



# CHELTENHAM

## BOROUGH COUNCIL

### Notice of a meeting of Social and Community Overview and Scrutiny Committee

**Monday, 9 January 2012**  
**6.00 pm**  
**Pittville Room, Municipal Offices**

<b>Membership</b>	
<b>Councillors:</b>	Chris Coleman, Anne Regan (Chair), Rowena Hay (Vice-Chair), Diggory Seacome, Duncan Smith, Jo Teakle, Jon Walklett, Wendy Flynn and Simon Wheeler
<b>Coopteers:</b>	James Harrison and Karl Hemming

The Council has a substitution process and any substitutions will be announced at the meeting

### Agenda

<b>1.</b>		<b>APOLOGIES</b>	
<b>2.</b>		<b>DECLARATIONS OF INTEREST</b>	
<b>3.</b>		<b>MINUTES OF THE LAST MEETING</b> To approve the minutes of the meeting held on 7 November 2011	(Pages 1 - 24)
<b>4.</b>		<b>PUBLIC QUESTIONS AND PETITIONS</b> Public questions must be received no later than 10am on the fifth working day before the date of the meeting	
<b>5.</b>		<b>MATTERS REFERRED TO COMMITTEE</b>	
<b>6.</b>	6.05 pm	<b>CABINET MEMBER BRIEFING</b> Cabinet Member Housing and Safety Cabinet Member Finance and Community Development Cabinet Member Sport and Culture	
<b>7.</b>	6.35 pm	<b>INTERIM BUDGET AND HRA PROPOSALS 2012-2013</b> Report of the Cabinet Member Finance and Community Development	(Pages 25 - 64)
<b>8.</b>	7.05 pm	<b>EVERYMAN THEATRE</b> Presentation by the Chief Executive, Everyman Theatre	

<b>9.</b>	7.35 pm	<b>ANTI-SOCIAL BEHAVIOUR UPDATE-FOCUS ON IMPACT OF YOUTH CENTRE CLOSURES IN THE BOROUGH</b> Information/Discussion paper from the Community Safety Manager	(Pages 65 - 66)
<b>10.</b>	7.50 pm	<b>DEVELOPMENT OF THE CORPORATE STRATEGY 2012-13</b> Report of the Leader	(Pages 67 - 74)
<b>11.</b>	<b>8.05 PM</b>	<b>COMMITTEE WORK PLAN</b>	(Pages 75 - 76)
<b>12.</b>		<b>ANY OTHER BUSINESS THE CHAIRMAN DETERMINES TO BE URGENT AND WHICH REQUIRES A DECISION</b>	
<b>13.</b>		<b>DATE OF NEXT MEETING</b> 27 February 2012	

**Contact Officer:** Beverly Thomas, Democracy Officer, 01242 775049  
**Email:** [democratic.services@cheltenham.gov.uk](mailto:democratic.services@cheltenham.gov.uk)

### Social and Community Overview and Scrutiny Committee

**Monday, 7th November, 2011**

**6.00 - 7.45 pm**

<b>Attendees</b>	
<b>Councillors:</b>	Anne Regan (Chair), Chris Coleman, Rowena Hay, Diggory Seacome, Duncan Smith, Jo Teakle, Jon Walklett and Wendy Flynn
<b>Co-optees:</b>	James Harrison and Karl Hemming

### Minutes

**17. APOLOGIES**

Apologies were received from Councillor Simon Wheeler.

**18. DECLARATIONS OF INTEREST**

**19. MINUTES OF THE LAST MEETING**

The minutes of the last meeting were approved and signed as a correct record.

**20. PUBLIC QUESTIONS AND PETITIONS**

There were no questions or petitions.

**21. MATTERS REFERRED TO COMMITTEE**

None.

**22. CABINET MEMBER BRIEFING**

The Cabinet Member Housing and Safety informed members that a second bidding round had commenced for the Positive Activities Fund which aimed to deliver positive activities for young people. £13 595 remained to be allocated. The aim would be to prioritise those bids focussed on certain geographical areas which had not been addressed in the first bidding round (for example Benhall and Oakley) and on specific areas of interest. County Community Projects (CCP) was involved in the process in terms of identifying groups which should prepare bids. The Cabinet Member urged members to encourage the community groups in their wards to submit bids.

Members commented on the time which needed to be invested in submitting a bid and then in fulfilling the project monitoring report requirements. The Council also bore a cost in terms of officer time in monitoring the use of the funding. More “user friendly” documentation was sought although it was acknowledged that the successful bids had to be accountable. In response the Cabinet member recognised the issue and explained that the council was very much reliant on volunteers to be involved. The issue of the cost of CBC officer time had been raised with the county but it had said this had to be borne by the council.

The Cabinet Member Sport and Culture referred members to the briefing note on the Leisure and Culture review which had been circulated separately from the agenda. This updated members on the latest position. He informed members that the work on the Art Gallery and Museum was on schedule and piling had started for the new structure. Members were also informed that LOCOG had now announced the location of the Olympic torch relay and it would enter Cheltenham via Shurdington and exit via the Evesham Road to the racecourse. When a question was asked whether events would be taking place en route the Cabinet Member explained that the details had yet to be announced but officers would now start to talk to partner organisations and local communities about what would be appropriate. In response to a question on whether the town would be granted funds to offset the cost of the evening event to be staged at the racecourse, the Cabinet member explained that a successful bid had been put in for the event to the Promoting Cheltenham Fund for both the torch relay and the celebration event.

### **23. CHELTENHAM FESTIVALS**

Donna Renney, Chief Executive, Cheltenham Festivals (CF), gave her presentation which is attached to these minutes for information.

Members asked about whether the two box offices (Regent Arcade and the mobile box office) had caused confusion. The Chief Executive, CF, acknowledged that it had been difficult. She acknowledged that the Regent Arcade box office was probably surplus to requirements and in fact its location had limited footfall. In any case 65 % of bookings were taken online. When asked whether the Regent Arcade box office was overstaffed the Chief Executive explained that there were peaks and troughs so it was about getting the balance right. This was the first year of this arrangement so lessons would be learnt from this.

In terms of ticketing problems the Chief Executive explained that the issue was that prepaid tickets could only be collected at one site during the festival. This was to prevent customers wishing to purchase tickets during the festival from queueing for long periods for the print out of pre-paid tickets so they were all printed out at once. It was recognised that customers were confused about where and when their tickets would be available and it was suggested that in future customers could be given timeslots for collection.

A member asked whether the Chief Executive CF could provide a full report on the education plan of the business including the number of senior and junior schools from within Cheltenham which were involved. The Chief Executive undertook to forward the report. Cllr Smith informed the Chief Executive of the County Council's Corporate Parenting Committee and invited her to contact him about bringing its interests into the Festivals Education Plan.

In terms of Festival ticket sales the Chief Executive explained that 100 events had been sold out. Production costs had however been higher than expected with the invoice for rectifying Montpellier Gardens being quite significant and the trackway had not been taken account of costings. She highlighted however that there would be an opportunity for more sponsorship, it was a question of getting the balance right. A member requested figures on which events had been sold out.

When asked whether the Festivals had received complaints regarding noise during set up, during the event and taking down, the Chief Executive explained that these were not significant but mainly focussed on the setting up where contractors were behind schedule. This was unfortunately not at the time reported by neither the security team nor the contractors. The challenge remained that there was only a limited number of days granted by the council for CF to set up and this was always going to prove difficult.

Members congratulated Cheltenham Festivals for navigating the growth phase. It was asked what the Festival's approach was to international aspects of the Festivals. In response the Chief Executive (CF) explained that these were mainly for the science festival and it was developing consultancy contracts with Norway and Austria. It did want to develop an international presence for the music festival but currently there were no plans for the Literature Festival.

When asked about the increased income from food and beverage provision at the Literature Festival, the Chief Executive (CF) explained that this increase was limited as there was no power or water in Montpellier gardens so both generators and water had to be brought on to the site. The provision of food did not have an adverse effect on local traders and in fact there had been an upswing in trade. In terms of long term plans for the provision of electricity and water the Chief Executive (CF) explained that discussions were underway with the Council and Cabinet Member Sustainability about this. It would require a mini substation but this was likely to be too expensive so some sort of compromise would have to be reached.

When asked further about the loss of a significant sponsor of the jazz festival the Chief Executive explained that sponsorship was now going well as now there was provision in Montpellier gardens. There was a strong programme for the jazz festival and the ability to build a 1500 seater venue meant that attracting high profile artists would make it more financially viable. In terms of the offer to small children at the Literature Festival the focus would be more on Montpellier Gardens.

The Chair thanked the Chief Executive (CF) for her presentation.

- 24. COUNTY SAFER COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE**  
Councillor McCloskey updated the meeting since she last reported in February 2011. Her report is attached to these minutes for information.

In response to a question from a member Councillor McCloskey undertook to find out whether the location for the new Police premises had been finalised.

**25. LICENSING ACT**

The Senior Licensing Officer outlined the main amendments to the Licensing Act 2003 as set out in the briefing note. They specifically concerned regulating the sale/supply of alcohol and the provision of late night refreshment.

Members welcomed the fact that the Council would become a responsible authority empowering them to refuse, remove or review licences themselves. This was a positive step forward but it was important that a robust mechanism for doing so was in place.

Members asked whether there was a policy in place with regard to how the process of representation and review by interested parties would be managed. In response the Senior Licensing Officer explained that any objection must be relevant under the four objectives of the Licensing Act but the Government was due to issue further guidance on the subject.

In response to a question the Licensing Officer explained that the Late Night Levy would apply to both on and off premise sales. 70 % of the fee would go to the police and 30 % to the council with the aim of reducing or preventing crime and disorder, in connection with the supply of alcohol. The Council would use the funding to provide taxi marshals for example. The Community Protection Manager added that the levy had been discussed with late night premises and the general view was that they would be happy to contribute in order to ensure that things were policed. He also added that the Council would put a policy in place once the bill had become law.

**26. COMMITTEE WORK PLAN**

The Chair informed members that the following items scheduled for the January meeting would be postponed to the February meeting :

- CBH CTLG group
- Proscenium Building/Gardens Gallery
- Art Gallery and Museum update
- Tourism Strategy

The Vice Chair reminded members that they were entitled to put forward items for the scrutiny agenda.

Councillor Smith requested that the budget proposals be put as the first item on the January agenda to give it the focussed attention it required.

When asked what the committee was seeking to achieve by discussing antisocial behaviour the Chair explained that this related to the impact of the closure of youth facilities around the town.

The work plan would be amended accordingly.

**27. ANY OTHER BUSINESS THE CHAIRMAN DETERMINES TO BE URGENT AND WHICH REQUIRES A DECISION**

**28. DATE OF NEXT MEETING**

Monday 9 January 2012.

Anne Regan  
**Chairman**

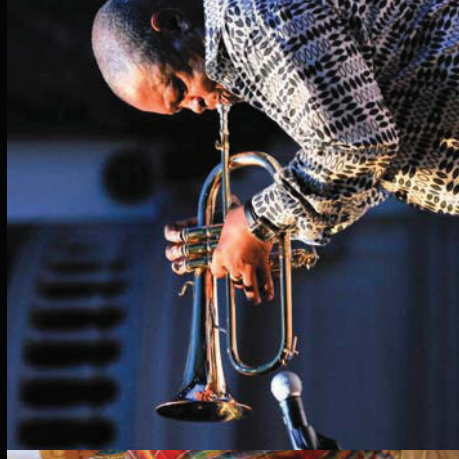


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# CHELTENHAM FESTIVALS

## Cheltenham Festivals in 2011 Review for Cheltenham Borough Council



## **Introduction**

Successes and challenges of 2011

Infrastructure Grant ended in 2009

In-kind Support from CBC

Investment for the long-term

Developing National Brand

Economic Impact Study - £5.2m direct income to local economy and creation of 129 jobs

## Major Changes

New Box Office and  
Fundraising System  
– Tessitura

Move to Montpellier for  
Literature

## Major Changes

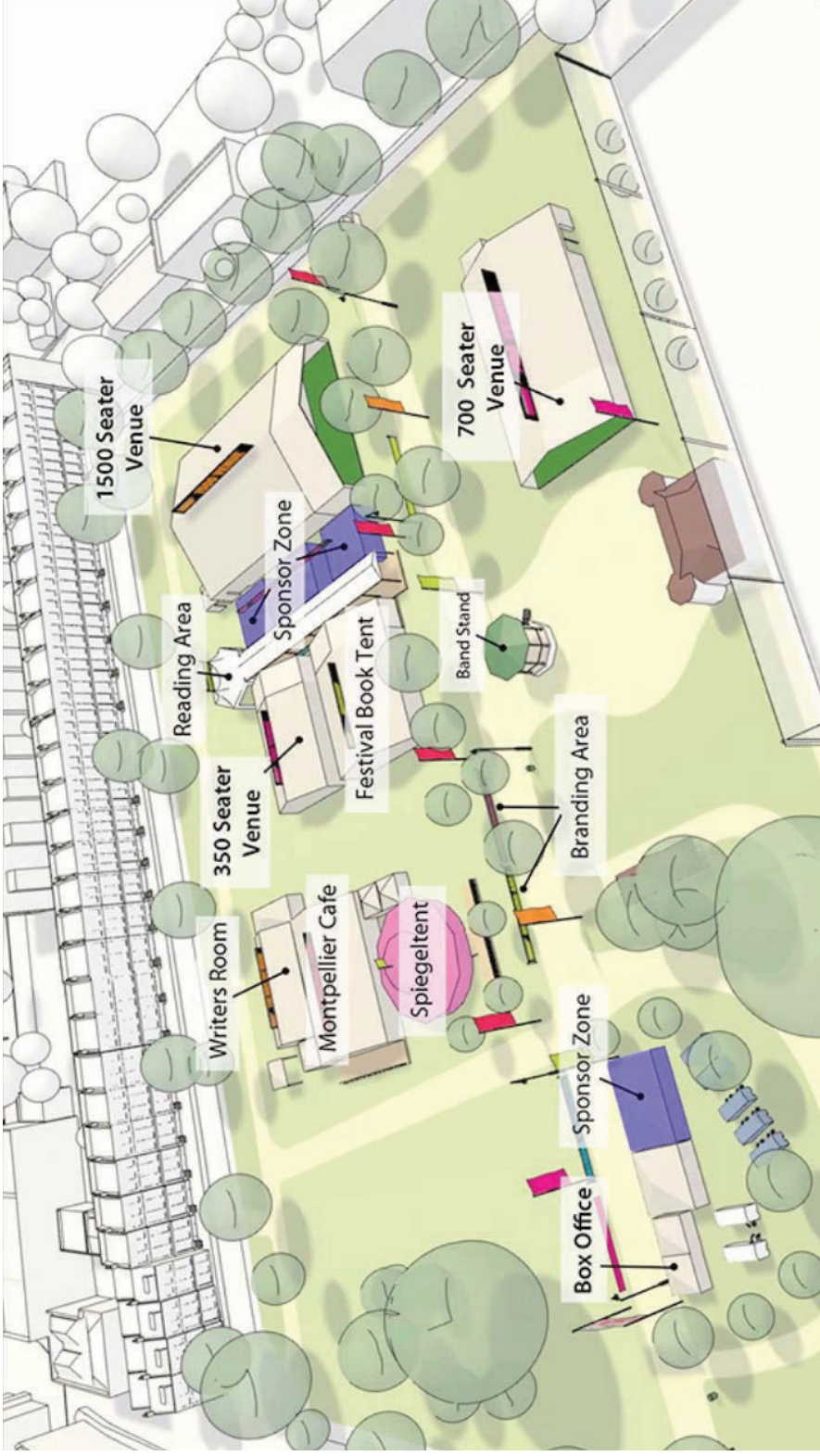
### The Cheltenham Festivals Box Office

System – very good – provides everything we need for membership, fundraising and box office

