



## Notice of a meeting of Council

**Monday, 22 July 2013**  
**2.30 pm**  
**Council Chamber, Municipal Offices**

<b>Membership</b>	
<b>Councillors:</b>	Colin Hay, Wendy Flynn (Chair), Andrew Chard, Garth Barnes, Ian Bickerton, Nigel Britter, Chris Coleman, Barbara Driver, Bernard Fisher, Jacky Fletcher, Rob Garnham, Les Godwin, Penny Hall, Tim Harman, Rowena Hay, Diane Hibbert, Sandra Holliday, Peter Jeffries, Steve Jordan, Andrew Lansley, Paul Massey, Helena McCloskey, Andrew McKinlay, Paul McLain, David Prince, John Rawson, Anne Regan, Rob Reid, Chris Ryder, Diggory Seacome, Duncan Smith, Malcolm Stennett, Charles Stewart, Klara Sudbury, Pat Thornton, Jon Walklett, Andrew Wall, Simon Wheeler (Vice-Chair), Roger Whyborn and Suzanne Williams

## 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> 24 June 2013	(Pages 1 - 10)
<b>4.</b>	<b>COMMUNICATIONS BY THE MAYOR</b>	
<b>5.</b>	<b>COMMUNICATIONS BY THE LEADER OF THE COUNCIL</b>	
<b>6.</b>	<b>PUBLIC QUESTIONS</b> These must be received no later than 12 noon on Tuesday 16 July.	
<b>7.</b>	<b>MEMBER QUESTIONS</b>	
<b>8.</b>	<b>THE FUTURE FUNCTION, CULTURE AND STRUCTURE OF THE PAID SERVICE WITHIN CHELTENHAM BOROUGH COUNCIL</b> Report of the Chief Executive	(Pages 11 - 42)
<b>9.</b>	<b>REVIEW OF COUNCIL SIZE AND ELECTORAL CYCLE</b> Report of the Cabinet Member Corporate Services.	(Pages 43 - 56)
<b>10.</b>	<b>SCRUTINY ANNUAL REPORT</b>	(Pages

	Report of the Chair of Overview and Scrutiny	57 - 92)
<b>11.</b>	<b>FINANCIAL OUTTURN 2012/13 AND QUARTERLY BUDGET MONITORING REPORT TO END OF MAY 2013</b> Report of the Cabinet Member Finance	(Pages 93 - 154)
<b>12.</b>	<b>IMPERIAL GARDENS-REINSTATEMENT OF HISTORIC RAILINGS</b> Report of the Cabinet Member Sustainability	(Pages 155 - 164)
<b>13.</b>	<b>NOTICES OF MOTION</b> None received at the time of publication.	
<b>14.</b>	<b>TO RECEIVE PETITIONS</b>	
<b>15.</b>	<b>ANY OTHER ITEM THE MAYOR DETERMINES AS URGENT AND WHICH REQUIRES A DECISION</b>	

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**Andrew North**  
**Chief Executive**

## Council

**Monday, 24th June, 2013**

**2.30 - 4.25 pm**

Attendees	
<b>Councillors:</b>	Wendy Flynn (Chair), Simon Wheeler (Vice-Chair), Andrew Chard, Garth Barnes, Ian Bickerton, Nigel Britter, Chris Coleman, Barbara Driver, Bernard Fisher, Rob Garnham, Les Godwin, Penny Hall, Tim Harman, Colin Hay, Rowena Hay, Sandra Holliday, Peter Jeffries, Steve Jordan, Andrew Lansley, Paul Massey, Helena McCloskey, Andrew McKinlay, Paul McLain, David Prince, John Rawson, Anne Regan, Rob Reid, Chris Ryder, Diggory Seacome, Duncan Smith, Malcolm Stennett, Charles Stewart, Klara Sudbury, Pat Thornton, Jon Walklett, Roger Whyborn and Suzanne Williams

## Minutes

### 1. APOLOGIES

Apologies were given on behalf of Councillors Fletcher, Hibbert, Smith and Wall. Councillor Smith subsequently arrived at the meeting at 14.40.

### 2. DECLARATIONS OF INTEREST

Councillor Ryder declared a personal interest in agenda item 8 as she has an interest in potential development land.

Councillor Garnham declared a personal and prejudicial interest in agenda item 8 as through his business he is promoting a site for development that is identified in the JCS. However, as this is only a Council Performance Report, he indicated he would stay in the chamber for the debate. He also declared a personal interest in agenda item 10 as both his wife and son are employees of the Gloucestershire Hospitals NHS Foundation Trust.

### 3. MINUTES OF THE LAST MEETING

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

**RESOLVED that the minutes of the meeting held on 25 March 2013 be agreed and signed as an accurate record subject to Councillor Reid's apologies being recorded.**

### 4. COMMUNICATIONS BY THE MAYOR

The Mayor thanked members who had attended her charity launch at the weekend. She encouraged members to attend the Real Ale Trail to be held on 5 July in aid of the Mayor's charities and to support the Rotary Club's Poliomyelitis Challenge on 21 September in Montpellier Gardens.

She congratulated Saira Malin from Democratic Services and her husband on the recent birth of their son.

The Mayor advised members that she had removed the moment of reflection from the Council agenda which she hoped would enable everybody to attend from the start of the meeting. She indicated that the Cambray room would be available for half an hour prior to the Council meeting for any members who wish to have some quiet time for reflection.

### 5. COMMUNICATIONS BY THE LEADER OF THE COUNCIL

The Leader encouraged members to attend the Midsummer Fiesta to be held on 6 July. This had to be cancelled in 2012 because of bad weather so he hoped for a fine day this year.

### 6. PUBLIC QUESTIONS

None received.

### 7. MEMBER QUESTIONS

1.	Question from Councillor Tim Harman to Cabinet Member Corporate Services, Councillor Jon Walklett
	Will the Cabinet Member include in his deliberations with Forest of Dean District Council concerning Members IT facilities, a consideration of the far superior services provided by the County Council to its Members?
	<b>Response from Cabinet Member</b>
	<p>In February 2013, the council agreed £1.3m of funding for the ICT infrastructure upgrade strategy. The sequence for this investment is firstly to bring our core systems up to date which will then provide the platform for supporting iPad's, iPhones, wifi and more resilient remote access.</p> <p>We are aware of the ICT provision provided by Gloucestershire County council and members at the FOD already use similar technologies.</p> <p>It is our intention to provide the same level of member ICT support here as soon as is possible.</p> <p>In a supplementary question, Councillor Harman asked for a reminder on why the Forest of Dean had been chosen as the council's ICT partner.</p> <p>The Cabinet Member advised that the original list of 11 options had been narrowed down to 3. These were to continue with the current service, outsource to a commercial organisation or share the service with another council or councils. The Forest of Dean had been through a similar process and had some of the most go-ahead systems in the county and therefore were in a place where this council aspired to be. The link with the Forest meant that ICT resources, including the ICT manager, were shared across the two councils. He hoped that this would provide a</p>

	potential basis for expanding the service in future to other GO partners.
<b>2.</b>	<b>Question from Councillor Rob Garnham to Cabinet Member Corporate Services, Councillor Jon Walklett</b>
	<p>Does the Cabinet Member agree with me that there are serious and deep rooted problems with the ability of this Council to provide a reliable IT service both to members of the public and to Councillors. Can the Cabinet Member reassure this Council that his administration is tackling this situation as a matter of urgency and that the resources needed to fix the problems will be provided?</p>
	<b>Response from Cabinet Member</b>
	<p>The problems we are currently experiencing are the result of lack in investment in ICT. This was identified and addressed in the Infrastructure upgrade strategy which formed part of the work undertaken in creating the shared ICT service between the CBC and Forest of Dean District Councils.</p> <p>The £1.3m investment programme will address this lack of investment in both ICT Staff and infrastructure and will bring our ICT infrastructure and systems up to date so that we can provide a reliable, resilient and more business focused service to both members and officers.</p> <p>As a result of recent problems we are looking to accelerate elements of this programme to implement improvements sooner and deliver some quick fixes.</p> <p>In a supplementary question, Councillor Garnham asked the Cabinet Member whether he considered it satisfactory that one member has to catch a bus into the municipal offices to enable her to read her e-mails and that some councillors still had council provided laptops whilst others did not have this facility.</p> <p>In response, the Cabinet Member agreed that this was an appalling situation. He reminded members that a collective decision had been made regarding the provision of laptops in May 2012. It was considered that replenishing laptops was unviable and that facilities would be available for members to access council systems using their own equipment. The option of bringing forward a portion of their members' allowance was available to any member who wished to purchase new equipment. He acknowledged that all members were currently very frustrated with the Citrix service but steps were being taken to address this as part of the improvements to the ICT infrastructure. This 3 year project was started in February with a budget of £1.3 M and it was now only day 85. On that basis it would be premature to give any dates but he encouraged members to attend the ICT member seminar next week so they could get a clearer picture of what was being planned. In the mean time he would be happy to give a bimonthly update to members either verbally or in writing or to the O&amp;S committee.</p>

**8. REPORT OF THE COUNCIL'S PERFORMANCE AT END OF 2012-13**

Councillor Jon Walklett, Cabinet Member Corporate Services introduced the report which had been circulated with the agenda. The report set out information and data taken from the council's performance management system to enable Council to review the corporate performance of the organisation at the end of the financial year 2012-13.

The Cabinet Member Corporate Services explained that the report was a realistic appraisal of the corporate strategy performance targets set out at the end of previous financial year. The report tracked 78 milestones which had been identified in the 2012-13 action plan. Out of these, 56 (72%) milestones were completed at the end of the year, 16 milestones were classed as being amber as there are plans for the completion within a reasonable timeframe and 6 milestones are red as they will not be achieved within a reasonable time frame. The six milestones all related to the JCS programme or the Community Governance Review. The 2012-13 action plan also identified 52 key performance indicators to track the council's progress. 32 of these were indicators which CBC is directly accountable for and of these 81% had been met and there were positive initiatives in place to address the remaining three.

The Cabinet Member Corporate Services said that 2012-13 had been a difficult year for most local authorities due to ever decreasing funding and he congratulated the Cabinet Member Finance for making funding streams available for projects in these difficult circumstances. He went on to highlight some of the positive achievements of the council including the work of the Participation and Engagement team with the police to reduce crime and the council's work with CBH to address the shortage of affordable and social housing. Finally, he referred members to the update on two further indicators which had been circulated at the start of the meeting.

Councillor Garnham, as the leader of the Conservative group, was happy to support the report as he felt it shone a light on the weaknesses of the current administration and held it to account. He acknowledged that the council had performed well in areas of partnership working such as tackling crime and affordable housing. By contrast, he felt the council had failed to meet targets on its own services and he highlighted waste and recycling, ICT, the Olympic legacy, the democratic accountability of Ubico and NEETs. He felt these were all areas where the council could do better.

Another member asked for reassurance that staffing levels within the new Art Gallery and Museum and tourist information centre would still enable the best possible services to be delivered. In response, the Cabinet Member Sport and Leisure, confirmed that a full restructure was under way at the Art Gallery to ensure it was fit for purpose and staffing levels were set at appropriate levels to deliver the service required. In response to the comment about the Olympic legacy, she had seen benefits in her local ward and she would be happy to supply Councillor Garnham a more detailed note on this matter.

Another member congratulated the council on the very positive work it had achieved with partners particularly in the areas of sport, safeguarding and supporting people. However he felt the council needed to be looking beyond the scope of working with other districts and look ahead to the time when it may no

longer exist as a district council. He was concerned about the axing of the free garden waste collection, the number of unused brown bins at the depot and the increase in general waste and suggested that the closed bin policy had been implemented primarily for financial reasons.

In response, the Cabinet Member Sustainability, acknowledge that the waste targets may have been too ambitious but the council's recycling rates were some of the most improved in the country. Resources were overstretched but the council continued to look for improvements and extend the range of what could be recycled. He considered that ensuring side waste was not left on the street was a significant improvement from a health and safety point of view.

The Leader expressed his disappointment at some of the points being made. He emphasised that it was the nature of the performance report to highlight things which had been unsuccessful and members should not forget the high level of achievement on both performance indicators and milestones. The council prides itself on its work with partners and he believed the current administration had been responsible for huge changes in waste and recycling. Other achievements included new business start-ups including shops, the North Place and St Paul's developments and the new Art Gallery & Museum with its contribution to the town's tourism offer. The Olympic torch relay had been very successful with significant staff effort to set this up and it was not true to say that there was no Olympic legacy in the town.

The Cabinet Member Finance highlighted that resources continue to be stretched with the current ongoing financial cuts, but the council was still maintaining and improving council services. This was at a time when many other authorities up and down the country were being forced to close their services.

Councillor Massey, as the chair of the Audit Committee, referred to comments made by the Head of Audit Cotswold, at their last meeting that he had never seen so much change in an organisation in a 12 month period. In that context, Councillor Massey considered it was remarkable that the council had continued to achieve 81% of its performance indicators and was a credit to the council and its officers.

Another member spoke in support of the report and welcomed the fact that in this council it came to full Council for a debate. He was concerned that the criticism made during the meeting may appear to be more criticism of staff running the service rather than the administration.

In his summing up, Councillor Walklett emphasised that the report gave an appraisal of how the council had performed in the last financial year and helped to formulate plans for the year to come.

Upon the vote it was unanimously

**Resolved that the review of annual performance for 2012/3 be approved.**



**9. APPOINTMENT TO THE GLOUCESTERSHIRE HEALTH, COMMUNITY AND CARE OVERVIEW AND SCRUTINY COMMITTEE**

The Cabinet Member Corporate Services introduced the report. He explained that Gloucestershire County Council is responsible for setting up a Health, Community and Care Overview and Scrutiny Committee and each of the district councils is entitled to appoint a member to the committee. At Selection Council on 14 May 2012, Council nominated Councillor Klara Sudbury to the committee and Councillor Colin Hay as a substitute. Following her election to the County Council in May 2013, Councillor Sudbury was now a county councillor member of the committee and as she cannot perform two roles, there was a vacancy for the district member. The County Council had confirmed that the district nomination can be any member provided they are not a member of the authority's Executive. Group Leaders were requested to consider their nominations by the end of May and Councillor Penny Hall was nominated by Councillor Rob Garnham. No other nominations were received and Group leaders had indicated their support for this nomination.

Upon a vote it was unanimously

**RESOLVED that Councillor Penny Hall be nominated to the Gloucestershire Health, Community and Care Overview and Scrutiny Committee**

**10. NOTICES OF MOTION**

Councillor Sudbury, seconded by Councillor Coleman, proposed the following notice of motion.

*This Council is dismayed at the decision taken by the NHS community in Gloucestershire to permanently divert ambulances overnight between 8pm and 8am from Cheltenham General Hospital to Gloucestershire Royal Hospital.*

*We are particularly concerned about the potential for increased mortality rates of patients being taken further across the county for emergency care, alongside the impact on waiting times at Gloucestershire Royal Hospital and on ambulance response times. We are also concerned that measures to mitigate access issues for Cheltenham patients being discharged from Gloucester remain uncertain.*

*In the light of the national review of urgent and emergency care, published on 17<sup>th</sup> June, this Council agrees to write formally to the Board of the Gloucestershire Clinical Commissioning Group to ask that the decision to downgrade Cheltenham A&E should only be temporary to:*

*a) allow more time for local and national workforce issues to be addressed and*

*b) allow the impact of the downgrading to be properly understood by the health community and the County's Health, Community and Care Overview and Scrutiny Committee.*

In introducing the motion, Councillor Sudbury, highlighted her concerns with the proposals which would result in 16 patients per night being transferred by



ambulance to Gloucester. She referred to the recent meeting of the Gloucestershire Health, Community and Care Overview and Scrutiny Committee (HOSC) she had attended as a county member and had submitted an amendment. After considering the proposals and the results of the consultation, the HOSC had given a green light to the NHS proposals. It had been suggested that the low number of people responding to the consultation was as a result of the public not caring about the A&E service. However she argued that the poor response was due to a badly timed consultation and confusion caused by the changes being made to the PCT at the time. She had been disappointed in the way the HOSC meeting had been managed and felt members had been prevented from asking questions of the health professionals present at the meeting. She acknowledged that there were difficulties in recruiting the necessary consultants to ensure the safety and supervision of trainees in A&E. However she felt it would be a mistake to make a permanent change whilst trying to resolve these resource issues. Finally she referred to research made available by Martin Horwood MP where consultants had reported concerns about the potential impact of several minutes delay on cases needing the A&E service.

A member acknowledged it was a difficult area. He felt it was appropriate to challenge and seek reassurance on the proposed changes and monitor future performance. However he suggested that the temporary solution proposed in the motion may provide staff with more uncertainty and potentially make recruitment more difficult. For that reason his gut feeling was that the proposal for a centre of excellence was the way to go in order to optimise patient care.

Another member felt that more work needed to be done on the wording of the motion as it was currently too weak to make any real impact. Another member suggested that the phrase "mitigate access issues" needed more clarification.

Several members expressed concerns about the changes being made to A&E and applauded the sentiments behind the motion.

Although well-intentioned and picking up concerns from the community, another member felt the motion was futile in what it could achieve. Council members were not experts and should acknowledge that HOSC had received a detailed presentation on this matter and were generally much more informed about health issues. He added that he had attended a consultation event and his initial dismay at the proposals had been allayed. He had concluded that although the proposals were not ideal, they would increase survival rates over the current arrangements, not to say that the current arrangements could not be improved. He concluded that it would take at least five to seven years to enable the shortage of consultants to be addressed and this could not be classed as "temporary". A preferable approach for the Council would be to call on the ambulance service to make adequate provision to support the new proposals. Far more important than the additional eight minutes for an A&E case to be taken to Gloucester, was that the patient should be directed to the appropriate specialist unit at the hospital when they arrived.

Another member challenged the eight minutes as an underestimate of the time it would take, even for an emergency vehicle, to travel between Cheltenham and Gloucester. He emphasised that the thrust behind the motion was not to put in place a permanent solution whilst workforce issues were still being resolved.

Changes to A&E should be made on the basis of clinical excellence and not be driven by workforce issues. His particular concern was that after treatment, patients could be left in Gloucester in the middle of the night without any transport home.

Other members spoke in support of the motion and felt it was important that they gave voice to the concerns of their constituents. Gloucester A&E did not currently appear to have surplus capacity so the outcome of the proposals could be that patients transferring to Gloucester end up having a longer wait.

The Leader of the Council felt this was an important debate and certainly not futile. Any response was urgent and therefore there was no time to set up a working group to look more closely at the issue.

Councillor Hall, had attended the HOSC meeting as the borough council representative. She explained that she had worked for 10 years as a nurse in a minor injury unit and as a result she could reassure members that nurses in these units were highly trained in emergency techniques. Unfortunately in the hospital she had worked in, it had not been viable to maintain those skills and therefore the unit had been closed down. With regard to Cheltenham General, they would have nurse practitioners in place who are highly training in A&E techniques. She described the HOSC meeting as 'the nastiest meeting' where members of the committee had been "between a rock and hard place". Although no members had wanted to say yes to the proposals, the Hospitals Trust had been advised that from August 2013 it would no longer be able to utilise the junior doctors to fill the places of the middle grade doctors required on each rota. As the NHS had also informed the committee that it would take until 2020 to fill the additional consultants post, the committee felt they had no choice. For that reason members had felt their final resolution with the qualifications they added was the best that could be achieved in the circumstances. She was disappointed that Councillor Sudbury had not taken this motion asking for a temporary closure to the HOSC meeting. She felt she had already voted on Councillor's Sudbury's proposal at the HOSC meeting that the changes should be temporary for one year and on that basis would abstain from voting on the matter again.

As seconder of the motion, Councillor Coleman, urged members to keep a close eye on the proposals on behalf of their constituents. He repeated the figure previously stated that the proposals could mean as many as 6000 cases a year would have to travel to Gloucester. He too had attended the HOSC meeting and agreed with the sentiments expressed. He had been unhappy that important questions had not been answered and no assurances had been given by the health professionals that no lives would be lost as a result of proposals or that there would be no negative impact on patient care. In his view the proposals were not about improving medical care or providing a centre of excellence but were about staffing. For this reason and in order to reduce health inequalities across the town, he urged members to support the motion.

In her summing up, Councillor Sudbury responded to some of the points made by members during the debate. She felt a full calendar year would allow more time to recruit staff and address some of the resourcing issues. The "mitigate access issues" had been discussed at the HOSC meeting and referred to patients being potentially discharged in the middle of the night with no transport

home. Finally she was concerned that this was the start of a path of further specialisation across the two sites which could result in no A&E facilities at all in Cheltenham in 10 years time.

Upon a vote on the motion was CARRIED.

Voting : For 28, Against 1, Abstentions 5.

**11. TO RECEIVE PETITIONS**

None received.

**12. ANY OTHER ITEM THE MAYOR DETERMINES AS URGENT AND WHICH REQUIRES A DECISION  
ELECTION OF CHAIR AND VICE CHAIR OF PLANNING COMMITTEE**

The Mayor had agreed to an urgent item being considered by Council, namely the appointment of a new chair and vice-chair to Planning Committee and asked the Cabinet Member Corporate Services to introduce the item.

He explained that at Selection Council on 14 May 2012, Council resolved that all nominations for chairs and vice-chairs of committees should be made at that Council meeting rather than separate meetings of those committees immediately following Council which had been done in previous years.

Councillor Helena McCloskey was duly elected as chair and Councillor Jacky Fletcher as vice-chair.

At Planning Committee on 20 June, Councillor McCloskey announced her intention to stand down as chair and similarly Councillor Fletcher had stood down as vice-chair. Councillor Chris Coleman had indicated he was prepared to stand as the chair of Planning Committee and Councillor Penny Hall as the vice-chair.

As these appointments were made by Council it now falls to Council to appoint the new chair and vice-chair.

Councillor McCloskey expressed her regret at having to step down as chair of Planning Committee but this was necessary because of her new commitments outside the council. Council wished to put down on record their thanks for her chairmanship.

