>	<p>Helping partners to achieve a strategic shift to Early Intervention and Prevention in line with the Personalisation agenda requires a “corporate” response from all the partners to implementing a prevention strategy for vulnerable people, via increased early intervention and developing social capital to build greater community resilience. Need to inform and influence integrated strategic planning.</p> <p>To bring some long term stability to the core</p>

<sup>1</sup> <http://glostext.gloucestershire.gov.uk/mgConvert2PDF.aspx?ID=4299>

<p>The strategy seeks to address the misalignment of services informed by needs analysis – to reduce over supply and meet gaps in provision.</p> <p>Development of integrated pathways to help deliver the priority prevention outcomes of the Health and Care services, as well as Housing and Communities agendas</p> <p>To develop personalised flexible services to enable individuals to achieve positive outcomes personally and at a neighbourhood level.</p>	<p>services whilst managing the radical transformation of some sectors</p> <p>To have a stable supply of quality services whilst also managing change and budgetary turbulence</p> <p>To safeguard vulnerable people during transition</p> <p>To ensure accurate and consistent communications with service users</p>
<p><b>Interdependencies/Impacts</b></p>	<p><b>Position to date</b></p>
<p>Budgetary pressures, strategic plans and commissioning frameworks of other statutory partners</p> <p>The ability of individuals to sustain their accommodation has implications for services provided by the council and CBH; most notably Housing Options services, Private sector housing, Disabled adaptations and estate management.</p>	<p>A joint workshop with SP Partnership Board, Core strategy group and providers was held in May 2011 to discuss issues regarding implementing the strategy to inform project planning</p>

Risk Description Supporting People	Original risk score (impact x likelihood)		Managing risk			Deadline	Lead Officer	Partners
	I	L	Score	Control	Action			
If we fail to agree a county wide approach to implementing the Supporting People strategy then it would result in an inability to effectively manage the budget which would result in reduction of services and/or failure to provide appropriate and integrated housing related support services. This in turn would impact disproportionately on the most vulnerable members of our community and may increase demand on homelessness budget.	4	4	16	reduce	Influence implementation of strategy via consultation and partnership planning processes to secure robust programme of delivery that meets local and county wide needs	To be determined by SP Partnership Board	Mike Redman/ Martin Stacy	SP Partnership Board  SP Core Strategy Group  SP Provider Fora  Cheltenham Housing and Support Forum

Under-pinning principles	Direct Outcomes for community wellbeing	Direct Outcomes for Residents	Strategic Objectives and outcomes – contribution to be assessed using community objectives assessment toolkit	
Make best use of social housing stock via the Allocations Scheme, whilst maintaining balanced communities	Family relationships and social networks are developed and/or maintained, thereby increasing social capital within communities	People are able to live in their homes independently for longer		Cheltenham has a clean & well maintained environment
Ensure vulnerable people engage and remain on the pathway to independent living	Communities are less transient with residents 'buying in' to their neighbourhoods	People have access to a wide range of housing options	Enhancing and protecting our environment	Natural and built environment is enhanced and protected
Work with private landlords to increase the availability of private rented accommodation to low income households	Incidents of re-offending, anti-social behaviour and drugs & substance misuse are reduced as a result of the provision of suitable accommodation and appropriate support	People are able to stay or move to communities where they can benefit from family and support networks	Enhancing the provision of culture	CO2 emissions are reduced & we adapt to impacts of climate change
Enable privately owned empty homes to be brought back into use for residents in housing need	Opportunities for improving the educational attainment for young people are increased as a result of more stable communities being established	People benefit physically and mentally from better quality housing	Strengthening our economy	Cheltenham recovers quickly from the recession
Engage with private landlords to improve the quality of private rented housing	Opportunities for improving the educational attainment for young people are increased as a result of more stable communities being established	People are able to access better quality accommodation		We attract more visitors and investors to Cheltenham
Continue to improve the quality and carbon efficiency of housing stock	With increased financial capability, communities will have more income in which to support themselves and the local economy	People can manage their financial affairs, thereby avoiding falling into debt	Strengthening our communities	Communities feel safe and are safe
Maximise the provision of new affordable housing	With increased financial capability, communities will have more income in which to support themselves and the local economy	More people pay less for housing-related fuel costs	Strengthening our communities	People have access to decent and affordable housing
Tackle financial exclusion and improve financial capability	With increased financial capability, communities will have more income in which to support themselves and the local economy	People are able to lead more healthy-eating lifestyles through improved financial capability	Providing value for money services	People are able to lead healthy lifestyles
Tackle housing related fuel-poverty	With increased financial capability, communities will have more income in which to support themselves and the local economy	Young people have more stable lives, creating opportunities for continued education, training and employment	Providing value for money services	Residents enjoy a strong sense of community
Ensure a range of homelessness prevention initiatives are available to residents at risk of losing their homes	With increased financial capability, communities will have more income in which to support themselves and the local economy	Young people have more stable lives, creating opportunities for continued education, training and employment	Providing value for money services	Residents enjoy a strong sense of community





## **Housing & Homelessness Strategy 2012-2017**

### **Contents**

#### **Part 1. Setting the Scene**

##### **Chapter 1. Putting Housing into context**

- Links to corporate priorities
- Links to wider agendas:
  - Health & Wellbeing
  - Stronger Communities
  - Safer Communities
  - Improving outcomes for Young People
  - Tackling Climate Change
- Key Outcomes
- Framework for how Housing influences and is influenced by these agendas:
  - Existing partnerships
  - Scope for improvement

##### **Chapter 2. National Priorities; Local Impact**

- Key Changes:
  - Localism Bill
  - Affordable Homes Framework
  - Welfare Reform Bill and other welfare changes
  - Supporting People
  - HRA reform
- Challenges and Opportunities

##### **Chapter 3. Needs Analysis & Consultation**

- SHMA
- HNA
- Homelessness and support needs
- etc

## **Part 2. Meeting Our Outcomes**

### **Chapter 4. Making Best Use of Existing Housing**

- Improving and maintaining Existing Homes
- Improving Housing to Meet Climate Change and Sustainability
- Tackling Fuel Poverty
- Bringing Empty Homes Back into Use

### **Chapter 5. Helping People Find and Access Suitable Affordable Homes**

- Gloucestershire Homeseeker
- Accessing Private Rented Accommodation
- Accessing other accommodation (e.g. shared ownership)

### **Chapter 6. Creating More Affordable Homes**

- Cost and availability of land
- Funding
- Links to JCS

### **Chapter 7. Preventing Homelessness and Supporting Vulnerable People**

- Key priorities for preventing homelessness
- Helping vulnerable people

### **Chapter 8. Our Tenancy Strategy**

- Links to homelessness prevention, allocations policy
- If/when flexible tenancies should be considered
- Length of flexible tenancies
- Circumstances around when flexible tenancies should end

### **Chapter 9. Revitalising Neighbourhoods**

- Deprivation
- Tackling Crime & Anti-social Behaviour

#### Appendices

Appendix 1 – Outcomes Framework

Appendix 2 – Action Plan

Etc.

## Cheltenham Borough Council

**Cabinet – 18 October 2011**

### Housing Revenue Account Business Plan

<b>Accountable member</b>	<b>Councillor John Webster, Cabinet member finance and community development</b>
<b>Accountable officers</b>	<b>Mark Sheldon, Director of resources</b> <b>Jane Griffiths, Director of commissioning</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 is an outline Housing Revenue Account (HRA) Business Plan, written in partnership with Cheltenham Borough Homes (CBH).</p> <p>This document sets out plans for the management and maintenance of CBC-owned housing stock for the 30 year period from 2012 to 2042. It has been developed at a time of significant changes in national policy that impact on social housing. These include reform of the council housing finance system, welfare reform (which is subject to a separate report this evening) and the necessary development of alternative models for the delivery of new stock following a reduction in direct government grant. More detail on these changes and their impact are detailed in the plan and they provide both challenges and opportunities.</p> <p>The move from the HRA subsidy system to a self financing regime is to be welcomed as it will provide both an increase in resources and greater local control of those resources. Final details of the self financing arrangements will not be received until later this year but current financial projections suggest that, after funding existing service levels and the costs of keeping homes to the decent homes standard, there could be additional resources of approximately £15m. This could be used to repay debt or invest in the existing stock to provide better quality homes, establish a programme of new build or improve services to tenants.</p> <p>The emerging strategy is to use these additional resources in three ways:</p> <ul style="list-style-type: none"> <li>▶ New Build – CBC will ask managing agent, CBH to identify delivery models for the provision of new housing at St Paul’s Phase 2, Cakebridge Place and various garage sites. Our aim is to establish a continuous programme of new build, recognising that the scale of that programme may be restrained by availability of land and affordability.</li> <li>▶ Existing Stock - priorities will include measures to address fuel poverty, the improvement of external areas through a continuation of the neighbourhood works programme, a review of sheltered housing</li> <li>▶ Services to tenants – CBH will be requested to invest in further community development to address issues of anti-social behaviour, financial exclusion and unemployment</li> </ul>

<b>Recommendations</b>	<p>The development of the draft strategy has been informed by a member seminar and by the cross party member housing review group. This draft strategy will be informed by the opinions of tenants and leaseholders and other stakeholder partners and a consultation exercise will be undertaken in October and November this year. Feedback will then be used in the preparation of the final business plan to be published in February 2012.</p> <p><b>The Cabinet are asked to endorse the draft strategy and use it as a basis for consultation with a range of stakeholders.</b></p> <p><b>Following consultation the strategy will be brought back to Cabinet before final approval by Council in February 2012.</b></p>
------------------------	---

<b>Financial implications</b>	<p>As detailed throughout this report and within the HRA Business Plan.</p> <p>DCLG will issue draft self-financing determinations in November 2011 which will vary from the figures issued in February 2011 to reflect updated stock numbers, RPI and GDP deflator figures. The indebtedness determination will set out the 'borrowing cap' and the Council will need to ensure this settlement figure is paid over to DCLG on 28<sup>th</sup> March 2012.</p> <p>In order to facilitate this transaction, Council will need to determine and approve its borrowing strategy which will include updating its prudential indicators to ensure there is enough headroom within its authorised borrowing limit.</p> <p>The recent announcements from HM Treasury have indicated that favourable rates from the PWLB will be available (i.e. 13 bases points over gilt rates) for this one-off transaction and in order to benefit from these rates the Council will need to request these rates by 26<sup>th</sup> March 2012 at the latest.</p> <p>As part of the Council's treasury management strategy, Arlingclose, the Council's treasury advisors, have been enlisted to ensure that its borrowing strategy will provide value for money.</p> <p><b>Contact officer: Paul Jones, paul.jones@cheltenham.gov.uk, 01242 775154</b></p>
<b>Legal implications</b>	<p>There are no legal implications as a direct result of this report.</p> <p><b>Contact officer: Donna Ruck, Solicitor donna.ruck@tewkesbury.gov.uk, 01684 272696</b></p>
<b>HR implications (including learning and organisational development)</b>	<p>No HR implications arising as a direct result of the content of this report.</p> <p><b>Contact officer: Julie McCarthy, julie.mccarthy @cheltenham.gov.uk, 01242 264355</b></p>
<b>Key risks</b>	<p><b>The key risks are set out in appendix 1 and a more detailed analysis is set out in the business plan itself</b></p>

<b>Corporate and community plan Implications</b>	The HRA business plan has been developed in the context of the of the council's corporate strategy. It is proposed that during the consultation phase and before a final version of the business plan is brought back for approval an equality impact assessment will be undertaken.
<b>Environmental and climate change implications</b>	

## 1. Background

- 2.1 The existing system for council housing finance has been criticised by local authorities, tenants and housing professionals for some years. It is based on an impenetrable and volatile subsidy system that is underfunded and redistributive and does not give a stable basis for long term business planning.
- 2.2 The reform of council housing finance has involved all three major political parties. In 2009 the previous Labour government commissioned a comprehensive review which culminated in a consultation process with all stakeholders. Following on from this the government then published a '*prospectus for the future of council housing*' in March 2010 as a second stage consultation document. This document proposed the dismantling of the subsidy system through a 'self financing debt settlement'. This was accompanied by a financial model to be used for the calculation of debt settlements; the assumptions used in the model; and indicative figures for each authority.
- 2.3 Following the change in government in May 2010 the coalition indicated that it would support the completion of HRA reform and carry forward the reforms to a conclusion. In February 2011 the Department for Communities and Local Government (DCLG) published '*Implementing self-financing for council housing*'. This document set out the methodology, financial parameters and timetable for the reforms and contained key financial information so that councils could see how they would be affected. This enabled local authorities to begin planning for the start of self-financing. This policy document was accompanied by '*a local authority financial model*' with indicative figures, a user guide and a report on the model inputs. This was not a consultation document as the Localism Bill, which was passing through Parliament, provided for the change to be compulsory for all local authorities in April 2012.
- 2.4 Published on the 28<sup>th</sup> July 2011 the document '*Self-financing: Planning the transition*' set out in detail the steps central government and councils will take between now and April 2012 to make these reforms a reality. It also sets out the accounting and regulatory framework that will support self-financing. CIPFA has also published a consultation document which seeks to resolve accounting issues arising from the introduction of self financing.
- 2.5 The reforms are planned to:
- ▶ scrap the current subsidy system through a one off debt settlement for each authority with future borrowing controlled by a debt cap. Rent increases continue to be controlled by the government
  - ▶ give councils the resources, incentives and flexibility they need to more effectively manage their housing stock for the long-term and to drive up quality and efficiency
  - ▶ provide tenants with the information they need to hold their landlord to account, by replacing the current opaque system with one which has a clear relationship between the rent a landlord collects and the services they provide
  - ▶ replace the current annual subsidy payment with interest charges on additional debt. The balance of these two figures determines the initial net impact on the authority. The key

variables looking forward are assumptions about future rent levels, interest rates and need to spend

- 2.6 The settlement figure for each council is to be calculated as the net present value of 30 year notional cash flows using the following modelling assumptions:-
- ▶ rent income to increase in accordance with rent restructuring policy (completion in 2015/16) followed by annual increases thereafter at RPI + 0.5%
  - ▶ management, maintenance and major repairs expenditure based on updated subsidy allowances and now includes funding for disabled adaptations
  - ▶ the debt settlement is to be based on the 6.5% discount rate – the previous option to use 7% which would give Councils more borrowing headroom for new build has been dropped
  - ▶ the model also makes allowance for stock losses from Right to Buy (but only using DCLG forecasts of numbers) and will also exclude demolitions planned for the first 3 years after implementation (we have already responded to DCLG within their deadline of 31<sup>st</sup> March)
- 2.7 The DCLG reserves the power to re-open the settlement in the future but this is likely only to be used if there is a major change in policy which would have a substantial, material impact on the value of the business. No further guidance on HRA ring fence will be published – continue to operate under existing guidelines using principle of ‘who benefits pays’.

## 2. Reasons for recommendations

- 2.1 The council needs to set out a business plan for the housing revenue account and needs to consider the options. The attached paper sets out the national and local context, establishes strategic links and describes how the housing revenue account is used to deliver housing services and manage and maintain council-owned homes. Included is a range of options for consideration arising from the move from the HRA subsidy system to a self financing regime. It will provide both an increase in resources and greater local control of those resources and current financial projections suggest that, after funding existing service levels and the costs of keeping homes to the decent homes standard, there could be additional resources of approximately £15m. This could be used to repay debt or invest in the existing stock to provide better quality homes, establish a programme of new build or improve services to tenants.
- 2.2 From the work undertaken with members and CBH board it would appear that there is a blended approach which includes new build, work to existing stock, environmental and sustainability improvements and earmarking of resource for developing the services delivered by CBH to help meet current and emerging local needs.

## 3. Alternative options considered

- 3.1 The council could choose to prioritise one aspect over another but the consultation to date has shown an appetite for a blended approach. The proposed consultation as set out in chapter 6 of the HRA Business Plan should test with a range of stakeholders what their views are about prioritisation within the proposed options.

## 4. Consultation and feedback

- 4.1 CBH will undertake a range of consultation activities over the coming months and these will be collated and brought back to the member review working group and to CBH board, who will consider the findings and agree what strategy needs to develop to meet these aspirations. The

HRA business plan will be presented to council in February along with the budget.

- 4.2 The Cabinet this evening have received a report from the housing review cross party member working group who are keen to continue to be engaged in the development of the plan and to ensure alignment to the council’s corporate strategy and emerging outcomes frameworks.

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

- 5.1 The HRA will be monitored through the service level agreement for CBH and through the normal budget monitoring procedures. Given the changes it will be important to monitor the financial aspects closely over the first few years to ensure that assumptions made are realised and if not that corrective action is taken as required.

<p><b>Report author</b></p>	<p><b>Contact officers</b></p> <p><b>Mark Sheldon Director of Resources ,</b>  <b>Mark.Sheldon@cheltenham.gov.uk,</b>  <b>01242 264123</b></p> <p><b>Jane Griffiths, Director of Commissioning</b>  <u><a href="mailto:Jane.Griffiths@cheltenham.gov.uk">Jane.Griffiths@cheltenham.gov.uk</a></u>  <b>01242 264124</b></p>
<p><b>Appendices</b></p>	<p>1. Risk Assessment</p> <p>2. Draft Housing Revenue Account Business Plan 2012 to 2042</p>
<p><b>Background information</b></p>	

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-4	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	<p>DCLG reserves the power to re-open the settlement in the future but says it will only be used if there is a major change in policy which would have a substantial, material impact on the value of the business.</p> <p>There are significant treasury management implications arising from these proposals and it is essential that early advice on funding decisions is obtained.</p> <p>Rental income is still subject to Government policy. The surpluses shown are primarily driven by rent increase assumptions in line with current policy.</p>	Mark Sheldon	20/09/11	3	3	9	Reduce	Any investment decision should take into account the council's current view on interest rates. ArlingClose Ltd, the council's treasury advisors, have been appointed to advise on the impact that the HRA subsidy reform will have in respect of Cheltenham. The council has signed up to their Debt Allocation After Transfer (DAAT) service to ensure any borrowing limits are correctly allocated to the HRA.			
	The welfare reforms and benefit changes do not align to the proposed changes to social and affordable rents and there is a risk as to what impact	Mark Sheldon	20/09/11	3	3	9	Reduce	Set realistic target levels re bad debts Continue to monitor the HRA closely in first years of self			



**Explanatory notes**

**Impact** – an assessment of the impact if the risk occurs on a scale of 1-4 (4 being the greatest impact)

**Likelihood** – how likely is it that the risk will occur on a scale of 1-6 (6 being most likely)

Impact Description	Impact score	Probability	Likelihood Description	Likelihood Score
Negligible	<u>1</u>	0% - 5%	Almost impossible	<u>1</u>
Marginal	<u>2</u>	5% - 15%	Very low	<u>2</u>
Major	<u>3</u>	15% - 30%	Low	<u>3</u>
Critical	<u>4</u>	30% - 60%	Significant	<u>4</u>
		60% - 90%	High	<u>5</u>
		> 90%	Very high	<u>6</u>

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Page 86

**Cheltenham Borough Council**  
***DRAFT* Summary HRA Business**  
**Plan 2012 to 2042**

draft version: October 2011

# CONTENTS

- 1 EXECUTIVE SUMMARY AND INTRODUCTION .....2**
  - 1.1 introduction .....2
  - 1.2 Executive Summary .....2
- 2 FINANCIAL PROJECTIONS .....5**
  - 2.1 The move to self financing .....5
  - 2.2 The key variables and our assumptions .....5
  - 2.3 Our projections .....6
  - 2.4 Debt profile .....9
  - 2.5 Sensitivity Analysis .....9
- 3 DEBT MANAGEMENT .....10**
- 4 ASSET MANAGEMENT STRATEGY: summary .....11**
  - 4.1 Need to Spend .....11
  - 4.2 HRA Business Plan headroom .....11
  - 4.3 New build homes .....12
  - 4.4 Further investment in existing housing stock .....12
- 5 RISK MANAGEMENT .....13**
- 6 COMMUNITY ENGAGEMENT .....15**
  - 6.1 tenants and the development of this business plan .....15
- 7 MONITORING AND REVIEW .....17**
- 8 CONCLUSIONS .....18**
- APPENDIX 1 CBC HRA PROJECTIONS 2012/13 TO 2041/42 .....19**

# 1 EXECUTIVE SUMMARY AND INTRODUCTION

## 1.1 introduction

Welcome to Cheltenham Borough Council's Housing Business Plan for 2012 to 2042. This plan sets out our plans for council housing over the next 30 years to the long term future for the housing service and stock. This document explains how we listen to our customers in establishing our plans for improving housing services and getting investment into tenants' homes.

In 2001, the Government introduced the requirement for all council homes to be brought up to the Decent Homes Standard by 2010. Following a detailed consideration of the options available to us, the Council decided to establish an Arms Length Management Organisation, Cheltenham Borough Homes (CBH). In 2003, CBH was successful in achieving a "good" rating for its services from the Audit Commission and additional investment resources of over £26m became available from the Government to help meet the Standard. (In 2004 this was increased to £31m).

CBH have now completed the "Creating Better Homes" investment programme which concluded in December 2008 with all homes achieving the Decent Homes Standard 2 years ahead of schedule and on budget.

CBH were re-inspected by the Audit Commission during 2007: the Audit Commission awarded them the highest possible rating, *three stars for excellent services and excellent prospects for improvement*. CBH remains a top performing ALMO. Over time CBH have demonstrated consistent improvement and have made a difference to the lives of thousands of people living in council homes and the communities that they work within.

CBH is a key vehicle in the delivery of services. The delegation of functions is laid out in Schedule Two in the current Management Agreement, which runs until 2020. CBH have developed a CBH Business Plan to 2020 which provides a framework for consistent delivery on agreed objectives and an appreciation of resources to meet them. This sets out their strategic goals and operational priorities in detail for five years and then more generally to 2020. They have consulted widely with tenants in formulating this plan which ensures that current and developing customer need is married to local strategic priorities: helping to deliver the ambitions in the Community Strategy; the aims in the CBC Corporate Plan and the developing Housing and Homelessness Strategy.

## 1.2 Executive Summary

This plan is published at a time of unprecedented ongoing change for social housing. The Council and CBH need to take stock of past progress and begin to set out plans to meet the challenges of the future. These include; fundamental reform of the council housing finance system, wide-reaching welfare reform and the development of alternative models for the delivery of new stock, following a reduction in direct government grant.

One of the major changes, and the one with the most direct impact on this business plan, is the move from the HRA subsidy system to a self financing regime. This is to be welcomed as it will provide both an increase in resources and greater local control of those resources. We will not receive final details of the self financing arrangements until later this year but our current financial projections suggest that, after funding existing service levels and the costs of keeping our homes to the decent homes standard, there could be additional resources of approximately £15m. This could be used to repay debt; or invest in the existing stock to provide better quality

homes; or establish a programme of new build; or improve our services to tenants or a blend of all these approaches could be taken.

There is a large excess of housing need over supply. There is ongoing and buoyant demand for council housing through the Housing Needs Register. Our experience of tenancy turnaround and lettings activity suggests continued high demand for all but a very limited number of properties and property types. There are, nonetheless, some areas of council housing at risk of changing patterns of demand and need and which require investment to provide a long term, sustainable future for the stock.

The services delivered by CBH are high performing and customer satisfaction is also high. CBH are committed to maintaining this level of performance into the future and ensure that customers are fully involved in the delivery of these. Since 2003 our ALMO has drastically improved performance in all aspects of housing related services. Key indicators for rent collection, repairs and re-letting homes consistently occupy the upper tiers of national comparison tables.

The main focus of their work will continue to be the delivery of our core landlord services, ensuring they are performing to excellent standards and are able to respond to meet changing customer expectations and need. Maintaining excellent performance, high customer satisfaction and efficient services will be supported by effective monitoring, benchmarking, customer involvement and scrutiny. Coupled with the involvement of customers to ensure relevant focus and service user-scrutiny will ensure this continues.

We are developing an updated Community Modelling capability, which analyses a suite of indicators by location to support new investment programmes to help deliver regeneration. We will continue to refine the modelling as part of the development of our investment plans. In the meantime we will play a key partnership role in helping to deliver and facilitate existing schemes in St Paul's, as well as complete local appraisals for stock reinvestment and redevelopment for the sheltered stock and other specific property types.

Looking forward to 2020 we expect no dramatic change in council-owned stock and no change in demand, which will remain high. Our homes currently meet the government's 'decency standard': we are committed to maintaining this level of decency into the future. Future investment will be proactive, identifying and replacing components and maintaining building elements before they fail. These will be identified by the use of developing stock condition software and physical surveys. CBH will investigate retrofitting homes to improve their environmental footprints, taking into account new technologies to reduce energy use.

CBH will continue to build new, affordable homes as funding allows; these new build properties will take account of the ongoing discussions relating to minimum build standards. They will also continue their 'Neighbourhood Works' programme, which improves external communal environments for CBC tenants, helping to combat anti-social behaviour and promote community cohesion.

CBH is striving for service excellence. The future of social housing regulation is changing: it will be essential that development of self assessment continues and that customers are involved in the review and monitoring of services. The 'co-regulation' approach prescribed by Government as a more efficient and effective form of regulation has already been embraced by CBH. The integration of a 'customer excellence group' into the governance structure will continue: ensuring a high degree of customer scrutiny; making sure that services meet customers' need; that decisions are made with customers' input; and activities are accountable to customers. Our plans incorporate the need to make savings in expenditure in day-to-day services every year.

We understand the importance of healthy communities and we are committed to continue to improve these, and the lives of the people living within them, by working together with residents and partners. CBH are a key partner in this regard, delivering services and supporting

communities to develop cohesiveness and sustainability. CBH carry out many community development activities in some of the most deprived areas in the borough. They will continue to support several of the key aims as set out in the developing Housing and Homelessness Strategy and Corporate Plan by:

- ▶ improving opportunities to engage with education, training and employment
- ▶ reducing the impact of Welfare Reform
- ▶ promoting safer estates
- ▶ reducing fuel poverty
- ▶ reducing financial exclusion
- ▶ promoting healthy living
- ▶ carrying out projects supporting older people, often with health and mobility problems
- ▶ carrying out projects supporting young people, often with support needs

The Council and CBH have a strong track record of tenant involvement through a wide variety of mechanisms including meetings, conferences, focus groups and through newsletters and surveys. We are committed to continue to explore new, innovative and more effective ways of engaging with more of our customers. This contact enables us to understand views and gauge satisfaction; improve services; reflect customer needs and aspirations; and increases accountability to the people and communities we serve.

Tenants have played a key role in the successful development of our housing services; it is vital that this continues and that tenants play an increasing role in shaping both services and the ALMO business to 2020 and beyond. CBH will continue to offer and actively promote a range of engagement, involvement and development activities that will appeal to the widest possible audience. They will adopt a flexible approach to Community Involvement, responding to local circumstances and needs.

Our updated financial planning demonstrates that, with appropriate action to manage and reduce costs and through effective procurement of large scale expenditure programmes, the council, with CBH as its key delivery partner, is able to sustain the housing stock for the 30 year term of this plan, whilst placing both the council and CBH in the best possible position to take advantage of any future opportunities that arise from the move to self-financing.

## 2 FINANCIAL PROJECTIONS

### 2.1 The move to self financing

The Government has now confirmed its intent to abolish the existing HRA subsidy system and move to a self financing regime for local authority housing from April 2012. Our projections reflect the anticipated impact of this very significant change.

For those authorities such as Cheltenham who currently pay into the subsidy system (£3.2m in 2011/12), the change will be accompanied by the take on of additional debt. The payment of an annual subsidy to Government will therefore, in part, be replaced by the cost of additional interest charges. It is currently estimated that those debt costs will be significantly less than the subsidy thus increasing available resources. Furthermore existing operating surpluses are expected to rise as the yield from future rent increases exceed cost inflation.

The actual level of additional debt to be taken by Cheltenham will not be known until draft determinations are issued by DCLG in November. The most recent estimates, published in February 2011, showed a figure of £28.4m. This is derived from a net present value calculation of 30 year notional cashflows of Cheltenham's rent income and expenditure. The assumptions used in the model are to be updated by DCLG prior to settlement and the figure is expected to increase to reflect higher than anticipated rent levels. Our projections assume a further £10m to be paid increasing the settlement to £38.4m. This may be a cautious estimate but that acknowledges the potential volatility in the model.

### 2.2 The key variables and our assumptions

#### 2.2.1 Base Inflation

Using the retail price index as a measure for inflation our projections assume:-  
September 2011 5.2%  
September 2012 3.5%  
Thereafter at the government target of 2.5%

#### 2.2.2 Rents

Government policy is that the rent for each property should continue to move incrementally to the figure derived from a national formula. This rent restructuring should be completed by 2015/16. Thereafter the formula rent will increase by inflation (as measured by the retail price index) plus 0.5%.

We have therefore assumed rent increases as follows:-  
April 2012 6%  
April 2013 4.3%  
April 2014 3.3%  
April 2015 3.3%  
April 2016 onwards at 3%

#### 2.2.3 Management & Maintenance costs

We require our managing agent (CBH) to continue to seek value for money in the delivery of their services. Our projections for the cost of existing service levels in the early years of the plan target real terms savings in the range of 1% to 2.5%. For 2016/17 onwards cost increases are currently shown at base inflation but these will be subject to further review.



## 2.2.4 Interest Rates

The additional debt to be taken on for self financing increases the impact of interest rate variations. As detailed in section 3 of our plan the initial cost will reflect both the rate paid on existing HRA debt and that on new borrowing to finance the settlement. We have estimated the overall average rate at 4.5%.

## 2.2.5 Bad Debt Provision

This has been increased over the early years of the plan (to 2% of rent income) to reflect the impact of the introduction of direct benefit payments to tenants.

## 2.5.6 Reserves

The projections assume a minimum contingency of £1.5m.

## 2.3 Our projections

This plan covers the 30 year period to 2041/42 and the full term projections are attached at *Appendix 1*. These give assurances to the sustainability of our plan and suggest very significant additional resources will be available in the long term.

However it is more appropriate to concentrate on the short to medium term and the following table shows our summarised financial projections for the next 10 years. These are presented on the assumption that all surplus resources, after meeting current service level costs and essential investment needs, are used to repay debt.

Over the 10 year period those surpluses are estimated at £15.4m. If these funds were used to finance further investment instead of debt repayment the available resource would be £12.2m over the same period (this reduction recognises additional interest payable).

The level of annual surplus is restrained in years 5 to 9 by an increase in programmed investment during that period. From year 10 onwards the additional sums available for either increased investment and/or debt repayment show rapid growth.

**Table 1 CHELTENHAM BC - HRA PROJECTIONS 2012/13 to 2021/22****Key assumption - All surplus resources, after meeting essential investment needs, used to repay debt**

<b>Year</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>Total</b>
	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	
<b>Revenue Account</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Rents	17,651	18,743	18,975	19,580	20,145	20,727	21,325	22,363	22,574	23,226	
Interest receivable	47	39	39	40	38	38	37	37	37	37	
Other income	1,154	1,183	1,213	1,243	1,274	1,306	1,339	1,372	1,406	1,442	
<b>Gross income</b>	<b>18,852</b>	<b>19,965</b>	<b>20,227</b>	<b>20,863</b>	<b>21,457</b>	<b>22,071</b>	<b>22,701</b>	<b>23,772</b>	<b>24,017</b>	<b>24,705</b>	
Management	6,197	6,303	6,410	6,500	6,532	6,695	6,863	7,034	7,210	7,390	
Maintenance	4,012	4,072	4,133	4,237	4,343	4,451	4,563	4,677	4,794	4,914	
Bad debt provision	225	275	368	379	392	403	415	426	439	451	
Other	156	121	102	83	88	98	100	102	104	107	
Depreciation	4,820	4,941	5,064	5,191	5,320	5,453	5,590	5,729	5,872	6,020	
Interest payable	2,545	2,478	2,399	2,320	2,265	2,232	2,192	2,133	2,064	1,959	
Capital contribution	0	0	0	382	1,884	1,933	1,984	2,036	2,090	598	
<b>Gross costs</b>	<b>17,955</b>	<b>18,190</b>	<b>18,476</b>	<b>19,092</b>	<b>20,824</b>	<b>21,265</b>	<b>21,707</b>	<b>22,137</b>	<b>22,573</b>	<b>21,439</b>	
<b>Surplus</b>	<b>897</b>	<b>1,775</b>	<b>1,751</b>	<b>1,771</b>	<b>633</b>	<b>806</b>	<b>994</b>	<b>1,635</b>	<b>1,444</b>	<b>3,266</b>	<b>14,972</b>
HRA reserve b/fwd	1,897	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	
	2,794	3,275	3,251	3,271	2,133	2,306	2,494	3,135	2,944	4,766	
<b>Debt repayment</b>	<b>-1,294</b>	<b>-1,775</b>	<b>-1,751</b>	<b>-1,771</b>	<b>-633</b>	<b>-806</b>	<b>-994</b>	<b>-1,635</b>	<b>-1,444</b>	<b>-3,266</b>	<b>-15,369</b>
HRA reserve c/fwd	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	
<b>Capital programme</b>											
<b>Expenditure</b>	<b>4,551</b>	<b>4,521</b>	<b>4,661</b>	<b>7,065</b>	<b>7,304</b>	<b>7,486</b>	<b>7,674</b>	<b>7,865</b>	<b>8,062</b>	<b>6,718</b>	<b>65,907</b>
Financed by:-											
Capital Receipts	100	100	100	100	100	100	100	100	100	100	
Major Repairs Reserve	4,451	4,421	4,561	6,583	5,320	5,453	5,590	5,729	5,872	6,020	
Revenue Account	0	0	0	382	1,884	1,933	1,984	2,036	2,090	598	

**Key assumption - All surplus resources, after meeting essential investment needs, used to repay debt**

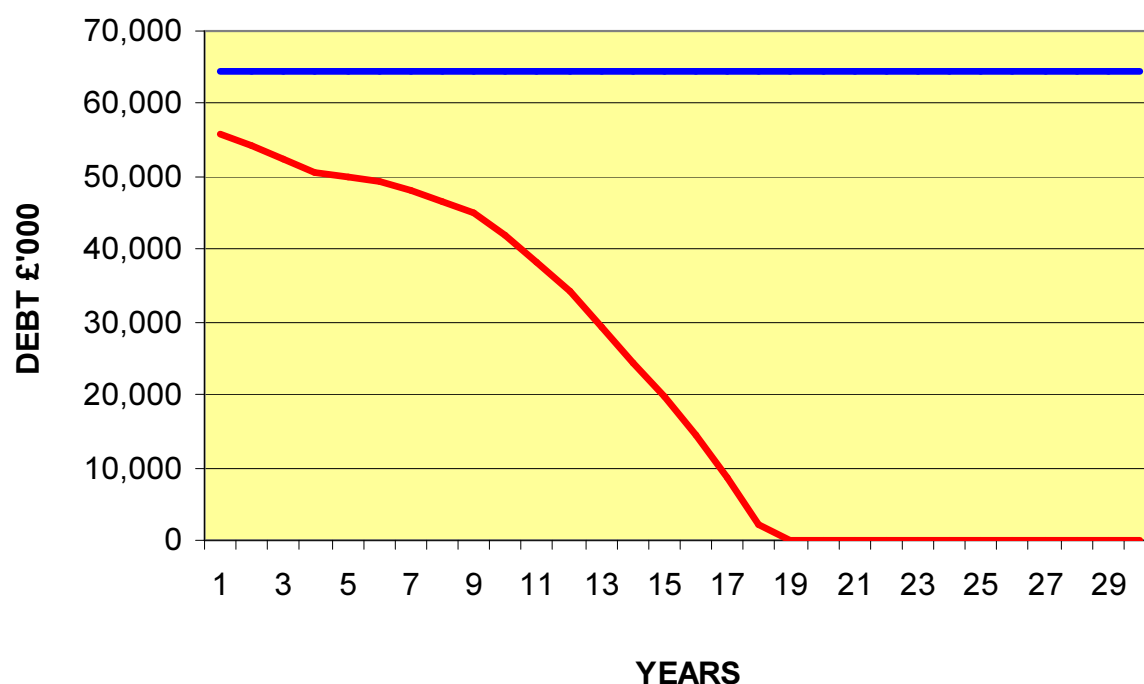
Year	1	2	3	4	5	6	7	8	9	10	Total
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	
<b>Major Repairs Reserve</b>											
Balance b/fwd	0	369	889	1,392	0	0	0	0	0	0	0
Depreciation	4,820	4,941	5,064	5,191	5,320	5,453	5,590	5,729	5,872	6,020	
Capital Programme	-4,451	-4,421	-4,561	-6,583	-5,320	-5,453	-5,590	-5,729	-5,872	-6,020	
Balance c/fwd	369	889	1,392	0	0	0	0	0	0	0	
<b>Debt forecast</b>											
Opening debt	<b>57,172</b>	55,878	54,103	52,352	50,581	49,948	49,142	48,148	46,513	45,069	
Repayment	-1,294	-1,775	-1,751	-1,771	-633	-806	-994	-1,635	-1,444	-3,266	
Closing debt	55,878	54,103	52,352	50,581	49,948	49,142	48,148	46,513	45,069	<b>41,803</b>	

## 2.4 Debt profile

The current HRA debt is £18.7m and our estimates suggest this will be increased by a further £38.4m through the self financing settlement, giving a revised total of £57.2m. The Government is setting a future borrowing limit for each authority at the sum of the current notional subsidy debt and the settlement – for Cheltenham this is estimated as £63.9m. This means that there will be borrowing headroom of £6.7m at April 2012 which the Council could use if the HRA can meet the additional financing cost.