Costly in terms of staffing and mobile box office

## Major Changes

# Creating the Festival Quarter in Montpellier Gardens

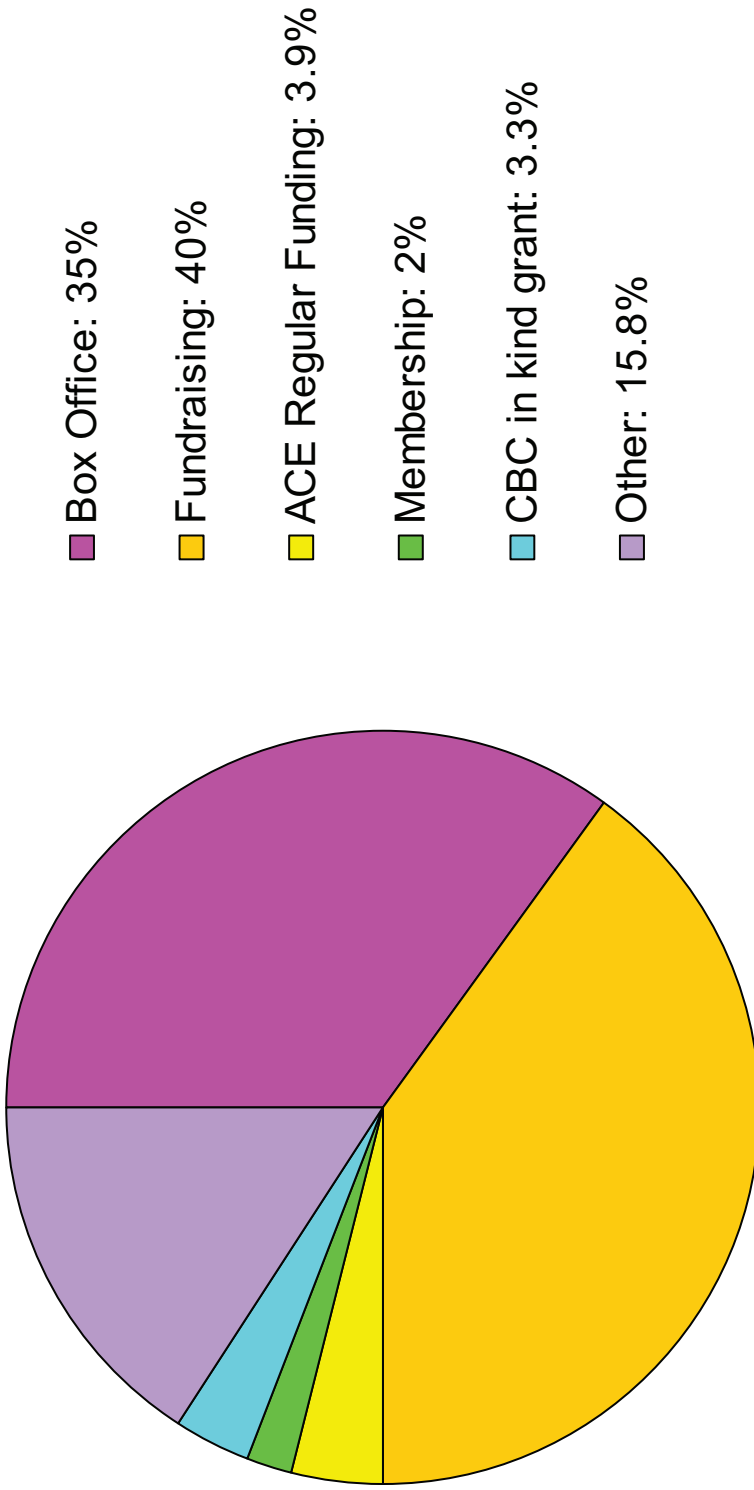


## Investments

Long-term success will depend on increasing ticket sales and fundraising and so we made further investment in fundraising and marketing staff including a Legacy Officer, experienced Head of Development and Web Site Manager

# Funding

## Sources of income in 2011



## Funding Sources of income in 2011

### Breakdown of the CBC in-kind grant

Hire of Gardens	£22,500
Pennant Display	£15,000
Financial Services	£2,700
Payroll Services - 1 employee	£600
ICT Services	£72,900
Telecommunications	£18,200
Gamelan - Free Storage	£2,900
Advertising - brochure 4 adverts	£3,000
Storage Space	£3,600
Street Trading Consents	£6,100



## Financial Out-turn

Deficit – we have had to borrow to  
finance our working capital  
requirements

## Ticket sales 2011 vs. 2010

Tickets Sold	2010	2011	Difference	% Change
<b>Jazz</b>	14,081	15,498	1,417	+ 10%
<b>Science</b>	27,937	29,699	1,762	+ 6.3%
<b>Music</b>	18,350	17,283	-1,067	- 5.9%
<b>Literature</b>	113,007	122,713	9,706	+ 8.5%
<b>Total</b>	<b>173,375</b>	<b>185,193</b>	<b>11,818</b>	<b>+ 6.8%</b>

<b>Ticket Income</b>				
<b>Jazz</b>	£229,564	£256,411	£26,847	+ 11.7%
<b>Science</b>	£148,150	£168,765	£20,615	+ 13.9%
<b>Music</b>	£235,777	£252,033	£16,256	+ 6.7%
<b>Literature</b>	£878,108	£943,809	£65,701	+ 7.5%
<b>Total</b>	<b>£1,491,601</b>	<b>£1,621,020</b>	<b>£129,419</b>	<b>+ 10.5%</b>

# Sponsorship

## 2011 sponsorship income and percentage growth

	<b>2011</b>	<b>% Change</b>
<b>Jazz</b>	£145K	-40.5%
<b>Science</b>	£448K	+9.5%
<b>Music</b>	£256K	+3.6%
<b>Literature</b>	£410K	+20.2%
<b>Grants</b>	£396K	-24.3%
<b>Other Income</b>	£624K	+36.2%
<b>Patrons</b>	99	+28.6%

*N.B. 2010 included a large Sustain Grant from Arts Council*

# Education

## Jazz

### Jazz It Up!

11 bands.

10 schools.

Over 200 young musicians.

Taking place over the main weekend of the Jazz Festival, Jazz It Up! celebrates the best of Gloucestershire's lively school jazz scene, giving school bands a rare and highly-valued opportunity to showcase their talent at this world-renowned Jazz Festival as well as the chance to work with excellent music educators.

#### **PARTICIPATING SCHOOLS**

Balcarras School, Cheltenham  
Cheltenham Bournside School, Cheltenham  
Cheltenham College, Cheltenham  
Chosen Hill School, Churchdown  
Cleeve School, Cheltenham  
Farmor's School, Fairford  
Marling School, Stroud  
Pate's Grammar School, Cheltenham  
Pittville School, Cheltenham  
The Cotswold School, Bourton-on-the-Water

## Science

### The Schools programme

16 events and 28 workshops.

4,776 tickets sold to 64 schools in

Gloucestershire and beyond.

The Town Hall was buzzing to the pater of thousands of children's feet and they explored the Discover Zone exhibition and enjoyed the range of events on offer.

In addition to the main schools programme, the festival offered two days targeted at specific groups – a 'girls' day' in partnership with Cheltenham Ladies' College and the Royal Institution / L'Oreal saw 20 girls from local schools take part in various science activities supported by female mentors from local industries; and 20 pupils identified by their teachers as 'gifted and talented' were treated to a specially-tailored day at Cheltenham College, making use of their top class science teaching facilities.

# Education

## Music

### The Bandwagon

11 sixth form students became The Bandwagon.  
1,064 primary children at 4 schools were visited by the group.

The Bandwagon is an innovative approach to providing primary school children with a vibrant, exciting experience of live music. For the 6th form musicians who make up the ensemble (the Bandwagoners) it is a unique opportunity to participate in a challenging, creative, and highly rewarding performance project.

## Literature

### Book It! for schools

14 interactive talks  
5 workshops  
51 schools  
4,914 pupils

Pupils from 51 schools all over Gloucestershire and beyond enjoyed a visit to the Festival to listen to an impressive line up of authors, illustrators and poets talk about their craft, their books, and their sources of inspiration.

### Young Writers' Day

6 schools  
30 pupils  
9 teachers

Now in its fourth year the Young Writers' Day is aimed at pupils who are identified by their school as having a particular aptitude for writing, and offers them the opportunity to explore different aspects of creative writing in depth with their peers.

# Strengthening Education - Strategic Plan



Produced by Cheltenham Festivals  
109 Bath Road  
Cheltenham GL53 7LS

Cheltenham Festivals Ltd.  
Charity No. 251765

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**Report to Social & Community O&S - 7<sup>th</sup> November 2011**

Last reported in February. Since then work has been varied and includes:

**Police** O&S received a report on the civil disturbances in Gloucester city in the summer. The benefits of Tri-service centre at Waterwells were very evident as informal contacts that have been built up between the services aided communication and co-operation during the unrest.

**Police & Crime Panels** – (Major piece of work reported on at every O&S meeting). The postponement of the election of Police Commissioners until November 2012 has given more time to consider the make-up of the Panel and its terms of reference.

The Act lays down a maximum and minimum panel membership and current thinking in Gloucestershire is that it will consist 10 councillors (4 county & 6 district) plus a minimum of 2 co-optees (not councillors). The Act is silent on how the co-optees should be selected but it is envisaged that some sort of interview procedure will be adopted. Gloucestershire has the advantage that county and police force boundaries are contiguous – some like Thames Valley and West Midlands forces have more difficulty in deciding membership of panels

The Act gives the Panel the power of veto of the police precept and the appointment of the chief constable, both of which require a two-thirds majority (originally proposed three-quarters). The panel will also consider complaints against the Police Commissioner to be judged against a Code of Conduct.

Current thinking is that, to ease transition, a shadow panel will be set up prior to November 2012

**Fire & Rescue** – Sick absence in the service continues to be a concern, in spite of implementation of task group recommendations. Figures did fall initially but recent increases suggest that work-related stress is a factor due to ongoing change. The task group is reconvening and will report back in the New Year. However, sickness levels compare favourably with other Fire & Rescue services.

**Emergency Planning** – has become part of the Fire & Rescue Service and Community Safety O&S will receive a report on result of this at next meeting on 24<sup>th</sup> November.

A report on Effectiveness of Business Continuity of County Council Services showed good progress in this area. All critical services have robust plans in place and a recent discussion exercise tested these against 3 possible scenarios including a major fire at Shire Hall on Budget Setting day.

A Life Skills Centre known as Skillzone located in Tuffley Lane will open in September 2012. It will feature 16 risk & consequence scenarios, eg: a dark alley, open water and a farmyard. The centre will be run as a business using both employed and voluntary staff.

**Safer Stronger Justice Commission** which is a merger of the Gloucs Safer & Stronger Community Partnership & the Criminal Justice Board is still in its early days. However the Home Office have expressed interest in the concept and met with lead O&S members to explore further. The merger has resulted in a more streamlined structure and the commission is keen to build on its relationship with the districts.

**Mortuary Complex** Current arrangements do not meet H&S and Human Tissue Act standards and a new complex bringing post mortem facilities, mortuary and coroners court together will be completed in December. After testing and training it will go live in April next year. Gloucestershire conducts around 1250 post mortems and 325 inquests annually.

**Trading Standards** A task group report to ensure an efficient & effective service in the light of the budget reductions will come to O&S on 24<sup>th</sup> November.

**Finally** O&S was shortlisted for the Centre of Public Scrutiny awards in the Innovation category. Sadly it didn't win but it is reassuring to know that its work has wider public recognition.