Upon a vote it was unanimously

**RESOLVED that Chris Coleman be appointed as Chair of Planning Committee and Councillor Penny Hall as vice-chair.**

Wendy Flynn  
Chair



## Cheltenham Borough Council Council – 22 July 2013

### The future function, culture and structure of the paid service within Cheltenham Borough Council Report of the Chief Executive

<b>Accountable member</b>	<b>Full Council</b>
<b>Accountable officer</b>	<b>Chief Executive, Andrew North</b>
<b>Ward(s) affected</b>	<b>All indirectly</b>
<b>Significant Decision</b>	<b>Yes</b>
<b>Executive summary</b>	<p>Cheltenham Borough Council has evolved over the last few years to become a major commissioner of services - predominantly commissioning from shared arrangements set up with other local authorities. The result is that the council is now much smaller in terms of directly employed staff and has a smaller budget to support those remaining directly provided services.</p> <p>In the light of this and having regard to the continuing financial challenges facing the council as a consequence of the government's austerity programme, it is appropriate to consider a restructuring of senior management. This process should start with consideration of the type of organisation we aspire to be in terms of our vision and organisational culture. It should follow from a clear view of those services we wish to continue providing directly, at least for the present.</p> <p>This report seeks to describe for consideration and comment an holistic approach to these questions badged as 'Cheltenham Futures'. It also seeks specific approval to formally consult on proposed changes to the structure of senior management and authority for the Borough Solicitor to make technical changes to the Constitution to facilitate implementation of the new structure.</p>
<b>Recommendations</b>	<p><b>That Council:</b></p> <ol style="list-style-type: none"> <li><b>Notes the content of the Cheltenham Futures programme as set out in appendix 2 and makes comment as appropriate for relevant officers (and Cabinet where so identified) to take into account in implementation.</b></li> <li><b>Approves the proposed Senior Staff structure and redundancies as set out in section 2 of this report so that these proposals can be taken forward for formal consultation.</b></li> <li><b>Instructs Appointments and Remuneration Committee to:</b> <ul style="list-style-type: none"> <li><b>approve any terms necessary to implement any redundancies within the financial parameters set out in this report</b></li> <li><b>approve the formal job descriptions of the Deputy Chief Executive, Director of Corporate Resources and the Director of Environmental and Regulatory Services</b></li> <li><b>decide and oversee any process for confirming staff in the revised roles</b></li> </ul> </li> </ol>

	<p><b>4. Agrees that the Chief Executive take forward any necessary changes to the structure proposals arising from the formal consultation that do not affect the substantive or financial parameters of this report.</b></p> <p><b>5. Authorises the Borough Solicitor to amend the Council Constitution as set out in section 3.3 of this report.</b></p>

<b>Financial implications</b>	<p>The proposed structure will deliver savings of circa £220k per annum by 2016/17 which allows for one-off costs totalling £223k to be funded from the revenue saving from earlier years as detailed in appendix 5.</p> <p>The MTFS has identified a target saving of £200k from a Senior Management team review, with phased savings planned from 2014/15. In order to realise the on-going revenue saving at the earliest opportunity, it may be prudent to fund the one-off costs from general balances. This concept will be discussed and brought forward as part of the 2014/15 budget setting proposals to Council in February 2014.</p> <p><b>Contact officer: Paul Jones, paul.jones@cheltenham.gov.uk, 01242 775154</b></p>
<b>Legal implications</b>	<p>In making this report to Council the Chief Executive is exercising his power as Head of Paid Service under s4 Local Government and Housing Act 1989.</p> <p>Prior to appointment or dismissal of chief officers the appointor must consult with the Leader and Cabinet in accordance with the Employment Rules.</p> <p>Also see section 3.3 of the report.</p> <p><b>Contact officer: Peter Lewis, peter.lewis@tewkesbury.gov.uk, 01684 272012</b></p>
<b>HR implications (including learning and organisational development)</b>	<p>As contained in the body of this report. The proposals may result in compulsory redundancies. The Council will follow the proper process to effect any change / redundancies fairly and lawfully, and do all it can to mitigate the risk of any compulsory redundancy through the normal mechanisms (i.e. alternative work), and provide support to any employee placed at risk / facing redundancy. The Trade Unions will be consulted as part of the process.</p> <p>In appointing to the revised structure, the Council's normal policy on ring fencing and slotting will apply.</p> <p><b>Contact officer: Amanda Attfield, amanda.attfield@cheltenham.gov.uk, 07920 284313</b></p>
<b>Key risks</b>	As set out in appendix 1
<b>Corporate and community plan Implications</b>	<p>The proposals contribute towards the meeting of the Council's financial targets included in its 2013/14 action plan.</p> <p>Specifically they fulfil the commitment to propose a new senior management structure to Council by December 2013 which delivers a saving of £200k per annum.</p>

<b>Environmental and climate change implications</b>	None
<b>Property/Asset Implications</b>	<p>There are no property implications arising directly from this report</p> <p><b>Contact officer: David Roberts, <a href="mailto:david.roberts@cheltenham.gov.uk">david.roberts@cheltenham.gov.uk</a></b></p>



## 1. Background

- 1.1 Cheltenham Borough Council is a very different organisation to the council which existed five years ago. Given the extent of change it is now timely to consider our structural and cultural arrangements to reflect the new situation.
- 1.2 A brief history might assist. In 2008 council officers had explored the possibility of a delivery partnership with the private sector to drive efficiency and cost savings in relation to corporate support activities. This study concluded that savings were not available by following this particular approach, but shortly after the opportunity arose to form two shared services with Tewkesbury Borough Council, one for legal services with Tewkesbury as the lead authority (One Legal) and another shared service for building control with Cheltenham as the host.
- 1.3 At around the same time a shared service with Cotswold District Council for internal audit was formed. The pattern of commissioned services that have been put in place to date is as follows:-

Service	Partner(s)	Lead organisation	Start year	No. of staff transferring from CBC
Legal (inc. Monitoring Officer)	Tewkesbury Borough Council	Tewkesbury Borough Council	2009	20.5fte
Building Control	Tewkesbury Borough Council	Cheltenham Borough Council	2009	10 fte came into CBC
Audit	Initially Cotswold District Council (extended in 2012 to include West Oxon District Council)	Cotswold District Council	2009	4 fte
Waste collection, street cleansing, parks and garden maintenance	Cotswold District Council	Ubico Ltd  (NB: as a parallel project a joint committee for waste commissioning has been put in place with Gloucestershire County Council and other district councils)	2012	118 fte
GO Shared Services (finance, HR, Procurement and systems support)	Cotswold District Council, West Oxon District Council, Forest of Dean District Council, Cheltenham Borough Homes, Ubico Ltd	Cotswold District Council	2012	29.42 fte
ICT	Forest of Dean District Council	Forest of Dean District Council	2013	15 fte

- 1.4 Over the relevant financial years, from the start of 2009/10 through to the end of 2012/13 the

number of staff delivering direct services as employees of the council has reduced from 571 fte to 343 fte. The main reason for this is the formation of the shared services mentioned above, but there has also been a significant impact in head count through deleting posts (most of them through natural wastage) and from other TUPE transfers. The cost of direct services provided by the council has thus, over this period, reduced from £19.5m to around £10m.

- 1.5 As Members will know we are currently exploring the commissioning options for Leisure and Culture. This initiative may have the impact of reducing directly employed staff numbers by a further 83 fte and removing £2.9m from the cost of direct services making our directly employed staff numbers around 260 fte and the amount spent on direct services £7.1m. For the purposes of the structural proposals in the remainder of this report I have assumed that this commissioning initiative will proceed – though the arrangements suggested are flexible enough to accommodate a second directly provided service for Leisure and Culture should that be necessary.
- 1.6 Cheltenham Borough Council has always sought to be efficient in the way in which it spends public money, and becoming a commissioning council was intended primarily to increase efficiency, effectiveness and value for money. However since 2008 the financial challenges facing the council have increased in intensity and scale such that approximately one third of the council's grant from central government has been cut and it is likely that this proportion will reach 50% by the end of 2015/16. This has provided an additional imperative for the council to consider its future as a much smaller organisation which manages a set of diverse relationships with a range of shared service providers (including the voluntary and community sector), whilst retaining some direct delivery. However, the financial impact of any decisions made will be critical to the council's long term sustainability. The council's smaller size following the significant transformation to date provides opportunities to reduce council overheads in areas such as accommodation, the cost of support services and the cost of senior management.

### **Vision**

- 1.7 The dramatic changes described above have been implemented against a vision which remains as relevant today as it was when first adopted in 2008, namely 'we want Cheltenham to deliver a sustainable quality of life where people, families, their communities and businesses thrive and in a way which cherishes cultural and natural heritage, reduces their impact on climate change and does not compromise the quality of life of present and future generations'.
- 1.8 This vision supports an outwardly focussed approach which has involved identifying four corporate objectives – enhancing and protecting our environment, strengthening our economy, strengthening our community and enhancing the provision of arts and culture; plus a more inwardly focussed fifth objective about providing value for money and services that effectively meet the needs of our customers. These objectives are in turn supported by a set of outcomes we wish to see for the Cheltenham community.

### **Role of the council**

- 1.9 Increasingly we no longer define ourselves by the services we directly provide but by the outcomes we achieve either ourselves, or which we support and influence others to achieve. Relationship and provider management is therefore critical as we consider organisational needs for the future, as is the need to ensure that elected Members have political oversight and influence over the contribution and performance of providers in carrying out their commitments. The task of the council is to commission from the various shared local authority arrangements, from the community and voluntary sector, from the private sector or from directly employed staff, the achievement of these outcomes.

## Cheltenham Futures

- 1.10 The change which the council has undergone as a result of its own choices about the future direction of service delivery (but against the backdrop of the government's austerity programme) has inevitably had an impact upon the way the remaining council-employed staff carry out their jobs. The council has had to be much more careful about the way in which it manages its more limited staff capacity in order to ensure achievement of the desired outcomes for the community and the major programmes and projects which are designed to support those outcomes. Having got to this point in the transformation it is now time to pause and consider the impact of this change on organisational culture and ask whether the mechanisms that are intended to support a high learning, high performance culture in which staff are empowered to make a difference are 'fit for purpose'. These mechanisms include the system of appraisal, performance management, staff progression, grading, reward and recognition processes. A key work stream of the Cheltenham Futures Programme (**Workstream 3**) is looking at exactly these issues.
- 1.11 The other two work streams of Cheltenham Futures concern structural change. **Workstream 1** seeks to take a coherent view of those services which the council continues to provide to the public to reach a conclusion on which of those services we should retain in-house (i.e. employing the staff directly) and which could more appropriately be provided by commissioning them from other organisations, from shared services or – potentially – from mutuals formed by staff working in the service (a route favoured by the Cabinet office who provide funding to support the creation of mutuals). The preliminary conclusion of this workstream is that we should retain a single division entitled 'Environmental and Regulatory Services' which includes the planning and licensing function, the very small car parking team which deals with off-street parking enforcement and elements of public protection. **Workstream 2** involves the 'right sizing' of our corporate support activities, perhaps commissioning from other providers where a business case exists to do so and promoting effective scenario and risk planning to ensure that we are prepared for the failure or serious difficulty within any of the provider organisations which we now rely on to carry out our functions.

## 2. Senior Management Reductions

- 2.1 There are three main reasons for an early focus on senior management structures in mapping out the council's future; those are: -
- Senior management structural change which is made as a genuine response to the need for a changing functional role sends out a strong signal to the rest of the organisation that things are different and that all of us need to operate differently to deal with the new context. This was a particularly relevant factor behind the creation of the current Commissioning Division in 2010 and this structural change proved particularly valuable in helping the council to successfully adopt a commissioning approach.
  - When asking our own staff and those working closely with us in shared services to accept change and budget reductions it is invaluable (in terms of maintaining morale and positive relationships with colleagues) to show that higher paid senior managers are bearing their share of the burden
  - It is a relatively quick and certain way of delivering sizable financial savings without impacting on front line services

Of course there are also future risks if senior management is cut too far or too fast – or if the quality of senior management suffers as a result of the change in that the capacity and capability to deliver coherent organisational leadership, relationship management and supervision of providers may be impaired.

- 2.2 Bearing in mind these opportunities and risks, I am presenting a proposed change in senior management structures which will, in phased steps, reduce our senior management contingent (our top three tiers) by two posts from the current six down to four. In doing so I am proposing revised roles for the remaining senior posts which reflect the new organisational context. A profile of the key accountabilities for the new roles can be seen in the appendices but essentially the four posts are:
- Chief Executive/Head of Paid Service with overall leadership responsibility together with operational responsibility for elections and democracy.
  - Deputy Chief Executive, responsible for maintaining strong and effective relationships with partners and stakeholders, managing contracts with providers and sponsoring significant future commissioning activities.
  - Director of Corporate Resources, strategic management role controlling central resource deployment (whether directly provided or commissioned) across all central service functions such as finance, ICT, HR, Revenues and Benefits.
  - Director of Environmental and Regulatory Services who will manage all employed staff within the public facing functional areas still directly provided by the council.
- 2.3 Such a structure, if approved, could be put in place by removing one Executive Director post in March 2014 and a Director post in October 2014 – which at current costs and in accordance with Council policy and statutory entitlement would, on an ongoing basis, save nearly £220,000 per annum (including on-costs and admin support savings). The one-off costs involved in achieving this saving would, it is estimated, pay back within 1.44 years (assuming that the change is effected without the need for incidental compulsory redundancies).

See indicative timeline for implementation at Appendix 4.

### 3. Reasons for recommendations

- 3.1 The intention of this report is to give full Council an overview of the Cheltenham Futures programme to provide an opportunity to comment on the appropriateness (or otherwise) of its content. The reasons for structuring the programme as it is should be adequately explained above or be self evident from the programme description at Appendix 2.
- 3.2 Formal approval is required to consult on the deletion of two senior council posts with those posts being declared redundant. The financial information relevant to this decision is contained in Appendix 5. Essentially the aim of this restructuring is to:
- 3.2.1 Facilitate the functional, cultural and structure changes developed as part of the Cheltenham Futures Programme. The aim is to have a slimmer management structure with a stronger concentration on relationship and provider management so as to assist in the delivery of the council's vision, objectives and in ensuring that we commission the outcomes desired for the Cheltenham community effectively. It will be an important element of our provider management mechanisms that elected Members are able to monitor and influence the performance of providers so as to ensure maximum impact on the achievement of desired community outcomes and a continuing high quality of service to users.
- 3.2.2 Recognise that now so many council services have been commissioned from other providers our current structures look 'top heavy'. In particular it is now difficult to justify maintaining the two separate corporate divisions of "Commissioning" and "Resources" which it is recommended can be rationalised; and with fewer major new commissioning programmes or projects being needed in the future the Executive Director role can now be refocused on relationship and provider management and be slimmed down to one post (which I am re-designating 'Deputy Chief Executive' to reflect the fact that the postholder will deputise for me in the Head of Paid Service

role and other responsibilities).

### 3.2.3 Deliver financial savings as set out above.

- 3.3 The Council's Employment Rules currently require appointment and dismissal of chief officers to be approved by Council following decision by Committee; there is no legal requirement for such except in the case of the Head of Paid Service. In view of this and the fact that Council, through this report, is being asked to agree the proposed structure it is recommended that the Constitution be amended by the Borough Solicitor to place appointment and dismissal with the Appointments and Remuneration Committee without the need to refer to Council for approval.

## 4. Alternative options considered

- 4.1 The status quo was rejected as an option as it fails to recognise and respond to the changes which the council has experienced over the last few years.
- 4.2 The deletion of an additional senior post beyond the two proposed in this report was considered but rejected on the basis that this would risk reducing leadership capacity to an unreasonably low level recognising the major challenges which the council and our local community continue to face.
- 4.3 Despite being ambitious and far reaching, much of the detail in the Cheltenham Futures programme description and in the role descriptions included in the appendices to this report have been developed through the involvement of staff and stakeholders concerned and thus are proposed as the collectively developed optimum solution and most achievable way forward.

## 5. Consultation and feedback

- 5.1 Extensive communication and discussion with staff and stakeholders affected by each proposal in the Cheltenham Futures programme, staff presentations, discussions with political group leaders and a workshop with councillors.
- 5.2 Some service commissioning has taken place under the Cheltenham Futures programme and this has involved consultation with customers and potential providers of those services.

## 6. Performance management – monitoring and review

- 6.1 The Cheltenham Futures programme has its own built in monitoring and review arrangements.
- 6.2 If the proposals on senior structural change are agreed by council it is suggested that the Appointments and Remuneration Committee be asked to take an overview of the implementation of any redundancies as well as any HR processes deemed necessary to finalise the proposed new structure.

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<b>Appendices</b>	<ol style="list-style-type: none"> <li>1. Risk Assessment</li> <li>2. Cheltenham Futures Programme description</li> <li>3. Role description for the proposed posts of Deputy Chief Executive, Director of Corporate Resources and Director of Environmental and Regulatory Services</li> <li>4. Indicative timeline for proposed restructuring process</li> <li>5. Financial Analysis</li> </ol>
<b>Background information</b>	Various Cabinet and Council reports accessible on the council's website

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1	If senior management capacity, experience and capability is reduced by too much or too quickly there may be an adverse impact on front-line services (either of externally commissioned services or of directly provided services)	Chief Executive	24/06/13	3	4	12	Reduce	Ensure that senior management focus is directed to the priority areas in which it is needed Ensure service manager roles are re-configured, where necessary, to support senior managers. Ensure 'discretionary' effort throughout the council is focussed on priorities and that the initiation of change activity must be based on a business case. Ensure that the transition period is used to identify areas in significant loss of experience and capability is possible and that a knowledge transfer programme is put in place.	31/12/14  31/10/14  31/03/15  31/10/14	Chief Executive  Senior Leadership Team  Senior Leadership Team  Chief Executive	



The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
								Ensure that workstream 3 of the Futures programme is focussed on introducing a performance culture which supports remaining staff If the estimated savings are fully achieved, the surplus above the Bridging the Gap target (i.e. around £20K p.a.) will be used to address any capacity and capability gaps.	31/12/14  31/10/14	Strategic Director (Workstream 3)  Senior Leadership Team	
2	If, following the reduction in senior management, members are unable to get an adequate response to their questions and issues, their ability to support their constituencies may be adversely impacted.	Chief Executive	24/06/13	3	4	12	Reduce	Ensure there is clarity over members' first points of contacts. Ensure service managers and others have the skills and capacity to deal with increased member contact.	31/10/14  31/12/14	Senior Leadership Team  Strategic Director (Workstream 3)	

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
3	If the reduction in senior management leads to a drop in officer morale, front-line services may be impacted.	Chief Executive	24/06/13	2	3	6	Reduce	Ensure the rationale for the changes is explained to all officers. Ensure officers directly impacted are able to contribute to identifying changes to their roles and changes to organisational culture	31/07/13 and ongoing  31/10/14	Chief Executive  Senior Leadership Team	
4	If senior management roles are not clear, gaps or overlaps may occur, leading to inefficiencies or failures	Chief Executive	24/06/13	2	4	8	Reduce	Ensure senior managers develop a clear understanding of their roles Ensure senior managers review any issues created by the new roles during their implementation	31/10/14  31/03/15	Chief Executive  Chief Executive	

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
5	If wide member support does not exist for the senior management changes, tensions between members and senior officers may arise.	Chief Executive	24/06/13	4	2	8	Reduce	Ensure the rationale for the changes are explained to all members and specifically to group leaders. Ensure members have the opportunity to raise any concerns before and during implementation	31/07/13 and ongoing  31/07/13 and ongoing	Chief Executive  Chief Executive	
6	If the changes are perceived by the public or media as 'yet another restructure' or their costs are perceived to be too high or the approach to filling posts is seen as restrictive then negative publicity may ensue.	Chief Executive	24/06/13	2	3	6	Reduce	Ensure a proactive media message is put out which explains the rationale clearly. Ensure the overall impact on finances is explained clearly. Ensure the restructuring process is fair and accords with Council policy.	31/07/13 and ongoing  31/07/13 and ongoing  31/10/14	Communications Team Leader  Finance Director  Head of HR GOSS	
7	If there are additional unforeseen compulsory redundancies the financial case for the changes may not be delivered.	Chief Executive	24/06/13	3	2	6	Reduce	Return to Council with a further proposal. Ensure the council's processes for offering alternative roles are operated.	31/10/14	Chief Executive  Head of HR GOSS	

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
<b>Explanatory notes</b> <b>Impact</b> – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical) <b>Likelihood</b> – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability) <b>Control</b> - Either: Reduce / Accept / Transfer to 3rd party / Close											

Cheltenham Futures Programme		Appendix 2
<b>Introduction</b>		
<p>We have made significant progress on commissioning services from external providers with the result that the directly employed portion of the council's business employs around half as many people as three years ago and costs roughly half as much.</p> <p>In any circumstances this would create a pressure to consider the function and form of the remaining organisation – but this is more critically the case in the continuing climate of austerity. Thus, change remains a constant with a smaller, more effective organisation which is well adapted to the needs of a commissioning council, the aim.</p> <p>Two promises I have made to staff:</p> <ol style="list-style-type: none"><li>1. We will keep our people and trade unions informed of what we are doing and why and seek their views</li><li>2. We will try – where we can – to evolve the organisation into the new model rather than go for radical restructurings which risk unnecessary disruption and low staff morale.</li></ol> <p>As the changes described in this document will be radical, this promised way of leading change will challenge senior managers, but it is vital that we take our staff with us on the transformation.</p> <p>There is an assumption underlying the work streams that follow that a Leisure and Culture Trust, or similar model, is formed so that the staff within the areas encompassed by the trust model do not need to be accommodated within any new structure envisaged by this programme. Clearly if this assumption proves invalid we will need to revisit relevant elements of the programme.</p> <p>Andrew North Chief Executive</p>		
<b>This document</b>		
This document is to be used to summarise the action plan and to track the status of actions. This version was last updated on the date shown below.		
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<b>WORKSTREAM – 1 Direct Council Provision Unified Management</b>				
<b>Objectives</b> <ul style="list-style-type: none"> <li>To provide for the management of services currently part of Wellbeing and Culture but not part of the Leisure and Culture review</li> <li>To place all direct provision under a single senior manager on an interim basis to facilitate rationalisation and restructuring</li> <li>To deliver efficiency savings in 2013/14</li> <li>To establish a permanent service structure</li> </ul>				
<b>Action</b>	<b>Success Measure</b>	<b>Proposed Process</b>	<b>Timescale / Status</b>	
Put all services in Wellbeing and Culture Division (other than those which are part of the L&C Review) and entire Built Environment Division under GL's direct management	<ul style="list-style-type: none"> <li>Effectively communicated to staff</li> <li>Interim structure agreed</li> </ul>	Chief Executive management decision	Complete	
Through management restructuring and other efficiency measures to identify short term savings	<ul style="list-style-type: none"> <li>£150k in savings for 2013/14</li> <li>No impairment of service delivery</li> </ul>	Accountability of GL consulting as necessary	Delivery of savings by April 2014 (see also 'retained car parking' below) Draft section 4 report produced and circulated to SLT	
Presentation of a structure for a new, directly provided Environment and Regulatory service headed by MR for approval by the Council	<ul style="list-style-type: none"> <li>Structure for efficient and joined up delivery of service</li> <li>High degree of 'commercial' autonomy for the new service</li> <li>Political acceptability</li> </ul>	Executive Board to agree proposal for incorporation in a Section 4 report by the Chief Executive to Council	Section 4 report to Council on 22 <sup>nd</sup> July 2013 Implementation of new service to be complete by April 2014	
All services not identified as for inclusion in the Environment and Regulatory Service to be subject to fast track commissioning review and/or transferred to Commissioning or Resources divisions	<ul style="list-style-type: none"> <li>All services commissioned externally or integrated internally</li> <li>Efficient and value for money services</li> </ul>	Depending on the scale and destination for the service this could be by Cabinet decision or by management action	Solutions implemented by March 2014 at the latest	
<ul style="list-style-type: none"> <li>Retained Car Parking activities</li> </ul>			Complete	
			Cabinet report agreed (Jan '13) New delivery mechanisms for off street parking provision. in place (April '13). Savings of	
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			£150k have been identified and further work being carried out to establish if any additional savings can be realised by rationalising contracts
<ul style="list-style-type: none"> <li>Green Environment</li> </ul>		Robust business case for Nursery investment and future operation, to be drafted by end July 2013.	Member Group has determined that it wants Green Space Development to be retained as a directly provided service.  Additional information now being sought following first sight of the nursery business case.  Draft options appraisal indicates viable business growth is achievable within the current model. Decision expected by end July.
<ul style="list-style-type: none"> <li>Cemetery and Crematorium</li> </ul>		Produce informal assessment of alternatives	
<ul style="list-style-type: none"> <li>Building Control</li> </ul>		<p>A range of alternative delivery models are currently being investigated to establish what is externally available.</p> <p>Formal commissioning exercise will be commenced by the end of 2013.</p> <p>On Forward Plan – finance being sorted</p> <p>No further work as yet</p> <p>No further work as yet</p> <p>Look to begin formal commissioning by October</p>	<p>Range of initial options presented by Iain Houston on 21<sup>st</sup> May.</p> <p>Next officer meeting on 24<sup>th</sup> July</p> <p>June 2013 report to Cabinet on preferred option</p> <p>Legal advice on available options being taken. Options appraisal to follow.</p> <p>Review scope to be re-evaluated</p> <p>Informal discussions with key officers regarding their</p>
<ul style="list-style-type: none"> <li>Housing Options</li> </ul>			
<ul style="list-style-type: none"> <li>Private Sector Housing</li> </ul>			
<ul style="list-style-type: none"> <li>Housing &amp; Community</li> </ul>			
<ul style="list-style-type: none"> <li>Public Protection</li> </ul>			



