



**Dear Sir / Madam**

You are hereby summoned to attend a meeting of Council to be held in the Council Chamber - Municipal Offices, on **Monday, 27 June 2011 at 2.30 pm** at which meeting the following business will be transacted and any other business which may be legally transacted at such a meeting.

<b>Councillors</b>
Anne Regan, Barbara Driver (Chair), Garth Barnes, Ian Bickerton, Nigel Britter, Chris Coleman, Tim Cooper, Bernard Fisher, Jacky Fletcher, Wendy Flynn, Rob Garnham, Les Godwin, Penny Hall, Colin Hay (Deputy Chair), Rowena Hay, Diane Hibbert, Sandra Holliday, Peter Jeffries, Steve Jordan, Robin MacDonald, Paul Massey, Helena McCloskey, Andrew McKinlay, Heather McLain, Paul McLain, John Rawson, Diggory Seacome, Duncan Smith, Malcolm Stennett, Charles Stewart, Klara Sudbury, Lloyd Surgenor, Pat Thornton, Jon Walklett, Andrew Wall, John Webster, Paul Wheeldon, Simon Wheeler, Roger Whyborn and Jo Teakle

## **Agenda**

- 1. PRAYERS**
- 2. APOLOGIES**
- 3. DECLARATIONS OF INTEREST**
- 4. TO APPROVE AND CONFIRM THE MINUTES OF THE MEETING HELD ON 16 MAY 2011** (Pages 1 - 4)
- 5. PUBLIC QUESTIONS**
- 6. COMMUNICATIONS BY THE MAYOR**
- 7. COMMUNICATIONS BY THE LEADER OF THE COUNCIL**
- 8. MEMBER QUESTIONS**
- 9. IMPERIAL GARDENS OUTLINE DESIGN AND CONSULTATION** (Pages 5 - 16)  
Discussion paper of the Cabinet Member Sustainability
- 10. FINANCIAL OUTTURN 2010/11 AND QUARTERLY BUDGET MONITORING TO MAY 2011** (Pages 17 - 102)  
Joint report of the Director of Resources and Cabinet

**11. CONSTITUTION REVIEW WORKING GROUP - UPDATE  
ON THE REVIEW OF THE CONSTITUTION**

(Pages 103 -  
106)

Report of the Constitution working group

**12. NOTICES OF MOTION**

**Motion A**

**Proposed by: Councillor Sudbury**

**Seconded by: Councillor McCloskey**

This Council notes with concern the County Councils proposals to cut £2 million from the £5 million budget for subsidised bus services. Bus journeys provide a vital public service, helping to prevent social isolation for the elderly and the vulnerable; allowing people to access essential healthcare services, employment, and leisure and shopping opportunities. Encouraging people to travel by bus also helps reduce congestion. We therefore believe the effective use of public subsidy for bus services is an appropriate use of public money.

Specifically, we are concerned that the current proposals could and should have been the subject of better consultation, with more meetings in Cheltenham giving more detail on the cuts proposed and changes considered.

Therefore this Council;

1. Whilst understanding the financial pressures facing local authorities, urges the county to listen to the residents of Cheltenham who are concerned about cuts to their valued bus services.
2. Recognising the high turnout at a recent public meeting in Charlton Kings about the threat to the P & Q service, appeals to the County Council to extend the consultation period and hold more public information sessions in the town with a view to protecting those subsidised services that are most valuable to local people.

**Motion B**

**Proposed by: Councillor P McLain**

**Seconded by: Councillor Godwin**

It is now two years since the Supplementary Planning Document (SPD) on Garden Land and Infill Sites was published and a first review of the document should be undertaken.

Parts of the SPD are out-of-date- and as a result of changes introduced by Planning Policy Statement (PPS3). There are also differences of opinion regarding the interpretation of parts of the document from all sources, which indicates that the time has come for the SPD to be reviewed and updated.

Therefore this Council;

1. Propose that members of the original working group, plus replacements and additions where required, should be reconvened as soon as possible with the aim of reporting back to the Council meeting on October 10<sup>th</sup> 2011.

**Motion C**

**Proposed by: Councillor Smith**

**Seconded by: Councillor Stennett**

The Cheltenham Borough Local Plan (second review) was adopted in July 2006 and covers the period 1991 to 2011. Plan policies have been saved and will form part of the Local Development Framework (LDF).

Important changes have occurred to core policies and proposals as a result of central government changes contained in Planning Policy Statement (PPS3). Whilst these changes have affected housing development policies, other changes have occurred, or they have become outdated.

Therefore this Council;

1. Propose that a third review of the Local Plan policies as a matter of urgency should be undertaken before final acceptance of the LDF.

**Motion D**

**Proposed by: Councillor Godwin**

**Seconded by: Councillor Wall**

The present system of dealing with planning appeals appears to be flawed. Whether a planning application is refused by the committee, or as a result of an officer's delegated recommendation to refuse and the applicant goes to appeal, we believe a substantial statement should be made in writing to the Planning Inspectorate.

The statement should set out all of the reasons given for the refusal and carried out professionally. The present system of sending a copy of the case officer's report to committee, plus a copy of the minutes to the Inspectorate is inadequate.

Therefore this Council;

1. Propose that a time-limited review of the Council's approach to planning appeals, through a member group, or an officer report to the next Council meeting, should be undertaken.
2. Ask that officers consider the re-employment of a qualified Appeals Officer.

**Motion E**

**Proposed by: Councillor Wheeldon**

**Seconded by: Councillor Bickerton**

With Cheltenham Borough Council's electricity contract due to be renewed shortly and in order to reach our CO2 reduction target of a 30% reduction by 2015, purchasing zero carbon electricity from a green energy provider should be considered.

Therefore this Council;

1. Recommends that purchasing zero carbon electricity from a green energy provider be a major consideration when choosing the new supplier.

**13. TO RECEIVE PETITIONS**

**14. ANY OTHER ITEM THE MAYOR DETERMINES AS URGENT AND WHICH REQUIRES A DECISION**

**Contact Officer:** Saira Malin, Democracy Officer, 01242 775153  
**Email:** [democratic.services@cheltenham.gov.uk](mailto:democratic.services@cheltenham.gov.uk)

**Andrew North  
Chief Executive**

## Council

**Monday, 16th May, 2011**

**5.00 - 5.10 pm**

<b>Attendees</b>	
<b>Councillors:</b>	Anne Regan (Chair for agenda item 1-3), Barbara Driver (Chair for agenda item 4-11), Ian Bickerton, Nigel Britter, Chris Coleman, Tim Cooper, Bernard Fisher, Jacky Fletcher, Wendy Flynn, Rob Garnham, Penny Hall, Colin Hay (Vice Chair for agenda item 5-11), Rowena Hay, Peter Jeffries, Steve Jordan, Paul Massey, Helena McCloskey, Andrew McKinlay, Heather McLain, Paul McLain, John Rawson, Diggory Seacome, Malcolm Stennett, Charles Stewart, Klara Sudbury, Lloyd Surgenor, Jon Walklett, Paul Wheeldon, Simon Wheeler and Roger Whyborn
<b>Also in attendance:</b>	Sara Freckleton (Borough Solicitor and Monitoring Officer) and Andrew North (Chief Executive)

## Minutes

**1. PRAYERS**

In the absence of her chaplain who was not able to attend this meeting, the Mayor, Councillor Regan, opened the meeting with a prayer.