## Cheltenham Borough Council

Cabinet – 13<sup>th</sup> December 2011

### General Fund Revenue and Capital - Revised Budget 2011/12 and Interim Budget Proposals 2012/13 for Consultation

<b>Accountable member</b>	<b>Cabinet Member for Community Development and Finance, John Webster</b>
<b>Accountable officer</b>	<b>Director of Resources (Section 151 Officer), Mark Sheldon</b>
<b>Accountable scrutiny committee</b>	<b>All scrutiny committees</b>
<b>Ward(s) affected</b>	<b>All</b>
<b>Key Decision</b>	<b>Yes</b>
<b>Executive summary</b>	<b>This report summarises the revised budget for 2011/12 and the Cabinet’s interim budget proposals for 2012/13 for consultation.</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li><b>1. Note the revised budget for 2011/12.</b></li> <li><b>2. Approve the interim budget proposals for consultation including a proposed council tax for the services provided by Cheltenham Borough Council of £187.12 for the year 2012/13 (a 0% increase based on a Band D property).</b></li> <li><b>3. Approve the growth proposals, including one off initiatives at Appendix 3 and use of New Homes Bonus as indicated in paragraph 5.3.</b></li> <li><b>4. Approve the proposed capital programme at Appendix 6, as outlined in Section 9.</b></li> <li><b>5. Delegate authority to the Director Resources, in consultation with the Cabinet Member for Community Development and Finance, to determine and approve any additional material that may be needed to support the presentation of the interim budget proposals for consultation.</b></li> <li><b>6. Seek consultation responses by 14<sup>th</sup> January 2012.</b></li> </ol>
<b>Financial implications</b>	<p>As contained in the report and appendices.</p> <p><b>Contact officer: Mark Sheldon.</b></p> <p><b>E-mail: <a href="mailto:mark.sheldon@cheltenham.gov.uk">mark.sheldon@cheltenham.gov.uk</a></b></p> <p><b>Tel no: 01242 264123</b></p>

<p><b>Legal implications</b></p>	<p>As this report proposes an interim budget for consultation purposes, there are no specific legal implications at this stage.</p> <p><b>Contact officer: Peter Lewis</b></p> <p><b>E-mail: peter.lewis@teWKesbury.gov.uk</b></p> <p><b>Tel no: 01684 272012</b></p>
<p><b>HR implications (including learning and organisational development)</b></p>	<p>In the spirit of building on our positive industrial relations environment, the recognised trade unions received a budget briefing at a Joint Consultative Committee on 24 November 2011. The interim budget proposals (Appendix 4) details the savings generated from a number of restructures that have already taken place this year. Dialogue with the recognised trade unions will continue in order to ensure that the potential impact on employees are kept to a minimum and in doing so help to avoid the need for any compulsory redundancies. The Council's policies on managing change and consultation regarding any redundancies will be followed.</p> <p>On going, it is important that capacity is carefully monitored and managed in respect of any reductions on FTE and reduced income streams.</p> <p><b>Contact officer: Julie McCarthy</b></p> <p><b>E-mail: julie.mccarthy@cheltenham.gov.uk</b></p> <p><b>Tel no: 01242 264355</b></p>
<p><b>Key risks</b></p>	<p>As outlined in Appendix 1</p>
<p><b>Corporate and community plan Implications</b></p>	<p>The aim of the interim budget proposals is to direct resources towards the key priorities identified in the Council's Corporate Business Plan whilst recognising the reduction in government funding.</p>
<p><b>Environmental and climate change implications</b></p>	<p>The draft budget contains a number of proposals for improving the local environment, as set out in this report.</p>

## 1. Background

- 1.1 In accordance with the Council's Budget and Policy Framework Rules, which is part of the Council's constitution, the Cabinet is required to prepare interim budget proposals for the financial year ahead and consult on its proposals for no less than four weeks prior to finalising recommendations for the Council to consider in February 2012. This report sets out the interim proposals for 2012/13.

## 2. 2011/12 Revised Budget

- 2.1 The budget monitoring report to the end of August 2011, considered by Cabinet on 18<sup>th</sup> October 2011, identified a potential projected overspend of £476k for the current year, 2011/12. In response, the Senior Leadership Team implemented a freeze on all unspent supplies and services budgets which included leasing costs for the purchase of new vehicles and equipment. As a result of the action taken, the revised budget for 2011/12, which includes projected savings in employee related and supplies and services budgets, is now projected to have managed the projected overspend to zero.

## 3. Finance Settlement

- 3.1 The Government's comprehensive spending review (CSR10) in 2010 determined the level of funding for the whole of the public sector for the period 2011/12 to 2012/13. The following table summarises the updated headline figures for the level of Government support to the Council released on 7<sup>th</sup> February 2011.

	2010/11 £m	2011/12 £m	2011/12 £m adjusted	2012/13 £m
Revenue Support Grant	1.118	1.440	1.440	
Cheltenham's share of Redistributed Business Rates	7.701	4.658	4.658	
Formula Grant	8.819	6.098	6.098	5.518
less formula grant adjustment e.g. concessionary fares	(1.631)	-	(0.046)	
Adjusted formula grant	<b>7.188</b>	<b>6.098</b>	<b>6.052</b>	<b>5.518</b>
Actual cash (decrease) over previous year		(1.090)		(0.534)
% cash cut		<b>(15.16%)</b>		<b>(8.82%)</b>

- 3.2 In the coalition Government's comprehensive spending review in October 2010, the Chancellor of the Exchequer announced that councils would receive a cut in government support of 7.1% in each of the next 4 years, a total of 28.4%. This was broadly in line with the assumptions for a reduction in government support modelled in the council's Medium Term Financial Strategy (MTFS) although the council anticipated some front loading and planned for a 10.7% cut in 2011/12.

- 3.3 The actual settlement was very different. The council received a cash reduction in government

support (revenue support grant plus share of redistributed non domestic rates) of £1.090m, a cut of 15.16% in 2011/12 followed by a further projected cash cut of £534k (8.82%) in 2012/13. Cumulatively, this equates to a 23.23% cut over 2 years. Funding levels for the following 2 years i.e. 2014/15 and 2015/16, have yet to be announced but it is likely that they will continue to impact on the council's finances detrimentally.

### **4. The Cabinet's general approach to the 2012/13 budget**

- 4.1** The Cabinet's budget strategy for 2012/13, approved at a meeting on 18<sup>th</sup> October 2011, included an estimate of £824k for the 2012/13 budget gap i.e. the financial gap between what the Council needs to spend to maintain services (including pay and price inflation) and the funding available assuming a 9.57% cut in government support. A technical change to the provisional 2012/13 settlement was made on 7<sup>th</sup> February 2011, which provided an additional £45k in government support which represents a revised cash reduction of 8.82%.
- 4.2** The final assessment of the budget gap for 2012/13, based on the detailed budget preparation undertaken over recent months and the provisional financial settlement is £972k which takes into account, structural shortfalls within the 2011/12 base budget such as car parking income and green waste sales.
- 4.3** In November 2011, the Chancellor of the Exchequer announced that the Government intends to make funding available to help councils freeze their council tax in 2012/13. Unlike for 2011/12, the council tax freeze grant for 2012/13 will involve a single one-off payment and this will not be built into the baseline (i.e. no further grant payments will be made over the Spending Review period). Whilst the Cabinet are proposing to take up the Governments offer to freeze council tax at 2011/12 levels it recognises that this will put additional pressure on the 2013/14 budget as this decision will add circa £200k to the funding gap.
- 4.4** In preparing the interim budget proposals, the Cabinet and officers have made the following assumptions:
- Prepared a standstill budget projection under a general philosophy of no growth in levels of service with the exception of Taxi Marshall's, tree maintenance and license costs for 'Huddle', costing £44k annually, which have now been built into the base budget. The Taxi Marshall's service had previously been funded from the Licensing Equalisation Reserve which is no longer sustainable.
  - Provided for inflation for contractual, statutory, and health and safety purposes at an appropriate inflation rate where proven.
  - Not budgeted for pay inflation for 2012/13.
  - Increased income budgets based on an average increase in fees and charges of 2.5% with the exception of property rents which have not been inflated but are now set in line with rent projections based on property leases. The Cabinet intend to freeze car park charges and hire charges for its entertainment's venues at current year's levels which have been shown as growth within the interim budget proposals.
  - Assessed the impact of prevailing interest rates on the investment portfolio, the position in respect of Icelandic banks and the impact of HRA self-financing, the implications of which have been considered by the Treasury Management Panel.
  - Allowed for a council tax freeze, in line with the coalition Government's request, on the basis that it will be funded through a specific grant for one year only.

**4.5** The key aims in developing the approach to the budget were to:

- Protect frontline services, as far as possible
- Continue to develop longer term plans for efficiencies over the period of the MTFS including increasing emphasis on shared services and commissioning services.

**4.6** Once again, there has been considerable activity during the course of the year to develop this longer term strategy for closing the funding gap. The Cabinet have worked with officers to develop the 'Bridging the Gap (BtG)' programme using the BtG group supported by the Senior Leadership team. The Cabinet's interim budget proposals for closing the budget gap in 2012/13, the result of this work, are detailed in Appendix 4, split into:

- Decisions already made by council and therefore built into the base budget, totalling £254k.
- Proposals yet to be agreed by council which are not built into the base budget, totalling £862k which includes a contribution from New Homes Bonus (NHB) of £250k.

**4.7** The Cabinet and SLT have been anticipating having to make significant savings and have been actively managing vacancies and staffing levels in order to minimise the impact of service reviews, system's thinking and savings initiatives and cuts. As a result, the reduction in staffing numbers (4.9 full time equivalents) outlined in the budget proposals have been achieved at minimal cost to the taxpayer.

## **5. Service growth**

**5.1** The Cabinet's initial approach was that, given the difficult financial situation, there should be no growth in services which has an impact on revenue expenditure except where there is a statutory requirement or a compelling business case for an 'invest to save' scheme. The growth identified in the budget proposals supported by Cabinet meets these criteria and reflect the need to invest in business processes, infrastructure and schemes which support the BtG programme.

**5.2** The New Homes Bonus (NHB) scheme was 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 is not ring-fenced for a specific purpose, it is designed to allow the 'benefits of growth to be returned to local communities'.

**5.3** An assessment of projected allocations for NHB based on housing commitments to 2022/23 allows for £250k to be built into the 2012/13 base budget which is sustainable over the period of the MTFS. This leaves a further £324k allocation of NHB in 2012/13 which the Cabinet aspires to fund the following one-off investment and an aspiration to take a similar approach in future years.

- A further £50k towards addressing youth work issues that the County can no longer fund in the way that it traditionally did.
- £142k for small environmental works to tackle environmental issues costing up to a maximum of £15k.
- £142k towards a Promoting Cheltenham fund to support events, projects and initiatives that will stimulate economic and business growth in Cheltenham.

**5.4** The full list of proposals for growth, including one off initiatives, is included in Appendix 3.

## **6. Treasury Management**

- 6.1** Appendix 2 summarises the budget estimates for interest and investment income activity taking into account the following changes, considered by the Treasury Management Panel, at its meeting on 21<sup>st</sup> November 2011.
- 6.2** Security of capital remains the Council's main investment objective. The solvency issues surrounding Europe in addition to the downgrades of some UK banks has meant the Council has scaled back its lending list, and will start to repay temporary debt with maturing investments rather than re-invest. For 2012/13 interest payable will reduce by £10,600 and interest receivable will reduce by £127,400. Interest rates are expected to remain at low levels for the foreseeable future. Interest payable to the HRA for reserves and balances held within the Council's overall balances will reduce by £32,500.
- 6.3** The government are going ahead with changes which will have a major impact on the way the Housing Revenue Account (HRA) is financed from April 2012. One of the changes is the methodology for splitting the current loans the council has and charging the coupon rate of a loan instead of a weighted average rate to the HRA loans. This has resulted in an additional £232,200 of borrowing costs being transferred to the HRA.
- 6.4** As a result, the net impact on the 2012/13 budget is an increase in net treasury income of £147,900.
- 6.5** The council has been actively pursuing the deposits from the three Icelandic owned banks, Glitnir, Landsbanki and Kaupthing Singer and Friedlander (KSF). Recently the Icelandic Supreme Court upheld the District Court decision that the test cases involving Local Authority deposits with Landsbanki and Glitnir banks as having priority creditor status. This means that local authority deposits will be at the front of the queue in getting the deposits back. Although the council is awaiting ratification of the court decision on non-test cases, it is expected that the council will receive back 98% of the Landsbanki deposits and 100% of the Glitnir deposits. So far 63p in the pound has been received from KSF and future total distributions should be in the range of 79p to 86p in the pound.
- 6.6** This has enabled the council to reduce its Minimum Revenue Provision (MRP), as an element of the capital direction received in 2009 is no longer required, which will save the council £155,000. This has been built into the base budget projection for 2012/13.

## **7. Medium Term Financial Strategy (MTFS)**

- 7.1** The MTFS identified a funding gap for the period 2012/13 – 2016/17 of £2.5m. The MTFS projection will be reassessed to include the latest view of financial implications of more recent developments including any information in respect of future funding levels for the Cabinet's final budget proposals in February 2012.

## **8. Reserves**

- 8.1** Further work on reserves will be undertaken prior to the presentation of the final budget in February 2012, including the Civic Pride, ICT and Property Maintenance reserves.

## **9. Capital Programme**

- 9.1** The proposed capital programme for the period 2012/13 to 2016/17 is at Appendix 6.



- 9.2** The programme includes provisional sums for infrastructure investment to be funded from the Civic Pride reserve. The council may well be concluding the sale of the Midwinter site, North Place and Portland Street car parks during 2012/13. A shopping list of infrastructure investment across the town is being developed for approval.

### **10. Property Maintenance Programmes**

- 10.1** The budget proposals include a proposal to defer the increase in annual contribution of £200k to the planned maintenance reserve by a further year, in response to the severe settlement position. In line with the budget working group's suggestions to Cabinet, the planned maintenance programme will be reviewed by the Asset Management Working Group prior to the final budget preparation in February 2012.

### **11. Reasons for recommendations**

- 11.1** As outlined in the report.

### **12. Alternative options considered**

- 12.1** The Cabinet have considered many alternatives in arriving at the interim budget proposals. Opposition groups will be able to suggest alternative budget proposals for consideration by council in February 2012.

### **13. Consultation and feedback**

- 13.1** The formal budget consultation on the detailed interim budget proposals will be over the period **14<sup>th</sup> December 2011 to 13<sup>th</sup> January 2012**. The Cabinet will seek to ensure that the opportunity to have input into the budget consultation process is publicised to the widest possible audience. During the consultation period, interested parties including businesses, tenants, residents, staff and trade unions will be encouraged to comment on the initial budget proposals. They will be asked to identify, as far as possible, how alternative proposals complement the Council's Business Plan and Community Plan and how they can be financed. The Overview and Scrutiny Committees will be invited to review the interim budget proposals in the meetings scheduled for January 2012 and any comments will be fed back to the Cabinet.