Table 2 below shows the potential for repayment in the 30 year projections if the strategy were to use all surplus resources to repay debt. The initial debt of £57.2m could be fully repaid by year 20.

Table 2 HRA Debt profile – self financing



## 2.5 Sensitivity Analysis

Our draft projections are based on information available at September 2011 and are still subject to significant change which may follow from a revision of the debt settlement and variations to interest rates and the retail price index.

The following chart quantifies the impact of changes in the key variables on the first 10 years of our plan:-

Variable	Change	Impact on 10 yr surplus £'m
Debt Settlement	£5m	2.83
Interest Rates	1% throughout period	8.57
Rent	1% throughout period	2.64

We have used cautious assumptions of these variables in the projections to minimise the risk of adverse variances.

### 3 DEBT MANAGEMENT

The move to a self financing HRA places a greater emphasis of the management of housing debt, ensuring that the costs of the HRA are clearly identified and do not impact on the General Fund.

Currently the Council maintains a single pool of debt for both HRA and General Fund purposes from which an apportionment of interest costs is charged to the HRA. It is now proposed that existing Council debt at 31<sup>st</sup> March 2012 will be split into two separate pools, one for the General Fund and one for the HRA. DCLG and CIPFA have made recommendations on how this is achieved but there will be some local discretion on the methodology to be used. The overriding principle is that there should be no detriment to General Fund. The Council's treasury management advisors (Arlingclose) have been asked to report on the options for doing this and their report will be considered by the Treasury Management Panel.

The costs of any new debt then taken for HRA purposes, particularly borrowing to fund the self financing debt settlement, will also be directly attributable to the HRA.

In future the management of the HRA debt pool will be an integral part of the business planning process. A range of options will be available in deciding the future balance between investment and debt repayment. Arlingclose will be asked to advise on the appropriate borrowing strategy for the debt settlement after the draft determinations are released in November and the Council's investment priorities have been established,

## 4 ASSET MANAGEMENT STRATEGY: summary

This strategy considers the current investment needs of the CBH-managed housing stock, with reference to recent investment (last 5 years), proposed mid-term investment (next 5 years) and the overall 30 year Investment Plan which supports the CBH Business Plan. It also reviews a related range of strategic, property data and sustainability issues in order to present an overall account of the aspirations of CBH in respect of the quantity, quality and robustness of housing stock under ownership and management.

CBH has carried out stock condition surveys across 25% of homes in the last 12 months and has introduced new Asset Management software – PIMMS 4 Communities. These actions support both the collection of accurate property attribute data and the analysis thereof that informs robust property investment planning. This in turn contributes to the comprehensiveness and accuracy of both HRA and Business Planning. Below is a summary of the key points from the Asset Management Plan.

### 4.1 Need to Spend

Following the formation of CBH an investment plan was devised which had at its core the delivery of Decent Homes by March 2010. This target was met in December 2008 and since that time CBH has had a general investment programme based upon stock condition data and stock investment software which jointly inform the need to spend. In broad terms this can be summarised under the following headings:

- ▶ A Neighbourhood Works programme delivering environmental improvements to blocks.
- ▶ Works to void properties, including a small number of major voids.
- ▶ Investment in non-traditional housing to maintain its integrity.
- ▶ Works to improve the insulation standards in properties.
- ▶ The provision of level access showers and other aids & adaptations.
- ▶ Works to building fabric- maintenance of walls and roofs.
- ▶ Structural works as and when needs arise.
- ▶ Replacement of boilers and heating systems.
- ▶ The replacement of windows and doors.
- ▶ The testing and removal of asbestos where required.
- ▶ Upgrading and replacement of lifts to sheltered housing schemes.
- ▶ The replacement of door entry systems.
- ▶ Fire protection works as required.
- ▶ Maintenance of digital aerial systems to communal blocks.
- ▶ Electrical testing, upgrades and rewires.
- ▶ The completion of decent homes works to any omitted properties.
- ▶ The provision of transformational improvements to properties within St Paul's regeneration scheme.

Through a software programme (PIMMS 4 Communities) CBH is able to forecast the total need to spend over a 30-Year period. This is detailed in full in the Asset Management Plan and is supplemented by additional expenditure for items included above but outside of the capacity of the PIMMS calculation.

Over the next 30 years the need to spend totals £162m which is covered by funding available to CBH under the HRA Business Plan.

### 4.2 HRA Business Plan headroom

From April 2012 there will be significant changes to the HRA and new challenges for CBC and CBH. It is currently estimated that the HRA reform will generate capital for additional

investment over the next ten years. CBC and CBH have been jointly reviewing in a broad sense the options for utilising this available finance over coming years.

It has been generally agreed that there are three key themes for this investment, being:

- ▶ The maintenance of a programme for new build homes to address housing need in the Borough.
- ▶ The provision of additional funding to invest in existing housing stock.
- ▶ The enhancement of Neighbourhood Services through new initiatives..

### 4.3 New build homes

CBH has successfully delivered the first new homes development of 16 units at Brighton Road and is on site with a further 48 new homes within the St Paul's regeneration project. Despite the setback of not securing Social Housing Grant from the Homes and Communities Agency (HCA) in the recent funding round, CBC and CBH remain committed to delivering the balance of the regeneration scheme at St Paul's (Phase 2) and concluding the replacement of defective Tarran bungalows by redeveloping Cakebridge Place.

In addition there are currently four garage sites with planning consent for redevelopment under the garage site rationalisation programme.

CBH has now been mandated to review options for these sites and to consider alternative funding arrangements to capital grant from the HCA. CBH will report back to CBC in January 2012 with proposals for further consideration.

CBH also has a mandate to liaise with developers looking at other CBC land assets, with a view to fulfilling the role of social housing provider or manager. Option reviews will again be carried out for discussion with CBC as above.

### 4.4 Further investment in existing housing stock

A key aspect of the consideration being given to programme options is the increasing prevalence of fuel poverty, as energy prices continue to rise with significant increases forecast for the future. CBH is currently reviewing the optimum methodology for addressing fuel poverty, including the opportunities provided through the adoption of renewable technologies.

CBH recognises that some of the current sheltered housing stock is suffering from low demand arising from its bedsit nature. Conversion to flats is an expensive option and would result in an overall loss of units. CBH will however need to address the occurrence of bedsits within three of the sheltered schemes within the near future.

Whilst the worst of the non-traditional stock is being addressed through the redevelopment of the Tarran bungalow sites at Brighton Road and Cakebridge Place, there remain a core of 'Cornish' non-traditional properties that will require significant investment within the life of the current investment plan. This is most likely to take the form of a standard works programme for Precast Reinforced Concrete (PRC) homes.

Whilst the Neighbourhood Works programme has addressed (and will continue to address) the external environment of blocks of properties, there are estate-based homes that also merit environmental improvements. The Transformational Improvements at St Paul's will provide a demonstration of the benefits to be gained from such investment and will help inform investment decisions for other areas.

## 5 RISK MANAGEMENT

Below are general descriptions of key housing risks, as identified by the Housing Working Group. Many of these risks are shared with our ALMO. Details against these can be found in Section 6 of the associated information pack.

### **Localism Bill**

#### ▶ **Allocations and Transfers**

If existing tenants are to be given priority outside of the allocations system our ability to make best use of stock to meet housing need and support stronger communities may be detrimentally affected

#### ▶ **Flexible tenancies**

Fixed term tenancies may create a range of issues such as disincentivising households to improve their financial situation, generating more demand for social housing from those coming to the end of their fixed term tenancies, increasing homelessness, and producing bureaucratic and costly challenges for Registered Providers (RP's) in enforcing the termination of these tenancies

As the localism bill is still in development, there is a risk to the local authority in setting its strategic direction or policy whilst there is an opportunity for emerging legislation to change it.

### **Affordable Homes Programme**

#### ▶ **Affordable rents**

If affordable rents on new build and % conversion rates from social rents to affordable rents are calculated without sufficient regard to local market forces, there is a heightened risk of households experiencing affordability issues, falling into arrears and becoming homeless. RPs may experience an increase in void times, with a resulting loss in revenue, plus an increased risk of crime/anti-social behaviour in these areas.

#### ▶ **New Build**

RPs are not obliged to generate new build in this district using any increase in revenue they receive from affordable rents. Market forces may put pressure on them to finance new build outside the district.

### **Welfare Reform**

#### ▶ **Local Housing Allowance changes**

If existing tenants that are to be affected by the changes are not aware of the impact on them and their requirements than we will see an increase in people struggling to afford their properties and conversely an increase in debt issues and homelessness cases

#### ▶ **Affordability of the Private Rented Sector**

Changes to the LHA and other welfare reforms will lead to private rented accommodation becoming less affordable and less accessible. This will create more demand for social housing and will lead to increased homelessness and use of temporary accommodation, leading to increased financial costs to the Local Authority

#### ▶ **The implementation of the Universal Credit**

This will heighten the risk of vulnerable households mismanaging their financial affairs, as lump sum payments will be made directly to them. It is expected that all will have access to basic bank accounts.

#### ▶ **Changes to HB calculations**

Changes on bedroom entitlement in the social housing sector will lead to accommodation being less affordable for those under-occupying social housing

#### ▶ **Houses in multiple occupancy**

There is likely to be an increase in houses of multiple occupation as under 35s become affected by the single room rent, which heightens the risk of lower accommodation standards within the district



Low income households who do manage to access private rented accommodation are more likely to be forced into poorer standard accommodation, which will be compounded further by the loss of Private Sector Renewal Funding

### **Self-financing**

- ▶ DCLG reserves the power to re-open the settlement in the future but says it will only be used if there is a major change in policy which would have a substantial, material impact on the value of the business.
- ▶ There are significant treasury management implications arising from these proposals and it is essential that early advice on funding decisions is obtained.
- ▶ Rental income is still subject to Government policy. The surpluses shown are primarily driven by rent increase assumptions in line with current policy.

### **Supporting People**

The failure to agree a county wide approach to implementing the strategy would result in an inability to manage the budget pressures and result in reduction of services and/or failure to provide appropriate and integrated housing related support services which would then impact disproportionately on the most vulnerable members of our community and may increase demand on homelessness budget.

## 6 COMMUNITY ENGAGEMENT

We wish our plan to be informed by the opinions of our tenants and other stakeholder partners. A wide ranging consultation exercise will be undertaken in the development of this Business Plan over a period of two months in late 2011. Feedback from this will then be used in the preparation of our final HRA Business Plan to be published in February 2012.

Involving people in the decisions we make which affect them is important to us. Council tenants have played a key role in the set up and the continuing successful development of CBH, helping the ALMO to achieve recognition as a '3 star excellent' organisation.

### 6.1 tenants and the development of this business plan

During October and November 2011, CBH will use a wide range of tenant consultation methods in order to raise awareness of the new self financing model and to obtain local views regarding new services and support provisions. This will support the development of the HRA Business Plan.

CBHNews, a quarterly newsletter sent to all tenants has already raised awareness about the development of the HRA Business Plan, the changes to the subsidy system and what this may mean for tenants. It also introduced the idea of tenant participation in designing the response to these changes.

Further awareness raising will take place through flyers, our website and meetings promoting the proposed events and ensuring everyone understands where, when and why CBH are consulting on the HRA Business Plan. In addition we will feedback to tenants relevant information after the events.

#### **Aims**

- ▶ To capture feedback and engage with a wide audience including 'need to reach' groups (for example, younger people)
- ▶ To capture honest, unbiased opinion directly from CBC tenants in a relaxed, comfortable environment
- ▶ To be able to go to the tenants rather than the tenants coming to CBH.

#### **6.1.1 Consultation methods and locations**

During this process CBH will provide a range of opportunities to engage with tenants, enabling tenants to have a say on future services and investment. The consultation will provide a consistent approach and will strive to engage the highest numbers of participants possible.

To make best use of the consultation this exercise will be looked upon as an opportunity to gather information beyond that required for the HRA Consultation. This will also be an opportunity to:

- ▶ Collect up to date personal information on our customers to support the next stage of work to ensure CBH achieve our target of 90% customer data
- ▶ Raise awareness of Community Services activities and events

In order to engage with high numbers and 'need to reach' groups CBH will need to make use of means other than the regular Community Involvement events during October and December. Proposed activities include:

- ▶ CBH Surveys (Repair & Community Involvement\*)
- ▶ Neighbourhood Meetings
- ▶ Community Development events\*
- ▶ Community Representatives to survey their local areas\*

- ▶ Working groups
- ▶ Focus groups\*
- ▶ Learning curve workshops
- ▶ Receptions areas\*
- ▶ Community House & Hub
- ▶ Website\*
- ▶ Telephone surveys\*
- ▶ Public events\*
- ▶ Community Centres\*
- ▶ Customer Excellence Group (CEG)

\*extra consultation methods

### **6.1.2 Timescales**

To be carried out during the months of October and November to ensure there is an overlap with the school half term holidays and CBH and CBC Committee dates.

The end date for all consultation, allowing time for consolidation of results will be December 2011.

### **6.1.4 Staffing**

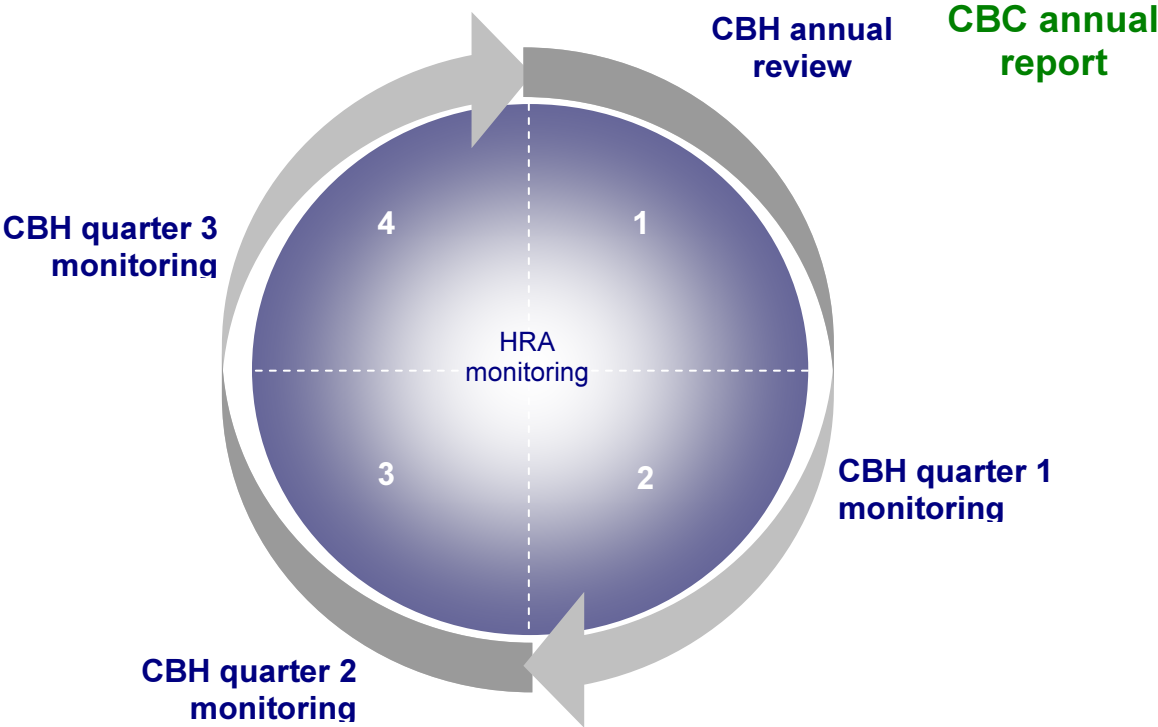
To ensure the successful delivery of the HRA consultation events it is anticipated that the CBH Community Involvement Team will lead with the support of the Tenant Participation Advisory Service (TPAS). Each event or session will be fully supported by members of CBH staff from a cross section of CBH teams. The number of staff required will vary depending on individual events and locations.

### **6.1.5 The Results**

The responses from all surveys and events undertaken will be collated, analysed and feedback into the development of the HRA Business Plan.

## 7 MONITORING AND REVIEW

The HRA Business Plan will be monitored quarterly, looking at variations against budgets and reviewed annually, generating a report for the council. It is anticipated that it will require substantial review after three years followed by further reviews every five years.



## 8 CONCLUSIONS

Our emerging strategy is to use additional resources in three ways:

- ▶ **New Build** - we will ask our managing agent, Cheltenham Borough Homes (CBH) to identify delivery models for the provision of new housing at St Paul's Phase 2, Cakebridge Place and various garage sites. Our aim is to establish a continuous programme of new build, recognising that the scale of that programme may be restrained by availability of land and affordability.
- ▶ **Existing Stock** - our priorities will include: measures to address fuel poverty, the improvement of external areas through a continuation of the neighbourhood works programme, a review of sheltered housing.
- ▶ **Services to tenants** - CBH will be requested to invest in further community services to address issues of anti-social behaviour, financial exclusion, vulnerability and unemployment

## APPENDIX 1 CBC HRA PROJECTIONS 2012/13 TO 2041/42

**Key assumption - All surplus resources, after meeting essential investment needs, used to repay debt**

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
	2012/13																										2041/42				
Revenue Account	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Rents	17,651	18,743	18,975	19,580	20,145	20,727	21,325	22,363	22,574	23,226	23,897	24,586	25,782	26,026	26,777	27,550	28,345	29,163	30,582	30,870	31,761	32,677	33,620	35,255	35,588	36,615	37,671	38,757	39,875	41,025	
Interest receivable	47	39	39	40	38	38	37	37	37	37	38	38	38	38	38	38	38	38	38	153	322	502	693	896	1,126	1,383	1,654	1,941	2,244	2,563	
Other income	1,154	1,183	1,213	1,243	1,274	1,306	1,339	1,372	1,406	1,442	1,478	1,514	1,552	1,591	1,630	1,672	1,713	1,756	1,800	1,845	1,891	1,939	1,987	2,037	2,088	2,140	2,193	2,248	2,304	2,362	
<b>Gross income</b>	<b>18,852</b>	<b>19,965</b>	<b>20,227</b>	<b>20,863</b>	<b>21,457</b>	<b>22,071</b>	<b>22,701</b>	<b>23,772</b>	<b>24,017</b>	<b>24,705</b>	<b>25,413</b>	<b>26,138</b>	<b>27,372</b>	<b>27,655</b>	<b>28,445</b>	<b>29,260</b>	<b>30,096</b>	<b>30,957</b>	<b>32,420</b>	<b>32,868</b>	<b>33,974</b>	<b>35,118</b>	<b>36,300</b>	<b>38,188</b>	<b>38,802</b>	<b>40,138</b>	<b>41,518</b>	<b>42,946</b>	<b>44,423</b>	<b>45,950</b>	
Management	6,197	6,303	6,410	6,500	6,532	6,695	6,863	7,034	7,210	7,390	7,575	7,764	7,959	8,158	8,361	8,570	8,785	9,004	9,229	9,460	9,697	9,939	10,188	10,442	10,703	10,971	11,245	11,526	11,814	12,110	
Maintenance	4,012	4,072	4,133	4,237	4,343	4,451	4,563	4,677	4,794	4,914	5,036	5,162	5,291	5,424	5,559	5,698	5,841	5,987	6,136	6,290	6,447	6,608	6,773	6,943	7,116	7,294	7,476	7,663	7,855	8,051	
Bad debt provision	225	275	368	379	392	403	415	426	439	451	465	478	492	516	521	536	551	567	583	612	617	635	654	672	705	712	732	753	775	798	
Other	156	121	102	83	88	98	100	102	104	107	109	111	114	116	119	122	124	127	130	133	136	139	142	145	149	152	155	159	162	166	
Depreciation	4,820	4,941	5,064	5,191	5,320	5,453	5,590	5,729	5,872	6,020	6,170	6,324	6,482	6,644	6,811	6,981	7,155	7,334	7,518	7,705	7,898	8,095	8,298	8,505	8,718	8,936	9,159	9,388	9,623	9,864	
Interest payable	2,545	2,478	2,399	2,320	2,265	2,232	2,192	2,133	2,064	1,959	1,805	1,633	1,432	1,210	991	764	516	244	51	0	0	0	0	0	0	0	0	0	0	0	
Capital contribution	0	0	0	382	1,884	1,933	1,984	2,036	2,090	598	616	634	652	671	1,272	1,306	1,341	1,377	1,414	1,140	1,171	1,203	1,236	1,269	0	0	0	0	0		
<b>Gross costs</b>	<b>17,955</b>	<b>18,190</b>	<b>18,476</b>	<b>19,092</b>	<b>20,824</b>	<b>21,265</b>	<b>21,707</b>	<b>22,137</b>	<b>22,573</b>	<b>21,439</b>	<b>21,776</b>	<b>22,106</b>	<b>22,422</b>	<b>22,739</b>	<b>23,634</b>	<b>23,977</b>	<b>24,313</b>	<b>24,640</b>	<b>25,061</b>	<b>25,340</b>	<b>25,966</b>	<b>26,619</b>	<b>27,291</b>	<b>27,976</b>	<b>27,391</b>	<b>28,065</b>	<b>28,767</b>	<b>29,489</b>	<b>30,229</b>	<b>30,989</b>	
<b>Surplus</b>	<b>897</b>	<b>1,775</b>	<b>1,751</b>	<b>1,771</b>	<b>633</b>	<b>806</b>	<b>994</b>	<b>1,635</b>	<b>1,444</b>	<b>3,266</b>	<b>3,637</b>	<b>4,032</b>	<b>4,950</b>	<b>4,916</b>	<b>4,811</b>	<b>5,283</b>	<b>5,783</b>	<b>6,317</b>	<b>7,359</b>	<b>7,528</b>	<b>8,008</b>	<b>8,499</b>	<b>9,009</b>	<b>10,212</b>	<b>11,411</b>	<b>12,073</b>	<b>12,751</b>	<b>13,457</b>	<b>14,194</b>	<b>14,961</b>	
HRA reserve b/fwd	1,897	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	6,785	14,313	22,321	30,820	39,829	50,041	61,452	73,525	86,276	99,733	113,927	
<b>Debt repayment</b>	<b>2,794</b>	<b>3,275</b>	<b>3,251</b>	<b>3,271</b>	<b>2,133</b>	<b>2,306</b>	<b>2,494</b>	<b>3,135</b>	<b>2,944</b>	<b>4,766</b>	<b>5,137</b>	<b>5,532</b>	<b>6,450</b>	<b>6,416</b>	<b>6,311</b>	<b>6,783</b>	<b>7,283</b>	<b>7,817</b>	<b>8,859</b>	<b>14,313</b>	<b>22,321</b>	<b>30,820</b>	<b>39,829</b>	<b>50,041</b>	<b>61,452</b>	<b>73,525</b>	<b>86,276</b>	<b>99,733</b>	<b>113,927</b>	<b>128,888</b>	
HRA reserve c/fwd	-1,294	-1,775	-1,751	-1,771	-633	-806	-994	-1,635	-1,444	-3,266	-3,637	-4,032	-4,950	-4,916	-4,811	-5,283	-5,783	-6,317	-2,074	0	0	0	0	0	0	0	0	0	0	0	
HRA reserve c/fwd	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	6,785	14,313	22,321	30,820	39,829	50,041	61,452	73,525	86,276	99,733	113,927	128,888

## Cheltenham Borough Council

**Cabinet – 18 October 2011**

### Advice and Inclusion Contract

<b>Accountable member</b>	<b>Councillor John Webster, Cabinet Member Finance &amp; Community Development</b>
<b>Accountable officer</b>	<b>Martin Stacy, Housing &amp; Communities Manager</b>
<b>Accountable scrutiny committee</b>	<b>Social &amp; Community</b>
<b>Ward(s) affected</b>	<b>All</b>
<b>Key Decision</b>	<b>Yes</b>
<b>Executive summary</b>	<p>The Council's Single Advice Contract with the Citizens' Advice Bureau expires on 31<sup>st</sup> March 2012. This provides the Council with an opportunity to review the outcomes and service specification to ensure we are best able to meet the needs of Cheltenham residents most affected by the changes being brought about to the welfare benefits system.</p> <p>The proposed way forward is supported by Officers and Members of the Housing Review Group.</p>
<b>Recommendations</b>	<b>To authorise the Director of Built Environment to re-tender this contract, as the 'Advice &amp; Inclusion Contract', for a term of 3 years from April 1<sup>st</sup> 2012, plus a further 2 years, subject to satisfactory performance and available finance.</b>

<b>Financial implications</b>	<p>Funding at the current level of £155,000 is built into the council's medium term financial strategy. If the new contract terms outlined in paragraph 3.1 of this report are approved, there will be an annual budget saving of £25,000, which will be built into the medium term financial strategy as part of the 2012/13 budget setting process.</p> <p>Re-tendering of the Advice &amp; Inclusion Contract will be a financial commitment for a period of 3 years, plus a further 2 years, subject to satisfactory performance of the Provider(s).</p> <p><b>Contact officer: Sarah Didcote,</b> <b>sarah.didcote @cheltenham.gov.uk, 01242 264125</b></p>
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<b>Legal implications</b>	The existing Single Advice Contract does not need to be formally terminated, as it will expire on 31 <sup>st</sup> March 2012. Any new contract awarded will go through the normal tendering process in accordance with the Council's contract procedure rules, within the timelines specified in this Report.  <b>Contact officer: Donna Ruck, Solicitor</b>  <b>Donna.ruck@tewkesbury.gov.uk, 01242 272696</b>
<b>HR implications (including learning and organisational development)</b>	None.
<b>Key risks</b>	The risks are set out in the risk matrix, Appendix 1
<b>Corporate and community plan Implications</b>	One of our key corporate objectives is to strengthen communities. Re-tendering this contract with a new service specification will support this objective.
<b>Environmental and climate change implications</b>	

## 1. Background

- 1.1** Cheltenham Borough Council currently has a Single Advice Contract with the Citizens' Advice Bureau to deliver Debt Advice, Benefit Take-Up Advice, Housing Advice to the single homeless, along with advice and assistance to Cheltenham residents about their rights in respect of these matters.
- 1.2** The existing contract expires on 31<sup>st</sup> March 2012, giving the Council the opportunity to re-tender the service, but also to review the service specification in light of the proposed changes outlined in the Welfare Reform Bill and Local Housing Allowance Regulations. More detail about the changes is outlined in Appendix 2. In summary, they are likely to lead to:
- Private rented accommodation and some social housing becoming less affordable for low-income households;
  - More challenges on benefits decisions, as households are assessed and move onto benefits which are less favourable financially;
  - A greater reliance on individuals managing their benefits and financial affairs better themselves, through the introduction of Universal Credit. This will have a greater impact on our most vulnerable residents.
- 1.3** The impact of these changes have been considered by the Housing Review Group, with a recommendation being to ensure that any negative impacts are mitigated by the future Advice & Inclusion Contract.



## **2. Outcomes**

**2.1** Key outcomes identified within the proposed Advice and Inclusion Contract are as follows:

- To prevent homelessness;
- To reduce debt;
- To prevent future debt arising (through the provision of financial inclusion and financial capability work);
- To ensure the rights of individuals are protected (in respect of benefits, debt and housing); and
- To ensure that our most vulnerable residents are adequately supported in securing their rights.

**2.2** These outcomes are complemented by a Statement on the Council's vision, aims and priorities, as detailed within the Service Requirements and Specification document. Please see Appendix 3.

## **3. Financing the Contract and Maintaining Local Priorities**

**3.1** Budgetary pressures on the Council mean that any proposed contract will see a reduction of £25,000/year, reducing the value of the contract to approximately £130,000/year. The proposed contract will run for 3 years, with potential for a further 2 years, subject to satisfactory performance and available finance.

**3.2** In order for the Council to retain its focus on achieving the outcomes stated in paragraph 3.1 against a reduced budget, we propose the following changes to the original Contract Specification:

- Debt advice will be restricted to those with a housing related debt issue (i.e. rent or mortgage arrears) as part of their overall debt;
- There will be a strong focus on debt prevention work (i.e. tackling financial exclusion and improving financial capability), but that this will be restricted only to those seeking advice on their existing debt and/or benefits issues;
- Any duplication in the provision of Housing Options Advice to single homeless people is removed from the contract specification. Currently, both the Council's Housing Options Service at Cheltenham First Stop and the Citizens' Advice Bureau provide this service;
- Greater emphasis will be placed on supporting the needs of vulnerable people;
- Core opening hours will be reduced from 9am-5pm to 10am-4pm, Monday – Friday.

## **4. Timeline**

**4.1** Provided the re-tendering of this contract is approved, it is necessary to ensure that the successful provider(s) are notified of the outcome by the end of December 2011. This is to ensure that there is sufficient time for transitional arrangements to be in place by the start of the contract on April 1<sup>st</sup>, should there be a change in provider.

**4.2** It is proposed that the Evaluation Panel will comprise, Cllr John Webster, Cabinet Member for Finance and Community Development; Cllr Klara Sudbury, Cabinet Member for Housing and Safety; Mike Redman, Director of Built Environment; Martin Stacy Housing & Communities Manager and Sarah Didcote, Group Accountant.

4.3 Further details of key processes to follow, against timelines, is found in Appendix 4.

**5. Alternative options considered**

5.1 Three alternative options have been considered:

- 1. To integrate the Cheltenham Advice Contract within a County-wide Single Advice Contract. Whilst a county-wide approach to delivering advice services is still favoured in principle, the conditions for entering into such a contract at this time is not considered to be in the best interests of Cheltenham residents. A number of factors contributed to this conclusion, including the differences between the length of time the County Council were able commit to funding their Advice Contract; uncertainty over the commitment of other District Authorities at this time; uncertainty over whether a Grant or a tendered Contract would be the final way forward for the County; and a potential variance between the Council and the County over the contract/grant specification details. Given these uncertainties, it was considered necessary for Cheltenham Borough Council to set in motion the re-tendering of its own contract for Cheltenham, in view of the remaining timescales and the need to have a service in place by April 1<sup>st</sup> 2012.
- 2. To issue a grant instead of a contract. This was rejected on the basis of the need to demonstrate that value for money will be achieved in the delivery of the service specification, as well as to ensure that the successful provider(s) can ultimately be held accountable, by terminating the contract, should there be unsatisfactory performance which cannot be resolved by other means.
- 3. To provide the full specified service in-house. This was rejected on the basis of the significant potential for 'added value' which it is believed can be achieved through contracting this service out to an external provider.

**6. Consultation and feedback**

- 6.1 Consultation has taken place with the Citizens' Advice Bureau, County Community Projects, Cheltenham Housing Aid Centre and Shelter. All agree the proposed service specification as a reasonable way forward, in light of the welfare reform changes and potential financial cuts to the contract.
- 6.2 Wider consultation has also been carried out with the Third Sector, via GAVCA, on the proposed service requirements for the new contract. No concerns have been raised by this Sector..
- 6.3 Consultation has also been carried out with Officers and Members of the Council's Housing Review Group. This Review Group supports the proposals.

<b>Report author</b>	<b>Contact officer: Martin Stacy, Housing and Communities Manager</b> <b>martin.stacy@cheltenham.gov.uk,</b> <b>01242 775213</b>
<b>Appendices</b>	<ul style="list-style-type: none"> <li>1. Risk Assessment</li> <li>2. Summary of Benefit Changes</li> <li>3. Service Requirements and Specification</li> <li>4. Timeline for Re-tendering the Contract</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
	If the proposal to re-tender the Advice & Inclusion Contract, along with a new service specification is not agreed, this is likely to lead to more residents, particularly vulnerable households, being incapable of managing their financial affairs adequately, falling into debt and/or becoming homeless. This is also likely to put significantly increased pressures on the Housing Options Team and other services. In particular, it is likely to lead to the increased use of inappropriate temporary accommodation, such as Bed & Breakfast, at additional financial cost to the Council.	MSt	14.9.11	3	4	12	Reduce	Seek to bring about a collaborative approach amongst key Providers to tacking the worst effects of the changes	April 2012	MSt	

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Page 112

## From April 2011

Baby premium and child tax credits baby addition both ending for children under one.