**2. APOLOGIES**

Apologies were received from Councillors Godwin, Barnes, MacDonald, Thornton and Webster.

**3. ELECTION OF MAYOR 2011 - 2012**

Councillor Driver was proposed for the office of Mayor by Councillor Garnham and seconded by Councillor Seacome.

Upon a vote it was unanimously

**RESOLVED that Councillor Driver be, and is hereby, elected Mayor of the Borough of Cheltenham and Council chairman for the ensuing year.**

The Chief Executive invited the Mayor to sign a Declaration of Acceptance of Office of Council chairman for the ensuing municipal year 2011 – 2012.

Councillor Driver took the chair.

**4. ELECTION OF DEPUTY MAYOR 2011 - 2012**

Councillor Jordan congratulated Councillor Driver on her election as Mayor and proposed Councillor Colin Hay for the office of Deputy Mayor, seconded by Councillor Rowena Hay.

Upon a vote it was unanimously

**RESOLVED that Councillor Colin Hay be, and is hereby, elected Deputy Mayor of the Borough of Cheltenham and Council vice-chairman for the ensuing year.**

The Mayor congratulated Councillor Colin Hay on his appointment and looked forward to working with him over the coming year.

The Chief Executive invited the Deputy Mayor to sign a Declaration of Acceptance of Office of Council vice-chairman for the ensuing municipal year 2011 – 2012.

**5. DECLARATIONS OF INTEREST**

None declared.

**6. TO APPROVE AND CONFIRM THE MINUTES OF THE MEETING HELD ON 28 MARCH 2011**

The minutes of the last meeting had been circulated with the agenda.

Upon a vote it was unanimously

**RESOLVED that the minutes of the meeting held on the 28 March 2011 be agreed and signed as an accurate record.**

**7. COMMUNICATIONS BY THE MAYOR**

No communications were made by the Mayor.

**8. NOTICES OF MOTION**

No motions were received.

**9. TO RECEIVE PETITIONS**

No petitions were received.

**10. ANY OTHER ITEM THE MAYOR DETERMINES AS URGENT AND WHICH REQUIRES A DECISION**

The Mayor invited the Chief Executive to announce committee changes of which he had been notified as the proper officer.

The Chief Executive advised members that he had been notified by the Leader of the Conservative Group, Councillor Duncan Smith that;

- Councillor Regan would replace Councillor Driver on Social and Community Overview and Scrutiny Committee
- Councillor H McLain would replace Councillor MacDonald on Licensing Committee

This was noted by members.

**11. CLOSE**

The Mayor reminded everyone that the Inauguration ceremony would take place at 6.30pm in the Town Hall. All members should wear their robes, which

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should be collected from the Cambray Room before making their way to the Town Hall by 6.10pm.

In the meantime, cakes and tea were available in the committee lobby.

Barbara Driver  
**Chairman**

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# ***Information/Discussion Paper***

## **Cheltenham Borough Council**

**Council – 27 June 2011**

### **Imperial Gardens Outline Design and Consultation**

This note contains information to keep Members informed of progress on the garden redesign and consultation process and the Cheltenham Festival proposals for Imperial and Montpellier Gardens.

#### **1. Background**

- 1.1 On the 15<sup>th</sup> March 2011, the Council's Cabinet resolved that an outline design be drawn up for Imperial Gardens to accommodate the increase in size and popularity of the Cheltenham Festivals. The marquee footprint (excluding gazebos and covered walkways) is to be kept to a maximum area of 2750m<sup>2</sup> (currently approx. 1950m<sup>2</sup>). Furthermore, both Imperial and Montpellier Gardens will not be subject to more than 75 days each of special event usage, including setting up and taking down (currently 107 days in Imperial Gardens).
- 1.2 Previously, Imperial Gardens has been the main public park used by the Cheltenham Festivals. Starting from 2012, it is proposed that the Jazz Festival will take place in Montpellier Gardens in May and the Science Festival in Imperial Gardens in June. Starting in October year, the Literature Festival will take place in both Gardens.
- 1.3 The Council's Cabinet has allocated £140,000 to undertake landscape improvements to Imperial Gardens and to upgrade it's infrastructure in order to accommodate the increased marquee footprint. This sum also includes modifications to the electricity, water and sewer supplies which will be needed in Montpellier Gardens in order to accommodate this, and existing special event usage

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

- 2.1 Taking on boards the comments of stakeholders and the needs of the Cheltenham Festivals the outline design is focused on the following outcomes:
  - Retaining colourful floral bedding.
  - Improving Skillicorne Gardens
  - Improving the garden bar area.
  - Accommodating sustainable forms of planting.
  - New water, electricity, and drainage supplies to Montpellier Gardens
  - Access improvement to Imperial Gardens
- 2.2 Proposals for the redesign were put out for consultation on week commencing 16<sup>th</sup> May 2011 and extensively publicised through the local newspaper and radio. It will remain open until the 23<sup>rd</sup> June 2011. Venues for the display have included the

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Regent Arcade, Beechwood Arcade, libraries, neighbourhood resource centres, the Imperial Gardens Garden Bar, and Municipal Offices. Separate meetings have taken place with the Cheltenham Civic Society, Cheltenham in Bloom, the Friends of Imperial Square and Gardens and the Friends of Montpellier Bandstand and Gardens.

- 2.3** At the time of writing this report 176 comments cards have been received the results of which are summarised in Appendix 1, and general comments listed in Appendix 2. Collective responses from The Cheltenham in Bloom Committee are contained in Appendix 3. Members will be updated on any further responses received.
- 2.4** In summary, the feedback received to date indicates strong support for the scheme, but with some reservations about the positioning of marquees over flower beds for the duration of the festivals. This may reflect concerns that the subsequent re-instatement will not be adequate or effective enough. There are also concerns about achieving and delivering the scheme within a reasonable timeframe and with the funds available. Further comments raise concerns about providing adequate resources with which to maintain the gardens upon completion of any improvement works.

### **3. Montpellier Gardens**

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

### **4. Next Steps**

- 4.1** The designs, together with feedback from the consultation, and Council Debate will be reported back to Cabinet for a decision at the end of July. If approved by Cabinet, phase 1 of the works will be worked up in more detail and more accurate costings obtained. Planning and listed building consent will be applied for where required with a view to works being undertaken during this coming Autumn and Winter.