		2013.	thoughts. Will commence initial draft scoping of potential options early July
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<b>WORKSTREAM – 2 Central Services</b>			
<b>Objectives</b> <ul style="list-style-type: none"> <li>To take early steps to 'right size' the Resources and Commissioning divisions to meet future council requirements</li> <li>To introduce service failure scenario and risk planning</li> <li>To prepare for the amalgamation of the Resources and Commissioning divisions</li> </ul>			
<b>Action</b>	<b>Success Measure</b>	<b>Proposed Process</b>	<b>Timescale / Status</b>
Completion of commissioning work on ICT	<ul style="list-style-type: none"> <li>Service commissioned against a sound business case</li> </ul>	Cabinet decision	Complete  CBC staff TUPE'd to FoD on 1 <sup>st</sup> April 2013
Development of a commissioning strategy for Revenues and Benefits and Customer Services	<ul style="list-style-type: none"> <li>Clear programme (with timelines) setting out how these services will be commissioned</li> </ul>	MS to propose strategies for consideration by Exec Board	Outline options involving <ul style="list-style-type: none"> <li>Civica</li> <li>Liberata (to buy/sell services from/to a capacity grid)</li> <li>shared service with Cotswold and West Oxfordshire</li> </ul> are at an early stage of investigation and development.  Proposal received from Civica and being considered.  Due to the changes in the service resulting from the impact of national benefit changes, the options for the (residual) service post the introduction of universal credit, will be considered in 14/15.  Commissioning strategy for Customer Services to be proposed to Exec Board by September 2013. Details of current arrangements across the county are

			being collated.
Consider opportunities for buying in support activities from consultants to reduce number of employed staff	<ul style="list-style-type: none"> <li>• Clear understanding of where posts need to be retained on the payroll and where skills can best be 'bought in' as needed.</li> <li>• Supporting any staff 'at risk' to manage the implications of this different approach</li> </ul>	Management review by MS and JG, consulting as required with a view to submission of an action plan to Exec Board.	<p>Action plan to be based on the resource requirements identified in the January 2013 and subsequent corporate planning exercises</p> <p>Agreed that GIS service will be bought in from FoD.</p> <p>Project management team vacancy has been held open until there is clarity on the support required by the accommodation strategy.</p> <p>Action plan to be submitted to Exec Board by end of August 2013.</p>
Consider whether any other service areas currently within the Commissioning or Resources Divisions can be commissioned externally and to follow up with a commissioning review or reviews accordingly	<ul style="list-style-type: none"> <li>• Robust position statement identifying opportunities for extending commissioning (with options appraisal)</li> </ul>	Statement prepared by MS and JG with a view to agreement by Exec Board and presentation to Cabinet.	<p>Areas in scope to be submitted to Exec Board by August 2013.</p> <p>Review to be complete by October 2014</p>

Develop scenario planning to anticipate action to be taken in the event of failure of any commissioned services - identifying as accurately as possible resource consequences	<ul style="list-style-type: none"> <li>• Creation of an effective task group accountable for scenario planning</li> <li>• Establish and then maintain plans for dealing with possible service or provider failure in key provider agencies or partnerships</li> </ul>	<p>JG leading</p> <ul style="list-style-type: none"> <li>• Research into exit agreements for services already externally commissioned</li> <li>• Ensuring that ongoing commissioning reviews undertake scenario planning</li> <li>• Determining who would be involved in dealing with a service failure</li> <li>• Identifying and filling any gaps in plans</li> </ul>	<p>Draft framework created for dealing with unplanned disruptive events</p> <p>Research into existing arrangements with externally commissioned services ongoing.</p>
Amalgamate the current Resources and Commissioning divisions into a single 'Corporate Resources' division	<ul style="list-style-type: none"> <li>• Effectively communicated to staff</li> <li>• Structure agreed</li> <li>• No impairment of service quality or undue interference with major programmes or projects</li> </ul>	<p>Section 4 report by the Chief Executive to Council</p>	<p>Agreed that joint DMTs to be arranged to take this forward.</p> <p>Draft section 4 report produced and circulated to SLT</p> <p>Section 4 report to Council on 22<sup>nd</sup> July 2013 with structure agreed by end of 2013.</p> <p>Implementation by October 2014</p>

<b>WORKSTREAM – 3 Performance and Organisational Culture</b> Working together to create a <b>great future</b> for Cheltenham			
<b>Primary Objective:</b> To sustain an organisational culture that will deliver the future vision and outcomes of the council To be achieved by: <ul style="list-style-type: none"> <li>• Improving the effectiveness of the council's appraisal mechanisms</li> <li>• Linking appraisal and performance management systems to the community outcomes identified by the council's corporate strategy</li> <li>• To revisit the progression, grading and reward processes to incentivise good performance</li> </ul> This workstream is the catalyst to evolve our culture and behaviours so as to underpin and sustain a successful, vibrant and fulfilling future for our staff, partners and communities.			
Action	Success Measure	Proposed Process	Timescale / Status
1. The model for "great performance and people management" is set in the context of delivering work-streams 1 and 2 and takes account of the feedback from the autumn 2012 employee sessions and the SLT/SM session on 19.10.12	Performance and people management arrangements meet the requirements of CX and lead officers (see note 1 below)	Identify key performance, management and org culture attributes through short interviews with AN, GL, MS and JG as lead officers for the programme.  Maintain close links with workstreams 1 and 2 as they evolve.  Report outcome to project team.	Interviews complete  Attributes identified and used to inform approach to workstream  Close links with workstreams 1 and 2 being maintained.

Action	Success Measure	Proposed Process	Timescale / Status
<p>2. Analyse the feedback from the employee and SLT/SM sessions re (1) performance management (incl appraisals); (2) development; (3) managing behaviour; (4) pay and reward (including career progression)</p>	<p>Staff and service managers recognise their feedback has been listened to and acted upon</p> <p>Any revised performance and people management processes and/or arrangements meet, deal with, where possible the issues raised by staff</p>	<p>Feedback is used as a basis for action planning. Report outcome to project team (see note 2 below)</p>	<p>Complete</p> <p>Feedback analysed and used to inform approach to workstream</p>
<p>3. Investigate opportunity/necessity for external assistance to assist the project team and research other organisations' approaches.</p>	<p>Project outcomes are credible and based on sound advice and support</p>	<p>Contact other organisations and agree assistance</p>	<p>Ongoing</p> <p>Chasing response from SW Councils following their offer to act as critical friend and give access to their pay and grading work for Bristol.</p> <p>Visit to Commercial arranged.</p> <p>Examples of other organisations' appraisal processes sourced.</p> <p>Support to development of workstream approach provided by Achieve Breakthrough</p>

Action	Success Measure	Proposed Process	Timescale / Status
4. Decide approach to workstream and engage with organisation accordingly	Workstream plan reflects our drivers and priorities. Plan is understood and supported by employees. Managers understand their roles in meeting the objectives of the workstream.	Workshop to determine approach, using previous feedback, followed by engagement with employees	Project team workshop held on 5 <sup>th</sup> March  Thinking shared with SLT and Service Managers on 9 <sup>th</sup> April. SLT / SM response to be collated and fed back to SLT / SMs by 26 <sup>th</sup> April.  Visits to divisional meetings in progress  Creation of intranet site in progress
5. Review competencies and agree any amendments	Reviewed and agreed	Team are currently reviewing each competency and comparing them against feedback from slt and service manager session.	Agree revisions by August then take to Exec Board
6. Review performance management approach including appraisals	Reviewed and agreed		Appraisal improvements by April 2014
7. Review training plan for 2013-2014 and agree any missings/changes	Reviewed and agreed with provision made for any missing		Process underway  Appraisal training publicised and promoted.  Process underway
8. Review staff development shadowing, mentoring and coaching			Briefing on IIP for end of June



Action	Success Measure	Proposed Process	Timescale / Status
9. Research benefits and rewards packages	An as is personalised benefits statement produced and options for other costed	Research other options Gather information from South west councils and other employers	RMcK and AA attended Bucks CC seminar  Brief for pay and reward element of workstream to be considered by SLT on 18 <sup>th</sup> June RMcK and AA to attend  Visit arranged with LGA 14 <sup>th</sup> August  A “what is missing” session similar to the extended SLT/ Service manager on culture will be done on 9 <sup>th</sup> July on Pay and reward
10. Update and communicate appraisal process		Appraisal training publicised and promoted	
11. Communication and Engagement	Staff understand what is happening when and why	Regular updates on dedicated Cheltenham future web pages  Regular attendance at DMT/Team meetings	Logo and brand agreed , web pages currently being designed and content written

#### Notes:

1. To assist Members, managers and staff in understanding what is meant by “**establishing a model for great performance and people management**” it might be useful to consider the following descriptions of what is meant by **performance management** and **organisational culture** as they are intrinsically linked. You cannot have great performance and people management without the appropriate culture and vice versa.

#### A. Performance Management

Armstrong and Baron<sup>1</sup> define performance management as

<sup>1</sup> Armstrong and Baron (2004) Managing performance: performance management in action. London: Chartered Institute of Personnel and Development

“A process which contributes to the effective management of individuals and teams in order to achieve high levels of organisational performance. As such, it establishes shared understanding about what is to be achieved and an approach to leading and developing people which ensure that it is achieved”.

So, performance management is about establishing a culture in which individuals and groups take responsibility for continuous improvement of business processes and of their own skills, behaviour and contributions.

Because performance management is (or should be) all-pervasive, it needs structures to support it. These should provide a framework to help people operate, and to help them to help others to operate. It should not be a rigid system.

Performance management should incorporate

- Performance improvement – throughout the organisation, in respect of individual, team and organisational effectiveness
- Development – unless there is continuous development of individuals and teams, performance will not improve
- Managing behaviour – ensuring that individuals are encouraged to behave in a way that allows and fosters better working relationships

## **B. Organisational Culture**

Often extremely difficult to define, but the culture of an organisation is the typical way of doing things in the organisation. It particularly relates to behaviour patterns and relationships. The culture of an organisation develops over time. It is created by the people that work for the organisation – its managers and workforce. A “high performance culture” exists when everyone in the organisation shares the same vision and where they trust and value each other’s contribution.

2. The Council already has systems for managing people incorporating required competencies, performance management (including appraisal), learning and development, pay and reward. The intention of the work-stream 3 is, therefore, to ensure these arrangements are “fit for purpose” in the context of the Cheltenham Futures Programme.
3. The team has modelled a ‘perfect culture’ based on the future requirements of the organisation. This led to the identification of certain priority ‘cultural attributes’ – those factors which we feel are the areas we most need to influence - and discussion of them with SLT and Service Managers. We are now looking to focus on elements of the performance management system (see note 2 above) and, where necessary, modify or extend them accordingly.

Role	Role profile/key accountabilities	
Deputy Chief Executive  (currently Executive Director)	<p>In addition to deputising for the Chief Executive, the key commissioning and sponsor role maintaining strong and effective relationships with partners and stakeholders, accountable for effective and efficient delivery of</p> <ul style="list-style-type: none"><li>• Outcomes and relationships in client / contract management (e.g. Ubico Ltd, CBH Ltd), including timely and customer focussed decision making on client issues</li><li>• Current and future commissioning of services</li><li>• Commissioning and re-commissioning programmes and projects</li><li>• Community Strategy and engagement inc. strategic responsibility for economic development and tourism</li><li>• Business transformation and development</li><li>• Programme and project management</li><li>• Communications and customer relations</li></ul>	
Director of Corporate Resources  (currently Director of Resources)	<p>A strategic leadership role directing central resource deployment and efficiency whether directly provided or commissioned. Accountable for the effective and efficient delivery of corporate resources including:</p> <ul style="list-style-type: none"><li>• Financial, Human Resources, Audit, Legal, and ICT services (via GOSS, Audit Cotswolds, ICT Shared service, One Legal)</li><li>• Governance and risk management arrangements</li><li>• Property and asset management services</li><li>• Customer services</li><li>• Revenues and Benefits service</li><li>• Budget strategy</li></ul>	
Director of Environmental and Regulatory Services (currently Director of Built Environment)	<p>A strategic leadership role focussed on public facing services directly provided by the council. Accountable for the effective and efficient delivery of directly provided services, including:</p> <ul style="list-style-type: none"><li>• Planning</li></ul>	
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	<ul style="list-style-type: none"><li>• Building control</li><li>• Enforcement and Public Protection (inc. Licensing)</li><li>• Green environment</li><li>• Bereavement services</li><li>• Housing - strategy, housing options, private sector housing, communities and enabling services</li><li>• Parking services (inc. Shopmobility)</li></ul>
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Indicative Restructure Timeline	Appendix 4
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## Formal consultation

Stage One	Start Date	End Date
Formal consultation on the proposed structure begins	w/c 05/08/2013	
Feedback on proposals from Trade Unions invited	05/08/2013	21/10/2013
Feedback on proposals from employees invited via TUs	05/08/2013	21/10/2013
'At Risk' letters to be issued to affected employees	w/c 05/08/2013	
Letters to be issued to ring fenced employees	w/c 05/08/2013	
Individual discussions with employees in affected roles take place	05/08/2013	21/10/2013
Consultation period on the proposed structure ends		21/10/2013

## Stage Two

Account to be taken of representations from Trade Unions, affected employees and the team; amendments/changes to structure made where necessary to avoid/mitigate the need for redundancy	w/c 25/10/2013	
Staff informed of final structure proposal	w/c 04/11/2013	
Staff issued with revised / refreshed job descriptions	w/c 04/11/2013	

**Stage Three**

Appointments made; any at risk employees will have opportunity to apply to any revised / refreshed posts and to be considered for role/s (e.g. where ring fencing)	w/c	11/11/2013	
Employees due to be slotted will be confirmed in revised roles	w/c	11/11/2013	
Employees who remain 'at risk' and where no opportunity to remain in employment is forthcoming, will be issued with notice and placed on Council's redeployment register	w/c	11/11/2013	
Job adverts placed for vacancies where there are no affected employees and/or where there are vacancies that will not be filled by affected staff	w/c	11/11/2013	
Handover		01/02/2014	31/03/2014
Handover		01/04/2014	31/10/2014
			Phase 1
			Phase 2

**Stage Four**

Notice periods ended, employees not retained leave employment			31/03/2014	Phase 1
Notice periods ended, employees not retained leave employment			31/10/2014	Phase 2
Project review and close		tba	tba	

Financial Analysis	Appendix 5
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**Costs/Savings to the Council with no compulsory redundancies**

Years	2013/14 Note 1	2014/15 Note 2	2015/16	2016/17	2017/18	2018/19	Total
Cost of redundancy / early retirement to the Council	50,412	173,080					223,492
Base budget saving		-156,477	-218,261	-218,261	-218,261	-218,261	-1,029,521
Cashflow	50,412	16,603	-218,261	-218,261	-218,261	-218,261	-806,029
Cumulative cashflow	50,412	67,015	-151,246	-369,507	-587,768	-806,029	
Payback =	1.443	years					

Note 1 £50,412 equates to the redundancy costs of one Executive Director from March 2014  
 Note 2 £173,080 equates to the redundancy costs and cost to the pension fund of early retirement of the post of Director of Commissioning and one Administrative post from October 2014

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## Cheltenham Borough Council

Council – 22 July 2013

### Review of council size and electoral cycle

<b>Accountable member</b>	<b>Councillor Jon Walklett, Cabinet Member Corporate Services</b>
<b>Accountable officer</b>	<b>Andrew North, Chief Executive</b>
<b>Ward(s) affected</b>	<b>All</b>
<b>Significant Decision</b>	<b>Yes</b>
<b>Executive summary</b>	<p>At the Council meeting on 25 March 2013, Council agreed to set up a Cabinet Member working group to review the Council size and electoral cycle. The working group were set the terms of reference, attached at Appendix 2 and requested to report their findings to Council on 22 July with a draft letter to the Local Government Boundary Commission For England (LGBCE) if appropriate.</p> <p>Following three meetings of the working group and a member seminar, the group have concluded that they do not wish to make any recommendations regarding initiating a review of Council size at this stage. This reflects the consensus of the working group and their reasons are set out in this report.</p> <p>Regarding the future electoral cycle, there were far more mixed views expressed across the political groups by members attending the seminar and within the working group itself. Therefore, the group concluded that they would refer this issue to Council without a recommendation, save that Council should be requested to consider moving to a four year electoral cycle or retaining the current two year cycle. The working group Chairman, in presenting the report to Council, will set out the divergent views of the working group on this issue. Only the option to commence the process of moving to a four yearly cycle needs to be voted on at Council as the current (2 year cycle) position will continue if resolution 3 is not adopted.</p>
<b>Recommendations</b>	<p><b>Council is asked to resolve:</b></p> <ol style="list-style-type: none"> <li><b>1. That a review of council size will not be progressed at this stage.</b></li> <li><b>2. That the community governance review will not be progressed at this time for the reasons set out in paragraph 4.6 of the report</b></li> <li><b>3. Whether to commence the process to move to a four year electoral cycle</b></li> </ol>

<b>Financial implications</b>	<p>The financial implications are set out in section 5 of this report and Appendix 3. If the Council were to change the electoral cycle to hold elections every four years, the average saving per annum would equate to £26,000.</p> <p><b>Contact officer: Paul Jones, Head of Finance GO Shared Services</b></p> <p><b>Paul.jones@cheltenham.gov.uk, 01242 775154</b></p>
<b>Legal implications</b>	<p>There are prescriptive procedures for dealing with electoral reviews and reviews of electoral cycles, arising primarily from the Local Democracy, Economic Development and Construction Act 2009 and Local Government and Public Involvement in Health Act 2007. Whilst the final decision in respect of an electoral review rests with the Local Government Boundary Commission and is brought in to effect by statutory instrument, the final decision in respect of the electoral cycle is made by a special meeting of Council (on a majority of at least two thirds of those present).</p> <p><b>Contact officer: peter.lewis@teWKesbury.gov.uk, 01684 272012</b></p>
<b>HR implications (including learning and organisational development)</b>	<p>Should there be any changes to election cycle the impact on resources will need to be considered as highlighted in the report. If different elections are run at the same time the demands on key staff may increase significantly. This needs to be kept to a manageable level as well as the resilience issues being carefully considered.</p> <p><b>Contact officer: Richard.hall@cheltenham.gov.uk, 07801123276</b></p>
<b>Key risks</b>	<b>As outlined in appendix 1</b>
<b>Corporate and community plan Implications</b>	The review has been identified within the council's corporate strategy for 2013/14. Effective governance arrangements are a key component for the delivery of the council's corporate objectives.
<b>Environmental and climate change implications</b>	None identified

## 1. Background

### 1.1 At the Council meeting on 8 February the following motion was passed:

*"Therefore we request Cabinet to consider moving to a four yearly cycle of Borough Council elections as soon as possible. We also call on the Cabinet to explore how a reduction of councillors can be achieved. In the interests of the Cheltenham tax payers and for the good governance of the town we ask that a report be brought back to Council in March outlining the issues, challenges and timelines of achieving both changes."*

### 1.2 Council considered a further report on 25 March 2013 setting out the various combinations of options for reducing the Council size and amending the electoral cycle. They agreed to set up a Cabinet Member working group to review the options in more detail following the terms of reference set by Council. They were requested to report their findings to Council on 22 July with a draft letter to the Local Government Boundary Commission for England (LGBCE) if appropriate i.e. if they were recommending that a review of the Council size could be initiated.

## **2. Membership of the working group and method of approach**

- 2.1** The working group was chaired by the Cabinet Member responsible for democracy, Councillor Jon Walklett and was made up of a cross party group of members consisting of the three Group leaders Councillors Les Godwin, Rob Garnham, Steve Jordan and Councillors Diggory Seacome and Simon Wheeler.
- 2.2** The group was supported by the Chief Executive, Andrew North and the director of commissioning, Jane Griffiths and Rosalind Reeves and Sam Howe from Democratic Services.
- 2.3** The group met for the first time on 23 April 2013 to agree their approach. They felt it was very important to seek the views of as many members as possible so they invited all members to participate in a seminar held on 9 May 2013. They were very pleased that 26 members were able to attend and 5 officers helped to facilitate the discussions held in smaller round table groups. The minutes were circulated to all members after the seminar so that they could review what had been discussed and they were invited to add any additional comments.
- 2.4** The group met for the final time on 2 July 2013 to finalise their report for Council. Before that meeting they had the opportunity to take the draft report to their group meetings to discuss with their members and respond to any concerns. During the meeting they acknowledged that they had reached consensus on council size but not the electoral cycle. Therefore they agreed that they would present both options regarding the electoral cycle for debate at Council .