Non dependant deductions start to significantly increase –by 2014 they will be the rate they would have been in 2001 (when frozen) plus annual inflationary increases – **Approx 300 customers affected by this change.**

Local Housing Allowance (LHA) capped at four bedroom rate – **11 customers will be affected, but they will receive transitional protection**

LHA capped values introduced for each type of property  
– **Cheltenham not affected as our LHA rates are well below the capped figures**

LHA cash back of up to £15.00 per week stops for new customers.  
(money given to customer on top of rent if they found a property cheaper than the LHA rate)

LHA rates (maximum values for benefit) reduced for new customers – Prior to April they could rent a property in the bottom 50% of all properties available to rent for their family needs. After April they can only rent a property in the bottom 30% of private sector rents.

**Existing** LHA customers fall under new LHA scheme on their rent anniversary date after April 2011.

- They will lose any cash back from the Anniversary date - **700 approx affected**
- Get nine months transitional protection if they are worse off – **1,000 approx affected**
- If landlord reduces rent to new level in order for customer to stay then we will pay benefit direct to LL
- Increasing the discretionary housing fund to help tenants move to cheaper accommodation.

Incapacity benefit customers will start to be reviewed under the new Employment & Support allowance scheme, which may include a work capability assessment to establish if they are fit for full or part-time work. Transitional protection scheme as a significant number are anticipated to be worse off

Job centre adopting new work programme. They will have a set period to get the customer 'work ready' which involves work clubs, voluntary work, work placements, support etc. At the end of the period the customer is passed onto a private company for two years who are paid based on the number of people they find employment. Tougher rules on actively looking for work and set sanctions/ suspensions periods if they don't.

Basic and 30hr elements in Working tax credits are frozen for three years  
Proportion of child care costs covered by WTC reduced from 80% to 70%

Freezing the max Savings credit award in pension credit for four years

Shared room rate in LHA scheme extended from 25 to under 35 year olds from January 2012 for new customers.

Existing customers are protected until their next annual rent review. Will be approx £40 per week worse off if in a one bedroom property. -**Approx 250 affected by this change**

**Proposed changes for April 2012**

Means testing of contribution-based Employment & Support Allowance after one year, if the ESA payment includes a work-related element

Couples with children must work 24 hours between them (one must do 16hrs ) to get Working tax credits

Increase the child element of child tax credits by £50

Stop paying Disability Living Allowance for people in residential care

**Proposed changes for April 2013**

LHA rates based on Consumer price index and only updated annually

Transfer of crisis loans and community care grants for living expenses to local authorities

Under occupancy restrictions in social housing to mirror private sector restrictions e.g. rent benefit paid based on the number of bedrooms the customer needs not what they have.

Replacing Disability Living Allowance payments with a Personal Independence Payment for new and existing customers. Some savings will be made as a result of people being found fit for work under the incapacity review. The new PIP payment may involve a medical assessment and some payments may be for fixed periods with regular medical reviews depending on the illness

Local authorities will be asked to make deductions from the Housing benefit payments if the customers overall out of work benefits exceed the average weekly wage for working families. In Cheltenham this will probably only affect large families who are not in work and are privately renting

**Universal credit proposed timetable 2013 to 2017**

April 2013	Possible Pilot of Universal credit
October 2013	New claims for out of work benefits will be paid under Universal credit - One monthly payment direct to customer including rent benefit
April 2014	New claims for Tax credits will be paid under Universal credit
April 2014 to Oct 2017	Existing benefit claims will be transferred over to Universal credit in batches depending on the type of client.
October 2014	New claims for Pension credit will include housing costs and probably paid monthly.
October 2014 to Oct 2019	Existing Pensioners getting help with housing costs transferred over to Pension credit in batches.
April 2015	Review of face to face delivery of Universal credit and possible contracts issued for delivery of this service

## 1. Service Requirements

### 1.1 Vision

Cheltenham Borough Council's (CBC's) vision is to secure an integrated borough wide service that delivers quality advice, assistance and support to Cheltenham residents in respect of:

- Debt (where housing-related debt forms part of the overall debt);
- Debt prevention, through the provision of Financial Inclusion and Financial Capability work;
- Benefit Take-Up and Benefit Rights;
- Housing Rights and Homelessness Prevention.

### 1.2 Aims

CBC will ensure that households most affected by the changes proposed in the Welfare Reform Bill and the Localism Bill are advised and, where required, supported through these changes, in order to minimise any potentially adverse impacts, such as debt and homelessness. It is considered that vulnerable households in particular will be susceptible to any negative impacts.

### 1.3 Priorities

Cheltenham Borough Council will ensure its vision and aims are aligned to the following priorities:-

- Providing a key focus on debt prevention and homelessness prevention. CBC considers that the provision of preventative services is more cost effective than tackling issues at the point of crisis, and that this will be beneficial for Cheltenham residents and communities at large;
- Ensuring there is a holistic assessment of a household's needs. Debt, financial exclusion and poor financial capability, along with benefits issues and risks to housing, are usually inextricably linked. It will be expected that advice, assistance and support will be delivered holistically for households experiencing a combination of debt, benefit and housing issues;
- Ensuring that the rights of individuals and families in respect of debt, benefit take-up and housing, are protected through the provision of advice, representation and advocacy;
- Recognising that whilst many households will be able to deal with their own issues themselves once they have received information, others – particularly vulnerable groups and those with complex issues - will require ongoing assistance and support, until their case has reached a resolution. For the purposes of the specification attached (Appendix A), vulnerability is considered to apply to anyone who would be unable to resolve their affairs adequately on the basis of being given information alone. Emphasis is placed on vulnerable groups because the

consequences of these households failing to act properly on information given is likely to have adverse consequences, not only for the households concerned, but also for the community and other services at large;

- Ensuring the availability and accessibility of relevant advice and support services;
- Facilitating awareness through education and publicity of the availability of these services to all service users and potential service users and groups.

### **Outcomes**

1.4 Our key target outcomes are therefore to:

- Prevent homelessness;
- Reduce debt problems;
- Prevent future unsustainable debt issues arising;
- Maximise incomes;
- Ensure the rights of individuals are protected;
- Ensure vulnerable residents are supported in securing their rights and other outcomes, as highlighted above.



<b><u>Advice and Inclusion Contract – Service specification and management information requirement</u></b>		
<b><u>Activity</u></b>	<b><u>PI</u></b>	<b><u>Period</u></b>
<b>1. Debt Advice and Advocacy</b>		
<p>To provide advice, assistance, support (when required) and/or representation on all matters relating to debt – <u>where housing-related debt forms part of the overall debt</u> - including negotiation with creditors, arranging for debt to be set aside, representation in court proceedings and tribunals and in seeking to obtain financial assistance for them.</p> <p>To secure finance, where appropriate, from charities and other relevant agencies</p> <p>To ensure incomes are maximised for debt clients through Benefit Take-Up advice and assistance.</p> <p><b>Explanatory Notes for the PIs:</b></p> <p>4. A vulnerable person is considered to be an individual who would be unable to deal adequately with his or her enquiry on the basis of information being provided alone. The Council will agree with the Provider an approved method for identifying vulnerable households at the outset.</p> <p>5. This measures other complex cases which <u>do not involve vulnerable groups</u>. A complex case is one which requires the ongoing work of a specialist caseworker, rather than a simple, short 'one-off' interview.</p>	<p><b>Key outcomes highlighted in bold</b></p> <p>Total number of individuals approaching the service with an issue. (Closed cases only).</p> <p>Of which:</p> <ol style="list-style-type: none"> <li>1. Number given basic advice/information;</li> <li>2. Number of referrals made;</li> <li>3. Number of straight signposting cases.</li> </ol> <p><u>Complex &amp; Vulnerable cases:</u></p> <ol style="list-style-type: none"> <li>4. Number of individuals identified as 'vulnerable'</li> <li>5. Number of individuals with a complex case</li> </ol> <p><b>Total income gained (including Benefit Take-Up) and/or debt set aside.</b></p> <p>Of which, number of clients who were vulnerable or had a complex case</p>	<p>Quarterly unless stated otherwise</p>

<p>Commentary to be provided</p> <p>Report on trends, issues arising, likely future pressure points and anticipated responses. Collaborative working opportunities pursued and future opportunities identified.</p>	<p><b>Total number of clients who maintain regular payment plan (for min. 3 months)</b></p> <p>Of which, number who were vulnerable or had a complex case</p> <p><b>Reasons for unsuccessful outcomes and actions to be taken to mitigate in future.</b></p> <p>Report</p>	<p>Annually</p>
<p><b>2. Benefit Take-Up Advice &amp; Representation/Advocacy</b></p> <p>To provide advice, assistance and support (when required) in claiming all available benefits (for all other non-debt related inquiries).</p> <p>To seek to maximise the income of clients and to liaise with relevant benefit agencies.</p> <p>To support and represent claimants through tribunals and appeals processes..</p> <p><b>Explanatory Notes</b></p> <p>As above, unless indicated separately below</p>	<p><b>PI</b></p> <p>Total number of individuals approaching the service with an issue.</p> <p>Of which:</p> <ol style="list-style-type: none"> <li>1. Number given basic advice/information;</li> <li>2. Number of referrals;</li> <li>3. Number of straight signposting cases;</li> <li>4. Number of individuals who are vulnerable;</li> <li>5. Number of individuals with a complex case.</li> </ol>	<p><b>Period</b></p> <p>Quarterly, unless otherwise stated</p>

<p>Commentary to be provided on the types of benefit being unclaimed, the household types under-claiming, priorities for Cheltenham in terms of awareness raising, and potential publicity campaigns, etc, along with collaborative working opportunities explored during the year and identified for the coming year.</p>	<p><b>Total benefit gained.</b> Of which benefit gained for vulnerable clients and those with a complex case</p> <p>Total number of reviews, appeals, tribunal hearings</p> <p><b>Successful reviews, appeals, tribunals</b> Of which number gained for vulnerable clients and those with a complex case</p> <p>Reasons for unsuccessful outcomes and actions to be taken to mitigate in future.</p> <p>Report</p>	<p>Annually</p>
<p><b>3. Financial Inclusion &amp; Capability Assessment and Advice</b></p>		
<p>To assess, advise, assist and/or support (when required) households seeking debt advice (where housing-related debt is included as part of their overall debt) and/or benefit take-up advice in accessing basic financial services, including banking and personal credit, as appropriate.</p> <p>To advise, assist and/or support (when required) households in developing their knowledge and skills in order to improve their financial capability.</p> <p>To work collaboratively with other organisations to support the wider financial inclusion agenda around healthy eating and fuel poverty, etc.</p> <p><b>Explanatory Notes</b></p>	<p><b>PIs</b></p> <p>Total number of individuals approaching the service with an issue.</p> <p>Of which:</p> <ol style="list-style-type: none"> <li>1. Number given basic advice/information;</li> <li>2. Number of referrals;</li> <li>3. Number of straight signposting cases;</li> </ol>	<p>Quarterly, unless otherwise stated</p>

<p>As stated above, unless identified separately below.</p> <p>Commentary to be provided</p> <p>Report on trends, issues arising, likely future pressure points and anticipated responses. Collaborative working opportunities pursued and future opportunities identified – particularly around the wider financial capability agenda of healthy eating, tackling fuel poverty, etc.</p>	<p>4. Number of individuals identified as vulnerable;</p> <p>5. Number of individuals with a complex case.</p> <p><b>Number who consider themselves to be financially capable upon conclusion of their case</b></p> <p>Of which were vulnerable or had a complex case</p> <p><b>Number gaining a basic bank account and/or an account with a recognised Credit Union, who were previously without one</b></p> <p><b>Reasons for unsuccessful outcomes and actions to be taken to mitigate in future.</b> Report</p>	<p>Annually</p>
<p><b>4. Housing Rights and Homelessness Prevention</b></p>		
<p>To advise, assist and/or support households (when required) in understanding their housing rights and to enable these households to achieve a resolution.</p> <p>To challenge local decision makers, including the Local Housing Authority and other Housing Providers on all housing related matters, where those decisions</p>	<p><b>PIs</b></p> <p>Total number of individuals approaching the service with an issue. Cases closed only.</p>	<p>Quarterly, unless otherwise stated</p>

appear to the detriment of the individual, and where it is believed that the individual has an arguable case. This will include decisions made by Cheltenham Borough Council under Part 6 of the Housing Act 1996 (allocations), and decisions taken by Cheltenham Borough Council under Part 7 of the Housing Act 1996 (homelessness).

To represent and/or advocate for households (as appropriate) who are at risk of homelessness as a result of actions taken by relevant bodies and individuals, such as private landlords (e.g. illegal evictions, harassment), social landlords (e.g. decisions to serve notice) and mortgage providers.

To provide advice, assistance and support (where required) to all tenants and landlords about their respective rights and responsibilities, and to negotiate in disputes. To assist tenants in dispute with their landlords and, with the tenant's consent and where appropriate, to negotiate with landlords to try to resolve disputes amicably, so as to reduce the risk of tenants losing their homes.

To be an active member (and to chair where required) relevant vehicles for accessing housing and related support services including, but not exclusively, the SPA and SHOP organisations

**PI Explanatory Notes**

As above, unless stated otherwise

Of which:

1. Number given basic advice/information;
2. Number of referrals;
3. Number of straight signposting cases;
4. Number of individuals identified as vulnerable;
5. Number of individuals who are not vulnerable but are identified as having a complex case;

Number of reviews on part 6 & 7 local authority decisions (formal and informal)

**Total number of decisions overturned by CBC**

Total number of challenges made to other housing providers/private landlords

**Total number of other successful resolutions for clients** (broken down to vulnerable clients and those with a complex case)

**Total number of homelessness preventions achieved**

<p>Commentary to be provided</p> <p>Report on key issues affecting households presenting to the service with issues around housing rights and potential homelessness resulting from the decisions of private landlords, the local housing authority and other housing providers. Identify existing and likely future pressure points, along with collaborative working opportunities achieved in the previous year and sought in the following year.</p>	<p>Of which, number of clients who were either vulnerable or had a complex case</p> <p><b>Reasons for unsuccessful outcomes and actions to be taken to mitigate in future.</b></p> <p>Report</p>	<p>Annually</p>
<p><b>5. Other General Advice and Sign Posting</b></p>		
<p>To provide advice where appropriate, and sign post to specialist advisors or agencies where necessary, on all other issues, including but not restricted to family breakdown, domestic violence, loss of job, immigration and nationality, anti social behaviour and harassment. To identify and refer to appropriate agencies where eligible for service.</p>	<p>No. of cases signposted. No. of referrals.</p>	<p>Quarterly</p>
<p><b>6. Monitoring, reporting and consultation</b></p>		
<p>To ensure that files, records and computer based data are maintained, for the period of the contract and for one year beyond that, for the purpose of providing accurate statistics whenever required.</p> <p>To submit Initial Needs Assessment and Outcome forms as required and as prescribed by the Council, and any other performance management framework required by the council, in respect of every client at such stages and within such timescales as determined by the Council.</p>	<p>Statistics timely presented in the required format.</p> <p>On completion</p>	<p>Within 10 working days of request</p> <p>On completion</p>

<p>To develop information sharing protocols with relevant agencies where this would ensure efficient and cost effective service delivery.</p>	<p>Completed protocols in active use.</p>	<p>Annually, or as required</p>
<p><b>7. Customer Engagement and Customer Satisfaction</b></p>		
<p>To conduct customer engagement activities with service users and the community at large (via existing community engagement mechanisms) on all aspects of the services being delivered, on a continual basis, and to evidence that the results have been used to bring about improvements to the service (where required).</p> <p><b>Explanatory Notes for PIs</b></p> <p>Surveys completed at the time cases are closed, to include views from all service-users, including vulnerable households and other communities, such as BME groups</p> <p>Questionnaire should assess satisfaction levels around, but not exclusively limited to:</p> <ul style="list-style-type: none"> <li>- General accessibility</li> <li>- Timescales in being seen by a specialist case worker</li> <li>- Satisfaction with the advice/assistance and/or support given</li> </ul> <p>This is to understand any issues around access failure (or otherwise) from those who do not engage with the service. This engagement can be achieved through existing community engagement mechanisms, e.g. community ambassadors, ethnic groups, other specialist community engagement forums, as appropriate.</p>	<p><b>PIs</b></p> <p>Surveys completed and report produced.</p> <p>Report will include any Customer Engagement with non-service users</p>	<p>Annually</p> <p>Annually.</p>

<p>The report will identify key areas of success, as well as improvement, complete with a SMART action plan to address (where appropriate) any identified underperformance</p> <p>To allow the use of mystery shoppers – or any other such mechanism commissioned by Cheltenham Borough Council to obtain a separate understanding of any underlying issues affecting the service.</p>	<p>Separate report commissioned by CBC</p>	<p>When required</p>
<p><b>8. Complaints</b></p>		
<p>Complaints will, in the first instance, be dealt with under the Provider’s complaints policy. Where a complainant remains dissatisfied at the end of stage 1 of the internal complaint, the complainant will have a right to complain directly to CBC (at stage 2 of CBC’s complaint’s policy).</p>	<p>Number of complaints made  <b>Number upheld</b>  Number escalated to stage 2 and above  <b>Number upheld</b></p>	<p>Quarterly</p>
<p><b>9. General Service Requirements</b></p>		
<p>The Services must be provided or accessed from premises within Cheltenham town centre, which is served by public transport and, preferably, within easy walking distance of Cheltenham Borough Council’s main Housing Options Service.</p>		
<p>To provide the service between 10am – 4pm Monday to Friday to include a drop in service - service provision can be withdrawn for a weekly team meeting of one hour and a drop in service must be available at all other times.</p>		
<p>To offer a range of ways for service users to contact them – by telephone, in person or electronically – all of which are dealt with efficiently and effectively.</p>		
<p>The Contractor will be required to create and maintain a website which includes specified information and hyper-links to other sites with specific translation facilities.</p>		
<p>In consultation with the Council, to bid for external funds to enable additional advice and support services to be provided in Cheltenham. Evidence of this must be provided to the Council at the annual review.</p>		



To provide a clear and well used procedure manual, which is reviewed and updated appropriately.
To ensure advice services comply with quality assurance standards and to maintain a well established internal service monitoring scheme.
To use well established, regularly reviewed and monitored protocols to liaise with appropriate partner agencies within the county council, primary care trust and criminal justice agencies.
Working with the Council, Cheltenham Borough Homes and other relevant agencies via relevant forums to: <ul style="list-style-type: none"> <li>- Develop good practice arrangements and effective referral mechanisms;</li> <li>- Identify gaps in service delivery;</li> <li>- Identify collaborative working opportunities;</li> <li>- Avoid duplication.</li> </ul>
To implement and promote a best practice complaints procedure which encourages feedback from service users and uses it to improve levels of service delivery.
To review and amend the specification and/or monitoring information where both the Council and Provider jointly agree it is pertinent, for example, in response to emerging new priorities.
<b>9. Equal Opportunities</b>
To have in place and to review regularly policies and working practices to ensure that no aspect of the service discriminates against any person, or other organisation, on the grounds of race, ethnic origin, disability, nationality, gender, sexuality, age, class, appearance, religion, responsibility for dependants, unrelated criminal activities, being HIV positive or with AIDS, or any other matter which may cause a person to be treated with injustice.
To ensure that all written communication is easy to understand and compliant with legislation and available in a variety of formats and other languages on request.
To publicise its equal opportunities policy on the premises in public areas and interview rooms
To ensure that any advice given orally is summarised and followed up in writing, with relevant advice leaflets and information enclosed whenever it is appropriate to do so and that all advice is recorded on the client's computerised record.
To ensure that adequate private interview space is made available for clients, which enables clients to be accompanied by a friend, relative, advocate and/ or interpreter if they so wish.

To provide home visits to clients who are unable to attend normal advice sessions owing to disability or illness, wherever it is safe to do so and to publicise the availability of this service.

The Contractor will be required to comply with all statutory provisions relating to the provision of the Service.

To provide reasonable translation facilities to users of the Service including, as necessary, through Language Line or some similar service.

To provide quarterly activity reports in a form specified by the Council within three weeks of the end of each quarter (i.e. 30<sup>th</sup> June, 30<sup>th</sup> September, 31<sup>st</sup> December, 31<sup>st</sup> March), such form to include after the first year, year-on-year comparisons.

To provide an annual return in a form specified by the Council within four weeks of the 31<sup>st</sup> March in respect of the twelve month period ending that day.

DRAFT

**Tender Timetable**  
**Cheltenham Borough Council Single Advice Tender**

<b>Date</b>	<b>Action</b>	<b>Complete</b> ✓
04/10/2011	Issue Non-Mandatory OJEU Notice (with subject to cabinet approval of re-tendering included)	
By 18/10/2011	Expression of interest received	
18/10/2011	Cabinet Meeting to approve process	
19/10/2011	ITT out	
18/11/2011	ITT back	
w/c 21/11/2011	Evaluation & Supplier Short-listing	
w/c 28/11/2011	Supplier Presentations	
5/12/2011	Contract Award decision	
6/12/2011	Contract award confirmed to provider	
21/12/2011	15 day standstill period (final version of contract to winning supplier for signing)	
22/12/2011	Exchange of contracts	
01/04/2012	Contract start date	

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Page 128

## Cheltenham Borough Council

**Cabinet – 18<sup>th</sup> October 2011**

### **Budget Monitoring Report 2011/12 – position as at August 2011**

<b>Accountable member</b>	<b>Councillor John Webster, Cabinet Member for Finance and Community Development</b>
<b>Accountable officer</b>	<b>Paul Jones, Head of Financial Services</b>
<b>Accountable scrutiny committee</b>	<b>All</b>
<b>Ward(s) affected</b>	<b>All</b>
<b>Key Decision</b>	<b>Yes</b>
<b>Executive summary</b>	To update Members on the Council's current financial position for 2011/12 based on the monitoring exercise at the end of August 2011. The report covers the Council's revenue, capital, treasury management and the housing revenue account. The report identifies any known significant variations (minimum £10,000) to the 2011/12 original budget and a position statement on major schemes.
<b>Recommendations</b>	<ol style="list-style-type: none"> <li><b>1. Note the contents of this report including the key projected variances to the original 2011/12 budget identified at this stage and the potential projected overspend of £476,400 for the financial year 2011/12.</b></li> <li><b>2. The current freeze on spending against supplies and service expenditure budgets, where possible, is continued until further notice. This will be factored into the revised 2011/12 budget.</b></li> <li><b>3. If, following the more detailed monitoring process currently being undertaken as part of the budget setting process for 2012/13, the potential overspend is confirmed, take corrective action to ensure that the Council delivers services within the overall net budget for the year.</b></li> </ol>

<b>Financial implications</b>	As detailed throughout this report.  <b>Contact officer: Paul Jones, paul.jones@cheltenham.gov.uk, 01242 775154</b>
<b>Legal implications</b>	None directly arising from the recommendations. The current legal position regarding Icelandic Banks is referred to in the report.  <b>Contact officer: Peter Lewis, Peter.Lewis@teWKesbury.gov.uk, 01684 272695</b>

<p><b>HR implications (including learning and organisational development)</b></p>	<p>Service Managers and the HR Advisors are continuing to work together to ensure vacancies are managed effectively. A request to recruit to a new or vacant post must be approved by the divisional Director. The decision to approve or reject the recruitment request is based on the business case outlining the impact on the service delivery and/or loss of income generation if the post were to remain unoccupied.</p> <p><b>Contact officer: Julie McCarthy , julie.mccarthy @cheltenham.gov.uk, 01242 264355</b></p>
<p><b>Key risks</b></p>	<p>As outlined in Appendix 1.</p>
<p><b>Corporate and community plan Implications</b></p>	<p>Key elements of the budget are aimed at delivering the corporate objectives within the Corporate Business Plan.</p>
<p><b>Environmental and climate change implications</b></p>	<p>None.</p>

## 1. Background

- 1.1 This report provides the second monitoring position statement for the financial year 2011/12. The purpose of this report is to notify members of any known significant variations to budgets for 2011/12 and highlight any key issues, allowing Members to take action if required.
- 1.2 Financial Services carry out a regular budget monitoring exercise for services in liaison with Directors and cost centre managers. This identifies any variations from the current approved budget that are anticipated to occur in the financial year. The current approved budget is the original budget 2011/12 agreed by Council on the 8<sup>th</sup> February 2011, subject to any amendments made under delegated powers (for example supplementary estimates, virement, etc). Possible significant variations to revenue budgets are outlined in this report.
- 1.3 There is currently a freeze on spending against supplies and services budgets, where possible. This freeze should continue until further notice and any savings generated be incorporated into the 2011/12 revised budget, to partially offset the potential overspend detailed in table 2.1 below.

## 2. Net revenue position

- 2.1 The table below summarises the net impact of the variances identified at this stage in the financial year, projecting the position to the end of the financial year for all budget variances in excess of £10,000. A more detailed explanation of budget variances in excess of £50,000 are provided in paragraphs 2.2 to 3.10.

<b>Significant budget variances ( &gt; £10,000)</b>	Overspend / (Underspend) £	para. ref:
<b>Employee costs</b>		
Shortfall in salary savings target	80,000	2.2
Customer Services restructure savings	(50,000)	2.3
<b>Resources</b>		
Misc. Properties – Additional Regent Arcade income	(37,500)	
<b>Wellbeing &amp; Culture</b>		
Town Hall – net shortfall in income	11,400	
Pump Rooms – net shortfall in income	13,100	
<b>Built Environment</b>		
Off Street car parking – shortfall of income	104,000	2.4
Building Control – shortfall of income	50,000	2.5
Strategic Planning – shortfall of income	15,500	
<b>Operations</b>		
Refuse Collection – shortfall of income	110,000	2.6

Recycling Centre/CA Site – surplus income	(100,000)	2.7
Garden Waste Scheme – shortfall of income	306,000	2.8
<b>Miscellaneous</b>		
Utilities – savings from contract extension	(50,000)	2.9
<b>Treasury</b>		
Interest – net surplus General Fund	(23,000)	3.8
Interest – Item 8 General Fund shortfall	46,900	3.9
<b>Total projected overspend</b>	<b>476,400</b>	

## 2.2 Savings from employee costs

The 2011/12 original budget included a target of £480,000 from salary savings to be made throughout the council from vacant posts arising during the year. An initial assessment of vacant posts (i.e. staff turnover) and restructures in the first five months of the year indicates that there is likely to be a net shortfall in this budget target of £80,000. This is partially offset by the employee savings from the Customer Services restructure detailed in paragraph 2.3. The projection includes a saving of £59,800 in respect of a budget allocation to fund early retirement costs in 2010/11 where a change to the pension rules meant this contribution to the superannuation fund was not required.

## 2.3 Customer Services restructure

The Bridging the Gap programme identified savings of £115,000 in 2012/13 from the systems thinking work highlighting opportunities to encompass the front-office service provided to Revenues and Benefits by Customer Services. The restructure has been put in place from 1<sup>st</sup> April 2011, a year prior to the planned saving, on the basis that any 2011/12 saving would be required to fund the decommissioning costs. However, decommissioning costs are significantly less than anticipated. As a result it is anticipated that around £50,000 of savings will be brought forward and delivered in 2011/12.

## 2.4 Off-street Car Parking Income

**2.4.1** The current projections show that off-street parking revenue continues to fall, Cheltenham is not alone on this front, as national indicators show a general fall in local authority off-street parking and fine revenues. Prices have not increased in 2011/12 and the VAT rise has also been absorbed within income targets. Off-street car parking income has also been impacted by the introduction of new parking zones by Gloucestershire County Council. This has had an effect on customer choice as there is more opportunity to park closer to their destination using on-street spaces at a competitive rate.

**2.4.2** The income position for off-street car parking to the end of August is falling short of target by around £35k, which equates to around 2.3% of the target. A corresponding shortfall in fine income is also being generated, with income being around £8k down against target. This equates to around 32% of target demonstrating a marked drop in fine income. Should these trends continue as currently anticipated, car parking income is likely to be £84,000 short of target, and fine income down by around £20,000. This will leave a total forecasted shortfall against income



targets of around £104,000. Future budget monitoring reports will provide updated positions with a greater degree of accuracy.

### **2.5 Building Control fees**

The income figures for the first five months of the financial year show the level of income to be £25,000 behind the budgeted target. If this trend continues throughout the year the annual shortfall would be in the region of £50,000.

### **2.6 Refuse collection**

This cost centre is overspent by £45,800 as at the end of August due to a reduction in Trade Waste income which can be attributed to the current economic conditions. It is anticipated that this trend will continue until the year end with a projected shortfall in income of £110,000

### **2.7 Recycling Centre/CA Site**

This cost centre is anticipated to be underspent by £41,700 at the end of August due to additional recycling income. It is anticipated that this trend will continue until the year end with a projected over recovery in income of £100,000.

### **2.8 Garden Waste Scheme**

This cost centre is anticipated to be overspent by £150,000 at the end of August. This is attributable to a shortfall in Garden Waste bin sales. If this trend continues until the year end it is anticipated that there could be a projected shortfall in income of £306,000, which represents an anticipated sale of 11,500 Garden waste bins based on current sales data. However, a promotional campaign and operational reorganisation is underway to address this position. The anticipated savings on employee costs of £34,000 are incorporated in the global employee cost figure in Table 2.1 above. The net over spend on this cost centre is therefore anticipated to be £272,000 at the year end.

### **2.9 Utilities**

Gas and electricity contracts were due for renewal at the end of October 2011. However due to issues within the wholesale energy market in respect of timings, the council has opted for a six month contract extension up to April 2012, with a view that optimum prices will be better achievable next year. The gas extension prices are around 13% cheaper than the existing contract and so in-year savings are anticipated. Work is ongoing to establish the full extent, although a prudent estimate of £50k is currently forecast.

## **3. Treasury Management**

### **3.1 Icelandic Banks**

Members will be aware that on 1<sup>st</sup> April 2011 the Reykjavik District Court in Iceland ruled that local authority deposits in Glitnir Bank Hf have priority status, resulting in a 100% likely recovery rate for the council's £3 million investment (plus interest due up until the date the bank collapsed). The council had previously assumed such deposits did not have priority status, in line with the decision of the winding up board, giving a recovery rate of just 29%.

**3.2** The court decision enabled the council to reverse previous write downs (impairments) in the value of the investment, resulting in a credit to revenue of £2.4 million in 2010/11. As the decision is subject to appeal to the Icelandic Supreme Court, the credit was transferred to an earmarked reserve in 2010/11, for use in case the appeal is successful and the credit has to be reversed. The results of the appeal are not expected until late October 2011.

**3.3** Should the appeal not be successful and the ruling remain, the reserve will be used to repay the borrowing taken out when the original losses were capitalised, using the Capitalisation Direction received in 2009/10. This will reduce budgeted borrowing repayments (Minimum Revenue Provision) by £120,000 per annum from 2012/13.

- 3.4** The court decision does not affect the impairment charge made for the Landsbanki deposits, as the council had in this case already assumed priority status would be achieved, in line with the view taken by that bank's winding up board. For the 2010/11 accounts the council had assumed a recovery rate of 94.85% for these deposits, based on the best available information at the time. Very recent indications from the bank's administrators, however, suggest that the recovery rate could now be around 98%, resulting in a possible further credit to revenue of £100-150,000. Used to repay the borrowing, this would reduce budgeted repayments by £5-7,000 per annum, from 2012/13.
- 3.5** The decision of the appeal court in the Glitnir case is likely to have implications for the recoverable amount for the Landsbanki deposits, however, since the decision as to whether local authority deposits have priority status is ultimately expected to be the same for both banks. If such deposits do not have priority status then the recovery rate for the Landsbanki deposits is estimated to be around 38%, resulting in an increased impairment charge, possibly in 2011/12, of £2.4 million, for which a further Capitalisation Direction would be sought. If such a direction is received in 2011/12 then borrowing repayments (Minimum Revenue provision) would need to increase by £120,000 per annum from 2012/13.
- 3.6** The likely recovery rate for the Kaupthing, Singer & Friedlander (KS&F) deposits continues to be between 78% and 86%, with a mid point of 82% assumed for the Statement of Accounts 2010/11.
- 3.7** The table below shows the overall likely recovery rates *for the original £11 million* invested in Icelandic banks under three different scenarios. It must be stressed there are still a number of uncertainties, for example the effect of exchange rates on the banks assets, and the rates shown are based on the best available information at present.

Scenario	Likely Recovery Rate	Likely Recoverable amount	Estimated effect on revenue account 2012/13
	%	£m	£m
<b>Worst Case</b> – Glitnir appeal is successful, Landsbanki no longer priority status, KS&F 78%	46	5.1	+0.123*
<b>Middle Case</b> – Glitnir appeal unsuccessful, Landsbanki at 94.85%, KS&F 82% (as per Statement of Accounts 2010/11)	93	10.2	-0.120
<b>Best Case</b> – Glitnir appeal is unsuccessful, Landsbanki rate increases to 98%, KS&F at 86%	95	10.5	-0.130

\* Assumes capitalisation direction received

The middle case shows the position assumed in the Statement of Accounts for 2010/11, however the recovery rate could be as high as 95% if local authority deposits continue to have priority

status and the recovery rates for the Landsbanki and KS&F deposits increase further.

### **3.8 Treasury Management Activity**

There is a predicted surplus of interest of £23,000 to report on Treasury Management within the general fund for 2011/12. Lending interest is forecast to be around £30,400 better off compared to the original budget due to receiving better rates for one year deposits compared with that estimated in late 2010. Temporary borrowing interest is predicted to be around £7,400 adverse compared with the 2011/12 original budget.

- 3.9** The calculation for the HRA Item 8 Debit last February estimated the consolidated rate of interest to be 3.08% on all borrowing for this financial year. However due to the council's weighted average borrowing estimated to be lower than the Capital Financing Requirement (CFR), which is a measure of the authorities underlying need to borrow for capital purposes, a different formula is required to calculate the HRA Item 8 Debit than what was used previously. This has reduced the consolidated rate of interest to around 2.80%. This could result in £46,900 less interest being payable by the HRA to the General Fund for 2011/12.

## **4. Capital expenditure**

- 4.1** Possible significant variances to the 2011/12 original capital budgets and a position statement on major capital schemes are detailed below:
- 4.2** A budget of £104,800 has been allocated for CCTV in Car Parks in 2011/12. The scheme is currently out to tender on the parking management and software solution for the Regent Arcade. The chosen system will become the platform for future upgrades including CCTV at car parks. Until we have determined our choice of operating system we are not able to progress the CCTV upgrades.
- 4.3** There is an anticipated under spend of £250,000 on Private Sector Renewals (PSR). The under spend is due to a tightening of eligibility criteria following the cessation of PSR funding. The priority is now to make this money last in order to help meet our statutory duties in respect of vulnerable householders. In addition this capital pot may also be legitimately used to fund the difference between costs and receipts where the council pursues compulsory purchase and can therefore be used to facilitate bringing empty properties back into use. Any under spend should be carried forward at year end for these purposes. The Private Sector Renewal Policy is due for amendment this year and although it currently covers all aspects of suggested spend, it will be recommended that eligibility criteria for grants/loans be substantially narrowed.