- 13.2** Whilst the Cabinet will be as flexible as possible, it is unlikely that any comments received after the consultation period can be properly assessed to consider their full implications and to be built into the budget. Accordingly, if alternative budget proposals are to come forward, this should happen as early as possible.

- 13.3** All comments relating to the initial budget proposals should be returned to the Head of Financial Services by the end of the consultation period for consideration by the Cabinet in preparing their final budget proposals. Consultation questionnaires will be available in key locations and for completion on line via the council's website. Comments can be e-mailed to [moneymatters@cheltenham.gov.uk](mailto:moneymatters@cheltenham.gov.uk).

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

- 14.1** The scale of budget cuts will require significant work to deliver within the agreed timescales and there is a danger that it diverts management time from delivery of services to delivery of cuts. There are regular progress meetings to monitor the delivery of savings and this will need to be

matched with performance against the corporate strategy action plan to ensure that resources are used to best effect and prioritised.

- 14.2** The delivery of the savings workstreams included in the interim budget proposals, if approved by full council will be monitored via the BtG group.

<b>Report author</b>	<p><b>Paul Jones, Head of Financial Services</b></p> <p><b>Tel. 01242 775154;</b></p> <p><b><i>e-mail address paul.jones@cheltenham.gov.uk</i></b></p>
<b>Appendices</b>	<ol style="list-style-type: none"> <li>1. Risk Assessment</li> <li>2. Summary net budget requirement</li> <li>3. Growth</li> <li>4. Savings / additional income</li> <li>5. Projection of reserves</li> <li>6. Capital programme</li> </ol>
<b>Background information</b>	<ol style="list-style-type: none"> <li>1. Provisional Finance settlement 2012/13</li> <li>2. MTFS 2011/12 – 2016/17</li> </ol>

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1.01	If the council is unable to come up with long term solutions which bridge the gap in the medium term financial strategy then it will find it increasingly difficult to prepare budgets year on year without making unplanned cuts in service provision.	Mark Sheldon	15 December 2010	3	3	9	R	The council has agreed a commissioning approach and the MTFS identifies a number of longer term solutions. The council will need to be mindful of capacity to deliver the savings programme	Dec 2012	Mark Sheldon	
1.02	If the robustness of the income proposals is not sound then there is a risk that the income identified within the budget will not materialise during the course of the year.	Mark Sheldon	15 December 2010	3	3	9	R	Robust forecasting is used to prepare the budget looking back on previous income targets and collection, and forecasts take into account the current economic situation. Professional judgement used on the deliverability of income targets. Once budget approved, regular monitoring of income targets will identify any issues and any corrective action which need to be taken and will be reported through the budget monitoring reports.	Ongoing during course of year	Mark Sheldon	
1.03	If when developing a longer term strategy to meet the MTFS, the council does not make the public aware of its financial position and clearly articulates why it is	Jane Griffiths	15 December 2010	3	3	9	R	As part of the development of BtG programme there will need to be a clear communication strategy. In adopting a	Dec 2012	Communications team to support the BTG programme	

	making changes to service delivery then there may be confusion as to what services are being provided and customer satisfaction may decrease.							commissioning culture then it will be basing its decisions on customer needs and requirements and this should help address satisfaction levels.			
1.04	There is a reliance on shared services delivering savings. If these savings do not materialise or shared service projects do not proceed as anticipated then other savings will need to be found to meet the MTFS projections.	Pat Pratley	15 December 2010	3	3	9	R	All shared services are operated under prince 2 principles, with clear business case and risk logs are maintained for the shared service projects and regularly reviewed	Ongoing during course of year	Pat Pratley	
1.05	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.	Mark Sheldon	15 December 2010	3	3	9	R	Future realignment of reserves may be required in order to increase the General Reserve.	Dec 2012	Mark Sheldon (working with SLT and Cabinet)	
1.06	If the council does not carefully manage its commissioning of services then it may not have the flexibility to make additional savings required by the MTFS in future years and a greater burden of savings may fall on the retained organisation	Mark Sheldon	15 December 2010	3	3	9	R	Contracts, SLAs and other shared service agreements will need to be drafted and negotiated to ensure that there is sufficient flexibility with regards to budget requirements	Ongoing	AD Commissioning	

## NET GENERAL FUND BUDGET 2011/12 REVISED AND 2012/13

<b>GROUP</b>	<b>2011/12 ORIGINAL</b>	<b>2011/12 REVISED</b>	<b>2012/13 ORIGINAL</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Projected cost of 'standstill' level of service</b>			
Commissioning	2,942,800	2,853,300	2,864,200
Built Environment	1,166,850	1,262,166	839,700
Wellbeing & Culture	4,672,200	4,550,250	4,607,850
Resources	1,340,650	1,558,950	1,708,350
Operations	4,793,500	4,740,800	4,820,400
Strategic Directors	(16,450)	(1,450)	(8,550)
Programmed Maintenance (Revenue)	482,100	588,400	770,000
Business Change	734,800	1,016,900	591,325
Savings from vacancies	(480,000)	(69,650)	(480,000)
Bad debt provision	40,000	40,000	40,000
	<b>15,676,450</b>	<b>16,539,666</b>	<b>15,753,275</b>
Capital Charges	(2,097,600)	534,600	(1,913,300)
Interest and Investment Income	521,800	597,200	373,900
Use of balances and reserves	173,643	(2,925,674)	408,498
Proposed Growth recurring - Appendix 3			149,600
Savings / Additional income identified - Appendix 4			(861,600)
LAA Performance Reward Grant		(180,424)	
New Homes Bonus		(290,275)	
Specific Grant in lieu of council tax freeze 2011/12	(197,000)	(197,800)	(197,800)
Specific Grant in lieu of council tax freeze 2012/13			(199,000)
<b>NET BUDGET</b>	<b>14,077,293</b>	<b>14,077,293</b>	<b>13,513,573</b>
<b>Deduct:</b>			
Revenue Support Grant	(1,439,927)	(1,439,927)	(5,518,459)
National Non-Domestic Rate	(4,658,405)	(4,658,405)	0
Collection Fund Contribution	(59,500)	(59,500)	(34,000)
	<b>(6,157,832)</b>	<b>(6,157,832)</b>	<b>(5,552,459)</b>
<b>NET SPEND FUNDED BY TAX</b>	<b>7,919,461</b>	<b>7,919,461</b>	<b>7,961,114</b>
Band 'D' Tax	£187.12	£187.12	£187.12
Increase per annum			£0.00
Increase per week			£0.00
% Rise			0.0%

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Ref	Division	Project Name	Description	Revenue Costs			Capital Costs		
				2012/13 £	2013/14 £	2014/15 £	2012/13 £	2013/14 £	2014/15 £
<b>SUPPORTED GROWTH (RECURRING)</b>									
1	Wellbeing & Culture	Public Protection - Taxi Marshalls	To continue the service of providing taxi marshalls in the town centre to maintain safety in the nighttime economy.	17,000	17,000	17,000			
2	Resources	IT Infrastructure	Huddle is a "cloud" based application that enables team members within partnership projects to work collaboratively and share documents. Funding is required to establish a base budget for licence costs.	7,000	7,000	7,000			
3	Built Environment	Trees Budget	Additional annual tree maintenance budget.	20,000	20,000	20,000			
4	Wellbeing & Culture	Town Hall and Pump Room Lettings income	To not increase the lettings fee income in line with inflation, to keep the fees and charges competitive and reflective of the current economic climate.	11,700	11,700	11,700			
5	Built Environment	Car Parking income	To not increase car parking income charges in line with inflation, to reflect the current downturn in car parking income levels.	93,900	93,900	93,900			
				<b>149,600</b>	<b>149,600</b>	<b>149,600</b>			
<b>SUPPORTED GROWTH (FUNDED FROM CIVIC PRIDE RESERVE)</b>									
6	Built Environment	Civic Pride	CBC contribution to East Promenade repaving by GCC, plus street furniture costs.				145,000		
7	Built Environment	Civic Pride	CBC contribution to West Promenade repaving by GCC.					100,000	
8	Built Environment	Civic Pride	Upgrade of Promenade pedestrianised area including remodelling of tree pits, providing seating, re-pointing existing Yorkstone.				100,000		
9	Built Environment	Civic Pride	Remodelling of Sherborne Place Car Park into a Green car park for short stay bus use.				100,000		
10	Built Environment	Civic Pride	Scheme for St.Mary's churchyard					50,000	
11	Built Environment	Civic Pride	Public Space Designer	35,000	35,000				
				<b>35,000</b>	<b>35,000</b>	<b>-</b>	<b>395,000</b>	<b>100,000</b>	<b>-</b>

Ref	Division	Project Name	Description	Revenue Costs		Capital Costs	
				2012/13 £	2013/14 £	2012/13 £	2013/14 £
<b>SUPPORTED GROWTH (FUNDED FROM CAPITAL RESERVE)</b>							
12	Resources	IT Infrastructure	Upgrade of Microsoft Office required as version currently used is an end of life product and no longer supported by Microsoft.			120,000	
13	Resources	IT Infrastructure	Upgrade of Civica system to ensure PCI compliance.				56,200
14	Built Environment	Civic Pride	Improvements to Grosvenor Terrace Car Park including making a Green car park, improving linkages to the High Street, improved sustainability - rainwater harvesting, PV cells etc.			150,000	
				-	-	270,000	56,200
<b>SUPPORTED GROWTH (FUNDED FROM PROPERTY R&amp;R RESERVE)</b>							
15	Programme Maintenance	Carbon Reduction	Evaporation system in ICT Server Room	13,000			
16	Programme Maintenance	Carbon Reduction	New LED pool lights at Leisure@	10,000			
				23,000	-	-	-



	2012-13 Savings / Addnl Income £	Built into Base Budget 2012/13 £	Not built into Base Budget 2012/13 £	FTE Losses 2011/12	FTE Losses 2012/13	Service / Risk Implications	Indicative equality / diversity impact at draft budget stage
<b>CORPORATE</b>							
1 RESTRUCTURE OF ADMINISTRATION SUPPORT FOR SENIOR LEADERSHIP TEAM	15,000	0	15,000	1.0		There may be additional pressure on SLT to undertake more administration, diverting valuable time from more critical work.	No specific equality impacts identified as part of this proposal - any staffing reorganisation will follow agreed procedures, including consultation with affected staff and Trade Unions to ensure fairness throughout the process.
<b>COMMISSIONING</b>							
2 REVIEW OF CORPORATE COMMUNICATIONS	20,000		20,000	1.0		It will be important to ensure that the public have the right level of information to access services.	No specific equality impacts identified as part of this proposal - any staffing reorganisation will follow agreed procedures, including consultation with affected staff and Trade Unions to ensure fairness throughout the process.
3 ONE LEGAL REORGANISATION	20,000	0	20,000			None identified.	No specific equality impacts identified as part of this proposal - any staffing reorganisation will follow agreed procedures, including consultation with affected staff and Trade Unions to ensure fairness throughout the process.
<b>HUMAN RESOURCES</b>							
4 CORPORATE TRAINING - INCREASED USE OF LMS LEARNING GATEWAY	2,000	0	2,000			Will need to watch capacity if developing bespoke e-learning.	None identified.
5 REMOVE ESSENTIAL/REGULAR CAR USER STATUS	62,100	0	62,100			Have not been able to reach agreement with TUs at present, may need to introduce new arrangement separately (individual sign up to new approach). Preparing briefing note for SLT, intranet update, will offer 12 Is. May be reduced performance from reduced allowance.	None identified.
<b>OPERATIONS</b>							
6 ESTABLISHMENT OF LOCAL AUTHORITY JOINT WASTE COMPANY WITH COTSWOLD DISTRICT COUNCIL	83,000	0	83,000				None identified.
7 ESTABLISHMENT OF LOCAL AUTHORITY JOINT WASTE COMPANY WITH COTSWOLD DISTRICT COUNCIL - ROLE OF CLIENT OFFICER FOR LAC	-30,000	0	-30,000				None identified.
<b>HEALTH AND WELLBEING</b>							
8 INCREASE COST OF HALL HIRE FOR WEDDINGS AT THE PITTVILLE PUMP ROOMS Increase in cost of weddings by £225 from £1,900 to £2,125.	5,000	5,000	0				None identified.
9 * EVERYMAN THEATRE PHASED GRANT REDUCTION (OVER 6 YEARS) Phased reduction in grant over 6 years resulting from the renegotiation of lease and support for the grant application of £250k towards theatre refurbishment costs and loan application for £1m (total £30k over 6 years)	5,000	5,000	0				The grant reduction may impact on the Everyman's ability to provide outreach work which is particularly valued by community groups; the everyman has focused recently on work with BME communities. Director of Wellbeing & Culture to keep an overview of equality impacts.
10 * REDUCTION IN GRANT FUNDING TO PERFORMING ARTS SOCIETY	10,800	10,800	0				The grant reduction may impact on the financial sustainability of the Festival of Performing Arts which provides performance opportunities for children and young people. Director of Wellbeing & Culture to keep an overview of equality impacts.
11 * REVIEW OF ALLOTMENTS SERVICE - ABOVE INFLATION INCREASE IN CHARGES TO COVER COST OF SERVICE	25,000	0	25,000				The increase in charges for allotments may impact on the ability of some individuals to afford their allotments. Director of Wellbeing & Culture to keep an overview on the equality impact of this proposal.
12 ADDITIONAL INCOME FROM NEW ALLOTMENT PLOTS	7,000	0	7,000				As above.
13 LEISURE & CULTURE COMMISSIONING EXERCISE 13a - Price increases to some services at 1.5% above inflationary increase (subject to market conditions)	14,000	0	14,000				The price increases may impact on the ability of some customers to access leisure@. Director of Wellbeing & Culture to keep an overview on the equality impact of this proposal.
13b - Income from a concession scheme run with the University of Gloucestershire. "Universal" is designed to encourage student activity via the purchase of memberships and other services across the year.	15,000	0	15,000				None identified.
13c - Restructuring Leisure@ housekeeping and customer services teams	45,000	45,000	0				None identified.
13d - Increased number & volume of children's activity sessions e.g birthday parties, drop in sessions.	3,000	0	3,000				This is a proposal for additional facilities for children and young people.
13e - Income from the University of Gloucestershire using Leisure@ to provide the staff facilities needed to deliver its PE teacher training.	3,000	0	3,000				None identified.
							Full value offset against possible loss of other business in the hall hires area in particular.