## **3. Results of the member seminar**

- 3.1** At the member seminar, each table was asked to consider a number of questions relating to the role of a councillor and how it had changed as a result of commissioning. They went on to consider the issue of council size and electoral cycle.
- 3.2** Regarding the role of the member, the general feeling was that the role of the basic councillor had not changed significantly with the introduction of commissioning. However, there were issues raised about how easy it was for members to contact staff within the commissioned services when following up issues raised by their constituents. This is outside the scope of this report but is an important issue and will be followed up by officers from the Commissioning Division. Members also felt they were less well-informed about some areas, perhaps because in the new scrutiny arrangements they no longer received detailed update reports from service areas. This will be followed up as part of the review of the new scrutiny arrangements currently under way.
- 3.3** Members felt that the role of the councillor as a community representative was increasing and was likely to become more prominent as communities are encouraged to do more for themselves as public services undergo increasing financial constraints. This could increase their workload.
- 3.4** Another issue raised by members was the difficulty in finding people who were willing to stand as councillors and there was some concern that a reduction in Council size, with a resulting increase in workload for individual councillors, could put people off from standing. The working group later concluded that this was a matter for the political groups but they would encourage the council to take some initiatives in Local Democracy week to encourage a good turnout at elections.
- 3.5** Members at the seminar highlighted that commissioning was not the only change which was impacting the council. The potential increase in new housing development across the borough could be even more significant in changing the size of wards and this would not be finalised for some time. Therefore it was questioned whether now was the right time to do a review as it might have to be revisited in the future.

- 3.6 Regarding the Council size, there was a general feeling that the current system of having two members per ward worked well as they were able to offer help and support to each other and provide continuity across elections.
- 3.7 Regarding the electoral cycle, there was a range of views expressed with some highlighting the benefits of a four-year cycle whilst others preferred the current system.

#### **4. Conclusions on Council size**

- 4.1 Following the member seminar, the working group reviewed some case studies of four other councils who had gone through a review of their council size carried out by the LGBCE. They noted that in every case, the main driver for the review had been a variance between the size of electorate between wards of more than 10% of the borough average. The working group noted that this was not currently the case in Cheltenham but could well be in the future if there was significant new housing development in certain parts of the borough. As the site and size of new housing developments was yet to be finalised, the working group identified this as a strong mitigating factor for not initiating a review at this stage. New housing developments close to borough boundaries could even necessitate boundary reviews where new housing in one borough currently required significant infrastructure in a neighbouring borough.
- 4.2 The working group noted that the issue of the potential for the government imposing unitary local authorities on Gloucestershire may be raised again after the next general election and this could be another factor to be considered before initiating a ward boundary review.
- 4.3 In the 2013 county council elections, new divisions had been established in Cheltenham which resulted in 10 county councillors being elected to represent the people of Cheltenham within the county council. This had resulted in coterminosity between the county divisions and the borough council wards so effectively in each county council division there were now four borough councillors (two for each ward). The working group felt that this coterminosity was very important and the only option for reducing the Council size whilst maintaining this coterminosity, would be to have three councillors per ward with each ward matching the county division. The group noted that the new county council divisions had only just been introduced and therefore it would be preferable to see how these worked in practice before making any changes to borough council wards, especially one which could result in reducing the number of councillors by 25%.
- 4.4 The working group reflected on the views expressed by members during the seminar. They felt that whilst it might be sensible to consider reducing the size of Planning Committee or reviewing which matters needed to be considered by the Licensing Committee as opposed to a subcommittee, generally the workload of other committees and working groups would continue even if the number of councillors was reduced. Whilst this total workload to be shared amongst councillors remained constant, there was also the view expressed by a number of members that their community representative role was increasing especially in the current financial climate. With the introduction of commissioning, a lot of emphasis has been put on resilience of the service and the working group felt that this issue of resilience was equally important when considering members capacity to support the democratic process.
- 4.5 The group acknowledged that there would be some cost savings associated with reducing the number of councillors, but they were minded that their brief from Council was to maximise the effectiveness of the democratic process. At this point they could not see that reducing the council size would enhance democracy and there was a risk that it could even reduce it.
- 4.6 For all these reasons, the working group concluded that it was not the right time to initiate a review of Council size and this was the consensus of all the members. This could be initiated at some point in the future when the following factors are known:

- new housing development has been quantified so future ward numbers can be predicted with some certainty
- there is proven experience of how the new county council divisions are working in relation to the ward councillors
- there is more certainty regarding whether unitary local government will be imposed by central government
- the role of the councillor as community representative is further developed

4.7 The working group were also asked to comment on the community governance review. Overview and Scrutiny currently have it in their workplan to review the terms of reference for this review in September 2013 with an aim to restarting it. Members will recall that a scrutiny task group reported to Council via the Overview and Scrutiny Committee in December 2012. In the debate at Council, members highlighted that borough council boundaries and parish council boundaries could be affected by the results of the Joint Core Strategy work depending on where new housing development took place. Council resolved that the review should be deferred to a later date when any recommendations could be implemented ahead of the 2018 parish elections (these have since been brought forward to 2016). The working group discussed the matter and felt that any further work on the community governance review should be deferred until the new housing development referred to in 4.6 has been quantified. At that point it can be agreed how the review will be taken forward and in what timescales.

## **5. The options for the electoral cycle**

- 5.1 Regarding the electoral cycle, as has been said before, there were far more mixed views with advantages and disadvantages identified for the current 2 yearly elections and a 4 year cycle. The working group considered that considering a potential change was such an important decision that Council should be given full details of these pros and cons clearly set out in a report.
- 5.2 In considering the options, members are reminded again that the driving force behind the change should be to optimise the effectiveness of the democratic process whilst acknowledging that in the current climate of financial constraint, the potential cost savings will be an important secondary factor.
- 5.3 The following tables make a comparison between the two options and sets out the advantages and disadvantages of each, but first some explanatory notes.

### **By-elections**

- 5.4 From time to time, there may be a need for an election outside the borough election timetable. In the past 10 years there have been six by-elections in January 2004, July 2009, two in May 2010, October 2010 and May 2013. In May 2010, these coincided with the borough elections and in 2013 with the county council elections. The recent Warden Hill by-election cost in the order of £4,700 so a reasonable estimate of a combined by-election is £4,500. At other times when there is a requirement to initiate a stand-alone by-election, the estimated cost is £7,500.
- 5.5 Clearly if elections were only held every four years, there is likely to be an increased requirement for by-elections and in the cost analysis that follows it is assumed that there will be a requirement for a separate by-election once a year.
- 5.6 This estimate is supported by both Cotswold district council and Forest of Dean who have four yearly elections and have advised that they have a by-election on average once per year. Tewkesbury borough council, also on 4 yearly elections, have only had one by-election in the

period 2007 – 2011.

### **The cycle of other elections and potential for sharing election costs**

- 5.7** The council has a budget for the borough elections and also runs elections on behalf of Parishes, the county council and for the government in the case of parliamentary and European elections and the recent Police and Crime Commissioner elections. When elections coincide, there is usually a reduction in overall costs as aspects of the administration can be shared e.g. issuing postal ballot papers or the hiring of polling stations.
- 5.8** The borough elections cannot take place in the same year as the county council elections which take place every four years with the next due in 2017. As there is no potential for sharing costs, the county council elections are not relevant to any analysis of costs of the borough elections.
- 5.9** The first elections for the Police and Crime Commissioner (PCC) took place in November 2012 and are scheduled every four years starting in May 2016. If the borough elections were scheduled to coincide with the PCC elections, then there would be options for reducing the overall cost of both elections by sharing the administrative costs. Thus if Cheltenham was to move to four yearly elections, clearly it would be best to match the election-year with the PCC elections. If Cheltenham was to retain its current two yearly election cycle, then this could still be scheduled to coincide with the PCC elections thereby enabling costs to be shared every other borough election.
- 5.10** The estimated cost of a borough council election with 50% of the members up for election is £130,000. This cost would increase to £160,000 if all members were up for election in a 4 yearly cycle. If this election was combined with the PCC elections, it is estimated that this cost would reduce to £85,000 in the case of 2 yearly elections and £100,000 in the 4 year case.
- 5.11** Parish council elections take place every four years and must be at the same time as the borough elections. Thus the parish benefits from reduced costs of their elections because they are held at the same as the borough elections but there is no real cost saving to the borough. In Cheltenham there have been no parish council contested elections since 1999.
- 5.12** Parliamentary and European elections may coincide with borough elections and if they do there is of course the option to share some of the administrative costs. It has been estimated that the cost of a full borough election would reduce by £15,000 and if only half the councillors were up for election would reduce by £12,250. It should be noted that the proposed dates of parliamentary elections could change and could be called at any time so it is not possible to schedule the borough elections to always match their dates.
- 5.13** Taking all the above into account the election cycle and the comparison of costs is set out in Appendix 3.

### **Analysis of the advantages and disadvantages of 2 yearly and 4 yearly elections**

**5.14 Four yearly elections** – the advantages and disadvantages are set out in the following table

AREA	ADVANTAGES	DISADVANTAGES
For the Electorate	The electorate can form a better judgement on how successful an administration has been at delivering	If the electorate are dissatisfied with an administration they have to wait 4 years before they can have

	<p>their manifesto over a 4 year period.</p> <p>An election with a potentially more dramatic outcome for the town may encourage more publicity and a potentially higher turnout.</p>	<p>any impact with their vote.</p> <p>A ward could have two new inexperienced councillors as a result of the elections so there is no continuity for constituents of that ward.</p>
For Democracy	<p>The run up to elections and the following induction period can lead to an interruption of the democratic process of up to 2 months. This will only happen once every four years.</p> <p>The borough elections would be following the same election cycle as parishes, county councils, PCCs and many other borough councils.</p>	<p>All out elections could generate a large number of inexperienced members which could impact their ability to support their constituents and effective operation of council business e.g Planning and Licensing may lack members with the necessary in depth experience.</p>
For the Administration	<p>The administration could agree a strong mandate for implementing necessary policies which might take time to bear fruit ..</p> <p>They have a longer period to demonstrate to the electorate that they have delivered what they said they would deliver in their manifesto.</p>	<p>The administration could become complacent during a longer period in office.</p>
For members	<p>In 3 years out of 4, a member can put themselves forward as Mayor for the following year with the certainty that they will still be a councillor.</p>	<p>If they are not successful or want to take a break from standing, there is only a two-year wait before getting another opportunity to stand.</p> <p>Members lose the opportunity to have a mentor in their ward, if both members are newly elected.</p>
For officers	<p>This election cycle gives officers a four-year period of certainty when they can focus on implementing the policies of the administration.</p> <p>The preparation and delivery of a member induction process is resource intensive and it will only have to be done every 4 years and will have economies of scale in delivering it to more members at a time.</p>	

For the elections administration	Potential savings re Temporary staff  (staffing levels may need to be reassessed with the introduction of independent electoral registration due to be implemented in 2014)	Likely to incur more by-elections which would increase workload  Increased workload through election period dealing with more nominations
For the Council's budget	Compared with 2 yearly elections the council would be making a budgetary saving in the order of <b>£26,000 per annum.</b>	

### 5.15 Continue with current 2 year cycle

This would largely be a reverse of the advantages and disadvantages set out in the above table.

## 6. Experience of other authorities changing their electoral cycle

- 6.1** The Electoral Commission gave us some information regarding councils who were considering a change in their electoral cycle. The councils we looked at gave similar rationale for changing their cycle to 4 yearly elections.
- 6.2** Bristol City Council is currently reviewing their electoral arrangements by carrying out a public engagement exercise. At present, the council runs its elections by thirds. With the intended changes, the council would all be elected at the same time. In the current system elections are held for 23 or 24 seats each year for three successive years out of four. As each ward has 2 councillors, voters go the polls twice over a 4 year period to elect one of the councillors for their ward. Under the proposed arrangements all the Council seats would be up for election, once every four years. The reasons given for changing the voting system are that four yearly elections would allow the council to take a strategic, long term approach to policy and decision making. Whole elections would also be simpler and more easily understood for the electorate. Another benefit of four yearly elections would be the cost savings associated with a reduction in the amount of elections.
- 6.3** Weymouth and Portland Borough Council are also currently reviewing their electoral system. At present, councillors are elected to the borough council through a 'thirds system'. A consultation exercise ran from March to May in which the public were asked their views on a move to four yearly elections. 52% of the public agreed that there should be a move to four yearly elections. The arguments for changing the electoral system were as follows – it creates greater stability within the council, it costs less to the tax payer, it avoids the situation posed by elections by thirds where political control of the council can change and yet some electors in single member wards have no opportunity to vote and it gives the electorate the opportunity to completely change the political leadership of the council and its direction. The advantages to keeping the 'thirds' system were as follows – the system is established and understood by the electorate, electors in the area are able to participate regularly in the democratic process and the current system provides continuity and avoids the potential for a whole new council.



## 7. Reasons for recommendations

- 7.1** The working group were requested to bring this report to Council to enable a considered debate on this important issue for the council. The reasons for changing the existing election cycle and or the size of the council needs to be considered carefully and within the context of the strategic direction of the council.
- 7.2** This is such an important matter to the council and the people of Cheltenham it requires careful consideration and any final recommendations on the way forward ideally should have cross party support as it will impact on all current and future councillors.

## 8. Alternative options considered

- 8.1** The options considered are set out in this report.

## 9. Consultation and feedback

- 9.1** As outlined in the report, the views of all members were sought in developing this report back to Council and working group members were encouraged to initiate discussions within their political groups.
- 9.2** A report was also taken to the Senior Leadership Team on 18 June 2013 to seek their views.
- 9.3** The working group did not carry out any specific public consultation as part of their review but they plan to issue a media release with publication of this report with the expectation that it will generate some media interest and public discussion. The public will be able to attend the Council meeting and listen to the ensuing debate.

## 10. Performance management –monitoring and review

- 10.1** If Council decides to amend the electoral cycle, officers will bring a further report back to Council to make the necessary resolutions and will then initiate the necessary changes from 2016.

<b>Report author</b>	<b>Contact officer: Rosalind Reeves, Democratic Services Manager ,</b> <b>rosalind.reeves@cheltenham.gov.uk,</b>  <b>01242 774937</b>
<b>Appendices</b>	1. Risk Assessment  2. Terms of reference for Cabinet Member working group  3. Analysis of costs
<b>Background information</b>	Report to Council 25 March 2013

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1.	If there is no cross party consensus to any recommendations arising from the working group it may make it difficult to implement changes	Andrew North	March 2013	3	3	9	R	Set out the options for Council to decide	July 2013	Andrew North	Corporate risk
If2	If Council decide to continue with a review of Council size that could be significant implications on officer resources in taking this forward	Andrew North	March 2013	3	3	9	R	Workplan and resource requirements would need to be reassessed should Council take this decision.	July 2013	Jane Griffiths	Commissioning
3	If the public do not understand what is being proposed because the council and political parties have failed to communicate effectively then there is a reputation risk to the council	Andrew North	March 2013	3	3	9	R	Working group to agree key messages Group leaders to put out joint media statement	July 2013	Jane Griffiths	Corporate
<b>Explanatory notes</b> <b>Impact</b> – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical) <b>Likelihood</b> – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability) <b>Control</b> - Either: Reduce / Accept / Transfer to 3rd party / Close											

## REVIEW OF COUNCIL SIZE AND ELECTORAL CYCLE CABINET MEMBER WORKING GROUP TERMS OF REFERENCE

Broad topic area	Review of council size and electoral cycle
Specific topic area	To consider the democratic needs for the council in the future within the context that services are delivered by other agencies and the growing partnership and collaborative activity across partner agencies
Ambitions for the review	<ul style="list-style-type: none"> <li>• To identify the community leadership role of councillors and the cabinet</li> <li>• To consider what impact reduced direct service provision has on workloads for councillors and the cabinet</li> <li>• To consider the council's approach to neighbourhood working and how this might impact on the role of councillors or the pattern of ward boundaries</li> <li>• To consider how the officer corps will need to support councillors in the future</li> <li>• To consider whether the current electoral arrangements help or hinder the democratic process for the future council</li> <li>• To consider whether the current council size helps or hinders the democratic process for the future council and consider what if any changes need to be made</li> <li>• To consider the timing of the review options within the context of the national and local agendas.</li> <li>• To identify the resource implications of the options and the impact on the council workplans and budgets</li> </ul>
Outcomes	<p>Report to council on the options with recommendations as to whether electoral arrangements and council size should be changed.</p> <p>Draft letter to local government boundary commission setting out reasons for requesting review (if this is a recommended course of action)</p>
How long should the review take?	Three months
Recommendations to reported to:	Council – 22 July 2013
Membership:	<p>Total membership – six councillors:</p> <ul style="list-style-type: none"> <li>▪ Cabinet member corporate services (chair) =1</li> <li>▪ Group leaders or a nominee = 3</li> <li>▪ 1 liberal democrat = 1</li> <li>▪ 1 conservative = 1</li> </ul>
Officers experts and witnesses	<p>One legal</p> <p>Electoral registration</p> <p>Democratic services</p>
Sponsoring officer	Chief Executive
Facilitator	Director commissioning
Co-optees	None

Other experts and witnesses	None – although the working group may want to consider evidence about what other councils are doing to prepare themselves for the future
Other consultees	None
Background information	LGBCE guidance notes Report to council 25 March 2013
Suggested method of approach	Working group to set timetable and workplan at first meeting Member workshops to be held Phased approach to the review so that work is kept at a proportionate level to the outcomes
How will we involve the public/media? Or at what stages	Working group may want to consider whether there should be any public consultation at this stage ie seeking their views on their expectations of councillors. Working group may want to liaise with local media to see if they could assist in raising the debate in local press. Media will be briefed once final report drafted
Preferred timing for meetings	Unless by agreement with working group members meetings will be at 6pm to enable those that work to attend.

[illegible]



## Cheltenham Borough Council Council

22 July 2013

### Annual Report on Overview and Scrutiny

<b>Accountable member</b>	<b>Chair of Overview and Scrutiny Committee, Councillor Duncan Smith</b>
<b>Accountable officers</b>	<b>Chief Executive, Andrew North and Democratic Services Manager, Rosalind Reeves</b>
<b>Accountable scrutiny committee</b>	<b>Overview and Scrutiny Committee</b>
<b>Ward(s) affected</b>	<b>All indirectly</b>
<b>Significant Decision</b>	<b>No</b>
<b>Executive summary</b>	<p>In December 2011 Council approved the new arrangements for Overview and Scrutiny to be implemented following the elections in May 2012. Under the new arrangements scrutiny was required to produce an annual report for Council and this is contained in appendix 1. This report sets out the achievements of scrutiny over the last 12 months and in particular highlights the outcomes of a range of scrutiny task groups.</p> <p>As the arrangements have now been in place for over a year, it is an appropriate time to review their operation. A review was initiated with a questionnaire to members and officers and this report sets out the results together with other feedback received.</p> <p>Scrutiny welcomes the opportunity for Council to debate this report and give its views on the success or otherwise of the new scrutiny arrangements together with any improvements it would like to see. These can then be taken forward and used to enhance the scrutiny process.</p>
<b>Recommendations</b>	<b>The Council is asked to note the Annual Report of Overview and Scrutiny and highlight any changes or improvements it would like scrutiny to consider.</b>
<b>Financial implications</b>	<p>There no financial implications arising from this report.</p> <p><b>Contact officer: Mark Sheldon,</b> <b>mark.sheldon @cheltenham.gov.uk, 01242 264123</b></p>

<b>Legal implications</b>	<p>The Authority must have at least one Overview and Scrutiny Committee. Scrutiny committees may review both executive and non executive functions and can make reports and recommendations to the Council or the Cabinet on those functions and “on matters which affect the authority’s area or the inhabitants of that area”. A scrutiny committee may also take the role of the crime and disorder committee under the Police and Justice Act 2006.</p> <p><b>Contact officer: Peter Lewis, peter.lewis@tewkesbury.gov.uk, 01684 272012</b></p>
<b>HR implications (including learning and organisational development)</b>	<p><i>Officers and members may benefit from further training and development in scrutiny as highlighted in the results of the scrutiny review.</i></p> <p><i>The need for officer support for scrutiny has been endorsed by the experience of the first year of the new arrangements. It needs to be noted that the council has no dedicated scrutiny officers (as is the case in larger authorities) and the need for officer support needs to be factored into resource plans. Members involved will need to actively participate in the work of the task group.</i></p> <p><b>Contact officer: Julie McCarthy</b></p> <p><b>Julie.McCarthy@cheltenham.gov.uk 01242 26 4355</b></p>
<b>Key risks</b>	<p>The original risk assessment which accompanied the report to Council in December 2011 has been attached as appendix 1 with an additional column of comments on those risks.</p>
<b>Corporate and community plan Implications</b>	<p>An effective overview and scrutiny process can contribute to positive outcomes on any of the objectives in the Corporate Strategy.</p> <p>Increased public involvement in Overview and Scrutiny will support the corporate objective ‘Our residents enjoy a strong sense of community and are involved in resolving local issues’.</p>
<b>Environmental and climate change implications</b>	<p>None</p>

## 1. Background

- 1.1 Cheltenham Borough Council established its scrutiny function in November 2001, with three new committees being formed in October 2002 to mirror the new corporate structure at that time. These committees were the Economy and Business Improvement (EBI), Environment and Social and Community Overview and Scrutiny Committees.
- 1.2 In May 2011, the Group Leaders asked the Chief Executive to consider whether the current arrangements for scrutiny within the Council would be effective with the move to become a commissioning council. They agreed that a review should be carried out to identify what changes needed to be made, in time for their implementation following the borough elections in May 2012.
- 1.3 The final project brief was agreed in July 2011 with the following objective:

**‘To ensure an effective scrutiny process operates in Cheltenham Borough Council which**



**supports commissioning and achieves positive outcomes for the town'**

An emphasis was made in the brief that the new scrutiny arrangements should focus on outputs rather than inputs, that is achieving positive outcomes for the town. This was in line with the council's philosophy on commissioning.

- 1.4 The review reported to Council in December 2011 and the new arrangements were implemented following the elections in May 2012. These new arrangements focused on a managing and coordinating overview and scrutiny committee with scrutiny task groups carrying out the detailed work and reporting back to the main committee.
- 1.5 These new arrangements have now been in place for a year and so it is an appropriate time to review their operation and identify any improvements. Before reviewing this first year it may be helpful to remind Members of the aims of overview and scrutiny so that they can then take a view on whether these have been achieved.