## **5. Programme maintenance expenditure**

- 5.1** All the work that has been planned for completion in 2011/12 remains as scheduled. However, a detailed exercise will be undertaken in putting together the revised budgets to ensure that the priorities in place remain appropriate.

## **6. Housing Revenue Account (HRA)**

### **6.1 HRA Capital Programme**

The HRA budget for 2011/12, approved in February 2011, estimated a deficit of £1,092,300 for the year resulting in a balance of £1,896,700 to be carried forward in revenue reserves at 31<sup>st</sup> March 2012.

- 6.2** The outturn position for 2010/11 showed an increased level of reserve at 31<sup>st</sup> March 2011 of £3,673,200 (previously estimated at £2,989,000) resulting from delays to projects within the capital programme. Budgets for the transformational improvements in St Pauls and

neighbourhood works at Scott and Edward Wilson House were transferred to the current year, increasing capital spend to £5,600,000 (previously £4,828,000) and revenue contributions to capital to £2,078,000.

**6.3** The net impact of these variations will be to increase the forecast deficit to £1,583,200 but leave an enhanced balance of £2,090,000 in reserve at 31<sup>st</sup> March 2012.

**6.4** No other significant variations have been identified at this time.

### **7. Council tax and Business rates collection**

**7.1** The monitoring report for the collection of council tax and business rates (NNDR) income is shown in Appendix 2. This shows the position at the end of August 2011 and the projected outturn for 2011/12.

### **8. Sundry debt collection**

**8.1** The monitoring report for the collection of sundry debt income is shown in Appendix 3. This shows the position at the end of August 2011. There are no significant matters to report.

### **9. Section 151 Officer advice**

**9.1** The council has a sound track record for delivering services within budget. Members will recall that the budget monitoring position to the end of August 2010 projected an overspend for the year of £801,700. Measures were put in place which enabled the council to address the potential in year budget deficit and delivered services within the resources available resulting in a budget saving of £174,086 in 2010/11.

**9.2** The monitoring report is clearly an estimated position and there are many variables which may result in a more favourable outturn for the year than currently predicted. The position is not unexpected given the impact of the current economic climate on investment interest and car parking income.

**9.3** If, following the more detailed monitoring process currently being undertaken as part of the budget setting process for 2012/13, the potential overspend is confirmed the Cabinet will need to take corrective action to ensure that the Council delivers services within the overall net budget for the year. There is a strong possibility that this will require a contribution from General Balances and this is identified within the risk assessment at Appendix 1.

### **10. Conclusion**

**10.1** This report summarises the results of a broad monitoring exercise at an early stage in the year which reports a position which may result in the identification of further projected net variances identified during the more detailed budget monitoring exercise referred to above.

**10.2** The continued impact of the economic recession and the uncertainty in the banking system present particular concerns for the council's budgets. It is clearly important to ensure that budgets are more closely monitored over the coming months with a view to taking action at a future date, if necessary, in order to ensure that the Council delivers services within budget.

## 11. Consultation

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

<b>Report author</b>	<b>Contact officer: Paul Jones, Head of Financial Services paul.jones@cheltenham.gov.uk, 01242 775154</b>
<b>Appendices</b>	<ol style="list-style-type: none"> <li>1. Risk Assessment</li> <li>2. Council Tax and NNDR collection</li> <li>3. Sundry Debt collection</li> </ol>
<b>Background information</b>	<ol style="list-style-type: none"> <li>1. Section 25 Report – Council 8<sup>th</sup> February 2011</li> <li>2. Final Budget Proposals for 2011/12 – Council 8th February 2011</li> </ol>

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1.	Unable to take corrective action in respect of reduced income streams.	Cabinet	June 2010	3	6	18	Reduce	In preparing the revised budget for 2011/12, SLT to consider the options for offsetting reduced income streams by analysing and reducing the level of expenditure across the Council.	December 2011	SLT	Corporate Risk Register
2.	Requirement to fund projected overspend from General Balances would result in General Balances falling below the minimum range of £1.5m to £2m set by the Chief Finance Officer.	Cabinet	June 2010	3	6	18	Reduce	In preparing the revised budget for 2011/12, an exercise to realign earmarked reserves will be undertaken in order to strengthen the level of General Balances.	December 2011	Chief Finance Officer	Corporate Risk Register

**Council Tax and Business Rates  
Collection Rates 2011 - 2012**

**Business Rates 2011/2012**

<b>Current Year Charges - 2011/2012</b>				
Period	% Collected As at 31.08.11	August 2011 Target As at 31.08.11	2011/2012 Target As at 31.03.12	Revised 2011/2012 Target As at 31.03.12
	55.67%	54.80%	98.80%	N/A
<b>Comparison with 2010/2011</b>	<b>As at 31.08.10</b>		<b>% Collected 31.03.11</b>	<b>Top Quartile</b>
	54.58%		98.71%	N/A

The current collection rate is higher than the target for the end of August and higher than at the same time last year. The position can fluctuate through the year but at this stage we are optimistic that we can achieve the year end target of 98.80%

**Previous Years Charges Outstanding in Current Year (2011/2012)**

Period	Previous Year Debts Outstanding As at 31.08.11	August 2011 Target As at 31.08.11	2011/2012 Target As at 31.03.12	Revised 2011/2012 Target As at 31.03.12
	£506,092	£490,000	£260,000	N/A
<b>Comparison with 2010/2011</b>	<b>As at 31.08.10</b>		<b>Amount o/s 31.03.11</b>	<b>Top Quartile</b>
	£616,345		£282,559	N/A

The arrears are slightly higher than the target but lower than at the same time last year. We are monitoring the position closely and working with any businesses having difficulty in paying. At the moment we are optimistic that we can achieve the year end target of £260,000.

**Council Tax 2011/2012**

<b>Current Year Charges - 2011/2012</b>				
Period	% Collected As at 31.08.11	August 2011 Target As at 31.08.11	2011/2012 Target As at 31.03.12	Revised 2011/2012 Target As at 31.03.12
	48.29%	48.22%	98.21%	N/A
<b>Comparison with 2010/2010</b>	<b>As at 31.08.10</b>		<b>% Collected 31.03.11</b>	<b>Top Quartile</b>
	48.20%		98.19%	N/A

The current collection rate is slightly higher than the target and higher than at the same time last year. We continue to monitor collection levels closely but are optimistic that we will achieve our year end target which is 98.21%

**Previous Years Charges Outstanding in Current Year (2011/2012)**

Period	Previous Year Debts Outstanding As at 31.08.11	August 2011 Target As at 31.08.11	2011/2012 Target As at 31.03.12	Revised 2011/2012 Target As at 31.03.12
	£1,195,704	£1,200,000	£755,000	N/A
<b>Comparison with 2010/2010</b>	<b>As at 31.08.10</b>		<b>Amount o/s 31.03.11</b>	<b>Top Quartile</b>
	£1,146,621		£751,099	N/A

The arrears are slightly lower than the target although higher than at the same time last year. Again, we are monitoring the position closely and working with council tax payers having difficulty in paying, but at the moment remain optimistic that we can achieve the year end target of £755,000.

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Page 140



## Sundry Debtor Invoices Outstanding 2011-12

APPENDIX 3

### Sundry Debt 2011/12

Current Year Invoices - 2011/2012						
	Current Year Invoices Raised	Current Year Invoices Outstanding	Invoices outstanding more than a month (Exc Instalment Invoices)	% of invoices outstanding more than one month	Target	Comments
Period	As at 31.08.11	As at 31.08.11	As at 31.08.11	As at 31.08.11	As at 31.08.11	
General Fund Invoices	4,368 £3,971,731	1,659 £951,213	199 £190,214	12%	Less than 15%	
HRA Invoices	700 £84,093	229 £59,088	165 £42,274	72%	Less than 50%	Work is ongoing to try to reduce the number of invoices outstanding for more than one month.

Page 141

Previous Year Invoices Outstanding in 2011/12			
	Previous Year Invoices Outstanding	August 2011 Target	2011/2012 Yearend Target
Period	As at 31.08.11	As at 31.08.11	As at 31.08.11
General Fund Invoices	194 £251,647	£200,000	£60,000
HRA Invoices	1,118 £293,174	£250,000	£170,000

The value of previous year invoices is higher than the target but action is being taken to recover the sums due.

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Page 142

## Cheltenham Borough Council

Cabinet – 18 October 2011

### Budget strategy and process 2012/13

<b>Accountable member</b>	<b>Cabinet Member for Finance and Community Development , John Webster</b>
<b>Accountable officer</b>	<b>Director of Resources (Section 151 Officer), Mark Sheldon</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>Yes</b>
<b>Executive summary</b>	<b>The purpose of this report is to propose a broad strategy and outline a process for setting the budget, housing rents and council tax for 2012/13. It outlines a number of principles that need to be established at this stage to enable budget preparation to commence.</b>
<b>1. Recommendations</b>	<p><b>That Cabinet:</b></p> <ol style="list-style-type: none"> <li><b>1. Approve the budget setting timetable at Appendix 2.</b></li> <li><b>2. Note the estimated funding gap for 2012/13 of £824k at Appendix 3, based upon a 2.5% increase in council tax.</b></li> <li><b>3. Approve the budget strategy outlined in section 4 below.</b></li> <li><b>4. Delegate to the Section 151 Officer, in consultation with the Cabinet Member for Finance, to consider the suggestions from the Budget Working Group in preparing the interim budget proposals for 2012/13 as outlined in section 5.</b></li> </ol>

<b>Financial implications</b>	<p>This report sets out the budgetary process for 2012/13 and the general financial parameters under which the budget will be prepared.</p> <p><b>Contact officer: Mark Sheldon, mark.sheldon@cheltenham.gov.uk, 01242 264123</b></p>
<b>Legal implications</b>	<p>The budget process is governed by the Budget and Policy Framework Procedure Rules (contained in the Council Constitution) and the process recommended in this report is designed to meet and exceed the requirements of those Rules.</p> <p><b>Contact officer: Peter Lewis, <a href="mailto:peter.lewis@teWKesbury.gov.uk">peter.lewis@teWKesbury .gov.uk</a>, 01684 272012</b></p>

<b>HR implications (including learning and organisational development)</b>	None at this stage, other than the need to ensure proper consultation with staff and trade unions in relation to the budget.  <b>Contact officer: Julie McCarthy, julie.mccarthy@tewkesbury.gov.uk, 01242 264355</b>
<b>Key risks</b>	The Council, as part of its work on corporate governance, has a corporate risk management strategy and corporate risk register, which highlights key risks to the organisation in achieving business objectives. The high level risks will need to be addressed as part of the budget process and may require additional resources or the re-direction of existing resources to mitigate unacceptable levels of risk. These risks are regularly reviewed by the Corporate Governance Group, Economy and Business Improvement overview and scrutiny committee and Cabinet.  See risk assessment at Appendix 1.
<b>Corporate and community plan Implications</b>	The annual budget aims to deliver the outcomes defined by the council corporate business plan and resourcing should be aligned to the delivery of corporate plan priorities.
<b>Environmental and climate change implications</b>	None arising from this report

## 1. Background

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

## 2. Budget / business planning timetable

- 2.1 The budget and policy framework requires that the Council publish a timetable setting out the key dates in the budget setting process. A draft budget timetable, attached for approval at Appendix 2, sets out the sequence of events leading up to the setting of the budget and council tax level for the Council for 2012/13 and the council business plan.
- 2.2 The timetable allows sufficient time to consider alternative budget proposals or amendments put forward to the budget proposed by the Cabinet.
- 2.3 The following fundamental principles, established in previous budget rounds, are incorporated into the process of determination of the budget for 2012/13.
- Cabinet make timely decisions in order to assist the officers in presenting the budget proposals to Cabinet and Council in accordance with the timetable.
  - Opposition parties work up alternative budget proposals ready for initial budget meeting in February 2012, validated by Financial Services.
  - Members aim to set Cheltenham Borough Council's budget and council tax at the initial Council meeting.

### 3. 2012/13 and MTFS funding gap

- 3.1 Included in the budget presented to Council in February 2011 was an estimate of the Medium Term Financial Strategy (MTFS) which identified a funding gap of £824k for 2012/13 between what the Council will need to spend to maintain services and what it can spend assuming an illustrative council tax increase of 2.5%. The MTFS also identified a funding gap over the period of the MTFS (2012/13 – 2016/17) of £2.5m.
- 3.2 The MTFS projection will be reassessed to include the latest view of the financial implications of more recent developments including any information in respect of future funding levels in the presenting final budget proposals in February 2012.
- 3.3 At the time of writing this report the Government has unveiled a scheme to extend a council tax freeze to 2012/13 to those authorities that limit spending rises to 2.5%. Given that this Council's funding strategy was to limit spending rises to 2.5% it is anticipated that Cheltenham will be able to take advantage of this proposal to freeze council tax in 2012/13 although we await full details of how the scheme will work.
- 3.4 The economic downturn continues to impact on the Council's finances with depressed income levels for car parking income, investment returns and housing activity showing little sign of recovery. The budget monitoring exercise for the current year indicates that, unless corrective action is taken to address the potential overspend in 2011/12, the General Reserve would be significantly depleted, placing further pressure on the council's overall resources. This includes the shortfall on the delivery of some of the initiatives to bridge the funding gap in the current year which, if not resolved, may add circa £400k to the funding gap for 2012/13.

### 4. Cabinet Budget Strategy

- 4.1 The Cabinet is also acutely aware that, in the present state of the economy, many council taxpayers are struggling financially.
- 4.2 The main thrust of the 2012/13 budget is for the Council to respond to the current economic crisis to play its part in helping the country manage its way out of recession into economic recovery.

The key aims in developing an approach to the budget is to:

- **Protect frontline services, as far as possible**
- **Develop longer term plans for efficiencies over the period of the MTFS including increasing emphasis on shared services and a new approach to commissioning services.**

#### **'Bridging the Gap' Programme**

- 4.3 The Council takes a long term strategic approach to the MTFS funding gaps and continually works throughout the year to address the budget problem through the 'Bridging the Gap' programme. The following summarises the co-ordinating activity undertaken by the programme.

#### **Asset Management**

- 4.4 The Council has a significant property portfolio including some key public buildings which place significant pressure on the Council's budget and represents a significant cost to the tax payer. Both the council's Asset Management Working Party and the BtG programme develop initiatives which aim to reduce the net cost of the Council's property portfolio through reducing the size of the asset base, increasing income from investment properties and increasing income from the sale of surplus properties.

## **Shared Services**

- 4.5** The Council has already developed shared services with Tewkesbury Borough Council for Legal Services and Building Control and with Cotswold District Council for Audit Services and, in 2012/13 will share Finance, HR, payroll and procurement with 4 district councils (Cheltenham, Forest of Dean, Cotswold and West Oxfordshire District Council) using a single Enterprise Resource Planning system. The council is also forming a local authority company with Cotswold district council to deliver its refuse and recycling and grounds maintenance services. It is anticipated that shared service delivery will deliver significant savings over time. Other opportunities for shared services are actively being considered.

## **Service reviews / Systems thinking**

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

## **Identification of further savings**

- 4.7** Given that a number of the work streams deliver savings in the medium term there is still an immediate budget gap for 2012/13 which has to be met. The Cabinet have requested that Directors and Service Managers identify options for closing the gap, accepting that there is little scope for 'salami slicing'. The Cabinet will consider these proposals in preparing the interim budget in light of the Cabinet's lower priority areas.

## **Service growth**

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

## **5. Budget working Group**

- 5.1** In February 2011, the council agreed to set up a budget working group with the following terms of reference:
- To consider options for bridging the funding gap i.e. proposals for charging or reduction in expenditure
  - To review the work programme for commissioning and options being considered
  - To develop members' scrutiny skills and understanding of financial matters
  - To develop the approach to budget consultation
- 5.2** The group has met on a number of occasions during the year so far and has thoroughly considered the current budget process and paperwork and has made a number of proposals to improve and simplify the budget setting process including the following key suggestions:
- Reducing the size of reports generally.
  - Merging the Section 151 officer's Section 25 report into the main budget report
  - Removing a number of appendices including capital charges, investment income and detailed

reserve movements.

- Removing some duplicated narrative e.g. treasury management which is included in the Treasury Management Policy.
- Placing some of the more detailed supporting appendices e.g. budget consultation responses in the members room rather than reproducing it for all members in the budget papers.
- Moving the HRA budget item to earlier on the council agenda.
- Introducing a time limit for budget speeches
- No longer consulting with overview and scrutiny committees ahead of the cabinet agreeing the interim budget proposals since this adds no value to the process.

**5.3** It is proposed that the Section 151 Officer be delegated to work with the Cabinet Member for Finance to consider the suggestions from the Budget Working Group in preparing the interim budget proposals for 2012/13.

### **6. Budget Setting Process 2012/13 – key stages**

**6.1** In approaching the budget setting process for 2012/13, the Cabinet will endeavour to adhere to some well established principles designed to deliver budget proposals in a timely manner following proper process, including:

- Debating the allocation of one-off money at the earliest opportunity
- Requirement for early and clear direction input from Cabinet and Senior Leadership Team
- Ensure Financial Services maintain strong role in moderating process
- Director of Resources (Section 151 Officer) leads and advises on strategic budget issues
- Agree Cheltenham Borough Homes (CBH) management fee and Housing Revenue Account (HRA) budget as early as possible
- Maintain good communications between Chief Executive, Senior Leadership Team, Council Leader, Cabinet Member for Finance and Director of Resources (Section 151 Officer) over budget progress / issues.
- Ensure clarity of savings achieved from procurement.
- Senior Leadership Team aligned behind collective approach to resolving budget gap issue.
- Include Overview and Scrutiny Committees in the budget process

**6.2** The proposed key stages in the process for setting the budget for 2012/13 are summarised in the timetable at Appendix 2 and are detailed below. The timing of events may change as the process develops.

#### **Publication of budget timetable**

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

#### **Budget preparation**

**6.4** Between October and November 2011, the Cabinet Member for Finance and officers will work with the Cabinet towards the creation of 'interim budget' proposals which will incorporate the following:

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

preparation of the standstill budget and any deviation from this will form part of the interim budget proposals.

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

### **Publication of initial budget proposals**

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

### **Budget Consultation**

- 6.6** Last year, given the scale of the level of public sector funding squeeze, the Cabinet were keen to engage with the public on where to make savings ahead of the decision making process. A summer public consultation road show was rolled out across the town requiring residents to identify which services should be protected, reduced or stopped given the need to make savings. This was not a scientific exercise and the results were not drawn from a representative sample of the population. However, the consultation proved to be very effective in engaging the public and was seen as the start of a dialogue about the future role of the council given reducing resources. This was followed up by resident's panels where the results had been relayed and options for saving money have been tested. The information gained from this exercise was valuable and, not only informed the budget setting process for 2011/12, but will support decisions in future years.
- 6.7** The Cabinet considered whether to repeat this exercise but concluded that the results may be similar and it would not add any further value. Instead it proposes, in addition to the formal budget consultation, some targeted consultation around specific issues particularly those arising from commissioning. This approach was endorsed by the Budget Working Group.
- 6.8** The formal budget consultation period will be no less than four weeks and will take place during December 2011 to January 2012. The Cabinet will seek to ensure that the opportunity to have input into the budget consultation process is publicised to the widest possible audience. During the consultation period all interested parties will be welcome to provide feedback on the initial budget proposals. Groups, businesses, tenants, residents, staff and trade unions will be encouraged to comment on the initial budget proposals at this time. They will be asked to identify, as far as possible, how alternative proposals complement the Council's Business Plan and Community Plan, how they will be financed, and how they will help the Council to achieve best value. Presentations will be made to key business groups as part of the consultation process.



- 6.9 The Overview and Scrutiny Committees will be invited to review the interim budget proposals in the meetings scheduled for January 2012 and feed any comments back to the Cabinet as proposed by the Budget Working Group (see section 5).
- 6.10 Whilst the Cabinet will be as flexible as possible, it is unlikely that any comments received after the consultation period can be properly assessed to consider their full implications and to be built into the budget. Accordingly, if alternative budget proposals are to come forward, this should happen as early as possible.
- 6.11 All comments relating to the initial budget proposals should be returned to the Section 151 Officer by the end of the consultation period for consideration by the Cabinet in preparing their final budget proposals. Consultation questionnaires will be available in key locations and for completion on line via the council's website. Comments can be e-mailed to [moneymatters@cheltenham.gov.uk](mailto:moneymatters@cheltenham.gov.uk).

### **Assessment of alternative Budget Proposals**

- 6.12 It is important that any political group wishing to make alternative budget proposals should discuss them, in confidence, with the Section 151 Officer and / or the appropriate Strategic Director / Director / Chief Executive (preferably channelled through one Group representative) to ensure that the purpose, output and source of funding of any proposed changes are properly identified.
- 6.13 Given the financial pressures and the potentially very difficult decisions which will have to be made, it is very important that there is time for members to carefully consider and evaluate any alternative budget proposals. Political groups wishing to put forward alternative proposals are not obliged to circulate them in advance of the budget-setting meeting, but in the interests of sound and lawful decision-making, it would be more effective to do so, particularly given that they may have implications for staff.

### **Final Budget Proposals and Council Approval**

- 6.14 At the end of the consultation period, the Cabinet will draw up firm budget proposals having regard to the responses received. In drawing together its budget proposals to Council the report will reflect the comments made by consultees and the Cabinet's response. The firm budget proposals will be presented to Council at the budget setting meeting for decision in February 2012.

## **7. Housing Revenue Account**

- 7.1 Draft proposals for the Housing Revenue Account will also form part of the same process for considering the General Fund revenue and capital budgets.
- 7.2 The financial projections contained in the HRA Business Plan are currently being updated to reflect revised estimates for:
- Need to spend on stock investment and maintenance,
  - Subsidy changes,
  - Stock numbers,
  - Rent and service charge income.
- 7.3 The revised projections will be available to inform decisions on the level of management and maintenance and capital investment in 2012/13 (to include fees payable to Cheltenham Borough Homes and administrative charges from Council Divisions).

- 7.4 The HRA financial strategy adopted by the Council in recent years has been to seek ongoing efficiency savings in management and maintenance, to retain a contingency balance of approximately £1 million on the account and use any surplus resources to fund capital investment in the stock.
- 7.5 Now that the Decent Homes programme is completed, future investment will focus on retaining the decency standard and further neighbourhood works. CBH are also currently investigating funding options for new social housing which will include bids to the Housing Corporation for Social Housing Grant.
- 7.6 Other issues that will impact on the HRA in 2012/13 include the following:
- Changes to the Housing Subsidy system
  - Right to Buy Sales – sales continue to be low. Overall a reduction in sales will reduce the capital receipts available to fund new investment.

## 8. Reasons for recommendations

8.1 The council is required to agree a budget process and timetable.

## 9. Alternative options considered

9.1 The process for considering alternative budgets is set out above.

## 10. Consultation and feedback

10.1 The consultation process is described fully above. In view of the size of the challenge the Council faces in setting the 2012/13 budget, consultation has already commenced with trade unions.

## 11. Performance management – monitoring and review

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

<b>Report author</b>	<b>Contact officer: Mark Sheldon, mark.sheldon@cheltenham.gov.uk, 01242 264123</b>
<b>Appendices</b>	<ol style="list-style-type: none"> <li>1. Risk Assessment</li> <li>2. Budget timetable</li> <li>3. Funding gap projection</li> </ol>
<b>Background information</b>	<ol style="list-style-type: none"> <li>1. RSG projections 2011/12 – 2012/13</li> <li>2. MTFS 2011/12 to 2016/17</li> </ol>

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
CR3	If the council is unable to come up with long term solutions which bridge the gap in the medium term financial strategy then it will find it increasingly difficult to prepare budgets year on year without making unplanned cuts in service provision	Director of Resources Mark Sheldon		3	4	12	Reduce	Development of the BtG programme. Establishment of a cross party working group following the elections in May. Review budget scrutiny process. Review and rolled out revised budget consultation process SLT presentation of new ideas to Cabinet leads.	on -going	Mark Sheldon	1/9/2010
CR27	Icelandic banks - financial exposure  If the group claim against Glitnir bank fails and the council is not recognised as a 'priority depositor' the council's deposits would be re-classified as 'general unsecured creditors' resulting in a lower recovery rate and exposure to defendants costs.	Director of Resources Mark Sheldon		4	3	12	9/4/2010	Council commitment to join in group action with other councils to make case for priority depositor status.  Capitalisation direction approved for £4.43m allows for write off of loss over 20 years.	1/12/2011	Mark Sheldon	9/4/2010
CR28	Icelandic banks - financial exposure  If the current status as	Director of Resources Mark Sheldon		4	3	12	9/4/2010	Council commitment to join in group action with other councils to defend current priority		Mark Sheldon	9/4/2010

	<p>priority deposits with Llandsbanki bank is successfully challenged, the council's deposits would be re-classified as 'general unsecured creditors' resulting in a lower recovery rate and exposure to claimant costs and impact on the MTFS over that already factored in through capitalisation of losses.</p>							<p>depositor status.</p>			

**Budget / Business Planning Process 2012/13 – Timetable of key stages / dates**

July - September 2011	SLT / Councillor/ Service Manager reviews to identify options for savings and additional income
October 2011	Members seminar - business plan prioritisation / budget position
20th October 2011	Joint Liaison Forum -CFO / HR to discuss the emerging budget and staff implications
14th October 2011	Deadline to submit taxbase calculation - applicable date is 14th October 2011 (CTB1 figure used in RSG calculation).
18th October 2011	Cabinet approve budget guidelines, timetable and estimated funding gap for 2012/13
1st November 2011	Deadline for preparation of standstill budget on basis of no growth and further detailed analysis of under spends / additional income.
18th November 2011	CBH - deadline for review of support to CBH / HRA
21st November 2011	Treasury Management Panel to consider budget estimates for treasury management budget assumptions.
Week commencing 21st November 2011	Briefing Cabinet Member on HR implications on budgets including potential redundancies
Week commencing 21st November 2011	Posts at risk of redundancy to be confirmed by Directors
Week commencing 21st November 2011	Directors in consultation with HR identify redundancy selection pools prior to preparation of at risk and consultation letters.
Week commencing 21st November 2011	HR to prep consultation/at risk letters
Week Commencing 21st November 2011	Joint Consultative Committee - briefing on HR implications on budgets including potential redundancies, consult on areas being considered for redundancy, issue statutory S188 notification of posts being considered for redundancy, present the draft "at risk" and "consultation" letters for information
1st December 2011	Budget Working Group
1st December 2011	Recalculate taxbase figure for Section 151 Officer sign off under delegated powers and production of briefing note for Cabinet Deputy
1st December 2011	"at risk" and "consultation" letters distributed to line managers ready for distribution.
2nd December 2011	"at risk" and "consultation" letters issued by line managers.
13th December 2011	Cabinet present interim budget proposals for consultation including proposals for growth, savings and levels of fees and charges and projection of the Medium Term Financial Strategy (MTFS).
14th December 2011 to 13th January 2012	Cabinet consult on budget proposals including Overview and Scrutiny committee, public and the business community.
January 2012	Finance Settlement.
9th January 2012	Social & Community Overview and Scrutiny committee meeting – budget consultation
13th January 2012	Recalculate taxbase and confirm or amend figure under delegated powers, if necessary.

16th January 2012	Advise all precepting authorities (including parishes) re. relevant taxbase figures
18th January 2012	Environment Overview and Scrutiny committee meeting – budget consultation
23rd January 2012	Economy & Business Improvement Overview and Scrutiny committee meeting – budget consultation
24th January 2012	Budget Working Group - review responses from O&S
26th January 2012	Treasury Management Panel – consider final recommendations to Cabinet in respect of treasury management activity.
27th January 2012	Deadline for submission of alternative budget proposals to Financial Services for validation.
7th February 2012	Cabinet present final budget proposals including response to consultation exercise.
10th February 2012	Council meet to approve Cheltenham Borough Council budget only - approve proposed Cabinet or alternative budget (approved in principal).
13th February 2012	Potential adjourned meeting if unable to agree budget on 10th February 2012.
9th February 2011	Police Authority approve budget and council tax level.
22nd February 2012	GCC meet to approve budget and council tax level.
10th - 15th February 2012	Special council meeting (if required) – meets the requirement for the proper officer to call a council meeting to discuss objections to an alternative budget within 7 days of receipt of objections.
24th February 2012	Council meet to approve the Council tax resolution (includes GCC and police tax) – last day for Council to approve any proposed budget.
24th February - 1st March 2012	Council tax charge calculation / bill file creation.
Week beginning 27th February 2012	Application of redundancy selection criteria by ADs/SMs where required.
24th February 2012	Final amendments to council tax leaflet/sign off for printing
28th February - 1st March 2012	Billing information sent to printers.
2nd March 2012	Redundancy notice letters (or stand down letters) prepared by HR. 2nd March 2012 – redundancy notice letters (or stand down letters) distributed to managers for distribution on the 5th March 2012.
5th March 2012	Managers issue redundancy notification (or stand down letters) to those for whom redundancy selection criteria need not apply (maximum notice periods = 12 weeks/3 months)
Week commencing 5th March 2012 and through notice periods	HR guide and support managers to work with their employees under notice of redundancy to seek alternative CBC employment (for those with little service their notice might only be 1 month, therefore redeployment prospects significantly reduced).
2nd - 6th March 2012	Council tax booklets to be delivered to printers/CBC
By 12th March 2012	Bills to be issued (14 days notice required before first payment - some payments due on 1st April)
5th April 2012	First (earliest) dismissal likely to take effect, assumes notice given on 5th March 2012

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

**Consultation Timetable****Trade Unions**

21st November 2011 – 27th January 2012 (68 days) for Cabinet proposals

21st November 2011– 10th February 2012 (82 days) for Council decision.

**Employees**

1st December 2011 – 27th January 2012 (58 days) for Cabinet proposals

5th December 2011 – 10th February 2012 (68 days) for Council decision.

**First dismissal –5th April 2012**

**Last dismissal – 5th June 2012**

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Page 156



## MEDIUM TERM FINANCIAL STRATEGY 2012/13 TO 2016/17

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
	£	£	£	£	£	£
<b>NET COST OF SERVICES B/F FROM PREVIOUS YEAR</b>		14,077,293	13,609,666	13,559,089	13,528,263	13,763,639
<b>IN YEAR BUDGET VARIATIONS</b>						
<b>INCREASED COSTS OF EXISTING SERVICES</b>						
Estimated general inflation / leasing costs / utilities		200,000	200,000	200,000	200,000	200,000
Pay inflation		57,700	392,100	381,400	387,800	394,700
Phasing out of pension reserve contribution - 2004 Revaluation		50,000	50,000			
Phasing out of pension reserve contribution - 2007 Revaluation						
Additional pension funding required - 2010 Revaluation		110,000	82,000			
Additional pension funding required - 2013 Revaluation				120,000	120,000	120,000
Landfill Tax		40,000	41,100	41,100		
Maintenance of watercourses, streams and ditches		30,000				
<b>INCOME</b>						
Fees & charges - inflation		(348,700)	(356,500)	(366,400)	(375,100)	(384,600)
Investment Interest		17,400	(77,800)			
Specific Grant to fund council tax freeze ceases					197,000	
<b>RESERVES</b>						
* Increased property repair and renewal fund contributions		200,000	200,000	200,000	107,000	
<b>** FUNDING GAP</b>		<b>(824,027)</b>	<b>(581,477)</b>	<b>(606,926)</b>	<b>(401,324)</b>	<b>(88,323)</b>
<b>PROJECTED NET COST OF SERVICES</b>	<b>14,077,293</b>	<b>13,609,666</b>	<b>13,559,089</b>	<b>13,528,263</b>	<b>13,763,639</b>	<b>14,005,416</b>
*** Government Grant support	(6,098,332)	(5,473,039)	(5,199,387)	(4,939,418)	(4,939,418)	(4,939,418)
Collection Fund surplus contribution	(59,500)					
Council tax income assuming council tax increases by 2.5% per annum	(7,919,461)	(8,136,627)	(8,359,702)	(8,588,846)	(8,824,221)	(9,065,998)
	<u>(14,077,293)</u>	<u>(13,609,666)</u>	<u>(13,559,089)</u>	<u>(13,528,263)</u>	<u>(13,763,639)</u>	<u>(14,005,416)</u>
<b>Cummulative Funding Gap</b>		<b>(824,027)</b>	<b>(1,405,504)</b>	<b>(2,012,430)</b>	<b>(2,413,754)</b>	<b>(2,502,077)</b>
Gap to be funded from savings or increase in council tax precept	0	(0)	(0)	(0)	(0)	0
Projected Council Tax at annual 2.5% rise (assuming gap is reduced by savings or additional income)	187.12	191.80	196.59	201.51	206.55	211.71
Projected annual % rise to assuming funding gap is met	0.0%	2.5%	2.5%	2.5%	2.5%	2.5%
* Assumed level for estimating - subject to either a policy decision or confirmation of legal framework / Statute						
** Funding gap may include efficiency savings of 2.5% which deliver non-cashable or cashable savings						
*** Assumed increase in government grant support		-10.25%	-5%	-5%	0%	0%
Projected Taxbase	42,322.90	42,422.90	42,522.90	42,622.90	42,722.90	42,822.90

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Page 158

**Cheltenham Borough Council**  
**Cabinet – 18 October 2011**  
**Promoting Cheltenham Fund**

<b>Accountable member</b>	<b>Leader of the Council</b>
<b>Accountable officer</b>	<b>Richard Gibson, Policy and Partnerships Manager</b>
<b>Accountable scrutiny committee</b>	<b>Economy and Business Improvement 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>On 26 July, Cabinet agreed to create the Promoting Cheltenham Fund which is a pot of funding worth £179,000 to support events, projects and initiatives that will stimulate economic and business growth in Cheltenham.</p> <p>The funding would be allocated in two tranches; phase 1 was launched at the end of July with a closing date of Friday 30th September.</p> <p>The grant assessment panel met on Friday 7<sup>th</sup> October to assess the phase 1 applications and to make recommendations to cabinet. The panel comprised the Leader of the Council, the Cabinet Member for Finance and Community Development, the Cabinet Member for Sport and Culture, representatives from the council's Economic and Business Improvement Committee and Cheltenham Business Partnership.</p>
<b>Recommendations</b>	<b>Cabinet to approve the list of projects to be funded from the Promoting Cheltenham Fund as set out in appendix 2 – “List of projects and recommendations.”</b>

<b>Financial implications</b>	<p>The fund comprises £160,275, of new homes bonus 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.</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>
<b>Legal implications</b>	<p>The grants will be formalised by agreement based on the Community Giving Grant template, which will be adapted as necessary to include terms, if any, imposed by the County Council on transfer of the funding.</p> <p><b>Contact officer:</b>  <b>E-mail: <a href="mailto:@tewkesbury.gov.uk">@tewkesbury.gov.uk</a></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>	The proposed allocations set out in appendix 2 will enable the council to deliver on the following outcomes: <ul style="list-style-type: none"> <li>• Cheltenham is able to recover quickly and strongly from the recession</li> <li>• We attract more visitors and investors to Cheltenham.</li> <li>• Our residents enjoy a strong sense of community.</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>	None identified

## 1. Background

- 1.1** On 26 July, Cabinet agreed to create the Promoting Cheltenham Fund which is a pot of funding worth £179,000 to support events, projects and initiatives that will stimulate economic and business growth in Cheltenham. The funding would be allocated in two tranches; phase 1 was launched at the end of July with a closing date of Friday 30th September.
- 1.2** Organisations across Cheltenham were invited to apply for a single award typically up to a maximum of £20,000 though larger bids for multiple events could be considered.
- 1.3** Organisations were asked to deliver one or more of the following outcomes:
- Increased visitor numbers;
  - Increased new business investment;
  - Increased retention, investment and expansion of existing businesses;
  - Increased recognition of the Cheltenham brand on a national/international scale.
- 1.4** The guidelines stated that successful projects must produce economic outputs which are measurable (e.g. the number of attendees; revenue generated for the organisation, revenue generated for other businesses) but also have lasting economic benefits for Cheltenham and the local community.
- 1.5** In total 19 applications were received, with a cumulative request for £409,000, which were assessed by the grant assessment panel met on Friday 7<sup>th</sup> October. The panel comprised the Leader of the Council, the Cabinet Member for Finance and Community Development, the Cabinet Member for Sport and Culture, Cllrs. Tim Cooper and Malcolm Stennett from the Economic and Business Improvement Committee and John Forward and John Leamon from Cheltenham Business Partnership.