<b>Report author</b>	<b>Contact officer:</b> Adam Reynolds – Green Space Development Manager adam.reynolds@cheltenham.gov.uk, 01242 774669
<b>Appendices</b>	Appendix 1 – Summary of comment card returns Appendix 2 – General Comments Appendix 3 – Written response from Cheltenham in Bloom
<b>Background information</b>	Cabinet Report and Minutes, 15 <sup>th</sup> March 2011 – Imperial and Montpellier Gardens Strategy



## IMPERIAL GARDENS DESIGN

### COMMENT CARD SUMMARY

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

Total number of ticks received from respondents on each design element. Some boxes were left empty by respondents.

#### Phase 1

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

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

Planting of new trees.

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

Refurbishment of Skillicorne Garden.

#### Future Phases

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

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

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

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

	Like	Don't like
	144	25
	130	41
	139	44
	139	30
	140	28
	137	29
	136	33
	123	45
	133	36

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## General Comments from Respondents to Imperial Gardens Redesign Consultation

- As a compromise these plans could be a lot worse but damage caused by people and tents will not be avoidable Cheltenham is losing a valuable tourist attraction and place of peace and comfort for its own residents. It would have been better as it used to be.
- Trees - variety to include oak English
- Great - fruit trees could be planted to be sold or given to people
- What about an art festival
- It would be super to be able to afford all the overleaf suggestions but cost is surely the deciding factor
- Railings - desirable but very expensive would need some form of sponsorship or grant - widening entrance - Remember Planning Permission
- I think the redesigning of the gardens to accommodate marquees is a complete waste of our money. The gardens which should be at their best May & June will be a sea of tents. Why cannot the festivals be at the Race Course? They have the room and parking space etc. and it is near enough to town for the general public to travel too. What is ornamental turf? Artificial. The grass seed won't regenerate for ages and the whole gardens will look a mess for most of the summer. Any money should be spent on having the present flower beds looking lovely for all of the summer. I would be interested in Bob Shackell's view.
- I reluctantly support the compromise that seems to have been achieved by these plans to support the festival to grow and to keep the Gardens for the public to enjoy. My main concern is when the marquees come down I hope that there will be no damage to the new corner half moon floral beds, the marquees look pretty close to these flowers. There must be a guarantee that reinstatement of any damage to plants and grass is adhered to with immediate effect, otherwise it will look an utter mess for us rate payers of the town and visitors!
- Seems a good compromise
- Railings - removable sections for events
- Railings - Definitely agree long overdue!
- I understand their influence on tourism in Cheltenham. Railings will be in keeping with Montpellier Gardens (a welcomed long awaited return Thank You. The attraction to the Festivals is continuously increasing any improvements horticultural will take a year or two to bed in but the hard continuous work do the landscape Services is outstanding. I expect an increase in sales at the Gardens Bar with these improvements with increased interest. Good luck for the future.
- Planting - really good - Refurbishment - yes underused - railings - not sure
- This plan if implemented will really enhance the gardens and improve the whole area in the vicinity I hope it will go ahead.
- Please bring resurfacing forward of paths as they are disgrace at the moment and a hazard
- The new beds for annuals are too narrow to give an attractive display.

- Not sure about the new design of floral bedding area. It will always be in a state of repair after the last festival/event. Also I am sure when people queue for the marquees some of the beds will be trampled and used as dustbins. Can't more use be made of Montpellier and leave this area alone. The bedding areas in Imperial Gardens are famous and do attract visitors to Cheltenham.
- Would like widening of eastern entrance included in phase 1 also inc. minor earthwork.
- The beds could be replaceable beds bought in on low loaders and craned into place. This would also allow the plants to be planted at the nursery bed bought in flower perfect.
- Do not like suggested replacement building for Sillicorne Gardens
- Please be aware of the need for disabled access around the gardens
- Disabled access from west side parking areas replacing steps
- Toilets need to improve lots!
- As long as the beds are re-instated. Trees - will they be nature trees or saplings, how quick will they grow?
- Please replant missing trees on the Broad walk
- Bully advertisers to put flowers on the roundabouts
- Open up skillicorne gardens
- As long as the trees are not to big
- More water features
- Replacing railings would be great
- Marquees raised floor to help grass re growth. Railings great idea. More shrubs not flowers beds that cost time & money to upkeep, giving colour & evergreens all year. Teenager proof shrubs.
- Trees - selection of type vital (life of tree size) consider planting style appropriate to period could be useful (18th/) Vermicular access @ East entrance
- At this point in time - money should be used for street cleaning in autumn (of leaves) pavements made safe.
- Perhaps thought can be given to "Astro Turf" instead of reseeding
- What about an Art festival
- A great improvement on the current system of bald patches after festival events. Also Garden Bar could be re developed as a more family friendly outlet.
- Clarence Sq & Wellington Sq require up grading
- Personally I do not think that Roses are at all suitable for these gardens unless the Rose Rugova is used as a hedging plant. Perennials & shrubs will need to be carefully chosen. There are gaps on the Southern bank due to vandalism. If replanting and new planting is going to be made then the absence of MAINTENANCE will need to be rectified. There is absolutely NO POINT in replanting if the plants are then ignored as those that have been ignored - e.g. the plants paid for by the Horticultural Society on the Southern bank. 2. Trees should, in my opinion, not have a heavy canopy, or should be fastigiated, in form.

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

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



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

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

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

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

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

We support the compromise although several members do have reservations

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

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

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

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

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## Cheltenham Borough Council

**Cabinet – 21 June 2011**

**Council – 27 June 2011**

### Financial outturn 2010/11 and budget monitoring to May 2011

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

the exempt report to Cabinet on 21<sup>st</sup> June 2011.

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

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

## 1. Background

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

## 2. General Fund Revenue Outturn 2010/11

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

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

### **3. Budget carry forward requests**

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

### **4. Treasury Management**



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

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

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

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

### **4.16 Treasury Management Activity**

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

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

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

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

## **5. LAA performance reward grant**

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

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

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

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

## 6. New Homes Bonus

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

## 7. Reserves

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

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

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

## **8. Capital Outturn 2010/11**

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

## **9. Everyman theatre**

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

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

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

## 10. Section 106 receipts

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

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

## 11. Council tax and Business rates collection

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

## 12. Sundry debt collection

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

## 13. Housing Revenue Account (HRA)

### 13.1 HRA income and expenditure

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

This positive variance arose primarily from:

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

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

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

### **13.2 Housing repairs account**

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

### **13.3 HRA Capital Programme**

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

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

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

## **14. Prudential Indicators**

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

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

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

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

- 15.4** Building Control fees - the income figures for the first two months of the financial year show additional income against budget of £7,000. However, given recent shortfalls in income it is too early in the financial year to accurately predict the likely outturn for the full year.
- 15.5** Off-Street Car Parking – income from off-street parking is composed of two elements – fines and fees. In considering fine income we need to include the actual income paid and also the potential income that could result from bailiff action to recover unpaid fines. The combined figures from both income sources suggest that fine income is anticipated to fall short of the profiled budget by £3,000 and fee income £15,000 behind the profiled budget as at the end of May 2011. If this trend were to continue throughout the year this could result in a combined income shortfall against budget of £85,000 which represents approximately 2% of target budget. This reduction in income trend may be partly as a result of the increased availability of On-Street Pay and Display spaces which is resulting in increased capacity for non-local users. Due to the heavy seasonal profiling of off-street parking income it is difficult to predict the exact trend in the current financial year. Future budget monitoring reports will provide updated positions with a greater degree of accuracy.