	2012-13 Savings / Addnl Income £	Built into Base Budget 2012/13 £	Not built into Base Budget 2012/13 £	FTE Losses 2011/12	FTE Losses 2012/13	Indicative equality / diversity impact at draft budget stage	Service / Risk Implications
14 BOX OFFICE BOOKING FEE INCREASE & RESTRUCTURE	48,000	0	48,000		2.0	The proposal will lead to a small increase in the cost of purchasing tickets from the Town Hall booking office therefore no detrimental equality impacts have been identified at this stage. Any staffing reorganisation will follow agreed procedures, including consultation with affected staff and Trade Unions to ensure fairness throughout the process.	
<b>RESOURCES</b>							
15 SOURCING STRATEGY - REVENUES & BENEFITS Savings from Systems Thinking	109,100	109,100	0	2.9		This is a large project which will have significant impacts on staff which needs to be subject to a stand alone equality impact assessment.	There is less resource to deal with any future additional demands on the service resulting from the move to universal credit.
16 FLEXIBLE RETIREMENT OF CUSTODIAN	5,000	0	5,000	0.4		No specific equality impacts identified as part of this proposal - any staffing reorganisation will follow agreed procedures, including consultation with affected staff and Trade Unions to ensure fairness throughout the process.	There will be a reduced pool of staff to call on to maintain the out of hours opening times for the Municipal Offices.
17 RENEGOTIATION OF REGENT ARCADE LEASE (Cabinet approved on 26th July 2011)	75,000	75,000	0			None identified.	None
18 BUILD NEW HOMES BONUS INCOME INTO BASE BUDGET	250,000	0	250,000			None identified.	There may be less money available to fund one off projects previously funded from this income stream.
19 DEFERRED INCREASED CONTRIBUTION TO PROPERTY REPAIRS & RENEWALS RESERVE	200,000	0	200,000			None identified.	The annual programme of maintenance may have to be reduced in line with a reduced budget which could lead to a deterioration in the upkeep of the councils buildings and the towns infrastructure .
20 RESTRUCTURE IN REVENUES DEPARTMENT (INCLUDING RETIREMENT)	15,000	0	15,000	0.5		No specific equality impacts identified as part of this proposal - any staffing reorganisation will follow agreed procedures, including consultation with affected staff and Trade Unions to ensure fairness throughout the process.	There is less resource to deal with any future additional demands on the service resulting from the move to universal credit.
<b>BUILT ENVIRONMENT</b>							
21 MERGING ON STREET AND OFF STREET PARKING TEAMS	10,000	0	10,000	1.0		No specific equality impacts identified as part of this proposal - any staffing reorganisation will follow agreed procedures, including consultation with affected staff and Trade Unions to ensure fairness throughout the process.	There is a risk that if the council were to lose the current civil parking enforcement service provided on street on behalf of GCC, there would be significant financial implications in terms of support service and accommodation costs which would need to be established.
22 MERGER OF STRATEGIC LAND USE AND HOUSING ENABLING FUNCTIONS	14,500	0	14,500	2.0		No specific equality impacts identified as part of this proposal - any staffing reorganisation will follow agreed procedures, including consultation with affected staff and Trade Unions to ensure fairness throughout the process.	A reduction in staffing capacity may make it difficult to deal with work volumes if there is an upturn in the number of applications. This situation will be kept under review.
23 REDUCE GRANTS TO REGENERATION PARTNERSHIPS (Oakley and Hesters Way Partnerships) Reduce both partnerships by £2k each per annum over 5 years.	4,000	4,000	0			None identified; the funding reduction was agreed last year and has been built into their current 3 year agreements.	Risks from reducing this funding support have been mitigated through dialogue with the affected organisations and phasing of the grant reductions over two years.
24 REORGANISATION OF ECONOMIC DEVELOPMENT	25,000	0	25,000	1.0		No specific equality impacts identified as part of this proposal - any staffing reorganisation will follow agreed procedures, including consultation with affected staff and Trade Unions to ensure fairness throughout the process.	Whilst there will be a reduction in initiatives providing direct financial support to individual businesses, the council's strategic approach will focus on activities aimed at fostering the conditions within which businesses have the best chance of success.
25 RESTRUCTURE OF BUILT ENVIRONMENT DIVISION	25,000	0	25,000	1.0		No specific equality impacts identified as part of this proposal - any staffing reorganisation will follow agreed procedures, including consultation with affected staff and Trade Unions to ensure fairness throughout the process.	There will be a reduction in strategic housing capacity which is likely to have some impact on the council's ability to contribute to partnership working in areas such as the supporting people programme.
26 SINGLE ADVICE CONTRACT RE-TENDER	25,000	0	25,000			This is a large procurement exercise which need to be subject to a stand alone equality impact assessment.	No significant risks to the authority have been identified.
27 CHARGE FOR DISCRETIONARY ADVICE IN RELATION TO LISTED BUILDINGS AND OTHER HERITAGE ASSETS	5,000	0	5,000			The price increases may impact on the ability of some customers to access this service.	If the council charges for this service, there is an increased risk that the owners of listed buildings and other heritage assets may undertake works without seeking the appropriate advice and consents.
<b>TOTALS</b>	<b>1,115,500</b>	<b>253,900</b>	<b>861,600</b>	<b>7.9</b>	<b>4.9</b>		

\* As previously agreed by cabinet/council after discussion with the relevant organisations.



PROJECTION OF RESERVES TO 31ST MARCH 2013		Purpose of Reserve						
		31/3/11	2011/12	2011/12	31/3/12	2012/13	2012/13	31/3/13
		£	Movement Revenue £	Movement Capital £	£	Movement Revenue £	Movement Capital £	£
<b><u>EARMARKED RESERVES</u></b>								
<b><u>Equalisation Reserves</u></b>								
BR63	Rent Allowances Equalisation	(119,655.60)	39,100.00		(80,555.60)	39,100.00		0.00
BR64	Planning Appeals Equalisation	(38,955.09)			(38,955.09)			(41,455.60)
BR65	Licensing Fees Equalisation	(28,355.00)	17,000.00		(11,355.00)			(38,955.09)
	Past income surpluses to cushion impact of revised legislation							(11,355.00)
	To cover any additional losses arising in the value of Icelandic deposits and/or to reduce the borrowing arising from the capitalisation of the losses	(2,787,594.76)	2,500,000.00		(287,594.76)			(287,594.76)
BR72	Local Plan Equalisation	(55,030.00)	55,000.00		(30.00)			(30.00)
BR76	Fund cyclical cost of local plan inquiry	(11,500.00)	(61,200.00)		(72,700.00)	72,700.00		0.00
	Fund cyclical cost of local elections	<b>(3,041,090.45)</b>			<b>(491,190.45)</b>			<b>(379,390.45)</b>
	<b>Reserves for commitments</b>	<b>(351,200.00)</b>	351,200.00		<b>0.00</b>			<b>0.00</b>
BR91	Old Year Creditor Rsvs - RR							
<b><u>CAPITAL</u></b>								
BR77	Capital Reserve - GF Housing	(902,476.15)		370,000.00	(532,476.15)			(532,476.15)
BR92	Capital Reserve - GF	(901,799.88)	(751,693.00)	928,300.00	(725,192.88)	(700,000.00)	620,000.00	(535,192.88)
		<b>(1,804,275.83)</b>			<b>(1,257,668.83)</b>			<b>(1,067,668.83)</b>
	<b>TOTAL EARMARKED RESERVES</b>	<b>(11,092,248.26)</b>			<b>(6,153,331.26)</b>			<b>(3,519,831.26)</b>
<b><u>GENERAL FUND BALANCE</u></b>								
BS01	General Balance - RR	(2,619,507.03)	393,057.00	109,400.00	(2,117,050.03)	48,002.00		(2,069,048.03)
	General balance	<b>(2,619,507.03)</b>			<b>(2,117,050.03)</b>			<b>(2,069,048.03)</b>
	<b>TOTAL GENERAL FUND RESERVES AND BALANCES</b>	<b>(13,711,755.29)</b>	<b>2,925,674.00</b>	<b>2,515,700.00</b>	<b>(8,270,381.29)</b>	<b>(408,498.00)</b>	<b>2,167,000.00</b>	<b>(5,588,879.29)</b>
	<b>Projected Annual Reduction</b>				<b>5,441,374.00</b>			<b>2,681,502.00</b>

## GENERAL FUND CAPITAL PROGRAMME

Code	Fund	Scheme	Scheme Description	Original Scheme Cost	Payments to 31/03/11	Budget 2011/12 agreed 27/06/11	Revised Budget 2011/12	Budget 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17
				£	£	£	£	£	£	£	£	£
		<b>RESOURCES</b>										
		<b>Property Services</b>										
Various	C/R	Programmed Maintenance	New cremators			655,000	524,000	131,000				
		<b>Financial Services</b>										
GCERP	C	GO ERP	Development of ERP system within the GO Partnership	421,700	212,309	209,400	209,400					
DC4002	C	Gloucestershire Airport	Contribution towards the redevelopment project - £1.2m loan			1,200,000	0	1,200,000				
		<b>ICT</b>										
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			35,300	35,300					
DC3213	C	Storage Area Network	Storage for the council's data in a secure, expandable and robust environment	155,000	142,297	12,700	12,700					
DC4003	C	Telephony switch upgrade	Upgrade of operating system, voice system and contacts centre with the benefit of future-proofing the council's system and adding flexibility.	70,300		70,300	70,300					
		<b>WELLBEING &amp; CULTURE</b>										
		<b>Parks &amp; Gardens</b>										
LC6001	S	S.106 Play area refurbishment	Developer Contributions			76,500	54,000	50,000	50,000	50,000	50,000	50,000
LC6006	C	Play Area Enhancement	Ongoing programme of maintenance and refurbishment of play areas to ensure they improve and meet safety standards			80,000	80,000	80,000	80,000	80,000	80,000	80,000
LC6011	P	Pitville Park Boathouse	Enhancements to Pitville Park including the Boathouse bridge funded from Severn Trent Water Community Fund awarded following the floods in 2007.			72,000	72,000					
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	677,363	0	0					
		<b>Cemetery &amp; Crematorium</b>										
LC6022		Burial Chapel	Invest to save scheme to convert burial chapel to handle cremations.	110,000	99,829	10,100	10,100					
		<b>Cultural Services</b>										
LC4006	R/P	Art Gallery & Museum Development Scheme	Council's commitment to new scheme as agreed by Council 20th July 2008			1,000,000	2,030,000	4,270,000				
LC4007	C	Everyman Theatre	Contribution towards the redevelopment project - £1m loan and £250k grant	1,250,000		1,250,000	1,250,000					
		<b>Community Safety</b>										
EC0006	C	CCTV/Town Centre initiative	Expansion of on street CCTV in the town centre to increase safety and secure the environment			50,000	50,000	50,000	50,000	50,000	50,000	50,000

GENERAL FUND CAPITAL PROGRAMME

Code	Fund	Scheme	Scheme Description	Original Scheme Cost	Payments to 31/03/11	Budget 2011/12 agreed 27/06/11	Revised Budget 2011/12	Budget 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17
				£	£	£	£	£	£	£	£	£
		<b>BUILT ENVIRONMENT</b>										
		<b>Integrated Transport</b>										
EC0033	C	CCTV in Car Parks	Additional CCTV in order to improve shopping areas and reduce fear of crime			104,800	14,800	50,000	50,000	50,000	50,000	50,000
EC0060	C	Car park management technology	The upgrade of the car park management technology at selected sites such as Regent Arcade is essential as the existing management systems and hardware have now reached the end of their life cycle.			250,000	130,000	120,000				
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	51,993	7,700	7,700					
		<b>Housing</b>										
HC7440	C/SCG	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.			600,000	600,000	600,000	600,000	600,000	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).			26,000	26,000	26,000	26,000	26,000	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			324,400	324,400					
HC7405	PSDH	Vacant Property Grant	A new form of assistance available under the council's Housing Renewal Policy 2003-06									
HC7410	PSDH	Renovation Grants	Grants provided under the Housing Grants, Construction and Regeneration Act 1996									
HC7455	LAA / C	Warm & Well	A Gloucestershire-wide project to promote home energy efficiency, particularly targeted at those with health problems			60,000	60,000	60,000	60,000			
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			345,000	270,000					
HC9200	C/S	Housing Enabling	Transformational improvements to private households in St. Paul's to assist them in raising the standard of their dwellings in line with new build council housing stock.			55,000	130,000					
HC9200	C/S	Housing Enabling	Expenditure in support of enabling the provision of new affordable housing in partnership with Cheltenham Borough Homes			1,790,000	1,790,000	2,900,000				
		<b>INTERIM BUDGET PROPOSALS FUTURE CAPITAL PROGRAMME:</b>										
								270,000	200,000	200,000	200,000	200,000



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## Cheltenham Borough Council