## **2. The aims of overview and scrutiny**

- 2.1 Effective Overview and Scrutiny aims to
  - support the Council in achieving its vision and delivery of its Corporate Strategy
  - promote open and transparent decision-making, democratic accountability and to hold the Cabinet to account for its actions
  - achieve positive outcomes for the people of Cheltenham by monitoring and challenging service delivery to ensure it meets customer needs and encourage innovation and good practice
- 2.2 It will support the four principles of effective scrutiny advocated by the Centre for Public Scrutiny:
  - Provides "critical friend" challenge to Executive policy makers and decision makers
  - Enables the voice and concerns of the public and its communities
  - Is carried out by 'independent minded' governors who lead and own the scrutiny process
  - Drives improvement in public services
- 2.3 In this report the term "overview and scrutiny" is frequently abbreviated to "scrutiny" and some explanation may be helpful.
- 2.4 When overview and scrutiny was first introduced, **overview** was often referred to as policy review. It seeks to involve itself before a decision is made, to bring information and ideas to the table to help improve decision making. It gave Members a role in policy and decision making far earlier than had previously been possible. It also involves monitoring of on-going actions to ensure they are delivering the intended and best outcomes. Similarly a definition of scrutiny was defined. The **scrutiny** of decisions takes place after decisions have been made. It is an opportunity to question why the course of action was taken, and if necessary propose an alternative. Decisions can be monitored over a longer period of time to ensure that the intended outcomes are realised. In its strongest form it can stop a decision being implemented until it has been scrutinised using a mechanism called "call-in".

## **3. Feedback on Overview and Scrutiny**

### **Scrutiny Questionnaire**

- 3.1 A questionnaire was circulated in May this year to all members and officers who had been involved in the scrutiny process with a request that it be completed and returned to Democratic Services who would then collate the results. A number of the questions were identical to those asked in a previous survey in 2011 which facilitated some helpful comparisons between the two points in time.

- 3.2** 29 Councillors and 10 Officers responded to the questionnaire and the results have been collated and analysed. A pictorial representation of the results is contained in Appendix 2.
- 3.3** This report builds on the responses to questionnaires from officers and the following Councillors: Steve Jordan, Garth Barnes, Nigel Britter, Andrew Chard, Barbara Driver, Bernard Fisher, Jacky Fletcher, Robert Garnham, Penny Hall, Tim Harman, Rowena Hay, Sandra Holliday, Helena McCloskey, Andrew McKinlay, Paul McLain, John Rawson, Anne Regan, Rob Reid, Diggory Seacome, Duncan Smith, Malcolm Stennett, Klara Sudbury, Jon Walklett, Andy Wall, Simon Wheeler, Les Godwin, Charles Stewart, Pat Thornton, Colin Hay and Roger Whyborn.

The following said they did not have enough knowledge of the scrutiny process to respond: Councillors Andrew Lansley, David Prince and Suzanne Williams. Councillor Chris Ryder only joined the Council in May 2013 so was not in a position to comment on the arrangements.

### **Is Scrutiny at Cheltenham Borough Council Effective?**

- 3.4** In 2011 65% of Members responding suggested that scrutiny was less than effective – this figure has only marginally reduced in 2013 (to 52%). However, a greater number of Members now consider the new system to be effective as opposed to poor. Amongst officers, 89% of respondents believe scrutiny to be effective.
- 3.5** On the question as to whether the Cabinet are being held to account, 43% of Members feel that the Cabinet are being effectively held to account – this is a rise from 35%. However, 46% of Members feel Cabinet is rarely held to account. When questioned further, some Members believe that the Cabinet are not proactive in their approach to O&S recommendations. Many members feel they have lost the opportunity to question Cabinet Members at an O&S committee and would like this reintroduced in some form.
- 3.6** Members were asked if scrutiny is contributing to new policies and strategies. The majority believe that scrutiny is partially fulfilling this role. 25% of Members questioned believe that it is fulfilling this role – this is an increase from 5% in 2011. When asked how this could be improved, Members gave suggestions such as better leadership of scrutiny task groups but also suggested that Cabinet could embrace scrutiny recommendations more positively in some cases. Officers also agreed that scrutiny was partially fulfilling the role of contributing to new policies and strategies – there was only a marginal difference in results compared with 2011. There was some confusion about the role of Cabinet Member Working groups and how they fitted into the overview and scrutiny process. Several members commented on the lack of ‘overview’ in the new arrangements and this appeared to be carried out by the Cabinet Member Working groups. Clarity on roles was needed.
- 3.7** Members and officers were asked whether scrutiny was achieving positive outcomes for the residents of Cheltenham. 33% of Members said that scrutiny was not achieving positive outcomes for the residents of Cheltenham. This is in fact an increase from 2011. When asked to qualify their responses, Members suggested that at present there was not enough emphasis on the value that scrutiny can have to residents or how they can get involved. Members also suggested that with commissioned services, residents now have a more distant relationship with these services – such as with UBICO. A page on the council’s website could also keep the public more informed about the work of scrutiny.

### **How do the new scrutiny arrangements compare with the old arrangements?**

- 3.8** When asked to compare the 2013 arrangements for scrutiny with 2011, 46% of Members agreed that there had been some improvements. 29% thought there was no change. Of officers questioned, 63% believed that there were some improvements to the scrutiny arrangements and 38% believed that the changes had been excellent and had seen a great improvement. One Member suggested that with a single committee structure there was less likely to be duplication. However, some Members suggested there was a lack of focus in the proceedings of scrutiny. The officer respondents suggested that the system was now more efficient.
- 3.9** Both Members and officers were asked to assess the effectiveness of the O&S Committee. 61%

of Members believed that the committee was 'ok but needed some improvement', whilst 78% of officers rated the committee as 'good'. Some Members suggested that the call in process could be improved. Another suggestion was made that there should be greater public involvement in the committee meetings.

- 3.10** Some members felt their knowledge of council activities was less under the new arrangements and they were missing the regular updates on service delivery and reports on numbers of complaints, the cost effectiveness of services etc.
- 3.11** Members were asked to give their own opinion on how the new scrutiny arrangements should be improved. A lot of Members suggested that the public should have a greater role in scrutiny and that they should be allowed to suggest topics for review. Scrutiny task groups should look for opportunities to involve members of the public in their work and involve partnerships at the appropriate time. Many Members commented that only a handful of Members commit to O&S and this had led to an unfair distribution of workload which needed to be addressed. A lot of Members said that they wanted to be able to question Cabinet Members at O&S Committee meetings. There were also a few suggestions that there should be a return to the old committee system and the Cabinet and Overview and Scrutiny system should be scrapped.

### **Scrutiny Skills**

- 3.12** Members were asked whether they thought they had the skills to carry out their scrutiny task. A higher percentage (71%) believe they have the right skills to participate in scrutiny. This is an increase compared with 2011 when only 55% believed they had the right skills to participate in scrutiny. When asked to qualify their answers, Members said that scrutiny training had been useful. One Member suggested that it would be useful to know how other councils operated O&S. 56% of officers said they had the right skills and expertise to support the scrutiny process. Some suggested more training would be useful to better support Members in their scrutiny role.

### **Setting the scrutiny work plan**

- 3.13** Members were asked how they think the scrutiny work plan should be determined. A number of innovative suggestions were received. One Member suggested that an agenda item should be included at Council to encourage Members to come up with suggestions for the work plan. Another Member suggested that the forward plan from Cabinet should be gone through 'with a fine toothcomb' to determine topics for scrutiny. A number of Members commented that the public should be asked to submit ideas. Some members suggested that they had not been involved in scrutiny because there were no interesting topics.
- 3.14** Officers were asked the same question. One officer commented that Cabinet should make suggestions to the O&S Committee. Another officer suggested that a review of the Council's Corporate Strategy and identification of issues in the public interest should prompt suitable topics for review.

### **Scrutiny task groups**

- 3.15** Members were asked to rate the effectiveness of the task groups they had been involved in. The highest proportion, 43%, thought they had been very effective. Officer responses were split between effective and very effective. When asked how these task groups could be improved, Members said that stronger terms of reference would have helped. They also thought that the success of a task group depended on the strength of the chair.
- 3.16** Members were asked to rate the support given by officers to scrutiny task groups. In 2011, the highest proportion of Members said that officer support was 'OK' (50%). In 2013 the satisfaction with officer support has increased – 57% rated officer support as 'Excellent'. Members said that they thought officer support had been 'better than expected' and that officers were 'enthusiastic and hard working'. Officers were asked whether they thought scrutiny task groups were Member led. 50% agreed that they were Member led, whilst 25% suggested that the task groups were overly reliant on officers for a steer.
- 3.17** Finally, Members and officers were asked to give any additional comments. One Member

suggested naming and shaming Members who do not get involved in O&S. A strong theme which came through in the comments was the desire for the public to get more involved in O&S. Some Members suggested publicising the work of O&S on the Council website and inviting Members of the public to suggest topics.

### **Conclusions of the survey**

- 3.18** Overall there have been some marginal improvements in the way O&S operates at Cheltenham Borough Council. There are a few common themes that can be picked out of the results from Members and officers. Some Members suggest that it is still early days and it may take a while for the new system to become effective. One theme which appears a lot in the responses from Members is that Cabinet Members should appear at the O&S committee and should be available to answer questions from Members. Another common theme running throughout the responses is that the public should be given a greater role in scrutiny with many Members suggesting that they should be invited to submit topics for scrutiny. One particularly positive result was the high regard Members hold for officers who have supported scrutiny task groups. This has seen a great improvement from 2011. Overall there have been some improvements to O&S although Members and officers believe there is still some way to go before they are the best they can be.

### **Other feedback on the new arrangements**

- 3.19** During the Members seminar on Council size and electoral cycle, Members did raise a number of issues indirectly related to scrutiny. It was clear that with the abolition of the three former scrutiny committees, many members felt they had lost the opportunity to have updates and reports and question officers about their service. These would no longer be appropriate for the Overview and Scrutiny Committee whose focus is to manage and coordinate the scrutiny process and Members can always suggest a detailed topic for a scrutiny task group. If Members feel there is a gap this needs to be looked at outside the scrutiny process, possibly through member seminars or other forms of updates.

## **4. Roles on scrutiny and effective use of scrutiny resources**

### **Scrutiny budget**

- 4.1** There continues to be no dedicated budget for scrutiny and officer's time spent on scrutiny is absorbed within the Democratic Services team or by resources in other service areas.

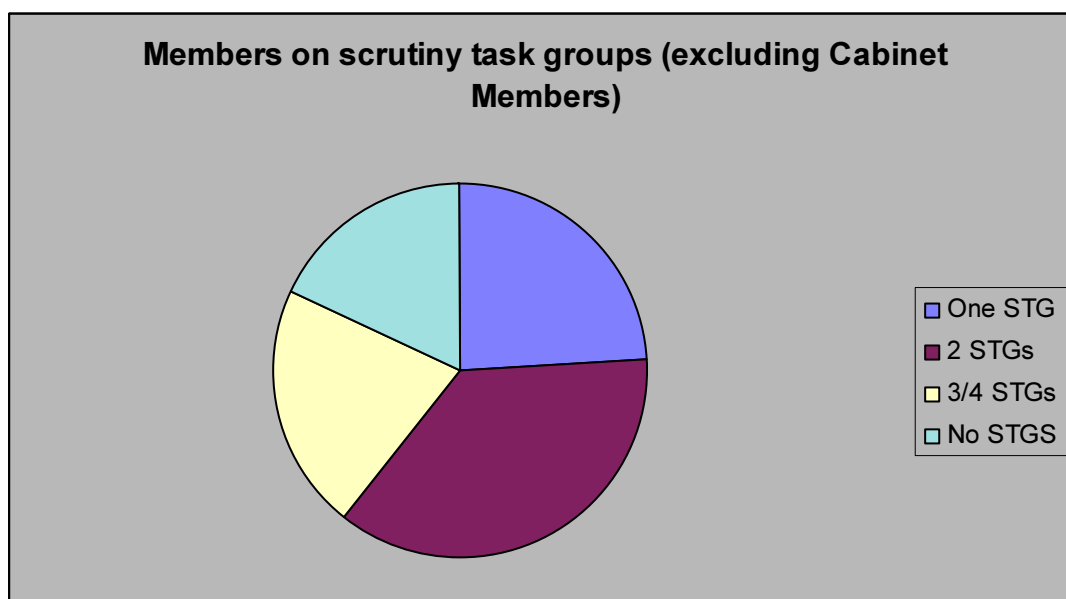
### **Officer resources**

- 4.2** Experience has shown that the requirement for officer resources on any particular scrutiny task group can vary considerably with the nature of the review. For example the concentrated work necessary to support the scrutiny task group on household formation rates was estimated to have used 5 days of lead officer time from Pat Pratley, Executive Director in addition to 8 days of officer support for administering and facilitating meetings.
- 4.3** One of the intentions of the new scrutiny arrangements was to share the workload of supporting scrutiny task groups across the council. It is estimated that an average scrutiny task group requires on average 5 to 8 days of officer time to facilitate a review. In practice 70% of the scrutiny task groups have been facilitated by officers from Democratic Services. Experience has shown that it is far easier to monitor and track the progress of task groups when they are supported by Democratic Services. However it also became clear during the year that the team cannot effectively support more than three ad hoc scrutiny task groups at any one time alongside its ongoing support for the main committee and the budget scrutiny working group. It is still important to give officers across the council experience of supporting scrutiny task groups and this will continue to be our aim.
- 4.4** As well as the lead officer and facilitating role, a whole range of other officers have given their time to supporting scrutiny task groups by providing their specialist expertise and knowledge. This

has been invaluable to the working groups and this work needs to be acknowledged and planned for.

### Scrutiny Member resources

- 4.5** Under the new scrutiny arrangements, members of the 'scrutiny pool' i.e the 33 elected members not on the Cabinet have been invited to volunteer to join a scrutiny task group where they have a particular interest.
- 4.6** Membership of task groups has been concentrated on a smaller group of members. 43% of the membership of scrutiny task groups has been made up by members of the Overview and Scrutiny Committee. 6 Members or 18% of Members eligible have not been on any scrutiny task groups. Similarly 7 Members or 21% have been on 3 or 4 scrutiny task groups. It is hoped that going forward all members will find a topic that interests them and be able to put themselves forward for a scrutiny task group.



- 4.7** Other Members have represented the council on other countywide scrutiny committees. Councillor Klara Sudbury represented the council on the Gloucestershire Health and Overview and Scrutiny Committee (GHOSC) up until May 2013 and her position has now been taken by Councillor Penny Hall. Councillor Helena McCloskey was on the Gloucestershire Crime and Disorder Overview and Scrutiny Committee (now disbanded) and the new Police and Crime Panel. The O&S committee valued their regular updates to the committee.

### The Role of Cabinet and its relationship with Overview and Scrutiny

- 4.8** Some Cabinet Members have regularly attended meetings of the Overview and scrutiny Committee mainly as observers. Cabinet Members have also been invited to attend or contribute to a range of scrutiny task groups linked to their portfolio. This table shows the split of scrutiny task groups across the Cabinet portfolios.

<b>Cabinet Member</b>	<b>Leader</b>	<b>Corporate Services</b>	<b>Sustain-ability</b>	<b>Housing and Safety</b>	<b>Built Environment</b>	<b>Finance</b>	<b>Leisure &amp; Culture</b>
<b>No of scrutiny task groups related to portfolio</b>	2	1	3	2	0	1	2
<b>Attendance at 9 O&amp;S committees</b>	4	1	6	5	0	1	1
<b>(Budget scrutiny – 4 meetings)</b>	1	1				4	1

- 4.9** Officers met informally with the Cabinet in March this year to get their feedback on the new arrangements at a time when a number of scrutiny task groups were bringing their reports to Cabinet. A number of issues were highlighted at this meeting:
- Some Cabinet Members have sometimes found it difficult to dedicate time to scrutiny alongside their work in support of their portfolio and questioned the relative priority of some scrutiny topics with work that they were doing to support the corporate plan.
  - They were unclear about the process for bringing recommendations to Cabinet and why task group reports were going to Council prior to coming to Cabinet.
  - They felt that some scrutiny task groups extended beyond their original remit.
  - There was concern about how the call in had operated
  - The scrutiny workplan should be more aligned to the work of partnerships and the corporate strategy/risk register/audit plan
- 4.10** Experience has shown that the most effective scrutiny task groups involve the Cabinet Member at the start, during the process and provide them with the opportunity to comment on the draft report at the conclusion of the review. In this way they can develop a deeper understanding of the work of the task group and there are no surprises when it comes to the final report and recommendations.
- 4.11** Recently the Overview and Scrutiny Committee have raised some questions about the role of Cabinet Member Working Groups in relation to overview and scrutiny. They felt that in some instances when areas for scrutiny work had been suggested, it had been advised that an issue was already being looked at by a Cabinet Member Working Group and therefore it would be duplication if scrutiny looked at it as well. The role of such a working group is to assist the Cabinet Member in developing or reviewing policy and provides a cross party view. In contrast to scrutiny task groups these are led by the Cabinet Member and do not make any formal recommendations but informs the report that the Cabinet Member takes to Cabinet. When this was discussed at a recent chair's briefing for O&S it was suggested that in many cases these working groups were effectively carrying out the 'overview' role of Overview and Scrutiny. This needs to be reviewed and we should look to other councils for their experiences in this area.

### **Co-optees**

- 4.12** Scrutiny task groups were encouraged to consider co-opting individuals to participate in the work of the committee when carrying out scrutiny of a particular topic where they have a particular

knowledge or expertise in the topic being considered. The JCS task group brought in two co-optees from Gloucester City and Tewkesbury Borough and the Community Governance Review had three parish councillors on its group. Apart from that the use of co-optees has been limited and this is something we would encourage all task groups to consider when deciding their method of approach.

## 5. Next Steps

- 5.1** The chair and vice-chair of Overview and Scrutiny will work with Democratic Services to develop and enhance the scrutiny arrangements taking on board the feedback set out in this report. An action plan will be drawn up in liaison with the Cabinet and the Senior Management team. If any changes to the Council's Constitution are required these will be forwarded to the Constitution working group for initial consideration and any changes would need to be approved by Council.

## 6. Alternative options considered

- 6.1** Not applicable.

## 7. Consultation and feedback

- 7.1** All members and officers were invited to participate in the review and a wide range of feedback was received and incorporated into the conclusions.

## 8. Performance management –monitoring and review

- 8.1** The progress of the new arrangements for overview and scrutiny will continue to be monitored by Democratic Services, the Overview and Scrutiny Committee and the Cabinet Member Corporate Services, Councillor Jon Walklett.

<b>Report author</b>	<b>Contact officer: Rosalind.Reeves, Democratic Services Manager, Rosalind.reeves@cheltenham.gov.uk, 01242 77 4937</b>
<b>Appendices</b>	<ul style="list-style-type: none"> <li>1. Risk Assessment</li> <li>2. Results of the scrutiny survey</li> <li>3. Annual Report</li> </ul>
<b>Background information</b>	Report to Council 12 December 2001 on the new arrangements for Overview and Scrutiny

The risk				Original risk score (impact x likelihood)			Managing risk		
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-4	Likelihood 1-6	Score	Control	Action	Comments as at July 2013
	If any new arrangements are not supported by a change in culture across members and officers they may not be successful in delivering the outcomes required,	Director Commissioning	27/9/11	3	3	9	Reduce	Get members and officers buy in during the review by seeking their views and ideas. Seek advice on cultural change during the next phase.	There is now a much better understanding of the new scrutiny arrangements by officers and members who have been involved in scrutiny task groups. However some culture changes are still needed and the relationship between Cabinet and scrutiny needs to be developed.
	If the council cannot appoint dedicated scrutiny officers to support the new arrangements they will not be fully effective.	Director Commissioning	1/12/11	3	3	9	Reduce	Optimise the use of existing resources in the new arrangements	The role of officers on scrutiny task groups has been clearly defined and the use of existing resources has been optimised. In the current financial constraints many councils are moving away from having dedicated scrutiny officers preferring instead to utilise their democratic services staff in multiple roles.
	If the task groups operate outside of the democratic process, then scrutiny could become disjointed and progress difficult to control	Director Commissioning	1/12/11	3	3	9	Accept	Guidance to officers supporting task groups on keeping documentation and reporting back to	Scrutiny task groups have been well organised with agendas and notes of meetings being kept. Task groups facilitated by officers outside democratic services have been more difficult to track progress but officers have been encouraged to adopt standard procedures and good practice. This has



	and track.							Democratic services.	been assisted by the production of a scrutiny guide available on the intranet.
	If members do not put themselves forward for task groups the workload could be unevenly shared across members and be a source of potential conflict or result in task groups not having the right skill mix.	Groups Leaders	1/12/11	3	3	9	Reduce	Utilise the skills audit  Group Leaders to manage, monitor and encourage participation  Task groups to maintain records of attendance	This has been an issue as has been demonstrated by the statistics in this report. There needs to be a better understanding of why some members are not engaging in the scrutiny process.
	If scrutiny does not have any dedicated budget it will be difficult to promote public involvement and engagement	Council	1/12/11	2	3	6	Reduce	Utilise relevant project budgets  Consider allocating small budget to O&S as part of budget round	Scrutiny does not have a dedicated budget but this has not been a significant issue. Some limited underspend in the Democratic Services budget for 2012/3 has been carried forward to 2013/14 for the purposes of engaging the public e.g some public consultation may be appropriate.
<b>Explanatory notes</b>  <b>Impact</b> – an assessment of the impact if the risk occurs on a scale of 1-4 (4 being the greatest impact) <b>Likelihood</b> – how likely is it that the risk will occur on a scale of 1-6 (6 being most likely)  <b>Control</b> - Either: Reduce / Accept / Transfer to 3rd party / Close									

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How do you think scrutiny is operating at CBC at the moment?

	Very Effect Effective	Less than € Poor
Members 2013	0%	44%
Members 2011	0%	20%

Is cabinet being effectively held to account?

	Effectively held to account	Effectively held to account but could be improved	Rarely held to account	Don't know
Members 2013	4%	43%	46%	7%
Members 2011	5%	35%	55%	5%

Is scrutiny contributing to the development of new policies and strategies?

	Yes	No	Partially	Not sure
Members 2013	25%	18%	36%	21%
Members 2011	5%	10%	75%	10%

Do you feel that the mechanisms and processes are in place for effective scrutiny of

	Yes	Partially	No	I don't understand how they will be held to account
Members 2013	15%	33%	30%	22%

Is scrutiny achieving positive outcomes for the residents of Cheltenham?

	Yes	No	Partially	Not sure
Members 2013	15%	33%	30%	22%
Members 2011	10%	25%	55%	5%

Overall how do you rate the new scrutiny arrangements compared with the former

	Excellent - a great improvement	Good - Some improvements	About the same - no change	Poor - a backward step
Members 2013	8%	46%	29%	17%

The new Overview and Scrutiny Committee was set up as a managing and co-ordinating

	Excellent	Good	OK but needs improvement	Poor
Members 2013	0%	17%	61%	22%

Do you feel you have the skills and expertise to carry out your scrutiny role?

	Yes	No	Partially	Don't know
Members 2013	71%	0%	24%	5%
Members 2011	55%	0%	25%	0%

If you have been involved in a scrutiny task group how would you rate its effectiveness?