### **Bridging the Gap Programme**

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

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

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

#### **Art Gallery & Museum building**

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

#### **Town Hall Toilets**

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



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

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

## **16. Section 151 Officer advice**

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

## **17. Conclusion**

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

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

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

**18. Consultation**

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

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<b>Appendices</b>	<ol style="list-style-type: none"> <li>1. Risk assessment</li> <li>2. Summary outturn performance position - General Fund</li> <li>3. Service level outturn performance position - General Fund</li> <li>4. Capital charges</li> <li>5. Interest and investment income</li> <li>6. Significant variances</li> <li>7. Carry forward requests</li> <li>8. Use of balances and reserves</li> <li>9. Treasury outturn</li> <li>10. Movement on earmarked reserves and general balances</li> <li>11. Capital programme - General Fund</li> <li>12. Section 106 receipts statement</li> <li>13. Council tax and NNDR collection</li> <li>14. Sundry debt collection</li> <li>15. HRA Operating account</li> <li>16. HRA Housing repairs account</li> <li>17. HRA Capital programme</li> <li>18. Prudential indicators</li> <li>19. Everyman Theatre funding schedule</li> </ol>

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

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

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

**KEY**

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

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REVENUE OUTTURN 2010/11	2010/11 Original Budget (b/bk)	2010/11 Revised Budget	2010/11 Actual	(Under)/Overspend before SerCOP Adjustment	Transfer to/(from) reserve	Request for underspend c/f	Adjusted (Under)/Overspend	(Under)/Overspend before SerCOP Adjustment	SORP / IFRS 2010 Adjustments	IAS 19 Adjustment	SerCOP Adjustment	Adjusted (Under)/Overspend
	£	£	£	£	£	£	£	£	£	£	£	£
<b>STRATEGIC MANAGEMENT</b>												
D11100 CEX Management	(950)	0	2,086	2,086			2,086			(11,127)	9,041	0
D51100 Corporate Services Management	5,500	0	886	886			886			(8,272)	7,386	0
E74100 Environment Management & Admin.	62,100	0	(1,798)	(1,798)			(1,798)			(14,241)	16,039	0
D21250 Civil Emergency	252,500	288,200	151,914	(136,286)	136,159		(127)	(136,286)		(2,387)	(900)	(137,186)
E21400 Shopmobility	86,900	86,700	85,848	(852)			(852)					(3,239)
<b>TOTAL STRATEGIC MANAGEMENT</b>	<b>406,050</b>	<b>374,900</b>	<b>238,935</b>	<b>(135,965)</b>	<b>136,159</b>		<b>194</b>	<b>(135,965)</b>		<b>(36,026)</b>	<b>31,566</b>	<b>(140,425)</b>
<b>ASSISTANT CHIEF EXECUTIVE</b>												
<b>ASSISTANT CHIEF EXECUTIVE</b>												
D21200 Corporate Management	1,298,200	1,134,700	1,137,116	2,416			2,416				(273,857)	(279,677)
D21215 CPA Costs	12,200	0	0	0			0					0
D21220 Corporate Subscriptions	27,000	27,000	24,726	(2,274)			(2,274)					(2,274)
D38700 LA21	33,300	23,100	23,100	0			0					0
G50337 Accumulated absences account	1,370,700	1,184,800	1,184,942	142			142					8,236
												(273,857)
												(273,715)
<b>POLICY &amp; EQUAL OPPORTUNITIES</b>												
D11700 Policy & Information Management	(23,700)	0	(2,795)	(2,795)			(2,795)			(13,446)	16,241	0
D11715 Neighbourhood Management Services	0	25,000	10,220	(14,780)		14,800	(2,795)					(14,780)
D11775 Farmers Market	18,100	6,350	2,498	(3,852)			(3,852)					(3,852)
D21800 Cheltenham Strategic Partnership	20,200	29,200	18,009	(11,191)		11,700	(800)					(11,191)
D21900 Equal Opportunities	0	0	(800)	(800)			(800)					(800)
D21950 Community Planning	164,500	135,300	135,300	0			0					0
D21970 Community Pride	40,000	65,700	44,342	(21,358)		21,300	(58)				(100)	(21,358)
D39120 SLA-Glos Racial Equality	20,700	52,100	50,792	(1,308)			(1,308)					(1,408)
D11400 Audit & Assurance	1,350	0	(5,346)	(5,346)			(5,346)			(4,446)	9,792	0
	241,150	313,650	252,221	(61,429)	0	47,800	(13,629)	(61,429)	0	(17,892)	25,933	(53,389)
<b>STRATEGIC LAND USE</b>												
B51140 Strategic Planning	239,800	216,100	210,171	(5,929)			(5,929)			(6,664)	(2,450)	(15,043)
B51145 Joint Core Strategy	0	(116,500)	(17,280)	(780)	780	0	(0)	(780)		(1,016)		(1,797)
	239,800	99,600	92,890	(6,710)	780	0	(5,929)	(6,710)	0	(7,680)	(2,450)	(16,840)
<b>BUSINESS &amp; ECONOMIC DEVELOPMENT</b>												
D11900 Communications Management	76,650	0	(925)	(925)			(925)			(3,158)	4,083	0
D12220 Civic & Member Services	600	0	614	614			614			(860)	246	0
D24100 Anney	0	0	2,585	2,585			2,585					2,585
D24150 Twinning Expenses	31,100	43,700	37,916	(5,784)			(5,784)					(5,784)
D24200 Gottingen Sports Exchange	0	0	508	508			508					508
D24220 Gottingen Visit/Visitors	0	0	1,883	1,883			1,883					1,883
D24230 Gottingen Big Party	0	0	288	288			288					288
D24830 Weihei	0	0	336	336			336					336
D34300 Town Centre Management	30,100	32,100	32,100	0			0					0
D34400 Business & Economic Development	274,500	240,400	194,824	(45,576)			(45,576)			(3,201)	(200)	(48,977)
	412,950	316,200	270,128	(46,072)	0	0	(46,072)	(46,072)	0	(7,219)	4,129	(49,162)