## 2. Reasons for recommendations

- 2.1** The reasons for the recommendations are set out in appendix 2 - List of projects and recommendations.

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

- 3.1** 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>	<b>1. Risk assessment</b> <b>2. List of projects and recommendations</b>
<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 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.

**Cheltenham Borough Council  
Cabinet – 18<sup>th</sup> October 2011**

**Agenda Item 12-Promoting Cheltenham Fund**

**Appendix 2 - List of projects and recommendations**

- 1.1** The grant assessment panel met on Friday 7<sup>th</sup> October to assess the 19 phase 1 applications and to make recommendations to cabinet. The panel comprised the Leader of the Council, the Cabinet Member for Finance and Community Development, the Cabinet Member for Sport and Culture, Cllrs. Tim Cooper and Malcolm Stennett from the Economic and Business Improvement Committee and John Forward and John Leamon from Cheltenham Business Partnership.
- 1.2** The following declaration of interests were recorded:
- Cllr. Webster: Member of the Friends of St. Mary's and Member of Cheltenham Festivals
  - Cllr. Cooper: member of Friends of Pittville and Bath Road Traders
  - John Forward (Manager of Regent Arcade): potential (non-personal) financial interest in the By Local proposal as it was seeking funding to pay for rent on premises at Regent Arcade. Has also been consulted on the development of the Northcliffe Media bid.
  - John Leamon: Has been consulted on the development of the Cheltenham Motorsports bid.
- 1.3** None of the interests were directly pecuniary.
- 1.4** The panel assessed the 19 applications against the criteria set out in the application guidelines
- How the project would deliver one or more of the four identified outcomes.
  - Evidence that there is a need for the project.
  - The degree of community involvement and support
  - How the organisation will ensure the sustainability of financial support and plans to raise additional financial support or support in-kind to complement the grant funding from the Council.
- 1.5** Each project was given a Red, Amber or Green assessment depending on the number of positive answers. The table below sets out the panel's assessment of each application. Out of the 19:
- 1.6** Four were Red – and no funding was awarded.
- 1.7** Four were Amber – indicating that the panel were seeking further reassurances about the project before funding would be released.
- 1.8** Eleven were Green – indicating that the panel were happy to recommend approval for the amounts shown below.
- 1.9** In total £150,100 was recommended to be allocated leaving a sum of £28,900 to be allocated as part of the second tranche in March 2012.
- 1.10** The panel were also keen to seek cabinet's views on the viability of using this funding to create a self-sustaining pot, whereby grant recipients are encouraged to re-invest any surplus from their activities back into a grant pot that could be used to support future events and festivals.

**ENDS**

## Promoting Cheltenham Fund – List of projects and recommendations

Project	Description	cost of project	amount sought	visitor numbers	new business investment	support for existing business	support for Chelt brand	evidence of need	comm. involvement	addition financial support	R-A-G assessment	Recommendation	Notes from Panel	Amount
The Everyman (and Cheltenham) Heritage Experience	The Everyman will raise its profile as a heritage attraction to encourage people to visit the newly restored theatre on a guided tour as part of a specifically created Cheltenham Heritage Experience package	17,400	13,400	Yes	unclear	unclear	Yes	unclear	unclear	unclear	Green	Partially fund	Panel generally supportive but not bowled over by the project, recommended partial funding as some questions marks over added value of the project	5,000
Cheltenham Poetry Festival	To broaden the outreach programme of the poetry festival (which had a successful first year in 2011) as well as taking the children's poetry slam, workshops, readings, film showings, public space art events to an even wider audience	25,000	10,000	Yes	Yes	unclear	unclear	unclear	Yes	unclear	Green	Partially fund	Panel recommending the amount requested to fund the outreach project	5,000
Cheltenham Design Foundation	To support Cheltenham Design Foundation which educates and inspires 14-16 year olds through its design academy, works to improve the design understanding of local businesses through its Master Classes and promotes new creative thinking through the Design Festival	90,000	20,000	Yes	Yes	unclear	Yes	unclear	Yes	unclear	Green	Partially fund	Panel generally supportive and felt proposals were of value but some question marks over the broad value that the design festival will have	5,000
Cheltenham Film Festival 2012	In 2012, the film festival will stage a series of high profile exclusive events throughout the year approx 1 event every 2 months to help establish a genuine reputation for Cheltenham as a film festival town.	22,800	12,000	Yes	Yes	unclear	Yes	unclear	unclear	unclear	Green	Partially fund		5,000
Re-ordering St. Mary's Parish Church	To install 2 toilets (one for disabled people) a kitchenette for serving light refreshments and provision for a display area to help the church become more visitor-friendly	85,000	20,000	Yes	unclear	unclear	No	unclear	No	unclear	Red	No	Panel supportive of the friends work but felt that the proposal would not meet many of the criteria of the promoting cheltenham fund	0



Project	Description	cost of project	amount sought	visitor numbers	new business investment	support for existing business	support for Chelt brand	evidence of need	comm. involvement	addition financial support	R-A-G assessment	Recommendation	Notes from Panel	Amount
FAB - Fashion and Beauty in Cheltenham	Glos Media will work in partnership with retailers, businesses, local schools and colleges to put on an annual fashion festival that will promote Cheltenham's status as a regional shopping destination	45,000	35,000	Yes	unclear	Yes	Yes	unclear	Yes	Yes	Amber	Partially fund subject to submission of further information	Panel supportive of the concept but requested additional information from the applicant about the financial feasibility of the project as they had requested £35k	15,000
Pittville heritage boards: Understanding Pittville	To install three heritage boards describing the history and importance of Pittville and the significance of Pittville Gates	4,350	4050	Yes	unclear	Yes	No	unclear	Yes	unclear	Green	Yes		2,500
Cheltenham Folk Festival expansion and audience development	to add another concert and workshop venue to increase numbers, introduce a schools outreach programme, increase advertising and promotion, increase town dressing banners, attract major folk performers and create town centre fringe events	63,250	20,000	Yes	Yes	unclear	Yes	unclear	Yes	unclear	Green	Yes		15,000
Olympic Torch Relay and celebration event	To provide an extended celebration and entertainment event to celebrate the visit of the Olympic Torch to Cheltenham on 23 May both at the evening venue and along the route	20,000	20,000	Yes	unclear	unclear	Yes	Yes	Yes	unclear	Green	Yes		15,000
Prince of Wales Music and Beer Festival	To put on an outdoor music and beer festival to be held over 2 days at the Prince of Wales stadium with 90% of the bands coming from Cheltenham	37 - 42,000	15,000	unclear	unclear	unclear	No	No	No	Yes	Red	No	The panel were not convinced that the location was right for a beer/music festival and the application failed to set out a convincing case for the project.	0

Project	Description	cost of project	amount sought	visitor numbers	new business investment	support for existing business	support for Chelt brand	evidence of need	comm. involvement	addition financial support	R-A-G assessment	Recommendation	Notes from Panel	Amount
Midsummer Fiesta 2012	to increase the scope and marketing of the event to attract even more visitors and to provide opportunities for more local businesses, performers and local organisations to reach new audiences.	11,200	5,000	Yes	Yes	unclear	Yes	unclear	Yes	unclear	Green	Yes		2,500
Sustainable Street Expo 2012	To bring together motor sports, motor manufacturing and transport industries in the context of sustainability and a low carbon future	300-350,000	20,000	Yes	Yes	unclear	Yes	unclear	unclear	Yes	Green	Yes		10,000
Cheltenham Time Bank	To bring together existing time banking activities in Cheltenham creating a new time bank to work across the town. This will facilitate the exchange of time, services and support between individuals and organisations	23,255	18,255	No	No	No	No	unclear	Yes	unclear	Red	No	The panel are supportive of the efforts to establish a Cheltenham-wide time bank but unfortunately the project did not meet sufficient criteria for the fund	0
By Local	To support a shop in Regent Arcade that offers local artists and craft-makers the chance to sell their produce at affordable rates promoting local pride and sense of community	32,000	20,000	unclear	unclear	Yes	No	unclear	unclear	No	Amber	No - encourage bid in phase 2	The panel welcomed the work of the By Local collective but were unconvinced that the project could sustain itself beyond the initial year of funding. The panel suggested that the applicant make another application in phase 2 with a more convincing business plan.	0
Bath Road Christmas Lights Switch on	To make the Bath Road look attractive and inviting during the Christmas period and to hold a grand lights turning on event at the 3 local pubs	8,232	6518	unclear	Yes	Yes	unclear	Yes	Yes	Yes	Green	Yes		4,100

Project	Description	cost of project	amount sought	visitor numbers	new business investment	support for existing business	support for Chelt brand	evidence of need	comm. involvement	addition financial support	R-A-G assessment	Recommendation	Notes from Panel	Amount
Cheltenham Festivals; Jazz, Science, Music and Literature	Create an exciting festival space in the centre of the town which will encourage audiences to try a number of events and to linger at the festival site or in the town taking in the atmosphere	5,373,496	120,000	Yes	Yes	Yes	Yes	unclear	Yes	unclear	Amber	Partially fund subject to submission of further information	Panel recognised the critical role that Chelt Festivals play and the potential of this project to meet all of the criteria of the promoting cheltenham fund, but due to the amount requested the panel wished to see more information about how the proposed projects will be implemented.	50,000
Winter Wonderland Ice Rink, Pittville Park	To open an outdoor synthetic ice-rink in Pittville park for 6 weeks over the festive period to draw visitors into the park. This will also enable Central Cross Café to remain open during the winter	29,750	19,000	Yes	unclear	unclear	unclear	Yes	Yes	unclear	Amber	Partially fund subject to submission of further information	The panel liked the project but had a number of questions about licensing, planning, turf replacement costs, liaison with Friends of Pittville and ongoing sustainability	10,000
Holst Discovery Space	Improve conservation and interpretation of Holst archive material using modern display methods; at present the archive is not available to the public or researchers	53,900	12,000	Yes	unclear	unclear	Yes	unclear	unclear	Yes	Green	Yes		6,000
Stable company mini-farm	to turn a 1 acre builders' yard at the space business centre into a mini-farm with raised beds, wildlife area and a small pets corner	30,000	19,000	No	unclear	unclear	No	No	Yes	unclear	Red	No	The panel like the work of the Stable Company but the proposed project did not meet the criteria for the promoting cheltenham fund	0
		<b>5,550,633</b>	<b>409,223</b>											<b>150,100</b>

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Page 168

## Cheltenham Borough Council

**Cabinet – 18<sup>th</sup> October, 2011**

### Environmental Improvements Scheme

#### Allocation of ‘New Homes Bonus’ funding

<b>Accountable member</b>	<b>Cllr John Rawson, Cabinet Member Built Environment</b>
<b>Accountable officer</b>	<b>Mike Redman, Director Built Environment</b>
<b>Accountable scrutiny committees</b>	<b>Environment</b>
<b>Ward(s) affected</b>	<b>All</b>
<b>Key Decision</b>	<b>Yes</b>
<b>Executive summary</b>	<p>As approved by Cabinet, Environmental Improvements schemes have been subject to a bidding process by Council departments, with bids prioritised by a member panel drawn from the Cabinet and comprising the Council Leader and Cabinet members for Built Environment and Sustainability.</p> <p>The aim is to tackle environmental issues in packages costing up to a maximum of £15,000 or so. An initial request has been supported by Cabinet, for £10,800 for waste bins. This leaves £149,200 in the Fund.</p> <p>This report summarises all bids submitted and using a scoring matrix of appropriate criteria (see Appendix C), makes recommendations for the distribution of the remaining Fund’s £149,200.</p>
<b>Recommendation</b>	<p><b>That Cabinet determine which bids to support and at what level, having regard to the:-</b></p> <ol style="list-style-type: none"> <li><b>1. Prioritised list of bids attached at Appendix C;</b></li> <li><b>2. Available budget of £149,200; and</b></li> <li><b>3. Minutes of the Environment Overview and Scrutiny Committee attached at Appendix D.</b></li> </ol>

<b>Financial implications</b>	<p>None arising directly from this report.</p> <p>Although, as mentioned in the key risks, care will need to be taken to ensure that those granted funds are appropriately vetted prior to the release of funding, and a process is in place to monitor delivery to ensure the best use of council funds.</p> <p><b>Contact officer: Nina Philippidis</b></p> <p><b>E-mail: <a href="mailto:nina.philippidis@cheltenham.gov.uk">nina.philippidis@cheltenham.gov.uk</a></b></p> <p><b>Tel no: 01242 775221</b></p>
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<b>Legal implications</b>	<p>The payment of funding to any external parties will 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: Donna Ruck</b></p> <p><b>E-mail: donna.ruck@tewkesbury.gov.uk</b>  <b>Tel no: 01684 272696</b></p>
<b>HR implications (including learning and organisational development)</b>	<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 funding for Environmental Improvements.</p> <p><b>Contact officer: Julie McCarthy</b></p> <p><b>E-mail: julie.mccarthy@cheltenham.gov.uk</b>  <b>Tel no: 01242 264355</b></p>
<b>Key risks (See also Appendix A)</b>	<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 this scheme will therefore need to take this into account, to minimise the risk of impacts on other corporate priorities.</li> </ul>
<b>Corporate and community plan Implications</b>	<p>As part of the bid process, applicants were asked to identify how individual projects supported at least one of the Council's high level environmental objectives-</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>• Carbon emissions are reduced and Cheltenham is able to adapt to the impacts of climate change</li> </ul> <p>▪ <b>A copy of the application guidelines is attached at Appendix B.</b></p>
<b>Environmental and climate change implications</b>	<p>The Environmental Improvements fund offered an opportunity for the Council to support schemes to directly enhance the town's environment and contribute to helping reduce climate change impacts.</p> <p>As part of the bid process, applicants were asked to identify the impact of individual projects on carbon emissions and how they would help adapt to the impacts of climate change. The majority would have some impact.</p>

## 1. New Homes Bonus 2011

- 1.1 The Council recently received its first allocation of the New Homes Bonus (NHB) from central government.
- 1.2 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.

- 1.3 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.
- 1.4 Cheltenham's first allocation of NHB amounts to £290,275 and Council agreed on 27<sup>th</sup> June, 2011, this has been used to create 2 funds for the following uses:-
- 1.5 **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 is 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.
- 1.6 **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.
- 1.7 The environmental improvements fund has been the subject of a bidding process by internal Council departments, with bids signed off by a member panel drawn from the Cabinet.

## 2. **Reasons for recommendations**

- 2.1 Cabinet needs to be satisfied with the prioritising and funding projects under the fund and must ensure that it has considered the risks which may impact on the financing and delivery of relevant outcomes.

## 3. **Alternative options considered**

- 3.1 None.

## 4. **Consultation and feedback**

- 4.1 The 'Environmental Improvements' scheme was the subject of consultation with the Environment Overview and Scrutiny Committee in September.

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

- 5.1 Performance in implementing the environmental improvements scheme will be monitored through the Council's normal internal performance management and scrutiny processes.

<p><b>Report author</b></p>	<p>Mike Redman, Director Built Environment  Cheltenham 264160 (Ext 4160)  <a href="mailto:mike.redman@cheltenham.gov.uk">mike.redman@cheltenham.gov.uk</a></p>
<p><b>Appendices</b></p>	<p>A. Risk Assessment  B. Cheltenham Environmental Fund – application guidelines  C. Prioritised scheme bid list  D. Draft minutes of Environment O&amp;S Committee – 14<sup>th</sup> Sep, 2011</p>
<p><b>Background information</b></p>	<p>Report to Cabinet on 26th July, 2011, from the Leader of the Council, entitled 'Economic development update and proposals for administering New Homes Bonus funding'  Discussion paper to Environment O&amp;S Committee on 14th September, 2011, from the Leader of the Council, entitled 'Economic development update and proposals for administering New Homes Bonus funding'</p>



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		

# Cheltenham Environmental Fund

## Application Guidelines

### Introduction

The Cheltenham Environmental Fund is a funding programme for small-scale environmental works. These will generally be capital works in streets, public spaces, parks or open spaces.

The fund will be allocated by Cabinet in October 2011.

### Who can apply

Bids can be made in conjunction with external organisations, including community groups. Single award bids, typically up to a maximum of £15,000, must be submitted by an officer of the Council. Larger bids may be considered.

Officers can make more than one grant application.

### What we are looking to support

Funding applications will be assessed on the basis of their relevant merits and their ability to deliver one or more of the following outcomes:

- an improvement in the quality of streets, public spaces, parks or open spaces;
- a positive contribution to environmental sustainability; and
- an increase in the community's involvement in its local environment.

Bids are encouraged which have additional benefits including an ability to:

- demonstrate innovative design or delivery solutions to environmental issues;
- act as learning pilots for other areas or organisations; or
- make a further contribution to wider areas of interest, particularly the economy, education, transport, health and well-being, bio-diversity or civic pride.

Funding will be awarded for capital works and reasonable associated costs (design, project management etc).

Projects should demonstrate community engagement in development and/or delivery.

Projects will need to evidence long-term maintenance.

Projects can be existing or new but must be capable of making significant progress by 31<sup>st</sup> March 2012 in terms of community engagement, design or implementation.

### Making an application

Your application must clearly demonstrate the following which will form the basis of the assessment criteria:

- how your project will deliver **one or more** of the fund's outcomes
- how your project will have **lasting environmental or sustainability benefits**
- how the **success of your project will be measured**

- how Cheltenham's **community will be involved** in the development, design or delivery of the project
  - what **additional benefits** your project will deliver
  - when various stages of your **project will be delivered and the project completed**
  - how your project will be **maintained in the future**
  - how you will **involve partners** in your project and what they will contribute (funding or in-kind)
- 
- if your project is eligible for other funding, how the *Cheltenham Environmental Fund* will **complement, secure and add value to** those other sources of funds.

### **How we will assess applications**

An assessment panel will be drawn from the Cabinet. The panel will be looking for:

- projects that have been well thought out and can demonstrate that they meet the assessment criteria set out above;
- applications that demonstrate clarity of both planning and delivery of the projects with an understanding of what permissions will be required to see the successful implementation of the project;
- 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.

Recommendations will be made to the Borough Council's Cabinet that meets on 18<sup>th</sup> October 2011. Successful applicants will be notified shortly afterwards.

**Completed applications for the main fund must be returned no later than Friday 30<sup>th</sup> September to:**

**Judith Baker, Built Environment Directorate, Municipal Offices**

**Email: [judith.baker@cheltenham.gov.uk](mailto:judith.baker@cheltenham.gov.uk)**

**Draft minutes of Environment O&S on 14<sup>th</sup> September, 2011 - to be approved at the next meeting on Wednesday, 23<sup>rd</sup> November, 2011**

**9. NEW HOMES BONUS (INCLUDING ENVIRONMENT IMPROVEMENTS PROGRAMME)**

The Cabinet Member Built Environment introduced the report and informed members that any scheme not included this year could potentially be included in subsequent years as the new homes bonus would continue to be allocated to the authority from central government.

Members remarked that they would have been better placed to comment on the proposed schemes had the criteria been included, but understood that this was still being worked on. In response the Cabinet Member explained that rather than getting involved in elaborate scoring systems the proposed projects should be examined in terms of best value for money. The proposals had in the main been put forward internally by officers, but some had come forward from community groups.

A discussion was held as to whether the proposed projects did actually fit the purpose of the funding which was to mitigate the strain on the increased population causes. The example of guttering on allotment sheds was given.

The Cabinet Member Built Environment was confident that the projects proposed were small scale infrastructure projects and were consistent with the Government's intentions. Meanwhile some Members applauded the flexibility being used. The example of the project of Pittville Gates and Railings Restoration was given, which in Cllr Hibbert's view would represent the perfect project for Cheltenham to mark the Queen's diamond jubilee.

Rather than each member comment on the project relating to their ward the Chair proposed that each member e-mail directly to the Cabinet member their comments on the proposals.

When asked whether grass cutting could be included in order to enhance the appearance of the town, the Cabinet Member Sustainability replied that grass cutting was an ongoing revenue item and could not be allocated to the new homes bonus.

Members agreed that those projects proposed by community groups be given priority.

**Resolved**

- **That Members forward to the Cabinet member their comments on the proposals.**
- **That the minutes of this item be forwarded to Cabinet**

**Cheltenham Environmental Fund  
Project Scoring**

**Appendix C**

Rank	Project Name	Maximum Funding Sought	Funding Offer	Quality of Place	Sustainability	Community involvement	Innovation	Learning Pilot	Wider interest	Added value	On-going maintenance	Deliverability	Total score
1	<b>Bath Road - Connect My Street</b> Community led project (partners Cheltenham Connect, BARTA, SPJARA) to improve pedestrian movement & cycle parking; enhance street scene. Linked to GCC highway safety work	£15,000	£12,200	9	7	9	9	9	9	8	7	8	75
2	<b>Young tree maintenance</b> Increase publicity/encourage active public involvement in young tree maintenance + watering throughout town	£4,000	£4,000	8	9	9	8	9	7	4	9	9	72
3	<b>St Paul's front garden community renewal</b> SPRA led project to change perception of St Paul's with front garden orchard & productive planting. Partners include University, probation service, police, Everyman Theatre	£5,000	£5,000	8	8	9	9	9	7	5	7	10	72
4	<b>Humber and Mersey Roads – road barrier improvements</b> Community led project to visually improve unattractive road barriers through planting	£7,000	£7,000	9	8	9	8	9	6	7	7	8	71
5	<b>Pittville Park Enhancements</b> Improvements to pathways & signage; environment & bio-diversity at Ag Gardner play area; tunnel.	£18,000	£18,000	9	7	9	7	6	9	5	8	8	68
6	<b>Pilley Bridge Nature Reserve</b> Tree work and other clearance & renovations including seating, develop planting and structures etc for animals and insects	£20,000	£10,000	8	9	8	6	7	7	6	8	8	67
7	<b>Cheltenham Cycle Infrastructure</b> To remove major barriers to cycling. A number of options have been identified by the Cycle Forum and Cycle Campaign.	£15,000	£12,500	7	9	8	6	5	8	6	8	9	66

**Cheltenham Environmental Fund  
Project Scoring**

**Appendix C**

Rank	Project Name	Maximum Funding Sought	Funding Offer	Quality of Place	Sustainability	Community involvement	Innovation	Learning Pilot	Wider interest	Added value	On-going maintenance	Deliverability	Total score
8	<b>George Reddings Way &amp; Pilgrove Way Green Space enhancement</b> Seating, tree planting wild flower planting to improve biodiversity on green space. New play equipment.	£15,000	£13,000	8	6	7	6	7	8	8	8	8	66
9	<b>Restoration of Pittville Gates</b> Restoration and partial rebuilding of listed Gates, piers; repair of all metal work; landscape improvements	£20,000	£20,000	8	6	8	6	7	6	8	8	8	65
10	<b>Restoration of Neptune's Fountain- Phase One works only</b> Restoration of Fountain, including structure & services, new landscaping & interpretation. Initial work - engage conservator to assess & recommend work.	£8,000	£8,000	8	5	7	6	5	9	9	7	9	65
11	<b>Self-guided tree trail Montpellier Gardens and Pittville lake</b> Based on successful model in Pittville Park - a self guided trail leaflet for Montpellier Gdns and other parts of Pittville Gdns.	£1,500	£1,500	8	7	7	6	7	8	5	8	9	65
#12	<b>Sandford Park Enhancements</b> Refurbish rock garden - produce planting plan, fund planting & maintain through Cheltenham Community Projects. Selective tree planting.	£16,000	£10,000	8	7	7	6	7	8	5	8	9	65
13	<b>Brizen Recreation Ground, young children's play space</b> Remove trim trail apparatus and replace with a natural play area and nature / bio-diversity enhancements	£15,000	£10,000	7	6	6	7	6	8	8	8	9	65

**Cheltenham Environmental Fund  
Project Scoring**

**Appendix C**

Rank	Project Name	Maximum Funding Sought	Funding Offer	Quality of Place	Sustainability	Community involvement	Innovation	Learning Pilot	Wider interest	Added value	On-going maintenance	Deliverability	Total score
14	<b>Honeybourne Line CCTV Project</b> Install CCTV cameras - reduce ASB & stop escape route for criminals, Phase 1 - 7 cameras between the Railway Station & Jubilee Bridge	£15,000	£15,000	7	9	5	5	5	8	8	8	10	65
15	<b>Restoration of Edward Wilson statue</b> Restoration statue in the Long Gardens - new interpretation board and bronze plaque. 2012 is the centenary Wilson's trip	£3,000	£3,000	7	5	7	5	5	9	9	8	9	64
##16	<b>Water-wise</b> Supply guttering & water butts to all council allotment sheds to reduce water bills & promote environmental awareness.	£8,000	£0	6	10	9	8	7	9	5	9	1	64
17	<b>Upgrade of tree cover in Hester's Way Park</b> Remove self sown/unwanted specimens & replant exotic species with original likely intended species	£20,000	£0	8	7	5	6	7	8	5	8	9	63
18	<b>Clyde Crescent- road barrier improvements</b> Community led project to visually improve unattractive road barrier through planting	£5,000	£0	8	7	8	7	7	6	7	7	5	62
19	<b>Regent Street Streetscape enhancements</b> Enhance & green Regent St and entrances to car park - improve streetscape & aid community, environment & economy	£10,000	£0	7	7	7	5	6	8	6	7	8	61
20	<b>Grosvenor Terrace Green Enhancement.</b> Enhance & green Grosvenor Terr Car Park and Lane to High Street - enhance visitors experience & aid community, environment & economy	£15,000	£0	8	6	4	8	8	7	4	7	8	60

**Cheltenham Environmental Fund  
Project Scoring**

**Appendix C**

Rank	Project Name	Maximum Funding Sought	Funding Offer	Quality of Place	Sustainability	Community involvement	Innovation	Learning Pilot	Wider interest	Added value	On-going maintenance	Deliverability	Total score
21	<b>Jenner Gardens Statue, Jenner Gardens</b> Commission statue of Edward Jenner, to promote a significant element of Cheltenham's heritage & provide a public memorial to Jenner	£15,000	£0	6	5	9	5	5	8	7	7	7	59
22	<b>Montpellier street scene</b> Business led project to improve pedestrian movement and streetscene in Montpellier St & Walk Links to GCC Parking Review	£15,000	£0	7	6	7	8	7	8	4	5	5	57
23	<b>Outdoor Gym, Naunton Park</b> Adult outdoor fitness equipment requested by Friends group.	£15,000	£0	8	5	6	6	5	7	9	4	6	56
# Two Sandford Park bids combined		<b>£280,500</b>	<b>£149,200</b>										
## Staffing issues - not deliverable													

SCORING SCALE	
Score	Commentary
0	Unacceptable
1	Very weak
2	Weak
3	Poor
4	Satisfactory but below expectations
5	Meets expectations
6	Slightly exceeds expectations
7	Good
8	Very good
9	Outstanding
10	Exceptional



## Cheltenham Borough Council

**Cabinet – 18<sup>th</sup> October 2011**

### **Improving Partnership Structures**

<b>Accountable member</b>	<b>Leader of the Council</b>
<b>Accountable officer</b>	<b>Richard Gibson, Policy and Partnerships Manager</b>
<b>Accountable scrutiny committee</b>	<b>Economy and Business Improvement Overview and Scrutiny Committee</b>
<b>Ward(s) affected</b>	<b>all</b>
<b>Key Decision</b>	<b>No</b>
<b>Executive summary</b>	In 2011 senior officers and practitioners within the public sector and the voluntary and community sector, participated in the Partnership Improvement Programme (PIP) which met three times between March and May 2011. This process resulted in a new structure for partnership working in Cheltenham that has been consulted on over the summer months. The new structure is brought to cabinet for endorsement.
<b>Recommendations</b>	<b>Cabinet endorses the new structures for partnership working in Cheltenham as set out in appendix 2.</b>  <b>Cabinet note the issues raised by the consultees and the responses of the CSP task and finish group in appendix 3.</b>

<b>Financial implications</b>	There are no financial implications of the proposed new structures. Economy and Business Improvement Overview and Scrutiny Committee have requested additional information on whether the new structures will generate any savings and this will be considered as part of the development of the 2012-13 budget.  <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>
<b>Legal implications</b>	There are no legal implications of the proposed new structures.  <b>Contact officer: Donna Ruck E-mail: <a href="mailto:donna.ruck@tewkesbury.gov.uk">donna.ruck@tewkesbury.gov.uk</a> Tel no: 01684 272695</b>
<b>HR implications (including learning and organisational development)</b>	None

<p><b>Key risks</b></p>	<p>Corporate Risk CR 40 says “If Partner organisations are not sufficiently ‘bought into’ the commissioning process then there is a risk that the commissioning work will be done in isolation and potential savings and effective delivery of outcomes will be reduced.”</p> <p>The mitigating action is</p> <p>“£10k pa agreed in budget to extend current grant agreement with Cheltenham VCA. Positive meetings held to take forward the partnership improvement project with Institute for Voluntary Action Research and programme of 3 sessions completed. Action plan and new structures proposed and will be taken forward. CSP endorsed the proposals at their meeting in June and a meeting has been held with officers at GCC to ensure that proposals are discussed at senior level within the organisation.”</p>
<p><b>Corporate and community plan Implications</b></p>	<p>The proposed structures will enable the council to deliver many of the partnership elements set out in the corporate strategy.</p>
<p><b>Environmental and climate change implications</b></p>	<p>None identified</p>

## 1. Background

- 1.1 In 2011 senior officers and practitioners within the public sector and the voluntary and community sector, participated in the Partnership Improvement Programme (PIP) which met three times between March and May 2011. In sessions one and two, participants spent time discussing the strengths of partnership working in Cheltenham and areas where they would like to do further work to build on those strengths as part of a commitment to continuous improvement to meet local needs in the light of changing legislation.
- 1.2 During the final PIP session, a draft partnership structure was proposed and was agreed by all participants. It has fewer partnerships and simplified governance arrangements; it appears to be flexible, outcomes focussed and has the potential to engage diverse groups. The group identified three main issues that will need to be resolved:
- Developing a terms of reference for all parts of the new structure setting out outcomes, roles, responsibilities, accountabilities, membership and frequency of meetings.
  - How will the transition be made from the existing partnership structure to the new model?
  - How will the Cheltenham structure relate to county-wide partnership structures?
- 1.3 The CSP met on 23 June to endorse the draft structure and to agree a period of consultation to gain partner views on the proposals. The consultation closed on the 2 September and the 7 responses were discussed by a CSP task and finish group that met on 8 September.
- 1.4 **Appendix 3** sets out the Task and Finish group's responses to the issues raised by the consultees.

## 2. Reasons for recommendations

- 2.1 The task and finish group that met on the 8<sup>th</sup> September reviewed the consultation comments and also reflected on comments about the proposed structures that had been made informally throughout the process. Because of the overall positive nature of the comments, the group was firmly of the view that the proposed structure be endorsed by the CSP at its September meeting.
- 2.2 The structures were duly endorsed by the CSP at its meeting on 29 September. A number of questions were raised at the CSP meeting that will be considered as the structure evolves:
- Where does Arts and Culture representation sit?
  - Ensuring effective representation from businesses?
  - Do we need a place for the University/GlosCol?
- 2.3 The CSP also agreed to review the primary function of the strategic leadership group and this will now concentrate on setting out how quality of life in Cheltenham can be improved through improved partnership working and leading the process of aligning organisational priorities to deliver priority outcomes.

## 3. Implementation plans

### 3.1 Endorsement and organisational buy-in

- 3.2 The CSP made a request to all CSP partner agencies that they take time to endorse the proposals. This paper to Cabinet fulfils the council's part of this commitment. The structures were also endorsed by the VCS forum that met on Monday 3<sup>rd</sup> October 2011.

### 3.3 Membership:

- 3.4 The task and finish group has identified who might best sit on the new partnership groups and these are set out in the **appendix 2** for discussion.

- 3.5 In terms of the Positive Participation Partnership, the group would like to see the Stronger Communities Partnership (SCP) take the lead in setting this partnership up and this will be discussed at the next SCP meeting on 3 November. They will be supported to manage this transition by Helen Down.
- 3.6 In terms of the Positive Lives Partnership, It is suggested that a meeting be facilitated of the lead officers who would make up the partnership (where they are in-post). This meeting is being planned and will be held in October. They will be supported to manage the transition by Richard Gibson.
- 3.7 In terms Strategic Leadership Group, it is planned to use the next CSP date on 15 December to formally close the CSP whilst at the same time as inviting new representatives from Probation and Fire and Rescue. The main business of the meeting will be endorse an updated needs analysis, a set of collective priorities for partnership working and an assessment of resources available to meet these priorities. They will be supported to manage the transition by Jane Griffiths.
- 3.8 **Future priorities:**
- 3.9 It is anticipated that the Stronger Communities Partnership meeting on 3 November will review the March 2011 needs analysis (and any subsequent updates) in order that an updated needs analysis can be presented to the CSP meeting on 15 December.
- 3.10 **Governance arrangements:**
- 3.11 **Appendix 2** to this report includes a draft philosophy of partnership working that sets out a range of commitments on partners. The CSP meeting on 15<sup>th</sup> December will review this document and sign it off. More detailed terms of references for the constituent partnership groups will need to be developed and signed off.