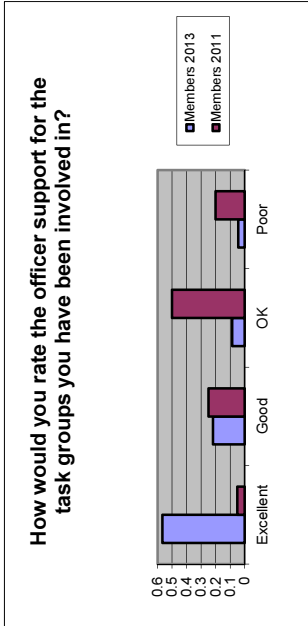
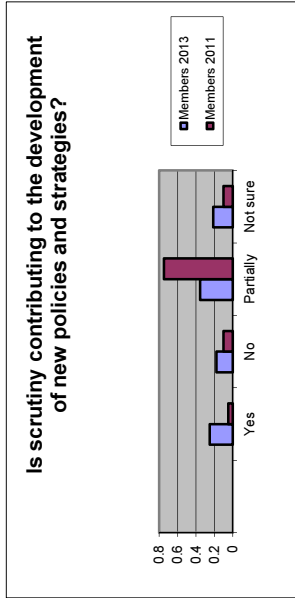
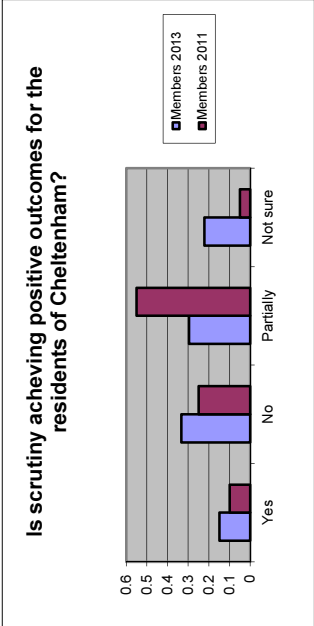
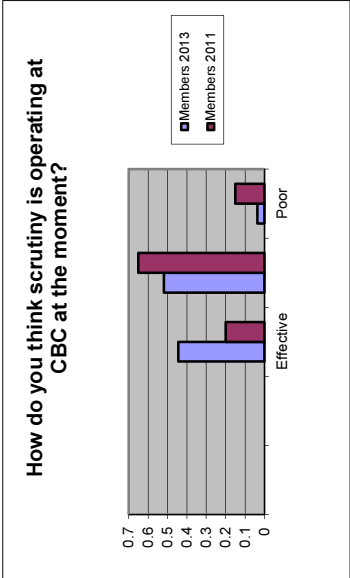
	Very effective	Effective but could be improved	Less than effective	Poor
Members 2013	43%	39%	9%	9%

How would you rate the officer support for the task groups you have been involved in?

	Excellent	Good	OK	Poor
Members 2013	57%	22%	9%	4%
Members 2011	5%	25%	50%	20%

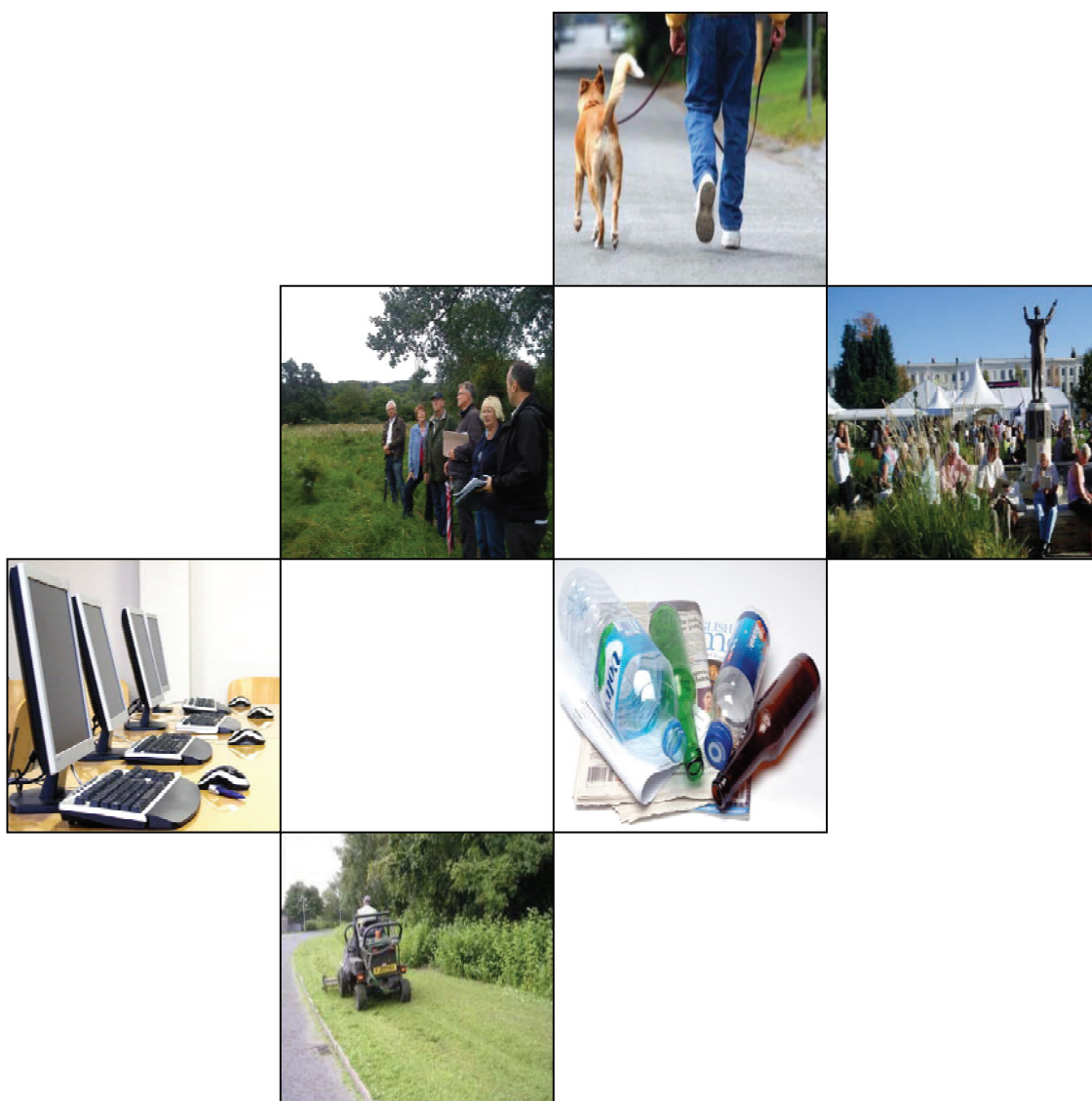
If you haven't been involved in a scrutiny task group what are you reasons?

	Time of meetings	No interest in topics	Lack of time to get involved	scrutiny a
Members 2013	13%	25%	50%	13%





## Scrutiny Annual Report 2012- 2013



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## **1. Foreword**

**Councillor Duncan Smith**  
**Chair of the Overview and Scrutiny Committee**



As Chairman of the Overview and Scrutiny Committee, I am pleased to present the annual report for 2012/2013, the first year of our new scrutiny arrangements.

We have changed the way that the council approaches scrutiny and I hope that the result is something more transparent, more effective and more reflective of the concerns of local people.

Scrutiny should fulfil the role of the "critical friend" to the decision makers within the council. So far we have focussed on the scrutiny and review of decisions taken and the operational delivery of those decisions.

We have two key challenges in the coming year:

- to engage with the Cabinet & develop the Overview and Scrutiny Committee role in strategic policy development
- to encourage elected Members to bring forward scrutiny topics that address issues in their local communities

We would welcome suggestions and involvement from the wider community to make sure that our work remains current and relevant to the local residents that we serve.

What we have achieved in our first year is a great step forward and I would like to thank those councillors who have worked so hard to bring clear and meaningful recommendations before Council and Cabinet.

## **2. My experience of scrutiny in the first year of the new arrangements**

Andrew North  
Chief Executive



Effective Overview and Scrutiny is a vital part of local democracy as it plays a key role in holding the Cabinet, officers and the wider council to account. It is important therefore to reflect on how well it has done this, as well as what difference it has made to the community at large. I personally welcomed the opportunity to be the lead officer for Overview and Scrutiny for the first few months in its new format and believe that our new arrangements offer great potential for further improving the quality of what we do and thereby making even more of a positive difference to Cheltenham people.

Overview and Scrutiny has brought together cross party working groups on a range of different topics from the Sex trade in Cheltenham to allotments and ICT. These groups have each met over a series of months with a lead officer and facilitating officer supporting them at every stage. We have seen very positive comments from members of working groups on the level of officer support they have received. The different task groups have engaged a number of people who have a close understanding of what is happening in our local community. The groups have compiled evidence from these witnesses, collected statistics, looked into reports prepared by other councils and deliberated over options for improvement. They have been able to scope out the problems and come up with suggested solutions to the issues which face our communities to create a comprehensive report to Cabinet.

Some recommendations have been taken forward – for example the task groups on Grass Cutting and Allotments respectively made recommendations which Cabinet agreed in full. For other task groups the Cabinet has forwarded a report to outside bodies or has initiated further consideration internally. It may be that the timeliness and thoroughness of consideration of the recommendations by Cabinet (and subsequent follow up) could benefit from further improvement. There must be a well defined process so that expectations are clearly understood by all parties.



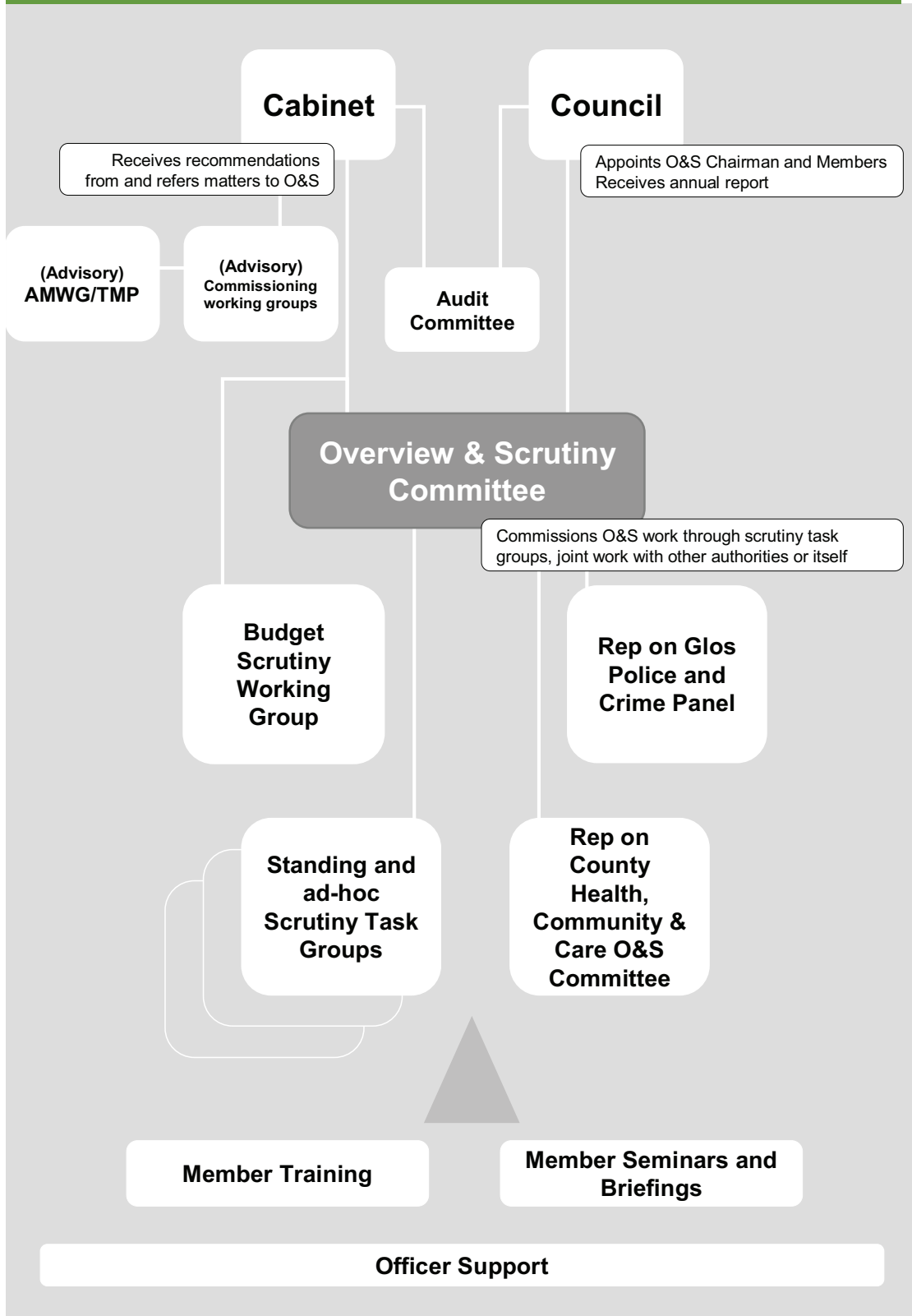
The replacement of three Overview and Scrutiny Committees with one is still a relatively recent development. The arrangements have undoubtedly had their problems and the challenge is to improve satisfaction with the new structure amongst councillors and council officers. However, I believe that with wholehearted commitment, Overview and Scrutiny will become a highly valued process in the work of the council.

We might consider the potential to increase the scope of Overview and Scrutiny by asking the public what topics they think should be considered. This is a suggestion which has been widely proposed in a recent survey. This could significantly improve the council's accountability to the public.

I hope you will agree with me that Overview and Scrutiny at Cheltenham Borough Council has made some strong steps following its recent changes and I hope that it can build upon the strengths to make the council even more effective, transparent and accountable.

A handwritten signature in black ink, appearing to be 'Andrew Duff', written in a cursive style.

### 3. Overview and Scrutiny Structure



## 4. Overview and Scrutiny Committee

Chairman: Councillor Duncan Smith



### **Committee membership:**

Councillors Ian Bickerton, Nigel Britter, Barbara Driver, Colin Hay, Diane Hibbert, Helena McCloskey, Chris Ryder and Klara Sudbury (Vice-Chair).

The committee is responsible for managing and coordinating the overview and scrutiny activity within the Council. It commissions scrutiny task groups to carry out the detailed work ensuring that they have clear terms of reference. It is also responsible for receiving and determining how any call-ins of Cabinet decisions should be dealt with.

### **Key achievements**

- Set up and maintained a scrutiny workplan
- Dealt with a call-in of the rickshaw decision made by Cabinet in December 2012
- Set up an ongoing group for scrutiny of the budget
- Scrutiny task groups- final reports with recommendations were published for:
  - ICT
  - Events
  - Grass verge cutting
  - Allotments
  - Sex Trade in Cheltenham
  - Ubico
  - JCS and Planning and Liaison
  - Community Governance Review
- Initiated a review of the new scrutiny arrangements starting with a questionnaire sent to councillors and officers and reported the results to Council in July.

### **Officer contact:**

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01242 774937

## 5.0 Budget Scrutiny Working Group

Chair : Councillor Andrew Wall (2012) and Councillor Rob Garnham from June 2013



### **Task group members:**

Councillors Chris Coleman, Tim Harman, Dianne Hibbert, Paul Massey and Klara Sudbury.

**Officer support :** Mark Sheldon and Rosalind Reeves

The budget scrutiny working group formed a permanent part of the new scrutiny arrangements set up by Council in May 2012. The idea behind setting it up as a standing group was that the budget was such a complex area that it could no longer be scrutinised effectively as a one-off exercise. Members needed to be build up their expertise and understanding of financial matters so that they could review the budget strategy, the bridging the gap programme and be in a position to respond to the budget proposals as well as scrutinising the business cases of major projects within the commissioning framework.

### **Key Findings and recommendations:**

During the year the budget scrutiny working group scrutinised the following:

- The annual budget setting report (including Section 151 Officer report) and financial outturn report and made recommendations on simplifying the format to more appropriately meet members needs for future years
- Review of the strategy for the New Homes Bonus
- The business case for the ICT commissioning review
- The financial aspects of the leisure and culture commissioning review
- In January they reviewed the interim budget proposals for 2013/14 but did not choose to make any recommendations to Cabinet

### **Has it made a difference?**

The working group are now in a much better position to be able to contribute to budget scrutiny going forward. They have recognised there are some substantial savings identified in the Medium Term Financial Strategy where they can scrutinise the relevant business cases delivering those savings.

As the new chair of the group, Councillor Rob Garnham said recently;  
"The focus of the budget scrutiny working group should be to scrutinise what the council had said they were going to do and not what we would like them to do in terms of the budget and at the same time ensure financial risks are being appropriately managed."

## 5.1 Sex Trade in Cheltenham Scrutiny Task Group

Chair : Councillor Barbara Driver



### **Task group members:**

Councillors Andrew Chard, Paul Massey, Anne Regan and Diggory Seacome

**Officer support:** Andrew North; Rosalind Reeves and Sidgoree Nelson (County Council)

The task group was set up by the Council following concerns raised in the media that Cheltenham might be a potential "hotspot" of activity for the illegal trade of sexually exploited young or vulnerable people. It was felt that stories like this could damage the reputation of the town.

"What I want to do is either put the whole thing to bed and find that Cheltenham doesn't have a problem or, if there is a problem, discover what we can do about it," said Councillor Barbara Driver in proposing the review.

### **Key Findings and recommendations:**

After talking to senior police officers and representatives from a range of agencies, the task group were pleased to establish that sex trafficking was not a significant issue for the town and the level of sexual exploitation of vulnerable children and adults was no more prevalent than in other similar towns. However all agencies were aware that "the stone remains unturned" and there were no room for complacency.

When Cabinet received the task group report on the 16 April 2013, they felt that the issue needed a multi agency approach and referred all the recommendations to the Positive Lives Partnership with a request that they report back to Cabinet.

### **Has it made a difference?**

The Cabinet Member Councillor Peter Jeffries reports that the multi agency Positive Lives Partnership is following up all the recommendations and will be reporting back to Cabinet in September 2013. In the meantime scrutiny members have received a briefing note updating them on some very positive actions already underway prompted by the scrutiny task group recommendations. These include:

- A task group has been set up to scope the need for emergency housing provision for the vulnerable in Cheltenham

- A series of safeguarding events and awareness raising sessions are being planned with one prior to race week
- Partnerships are working with the police to understand the issue of safeguarding children at risk of abuse through child exploitation in Cheltenham and Gloucestershire

The Police and Crime Commissioner also received a copy of their report. He had found it very helpful and said he would discuss the report with the Chief Constable and ask her to consider how best to address this important issue. He also encouraged O&S to revisit the subject in due course.

## 5.2 ICT Scrutiny Task Group

Chair : Councillor Colin Hay



### **Task group members:**

Councillors Andrew Chard, Simon Wheeler and Andy Wall (although he was not able to attend any of the meetings)

**Officer support:** Mark Sheldon, Matt Thomas and Rosalind Reeves

The task group was set up in July 2012 to assess whether the current ICT service was resilient and fit for purpose and to help define the outcomes for the ICT commissioning exercise which was about to start.

In November they reconvened to review the aftermath of the ICT virus and satisfy themselves that all the necessary actions had been put in place.

### **Key Findings and recommendations:**

The group supported many of the findings of the ICT review carried out in 2011 but through their recommendations highlighted a number of areas which needed to be addressed. These included:

- difficulties with resources and staff morale and the task group recommended that the Senior Leadership Team (SLT) ensure the necessary strategic lead is given to the service and its staff
- disaster recovery must be reviewed to ensure the best long-term option is adopted
- councillors ICT facilities must be addressed as part of the ICT review

All the recommendations of the task group were accepted by Cabinet and input into the outcomes of the ICT commissioning review.

### **Has it made a difference?**

ICT Services are now shared with Forest of Dean where there is a shared ICT manager. The director of resources, Mark Sheldon, is the client officer for the service so can report directly to SLT and raise any issues with the service provider.

The rollout of remote working facilities for members was accelerated and all councillors now have the option of Citrix remote working. An action plan has been produced for improving councillors ICT facilities and the importance of this is now more widely acknowledged.

There are still ongoing issues with the ICT service but the task group raised members understanding and awareness of the issues through the scrutiny review.

### 5.3 Allotments Scrutiny Task Group

Chair : Councillor Anne Regan

**Task group members:**

Councillors Nigel Britter, Colin Hay, Helena McCloskey, Charlie Stewart and Duncan Smith

**Officer support:** Beverly Thomas, Emma Burton and Adam Reynolds

The task group was set up in July 2012 following a petition submitted to Council against a preliminary proposal for the development of an allotment site on part of Weavers Field in the borough. This petition had raised various issues, not least the process for identifying the need for allotment sites in Cheltenham. In addition the council had received a number of queries from the public on unattended allotments and it was agreed that the council's allotment strategy needed to be reviewed.

#### Key Findings and recommendations:

Having spoken to the allotments officer and green space manager, the Cheltenham and District allotments association, transition town Cheltenham and the Cabinet Member responsible for allotments and having visited two allotment sites managed by the council and a potential new allotment site, the task group came up with 11 recommendations to Cabinet.

These included:

- Maintaining dialogues with parish councils in terms of their responsibilities for addressing allotment waiting lists
- reviewing the enforcement of uncultivated plots to alleviate pressure on waiting lists
- pursuing the development of council owned land at Priors Farm in the north of the borough into allotments
- reviewing current lines of communication with allotment stakeholders and council officers
- ensuring consideration is given to allotment provision in the emerging Cheltenham Local Plan
- investigating opportunities to work in partnership with organisations such as Cheltenham Borough Homes, Gloucestershire Association for Voluntary and Community Action and Cheltenham Community Projects, to facilitate a scheme to distribute surplus produce to those in most need in the town.

Chair of the task group, Councillor Anne Regan said "We hope these recommendations will lead to a more effective and enhanced service within the borough council".



Upon receipt of the task group's report the Cabinet Member Sustainability Roger Whyborn welcomed its "constructive recommendations". The majority of recommendations of the task group were accepted by Cabinet subject to feasibility and resources.

**Has it made a difference?**

As far as progress to date on these recommendations is concerned, communications are becoming well established with the parish councils both at officer level and Cabinet Member level. Consultation with regard to developing land into allotments at Priors Farm will take place by the Autumn. Local feeling will be an important element in the decision making process and it is hoped that the results can feed into a formal decision later this year.