Cabinet – 13<sup>th</sup> December 2011

## Housing Revenue Account - Revised Budget 2011/12 and Interim Budget Proposals 2012/13 for Consultation

<b>Accountable member</b>	<b>Cabinet Member for Community Development and Finance, John Webster</b>
<b>Accountable officer</b>	<b>Director of Resources (Section 151 Officer), Mark Sheldon</b>
<b>Accountable scrutiny committee</b>	<b>Social and Community</b>
<b>Ward(s) affected</b>	<b>All</b>
<b>Key Decision</b>	<b>Yes</b>
<b>Executive summary</b>	<b>This report summarises the Housing Revenue Account (HRA) revised budget for 2011/12 and the Cabinet's interim budget proposals for 2012/13 for consultation.</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li><b>1. Note the revised HRA budget for 2011/12.</b></li> <li><b>2. Approve the interim HRA budget proposals for consultation including a proposed average rent increase of 6.43% (applied in accordance with rent restructuring guidelines) and increases in other rents and charges as detailed at Appendix 5.</b></li> <li><b>3. Approve the proposed HRA capital programme at Appendix 6.</b></li> <li><b>4. Delegate authority to the Director Resources, in consultation with the Cabinet Member for Community Development and Finance, to determine and approve any additional material that may be needed to support the presentation of the interim budget proposals for consultation.</b></li> <li><b>5. Seek consultation responses by 26<sup>th</sup> January 2012.</b></li> </ol>
<b>Financial implications</b>	<p>As contained in the report and appendices.</p> <p><b>Contact officer: Mark Sheldon.</b></p> <p><b>E-mail: <a href="mailto:mark.sheldon@cheltenham.gov.uk">mark.sheldon@cheltenham.gov.uk</a></b></p> <p><b>Tel no: 01242 264123</b></p>

<b>Legal implications</b>	As this report proposes an interim budget for consultation purposes, there are no specific legal implications at this stage.  <b>Contact officer: Peter Lewis</b>  <b>E-mail: peter.lewis@teWKesbury.gov.uk</b>  <b>Tel no: 01684 272012</b>
<b>HR implications (including learning and organisational development)</b>	No direct HR implications arising from this report.  <b>Contact officer: Julie McCarthy</b>  <b>E-mail: julie.mccarthy@cheltenham.gov.uk</b>  <b>Tel no: 01242 264355</b>
<b>Key risks</b>	As outlined in Appendix 1
<b>Corporate and community plan Implications</b>	The aim of the interim budget proposals is to direct resources towards the key priorities identified in the Council's Corporate Business Plan.
<b>Environmental and climate change implications</b>	The draft budget contains proposals for improving the local environment particularly in addressing the issue of energy reduction in Council owned dwellings

## 1 Background

- 1.1** The Council's Constitution requires that the Cabinet prepare an interim budget for consultation before it makes recommendations to full Council in February 2012. The Cabinet is then required to draw up its firm budget proposals having regard to the responses it has received during the consultation period, and its report to Council in February 2012 should reflect the Cabinet's response to such comments.
- 1.2** It should be noted that the draft budget proposals are based on draft determinations from the Department for Communities and Local Government (DCLG) which will not be finalised until January 2012.
- 1.3** The budget proposals for 2012/13 recognise the scrapping of the current HRA subsidy system and the introduction of a new self financing regime for local authority housing. The Cabinet have approved for consultation the first draft of a new 30 year HRA business plan which identifies the impact of this fundamental change. The plan anticipates significant additional resources arising from the implementation of self financing. The Cabinet have approved a strategy to use these resources to finance a programme of new build, further improvements to existing stock and additional support services for tenants. A final draft of the plan will be presented for approval in February following the completion of consultation and the confirmation of DCLG proposals.

## 2. 2011/12 Revised Budget

- 2.1** The revised budget at Appendix 2 shows a reduction in deficit of £130,900 compared to the original estimate. Balances held in reserve were increased by an additional £684,200 following the 2010/11 outturn and the revised deficit for the year of £961,400 will leave a figure of £2,711,800 at 31<sup>st</sup> March 2012 (previously £1,896,700). This increase in reserves reflects

£325,100 of additional resources and a further £490,000 which arises from deferred capital expenditure which will be required in 2012/13.

2.2 Significant variations have been identified in budget monitoring reports and are summarised below:-

Budget Heading	Change in resources
	£'000
Reduction in revenue contributions required to fund capital programme	139
Reduction in interest payable (change in interest rates)	48
Increase in HRA subsidy payable (change in interest rates)	-66
Additional interest receivable (impact of higher reserves)	19
Other net	-9
<b>Net Reduction in Deficit</b>	<b>131</b>

### 3. 2012/13 Budget

3.1 The Government published a series of draft determinations on 21<sup>st</sup> November 2011 which will enable the introduction of self financing from 1<sup>st</sup> April 2012. These included:-

- a final review of notional rent and expenditure allowances to produce baseline figures for the valuation and debt settlement
- a revised valuation model which uses the baseline data as uplifted for self financing calculations
- a debt settlement for each authority to leave the subsidy system and the subsequent HRA borrowing cap

3.1.1 The draft HRA business plan anticipated a debt settlement of £38.4m for Cheltenham on the basis of previous DCLG projections, a higher than expected rent increase in April 2012 and a contingency for an adverse review of subsidy allowances. However, the draft determinations show that the south west region has again been treated favourably in the annual review and the settlement figure is reduced to £27.9m. This is very welcome news which will increase the level of additional resources arising from self financing.

3.1.2 The baseline determination for 2012/13 shows an increase in guideline rent of 7.5% for Cheltenham. Government social rent policy uses the retail price index in the preceding September plus 0.5% to uplift the formula rent for the following financial year. In September 2011 this was 5.6% so formula rents will be increased by 6.1% for 2012/13.

Rent restructuring, which will bring convergence between local authorities and housing associations, is still timetabled to complete in 2015/16. For Cheltenham tenants this will result in an average rent increase of 6.43% from April 2012 as illustrated by Appendices 4 and 5. This significant increase will be of concern to our tenants already facing other inflationary pressures in the economy but is effectively imposed on us by Government and has been assumed by them in both stock valuation and debt settlement calculations.

3.1.3 The draft determination also includes increases in the baseline management, maintenance and major repair allowances which partly offset the increase in guideline rent. The changes proposed to individual elements are shown below:-

Element of Subsidy	% change
Management Allowance	+1.9%
Maintenance Allowance	+5.8%
Major Repairs Allowance	+4.9%
Guideline Rent Income	+7.5%

3.1.3 The baseline figures for allowances are uplifted to reflect perceived under-funding before being used in a 30 year net present value model of notional income and expenditure. This produces a valuation of the stock for each authority which forms the basis of the debt settlement.

Cheltenham's allowances have been increased by an overall average of 17.94%, including a substantial increase in the major repairs allowance of 39%. The valuation is £53.3m which, after deducting the current notional debt of £25.4m, produces the debt settlement of £27.9m. The valuation figure of £53.3m will also be the HRA borrowing cap – this compares to actual HRA borrowing after settlement of £46.6m giving initial borrowing headroom of £6.7m.

3.2 Significant changes to the HRA in 2012/13 as compared to the revised estimates for 2011/12 are itemised in the table below. These reflect the saving of the annual subsidy payment partly offset by additional debt charges from the settlement. Although the charge for depreciation increases, this will in turn reduce the need for revenue contributions to finance capital expenditure. The net impact is an increase in resources of £2,120,500 producing a surplus of £1,159,100 for the year and increasing revenue reserves to £3,870,900 at 31<sup>st</sup> March 2013.

Budget Heading	Change in resources
	£'000
HRA subsidy (system scrapped)	3,278
Revenue contributions to capital (now covered by MRA increase)	1,448
Increase in rents	1,058
Savings in reactive & cyclical repairs (service review by CBH)	108
Interest payable (additional costs of debt settlement)	-1,535
Depreciation of dwellings (based on uplifted major repairs allowance)	-1,886
Supporting people funding (end of contract)	-150
Increase in CBH management fee (including growth proposals)	-184
Interest receivable (lower interest rates)	-52
Other (net)	36
<b>Net increase</b>	<b>2,121</b>

3.3 Key assumptions used for the draft budget are:-

- Interest payable is based on an estimated rate of 4.5% on new borrowing for the settlement payment of £27.9m. The Government have confirmed that Councils will have access to a discounted Public Works Loan Board rate for these payments. Advice is being sought from Arling Close on the most effective debt management strategy.

- Current supporting people contracts expire on 31<sup>st</sup> March 2012. Options for the continuation of the service are being evaluated but at present the draft budget assumes loss of all income.
  - The Government has announced intent to stimulate Right to Buy sales by increasing discounts available to tenants. The detailed proposals have not yet been published so it is not possible to forecast the potential impact. Stock estimates used in the budget assume 5 sales in 2012/13 based on existing trends.
  - Support service recharges to the HRA are kept at 2011/12 levels pending further review.
- 3.4** For some years the Council has maintained a Housing Repairs Account (Appendix 3) which aims to smooth out the peaks and troughs of demand related maintenance expenditure by keeping a separate earmarked reserve. The introduction of self financing reduces the need for such an account and it is recommended that it is closed at 31<sup>st</sup> March 2012. Maintenance expenditure will then be charged direct to the HRA.
- 3.5** The Government has confirmed that the depreciation charge in the HRA will continue to provide a resource to finance capital expenditure through the major repairs reserve (Appendix 3). Councils can use the uplifted major repairs allowance from the self financing valuation as a proxy for the level of depreciation for a period of up to five years, whilst preparing for the introduction of component accounting in accordance with accounting standards.
- 3.6** Appendix 4 gives details of the progress in rent restructuring to date and projects rent increases forward to the current convergence date of 2015/16 using an estimated RPI of 2.75% per annum.
- 3.7** Appendix 5 details the proposed average rent for 2012/13 with recommended charges for other services. Gas charges for communal heating schemes will be increased by 10% to reflect anticipated fuel increases and there will be a 20% increase towards the cost of the electric fuelled scheme at Cumming Court. This report contains proposals to reduce energy usage consumption in the stock which will help tenants facing rising fuel prices (see paragraph 4.2 below). Provision has been included for a 3% increase in garage rents to reflect both inflation and fund a significant improvement programme in garage sites.
- 3.8** Estimates of service charge income assume an increase of 7.7% for communal power and 2.1% for grounds maintenance. Cleaning costs will be reduced by 5% following service efficiencies offered by CBH.

#### **4. Cheltenham Borough Homes (CBH)**

- 4.1** The draft budget includes provision for the management fees and other charges payable to CBH. The company has submitted its own detailed budget and fee proposal for 2012/13.
- 4.2** CBH has identified three areas of service development for 2012/13 which align with the draft HRA business plan strategy. The growth bids are:-
- Enhanced safer estates service (£80,000)
  - Project to identify and evaluate fuel reduction proposals (£40,000)
  - Improvements in health and safety management, particularly fire, asbestos and legionella (£40,000)
  - Additional arrears officer to help with financial exclusion and debt management thus mitigating anticipated increases in arrears from benefit reform (£30,000)

Total bids amount to £190,000 but are largely offset within the HRA by net CBH savings of £134,700 in base fee proposals.

- 4.3** CBH draft budgets for 2012/13 show a breakeven position whilst reducing base fees and charges to the Council from 2011/12 levels. The HRA management fee for 2012/13 shows a saving of

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£18,800 when compared to the planning estimate for the year and the fee for managing the capital programme is kept cash frozen. The overall cost of reactive repairs to the stock is reduced by £81,600 following a comprehensive review of the maintenance operation. This has produced savings of £167,600 which have been partly offset by the increased price and usage of materials. The cost of delivering the estate cleaning contract has also been reduced by £34,300 through service efficiencies.

#### 4.4 The fee submission for the main areas of activity is shown below and compared with 2011/12.

	<b>2011/12 (Revised)</b>	<b>2012/13</b>
	<b>£</b>	<b>£</b>
Management Fee		
-base	<b>4,330,200</b>	<b>4,324,500</b>
-growth bids		<b>190,000</b>
Revenue & Capital Repairs	<b>2,414,200</b>	<b>2,332,600</b>
Management of Capital Programme	<b>405,000</b>	<b>405,000</b>
Block Cleaning Service	<b>310,700</b>	<b>276,400</b>
<b>Total</b>	<b>7,460,100</b>	<b>7,528,500</b>

### 5. HRA Capital Programme

- 5.1 The revised programme for 2011/12 and proposals for 2012/13 are shown at Appendix 6, together with a more detailed schedule of improvement and repair works at Appendix 7.
- 5.2 The revised estimates for the current year reflect changes identified in budget monitoring reports. Estimated spend in year will increase from £4,828,000 to £4,989,000 primarily due to rescheduling of works on the transformational improvements in St Pauls and the neighbourhood scheme for Hobart House.
- 5.3 The strategy in the HRA business plan seeks a balance of future expenditure on both new build and further improvements to existing stock. CBH is currently evaluating options for a new build programme and a report will be produced early next year. A project to evaluate fuel reduction proposals will also enable targeted capital expenditure plans. Both the increased level of HRA reserves and the availability of borrowing headroom will give the Council significant scope to finance these initiatives.
- 5.4 The 2012/13 programme reflects the need to spend identified in the stock condition database and includes provision for works delayed in the current year. This will retain all stock to decency standard and provide further neighbourhood improvements through external works.

### 6. Areas of Further Work

- 6.1 This provisional budget is based on draft Government determinations which are subject to consultation.
- 6.2 There may also be further adjustments to support service and accommodation recharges to both CBH and the Housing Revenue Account (HRA).

**7. Consultation process**

- 7.1** The Council is proposing to consult on these budget proposals during the period to 26<sup>th</sup> January 2012. This extended period will allow the CBH to respond at their Board meeting on 25<sup>th</sup> January 2012. The results from this consultation will be fed back to the Cabinet and taken into account in the formulation of the final budget proposals.
- 7.2** As part of the interim consultation process the Cabinet’s proposals will be included on the Council’s web site, made available at the Municipal Offices, Area Offices and publicised through the local press. All interested parties will be encouraged to respond.
- 7.3** In preparing the consultation document it may be helpful to provide supplementary information, for instance relating to the main changes in the budget. It is therefore recommended that the Cabinet Member (Finance) be given delegated authority to approve any supplementary information for consultation.