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

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

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

REVENUE OUTTURN 2010/11	2010/11 Original Budget (b/bk)	2010/11 Revised Budget	2010/11 Actual	(Under)/Overspend before SerCOP Adjustment	Transfer to/(from) reserve	Request for underspend c/f	Adjusted (Under)/Overspend	(Under)/Overspend before SerCOP Adjustment	SERP / IFRS 2010 Adjustments	IAS 19 Adjustment	SerCOP Adjustment	Adjusted (Under)/Overspend
	£	£	£	£	£	£	£	£	£	£	£	£
H23100 Housing Benefits - Rent Allowances	(37,900)	(31,600)	40,591	72,191	(50,000)		22,191	72,191			(23,298)	72,191
H23150 Housing Benefit Administration	107,900	59,700	63,796	4,096			4,096	4,096				(19,202)
H23200 Rent Rebates	(97,700)	(110,100)	(135,521)	(25,421)			(25,421)	(25,421)				(25,421)
	(90,300)	(209,200)	(171,939)	37,261	(50,000)	0	(12,739)	37,261	0	(29,328)	19,635	27,568
<b>REVENUES</b>												
D12440 Council Tax Overheads	14,100	(600)	(8,028)	(7,428)	1,000		(6,428)	(7,428)		(14,674)	22,102	0
D12450 Property Inspection	(39,800)	0	(4,007)	(4,007)			(4,007)	(4,007)		(4,176)	8,182	0
D12480 Business Revenues	(5,500)	100	(2,499)	(2,599)			(2,599)	(2,599)		(3,989)	6,588	0
D12490 Sundry Debtors	0	0	(553)	(553)			(553)	(553)			553	0
D31200 Council Tax benefits	664,600	585,200	598,124	12,924			12,924	12,924			(63,578)	(40,655)
D31300 NDR Collection	(63,900)	(65,100)	(67,830)	(2,730)			(2,730)	(2,730)			(4,862)	(7,592)
D39400 Discretionary Rate Relief	12,100	32,100	13,299	(18,801)			(18,801)	(18,801)				(18,801)
	581,600	551,700	528,506	(23,194)	1,000	0	(22,194)	(23,194)	0	(22,839)	(21,015)	(67,047)
<b>ICT SERVICES</b>												
D11800 ICT Division	9,300	0	(2,444)	(2,444)			(2,444)	(2,444)		(41,240)	43,684	0
D11820 ICT Infrastructure	700	0	(38,336)	(38,336)	37,000		(1,336)	(38,336)			38,336	0
D13250 Corporate Telecommunications	5,900	0	4,855	4,855			4,855	4,855			(4,855)	0
	15,900	0	(35,925)	(35,925)	37,000	0	1,075	(35,925)	0	(41,240)	77,165	0
<b>TOTAL CAST</b>	<b>562,400</b>	<b>342,500</b>	<b>335,229</b>	<b>(7,271)</b>	<b>(12,000)</b>	<b>0</b>	<b>(19,271)</b>	<b>(7,271)</b>	<b>0</b>	<b>(165,979)</b>	<b>133,771</b>	<b>(39,479)</b>
<b>WELLBEING &amp; CULTURE</b>												
<b>MANAGEMENT</b>												
L17200 Sport/Play Division	22,800	0	(562)	(562)			(562)	(562)		(7,733)	8,296	0
D38850 Youth Affairs	37,000	43,800	37,297	(6,503)		6,500	(3)	(6,503)			(200)	(6,703)
	59,800	43,800	36,735	(7,065)	0	6,500	(565)	(7,065)		(7,733)	8,096	(6,703)
<b>SPORTS AND PLAY</b>												
L16100 Holiday Recreation Programme	98,000	109,900	109,882	(18)			(18)	(18)		(1,530)	(1,000)	(2,547)
L17300 Sport Development	74,300	87,200	86,743	(457)			(457)	(457)		(1,478)	(1,000)	(2,936)
L17400 Support to External Sports Organisations	4,000	4,000	4,000	0			0	0			(200)	(200)
L17500 Healthy Lifestyles	49,000	56,500	55,640	(860)			(860)	(860)		(1,590)	(1,100)	(3,550)
	225,300	257,600	256,265	(1,335)			(1,335)	(1,335)		(4,598)	(3,300)	(9,233)
<b>RECREATION</b>												
L11500 Leisure@	1,279,600	1,709,900	1,623,472	(86,428)		10,000	(76,428)	(86,428)		(32,395)	(2,756)	(121,579)
L11400 Sandford Outdoor Pool	600	0	0	0			0	0				0
	1,280,200	1,709,900	1,623,472	(86,428)		10,000	(76,428)	(86,428)		(32,395)	(2,756)	(121,579)
<b>ART GALLERY AND MUSEUMS &amp; TOURISM</b>												
L23500 Arts Grant/Enabling Funds	184,400	191,000	188,734	(2,266)			(2,266)	(2,266)		(22,709)	(1,740)	(2,266)
L41100 Art Gallery & Museum	776,200	840,600	820,124	(20,476)		20,000	(476)	(20,476)		(25,947)	(3,350)	(44,925)
L31100 Tourist Information Centre	310,700	361,100	356,316	(4,784)			(4,784)	(4,784)			(200)	(34,081)
L81100 Everyman Theatre	149,200	159,200	160,373	1,173			1,173	1,173			(200)	973
L81200 Playhouse Theatre	7,700	19,100	12,703	(6,397)	6,400		3	(6,397)		(48,656)	(5,290)	(6,397)
	1,428,200	1,571,000	1,538,251	(32,749)	6,400	20,000	(6,349)	(32,749)	0	(48,656)	(5,290)	(86,695)