A new tenancy agreement, set to be in place by 1 January 2014 for all allotment holders, should assist in tackling uncultivated plots as too will the leaflet jointly written by the Allotment Officer and the Allotment Association regarding the level of commitment involved in having an allotment. The Allotment Officer is now being more proactive in visiting sites and is adopting new technology to assist her greatly in the administration surrounding allotments. Twice yearly meetings have now been established between the council and the Allotment Association and quarterly site warden meetings continue.

With regard to partnership working to distribute surplus produce to the most needy in the town, conversations have taken place but there are some issues regarding logistics and the collection of produce.

The Overview and Scrutiny Committee is scheduled to undertake a review early 2014 to ascertain what action has been taken on its recommendations but it would appear already that positive steps are being taken.



## 5.4 Grass verge cutting Scrutiny Task Group

Chair : Councillor Penny Hall



### **Task group members:**

Councillors Nigel Britter and Jacky Fletcher

**Officer support :** Jane Griffiths, John Rees, Tony McNamara and Chris Riley (County Council)

This scrutiny task group was one of the first to be set up under the new arrangements following some dissatisfaction with the way some grass verges in the town had been maintained during the summer months. Their terms of reference asked them to look at the policies and service level agreements between the council and Gloucester County Council who carried out the work. They also wanted to understand how customer service issues are handled and make any recommendations for improvement.

Over four meetings they spoke to a range of people and examined a variety of evidence.

### **Findings and Recommendations**

At the conclusion of the review, the task group recognised that the weather was a big factor with the summer of 2012 being one of the wettest on record. They came up with 10 wide ranging recommendations which included:

- continuing to cut grass in wet weather whenever feasible
- regular contract management meetings
- the current frequency of cutting should continue but officers from CBC/Ubico and Gloucestershire County Council should meet to consider the biodiversity opportunities for verges within the town
- including grass verges in the green space strategy
- encourage the county council to take action on illegal parking on verges
- the website should be updated as a matter of urgency to ensure that service standards are specified and that the website is updated daily during service disruption
- quality audits

The task group report was considered by Cabinet in December 2012. The Cabinet Member Sustainability, Councillor Roger Whyborn welcomed the report and said "that the review had been thorough and he recommended that Cabinet accept all the recommendations. He looked forward to increased liaison with Gloucestershire Highways and Ubico via monthly meetings".

**Has it made a difference?**

O&S are due to have a formal follow-up of the recommendations in September 2013. In the meantime regular officer meetings are being held with the county council and consideration is being given to biodiversity issues. GCC have confirmed that the new on street parking contract, which commenced on 1 April, specifies that enforcement can take place and tickets issued where the verges are adjacent to roads with restricted double yellow line parking and will be happy to deal with any hot spot areas if brought to their attention. The website now has details of what the public can expect in relation to the grass cutting of verges and quality audits are undertaken. The green space strategy is still under review but officers recognise that verges form a significant part in the development of green corridors across the town which help wildlife and biodiversity. Officers who attend the regular monthly meetings with the county council have said that the meetings are beneficial as it enables everyone to share plans and issues and have a better understanding of what is happening in the area and therefore they are really worthwhile.



## 5.5 JCS and Planning and Liaison Scrutiny Task Group

Chair : Councillor Tim Harman



### **Task group members:**

Councillors Ian Bickerton, Les Godwin, Helena McCloskey and Andrew Wall with co-optees Councillor Derek Davies (TBC) and Councillor Chris Chatterton (Glos City)

**Officer support :** Pat Pratley, Jennie Williams, Rosalind Reeves, David Halkyard and Mike Redman.

The task group was set up in July 2012 to engage with elected members on the joint core strategy and other strategic development issues in light of the changes to the planning framework.

In October they were set a very specific task by Council to evaluate the alternative methods of assessing household formation rates over the period of the JCS plan and feedback their conclusions and recommendations to the JCS Member Steering Group on 31 January 2013. They worked to a very tight timescale in order not to delay the progress on the Joint Core Strategy work across the three councils and had six meetings over two months. They were supported by the Planning Advisory Service and the technical work was carried out by the Cambridge Centre for Housing and Planning Research who produced a very detailed report for the working group.

### **Key Findings and recommendations:**

The group concluded that the JCS should continue to plan on the basis of the projected household formation rates that had been proposed but with the need for ongoing review as more information became available. Their recommendations were reported directly to the Joint Core Strategy member steering group via the O&S Committee.

### **Has it made a difference?**

The speedy conclusion of the working group enabled the JCS to continue with its planned timetable. It also provided Cheltenham Councillors with a greater understanding of household formation rates and some reassurance about the figures being used in the JCS going forward.

The working group have now returned to their original terms of reference. Supported by Tracey Crews and Judith Baker, they are now playing an important role as a sounding board, feeding members views into the programme moving forward.

## 5.6 Events Scrutiny Task Group

Chair : Councillor Penny Hall



### **Task group members:**

Councillors Anne Regan, Nigel Britter, Dianne Hibbert, Diggory Seacome and Klara Sudbury.

**Officer support :** Saira Malin, Rosalind Reeves, Louis Krog and Sarah Clark.

How do councillors and the public find out about and have their say on major events being planned in the town which could have a potential impact on communities or the town's reputation if not managed correctly?

That was the question posed to the Events scrutiny task group which was set up last year. They wanted to understand the current requirements for events organisers and how the whole process could be improved.

The task group were supported by a range of officers across the council representing community protection, licensing, parks and gardens, environmental health, transport and legal.

### **Key Findings and recommendations:**

Many other councils had established some form of multi-agency Safety Advisory Group as a tool in planning the safety of community and other public events and they were recognised nationally as good practice. The working group were very keen that councillors should be involved and have their say on proposed events and therefore they went one step further and recommended the establishment of an Events Consultative Group (ECG).

The Cabinet received the report of the task group in February 2013 but did not feel able to support the recommendations until further work had been done by officers to assess the full implications of implementing them. A report was taken to Cabinet in July 2013 recommending that the Events Consultative Groups should be set up together with a Cheltenham Safety Advisory Group. A good result for Overview and Scrutiny.

### **Has it made a difference?**

Since the publication of the task group report, despite the recommendations not being formally agreed, Events Consultative Groups have been happening and have considered events such as The Half Marathon in September and Cheltenham Motor Sports Expo



2013 in September. Licensing Officers have advised that up to 3rd July, 67 event applications had been received this year and processed with one in four leading to an ECG.

Councillor Penny Hall has been involved in one of these pilot groups and has discussed the ECG's with other councillors who had taken part said, "this time last year there was no process by which councillors would even be informed that these events were proposed let alone take part in consultation discussions with the proposed Event Organisers"

## 5.7 Ubico Scrutiny Task Group

Chair : Councillor Andrew Chard



### **Task group members:**

Councillors Tim Harman, Jacky Fletcher, Charlie Stewart, Pat Thornton and Suzanne Williams

**Officer support:** Jane Griffiths and Saira Malin

The newly commissioned waste service from Ubico came into operation on 1 April 2012 and six months on the task group was set up to review the service level agreements and whether the benefits were being realised. They also wanted to examine the service from the customer's point of view and understand how the service was being monitored.

They held Q and A sessions with a range of officers (from both Ubico and the council) and met with the councillor who holds an observer position on the Ubico board. The working group visited the depots in both Cheltenham and Cotswold to gain an understanding of the scale of the operations and talked to a number of the operatives. In addition they examined performance and complaints data and they sent out a questionnaire in relation to the trade waste service. The working group were also keen to consider the service disruption due to the snow in January 2013 and held a special meeting where they questioned officers and the Cabinet Member.



**Key Findings and recommendations:**

Given the importance to the public of the service disruption the working group reported their finding on this matter to the O&S committee in February and members thanked the working group for their report. They concluded that no councillors would feel comfortable about the events that had taken place and therefore it was important for the Cabinet Member Working group on Waste and Recycling to be given time to carry out a full review and put in place the necessary improvements.

The scrutiny task group presented their final report and recommendations to Cabinet on 16 April 2013. Although some of the recommendations related to Ubico, many of their findings related to the way in which the council was managing the service contract. They made a number of practical recommendations regarding customer service, communications strategy, waste and recycling literature and they also challenged the decision not to nominate any borough councillors as voting members of the Ubico Board. They identified lessons to be learnt from the service disruption in January, highlighting the needs for clear accountability and responsibility in a commissioner/provider environment and effective communication with the public and members.

**Has it made a difference?**

This was the first time a commissioned service had been subject to scrutiny so it was a learning vehicle for everybody setting a model for future scrutiny. One of the issues the council needs to be mindful of in similar reviews in future relates to the communications and media messages. Many of the recommendations related to CBC activity but were reported in the media as Ubico issues and we need to ensure that in future we have more clarity in our recommendations as to where responsibility lies to take action.

In response to the review the Cabinet Member Sustainability thanked the scrutiny task group for its in-depth work. In terms of the service disruption the Cabinet Member acknowledged that what was most important for the future was for the council to have robust continuity plans in place and that communications to the public are clear. A briefing note setting out how the lessons learnt will be applied was set out at Cabinet in April 2013 and is also being picked up via the Gloucestershire Joint Waste Committee.

Work is ongoing with the other recommendations and a report will be brought back to the O&S Committee later in the year. A joint Systems Thinking review between Ubico and CBC has been undertaken looking at the end to end customer services process and a number of processes are now being redesigned. Work is also ongoing to review trade waste looking at opportunities for the service.

## 5.8 Community Governance Review Scrutiny Task Group

Chair: no Councillor appointed to chair

**Task group members:**

Councillors Barbara Driver and Klara Sudbury and 3 co-opted parish council members

**Officer support:** Helen Down

The council has the power to carry out a community governance review (CGR) which is a review of the whole or part of the council's area which could result in creating parish councils, changing existing boundaries or abolishing them. A review was requested by three of Cheltenham's parish councils and the scrutiny task group was set up in June 2012 to set out terms of reference for such a review for Council approval. Council requested that these terms of reference should specify the areas under review and how the review would be carried out including plans for consultation.

Parish council input was considered essential so the task group invited all parish councillors to be represented on the task group which resulted in three members from Leckhampton with Warden Hill, Charlton Kings and Up Hatherley Parish Council being co-opted to the task group.

The group met on several occasions but did not adopt the normal procedure for task groups in electing a member to chair the task group. Consequently although the task group was very well supported by officers and the parish councils, it lacked the strong member leadership necessary for successful scrutiny.

### Findings and recommendations

The task group's proposals would extend the parish council boundaries for Leckhampton with Warden Hill, Charlton Kings and Up Hatherley Parish Council and they proposed that public consultation would be carried out in these expanded areas excluding the residents already within the existing parish council boundaries. Their report included an estimated cost of £3600, a proposal for how the results would be analysed and a proposed 12 month timescale competing in May 2014.

When the task group brought its report to O&S in November 2012, it took the form of a series of questions to the scrutiny committee on its suggested approach rather than specific recommendations. This was a difficult challenge for O&S as the normal role for the committee is to satisfy themselves that the task group has met their terms of reference and the task group report is of satisfactory quality before forwarding the recommendations, in this case to Council. O&S did not feel they were in a position to endorse the recommendations and Council subsequently deferred the review, asking for it to be completed in time for the next parish council elections, at that time planned for 2018.



## 6. Contacts

**Rosalind Reeves**

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## SCRUTINY TOPIC REGISTRATION

Do YOU have a topic that you think Cheltenham Borough Council should scrutinise? Please fill out the following form and return to Democratic Services.

<b>Date:</b>	
<b>Name of person proposing topic:</b>	
<b>Contact details: email and telephone no:</b>	
<b>Suggested title of topic:</b>	
<b>What is the issue that scrutiny needs to address?</b>	
<b>What do you feel could be achieved by a scrutiny review (outcomes)</b>	
<b>If there a strict time constraint?</b>	
<b>Is the topic important to the people of Cheltenham?</b>	
<b>Does the topic involve a poorly performing service or high public dissatisfaction with a service?</b>	
<b>Is it related to the Council's corporate objectives?</b>	
<b>Any other comments:</b>	

## Cheltenham Borough Council

**Cabinet – 16 July 2013**

**Council – 22 July 2013**

### Financial outturn 2012/13 and budget monitoring to May 2013

<b>Accountable member</b>	<b>Councillor John Rawson, Cabinet Member for Finance</b>
<b>Accountable officer</b>	<b>Mark Sheldon, Director Resources</b>
<b>Accountable scrutiny committee</b>	<b>All</b>
<b>Ward(s) affected</b>	<b>All</b>
<b>Key Decision</b>	<b>No</b>
<b>Executive summary</b>	<p>In accordance with financial rule A11.3, the Section 151 Officer is responsible for providing regular reports to the Cabinet on the Council's finances and financial performance. This report highlights the Council's financial performance for the previous year which sets out the General Fund and Housing Revenue Account (HRA) revenue and capital outturn position for 2012/13. The information contained within this report has been used to prepare the Council's Statement of Accounts for 2012/13.</p> <p>Financial rule B10.1 states that carry forward of planned underspend of revenue budgets into the following financial year will only be allowed with the agreement of the Section 151 Officer, in order to meet the needs of approved service delivery. Financial rule B10.3 states that all other carry forward requests, including budget underspends that have been carried forward in previous financial years, will be subject to full Council approval at the financial outturn meeting held after the year end.</p> <p>The Council's Treasury Management Policy requires the Section 151 Officer to report to members annually, by the 30th September, on the treasury management activities and prudential indicators for the previous financial year. This report also seeks to meet this requirement.</p>
<b>Recommendations</b>	<p><b>We therefore recommend that Cabinet approve the following recommendations to Council:</b></p> <ol style="list-style-type: none"> <li><b>1. That Council receive the financial outturn performance position for the General Fund, summarised at Appendix 2, and note that services have been delivered within the revised budget for 2012/13 resulting in a saving (after carry forward requests) of £201,801.</b></li> <li><b>2. That furthermore Council:</b> <ol style="list-style-type: none"> <li><b>2.1 Approve £216,400 of carry forward requests (requiring member approval) at Appendix 6.</b></li> <li><b>2.2 Approve the transfer of the budget saving of £201,801 to general fund balances.</b></li> </ol> </li> <li><b>3. Note the updated MTFs and budget strategy at Appendix 4.</b></li> </ol>

4. Note the treasury management outturn at Appendix 8 and approve the actual 2012/13 prudential and treasury indicators.
5. Approve the revision to the Treasury Management policy to reflect the revised borrowing facility to support the airport (Appendix 9).
6. Approve the amendments to financial rule 19 in respect of write-off limits as set out in appendix 15 (section 7).
7. Approve the High Street Innovation Fund reallocation (section 8).
8. Note the capital programme outturn position as detailed in Appendix 11 and approve the carry forward of unspent budgets into 2013/14 (section 10).
9. Note the position in respect of section 106 agreements and partnership funding agreements at Appendix 12 (section 11).
10. Note the outturn position in respect of collection rates for council tax and non domestic rates for 2012/13 in Appendix 13 (section 12).
11. Note the outturn position in respect of collection rates for sundry debts for 2012/13 in Appendix 14 (section 13).
12. Receive the financial outturn performance position for the Housing Revenue Account for 2012/13 in Appendices 16 to 17 (section 14).
13. Note the budget monitoring position to the end of May 2013 (section 15).

<b>Financial implications</b>	As detailed throughout this report.  <b>Contact officer: Paul Jones, paul.jones@cheltenham.gov.uk, 01242 775154</b>
<b>Legal implications</b>	None directly arising from this report, apart from amendment of the Financial Rules further to recommendation 6 which will require the Constitution to be updated.  <b>Contact officer: Peter Lewis, Peter.Lewis@teWKesbury.gov.uk, 01684 272695</b>
<b>HR implications (including learning and organisational development)</b>	None directly arising from this report.  <b>Contact officer: Julie McCarthy, Julie.mccarthy@cheltenham.gov.uk, 01242 264355</b>
<b>Key risks</b>	As outlined in Appendix 1.
<b>Corporate and community plan Implications</b>	Key elements of the budget are aimed at delivering the corporate objectives in the Corporate Business Plan.

<b>Environmental and climate change implications</b>	None.
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## 1. Background

- 1.1 This report draws together the financial outturn position for 2012/13 for the General Fund and Housing Revenue Account (HRA) revenue and capital budgets, details reserve movements, summarises requests for carry forward of budgets approved by the Section 151 Officer under delegated powers and those requiring member approval and makes recommendations in respect of the use of the underspend.
- 1.2 In accordance with financial rule A11.3, the Section 151 Officer is responsible for providing regular reports to the Cabinet on the Council's finances and financial performance.
- 1.3 A summary of the actual General Fund outturn position by service is contained in Appendix 2.
- 1.4 A summary of the outturn position by cost centre within each service is contained in Appendix 3. Information is presented both in the format normally used in cabinet and council papers and also in Service Reporting Code of Practice (SeRCOP) format used in the preparation of the final accounts which requires under / overspends on support services cost centres to be charged to end user cost centres.

## 2. General Fund Revenue Outturn 2012/13

- 2.1 The budget monitoring report to the end of August 2012 projected an overspend for the year of £281,000. As a result of that projection, Cabinet approved a recommendation to continue a freeze on supplies and services expenditure, where possible, for the remainder of the financial year.
- 2.2 This measure enabled the Council to address the potential in year budget deficit and deliver a revised balanced budget which did not require a contribution from general balances.
- 2.3 At a meeting of Cabinet on 16<sup>th</sup> April 2013, members noted the provisional revenue outturn position for 2012/13 which highlighted a number of areas of potential budget savings. Projections at the time suggested that, after allowing for expected carry forwards, services were likely to be delivered within budget, resulting in a potential net budget saving of £212,100 against the revised budget for 2012/13.
- 2.4 It is pleasing to report that despite an exceptionally difficult economic climate, the Council has delivered services within the resources available, resulting in a budget saving, after carry forward request, of £201,801. This figure represents roughly quarter of one percent of the Council's total gross budget, showing how robust the Council's financial management is. This saving has been transferred to the general fund balance pending decisions over its use in 2013/14.
- 2.5 A number of savings are the result of delays or slippage in carrying out particular tasks which are still necessary and will need to be completed in the 2013/14 financial year. Where this applies, requests for carry forwards are documented in Appendix 6 to this report
- 2.6 A full explanation of all variances that exceed £50,000 is contained within Appendix 5.

## 3. Making use of revenue budget savings

### Comprehensive Spending Review

- 3.1 The Chancellor delivered his spending review on 26<sup>th</sup> June 2013 with the focus relating almost

exclusively to 2015/16. The headline amount of a 10% cut in real terms would equate to a reduction in government funding for this Council of £540k in 2015/16 although confusion surrounding funding for NHS, affordable housing and social care could well mean that actual cut is closer to 14%.

- 3.2** An updated version of the MTFS and budget strategy is shown at Appendix 4 which takes into account the limited detail that came out of the spending review. This update assumes an increase in council tax of 2% per annum from 2014/15 but needs to be taken into context of the council tax freeze grant being offered as detailed below.

### **Council tax freeze grant**

- 3.3** In addition to the cuts announced, the Chancellor proposed a further council tax freeze grant offer for 2014/15 and 2015/16. Authorities that freeze or reduce their council tax in 2014/15 will receive a one-off payment equivalent to 1% of their tax. The same scheme will apply in for 2015/16.
- 3.4** The cumulative effect of freezing council tax for a further 2 years will reduce the Council's spending power by a further £290k by 2015/16, which is in addition to the real terms cut highlighted in 3.1.
- 3.5** The council tax referendum limit will also be set at 2% in both 2014/15 and 2015/16, which will require councils to consult with the electorate if it wished to raise council tax above 2% in either of those years.

### **Strengthening general fund balances**

- 3.6** In his budget statement, delivered to the Council last February, the Cabinet Member for Finance said that if possible he would propose a strengthening of general fund balances in the outturn report. In the light of the proposals that have come out of the spending review, the case for doing this is even stronger and it is therefore recommended that the 2012/13 budget saving of £201,801 be transferred to general fund balances.
- 3.7** This will give the Council more flexibility in being able to pump prime projects and initiatives which will deliver future savings at a time when we are facing such severe and ongoing cuts to our spending power.

## **4. Budget carry forward requests**

- 4.1** At the year end, a number of budget holders requested 'carry forward' of unspent budgets. Requests fall into two categories and have been dealt with as follows:
- 4.2** Some requests are in respect of goods and services ordered but not received by 31st March 2013. Some relate to items of expenditure not yet incurred due to slippage in work programmes but still planned to be spent in line with the original intention of the budget. Others are amounts of grant funding which have been allocated but not yet been taken up by their intended beneficiaries. In line with previous practice, these have been reviewed by the Senior Leadership Team (SLT) and approved by the Section 151 Officer, under delegated powers (financial rule B10.1). A list of the approved carry forward of budgets totalling £1,014,200, for which expenditure is in line with the original approved purpose, is contained in Appendix 6. In accordance with the Service Reporting Code of Practice (SeRCOP), a transfer was made to a 'carry forward' reserve in 2012/13 (Appendix 8) and transfers will be made from the 'carry forward' reserve in 2013/14 to the appropriate cost centres in order that members and officers have a clear indication of the total budget, including carry forwards, available for 2013/14.
- 4.3** Some requests have been made to carry forward an underspend to be used in a different way to that for which the budget was originally intended. Since this falls outside the budget set by Council in February 2012, their alternative use requires council approval (financial rule B10.3). The list contained in Appendix 6, totalling £216,400, has been reviewed and supported by the

Senior Leadership Team and now requires council approval.

### **5. Treasury Management / Prudential Indicators**

- 5.1** Treasury Management in Local Government is governed by the CIPFA Code of Practice on Treasury Management in the Public Services and this Council has adopted the code and complies with its requirements, one of which is the receipt by Cabinet and Council of an Annual Review Report after the financial year end.
- 5.2** The detailed treasury report, including the current assessment of the implications of the Council's exposure to Icelandic banks, as approved by the Treasury Management Panel at its meeting on 10<sup>th</sup> June 2013, is attached at Appendix 8.
- 5.3** The prudential indicators have been monitored regularly and there were no material departures from the indicators arising during the year. The outturn indicators are reported to Cabinet and Council as part of the capital and treasury management outturn in accordance with the arrangements determined at the February 2012 council meeting.