<b>Report author</b>	<p><b>Bob Dagger, Strategic Financial Advisor, Cheltenham Borough Homes</b></p> <p><b>Tel. 01242 264225;</b></p> <p><b><i>e-mail address bob.dagger@cheltborohomes.org</i></b></p>
<b>Appendices</b>	<ol style="list-style-type: none"> <li>1. Risk Assessment</li> <li>2. HRA Operating Account</li> <li>3. Housing Repairs Account and Major Repairs Reserve</li> <li>4. Rent Restructuring</li> <li>5. HRA – Rents and Charges</li> <li>6. HRA Capital programme (Summary)</li> <li>7. HRA Capital Programme (Detail)</li> </ol>
<b>Background information</b>	<ol style="list-style-type: none"> <li>1. Government determinations for HRA Self Financing published 21<sup>st</sup> November 2011</li> </ol>

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1.01	If the increases in rent are not fully explained to tenants (particular those who are not in receipt of full benefit) then there is a risk that + there will be an increase in tenant discontent	Jane Griffiths	December 2011	3	4	12	R	Need to explain to tenants that increases are in line with Government Policy. Need to make sure tenants are aware of benefit take-up rights. CBH have requested an additional arrears officer and already have a financial inclusion officer who will support tenants.	Mar 2012	CBH through Management Agreement	
1.02	The increase in rents and the current economic situation may result in an increase in the the level of rent arrears	Jane Griffiths	December 2011	3	4	12	R	Current economic conditions are placing additional pressures on tenants and the Government 's benefit reforms in 2013 will significantly increase this risk . CBH have requested additional resources to mitigate the impact through its financial inclusion policy	Mar 2013	CBH through management agreement	
1.03	If supporting people contracts due to end in March 2012 are not renewed this could impact on service delivery	Jane Griffiths	December 2011	2	5	10	R	An evaluation of alternative service and funding options is in progress. The draft budget currently assumes contract income of £150,000 is not replaced	Mar 2012	CBH through management agreement	
1.04	If void rent loss is higher than estimated this will impact on the budget	Jane Griffiths	December 2011	3	2	6	R	Demand for social housing remains high with significant	Mar 2013	CBH through management agreement	



								waiting list. Current void levels are low and CBH is achieving high performance on re-letting time. Quality of accommodation needs to be maintained and changes in tenancy termination rates monitored			
1.05	If the demand for reactive repairs increases this could impact on the budget and/or service delivery	Jane Griffiths	December 2011	4	3	12	R	Maintain robust stock condition data. Major peril to the stock is fire which is covered by appropriate insurance. HRA reserves are maintained at a level considered sufficient for uninsured stock damage	Mar 2013	CBH through management agreement	

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	2011/12		2012/13
	Original	Revised	Estimate
	£	£	£
<b><u>EXPENDITURE</u></b>			
General & Special Management	1,835,700	1,852,500	1,832,200
ALMO Management Fee	4,330,200	4,330,200	4,514,500
Rents, Rates, Taxes and Other Charges	39,900	32,900	34,400
Transfer to Housing Repairs Account	3,953,000	3,953,000	3,844,900
Provision for Bad Debts	200,000	200,000	225,000
Interest Payable	576,900	528,700	2,063,800
Depreciation of Dwellings	3,240,900	3,240,900	5,032,000
Depreciation of Other Assets	86,000	85,100	95,100
Debt Management Expenses	46,500	46,500	46,500
Rent Rebate Subsidy Limitation	82,600	86,700	64,200
Housing Revenue Account Subsidy	3,212,100	3,278,000	0
<b>TOTAL</b>	<b>17,603,800</b>	<b>17,634,500</b>	<b>17,752,600</b>
<b><u>INCOME</u></b>			
Dwelling Rents	16,678,000	16,658,000	17,716,000
Non Dwelling Rents	421,000	424,800	431,800
Charges for Services and Facilities	705,100	725,400	735,600
Supporting People Grant	150,000	150,000	0
<b>TOTAL</b>	<b>17,954,100</b>	<b>17,958,200</b>	<b>18,883,400</b>
<b>NET INCOME FROM SERVICES</b>	<b>-350,300</b>	<b>-323,700</b>	<b>-1,130,800</b>
Amortised Premiums / Discounts	8,900	8,900	6,200
Interest Receivable	-67,400	-86,500	-34,500
<b>NET OPERATING INCOME</b>	<b>-408,800</b>	<b>-401,300</b>	<b>-1,159,100</b>
<b><u>Appropriations</u></b>			
Revenue Contributions to Capital	1,587,100	1,447,800	0
Transfer from Major Repairs Reserve	-86,000	-85,100	0
<b>HRA Surplus / (Deficit) carried to reserve</b>	<b>-1,092,300</b>	<b>-961,400</b>	<b>1,159,100</b>
<b>Revenue Reserve brought forward</b>	<b>2,989,000</b>	<b>3,673,200</b>	<b>2,711,800</b>
<b>Revenue Reserve carried forward</b>	<b>1,896,700</b>	<b>2,711,800</b>	<b>3,870,900</b>
<b>Average Rent:-</b>			
<b>Increase 1st April 2012</b>			<b>6.43%</b>
<b>48 wk</b>	<b>76.39</b>	<b>76.36</b>	<b>81.27</b>
<b>52 wk</b>	<b>70.51</b>	<b>70.49</b>	<b>75.02</b>
<b>Average Stock</b>	<b>4,592</b>	<b>4,589</b>	<b>4,582</b>

**HOUSING REPAIRS ACCOUNT**

	<b>2011/12</b>	
	<b>Original</b>	<b>Revised</b>
	<b>£</b>	<b>£</b>
<b><u>EXPENDITURE</u></b>		
<b>Repairs &amp; Maintenance :-</b>		
Reactive Repairs	2,559,000	2,559,000
Annual & Cyclical Maintenance	1,394,000	1,394,000
	<b><u>3,953,000</u></b>	<b><u>3,953,000</u></b>
<b><u>INCOME</u></b>		
Contribution from Housing Revenue Account	<b><u>3,953,000</u></b>	<b><u>3,953,000</u></b>
<b>Surplus/Deficit for the Year</b>	<b>0</b>	<b>0</b>
Balance brought forward	0	0
<b>Balance carried forward</b>	<b><u>0</u></b>	<b><u>0</u></b>

**MAJOR REPAIRS RESERVE**

	<b>2011/12</b>		<b>2012/13</b>
	<b>Original</b>	<b>Revised</b>	<b>Estimate</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Balance brought forward	0	300,300	0
Depreciation of Dwellings	3,240,900	3,240,900	5,032,000
Depreciation of Other Assets	86,000	85,100	95,100
	<b><u>3,326,900</u></b>	<b><u>3,626,300</u></b>	<b><u>5,127,100</u></b>
Utilised in Year (Funding Capital Programme App E)	-3,240,900	-3,541,200	-5,092,000
Transfer to HRA re Other Assets	-86,000	-85,100	0
<b>Balance carried forward</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>35,100</u></b>

### RENT RESTRUCTURING

This shows Cheltenham's progression towards rent restructuring. The Government currently estimates this will be completed by 2015/16. However this will be subject to future rates of inflation and government rent policy.

Definitions:-

**Formula Rent** = the target for Cheltenham as calculated by the government's formula

**Limit Rent** = the maximum rent that the government will pay for rent rebates

**Guideline Rent** = the rent the government has used for subsidy purposes

By the end of rent restructuring formula rent, limit rent, guideline rent and the actual rent paid by tenants are required to be the same.

	<b>Formula Rent</b>		<b>Limit Rent</b>	<b>Guideline Rent</b>	<b>Actual Rent</b>	
	£	% Inc	£	£	£	% Inc
2011-2012	71.39		69.95	67.76	70.49	
2012-2013	75.74	6.10	74.61	72.87	75.02	
2013-2014	78.20	3.25	77.42		77.71	3.58
2014-2015	80.74	3.25	80.34		80.49	3.58
2015-2016	83.36	3.25	83.36		83.36	3.57

**HOUSING REVENUE ACCOUNT - RENTS & CHARGES**

	<b>2011/12</b>	<b>2012/13</b>
	<b>£</b>	<b>£</b>
Dwelling Rents (average)		
48 wk basis	<b>76.36</b>	<b>81.27</b>
52 wk basis	<b>70.49</b>	<b>75.02</b>
Garages (per month)	<b>25.24</b>	<b>26.00</b>
Communal Heating Schemes (52 wk basis)		
Gas		
1 person flat	<b>7.18</b>	<b>7.90</b>
2 person flat	<b>9.68</b>	<b>10.65</b>
Cumming Court		
1 person flat	<b>3.78</b>	<b>4.54</b>
2 person flat	<b>5.20</b>	<b>6.24</b>
Guest Bedrooms (per night)	<b>10.00</b>	<b>10.00</b>

**HRA CAPITAL PROGRAMME**

	<b>2011/12</b>		<b>2012/13</b>
	<b>Original</b>	<b>Revised</b>	<b>Estimate</b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>	<b><u>£'000</u></b>
<b><u>EXPENDITURE</u></b>			
Property Improvements & Major Repairs (incl fees)	4,368	4,529	4,732
Adaptations for the Disabled	350	350	350
Environmental Works (Tenant Selection)	60	60	60
Repurchase of Shared Ownership Dwellings	50	50	50
	<b><u>4,828</u></b>	<b><u>4,989</u></b>	<b><u>5,192</u></b>
<b><u>FINANCING</u></b>			
Capital Receipts			100
HRA Revenue Contribution	1,587	1,448	
Major Repairs Reserve	3,241	3,541	5,092
	<b><u>4,828</u></b>	<b><u>4,989</u></b>	<b><u>5,192</u></b>

<b>PROPERTY IMPROVEMENTS &amp; MAJOR WORKS</b>	
<b>COST HEADING</b>	<b>2012/13 BUDGET</b>
	<b>£</b>
<b>INTERNAL IMPROVEMENTS</b>	<b>1,110,000</b>
<b>PATHS, FENCES &amp; WALLS</b>	<b>150,000</b>
<b>WORKS TO BUILDING FABRIC</b>	<b>438,600</b>
<b>RENEWAL OF WATER MAINS</b>	<b>20,000</b>
<b>RENEWAL OF HEATING SYSTEMS</b>	<b>233,000</b>
<b>MAJOR REFURBISHMENTS TO VOID PROPERTIES</b>	<b>330,000</b>
<b>WINDOWS &amp; DOORS</b>	<b>200,000</b>
<b>ASBESTOS</b>	<b>77,500</b>
<b>SHELTERED ACCOMMODATION</b>	<b>50,000</b>
<b>NEIGHBOURHOOD WORKS</b>	<b>600,000</b>
<b>DOOR ENTRY SCHEMES</b>	<b>342,500</b>
<b>STRUCTURAL WORKS</b>	<b>120,000</b>
<b>CARBON MONOXIDE DETECTORS</b>	<b>50,000</b>
<b>FIRE PROTECTION</b>	<b>50,000</b>
<b>LIFTS</b>	<b>97,500</b>
<b>SOIL STACKS</b>	<b>50,000</b>
<b>ST PAULS TRANSFORMATIONAL IMPS</b>	<b>290,000</b>
<b>GARAGE IMPROVEMENTS</b>	<b>100,000</b>
<b>ELECTRIC SUB MAINS</b>	<b>17,500</b>
<b>FEE FOR MANAGING PROGRAMME</b>	<b>405,000</b>
<b>TOTAL BUDGET</b>	<b>4,731,600</b>





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# ***Information/Discussion Paper***

## **Social and Community Overview and Scrutiny Committee – Monday 9 January 2012**

### **Anti-Social Behaviour Update – Focus on Impact of Youth Centre Closures in the Borough**

This note contains the information to keep Members informed of matters relating to the work of the Committee, but where no decisions from Members are needed

#### **1. Why has this come to scrutiny?**

- 1.1 At the request of the Chair, Social and Community Overview and Scrutiny Committee, Councillor Anne Regan

#### **2. Summary of the Issue**

- 2.1 Earlier in 2011 Gloucestershire County Council made the decision to cease funding across various areas of their work which unfortunately included the closure of Youth Centres across the county including those located in Cheltenham which has now been implemented. The question has now been raised as to what impact these closures will have on anti-social behaviour committed by young people.

#### **3. Summary of evidence/information**

- 3.1 Research carried out in respect of the current trend re anti-social behaviour indicates that in my opinion, it is a little premature to link the closure of youth centres to any changes there may be in offences of anti-social behaviour committed by young people. The way ASB is recorded by all police forces in England and Wales changed in April 2011. Therefore forces cannot compare ASB incidents totals before and after this date. On monitoring current ASB levels in Cheltenham, only 7 months worth of data can be compared and by the very nature of ASB having seasonal variations (higher in summer) it is impossible from the information available to determine whether ASB is increasing or decreasing. The same can be said for all police forces in England and Wales. Once two years worth of ASB incident data is collected it would then be possible to monitor levels against the previous year to give an indication if ASB is increasing or decreasing. Currently, Gloucestershire Constabulary do not accurately record if ASB is youth related. To measure the impact a reduction in youth service has had on youth crime (and in the light of the issues surrounding ASB), using the alternative measure of “numbers of offences committed by young people” as a proxy will give a better understanding of whether youth crime levels are increasing or decreasing as a result of a reduction in youth services. There is no evidence at this stage to support any suggestion that offending by young people has been affected by the closure of youth centres in Cheltenham.

**4. Next Steps - possible next steps for the committee to consider eg potential witnesses, further report, site visit etc.**

**4.1** Although I will continue to have an 'overview' in respect of anti-social behaviour, In view of the circumstances involved I suggest that a further updated report be called for in 12 months time when recording systems will be much better placed to indicate if the closure of youth centres has had any effect of youth crime/anti-social behaviour. In the meantime projects and initiatives around various interventions funded by the County Council, Borough Council and Cheltenham Community Safety Partnership over this current financial year to reduce anti-social behaviour will continue and be monitored accordingly.