REVENUE OUTTURN 2010/11	2010/11 Original Budget (b/bk)	2010/11 Revised Budget	2010/11 Actual	(Under)/Overspend before SerCOP Adjustment	Transfer to/(from) reserve	Request for underspend c/f	Adjusted (Under)/Overspend	(Under)/Overspend before SerCOP Adjustment	SORP / IFRS 2010 Adjustments	IAS 19 Adjustment	SerCOP Adjustment	Adjusted (Under)/Overspend
	£	£	£	£	£	£	£	£	£	£	£	£
<b>ENTERTAINMENTS</b>												
L21100 Town Hall	529,700	646,600	616,053	(30,547)		5,000	(25,547)	(30,547)		(53,797)	(1,140)	(85,485)
L21200 Pitville Pump Room	95,800	245,400	244,238	(1,162)			(1,162)	(1,162)			(790)	(1,952)
L21400 Stanton Room	6,300	8,000	4,200	(3,800)			(3,800)	(3,800)				(3,800)
L24500 Box Office	144,600	189,500	149,078	(40,422)			(40,422)	(40,422)		(6,429)	(530)	(46,851)
L32200 Christmas in Cheltenham	36,900	44,000	44,576	576			576	576			(300)	46
L23200 Cheltenham Arts Festivals Ltd	301,200	258,000	258,000	0			0	0				(300)
	1,114,500	1,391,500	1,316,144	(75,356)	0	5,000	(70,356)	(75,356)	0	(60,226)	(2,760)	(138,342)
<b>TOTAL WELLBEING &amp; CULTURE</b>	<b>4,108,000</b>	<b>4,973,800</b>	<b>4,770,867</b>	<b>(202,933)</b>	<b>6,400</b>	<b>41,500</b>	<b>(155,033)</b>	<b>(202,933)</b>	<b>0</b>	<b>(153,609)</b>	<b>(6,010)</b>	<b>(362,553)</b>
<b>HUMAN RESOURCES</b>												
D12300 Personnel & Payroll	(97,400)	0	(9,429)	(9,429)		9,500	71	(9,429)		(18,387)	27,816	0
D21260 Health & Safety	77,000	0	(1,725)	(1,725)		600	(1,125)	(1,725)		(4,027)	5,752	0
D12310 Corporate Training	(12,800)	0	(126)	(126)			(126)	(126)			126	0
<b>TOTAL HUMAN RESOURCES &amp; ORG. DEVELOPMENT</b>	<b>(33,200)</b>	<b>0</b>	<b>(11,280)</b>	<b>(11,280)</b>	<b>0</b>	<b>10,100</b>	<b>(1,180)</b>	<b>(11,280)</b>	<b>0</b>	<b>(22,414)</b>	<b>33,694</b>	<b>0</b>
<b>OPERATIONS</b>												
<b>ENVIRONMENTAL MAINTENANCE</b>												
C23100 Refuse Collection	1,225,900	1,277,400	1,245,894	(31,506)	40,688		9,182	(31,506)		(28,971)	(9,350)	(69,827)
C23110 Street Cleansing	929,100	824,800	842,834	18,034	3,000		21,034	18,034		(21,252)	(7,600)	(10,818)
C23120 Recycling Centre/CA site	280,100	286,000	255,556	(30,444)	20,000	10,000	(444)	(30,444)		(6,442)	(2,746)	(39,631)
C23125 Recycling: Bring Schemes	61,400	55,000	55,020	20			20	20		(1,425)	(2,160)	(3,565)
C23130 Building Cleaning	(10,500)	8,500	9,134	634			634	634		(2,005)	(1,100)	(2,471)
C23140 Public Conveniences	232,800	237,000	220,847	(16,153)		15,000	(1,153)	(16,153)		(3,072)	(2,800)	(22,025)
C23160 Environmental Maintenance Division	(10,300)	0	(11,878)	(11,878)		10,000	(1,878)	(11,878)		(18,363)	30,242	0
C23180 Recycling: Collection Schemes	328,800	459,500	333,988	(125,512)	153,323	17,000	44,811	(125,512)		(14,322)	(6,250)	(146,084)
C23190 Dry Recycling (Garden Waste)	402,200	293,300	140,873	(152,427)	29,700	45,000	(77,727)	(152,427)		(8,698)	(4,400)	(165,526)
C24100 Fleet Maintenance	2,100	4,400	(5,482)	(9,882)			(9,882)	(9,882)		(8,217)	(4,944)	(23,042)
C24150 Fleet Management	(8,600)	0	0	0			0	0		(3,524)	3,524	0
E22150 CBC Highway Works	76,500	86,200	86,544	344			344	344		(1,075)	(180)	(3,061)
E33500 Winter Maintenance	3,800	0	0	0			0	0			(80)	(80)
	3,513,300	3,532,100	3,173,330	(358,770)	246,711	97,000	(15,059)	(358,770)	(2,150)	(117,366)	(7,844)	(486,131)
<b>GREEN ENVIRONMENT</b>												
B51125 Private Trees	15,800	50,300	50,300	0			0	0			(3,100)	(3,100)
C22100 Green Environment Division	(24,500)	0	(36,456)	(36,456)			(36,456)	(36,456)		(26,652)	63,108	0
C22105 Housing Forecourts	38,300	(1,000)	(940)	60			60	60		(5,195)	(4,100)	(9,235)
C22110 Parks & Gardens	1,035,600	837,400	756,090	(81,310)	5,000	83,882	(76,310)	(81,310)		(10,053)	(19,286)	(26,768)
C22115 Grass Verges	(8,200)	0	0	0			0	0		(3,062)	(3,000)	(6,062)
C22120 Sports & Open Spaces	984,700	1,174,600	1,165,161	(9,439)	5,000	14,500	10,061	(9,439)		(11,377)	(25,222)	(46,038)
C22140 Nursery	(9,400)	(31,600)	(28,344)	3,256			3,256	3,256		(1,778)	(2,800)	(1,321)

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

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## PLANNED MAINTENANCE PROGRAMME 2010/11

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

PLANNED MAINTENANCE PROGRAMME 2010/11

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

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

**Capital Charges**

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

**NOTE**

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

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Interest and Investment Income

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

**NOTE**

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

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

**Community Services**

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

**Disabled facilities grants**

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

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

**Wellbeing & Culture**

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

**leisure@ cheltenham**

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

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

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

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

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

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

### **Art Gallery & Museum**

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

### **Town Hall**

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

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

### **Box Office**

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

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

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

### **Assistant Chief Executive**

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

### **Neighbourhood Management Services**

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

### **Cheltenham Strategy Partnership**

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

### **Community Pride**

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

### **Business & Economic Development**

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



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

### **Legal Services**

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

### **Former employee dispute**

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

### **Elections**

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

### **Democratic and Civic Services**

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

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

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

#### **Human Resources**

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

#### **Health & Safety**

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

### **Customer Access & Service Transformation (CAST)**

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

#### **Housing and council tax benefits**

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

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

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

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

#### **Council Tax and Business Rates Collection – employee costs**

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

#### **Business Rates – Discretionary Rate Relief**

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

#### **CAST Management**

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

#### **Procurement**

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

#### **ICT Infrastructure and Corporate Telecommunications**

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

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

### **Customer & Support Services**

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

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

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

### **Financial Services**

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

#### **Financial services division**

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

#### **Treasury Management**

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

#### **Gloucestershire Airport**

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

### **Business Change**

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

#### **Government Connect**

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

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

#### **Working Flexibly**

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

#### **Revenues & Benefits Sourcing Strategy**

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

#### **Customer Services Sourcing Strategy**

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

#### **ICT Sourcing Strategy**

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

#### **Built Environment**

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

##### **Elderly Transport**

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

##### **Car Parking – Off Street**

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

##### **Development Control**

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

**Civic Pride**

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

**Building Control**

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

**Built Environment Overhead A/c**

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

**Municipal Offices**

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

**Miscellaneous Properties**

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

**Operations**

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

**Public Protection - Pest Control**

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

**Refuse Collection**

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

**Street Cleaning**

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

**Recycling Centre/CA Site**

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

**Public Conveniences**

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

**Environmental Maintenance overhead A/c**

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

**Recycling Collection Schemes**

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

**Garden Waste Recycling Scheme**

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

**Parks and Gardens**

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

carrying the correct net book value.