<b>Report author</b>	Richard Gibson, Policy and Partnerships Manager, 01242 235354, richard.gibson@cheltenham.gov.uk
<b>Appendices</b>	<ol style="list-style-type: none"> <li>1. Risk assessment</li> <li>2. Improving partnership structures for Cheltenham</li> <li>3. Summary of questions / issues raised and responses</li> </ol>
<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	
CR 40	If Partner organisations are not sufficiently 'bought into' the commissioning process then there is a risk that the commissioning work will be done in isolation and potential savings and effective delivery of outcomes will be reduced.	Chief Executive Andrew North	28 <sup>th</sup> October 2010	4	3	12	reduce	Effective engagement with the VCS forum, plus other partners through CSP and thematic partnerships. The objective of 'place based' project is to engage partners and create alignment. Ensure that joint funding is subject to use of proper commissioning disciplines.	31-Mar-12	Policy and Partnerships Manager	remains on corporate risk register	

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Page 186

## Improving partnership structures for Cheltenham

In 2011 senior officers and practitioners within the public sector and the voluntary and community sector, participated in the Partnership Improvement Programme (PIP) which met three times between March and May 2011. In sessions one and two, participants spent time discussing the strengths of partnership working in Cheltenham and areas where they would like to do further work to build on those strengths as part of a commitment to continuous improvement to meet local needs in the light of changing legislation.

### Strengths of partnership working in Cheltenham

Partnerships between the public and voluntary and community sectors work well, because of the enthusiasm, commitment and competencies of the individuals involved in them. These qualities among the people that get involved mean that ideas developed in cross-sector partnership meetings are taken up and implemented. Representation of the voluntary and community sector is strong and well supported and understood in the public sector. There are several strong and successful partnerships from which to learn and develop cross-sector partnership working further, for example, Inspiring Families. Participants see the current spending cuts as an opportunity to create leaner partnerships that focus on meeting local needs and can deliver value for money.

### A partnership structure for Cheltenham

During the final PIP session, the group began looking specifically at alternative models for a new partnership structure in Cheltenham. The group discussed a number of reasons why the partnership structures need to be reviewed:

- The current partnership structures are resource intensive and more elaborate than is necessary in the new operating environment; governance can now be simplified with an emphasis on outcomes and action.
- The thematic partnerships have worked well and the individuals involved in them have a lot to offer future partnerships but the structure of partnerships could usefully change to reflect current and future priorities as set out in the Cheltenham Community Needs Analysis.

A draft structure was proposed and was agreed by all participants. It has fewer partnerships and simplified governance arrangements; it appears to be flexible, outcomes focussed and has the potential to engage diverse groups.

The draft structure was consulted on over the summer and the final proposals will be considered by the CSP on 29 September and CBC's Cabinet on 18 October.

### Some questions still to be resolved:

- Where does Arts and Culture representation sit?
- Ensuring effective representation from businesses?
- Do we need a place for the University/GlosCol?

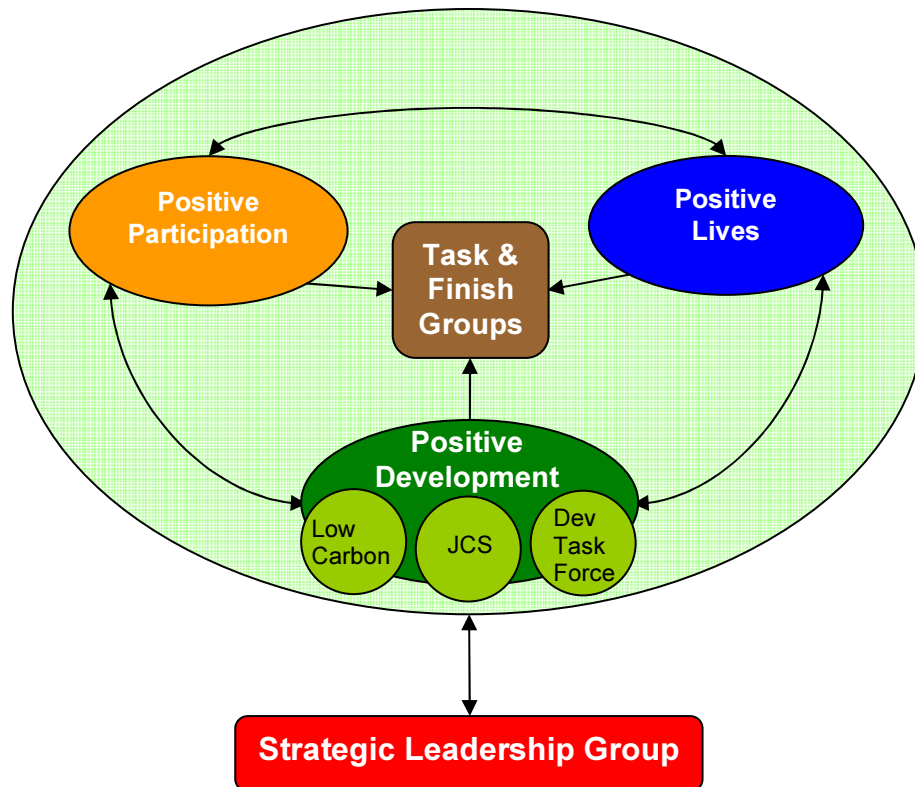
**Our vision and objectives**

Our vision is for a simplified partnership structure that is easy to understand and keeps partners focussed on working together to meet local need, while making the best use of reduced resources.

The objectives to deliver this vision are:

- To achieve well-governed and relevant partnership structures to deliver outcomes
- To develop better focused partnerships that deliver shared outcomes informed by needs analysis
- To build better, relevant engagement, not just more engagement.

**A structure for partnership working in Cheltenham**





## Positive Participation Partnership

### **What will the Positive Participation Partnership do?**

- It will build stronger and resilient communities that can influence public service design and delivery
- It will produce a regular needs analyses to support the Strategic Leadership Group in commissioning better public services

### **How will the Positive Participation Partnership do this?**

The partnership will support partner's commissioning processes by bringing together those groups/agencies that have a particular remit to work with specific communities, whether these are communities with shared needs or interests, or geographic areas. The expectation would be that partnership members would:

- Ensure that there is effective coordination of consultation and engagement activities between service providers and communities across Cheltenham, identifying and plugging gaps where appropriate.
- Collate data and information from communities (and other sources including crime and disorder statistics) to ensure that their needs and priorities are used to develop regular needs analyses.
- Share data with other partners in line with agreed information-sharing protocols.
- Support public bodies understand the role that their assets can play in supporting communities in light of the Government's Localism Bill.
- Support capacity building activities with communities so that they are stronger and more resilient
- Work with service providers and communities to identify opportunities for community-owned solutions in line with the needs and outcomes framework.
- Work with commissioners of public services to ensure that there is an effective process for managing community budgets in line with government's expectations
- Ensure that communities understand constraints and limitations and why they can't always have everything they need.
- Support task and finish groups to address specific issues.

### **How will the Positive Participation Partnership be held to account?**

The partnership will report both on progress and on updates to the needs analysis to the Strategic Leadership Group on a 6-monthly basis and will report as appropriate to county partnership structures.

The partnership will also be held accountable through the democratic processes of the partner organisations, particularly through Cheltenham Borough Council and Cheltenham's voluntary sector forum.

The Positive Participation Partnership will also be accountable for commissioning small community-focused pots of funding.

### **Who will sit on the Positive Participation Partnership? (suggestions from the task and finish group)**

#### **Area-based**

- 1 x representative from the Neighbourhood Coordination Chairs' Group
- 3 x regeneration partnerships
- 1 x Transition Town Cheltenham
- 1 x representative from the Tenant and resident associations
- 1 x representative from the C5 group (Parish Councils)

**Communities of interest**

- Representation from CHAMPS network
- Glos Older People's Association
- Cheltenham Inter-faith
- Third Sector Services – representing volunteers
- Discussions to be had with VCS Forum and CHAMPS network to work out how to represent those communities of interest that are not covered by the above representation.

**Organisations**

- 2 x VCS representation
- NHS Gloucestershire – Public Health Manager
- Gloucestershire Police Local Police C/Insp
- Cheltenham Borough Council – Cabinet Member / Strategic Director
- Cheltenham Borough Homes – regeneration manager
- Gloucestershire County Council – elected member plus relevant officer

**How often will the Positive Participation Partnership meet?**

Proposed to be every 2 months.

## Positive Lives Partnership

### **What will the Positive Lives Partnership do?**

- It will translate the needs analyses and Strategic Leadership Group (SLG) priorities into a partnership delivery framework with appropriate resources to make things happen
- It will tackle SLG priorities and achieve positive outcomes for communities by commissioning specific, time-limited task and finish groups or specific pieces of work.

### **How will the Positive Lives Partnership do this?**

The positive lives partnership brings together the people who have the ability, resources and commitment to make things happen. It will drive the partnership commissioning process through its understanding of data, evidence, intelligence, needs, resources, priorities and outcomes. It will mobilise, align and deploy all available resources to deliver priorities and look to community-based preventative solutions wherever possible together with the positive participation partnership.

It will also identify where gaps in service provision exists and how these could be addressed and bring forward new ways of working to overcome long-standing or complex problems.

### **How will the Positive Lives Partnership be held to account?**

The partnership will report to the Strategic Leadership Group on a 6-monthly basis and will report as appropriate to county partnership structures.

The partnership will also be held to account through the democratic processes of the partner organisations, particularly through Cheltenham Borough Council and Cheltenham's voluntary sector forum.

The Positive Lives Partnership will be accountable for all partnership funding allocated by partners to support the delivery of partnership projects.

### **Who will sit on the Positive Lives Partnership? (suggestions from the task and finish group)**

Gloucestershire Care Services - Locality Manager  
GCC - Cheltenham Locality Action Group Manager  
GCC - Area Manager, Targeted Youth Service  
GCC – Adult Services  
Cheltenham Borough Homes  
Cheltenham Borough Council – cabinet member, strategic director plus commissioning director  
Gloucestershire Police Local Police Area Sup't / C/Insp  
NHS Glos – Public Health Manager plus locality commissioning director  
Schools – Primary and Secondary representation  
Children's Centres representative  
2 x VCS representation  
Jobcentre Plus

### **How often will the Positive Lives Partnership meet?**

Proposed to be every 2 months.

## Strategic Leadership Group

### What will the Strategic Leadership Group do?

- It will set out how quality of life in Cheltenham can be improved through improved partnership working and lead the process of aligning organisational priorities to deliver priority outcomes.
- It will ensure that there are effective working relationships between all elements of the public sector and VCS and that partnership structures are focused on delivering the vision and priority outcomes and that blockages are removed.
- It will ensure that the public sector is moving to a better understanding of the collective resources available (staff, finance, property, expertise etc) to deliver the vision and priority outcomes

### How will the Strategic Leadership Group do this?

The Strategic Leadership Group will provide strategic co-ordination, ensuring linkages with their own organisational plans and priorities, plus other plans and bodies established at national, county and local level and agreeing a vision and priority outcomes for the area and gaining consensus about the way forward.

It will develop and drive the effective delivery of the vision and priority outcomes through effective performance management and holding delivery partners to account.

It will own the needs analysis and any associated strategic assessments.

It will be responsible for monitoring/evaluating partnership work in Cheltenham.

### How will the Strategic Leadership Group be held to account?

The Strategic Leadership Group will be held accountable through the democratic processes of the partner organisations, particularly through Cheltenham Borough Council and Cheltenham's voluntary and community sector forum

### Who will sit on the Strategic Leadership Group? (suggestions from the task and finish group)

- Gloucestershire County Council - nominated county councillor and commissioning director)
- Cheltenham Borough Council - Leader of the Council and Chief Executive)
- Gloucestershire Police Local Police Area Superintendent
- NHS Gloucestershire– Locality Commissioning Director, plus Public Health Consultant
- 1 x VCS representation
- Representation from business
- Chairs of Positive Participation and Positive Lives Partnerships
- Chair – Low Carbon Partnership to represent climate change agenda.
- Fire and Rescue
- Gloucestershire Probation
- Gloucestershire Police Authority
- Cheltenham MPs

### How often will the Strategic Leadership Group meet?

Proposed to be every 4 months for the first year but then 6 monthly thereafter.

## Positive Development Group

### **What will the Positive Development Group do?**

It will ensure that there is clear link between the development and growth of Cheltenham and the aspirations and priorities of the Strategic Leadership Group.

It will ensure that there is improved coordination between the key agendas of economic regeneration, climate change, health and wellbeing, travel and transport.

### **How will the Positive Development Group do this?**

To explore how best to accommodate SLG priorities within the three key programmes of work:

- Joint Core Strategy
- Cheltenham Development Task Force
- Low Carbon Partnership

For representatives of these three programmes of work to share their short, medium and longer-term plans.

For representatives of these three programmes of work to reflect the overall vision and direction for Cheltenham and the priority outcomes within their policies and work programmes.

### **How will the Positive Development Group be held to account?**

The partnership will also be held accountable through the democratic processes of the partner organisations, particularly through Cheltenham Borough Council and Cheltenham's voluntary sector forum.

The three key programme areas will report annually to the SLG

### **Who will sit on the Positive Development Group? (suggestions from the task and finish group)**

- CBC Leader and Chief Exec (JCS role)
- Development Task Force Chair and Chief Exec
- Chair Low Carbon Partnership
- Chair Cheltenham Business and Economic Partnership
- VCS representation

### **How often will the Positive Development Group meet?**

The group might not meet and instead be a virtual group.

## Task and Finish groups

### **Definition of a task and finish group**

A key element of this new structure of partnership working is the ability to establish task and finish groups only as required to focus on the priorities for our communities. A working definition is as follows:

- The group has a clear remit to tackle a specific priority issue;
- The group is made up only of the right partners needed to tackle the issue;
- The group involves only the people from those partner organisations with appropriate expertise or authority;
- The group acknowledges which organisation has formal responsibility for delivery;
- The group is accountable to one of the four parts of the partnership structure;
- The group is time limited.

## A draft philosophy of partnership working

### What do we want out of partnership working?

In terms of shaping our future ambitions for partnership working in the current climate, there are two significant drivers; using whatever money is available in the most effective way, and building up the capacity of local people to be more influential in shaping service delivery. Therefore, our partnership structures need to be robust in the following areas:

- Understanding existing public sector and VCS investment in Cheltenham and ensuring a return on this investment in terms of economic and community prosperity.
- Strengthening how money is spent to get the best possible outcomes for the people of Cheltenham.
- Understanding community needs from information sources as well as robust community engagement.
- Maximising the potential to commission and deliver services in partnership with others using place-based commissioning as a model.
- Ensuring that commissioning drives up performance and creates stronger and more economically prosperous communities.
- Ensuring that what we do does not knowingly undermine or duplicate the work of others, but that where change is needed, we use our partnerships to challenge existing service delivery models and use data and customer experiences to design and commission more effective solutions.
- Ensuring that the services and projects that we commission build the capacity and capabilities of communities to release innovation and resource to define and build their own futures.

### How do we want our partnerships to work?

- They will be clear about geographies and ensure partnership working happens at the lowest possible level.
- They will be clear about our collective priorities and where partnership working can make the most difference and that these are then set out in our community strategy.
- They will be clear about accountability both to the communities that we serve and the organisations that constitute the partnership.
- They will challenge existing ways of delivering services and work to design new ways of working that meet local needs.
- They will use the commissioning processes to ensure that we collectively deliver better outcomes at lower cost.
- They will develop new relationships with communities that moves away from supply-led solutions and reactive interventions to a focus on early intervention that is proven to save money in the long-run.

### What we will do to support partnership working

- We will commit fully to working in partnership to deliver improved quality of life in Cheltenham
- We will commit to ensuring that the right people are at the table who are able to influence and secure change.
- We will ensure that all partners are seen as equals and we will build up trust and a shared commitment to our priorities.
- We will use data, intelligence and evidence to inform and underpin decision making about how we collectively use our organisations' resources to improve quality of life.
- We will commit to working together to generate ideas and solutions to deliver these plans.
- We will not be constrained by existing structures and processes. Instead we will put the customer at the heart of what we do, so that we can collectively design services around their needs.
- We will be open to new ways of working and new types of partnership models/service providers.
- We will support and encourage a healthy range of suitable service providers in Cheltenham.

**For more information, please contact:**

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## Improving partnership structures for Cheltenham - summary of questions / issues raised and responses

Issue/question	who raised	response from CSP task and finish group
GCC fully supports the vision and objectives for its new partnership structures.	Gloucestershire County Council (GCC)	Noted
Will the Positive Lives Partnership commission the Positive Participation Partnership or is Positive Participation independent	GCC	The group sees an equal relationship with a 2-way flow of information between the 2 partnerships.
How will cross-cutting issues be dealt with	GCC	The group expects commissioners of services who sit on the Positive Lives Partnership to be able to deal with most cross-cutting issues, but where they are not able these issues will have to be escalated to the strategic leadership group
Should the Positive Participation Partnership be a task and finish group	GCC	No, the group sees the Positive Participation Partnership having a critical and enduring role to play in the commissioning of public services.
Should Positive Participation just meet every 6 months or even be a virtual group?	GCC	No, the group suggests that the group should meet every 2/3 months – frequency to be determined by the partnership itself.
Is there a risk that Positive Participation duplicates work being undertaken by GCC research team	GCC	The group welcomes the continuing support from the GCC Research Team, but feels that Positive Participation will build on their hard data with much more local intelligence and data to enable the production of robust needs analyses
There is a need to be clearer about whether Positive Lives about commissioning or operational delivery?	GCC	The group acknowledges some confusion in the wording of the consultation document – it suggest that Positive Lives will be very much about commissioning outcomes and that delivery will be through Task and Finish groups.
Is Positive Development independent of Strategic Leadership Group?	GCC	The group is less certain about how this relationship will develop though the expectation is that the leadership group will lead and influence the Positive Development group on some key issues like climate change, transport, community engagement, health inequalities etc. Given the importance of the JCS in particular, it is critical to get this relationship right.
How will Positive Development add value to the work-streams of the 3 groups (Joint Core Strategy, the development task-force, Low Carbon Partnership)?	GCC	The group sees a critical role for the SLG about being absolutely certain about the key issues facing Cheltenham and ensuring that these are picked up in the agendas of the each. There is still a question over whether PD meets or not.
Should membership of the Strategic Leadership Group be restricted to just commissioners?	GCC	No, the group feels that the VCS has a key role to play in shaping the agenda of the SLG and that this reflects the maturity of the relationship between public and VCS sectors.
The need for partnerships to permit debate on key issues facing communities eg waste disposal, street cleaning, parking and to work with police-led neighbourhood groups to make sure that they are responding to these wider community concerns	St Philip and St. James Residents Association	The group sees a critical role for the Positive Participation Partnership in formalising the relationship between neighbourhood working and the partnership structures. There is a new gathering of neighbourhood chairs that PPP needs to nurture and ensure that local issues are being addressed by partners whilst at the

		same time as supporting the chairs in their community roles.
Welcomed the formal role of area-based community groups / neighbourhood co-ordination groups (NCGs) in the new structures which gives them accountability and will help them develop	St Philip and St. James Residents Association / Stronger Communities Partnership	Through ensuring that local issues are being addressed, and through promoting high standards in accountability, inclusivity and transparency the Positive Participation Partnership will help the NCGs become more effective.
Need for Strategic Leadership Group to provide effective leadership be more aspirational and remove barriers and align mechanisms. There needs to be explicit wording about sharing budgets and a need to provide greater leadership on transport issues	St Philip and St. James Residents Association / Stronger Communities Partnership	The group agrees with this sentiment and acknowledges that transport issues are of critical importance to the well-being of many communities.
The need for proper monitoring of qualitative evidence to maintain a focus on building stronger communities	Stronger Communities Partnership	The group felt that there was a general acceptance of the need for up-front investment in communities to build their resilience and that this will be reflected in commissioning exercises. Though there is a key role for the Positive Participation Partnership in championing this agenda.
Businesses need to be more clearly involved – need to keep links with Cheltenham Business Partnership; should CBP/Chamber of Commerce be on the leadership group?	Stronger Communities Partnership / Cheltenham Business Partnership	The group agrees that businesses are not clearly represented and that they should be; the challenge though is to identify a champion for business/economic development issues who can provide a strategic overview and sit on the SLG.
There is a debate to be had about which group at district or county level will hold the crime and disorder statutory duties. There is a possibility that Glos Safer Stronger Justice Commission could hold these duties at the county level but this may weaken the districts' contribution and local influence.  Within this there is a debate as to where the 6 statutory partners would meet. The Strategic Leadership Group will meet bi-annually which may not be frequent enough.	Cheltenham Community Safety Partnership	The group remains comfortable with the proposal to dis-band the community safety partnership; it feels that the Positive Participation Partnership will pick up the analysis of crime data / trends (strategic assessment), the consultation and engagement with communities on community safety issues and the recommendation of key community safety needs to the Positive Lives Partnership / SLG.  The SLG will formally hold the statutory obligations and its membership will need to include Fire and Rescue / Glos Police Authority and Probation.
Raised a question about how the new structures will ensure that organisations commit resources to support better partnership working	Social and Community O+S	The group felt that by reducing the number of partnerships there is a greater opportunity for partners to commit resources to partnership working.
Welcomed the proposals as reducing the number of partnerships which will be beneficial for elected members.	Social and Community O+S	Noted
Welcomed the opportunity for the community to take the lead in driving partnership agendas through the positive participation partnership.	Social and Community O+S	Noted
Welcomed new structure – but suggested that the leadership group have a police authority presence.	Glos Police Authority	As above, the group suggested that Glos Police Authority sits on the SLG.
Develop linkages between district structures and county structures especially the new Health and Wellbeing Board	Economy and Business Improvement O+S	To be explored moving forward; need to check with Andrew North about district representation.

<p>Critical that partnerships are clear about needs, priorities and outcomes and that these are reflected in joint commissioning arrangements between partners; progress on delivering these outcomes needs to be measurable in order that partnerships can be held to account.</p>	<p>Economy and Business Improvement O+S</p>	<p>The more explicit commissioning of outcomes is the reason for re-structuring the partnerships.</p>
<p>Partnership structures need to add value; we need to be mindful of the costs of supporting and attending partnerships versus the value derived from working collectively to deliver outcomes. Partnerships needs to be mindful that these costs and benefits need to be quantified in order that they can be scrutinised by members.</p>	<p>Economy and Business Improvement O+S</p>	<p>Costs and benefits to be assessed so that members can have a before and after picture.</p>

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Page 200

## Cheltenham Borough Council

**Cabinet – 18 October 2011**

### **Cheltenham Borough Air Quality Management Area & Revocation of (lower) Bath Road Air Quality Management Area Report of the Cabinet Member for Housing and Safety**

<b>Accountable member</b>	<b>Cabinet Member Housing and Safety, Councillor Klara Sudbury</b>
<b>Accountable officer</b>	<b>Head of Public Protection, Barbara Exley</b>
<b>Accountable scrutiny committee</b>	<b>Social &amp; Community</b>
<b>Ward(s) affected</b>	<b>All</b>
<b>Key Decision</b>	<b>No</b>
<b>Executive summary</b>	<p>The Environment Act 1995 and associated regulations require that local authorities assess outdoor air pollution against national objectives. Monitoring of nitrogen dioxide in Cheltenham has identified a number of new locations where the annual mean objective limit of 40ug/m<sup>3</sup> has been exceeded. The existing AQMA (Air Quality Management Area) on (lower) Bath Road continues to exceed the national objective for nitrogen dioxide and will be revoked and included within a new Borough-wide AQMA.</p> <p>A Detailed Assessment for the nitrogen dioxide at six locations has been carried out, and there is expected to be continuing breaches of annual nitrogen dioxide at these locations until significant traffic control measures are implemented. The Detailed Assessment is attached to this report as Appendix 1.</p>
<b>Recommendations</b>	<p><b>1. Cheltenham Borough Council declares a new Air Quality Management Area (AQMA) to cover the whole of Cheltenham Borough and revokes the current AQMA located in the portion of (lower) Bath Road and High Street.</b></p> <p><b>2. Cheltenham Borough Council endorses the joint working with the County Council as the Transport Authority in the development and implementation of the required Further Assessment and Air Quality Action Plan to address this issue.</b></p>

<b>Financial implications</b>	<p>Declaring the AQMA will commit the Council to producing a Further Assessment Report within 12 months and an Action Plan within 18 months which will involve some expenditure. The monitoring of the whole of Cheltenham AQMA will be met from existing Air Pollution budgets. Further resources, estimated between £7,500 and £10,000 will be required to carry out an Assessment Report of the results and the need for further exposure modelling. This expenditure will either be met by a request for a growth bid in 2012/13 or a virement from another public protection budget.</p> <p><b>Contact officer: Sarah Didcote</b>  <b>E-mail: sarah.didcote@cheltenham.gov.uk</b>  <b>Tel no: 01242 264125</b></p>
<b>Legal implications</b>	<p>The Environment Act 1995 Section 83(1) places a duty on Local Authorities to designate those areas where the air quality objectives are unlikely to be met as Air Quality Management Areas.</p> <p><b>Contact officer: Sarah Farooqi</b>  <b>E-mail: sarah.farooqi@cheltenham.gov.uk</b>  <b>Tel no: 01242 775074</b></p>
<b>HR implications (including learning and organisational development)</b>	<p>It is anticipated that the declaration of the AQMA will be delivered within existing resources.</p> <p><b>Contact officer: Amanda Attfield</b>  <b>E-mail: amanda.attfield@cheltenham.gov.uk</b>  <b>Tel no: 01242 264186</b></p>
<b>Key risks</b>	<p>If the report is not approved, the Council will be in breach of its statutory obligations under the Environment Act 1995.</p>
<b>Corporate and community plan Implications</b>	<p>Declaring an AQMA will ensure that Cheltenham Borough Council, together with Gloucestershire County Council, being the Transport Authority, are working towards the corporate strategy objectives of :</p> <p><u>Enhancing &amp; Protecting our Environment</u></p> <ul style="list-style-type: none"> <li>• Cheltenham's natural &amp; built environment is enhanced and protected</li> <li>• Carbon emissions are reduced and Cheltenham is able to adapt to the impacts of climate change</li> </ul> <p><u>Strengthening our Economy</u></p> <ul style="list-style-type: none"> <li>• We attract more visitors and investors to Cheltenham</li> </ul> <p><u>Strengthening our communities</u></p> <ul style="list-style-type: none"> <li>• Communities feel safe and are safe</li> <li>• People are able to lead healthy lifestyles</li> </ul>
<b>Environmental and climate change implications</b>	<p>The environmental benefit of reducing nitrogen dioxide levels in Cheltenham should also cause a reduction in carbon dioxide emissions.</p>

## 1. Background

- 1.1 The National Air Quality Strategy has required local authorities since 1997 to assess the quality of the outdoor air in their district that residents are exposed to. Assessments are made for seven pollutants and there are separate national objectives for each pollutant. Six pollutants are gases and the seventh is fine dust; only one of these pollutants, nitrogen dioxide, is a concern.

- 1.2 Nitrogen dioxide is a brown gas produced as a by-product when fossil fuel is burnt. Man-made sources are combustion, such as burning coal and oil for electricity supply or heating, motor vehicles and industry. The main national sources are power stations, industry and road transport. As an urban area, Cheltenham's nitrogen dioxide will mainly come from road transport.
- 1.3 The main effect of breathing in raised levels of nitrogen dioxide is the increased likelihood of respiratory problems and increased levels of nitrogen dioxide are more likely to affect people with asthma.
- 1.4 Nitrogen dioxide has been measured in Cheltenham since 1996. Small test tube-like devices (diffusion tubes) are clipped to lampposts or building facades at 40 locations around the town; most sites are by busy roads ("roadside") and some in residential areas ("urban background"). The diffusion tubes are changed monthly and give reliable annual average data. The authority has also leased an air quality monitoring station located on Swindon Road for a period of 12 months. This is a unit containing a nitrogen dioxide analyser which operates continuously and provides real-time data on nitrogen dioxide pollution levels.
- 1.5 There are two national objectives for nitrogen dioxide; averaged over one hour and averaged over one year. The one hour objective is 200 µg/m<sup>3</sup> (micrograms per cubic metre of air), but this is never exceeded so it not considered further. The year-long objective is 40µg/m<sup>3</sup> and is exceeded at six locations in Cheltenham where there is potential human exposure. These locations are identified in the Detailed Assessment Report. It was considered appropriate to declare one AQMA to cover the whole of the Borough rather than six individual AQMA's for ease of management and subsequent Action Planning.

**2. Reasons for recommendations**

- 2.1 The Environment Act 1995 and associated regulations require that local authorities assess outdoor air pollution against national objectives. Monitoring of nitrogen dioxide in Cheltenham has identified a number of new locations where the annual mean objective limit of 40ug/m<sup>3</sup> has been exceeded. The existing AQMA (Air Quality Management Area) on (lower) Bath Road continues to exceed the national objective for nitrogen dioxide and will be revoked and included within a new Borough-wide AQMA.

**3. Alternative options considered**

- 3.1 No other options have been considered.

**4. Consultation and feedback**

- 4.1 The Department for Environment Food and Rural Affairs (DEFRA) has been consulted and has accepted Cheltenham Borough Council's Detailed Assessment Report.

<b>Report author</b>	<b>Contact officer: paul.scott@cheltenham.gov.uk</b> <b>01242 264358</b>
<b>Appendices</b>	Detailed Assessment for new Air Quality Management Area 2011
<b>Background information</b>	DEFRA is consulting on updated draft air quality plans that set out the action taken and being planned at national, regional and local levels to meet the annual and hourly EU NO <sub>2</sub> limit values in England as soon as possible. For further details please see the consultation documents at <a href="http://www.defra.gov.uk/consult/2011/06/09/air-quality/">http://www.defra.gov.uk/consult/2011/06/09/air-quality/</a>





**DETAILED ASSESSMENT FOR NEW**  
**CHELTENHAM AIR QUALITY MANAGEMENT AREA 2011**

## **1. INTRODUCTION**

An Air Quality Management Area was declared on lower Bath Road and part of the High Street in Cheltenham on 23rd December 2008. However following further detailed monitoring, there is now a requirement to revoke this air quality management area and declare a much larger part of Cheltenham to incorporate several other locations that have also been identified as exceeding national limits for nitrogen dioxide in Cheltenham where there is potential public exposure.

A detailed assessment for nitrogen dioxide forms part of the local air quality management (LAQM) system introduced by the Environment Act 1995. It is a requirement as part of the Act, and follows on from Cheltenham Borough Council's progress reports of 2010 and 2011. These reports conclude that a detailed assessment is required at locations where exceedance of the annual mean for nitrogen dioxide has occurred. This is that assessment document.

### **1.1 Aims of the detailed assessment**

This detailed assessment has two aims:

- To report on monitoring of nitrogen dioxide levels at the locations that are exceeding National Objective limits.
- To recommend establishment of an air quality management area to cover those areas that are in exceedance.

## **2. BACKGROUND**

### **2.1 Description of the identified sites**

Cheltenham is a town of 112,000 residents in an urban area of 40 km<sup>2</sup>. There are no substantial industrial sources of nitrogen dioxide (NO<sub>2</sub>) in the area. There is a road circuit around the pedestrianised centre of town that carries the bulk of the city-centre traffic. There are also main roads (A40) leading into the town from the east (London Road) and south (Gloucester Road) both of which suffer from vehicle congestion during peak travel times. The locations where there has been an exceedance of the annual mean objective for nitrogen dioxide and where there is potential human exposure are described as follows and are indicated in Appendix A with location photographs included in Appendix B;

1. The current AQMA area (AQMA to be revoked) – of the lower part of Bath Road and High Street. This canyon is 56 metres long with buildings averaging nine metres high along each side. The road sector of concern ends with a four way junction, where minor roads join Bath Road from west and east; this is also controlled by traffic lights. The road of concern is one way with two lanes of traffic going southwards, is eight metres wide and has pavements either side two metres wide (site pictures at annex B). There are residential premises at 2A, 2B and 8A Bath Road. These are all flats of first and higher floors above shops to the east side. The site's circumstances of two traffic lights, a tight bend, tall buildings and a narrow street all contribute to causing the high nitrogen dioxide levels observed here.

2. Swindon Road. A section of the southern side of Swindon Road from the junction of St Georges Street to Henrietta Street. This road sector of concern comprises a three way junction controlled with two sets of traffic lights and a section of road with two lanes of traffic. The sites circumstances of two traffic lights, high traffic flow and traffic congestion all contribute to the high nitrogen dioxide levels experienced here. There are three and four storey residential premises on the south side of Swindon Road located within 3m of the roadside.

3. High Street. This section of road at the western end of the High Street bounded by Poole Lane and Tewkesbury Road. This road sector of concern is also a canyon with two and three storey buildings on both sides of the High Street enclosing a road with two-way traffic of ten metres width. It has pavements of two to three metres width on both sides of the road. Residential premises are present at several locations including the flats at 343 High Street.

4. London Road. The road section of concern is the junction of London Road with Hales Road comprising the A435, B4075 and A40 junction. It is a four way junction controlled with traffic lights. Stationary and slow-moving traffic is common as a result of the volume of traffic coming into Cheltenham. There is potential exposure to elevated nitrogen dioxide levels to residential premises on the southern side of London Road between 81 and 107. The buildings here are three storey of approximately 9 metres height separated from the road by a 3m wide pavement.

5. Fairview Road. The road section of concern is the section of Fairview Road from Portland Street (A46) junction to Fishers Lane including the junction with Winchcombe Street. Although the road is relatively wide at over 30m, there are four lanes of traffic at the junction with Portland Street, controlled by several traffic lights. The junction at Winchcombe Street 80m further east is very similar. The traffic count is high and there is routine congestion. Although there is a limited canyon effect, residential properties are located close to the roadside with several multi-storey blocks of flats.

6. Suffolk Road. The road section from Bath Road to Suffolk Parade is of concern due to high traffic counts and regular vehicle congestion. There is a potential canyon effect of two and three storey buildings located close to the road with relatively narrow pavement areas of 2m. There are several residential premises along this section of Suffolk Road including at nos; 7, 9, 8, 12, 16 and 24.

7. 338 – 346 Gloucester Road. The road section from the Gloucester Road junction with Lansdown Road near to the traffic lights. Here there is a two storey row of terraced properties located on the eastern side of Gloucester Road that are within 3m of a congested road with vehicles routinely queuing at the traffic lights heading southbound.