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<b>Background Papers</b>	None
<b>Contact Officer</b>	Trevor J Gladding, Community Safety Manager, Tel No:- 01242 264368, Trevor.Gladding@cheltenham.gov.uk
<b>Accountability</b>	Klara Sudbury, Cabinet Member Housing and Safety
<b>Scrutiny Function</b>	Social and Community Overview and Scrutiny Committee

# ***Information/Discussion Paper***

## **Social and Community Overview and Scrutiny Committee – 9 January 2012**

## **Environment Overview and Scrutiny Committee – 18 January 2012**

### **Development of the corporate strategy 2012-13**

This note contains the information to keep Members informed of matters relating to the work of the Committee, but where no decisions from Members are needed

#### **1. Why has this come to scrutiny?**

- 1.1 The council agreed the corporate strategy 2010-2015 in March 2010 which sets out our 5 objectives and 11 outcomes and what we want to achieve by 2015. The 2012-13 action plan is being prepared and is due to go to full council for approval on 26 March 2012. To ensure that the formal views of elected members are captured in the process, the first versions of the draft strategy are being considered by Social and Community and Environment overview and scrutiny committees. Economy and Business Improvement overview and scrutiny committee will test the robustness of a more developed version at its meeting on 5<sup>th</sup> March.

#### **2. How we have prepared the draft strategy**

- 2.1 The development of the 2012-13 action plan has, like last year's plan, taken place against the background of the financial crisis which has resulted in significant cuts in public expenditure. The draft budget for 2012/13 has had to bridge a financial gap of £972k. This is on top of the £2.87m gap that was addressed in the 2011-12 budget.
- 2.2 The over-arching priority for the 2012-13 corporate strategy will be the continued delivery of value for money for local tax-payers.
- 2.3 The Senior Leadership Team and cabinet members have reviewed the structure of the corporate strategy and propose the following changes from last year:
- Re-word the value for money outcome as it previously suggested that delivering value for money was separate to mainstream service delivery. Instead value for money will be a core objective running across the remaining 10 outcomes, but the outcome now is specifically about the actions being undertaken by the Directors of Resources and Commissioning and the GO Partnership.
  - Merge the economic development and tourism outcomes and re-word;
  - Retain the remaining outcomes to ensure continuity with previous corporate strategies;

- Ensure that each outcome includes reference to how we are encouraging and supporting partners/stakeholders and communities to use their assets to do more to help deliver outcomes;
- Use feedback from commissioning exercises to set out our supporting improvement actions;
- Ensure that the document is clear about the separation of commissioner and providers responsibilities;
- Set out the forward plan for commissioning reviews.

### 3. Input from commissioning reviews

- 3.1 Preparation of the 2012-13 action plan will take place against the a number of commissioning reviews that will provide greater detail about how the council is taking forward six of its corporate outcomes.
- 3.2 We have agreed a set of outcomes for our built environment services that will be delivered by the Dircetor of Built Environment and we are working on a service level agreement with him which will include a set of performance indicators.
- 3.1 We have agreed a set of outcomes for our leisure and culture services and we will be asking our in-house Town Hall/Pittville Pump Room and Leisure@ and Sports, Play and Healthy Lifestyles service providers to deliver against them. We will also be considering the most appropriate organisational option that can deliver the proposed outcomes and measures of success for the Art Gallery and Museum whilst also meeting the requirements of the HLF special conditions and any other funders.
- 3.2 The housing review will lead to the creation of a new set of outcomes that will guide the housing policy framework for the joint core strategy, prepararions for self-financing and the single advice and inclusion contract. The review will also provide more detail for how the council delivers its housing outcome.
- 3.3 We have agreed to establish the local authority company which will mean the council has an arms length relationship to deliver the cleanliness and maintenance outcome.

### 4. Input from partnerships

- 4.1 Following the endorsement of new partnership structures in October 2011, partners have undertaken a piece of work to identify the most-pressing issues for partnership activity where there is both corroborating data/evidence and a willingness from partners to work collectively on solutions. The draft list, which was endorsed by the Cheltenham Strategic Partnership, is as follows:

Partnership priority	What can be done through better partnership working
Ensuring that our young people have access to a suitable range of positive activities	Ensure that the youth development project being undertaken by County Community Projects continues and that partners are ready respond to issues or recommendations arising – either as individual agencies or collectively through a task and finish group.

Partnership priority	What can be done through better partnership working
Building stronger and more resilient communities	Use the opportunity of the Olympics to create an "Olympic legacy" using sport and other community activities to help develop community resilience, support volunteering and to aid healthy lifestyles.
Reducing alcohol and substance misuse	Reinvigorate the Reducing Alcohol Related Violence project group to address the impact of the night time economy and to set up other task and finish groups to address the impact of alcohol and substance misuse on everyone's lives.
Tackling anti social behaviour	<p>Ensure that the current ASB group continues to have a clear work programme and is making linkages back to the Inspiring Families project.</p> <p>The cruiser working group to continue but consideration given to merging with the ASB group if this would make it more effective.</p>
Tackling emerging crime	The burglary task group to continue with linkages to Operation Spa.
Reducing harm, vulnerability and poverty	<p>The Inspiring Families project to continue and a task and finish group should be set up to consider how we might roll out this intensive way of working for vulnerable adults.</p> <p>To bring together housing providers and other housing related partners together to identify how they can collectively work together to support some of the most vulnerable in the community and use our resources to best effect.</p>

**5. Proposed improvement actions**

**5.1** At this stage, we have a long list of 38 improvement actions being considered for inclusion in the 2012-13 corporate strategy. Of these 32 are actions that we are already committed to delivering on, and 6 are actions that are being considered and where plans need to be firmed up. The views of the committee are sought on both lists of proposed actions.

<b>Objectives</b>	<b>Outcomes</b>	<b>what are we committed to deliver in 2012-13</b>	<b>what are we considering for 2012-13</b>
Enhancing and protecting our environment.	Cheltenham has a clean and well-maintained environment.	<ul style="list-style-type: none"> <li>We will ensure a smooth implementation of the new Local Authority Company from 1 April 2012.</li> <li>We will increase take-up of the garden waste and trade waste schemes.</li> </ul>	<ul style="list-style-type: none"> <li>We will explore options for working with Gloucestershire County Council and other districts to create the Gloucestershire Joint Waste Committee.</li> </ul>
	Cheltenham's natural and built environment is enhanced and protected.	<ul style="list-style-type: none"> <li>We will listen to the feedback from the developing options consultation and bring forward the preferred option for the Joint Core Strategy for council approval in 2012.</li> <li>We will make significant progress on our plans to revitalise Cheltenham's town centre through the Cheltenham Development Task Force.</li> <li>We will implement the recommendations of the Built environment commissioning review and prepare for market testing in 2013.</li> </ul>	<ul style="list-style-type: none"> <li>We will consider plans to undertake a green space commissioning review once the green space strategy has been reviewed by the Environment overview and scrutiny committee.</li> </ul>
	Carbon emissions are reduced and Cheltenham is able to adapt to the impacts of climate change.	<ul style="list-style-type: none"> <li>We will implement a range of energy saving initiatives that will reduce the council's carbon emissions.</li> </ul>	
Strengthening our economy.	Cheltenham has a strong and sustainable economy	<ul style="list-style-type: none"> <li>We will prepare for the move of our Tourist Information Centre to the redeveloped Art Gallery and Museum ready for opening in April 2013.</li> <li>We will undertake a review of 2011 Promoting Cheltenham Fund to inform how the 2012 funds are allocated.</li> </ul>	<ul style="list-style-type: none"> <li>We will consider commissioning support and advice for local businesses so that they are more resilient.</li> <li>We will consider reviewing how we provide our economic development function in the light of the Gloucestershire Local Enterprise Partnership.</li> </ul>



Objectives	Outcomes	what are we committed to deliver in 2012-13	what are we considering for 2012-13
Strengthening our communities.	Communities feel safe and are safe.	<ul style="list-style-type: none"> <li>We will work in partnership to enable more voluntary and community sector organisations to provide positive activities for young people.</li> <li>We will continue to work in partnership to reduce incidences of anti-social behaviour and the harm this causes to communities</li> </ul>	<ul style="list-style-type: none"> <li>We will explore how best the council can work in partnership to tackle burglary in the town through the burglary task and finish group.</li> <li>We will explore how best the council can work in partnership to reduce the impact of alcohol including the harm to individuals and families and alcohol-related violence.</li> </ul>
	People have access to decent and affordable housing.	<ul style="list-style-type: none"> <li>We will complete our housing review and publish a new housing and homelessness strategy.</li> <li>We will support Cheltenham Borough Homes so that they are in a position to continue to build new social housing.</li> <li>We will support Cheltenham Borough Homes so that they are able to complete phase 1 of the St. Pauls regeneration project and have agreed plans for phase 2.</li> <li>We will agree a draft affordable housing policy statement as part of the local development framework.</li> <li>We will develop local policies in response to the government proposals for housing benefits changes.</li> </ul>	
	People are able to lead healthy lifestyles.	<ul style="list-style-type: none"> <li>We will bring forward thoughts about the next steps on how best we provide Leisure@ and sports, play and healthy lifestyles as part of our leisure and culture commissioning review.</li> <li>We will use the opportunity of the Olympics and the torch relay to create a legacy that promotes more healthy and active lifestyles.</li> </ul>	

Objectives	Outcomes	what are we committed to deliver in 2012-13	what are we considering for 2012-13
	Our residents enjoy a strong sense of community and involved in resolving local issues.	<ul style="list-style-type: none"> <li>• We will use the opportunities presented in the Localism Act to empower local people and to ensure that we use community engagement to support commissioning exercises.</li> <li>• We will manage the 2012 elections in May and November elections for the Police and Crime Commissioner</li> <li>• We will undertake a community governance review of parish boundaries ahead of parish elections in 2014.</li> <li>• We will fully engage in neighbourhood management in order to address issues of local concern and to strengthen communities.</li> </ul>	
Enhancing the provision of arts and culture.	Arts and culture are used as a means to strengthen communities, strengthen the economy and enhance and protect our environment.	<ul style="list-style-type: none"> <li>• We will progress the Art Gallery and Museum redevelopment in order that it is able to open on time in April 2013.</li> <li>• We will review organisational options for Art Gallery and Museum service balancing value for money with the need to deliver a range of agreed outcomes.</li> <li>• We will test options for the Town Hall and Pittville Pump Room with other similar councils across the country.</li> <li>• We will work in partnership to define a cultural identity for Cheltenham that will guide the work of all cultural partners.</li> </ul>	
Delivering value for money services	We will meet our 'Bridging the Gap' targets for cashable savings and increased income	<ul style="list-style-type: none"> <li>• We will review the current structure and service provision for ICT and undertake a sourcing project.</li> <li>• We will embed the wider remit for customer services resulting from the creation of the LAC and complete a review of how best to provide our customers services.</li> <li>• We will develop and publish a fully costed asset management strategy.</li> </ul>	

Objectives	Outcomes	what are we committed to deliver in 2012-13	what are we considering for 2012-13
		<ul style="list-style-type: none"> <li>• We will move to the GO shared service arrangements for Finance, HR, payroll and procurement support.</li> <li>• We will move to the full partnership arrangements for audit.</li> <li>• We will continue to develop the 'Bridging the Gap' programme for delivering future year's savings including for the commissioning reviews.</li> <li>• We will implement the actions agreed from the Investors in People strategic review.</li> <li>• We will implement new scrutiny arrangements that enable us to provide a better overview of our commissioning projects.</li> </ul>	

## 6. Next steps

- 6.1 Following input from elected members at Social and Community and Environment O+S committees further drafting and testing will be carried out. The draft strategy may also be revised following the outcome of the budget setting process at Council on 10 February. The revised draft strategy will go to Economy and Business Improvement on 5 March for consultation on the proposed performance framework and then to cabinet on 13 March for endorsement of the draft action plan before going to Council on 26 March for final approval.

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<b>Background Papers</b>	2010-2015 Corporate Strategy, Report to Council, 29 <sup>th</sup> March 2010.
<b>Contact Officer</b>	Richard Gibson, Strategy and Engagement Manager, 01242 235 354, richard.gibson@cheltenham.gov.uk
<b>Accountability</b>	Leader of the Council
<b>Scrutiny Function</b>	All
<b>Attachments</b>	

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Item	Purpose	Outcome	What is required?	Lead Officer
<b>Meeting Date: 27 February 2012</b>				
<b>Chairs Briefing: 6/01/12 at 13:30</b>				
Commissioning update	If necessary	Update from Cabinet Member	Verbal update	Cllr C Hay, Cabinet Member Corporate Services
CBH Tenancy/Leaseholder Group	Scrutiny	TBC	Discussion Paper	Paul Stephenson, Assistant Chief Executive CBH
Proscenium Building/Gardens Gallery	Scrutiny	Tri-annual Review	Presentation	Bob Freeman, Chairman-Gardens Gallery
Art Gallery and Museum	Update	Quarterly Review of development scheme and service provision during closure	Discussion paper	Jane Lillystone, Museum, Arts and Tourism Manager
Tourism and Marketing Strategy	Scrutiny	Review progress against action plan	Discussion paper	Sonia Phillips/Jane Lillystone
Sports Development including Olympics	Update	tbc	Discussion paper	Craig Mortiboys, Healthy Communities Partnership Manager
<b>Meeting Date: 21 May 2012</b>				
<b>Chairs Briefing: 13/04/12 at 13:30</b>				
Commissioning update	If necessary	Update from Cabinet Member	Verbal update	Cllr C Hay, Cabinet Member Corporate Services
Art Gallery and Museum	Update	Quarterly review of development scheme and service provision during closure	Discussion paper	Jane Lillystone, Museum, Arts & Tourism Manager

Social and Community O&S Committee 2012 work plan

Item	Purpose	Outcome	What is required?	Lead Officer
Leisure@	Scrutiny	Annual performance review	Discussion paper	Stephen Petherick, Commercial Manager – Leisure@
<b>Meeting Date: 09 July 2012</b>				
<b>Chairs Briefing: 25/05/12 at 13:30</b>				
Commissioning update	If necessary	Update from Cabinet Member	Verbal update	Cllr C Hay, Cabinet Member Corporate Services
Town Hall and Pittville Pump Rooms	Scrutiny	Annual performance review	Discussion paper	Gary Nejrup, Entertainment and Business Manager
Care Homes	Scrutiny	Establish a working group	Report	Grahame Lewis, Executive Director
Christmas arrangements?	C Coleman request	Cllr Coleman requested that this be considered by the committee on an annual basis?	tbc	tbc