**GCC Schools**

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

**NPR Environmental Maintenance**

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

**Cemetery and Crematorium**

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

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## 2010/11 CARRY FORWARD REQUESTS

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

## 2010/11 CARRY FORWARD REQUESTS

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

## 2010/11 CARRY FORWARD REQUESTS

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

## 2010/11 CARRY FORWARD REQUESTS

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

## Use of Balances and Reserves

## DETAILED RESERVE MOVEMENTS

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

## \* CONTRIBUTIONS TO RESERVES

BR02	Pension Reserve				
BR05	IBS License Reserve				
BR09	Cultural Development Reserve				
BR12	House Survey Reserve				
BR12	House Survey Reserve				
BR14	Flood Alleviation Reserve				
BR14	Flood Alleviation Reserve				
BR42	Vehicle Leasing Equalisation Reserve				
BR42	Vehicle Leasing Equalisation Reserve				
BR42	Vehicle Leasing Equalisation Reserve				
BR45	Joint Core Strategy Reserve				
BR45	Joint Core Strategy Reserve				
BR54	Legal shared service reserve				
BR54	Legal shared service reserve				
BR58	Civic Pride Reserve				
BR63	Rent Allowances Equalisation Reserve				
BR65	Licensing Fees Equalisation Reserve				
BR67	Interest Equalisation Reserve				
BR67	Interest Equalisation Reserve				
BR76	Elections Reserve				
BR88	IT Repairs & Renewals Reserve				
BR88	IT Repairs & Renewals Reserve				
BR89	Property Repairs & Renewals Reserve				
BR91	Carry forward requests approved by CFO under delegated powers				
BR92	Revenue Contribution to Capital Outlay (RCCO)				
BR92	Revenue Contribution to Capital Outlay (RCCO)				
BR92	Revenue Contribution to Capital Outlay (RCCO)				
BR92	Revenue Contribution to Capital Outlay (RCCO)				
BR92	Revenue Contribution to Capital Outlay (RCCO)				
BR92	Revenue Contribution to Capital Outlay (RCCO)				

DETAILED RESERVE MOVEMENTS

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

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

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## Cheltenham Borough Council

### Treasury Management Panel – 6th June 2011

#### Treasury Outturn 2010/11

#### Report of the Director, Resources

#### 1. Introduction

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

#### 2. Economic Outlook for 2010/11

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

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

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

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

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

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

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

#### 4. Investments

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

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

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

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

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

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

## 5. Credit Risk

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

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

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

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

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

## 7. Treasury Limits and Prudential indicators

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

## 8. Treasury Management Advisors

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

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

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

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

## **9. Conclusions**

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

Table 1: Credit Score Analysis

Scoring:

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

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

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## RESERVES AT 31ST MARCH 2011

EARMARKED RESERVESOther

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

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

## GENERAL FUND CAPITAL PROGRAMME

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

## GENERAL FUND CAPITAL PROGRAMME

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

## GENERAL FUND CAPITAL PROGRAMME

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

GENERAL FUND CAPITAL PROGRAMME

Code	Fund	Scheme	Scheme Description	Original Scheme Cost	Payments to 31/03/10	Revised Budget 2010/11	Outturn 2010/11	(Underspend)/ Overspend 2010/11	Approved Budget 2011/12	Revised Budget 2011/12	Comments
	C	Car park management technology		£	£	£			£	£	
		<b>CAPITAL SCHEMES - RECLASSIFIED AS REVENUE</b>									
DC1066	C	Land & Property presale costs	Property & Legal costs associated with the proposed Midwinter Development and Fellmongers site	353,100	336,450	10,000	22,605	(12,605)	0	250,000	Planned to use remaining budget to purchase a compost toilet at the Alma Road site once the location becomes available.
LC6005	C	Allotments	Allotment Enhancements - new toilets, path surfacing, fencing, signage, and other improvements to infrastructure.			16,600	6,383	10,207	0	10,200	
EC0043	C	Rationalisation & maintenance of street furniture and signposting	Obsolete furniture that need removing. Backlog of repairs to signposts and street furniture	20,000	8,071	12,000	12,000	0	0	0	
EC0054		Depot Rationalisation	Costs associated with incorporating Tewkesbury Borough Council within the Depot site at Swindon Road	200,000	191,973	108,000	80,807	27,193	0	27,200	Underspend to be carried forward to 2011/12 to fund outstanding works necessary to complete the project. This includes further improvements to the Household Recycling Centre, safety improvements and building works to the main office buildings.
LC4003	C	Public Art				0	538	(538)			
		<b>TOTAL CAPITAL PROGRAMME</b>				<b>3,263,900</b>	<b>3,898,023</b>	<b>(634,123)</b>	<b>7,641,100</b>	<b>8,261,600</b>	

Funded by:

- G Government Grants
- SCG Specified Capital Grant (DFG)
- LPSA Local Public Service Agreement
- P Partnership Funding
- PSDH Private Sector Decent Homes Grant
- HLF Heritage Lottery Funding
- HRA Housing Revenue Account Contribution
- R Property Planned Maintenance Reserve
- R AG&M Development Reserve
- S Developer Contributions S106
- C General Balances
- C HRA Capital Receipts
- C GF Capital Receipts
- C HIP Capital Reserve
- C Prudential Borrowing
- C GF Capital Reserve

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

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

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

Barbridge Nursery-Community Facilities



## Council Tax and Business Rates Collection Rates 2010 - 2011

### Business Rates 2010/2011

Current Year Charges - 2010/2011			
Period	% Collected As at 31.03.11	2010/2011 Target As at 31.03.11	Revised 2010/2011 Target As at 31.03.11
	98.71%	98.45%	98.60%
Comparison with 2009/2010	As at 31.03.10	% Collected 31.03.10	Top Quartile
	98.41%	98.41%	N/A
Comments			
The end of year collection rate is higher than the target and higher than at same time last year.			

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

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

### Council Tax 2010/2011

Current Year Charges - 2010/2011			
Period	% Collected As at 31.03.11	2010/2011 Target As at 31.03.11	Revised 2010/2011 Target As at 31.03.11
	98.19%	98.20%	N/A
Comparison with 2009/2010	As at 31.03.10	% Collected 31.03.10	Top Quartile
	98.18%	98.18%	N/A
Comments			
The end of year collection rate is slightly lower than the target but is slightly higher than the same time last year. This is a very good achievement in the current economic climate			

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

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

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## Sundry Debtor Invoices Outstanding 2010 - 2011

APPENDIX 14

### Sundry Debt 2010/2011

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

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Previous Year Invoices Outstanding in 2010/2011			
Period	Previous Year Invoices Outstanding	2011 Target	2010/2011 Yearend Target
As at 31.03.11	As at 31.03.11	As at 31.03.11	As at 31.03.11
General Fund Invoices	84 £69,208	£50,000	£50,000
HRA Invoices	849 £206,410	£140,000	£140,000