### **2.2 Source apportionment**

The sources of nitrogen dioxide at all these sites were assessed to be substantially traffic-based. Cheltenham has no significant industrial nitrogen dioxide sources. The annual mean ratified nitrogen dioxide level for 2008 at the Council's urban background real-time air quality unit was only 21.6ug/m<sup>3</sup>. This Unit has now been removed and background air quality is no longer measured at this location. Measured levels at the kerbside locations exceeding national objectives identified in section 2.1 are over twice the historical urban background level, therefore with no other significant local sources, road traffic was determined to be the sole substantial source of concern.

## **3. POLLUTANT MONITORING**

### **3.1 Monitoring method**

Cheltenham Borough Council currently measures nitrogen dioxide at 40 sites across the town with diffusion tubes of 20% TEA in water supplied by Bristol Scientific Services. There is also a real-time air quality unit at a roadside location at the junction of St Georges Street and Swindon Road which commenced operation in August 2011. The diffusion tubes results are ratified annually with a national bias adjustment factor obtained for triplicate studies by several other authorities using Bristol Scientific Services. Once results have been validated, they are displayed on the Council's website in an interactive map.

### **3.2 Monitoring locations**

Nitrogen dioxide has been measured at a façade location of 6 Bath Road since 2000. This monitoring location has been measuring nitrogen dioxide for a significant length of time and results from this location were instrumental in the declaration of the first Air Quality Management Area (AQMA) in December 2008 which resulted in more detailed monitoring of this area. Following a review of all Cheltenham air monitoring locations in 2009, several new

monitoring locations were identified where potential exposure to traffic derived pollution could be occurring as a result of high vehicle flow and traffic congestion. Annually adjusted results demonstrated that there are several new areas where annual mean nitrogen dioxide levels are being exceeded. These locations are now subject to more detailed assessment and it has become clear that there is a need to declare a much larger area of Cheltenham as an AQMA rather than just the original location on Bath Road. Table 2 below contains results obtained since monitoring commenced at these new sites. Further information is provided in the 2011 Progress Report as submitted by Cheltenham Borough Council.

### 3.3 Monitoring results

#### 6 Bath Road monitoring site

The bias-adjusted nitrogen dioxide annual mean levels for the period 2000 to 2010 are as follows:

**Table 1: Nitrogen dioxide annual means for lower Bath Road AQMA monitoring point**

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>NO2 annual mean (ug/m3)</b>	38.3	37.5	33.6	43.3	42.8	42.0	46.2	44.6	44.0	45.4	46.3

The graph in Appendix C illustrates historically declining levels at the Bath Road location during the period 2000 to 2002, but then a marked rise in 2003 to a level that exceeded the objective. This elevated level has since been sustained and continues to breach the annual objective. This site therefore exceeded the 2005 nitrogen dioxide annual mean objective of 40ug/m3 in the Air Quality Regulations (England)(Wales) 2000 (as amended). This site was included in the declared Air Quality Management Area in 2008. This site is expected to continue exceeding the nitrogen dioxide annual mean objective and therefore appropriate actions are required to reduce levels to below the national objective limit of 40ug/m3.

Other locations where exceedance has been identified have only been monitored since 2010. Additional monitoring tubes have been added at these locations since the beginning of 2011 to obtain more detailed information on the extent of NO2 exceedance.

**Table 2: Nitrogen dioxide annual mean results for new monitoring locations in Cheltenham that exceed the national objective limit of 40ug/m3**

Location	2010 NO2 levels ug/m3
Portland Street – Fairview Road junction	41.8

Swindon Road – Henrietta Street	45.7
443 High Street	41.4
81 London Road	45.5
340 Gloucester Road	44.5
7 Suffolk Road	40.1
1 Hewlett Road (no exposure nearby)	47.9

#### **4. POLLUTANT MODELLING**

No pollutant modeling has been carried out with the 2010 data although as with previous modelling it is considered that the presence of traffic lights, other road obstacles and peak traffic flow provide significant impediment to the smooth flow of traffic at those locations which elevated NO<sub>2</sub> levels have been recorded. This means that vehicles are usually accelerating and decelerating which can lead to greater pollution emissions. These emissions are then contained within the relevant confines of the narrow roads or canyons or, where these are not present, the proximity of kerbside residential properties means there is direct exposure to elevated nitrogen dioxide levels.

#### **5. CONCLUSION**

The monitoring evidence was that the existing AQMA at lower Bath Rd/High Street site was continuing to breach the annual mean objective. However as a result of further monitoring conducted since 2010, it is clear that there are several other locations that are also breaching the annual objective for NO<sub>2</sub>. Therefore a new much wider AQMA should be declared to cover all areas that are breaching National Limits for NO<sub>2</sub>. In order to ensure that all locations in exceedance are included within a new AQMA and to ensure that any future measures contained within an Action Plan do not simply move the problem elsewhere, it is proposed to declare the whole of Cheltenham Borough as an AQMA. This is considered necessary to reinforce the message that poor air quality in Cheltenham must be tackled and to ensure that the problem is not simply shifted around inside the Borough.

#### **6. RECOMMENDATION**

In light of the above findings, an air quality management area (AQMA) should be declared to cover all the locations where exceedance of NO<sub>2</sub> annual mean limits has been measured. Guidance states that AQMA's must encompass all known and predicted areas of exceedance where there is relevant exposure. In addition, wherever the boundary of the

AQMA is drawn, the Action Plan developed to deal with the problem is likely to cover an even wider area. Therefore it is recommended that an AQMA is declared to cover the entire Borough of Cheltenham. This will ensure that any future solutions delivered through implementation of a future Action Plan will not simply push the problem elsewhere within the Borough. A plan of the Borough boundary is included in Appendix A.

**LIST OF APPENDICES**

<b>Appendix</b>	<b>Content</b>
A	Plan of proposed new AQMA for Cheltenham and locations where exceedance of the NO <sub>2</sub> annual mean has been identified
B	Photographs of various locations where exceedance has occurred
C	Graph of nitrogen dioxide annual mean readings at 6 Bath Road

**Appendix A – Plan of proposed new Air Quality Management Area for Cheltenham (following the Borough Boundary)**

**Proposed new Air Quality Management Area for Cheltenham - 2011**



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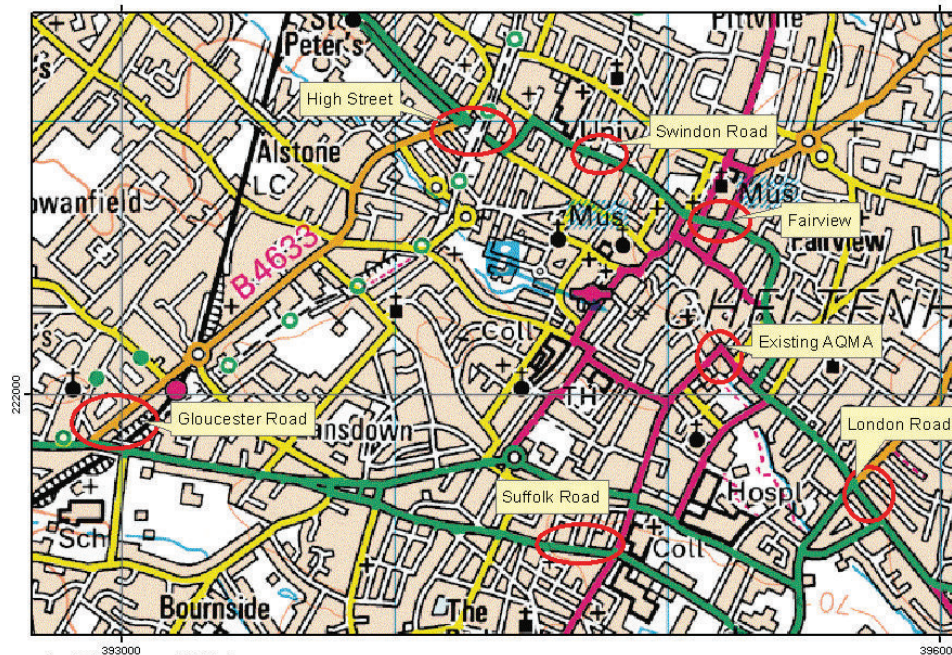


0 500 1,000 2,000 M

**Legend**

Contaminated Land Officer 2011

**Areas of Nitrogen Dioxide exceedance in Cheltenham identified in 2010**



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0 125 250 500 M

**Legend**

Contaminated Land Officer 2011



**Appendix B - Photographs of six locations within the Borough where Nitrogen Dioxide exceedance has been measured and there is relevant exposure**

**Site 1. Current AQMA area on Bath Road & High Street**



**Site 2. Swindon Road near St Georges Street/Henrietta St**



Site 3. High Street towards Tewkesbury Road junction (view east)



High Street towards Tewkesbury Road junction (view west)



Site 4. London Road – junction with Hales Road (view west)



London Road – junction with Hales Road (view east)



Site 5. Fairview Road – Winchcombe Street junction (view east)



Fairview Road towards Portland Street junction (view west)



Fairview Road – Winchcombe Street junction (view west)



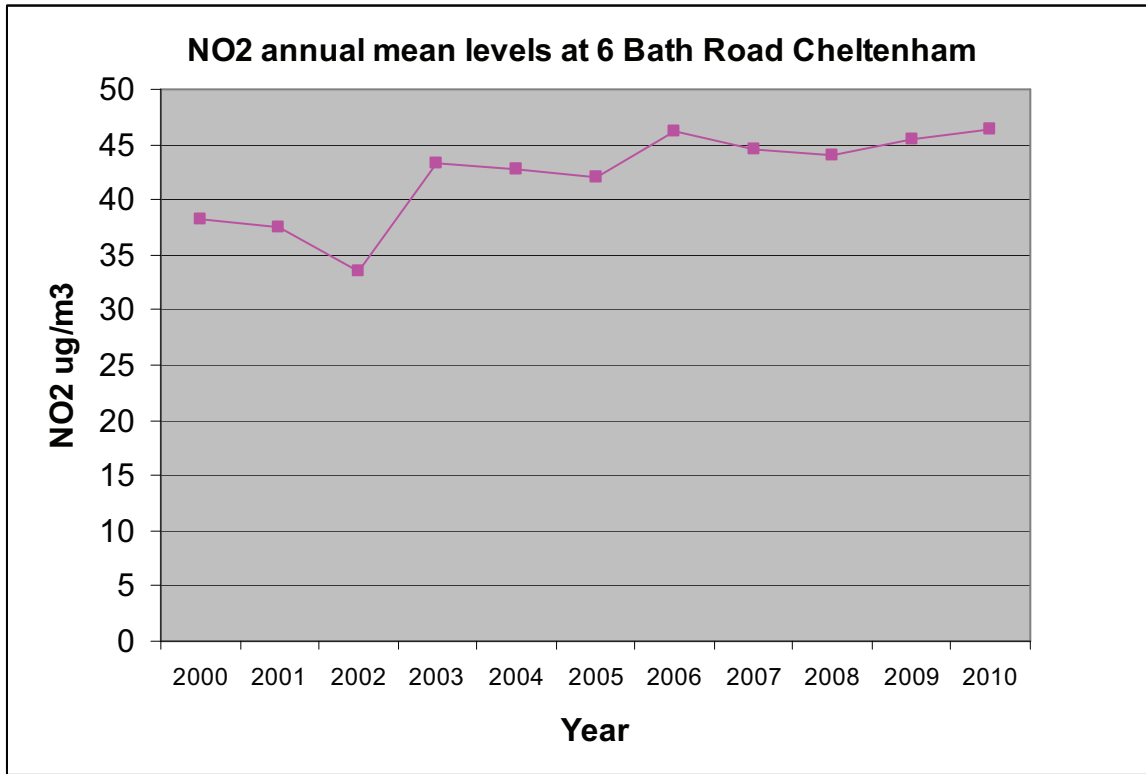
Site 6. Suffolk Road



Site 7. Gloucester Road



Appendix C – Graph of annual mean Nitrogen Dioxide levels at 6 Bath Road



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Page 220



**Cheltenham Borough Council  
Cabinet – 18<sup>th</sup> October 2011**

**Constitution Working Group - Review of the Constitution**

**Part 3E Executive Functions**

<b>Accountable member</b>	<b>Cabinet Member Corporate Services – Colin Hay</b>
<b>Accountable officers</b>	<b>Borough Solicitor, Sara Freckelton</b>
<b>Accountable scrutiny committee</b>	<b>Economy and Business Improvement</b>
<b>Ward(s) affected</b>	<b>None specifically</b>
<b>Key Decision</b>	<b>No</b>
<b>Executive summary</b>	<p>Cabinet is being asked to consider a revised Part 3E of the Constitution - Responsibility for Executive Functions. The revisions propose a fundamentally different approach on the basis that the functions delegated to Cabinet and Cabinet Members are prescribed in greater detail than at present, with those functions not so prescribed being exercised by Officers. This proposal provides greater clarity as to the functions exercised by Members and provides for more flexibility within the Officer delegations. The effectiveness of the proposed revisions is reliant upon sufficient safeguards elsewhere in the Constitution, particularly in Part 2 Article 13 (Principles of Sound Decision Making). Other parts of the Constitution will require significant review, consequent upon the proposed changes.</p> <p>This report is part of a comprehensive review of the Constitution which is being taken to Council for initial consideration on 10<sup>th</sup> October and for final approval as soon as possible, but, in any event, in time for implementation on or before start May 2012. Whilst Council will be asked to agree to the whole of the new Part 3 being incorporated in the Constitution, it will be for the Leader to allocate/delegate the Executive Functions in Part 3E.</p>
<b>Recommendations</b>	<p><b>That Cabinet</b></p> <ol style="list-style-type: none"> <li><b>1. Consider the proposed Executive Functions set out in the new Part 3E (appendix 2 to agenda item 10 Council 10<sup>th</sup> October);</b></li> <li><b>2. Make any consequential recommendations to the Leader as to the final form of Part 3E</b></li> </ol>
<b>Financial implications</b>	<p>There are no specific revenue or capital implications of this report.</p> <p><b>Contact officer: Mark Sheldon, mark.sheldon@cheltenham.gov.uk, 01242 264123</b></p>

## Page 222

<b>Legal implications</b>	As contained in this report.  <b>Contact officer: Sara Freckleton, <a href="mailto:sara.freckleton@teWKesbury.gov.uk">sara.freckleton@teWKesbury.gov.uk</a>. 01684 272011</b>
<b>HR implications (including learning and organisational development)</b>	The proposed changes will need to be communicated to members and officers once approved.  <b>Contact officer: Julie McCarthy, <a href="mailto:julie.mccarthy@cheltenham.gov.uk">julie.mccarthy@cheltenham.gov.uk</a>, 01242 264355</b>
<b>Key risks</b>	See attached risk assessment – Appendix 1

## 1. Background

- 1.1** A comprehensive review of the Council's Constitution was commenced last year to address both the Council's Action Plan approved in March 2010 and to recognise the fact that the last full review of the Constitution was in 2005.
- 1.2** The Constitution Working Group has considered a number of matters including a comprehensive review of Part 3 of the Constitution – Responsibility for Functions. Part 3E relates to Executive Functions which are functions allocated/delegated by the Leader.
- 1.3** The proposed overall approach to Part 3 will result in a requirement for consequential considerable amendment to other parts of the Constitution particularly the Articles (Part 2) in order to ensure that the decision-making is carried out transparently with robust safeguards. Therefore, on 10<sup>th</sup> October, Council will be asked to approve, in principle, the proposed revisions to Part 3 to enable the fully revised Constitution to be placed before the Council for approval once the Constitution Working Group is satisfied that all necessary amendments, including those needed to accommodate the outcome of the Overview and Scrutiny review, have been addressed.
- 1.4** Whilst Council will be asked, in due course, to agree to the whole of the new Part 3 being incorporated in the Constitution, it is for the Leader (and not Council) to allocate/delegate the Functions contained in Part 3E.
- 1.5** The new draft Part 3 is considerably shorter than the current Part 3. This is due to:
- (a) rewriting and shortening of much of the current text;
  - (b) transfer of a number of current tables/schedules to appendices to the Constitution;
  - (c) a fundamental change in approach to the allocation/delegation of functions to Officers.
- 1.6** The current Part 3 operates on the basis of those functions delegated to Cabinet and Cabinet Members being drawn in a wide sense and the delegated functions to Officers being closely prescribed. The new draft Part 3 is drawn on the basis of the functions delegated to Cabinet and Cabinet Members being prescribed in more detail than at present; Officers will then be able to exercise all other functions not so prescribed (and subject to certain safeguards as referred to below). This new approach potentially has at least two key benefits:
- greater clarity as to what the Functions of Members actually are;
  - a clearer and more flexible scheme of Officer delegation because Officers will simply exercise those Functions not allocated elsewhere in Part 3 and there will not be detailed line by line delegations which will quickly become out of date.

## Page 223

- 1.7** It will be important to build in safeguards to the new approach to Officer delegation. The proposed safeguards are fourfold:
- (i) the Leader or a Cabinet Member (in respect of an Executive Function falling within their portfolio) may direct in any particular case that an Officer shall not exercise their delegated power and that the matter shall be referred upwards to the Leader, the Cabinet Member or Cabinet for decision;
  - (ii) Key Decisions cannot be made by Officers except where the Chief Executive or an Executive Director is exercising their urgency powers;
  - (iii) all Officers must comply with the principles of sound decision making set out in Article 13 of the Constitution (these principles, which include the obligation to comply with Financial Rules and Contract Rules, are being reviewed to ensure that they are comprehensive and robust and an updated Article 13 will be referred to Council subsequently for approval along with the final version of Part 3);
  - (iv) where the Chief Executive, Executive Directors or Directors sub-delegate their Functions, they will be obliged to ensure that the empowered Officer is fully aware of the responsibilities and accountabilities that come with those Functions.
- 1.8** It should be noted that the description of Functions and service areas delegated to Officers reflects the Chief Executive's proposals to transfer some functions from the Director Operations to other Directors, principally the Director Wellbeing & Culture in readiness for the creation of the proposed local authority company with Cotswold District Council.
- 1.9** The proposed delegations to officers in Part 3E include provision for the Chief Executive and Executive Directors to undertake functions where other officers are absent or unable to act.
- 1.10** Appendix 3 to the Council report contains a draft table showing the Authority's current corporate (as opposed to operational) policies, plans and strategies. This document is cross referenced in the new Part 3 and is intended to set out which parts of the Authority are responsible for which policies, etc. and who the Lead Members/Officers are together with other information such as when the policy, etc. is up for review. The table includes those policies, etc. which comprise the Policy Framework, .i.e. those which are produced by the Executive and approved by Council. Some elements of the table remain to be populated.

## **2. Reasons for recommendations**

- 2.1** To allow the opportunity for Cabinet to formally consider the form of Executive Functions
- 2.2** To ensure that Part 3E Responsibility for Executive Functions is clear, robust, transparent and flexible.

## **3. Alternative options considered**

- 3.1** The retention of a similar approach to officer delegations as that in the current Part 3 was considered. The Constitution Working Group decided to pursue the revised approach in view of the benefits set out in section 1 above but also subject to the safeguards in that section.

## **4. Consultation and feedback**

- 4.1** Consultation on the proposed revised Part 3E has taken place with Officers, the Constitution Working Group and informally with Cabinet Members.
- 4.2** If Members wish to make any further observations or comments on the Constitution, particularly any suggestions for amendment, then these can be made to any member of the Constitution Working Group (Councillors Les Godwin, Colin Hay and Duncan Smith) or to the Borough Solicitor/Monitoring Officer. The Working Group will continue to meet and would welcome any input from Members to inform the review.

## Page 224

<b>Report authors</b>	<b>Contact officers:</b>  Peter Lewis, <i><a href="mailto:peter.lewis@tewkesbury.gov.uk">peter.lewis@tewkesbury.gov.uk</a></i> , 01684 272012  Rosalind Reeves, <i><a href="mailto:rosalind.reeves@cheltenham.gov.uk">rosalind.reeves@cheltenham.gov.uk</a></i> , 01242 774937  Sarah Didcote, <i><a href="mailto:sarah.didcote@cheltenham.gov.uk">sarah.didcote@cheltenham.gov.uk</a></i> , 01242 264125
<b>Appendix</b>	1 – risk assessment
<b>Background information</b>	Council Constitution  Report to Council 10 <sup>th</sup> October 2011

## Risk Assessment

## Appendix 1

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
	Legal risks of challenge to decisions and processes arising through occasional but not comprehensive review	Borough Solicitor	6/6/11	3	1	3	Reduce	Comprehensive review of constitution is being undertaken	12/10/11	Borough Solicitor	
	Risk of Officers decisions being made outside of due process	Borough Solicitor						Ensure robustness of the Decision Making principles in the Constitution  Ensure that Officers sub-delegating that the Officers understand scope and obligations and accountability for their decisions	January 2012	Borough Solicitor  Chief Executive	

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Page 226

1.

## Cheltenham Borough Council Cabinet – 18 October 2011 Built Environment review

<b>Accountable member</b>	<b>Councillor John Rawson, Cabinet Member Built Environment</b>
<b>Accountable officer</b>	<b>Grahame Lewis, Executive Director</b>
<b>Accountable scrutiny committee</b>	<b>Environment Overview and Scrutiny Committee</b>
<b>Ward(s) affected</b>	<b>All</b>
<b>Key Decision</b>	<b>Yes</b>
<b>Executive summary</b>	<p>The Council has been conducting a commissioning review for the built environment which covers development control, strategic land use, urban design, heritage and conservation and building control. A member working group was established to support the Cabinet Member with this review.</p> <p>The review has covered a wide range of issues and has reached the conclusion that given the current national planning context and feedback from stakeholders that an externalised delivery model is not appropriate at this time. However the review has identified a number of recommendations which will improve service efficiency, the customer experience and ultimately provide savings to support the medium term financial strategy.</p>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li><b>(1) That the outcome framework set out at appendix 3 is approved and used as a basis for the development of a service specification, against which the internal team will deliver.</b></li> <li><b>(2) That the Director of Built Environment restructures his team to assist delivery of the outcomes and agreed service specification.</b></li> <li><b>(3) That the Director of Built Environment reports back to the Cabinet, once there is clarity on the legislation, with regards to the local setting of planning fees and identifies the additional planning income which may be realised.</b></li> <li><b>(4) That the division continue to improve the customer experience by embedding the systems thinking approach across the full range of its services.</b></li> <li><b>(5) That the division explores with partners the opportunities to undertake collaborative working, where it will provide service resilience and make the most efficient use of resources.</b></li> <li><b>(6) That a review of alternative delivery models for building control is undertaken in 2013, as part of the programmed review of the current shared service arrangement with Tewkesbury Borough</b></li> </ol>

Council.

- (7) That the inscope range of built environment services will be tested against private sector service alternatives in 2013/14, to confirm whether the internal service continues to deliver value for money, based on an assessment of both cost and quality.
- (8) That the division holds regular (at least twice per year) stakeholder sessions including agents, developers, conservation and heritage groups, architects panel as well as councillors to discuss progress in delivering the outcomes.
- (9) That the Director of Built Environment explores the opportunities to extend the charging for pre application process to other areas currently not within scope.
- (10) That the commissioning division works with the Voluntary and Community Sector to support market development in areas which will underpin the localism bill.

<p><b>Financial implications</b></p>	<p>Due to the levels of uncertainty around legislation on local planning fees, the likely levels of savings / additional income to be generated from the review are currently not available. As legislation and timeframes become clear, further work will be required to establish the financial benefits from the review.</p> <p>As mentioned in the report, to ensure internally provided services are able to compete on a financial as well as qualitative footing, regular monitoring and benchmarking will be necessary to assure the council and its members that they are being provided with value for money services.</p> <p><b>Contact officer: Nina Philippidis, Accountant</b>  <b>nina.philippidis@cheltenham.gov.uk, 01242 775221</b></p>
<p><b>Legal implications</b></p>	<p>None directly arising from this report but various legislative provisions and legal processes will apply to the reviews and the exploration of opportunities set out in the recommendations.</p> <p><b>Contact officer: Shirin Wotherspoon,</b>  <b>shirin.wotherspoon@tewkesbury.gov.uk, 01684 272017</b></p>
<p><b>HR implications (including learning and organisational development)</b></p>	<p>The Built Environment team and the recognised trade unions have been kept advised about the development of this project on an informal basis but full formal consultation will be required as soon as details of the proposed restructure are available.</p> <p><b>Contact officer: Julie McCarthy</b>  <b>,Julie,McCarthy@cheltenham.gov.uk,</b>  <b>01242 26 4355</b></p>



Key risks	As set out in appendix 1
<b>Corporate and community plan Implications</b>	The review has identified a set of outcomes which help deliver the corporate plan and community plan aspirations
<b>Environmental and climate change implications</b>	

## 1. Background to the review

- 1.1 The Council has agreed to become a commissioning council by April 2012, and to meet this objective has embarked upon a series of commissioning reviews. The built environment was considered as a priority area as it has significant expenditure and income but is also subject to some fundamental changes nationally. It is important that the Council is ready to meet these new challenges. It was also recognised that some funding which was previously available from Planning Delivery Grant to deliver these services is no longer available and some of the changes nationally could result in additional expenditure and higher expectations about the way in which the services in scope are delivered.
- 1.2 A project team and member working group were established to support the review, which included the Director for the services within scope. The review team have been impressed with the way in which managers and others from the services in scope have engaged with the review and are also grateful for the support they received from stakeholders who took part in the consultation events being prepared to give up a considerable amount of their time in contributing to the debate.

## 2. Strategic context

- 2.1 The strategic context for the review is set out in the attached document. The review is set against a background of a corporate budget gap within the medium term financial strategy and legislative changes which will impact on the relationships between the Council and its community with the delivery of the Localism Bill.
- 2.2 The principal challenge being thrown down by the Localism Bill is to make planning more relevant to local communities, by making the process demonstrably more engaging and responsive to the needs of those communities. At the same time, the bill makes clear that this is not a charter for resisting development, as the Government is also clearly committed to delivering sustainable growth.
- 2.3 The new approach will demand more engagement with communities at the earliest possible stage in the planning process, including the option of local communities taking a lead on promoting a development vision for their own areas.

## 3. Current service delivery arrangements

- 3.1 The current delivery arrangements are set out in the attached document. The total net costs of the services in scope are £860,600. Over the last three years, the Council has made significant investments in the ICT infrastructure supporting its Built Environment services and this has resulted in the transformation of the planning service in particular, from one which relied heavily on paper, to one which is now largely web-based. This has had massive customer benefits in terms of the availability and accessibility of on-line information, electronic consultation with the public and statutory consultees and the ability for applications to be submitted through the planning portal. This has made the service both transparent and highly accountable to the public for the decision-making process.

- 3.2** The costs associated with the ICT infrastructure capital investment and associated training, were funded primarily through performance-related Planning Delivery Grant (later known as Housing and Planning Delivery Grant – HPDG), awarded to the authority for significant improvements in the speed of decision-making and the implementation of key aspects of the local development framework. Between 2003 and 2010, the services in scope were awarded a total of £2.1 million in capital performance grant via this route. This funding was also in part used to underpin core staffing arrangements, which helped maintain the quality and effectiveness of the service, as the authority implemented revenue savings to help with its corporate ‘Bridging the Gap’ (BtG) programme.
- 3.3** Whilst underpinning service transformation, improved ICT infrastructure has inevitably increased the Council’s revenue expenditure on annual maintenance fees to support *Uniform*, its externally supported integrated database for both planning and building control, as well as other key internal services (e.g. Property, Land Charges and Environmental Health). Although efficiency savings, have been delivered beyond those specifically identified in the BtG programme the additional revenue costs of these support services have had to be borne by the division’s supplies and services base budgets.
- 3.4** The consultation with stakeholders and with members demonstrated that there is support for the current in-house provision but nonetheless potential areas for further improvement were identified. The services have started a System Thinking process which is putting the customer at the heart of delivery, and even though this is only in the early stages of implementation has been well received by applicants.
- 3.5** Benchmarking exercises have been undertaken and demonstrate that the service compares well to other councils of a similar size. In 2011, two of the RIBA’s national awards out of seven within the south-west region went to schemes within Cheltenham, both of which had had significant input from staff within Built Environment. This was more than any other local authority area within the south-west region.

## **4. Reasons for recommendations**

- 4.1** The attached document sets out a range of issues that the review team considered as part of the commissioning process and the recommendations as set out above reflect the findings from the review.
- 4.2** The review has identified a set of outcomes for the Built Environment division. The recommendations will help the current in-house team to deliver against these recommendations, ensuring that this statutory service continues to deliver high quality and value for money. They will also create a degree of stability for the service over the coming years. Bringing the strategic land use and development management teams together under a single service manager, would help to ensure an appropriate balance of resourcing is maintained between policy development and development management activities.
- 4.3** The introduction of the ability for councils to set their own planning fees, for which there is at present no firm timetable, will be an opportunity for the Council to close the gap between costs and fee income. It is disappointing that the legislation in relation to this has been delayed and the review team have felt frustrated that because of this the report cannot set a definitive budget target for this additional income-generating potential. However, it was recognised that there is scope to raise some additional income through further extensions to pre-application advice services and potential efficiency savings through the realignment of resources.

## **5. Alternative options considered**

- 5.1** The review considered other delivery models including outsourcing. The review’s findings are set out in the attached document. The review team, having looked at the experience of other local

planning authorities that have externalised their service, but were unconvinced that the benefits outweighed the obvious risks and disadvantages, particularly with the current uncertainties about the national planning framework. However, they did see opportunities to work more collaboratively with other local authorities, voluntary and community groups and in exploring more flexible “call off” contracts to cover future peaks and troughs in workloads.

- 5.2 The review has also identified that it would be appropriate to undertake some form of soft market testing of the services within scope in 2013/14 once there is some certainty over planning income levels following the introduction of local fee setting. This will provide additional reassurance about whether internal services continue to offer value for money, based on an assessment of both cost and quality.

**6. Consultation and feedback**

- 6.1 The review held a number of stakeholder facilitated workshops which provided valuable insight into the way in which the services are perceived. Details are set out in the attached document. Whilst appreciating the resource implications, the review team felt that it would be useful for the division to undertake more regular sessions with stakeholders. The consultation clearly demonstrated that the current services are valued and there was no appetite from key stakeholders to look at externalising the service.
- 6.2 A range of potential providers were also contacted during the review and the member working group provided a useful member sounding board as the review progressed.
- 6.3 The outcome framework set out at appendix 3 has yet to be tested with our stakeholders or with the wider council membership and it is suggested that this should happen before we finalise the framework for inclusion within our corporate strategy.

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

- 7.1 It is proposed that a service specification/service plan is developed for a three year period from 1 April 2012 which will provide a framework against which the service can be monitored.
- 7.2 It is proposed that a report is presented to the Environment Overview and Scrutiny Committee in six months time setting out progress against the recommendations in this report.

<b>Report author</b>	<b>Contact officer: Jane Griffiths, Director of 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. A commissioning strategy for the built environment</li> <li>3. Outcomes framework</li> <li>4. Financial savings to date</li> </ul>
<b>Background information</b>	<ul style="list-style-type: none"> <li>1. None</li> </ul>

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-4	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1.	The council has an ambitious change agenda and undertaking a restructure within the team could divert resources away from the delivery of key projects.	Mike Redman	27.9.2011	3	3	9	Reduce	The director will build the review into workplans. Timescales will need to be agreed with key personnel including HR.	31.10.11	Mike Redman	
2.	If the legislation and guidance for the introduction of planning fees is delayed it will impact on the council's medium term financial strategy.	Mark Sheldon	27.9.2011	3	3	9	Accept	The Council cannot control the timing or content of national legislation.			

**Explanatory notes**

**Impact** – an assessment of the impact if the risk occurs on a scale of 1-4 (4 being the greatest impact)

**Likelihood** – how likely is it that the risk will occur on a scale of 1-6 (6 being most likely)

Impact Description	Impact score	Probability	Likelihood Description	Likelihood Score
Negligible	1	0% - 5%	Almost impossible	1
Marginal	2	5% - 15%	Very low	2
Major	3	15% - 30%	Low	3
Critical	4	30% - 60%	Significant	4
		60% - 90%	High	5
		> 90%	Very high	6

# Cheltenham Borough Council

## A commissioning strategy for the built environment

### 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 sets out the key findings from the review to enable Cabinet to consider a set of recommendations on how built environment services should be delivered. The report sets out the context of the review, the methodology adopted, details of the current services, how outcomes have been developed, consultation and alternative delivery models. It also sets out the savings that have already been achieved by the services.
- 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
- 1.4 When the Cabinet received an update report in July they requested that the review group consider the linkages to housing enforcement, and the report makes some recommendations as to how this may be taken forward in future.

### 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 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 (LEP) which have a remit which includes economic development and strategic transport and we need to be aware of the strategic direction set by the newly established Gloucestershire LEP in how Built Environment services are provided in the future.
- 2.2 The principal challenge being thrown down by the Localism Bill is to make planning more relevant to local communities, by making the process demonstrably more engaging and responsive to local needs. At the same time, the Bill makes it clear that this is not a charter for resisting development, as the Government is also clearly committed to delivering sustainable growth. The new approach will demand more engagement with communities at the earliest possible stage in the planning process, including the option of local communities taking a lead on promoting a development vision for their own areas.

- 2.3 The Government has recently issued a draft National Planning Policy Framework which sets out the strategic context for planning within a number of key objectives:
- planning for prosperity (an economic role) – using the planning system to build a strong, responsive and competitive economy, by ensuring that sufficient land of the right type, and in the right places, is available to allow growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure;
  - planning for people (a social role) – using the planning system to promote strong, vibrant and healthy communities, by providing an increased supply of housing to meet the needs of present and future generations; and by creating a good quality built environment, with accessible local services that reflect the community’s needs and supports its health and well-being; and
  - planning for places (an environmental role) – using the planning system to protect and enhance our natural, built and historic environment, to use natural resources prudently and to mitigate and adapt to climate change, including moving to a low-carbon economy.
- 2.2 Locally, the review also had 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 recommendations from the review were drafted with a view to ensuring that the Built Environment services 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 shaping future development. The review team has had this fact at the forefront of our minds in considering the future of Built Environment services. We have recognised the need for a robust, high quality planning service capable of protecting Cheltenham’s heritage. In addition we received support from English Heritage to test out our thinking on heritage issues with a range of stakeholders.
- 2.4 The Council is already working in partnership with Tewkesbury Borough and Gloucester City Councils on the development of a Joint Core Strategy which is helping to set the broader strategic framework for the built environment. The review was mindful that it should not try to duplicate strategic aspirations which will be set out in the JCS, but we hope that outcomes developed through this review will help shape the strategic thinking as the JCS is developed against its evidence base.
- 2.5 The Council has a funding gap of £2.5m over the next five years as set out in its medium term financial strategy and savings need to be identified to close this gap. Councillors have explicitly indicated that they wish to see front-line services protected. This being the case, the review group accepted that it needed 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.
- 2.6 The services in scope have already delivered a range of budget savings and these are set out later. The services also have a number of existing Bridging the Gap targets which still need to be achieved in the current year. The review was therefore concerned to be realistic in setting new targets for financial savings targets over and above what has already been agreed. Our thinking on this aspect of the review is set out in section 12 below.
- 3. Methodology**
- 3.1 The review was undertaken by the Commissioning Division supported by those within the services in scope. A project team was established chaired by the Executive Director and included the Cabinet Member for Built Environment. The review was supported by a member working group chaired by the Cabinet Member and comprised:

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

The project team met every two weeks and the member working group met several times to consider the key issues and support the development of this strategy.

3.2 The review is using the commissioning methodology (analysis, plan, procure and review) and set out below is a summary of the work undertaken and the key findings.

#### **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 are delivered, future service delivery needs to be flexible, cost efficient and to be able to exploit new technology.

4.2 This initial scoping work identified that the Council will need to be in a position to actively support communities should they wish to pursue the approaches set out within the Localism Bill. It was recognised that there may be several ways in which this can be delivered and these are explored in more detail in section eight.. However it was recognised that there are no dedicated budgets for this activity and so some savings may need to be reinvested to support this work.

#### **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, whether defined geographically or demographically. 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 Joint Core Strategy, but the review team have used these needs to help develop a set of outcomes

## 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 helped us to adopt a rigorous approach to developing outcomes by asking:

- 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. The outcomes were tested with a range of stakeholders through a number of sessions which, although focusing on heritage and conservation, gave us an opportunity to ascertain what is important to our stakeholders. In creating these outcomes the review team are mindful that a service which delivers value for money to the community is imperative.

6.3 The proposed outcomes are included in a chart at **appendix 3**

### **Primary outcome:**

Promote, enhance and build a better and sustainable environment for Cheltenham.

### **Environmental outcomes**

- To ensure the conservation and enhancement of Cheltenham’s architectural and landscape heritage is conserved and enhanced
- Cheltenham’s architectural and landscape heritage is well maintained and their long-term future is secured
- New developments meet high design and sustainability standards, respecting and responding to Cheltenham’s special heritage identity.
- Biodiversity is protected and enhanced and the natural environment is able to adapt to climate change
- Existing buildings, including heritage assets, continue to be functional and fit for purpose as the climate changes

### **Economic outcomes**

- Cheltenham’s architectural and landscape heritage and sense of local distinctiveness makes the borough a desirable location for businesses.
- Cheltenham’s architectural and landscape heritage and sense of local distinctiveness creates an attractive environment where people choose to relocate in search of employment
- Cheltenham’s architectural and landscape heritage and sense of local distinctiveness creates an attractive environment which attracts visitors



- Cheltenham's businesses are able to grow and invest in the borough through encouraging good quality new architecture designed for the future and ensuring historic buildings are flexible to business needs whilst safeguarding their special qualities
- Cheltenham's economy develops in a sustainable way which reflects environmental limits and the need to reduce carbon emissions.

### **Social outcomes**

- People have an improved quality of life and wellbeing through being able to access and enjoy formal and informal recreation and green spaces.
- People have an improved quality of life and wellbeing by enhancing and sustaining a sense of local distinctiveness and good design of new buildings
- People have an improved understanding of Cheltenham's cultural heritage
- People have an improved quality of life and wellbeing by maintaining a high quality built and natural environment
- People have influence over and are able to contribute to their local environment
- People live in safe, warm & affordable homes that meet their personal needs
- People have access to a wide range of social and community facilities

### **Value for money outcomes**

- People receive value for money from the services the Council provides
- The gap between the cost of delivery and fee income is reduced

6.4 As we are starting to progress a range of commissioning reviews it is evident that there needs to be linkages with the outcomes from the other reviews, so the outcomes have been tested against those being developed in leisure and culture, housing and green environment.

## **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 has an enforcement role 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 issues of inclusive design and access to buildings
- Assisting colleagues in the planning service
- 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 break-even on fee income.

7.1.4 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.

7.1.5 There are a total of 13.6 full-time equivalent (FTE) staff comprising 3 (FTE) support officers, 9.6 (FTE) site inspection staff and 1 manager working across the two authorities.

7.2 **Strategic land use**

7.2.1 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:

Delivering the statutory development plan for Cheltenham	Monitoring and research	Stakeholder engagement
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	Undertaking residential land availability and capacity	Working through the local strategic partnership to ensure the Sustainable

(SEA).	studies.	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 and Tewkesbury to support the JCS programme. For the past two years there has been a shared planning manager (0.5 of FTE) dedicated to supporting Tewkesbury Borough planning service, but it was recently agreed that due to capacity issues this arrangement should cease.

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.

7.2.4 In April 2011 the team took over responsibility for housing enabling. Currently the postholder is on maternity leave and Tewkesbury has been offering support on a part time basis. However it has been recognised that this is not sustainable in the longer term.

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:

The application process	Other services and activities
<b>Validation</b> – acknowledge application, check relevant information provided and request any additional information needed.	<b>Duty planning officer</b> – provides advice to anyone who contacts the planning department (in person, email, phone).

<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 proposals successfully through the 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>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>
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7.3.4 There is 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 work.

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 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:

Reactive work	Proactive work
<ul style="list-style-type: none"> <li>○ The lead case officers for listed building consent and minor related planning applications, 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 and 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</li> </ul>	<p style="text-align: right; font-weight: bold;">Page 241</p> <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>

<p>Task Force on planning, urban design, landscape and heritage issues.</p> <ul style="list-style-type: none"> <li>○ Support policy work on the joint core strategy.</li> <li>○ Advise developers, owners and prospective purchasers on responsibilities and other issues regarding trees &amp; historic buildings.</li> </ul>	
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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 considered what alternative models are available to the Council for delivering the services in scope. A paper was prepared for the member working group setting out 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 where there are shared-services.

### *Outsourced models*

8.2 Urban Vision is just one of a number of organisations in the private sector that are providing planning services for local authorities. It is a joint venture between Salford City Council, Capita Symonds and Galliford Try. The Partnership employs about 500 people providing most built environment related services including planning and building control. They provide Salford City Council and Breckland District Council with a full development management service. They also provide a number of specific services to other local authorities, including minerals and waste planning service, handling public inquiries and hearings, planning enforcement, urban design, conservation and heritage services, strategic planning and the development of core strategies. They recognise that every authority is different and has its own planning policy framework, corporate agenda and way of engaging with local members and local people and have indicated that they tailor their service to ensure that the service they provide is related directly to the local authority.

8.3 There is no doubt that if Cheltenham Borough Council should decide to outsource its planning services, there would be providers who could take this job on in a professional way. However, the question we have found difficult to resolve is whether outsourcing would or could deliver significant savings or a more efficient service. Authorities that have been down this path seem reluctant to engage with us on these points. We have also had difficulty in obtaining comparative performance data with neither Salford Council nor Breckland Council participating in the CIPFA benchmarking review.

8.4 Our own benchmarking suggests that the efficiency of our existing Built Environment services is not a major issue. We have an in-house service that generally delivers a good and efficient service and this is confirmed by the views expressed by our stakeholders. Furthermore there is a clear risk in outsourcing a service so central to the character and future prosperity of Cheltenham to an external agency. This being the case, the review concluded that going down the outsourcing route comprehensively is not appropriate at this time. However, stakeholders and the review group felt that there may be scope to procure elements of the service from other organisations on a "call off" basis to cover peaks in demand, or specific projects. It is appreciated that this already happens to a limited degree within the services in scope, but given the current economic climate and uncertainties around workloads, consideration could be given to reducing staffing to lower levels and using such an arrangement to provide additional capacity should demand for services

increase. It was recognised that any such decision would need to be subject to a costed business case, to ensure that both cost and quality considerations are addressed by any alternative delivery arrangement.

8.5 Although the review does not propose comprehensive outsourcing, it is important that the Council continues to compare itself with other authorities and particularly with those that have outsourced to see what we can learn from alternative models of service delivery. Therefore work is ongoing to explore with other councils why they decided to outsource their services and what benefits and/or challenges they have experienced - for example, what revenue savings have been secured, and how residual central service costs been absorbed. 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 intend to address local setting in relation to planning fees, if they are tied to a contract with an external provider.

8.6 Notwithstanding the above the review group agreed that it would be appropriate that once there was certainty about the localism bill and planning fee legislation and its impacts in terms of income and expenditure was known, it would be sensible to undertake some soft market testing. In order to enable the division to fully implement such legislation it is proposed that this market testing is undertaken in 2013/14.

#### ***Voluntary and community groups***

8.7 Some elements of the work in scope particularly in relation to neighbourhood planning and consultation could be undertaken by the voluntary and community sector. An initial conversation has been undertaken with the Gloucestershire Rural Community Council, which currently supports parish councils in respect of parish planning. Depending how the Localism Bill progresses, the GRCC sees an opportunity to play a part in helping empower local communities. The review group felt that the dialogue with the GRCC should be maintained, once there is clarity about the Localism Bill and neighbourhood planning. The GRCC has already been approached to help support the work with parish councils to assist them through the JCS process. There is already a strong network of voluntary and community groups who support neighbourhood engagement. Again, as clarity develops on the Localism Bill, further dialogue needs to be had with the sector as to how they anticipate their community support role developing. The Commissioning division has responsibility for supporting market development within the voluntary and community sector and will need to ensure that there is dialogue and a close working relationship with the voluntary and community sector..

8.8 The Council already has strong links with the Cheltenham Civic Society. It plays an active role in the community and helps support the planning process by contributing its views through the consultation process and in running the successful Civic Awards and blue plaque schemes. The Council values the contribution the society makes and recognises the dedication of those involved. During the review, events were held with stakeholders where the Civic Society was given an opportunity to consider whether it would be interested in supporting further activity which might otherwise not be undertaken by the Borough Council due to resource constraints. There was a discussion among stakeholders about what, if any, wider role the Civic Society could take in supporting the Heritage team. Although the Society were interested in greater involvement, it acknowledged that its membership had limited technical knowledge. This would restrict it from taking a significant role in projects with a strong technical or legislative element (such as conservation area boundary reviews). The discussion concluded that the main role should continue to be "promotional" activity much as it currently undertakes (such as design awards, Heritage Open Days etc.) and that steps might be taken to see how this role could be expanded. The Society also cautioned that it has limited volunteer capacity. As part of the market development, it will be important to work with organisations such as Third Sector Services to ensure that volunteering for societies such as the Civic Society is promoted. During these stakeholder sessions, representatives from the Cheltenham Local History Society also flagged up the possibility of their skills being used to help promote heritage issues within the town and again, a dialogue needs to be maintained with them as to what opportunities there are to become more involved.

8.9 It was also recognised that there are a number of resident groups and “friends of” groups who have an interest in the built environment. It is important that there should continue to be a dialogue with them over specific issues within their areas of interest, as there has been with the Friends of Imperial Square and Gardens over the redesign of Imperial Gardens and with the Friends of Pittville Park over the potential restoration of Pittville Gates.

8.10 The Architects’ Panel also supports the planning process and the council is grateful for the work of the panel members, who give up their time to review design issues on selected planning applications and provide comments back as part of the process. During the course of the review, members of the panel felt that there was more that they could do to support the process and particularly mentioned the possibility of supporting the re-application process. Clearly there are issues in relation to commercial confidentiality, but if the applicants were willing, the panel may be able to provide upfront advice and support which could result in a speedier and more customer focused experience. Again, as with other groups, the review team felt that there needs to be an ongoing dialogue as to what opportunities there are to extend the remit and the skill-base of the panel.

**Other public sector provision**

8.11 Parish councils already have a role within the planning process and the localism bill envisages that this role could increase in the future. At the C5 meeting which is a meeting between representatives of the five parish council and the council, informal soundings were taken about their appetite to play a greater role in the planning process. They showed initial scepticism and wariness about the localism bill, wishing to see the final details. During the course of the review the council has contacted the parish councils asking them more formally about their appetite to play a greater role. [The 5 parish councils in Swindon Village, Charlton Kings, Prestbury, Leckhampton with Warden Hill and Up Hatherley](#) responded **unanimously with the following views:**

- Parish council views of development are often contrary to borough wide plans as most parishes don’t want to see more development in or adjacent to their areas, particularly on greenbelt land.
- **The creation of a tiered Planning System would be likely to create grey areas which would have a disastrous impact on existing communities and it is important that planning decisions across the borough are reasonably consistent and fit in with strategic plans for the whole borough.** The current arrangement of the borough council balancing the interests of communities across the town is the best option, particularly because there is professional expertise and capacity at borough level, which is not available at parish council given that the parish councillor role is voluntary. There is the risk that parish councils would be less able to resist pressure from large developers.
- The advantages to parish councils may not outweigh the costs involved in investing. Being held liable for the costs of successful appeals against local decisions is a matter of serious concern. There would need to be written assurance that external funding was available to support these costs.
- The value of existing parish plans is left unknown if neighbourhood plans come into being.

**However, parish councils do need to play a role in ensuring that the impact of any new developments on existing communities are carefully thought through.**

8.12 Any further comments will be updated at the cabinet meeting but the feeling so far is that there are grave concerns about the proposal that they take on more responsibility within the planning process. Of course not the entire borough is covered by parish councils and should parishes be given a greater role we would need to think about how we ensure consistency to other non parished areas.

8.13 As previously outlined some of the current services are already delivered through existing shared arrangements. A copy of the draft report has been sent to Tewkesbury Borough Council who are our partners in delivery of some of the services so that they are aware of the outcome of the review.



- 8.14 Tewkesbury make a natural partner for shared services in relation to the built environment because of the many cross boundary issues. The current JCS arrangements are working well and having stronger links with the Tewkesbury team has been beneficial and the review team would be keen to see this co-operative way of working continuing even if there are not more formalised shared arrangements.
- 8.15 Cheltenham has a shared Building Control service with Tewkesbury Borough Council and this has been successful in achieving the efficiencies and resilience set out in the business case which led to its creation. The service remains open to extending the scope of joint working in line with its business objectives, but any such decision will require buy-in from our local authority partner, based on a robust rationale. The review team was aware that there may be opportunities to explore widening the partnership for Building Control and that exploratory conversations had taken place with two other authorities but at the current time it was felt that the existing shared arrangements need to bed down and that any review could be considered when the partnership agreement is under review.
- 8.16 During the stakeholder sessions it was recognised that shared arrangements can deliver more service resilience particularly for small teams such as heritage and conservation. There seemed a genuine appetite from other heritage, tree, landscape and design officers and stakeholders to see if there can be more collaborative working across Gloucestershire including the archaeology section at the county council.
- 8.17 The review team were also aware of the opportunity 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. Currently the County Council are working with Gloucester City Council on Project Fusion (a project to deliver a range of shared services) and wish to deliver some outcomes from this work before considering how they might take this forward with other district councils. The relevant commissioning director at the County Council has been sent a copy of the draft report and ongoing dialogue will continue.
- 8.18 **Local authority company**  
The project team has also explored whether there is an opportunity to consider a trading company model for some of the services under scope, such as Building Control. This service already works in a competitive market and the review team felt that there may be opportunities to explore different delivery models such as a trading company, social enterprise or management buyout. However, trading conditions are currently difficult and fee income levels are unpredictable. This is a difficult time to be, in effect, starting a new business. It is also questionable whether the savings gained by setting up a trading company are as substantial and they might seem, as the corporate overheads which are currently charged to Building Control would be in practice difficult to save if the service became an arms length company. Nonetheless it is felt that this option needs to be kept in mind and perhaps reconsidered when trading conditions improve.
- 8.19 For the reasons explained in this section, the review team does not recommend a major change in the way Built Environment services are delivered. The preferred approach which is supported by the Director of Built Environment is to further integrate the team, taking the opportunity of a downturn in service demand to further streamline the staffing structure.

## 9. Consultation

- 9.1 The Council took the opportunity to work with English Heritage on the review and secured a small sum of funding from them as part of a wider national review programme. It was evident from our initial discussions with English Heritage, that they recognised that Cheltenham heritage provided a unique selling point for the town. They were keen to support us with the review, particularly in view of the challenges and opportunities of having a large

conservation area, a significant number of listed buildings and a local index of buildings of architectural or historic interest. The funding was used to support a number of facilitated sessions with members, officers and stakeholders. The Council was pleased to secure the expertise of Les Sparks OBE, who had previously worked at Birmingham City Council and has a national reputation within the planning community.

9.2 The consultation involved several facilitated sessions with a range of stakeholders, members and officers as set out in appendix 5. The initial sessions did not include officers from the service areas, enabling a full and frank discussion about services and the outcomes which stakeholders wished to see delivered. Further sessions were then held which enabled all the parties to come together to share ideas. Despite perceptions prior to the events that different sectors would wish for different outcomes, there was remarkable alignment across attendees as to the desired focus of the service. The review team are grateful for the participation of all those involved and the willingness to support the process.

9.3 One of the main messages emerging from the sessions was the need for consistency and transparency in advice. The development industry had particular concerns about the planning process and some of the Planning Committee decisions, particularly where applicants had already received pre-application advice and there were discussions about how this advice could be better reflected within reports to assist members. Les Sparks undertook a further piece of work to review one specific planning refusal which had resulted in a lost appeal and reviewed the initial paperwork and appeal paperwork - a copy of his report is attached at appendix 6. His recommendations will be considered by the Planning Committee.

9.4 The stakeholders valued the work of the heritage and conservation team and the process raised questions as to whether the level of resourcing is sufficient for the town where heritage is such a key feature. In a constrained financial environment, providing additional staffing resources is not an immediately viable option. However, ensuring that the skills of our heritage staff are targeted and used to the best effect is a more realistic way forward. This would involve increasing heritage knowledge right across the planning service so that planning officers could deal with a wider range of applications, releasing the heritage and conservation team to focus more on higher profile developments and a more strategic approach to securing improvements - for example, a programme of Article 4 directions to remove permitted development rights in sensitive areas thus preventing inappropriate external changes to character buildings within the town's seven Conservation areas.

9.5 The work from the stakeholder sessions has been used to support the development of the outcome framework. The events were so successful in bringing together a range of stakeholders and sharing views about service improvement, that the review team believe the services in scope should run regular events with their customers to ensure that they get qualitative feedback and use the expertise and willingness of groups to support target outcomes.

9.6 The review was aware that the services in scope also undertake their own consultation with customers by way of surveys and these needs to be encouraged in the 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.

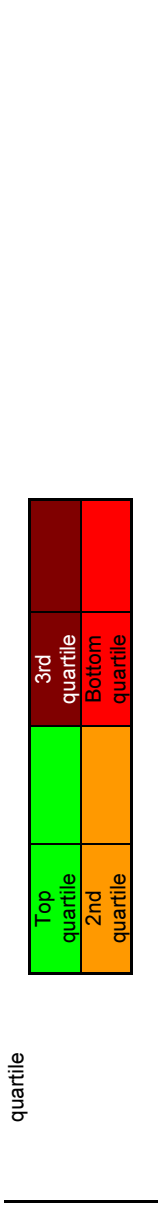
10.2 Along with 97 other councils, CBC submitted data on its activity, income and costs to CIPFA which was based upon one month activity and then multiplied up for the year. CBC then selected 11 similar authorities to be within its benchmarking group to compare itself with:

- 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. 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.

Authority	Population	Applies Received (High is good)	Total Reported Costs £'k						
			Generic (Low is good)	Strategic Planning (Low is good)	Planning Applies (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	
Ranking within club	6	4	5	2	6	4	7	4	
Ranking within 50 districts	22	19	34	24	32	17	41	22	

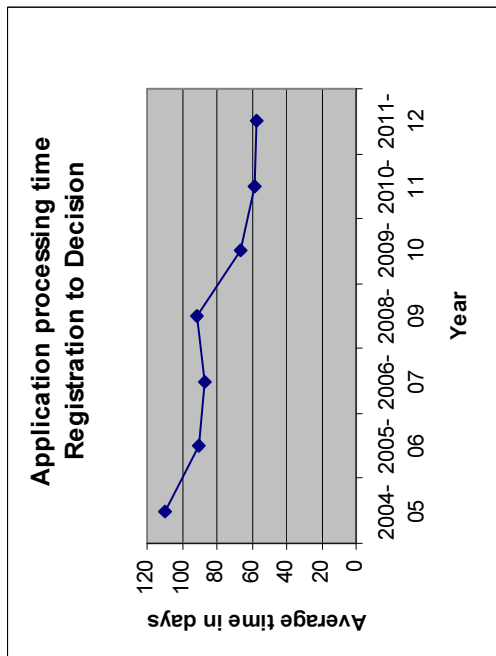
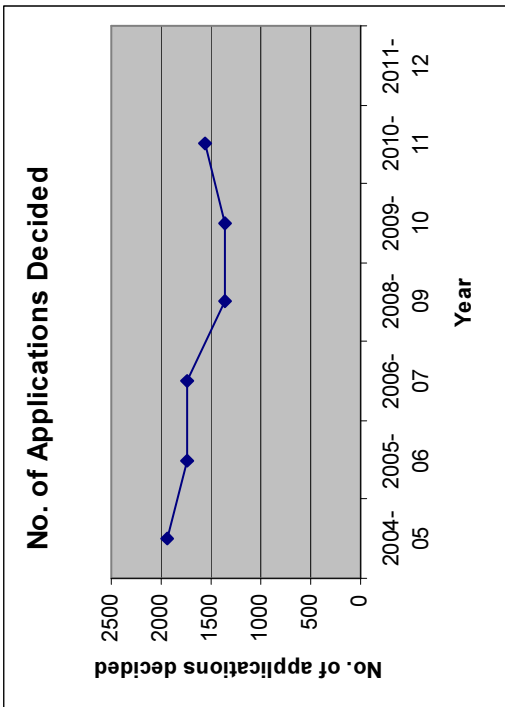
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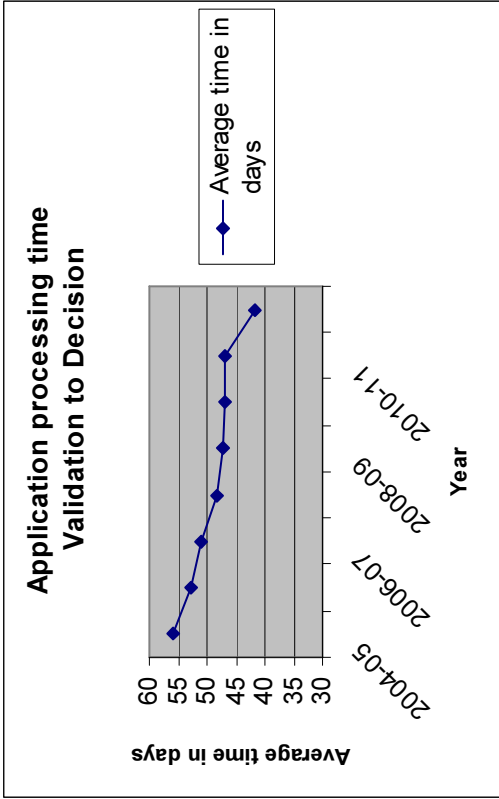


- 10.5 The project team has reviewed the benchmarking data and feel that it is a useful starting point, but is mindful of not drawing too many conclusions from it, due to the different ways in which authorities allocate costs and also the diverse nature and character of the built environment in each locality. The council has recently completed a further benchmarking exercise and we have just received the draft results. However they have been compiled on a different basis and this is making early comparisons difficult. The review team is mindful of the need for balance between cost and quality considerations and cautions against any suggestion that we should be seeking to be lower quartile for costs, regardless of the impact on services and the quality of delivery against target outcomes, which stakeholders clearly value.
- 10.6 The benchmarking exercise and further analysis has however highlighted some issues relating to support service recharges and the way that they are allocated across the range of built environment services. The review has given further consideration to this, so that there is clarity on allocations and what this might mean for different delivery models, using the experience from the work we are undertaking on the local authority company.

**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 has started by considering the planning application process, leading to a redesign of the way in which we process planning applications. The systems thinking approach was supported by the business transformation team, and led by 4 officers from the service. The review group was grateful for the way in which the officers involved with systems thinking work embraced the approach, and the enthusiasm they showed to ensure that the needs of the customer were paramount.
- 11.2 The system redesign has already identified efficiencies (such as savings in costs of courier services) but more importantly, has led to a better customer service, as once the planning officers has received an application they now contact applicants directly to introduce themselves and explain how the process will work. This helps overcome some of the concerns raised by members about how people perceive the planning process as a stressful experience, and the feedback to date from customers has been extremely positive. Evidence would also suggest that the revised process has started to result in a quicker turn around time for planning decisions. Using information available through the uniform system the typical turn around time from receipt of application to the issuing of a decision notice before redesign was 47 days, this has now been reduced to 42 days
- 11.3 Set out below are some performance graphs for the development control area of activity which demonstrate that workload has dipped since the recession but also demonstrates how performance has improved over a similar period, and particularly demonstrates the marked improvement in timescales for dealing with validated applications.





- 11.4 The next areas for redesign are condition compliance, enforcement and appeals. The review group are keen to ensure that this approach to service management is embedded within the team, to ensure that there is continuous improvement review. Those involved with the current exercise believe that there are further efficiencies to be made in administrative processes, which have the potential to release capacity to support other priority areas for the delivery of outcomes.
- 11.5 The review also highlighted the opportunity to conduct a systems thinking review for Building Control, which the service manager is keen to participate in. The Commissioning division will build this into their work plan for 2012/13 and the division will need to explore how they will release capacity from within the building control team to support the systems thinking work.

**12. Costs/savings and the MTFs**

12.1 The costs associated with 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	763,400
Overheads – other divisional recharges	296,200	25,900	44,500	95,200	461,800
Recharges to other CBC services			(67,900)		(67,900)
<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, making it difficult for the review group to draw clear conclusions about how this might work in practice. Clearly it presents a significant opportunity to raise more revenue and reduce the funding gap in the medium term financial strategy. Current estimates would suggest that the charging regime envisaged by the Government could generate an additional £200k income. However, if and when the new charging regime comes in, the Council will have to strike a balance between its wish to raise more income and its need to ensure that applicants are not adversely affected by the new fee levels. The Council has experience of setting building control fees which reflect the cost of delivering the service and this experience should be drawn upon when setting planning fees.
- 12.3 The benchmarking data will assist in the estimation of appropriate fee levels and the review team recommends that the cabinet should be mindful of the estimated amount when setting the medium term financial strategy but recognising that the actual amounts are uncertain until the legislation and guidance is finalised.
- 12.4 Set out at appendix 4 are the savings and additional income that have already been delivered by the services in scope. It can be seen that the accumulated savings amount to £434,800, with a reduced staffing of 1.1fte. This is impressive given that service improvement has improved over the same period (see graphs above). It can be seen that within the scope of the overall budgets this is a significant amount and the review team are mindful of how much more savings can be delivered without impacting upon service quality.
- 12.5 However the review group feel that there are some additional savings which can accrue through systems thinking, restructuring the service and through consideration of additional income particularly in areas which the council does not currently charge for.
- 13. Assessment of current service provision against the outcomes**
- 13.1 The review group are of the opinion that the current service can deliver against the outcomes but recognise that the way in which the services are organised may need to change. The Director of Built Environment has already started a review of his division.
- 13.2 The 2011-12 budget round identified a revenue savings target of £30,000 from enforcement activities. However, our consultation in relation to the commissioning process has clearly identified strong enforcement as an essential component of creating a level playing field for developers and securing an effective approach to improving the built environment. Therefore these savings have to be achieved without reducing the service at the 'sharp end'.

- 13.3 The senior management restructure has provided the opportunity to bring together all aspects of built environment enforcement under a single team, encompassing private sector housing, heritage and planning compliance enforcement activities. Work to progress the new structure is currently underway.
- 13.4 The essential focus of the new enforcement team is to:-
- provide a co-ordinated enforcement response to built environment issues;
  - underpin minimum housing standards, particularly in the private rented sector;
  - ensure that unauthorised development is prevented, legitimised or removed;
  - secure improvements by targeting eyesores, statutory nuisances, vacant buildings and inappropriate changes to the heritage of the town;
  - help facilitate positive development and investment through the targeted use of compulsory purchase orders;
  - provide an independent internal review mechanism for investigating complaints about breaches of the building regulations.
- 13.5 Subject to further internal restructuring, there is a clear opportunity to bring together other areas of enforcement under a single 'environmental enforcement' umbrella. This would include a range of functions currently within the public protection team, such as pollution, air quality and contaminated land.
- 13.6 There is already a significant degree of cross-divisional working between the strategic land use, development management and Urban Design teams; this includes regular input from strategic land use to pre-application discussions in relation to larger development sites and proactively prepared design concept statements and development briefs.
- 13.7 This co-operation extends to staff sharing for both operational and staff development reasons. For example, a member of the development management team was recently seconded to strategic land use for six months to assist with progressing essential work on the joint core strategy.
- 13.8 There is already a blurred line between policy development and Built Environment, with many of the local development framework policy documents being prepared, consulted upon and reported to members via Built Environment, rather than strategic land use. Examples include the extensive suite of Conservation Area Character Appraisals, Civic Pride urban design framework, 'Garden Land and Infill Development' and 'Residential Alterations and Extensions' supplementary planning documents. Bringing the strategic land use and development management teams together under a single service manager, would help to ensure an appropriate balance of resourcing is maintained between policy development and development management activities.
- 13.9 The outcomes are very clear about the need for the Built Environment services to help deliver a sustainable economic base based on maximising the value of the town's heritage, while at the same time delivering a service which meets the needs of the communities it serves. The challenge for the division will be to ensure that the resources within the team are used to best effect and that there is more targeted resourcing.
14. **Developing an outcome service specification**
- 14.1 The review group has concluded that at the current time the continuation of the in house and shared service arrangements are the most appropriate option. The Council has agreed that from April 2012, it will be a commissioning Council and will need to determine how such in house services are monitored, so that there is similar rigour and assurance to those services which are provided via alternative delivery methods.



- 14.2 Clearly, the Council does not wish to develop a bureaucratic or time consuming process, but there needs to be a degree of comparability to other services provided via a Commissioner/provider split. The review group is suggesting that the Commissioning division work with the Director of Built Environment and his managers to develop an outcome service specification, or service plan, which will provide a basis for performance monitoring and enable members to see that the recommendations from the review are progressed and delivered, as well as performance against the adopted outcomes framework.
- 14.3 It is proposed that this will be in place from 1 April 2012 for a three year period, with annual reviews.

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Page 254

# Towards an outcomes framework v 1.4

## Under-pinning principles

Deliver service at best value to the tax-payer through maximising opportunities for generating income to cover costs, reducing waste and inefficiency in processes and working in partnership with others to deliver outcomes

Use of the website to encourage self-service

Easy to access in different ways, including options for face-face advice

Positive, pro-active and approachable with customers being sign-posted to other sources of advice

Transparent and fair processes with customers knowing that their views have been listened to

Processes that take into account the emotional aspect of the service

Customers have a right to re-dress when things go wrong

Effective engagement, consultation and participation processes

Service has a CBC identity and complies with CBC policies and procedures

Promote, enhance and build a better and sustainable environment for Cheltenham.

## Primary outcome

Environmental outcomes	Social outcomes	Economic outcomes
Cheltenham's architectural and landscape heritage is conserved and enhanced	People have an improved quality of life and wellbeing through being able to access and enjoy formal and informal recreation and green spaces.	Cheltenham's heritage and sense of local distinctiveness makes the borough a desirable location for businesses.
New developments meet high design and sustainability standards, respecting and responding to Cheltenham's special heritage identity	People have an improved quality of life and wellbeing by enhancing and sustaining a sense of local distinctiveness and good design of new buildings	Cheltenham's heritage and sense of local distinctiveness creates an attractive environment where people choose to relocate in search of employment
Cheltenham's architectural and landscape heritage is well maintained and their long-term future is secured	People have an improved quality of life and wellbeing by maintaining a high quality built and natural environment	Cheltenham's heritage and sense of local distinctiveness creates an attractive environment which attracts visitors
Biodiversity is protected and enhanced and the natural environment is able to adapt to climate change	People have an improved understanding of Cheltenham's cultural heritage	Cheltenham's businesses are able to grow and invest in the borough through encouraging good quality new architecture designed for the future and ensuring historic buildings are flexible to business needs whilst safeguarding their special qualities
Existing buildings, including heritage assets, continue to be fit-for-purpose as the climate changes	People have access to a wide range of social and community facilities	Ensuring that the economy develops in a sustainable way which reflects environmental limits and the need to reduce carbon emissions.

Enhancing and protecting our environment

Enhancing the provision of arts and culture

Strengthening our economy

Strengthening our communities

Providing value for money services

## CBC corporate objectives and outcomes as set in 2010-2015 corporate strategy

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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Page 256

**Built Environment Commissioning Review: BIG Savings for 'in scope' services**

	2009/10	2010/11	2011/12	2012/13	FTE	TOTAL
<b>DIVISIONAL SAVINGS / ADDITIONAL INCOME</b>						
<b>Development Management / Control</b>						
Planning Pre-Application Fees - additional income	£30,000				1.0	
Planning post (appeals)	£41,900	£25,000			1.0	
Development Control: Pre-Application Intervention - reduction in admin team		£40,000				
Reduce legal budget for planning appeals			£20,000		1.0	
Development Control: Reduce administration support		£65,000	£20,000	£0	3.0	£156,900
<b>Building Control</b>						
Building Control post	£38,200				1.0	
Shared Building Control with Tewkesbury Borough Council		£19,000			0.5	
Building Control: terminate contracts of 2 PT Building Inspectors (shared with TBC)			£19,900		1.0	
Building Control: reduction in administration support (shared with TBC)		£19,000	£11,600		0.5	
	£38,200	£19,000	£31,500	£0	3.0	£88,700
<b>Planning &amp; Housing Enforcement</b>						
Housing Enabling - reduced budget for external advice	£9,800					
Community Development Reorganisation with Housing Options Team			£14,600			
Merge Private Sector Housing and Planning Enforcement Teams			£30,000		1.0	
One off funding of homelessness post prior to consideration of the transfer of Housing Options to CBH		£0	£30,000		1.0	
	£9,800	£0	£74,600	£0	2.0	£84,400
<b>Urban Design Team</b>						
Deletion of Urban Design Projects Officer post	£0	£0	£20,000	£0	0.6	
			£20,000		0.6	£20,000
<b>Strategic Land Use Team</b>						
Shared Strategic Land Use			£24,100		0.5	
End of Fixed Term contract for Strategic Land Use technical support			£20,800		1.0	
Merger of Strategic Land Use and Housing Enabling functions		£0	£15,500	£14,500	1.0	
	£0	£0	£60,400	£14,500	2.5	£74,900
<b>TOTALS</b>	£119,900	£84,000	£206,500	£14,500	11.1	£424,900



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Page 266



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Page 270

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Page 274

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Page 278

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Page 282



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Page 284

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Page 288

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Page 290