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

**HOUSING REPAIRS ACCOUNT**

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

**MAJOR REPAIRS RESERVE**

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

**HRA CAPITAL PROGRAMME**

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

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## The Prudential Code and Indicators – outturn 2010/11

### Introduction:

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

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

### Capital Expenditure Indicators

#### Forecast Capital Expenditure

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

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

#### Capital Expenditure

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

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

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

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

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

#### Ratio of Financing Costs to Net Revenue Stream

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

### Capital Financing Requirement

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

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

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

#### Capital Financing Requirement (CFR)

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

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

### Net borrowing and the Capital Financing Requirement

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

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

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

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

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

### Estimated net borrowing and capital financing requirement at year end

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

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

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

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

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

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

For the Band D Council Tax

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

For average weekly housing rents

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

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

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

### External Debt Indicators

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

### Authorised Limit

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

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

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

#### Authorised Limit for External Debt

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

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

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

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

#### Operational Boundary

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

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

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

#### Operational Boundary for External Debt

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

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

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

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

### Treasury Management Indicators

#### Adoption of the CIPFA Code of Practice for Treasury Management

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

#### Upper limits on interest rate exposure

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

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

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

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

This has not been breached during 2010/11.

### **Maturity structure of borrowing**

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

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

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

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

### **Conclusions:**

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

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

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### Everyman theatre financial support 2011/12 to 2016/17

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

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

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

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

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**Cheltenham Borough Council  
Council – 27<sup>th</sup> June 2011**

**Constitution Working Group update on the Review of the  
Constitution**

<b>Accountable member</b>	<b>Corporate Services – Colin Hay</b>
<b>Accountable officer</b>	<b>Borough Solicitor</b>
<b>Accountable scrutiny committee</b>	<b>E.B. &amp; I</b>
<b>Ward(s) affected</b>	<b>None specifically</b>
<b>Key Decision</b>	<b>No</b>
<b>Executive summary</b>	<p>This report advises members on the proposed timescale for the review of the Constitution. The review was commenced last year but was deferred pending the outcome of various matters which will have an impact upon the drafting of the Constitution, including the Council's decision in December 2010 on strategic commissioning and the approval of a new management structure. At that meeting the Council also approved amendments to the Constitution to address actions identified by the Council to respond to recommendations in the Public Interest Report. Amendments to the Officer Delegation Scheme in Part 3H of the Constitution have also been made under authority delegated to the Borough Solicitor to ensure that the Scheme is consistent with the new management structure which was implemented in April 2011.</p> <p>The Constitution Working Group has now resumed its work and intends to complete the review by October 2011. This timescale reflects the need for the Financial Rules to be amended in collaboration with the Council's partner authorities in the GO project.</p>
<b>Recommendations</b>	<b>The Council is asked to note that amendments have been made to the Officer Scheme of Delegation and to approve the timescale for the comprehensive review of the Constitution.</b>
<b>Financial implications</b>	<p>None directly arising from this report.</p> <p>The creation of a standardised set of financial rules (with any local variations as appropriate) across the participating authorities in the GO project will support cross working across authorities, assist in the standardisation of the ERP system build and process redesign which will ultimately help to drive out the savings estimated in the business plan.</p> <p><b>Contact officer: Mark Sheldon, mark.sheldon@cheltenham.gov.uk, 01242 264123</b></p>

<b>Legal implications</b>	Contained in the report.  <b>Contact officer: Sara Freckleton ,</b>  <a href="mailto:sara.freckleton@teWKesbury.gov.uk">sara.freckleton@teWKesbury.gov.uk</a> . 01684 272011
<b>HR implications (including learning and organisational development)</b>	None directly arising from this report.  <b>Contact officer: Julie McCarthy, julie.mccarthy@cheltenham.gov.uk, 01242 264355</b>
<b>Key risks</b>	See attached risk assessment.

## 1. Background

- 1.1** A comprehensive review of the Council's Constitution was commenced last year BOTH to address the Council's Action Plan approved in March 2010 and also to recognise the fact that the last full review of the Constitution was in 2005.
- 1.2** In December 2010, the Council approved a number of amendments to the Constitution which were deemed to be necessary to satisfy the Council's Action Plan. However, the Council had resolved in October that the comprehensive review would be deferred pending resolution of matters which would have a bearing on the drafting of the Constitution, including the decision on the strategic commissioning proposals and the consequential management restructure.
- 1.3** Part 3 of the Constitution sets out the Responsibility for Functions (Scheme of Delegation to Cabinet, Committees and Officers). The Officer delegation (Part 3H) has recently been amended by the Borough Solicitor (April 2011) as required by the Constitution, in order to give effect to be implemented in April 2011 of the revised Management Structure as approved by the Council (December 2010).
- 1.4** The Constitution which is available on the Council's website includes the amendments which were approved by the Council in December and also those referred to in paragraph 1.4 above.
- 1.5** The Constitution Working Group has now recommenced work on the review. The areas being considered include
- The Responsibility for Functions. Part 3 is being comprehensively reviewed including the Officer Delegation Scheme.
  - The Council Committee and Cabinet Procedure Rules. Part 4 is being reviewed including the Financial and Contract Procedure Rules.

As Members are aware, the GO project involving the Council and its other partners (Cotswold, West Oxford and Forest of Dean) is nearing first stage implementation and it is intended that, as far as is possible, the Financial Rules to which the participating authorities work are consistent (with any local variations as appropriate). It is considered that the update will be completed in time for approval by the partner Councils in September/October 2011.

## 2. Reasons for recommendations

- 2.1** To advise members on the changes which have taken place to the Constitution and on the proposed timescale for completion of the comprehensive review.

## 3. Alternative options considered

- 3.1** The Working Group considered whether it should proceed with the review ahead of the proposed

revision of the Financial Rules but concluded that this would be a “piecemeal” rather than comprehensive review which would not make best use of the available resources.

**4. Consultation and feedback**

**4.1** Council may recall that consultation took place with all Members and with the Senior Leadership Team last year and the responses will be taken into account within the review. 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 be meeting on a number of occasions between now and the beginning of October and would welcome any input from Members to inform the review.

<b>Report author</b>	<b>Contact officer: Sara Freckleton, sara.freckleton@teWKesbury.gov.uk, 01684 272011</b>
<b>Appendices</b>	1. Risk Assessment
<b>Background information</b>	<ul style="list-style-type: none"> <li>1. Report and Minutes of Council dated 22<sup>nd</sup> March 2010</li> <li>2. Report and Minutes of Staff &amp; Support Services Committee dated 29<sup>th</sup> July 2010</li> <li>3. Report and Minutes of Standards Committee dated 9<sup>th</sup> July 2010 and 17<sup>th</sup> September 2010</li> <li>4. Report and Minutes of the Council of 11<sup>th</sup> October 2010</li> <li>5. Report and Minutes of the Staff &amp; Support Services Committee of the 28<sup>th</sup> October 2010</li> <li>6. Report and Minutes of the Council of 13<sup>th</sup> December 2010</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
	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	