### **6. Gloucestershire Airport Ltd**

- 6.1** Gloucestershire Airport Ltd, of which Gloucester City Council and Cheltenham Borough Council are equal shareholders, is in the final stages of completing the runway safety project (RSP). The project required funding of £1.2m of Public Works Loan Board and £350k of temporary borrowing from each shareholder council which was agreed by this council in December 2010. The start of the project was delayed, adding cost to the project. The Airport also incurred additional operating costs as a result of having to increase staffing levels to support the airport post RSP which was not initially offset by increased business. In addition, the aviation industry has been affected by the economic downturn and the margin on airport business activity has reduced since the business plan was approved.
- 6.2** As a result the temporary lending facility of £350k per council cannot be repaid in line with the original timeline. The Airport Company have requested that both councils extend the borrowing facility for a further 5 years but on a reducing scale i.e. the Airport will phase the repayment of the temporary borrowing facility in equal instalments over the period of the extension.
- 6.3** Council officers and the chair of Cheltenham's member working group have met the Airport's Managing Director and have considered the request. The cash flow modelled a number of options but the option which sees a reduction in the level of temporary borrowing sooner is the option which is recommended for the Council to support. The consequence of this proposal is an amendment to the Treasury Management Policy counter party lending list, which is attached at Appendix 9. The current policy allows for the borrowing for a period of 3 years, but the proposed revised policy permits the drawdown of the Public Works Loan Board borrowing for a period of ten years. It also allows flexibility within the overall limits to accommodate the current request and any future variations, which will be managed within the approved parameters by the Section 151 Officer under delegated powers. This was supported by the Council's Treasury Management Panel at a meeting on 9<sup>th</sup> July 2013.

### **7. Business Rates Retention (BRR) Scheme provision and write-offs**

- 7.1** The Local Government Finance Act 2012 introduced a business rates retention scheme that enables local authorities to retain a proportion of the business rates generated in their area. The new arrangements for the retention of business rates came into effect on 1st April 2013.
- 7.2** From this date, local authorities assumed the liability for refunding ratepayers who have successfully appealed against the rateable value of their properties on the rating list.
- 7.3** This will include amounts that were paid over (to Central Government) in respect of 2012/13 and prior years.

- 7.4** Under the scheme councils can keep 50% of business rates collected (the **local share**), with the remaining 50% (the **central share**) retained by government and paid into a central pool which will be redirected to local government through other grants. Of the 50% local share, the District share has been set at 80%, with the County authority share being 20%.
- 7.5** Some local authorities, including Cheltenham, collect more business rates than they currently receive in formula grant (which is based on relative need and resources) while the business rates collected by other authorities are lower than their current funding level. The Government therefore intends to rebalance resources at the outset of the scheme through a system of tariffs and top-ups.
- 7.6** For Cheltenham, the business rates baseline figure is £20.851m which represents 40% of the estimated net rate yield. Because this is in excess of the £2.482m received in formula grant, Cheltenham will be required to pay a tariff of £18.369m over to the Government for redistribution.
- 7.7** Under the regulations, 'safety net thresholds' were set to provide local authorities with protection against significant decreases in their business rates income. The safety net exposure for Cheltenham amounts to £186k in 2013/14 which effectively means that Cheltenham can not be any worse off than this amount.
- 7.8** As indicated above, the business rates baseline figure in 2013/14 is £20.851m. The equivalent figure provided in the NNDR 1 return (estimate of what will be collected in the year) was £20.596m, a difference of £255k.
- 7.9** The main reason for this difference is in respect of Cheltenham's estimate of successful appeals in 2013/14 which comprise those appeals relating to 2013/14 plus the estimated total sum to be repaid to ratepayers in respect of successful appeals for the years before 2013/14 if all appeals were resolved.
- 7.10** As a consequence of the above, a provision of £186k has been put through the accounts to cover the safety net threshold in the event that the estimated level of appeals is successful.

#### **Write-offs**

- 7.11** The write off of irrecoverable debt is a proper and recognised accounting practice. The Council's financial rules require that any debts written off which are not within the set authorisation limits i.e. over £5k, must be approved by Cabinet.
- 7.12** It is proposed that financial rule 19 be amended to give the Section 151 Officer appropriate flexibility for the writing off of individual debts in the circumstances as set out in Appendix 15. This better reflects the delegation arrangements under the previous version of the Constitution.

### **8. High Street Innovation Fund**

- 8.1** Members will remember that in March 2012 Cheltenham Borough Council was awarded £100,000 from the Government's High Street Innovation Fund. The purpose of this Fund was to help revive town centres across the country, although it was acknowledged that Cheltenham already had a relatively vibrant and successful town centre.
- 8.2** In the 2011/12 outturn report, £65,000 of this money was allocated to funding business rate discounts for new start-up businesses taking on empty properties. The discounts, which could be up to 100% depending on the rateable value of the property, were targeted on the town centre and other key areas that could benefit from support, including Montpellier Street and Coronation Square.
- 8.3** The balance of the money as allocated to: £20,000 for skills training to help new and existing businesses; £6,000 for design work for new signage for the town; and £9,000 for cameras to measure footfall in different parts of the town centre, a project supported by the local business



community.

- 8.4** While the impact of the Innovation Fund money has undoubtedly been beneficial, and the skills training well received, the take-up of the business rates discounts was not as great as anticipated, leaving a balance of £58,200 at the end of the financial year. As a result the Cabinet Member for Finance now proposes that the unspent balance should be allocated as follows:

**£10,200 to continue the business rates discount scheme for another year, with additional efforts being made to publicise it.** It is not felt that altering the details of the scheme, such as the rate of discount or the area in which it is offered, would make much difference to the take-up.

**£15,000 to fund consultation with the business community about the possibility of setting up a Business Improvement District (BID) in Cheltenham.** A BID is a partnership between a local authority and the local business community to develop projects and services that will benefit the trading environment within the boundary of a clearly defined commercial area.

A number of BIDs exist up and down the country and there is no doubt that they have brought economic benefits to their localities. However, businesses in a BID area are expected to pay additional charges for enhanced services. For this reason, Borough Council's view has always been that a BID would only be possible if it was enthusiastically supported by the business community.

Interest in creating a BID has recently been expressed in the Cheltenham Business Partnership, and the money allocated would allow proper, in-depth consultation to take place to assess whether the necessary support exists to take this forward.

**£24,000 to purchase new equipment suitable for cleaning the slabs and bonded gravel in and around the Promenade.** The cleaning vehicles currently in use for street cleaning is unsuitable in this area of the town, as we cannot put a heavy vehicle on these surfaces and there is a limit to how much force we can use to jet them. The result is that both the slabs and the resin bonded areas are showing signs of staining, which naturally does not help the appearance of what needs to be a clean, inviting and attractive area.

The proposal is to buy a pedestrian controlled suction sweeper which runs on diesel and a scrubber drier which will require recharging daily. These two pieces of equipment have already been trialled in the town centre with good results. It is envisaged that one operative can alternate between the two units, using the sweeper in the morning and the scrubber drier in the afternoon.

**£5,000 towards the costs of the Top of the Shops Awards.** This is the awards scheme run by The Gloucestershire Echo to promote retail excellence in the town. Last year it was grant-aided from the Promoting Cheltenham Fund.

**£5,000 as a one-off grant to the Jet Age Museum at Gloucestershire Airport.** The trustees of the Museum are appealing for support to complete phase 1 of their project, which will allow them to open to the public. A number of other councils have already contributed substantial amounts. It is anticipated that this Museum will support the economy of the county by creating a major visitor attraction on Cheltenham's doorstep. The trustees have offered to work with the Cheltenham Art Gallery and Museum to undertake joint promotions, possibly linked to local festivals.

## **9. Reserves**

- 9.1** The Section 151 Officer has, under delegated powers (financial rule B11.4), authority to make transfers to and from these operational reserves in accordance with the intention of the reserve as determined by the Council's Reserves Policy and Protocol. The transfers approved by the Section 151 Officer for 2012/13 are set out in the Use of Reserves and Balances schedule at Appendix 7.

- 9.2** Appendix 10 details the reserves held by the Council, states their purpose and indicates the balance at 31<sup>st</sup> March 2013. In setting the budget for 2013/14 a review of reserves was undertaken with a view to assessing whether the levels were appropriate, in line with the policy for reserves and balances, and taking into account the needs and risks of the organisation and the prevailing economic conditions. At the year end this process has been repeated.
- 9.3** An assessment of the Council's other earmarked reserves has been made in line with the fiduciary duty of the Section 151 Officer at the year end. Accepting that there are still some areas of uncertainty, the level of reserves appears adequate at this point in time and no other changes are currently recommended.
- 9.4** The level of maximum individual reserve balances were reviewed in February 2013, as part of the budget setting process. At 31<sup>st</sup> March 2013, most reserves are within these specific maximum levels.
- 9.5** It is important to understand and consider that there is an opportunity cost in maintaining reserves. Members will be aware that reserves exist for specific 'earmarked' and valid purposes which are regularly reviewed. Over time, it is anticipated that these reserves will be used for the purpose for which they were set aside. Hence the opportunity cost of holding these reserves at existing or slightly above existing levels is either justified or insignificant.
- 9.6** At the year end, the General Fund Balance stands at £2.021m and therefore remains above the minimum range of £1.5m to £2m recommended by the Section 151 Officer. Given the continued prevailing economic conditions and the pressure on the current and future year's revenue budgets, it is recommended that this should not be reduced.

## **10. Capital Outturn 2011/12**

- 10.1** The outturn position in respect of General Fund capital is contained in Appendix 11. Members are asked to note the outturn position and, where there is slippage, approve the carry forwards into 2013/14 requested by officers.

## **11. Section 106 receipts**

- 11.1** A position statement in respect of the activity of Section 106 receipts is contained in Appendix 12.
- 11.2** The following summarises the activity in respect of Section 106 for 2012/13, compared to 2011/12.

	31/3/12 £	31/3/13 £
Balance of unused Section 106 receipts	289,316	530,641
Net additional receipts in year	274,833	131,325
Receipts used to finance projects in year	(33,508)	(117,763)
Balance outstanding at year end	530,641	544,203

## **12. Council tax and business rates collection**

- 12.1** The monitoring report for the collection of council tax and business rates (NNDR) income is shown in Appendix 13. This shows the position at the end of March 2013.

### 13. Sundry debt collection

- 13.1 The monitoring report for the collection of sundry debt income is shown in Appendix 14. This shows the position at the end of March 2013.

### 14. Housing Revenue Account (HRA)

#### 14.1 HRA income and expenditure

The revised estimates for the HRA anticipated a surplus for the year of £1.408m. After using the revenue reserve to repay a proportion (£1.392m.) of PWLB loan due to mature in the year, the balance of reserve to be carried forward at 31<sup>st</sup> March 2013 was estimated at £3.113m.

- 14.2 The outturn statement at Appendix 16 shows a surplus for the year of £1.857m, a net positive variance of £449,000, leaving the revenue reserve at £3.561m at year end.

The variance arose primarily from:-

Cost Category	£'000
Savings in estate management - grounds maintenance, gas & electricity costs	93
Reduced spend on repairs & maintenance	68
Reduction in the need to provide for bad debts – no significant increase in arrears despite rent increase	134
No requirement for revenue funding of capital expenditure – reduced capital spend (see paragraph ?? below)	360
Impairment of non-dwelling assets – now chargeable against HRA following introduction of self financing framework	-102
Reversal on non-dwelling asset depreciation – no longer available after self financing	-94
Other net variances	-10
<b>Total Variance</b>	<b>449</b>

#### 14.3 Major Repairs Reserve (*Appendix 17*)

In accordance with regulations this reserve is funded by sums equivalent to the depreciation provision and can be used to finance HRA capital expenditure. Reduced capital expenditure in the year has left a balance of £399,000 in the reserve which can be carried forward to finance expenditure in 2013/14.

#### 14.4 HRA Capital Programme (*Appendix 17*)

Appendix 17 shows actual spend of £4.742m. compared to the revised estimate of £5.492m, a reduction of £750,000. This arose primarily from delays to a number of projects due to adverse weather conditions (£603,000) and a reduced demand for disabled adaptations (£85,000). The

delayed projects will all be completed in 2013/14 and the funding set aside for this expenditure is also carried forward in the revenue reserve and the major repairs reserve.

### **15. 2013/14 Revenue and Capital budget monitoring to May 2013**

- 15.1** Due to the pressures of the year end process a detailed monitoring exercise has not been undertaken at this point in the year. However, no significant variances have been identified by service managers at this stage.

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

- 16.1** The Government expects councils to make a significant contribution to reducing the national budget deficit and the Council will continue to face an unprecedented public sector funding squeeze over the next few years. Future budgets are likely to contain some difficult decisions and may require some sources of 'one off' finance to enable savings to be delivered through efficiency savings and cost / staffing reductions. In this situation, any opportunity to fund future investment requirements from one off sources rather than impacting on future year's budgets should be taken.
- 16.2** In agreeing the recommendations, members need to be mindful of the prevailing challenging financial climate and in view of the budget pressures already potentially facing the Council in the current year, to ensure that any carry forwards recommended for approval (even those for which the Section 151 Officer has the delegation to approve) are the most effective use of scarce resources.

### **17. Conclusion**

- 17.1** The outturn position for 2012/13 demonstrates that, despite another challenging year, the Council managed to turn a projected overspend of £281k into a modest underspend, which demonstrates that we continue to maintain a strong and consistent track record of managing services within budgets. There are no significant unexpected overspends or under spends in 2012/13 which demonstrates that budget monitoring arrangements remain strong.
- 17.2** If approved, some of the carry forward requests will assist in the delivery of corporate objectives, help to complete projects started in 2012/13 and support initiatives which help to bridge the medium term funding gap.
- 17.3** Members should note that the outturn position has been used to prepare the Statement of Accounts for approval by the Audit Committee.

### **18. Consultation**

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

<b>Report author</b>	<b>Contact officer: Paul Jones, GOSS Head of Finance</b> <b>paul.jones@cheltenham.gov.uk, 01242 775154</b>
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<b>Appendices</b>	<ol style="list-style-type: none"> <li>1. Risk assessment</li> <li>2. Summary outturn performance position - General Fund</li> <li>3. Service level outturn performance position - General Fund</li> <li>4. Updated MTFS / Budget strategy</li> <li>5. Significant variances</li> <li>6. Carry forward requests</li> <li>7. Use of balances and reserves</li> <li>8. Treasury outturn</li> <li>9. Counter Party lending list</li> <li>10. Movement on earmarked reserves and general balances</li> <li>11. Capital programme - General Fund</li> <li>12. Section 106 receipts statement</li> <li>13. Council tax and NNDR collection</li> <li>14. Sundry debt collection</li> <li>15. Amended Financial Rule I9</li> <li>16. HRA Operating account</li> <li>17. HRA Capital programme and Major Repairs Reserve</li> </ol>
<b>Background information</b>	<ol style="list-style-type: none"> <li>1. Section 25 Report – Council 10<sup>th</sup> February 2012</li> <li>2. Final Budget Proposals for 2012/13 – Council 10<sup>h</sup> February 2012</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..	Historically, the Council has used in-year savings to fund one-off growth / new initiatives. As a result of budgets getting tighter, there may be a reduced likelihood of in- year savings being delivered resulting in potentially increased pressure on the General Reserve to fund growth / new initiatives over the period of the MTFS.	Director Resources	December 2010	4	3	12	Reduce	Future capital receipts may be needed to increase the size of the General Reserve.	on-going	Director Resources (working with SLT)	

## GENERAL FUND REVENUE OUTTURN 2012/13

GROUP

	A 2012/13 Original Budget	B 2012/13 Revised Budget	C 2012/13 Outturn per Ledger before adjustments	D Trf to / (from) Reserves	E C/F requests approved by S151 Officer Appendix 7	F Variance net of S151 c/f approvals	G C/F requests to be approved Members Appendix 7	H Variance net of all c/f requests
	£	£	£	£	£	£	£	£
Strategic Management	2,919,900	3,054,600	2,650,528	190,710	58,400	(154,962)	5,000	(149,962)
Commissioning	5,557,750	5,875,700	4,909,911	(17,479)	537,000	(446,268)	201,400	(244,868)
Built Environment	300,450	702,650	265,961	176,178	287,300	26,789		26,789
Resources	2,706,325	3,282,775	3,025,112	149,116	169,200	60,653		60,653
Wellbeing and Culture	4,755,850	4,702,950	4,378,688	228,779	52,300	(43,183)	10,000	(33,183)
Target savings	(480,000)	0	0	0	0	0		0
Bad debt provision	40,000	40,000	21,842	0	0	(18,158)		(18,158)
	15,800,275	17,658,675	15,252,042	727,303	1,104,200	(575,129)	216,400	(358,729)
Capital Charges	(1,913,300)	(1,152,600)	(925,405)			227,195		227,195
Interest and Investment Income	373,900	334,500	90,038			(33,170)		(33,170)
Use of balances and reserves	(95,955)	(2,289,955)	(67,151)			(36,391)		(36,391)
New Homes Bonus	(250,000)	(535,700)	(536,268)			(568)		(568)
Council Tax Freeze Grant	(199,000)	(396,987)	(199,137)					197,850
Other Government Grants	0	(100,000)	(100,000)					
Net underspend			201,801					
<b>NET BUDGET</b>	<b>13,715,920</b>	<b>13,517,933</b>	<b>13,715,920</b>					
Deduct:								
Revenue Support Grant	(108,705)	(108,705)	(108,705)			0		0
National Non-Domestic Rate	(5,607,741)	(5,409,754)	(5,607,741)			(197,987)		(197,987)
Collection Fund Contribution	(34,000)	(34,000)	(34,000)			0		0
<b>NET SPEND FUNDED BY COUNCIL TAX</b>	<b>(7,965,474)</b>	<b>(7,965,474)</b>	<b>(7,965,474)</b>			0		0
<b>TOTAL INCOME</b>	<b>(13,715,920)</b>	<b>(13,517,933)</b>	<b>(13,715,920)</b>	<b>Total budget underspend</b>		<b>(616,051)</b>		<b>(201,801)</b>

**KEY**

- A - Original budget for 2012/13 approved by Council - February 2012  
 B - Revised budget for 2012/13 - including budget revisions approved by Council during 2012/13 and approved carry forwards from 2011/12  
 C - Outturn net expenditure before year end adjustments  
 D - Operational transfers to / (from) reserves approved by the Chief Finance Officer under delegated powers  
 E - Carry forward requests approved by the Chief Finance Officer under delegated powers  
 F - Net variance after adjustments in columns D to E  
 G - Carry forward requests requiring Member approval  
 H - Net variance on cost centres taking into account all carry forward requests - see detail at Appendix 3

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## SERVICE LEVEL OUTTURN PERFORMANCE POSITION 2012-13

## APPENDIX 3

REVENUE OUTTURN 2012/13	Budget Book 12/13 £	Revised Budget 12/13 £	Actual 2012/13 £	(Under) / Overspend before SerCOP Adjustment £	Transfers to to (from) reserves £	Carry Forwards £	Adjusted (Under) / Overspend £	(Under) / Overspend before SerCOP Adjustment £	Code / IFRS Adjustments £	IAS19 Pension Adjustments £	SerCOP Adjustment £	SOA - Code Adjusted (Under) / Overspend £
COR002 Chief Executive	(9,100)	14,000	11,166	(2,834)			(2,834)	(2,834)				(14,000)
CCM001 Cemetery, Crematorium and Churchyards	(760,200)	(641,200)	(590,786)	50,414	(1,783)		48,631	50,414				21,280
ENF102 Cheltenham Environmental Fund- Parks	0	108,400	67,188	(41,212)		42,400	1,188	(41,212)				(41,212)
OPS001 Parks & Gardens Operations	893,250	1,204,450	1,024,652	(179,798)	45,400		(134,398)	(179,798)				(233,047)
OPS002 Sports & Open Spaces Operations	1,227,400	982,300	880,841	(101,459)	(451)		(101,910)	(101,459)				(93,757)
OPS004 Aliments	88,400	29,100	47,402	18,302			18,302	18,302				11,477
OPS101 Arle Road Nursery Operations	0	(99,800)	(49,764)	50,036			50,036	50,036				50,036
OPS102 GCC Schools	0	(45,200)	(28,505)	16,695			16,695	16,695				16,695
CCR001 Community Safety (Crime Reduction)	276,000	179,400	175,574	(3,826)			(3,826)	(3,826)				(29,226)
CCT001 CCTV	134,600	127,200	128,344	1,144			1,144	1,144				(796)
REG001 Environmental Health General	7,600	(23,509)	(23,509)	1,144			(18,409)	(18,409)				5,100
REG002 Licensing	0	21,000	9,803	(11,197)	11,200		1,546	(11,197)		(185,930)		(70,766)
REG003 Animal Control	56,300	25,500	23,592	(1,908)			(1,908)	(1,908)				(3,708)
REG012 Air Quality	39,400	34,900	18,623	(16,277)			(16,277)	(16,277)				(20,077)
REG013 Pollution Control	139,000	114,500	116,046	1,546			1,546	1,546				(20,354)
REG014 Contaminated Land	29,900	31,800	27,807	(3,993)			(3,993)	(3,993)				(8,293)
REG016 Food Safety	116,300	184,000	184,001	1			1	1				(30,319)
REG017 Health & Safety At Work	79,800	163,200	163,200	0	0		0	0				(28,200)
REG018 Pest Control	80,700	58,400	53,720	(4,680)		5,000	(500)	(4,680)				(18,880)
REG020 Water Sampling	500	8,800	10,812	(500)			(500)	(500)				(500)
STC011 Abandoned Vehicles	21,700	0	(3,248)	(3,248)			2,012	(3,248)				412
SUP039 Callouts	0	154,550	112,197	(42,353)		7,000	(2,539)	(42,353)				(47,703)
EMP001 Emergency Planning	155,050	403,900	291,371	(112,529)	32,815	9,000	(2,539)	(112,529)				(169,261)
PLP102 Development Task Force	343,300	0	291,371	(404,072)	103,529		0	(404,072)				(74,430)
<b>Strategic Directors</b>	<b>2,919,900</b>	<b>3,064,600</b>	<b>2,650,528</b>	<b>(404,072)</b>	<b>190,710</b>	<b>63,400</b>	<b>(149,952)</b>	<b>(404,072)</b>	<b>0</b>	<b>(313,557)</b>	<b>(7,430)</b>	<b>(74,430)</b>
BUC001 Building Control - Fee Earning Work	26,150	54,450	38,734	(15,716)			(15,716)	(15,716)				(39,329)
BUC002 Building Control - Non Fee Earning Work	0	15,700	15,700	0			0	0				(100)
DEV001 Development Control - Applications	577,600	775,900	755,814	(20,086)		8,000	(12,086)	(20,086)				(504,439)
DEV003 Development Control - Enforcement	0	56,900	40,658	(16,242)			(16,242)	(16,242)				653
DEV004 Development Advice	0	0	(14,266)	(14,266)			(14,266)	(14,266)				(14,266)
ENAO01 Housing Enabling	63,500	6,700	(30,013)	(36,713)		36,700	(13)	(36,713)				(1,950)
PLP001 Planning Policy	173,300	232,600	258,772	26,172			26,172	26,172				(15,150)
PLP003 Implementation	78,900	0	0	0			0	0				0
PLP101 Joint Core Strategy	7,300	267,400	145,296	(122,104)	122,104		0	(122,104)				(144,854)
HOS004 Housing Standards	242,700	671,000	655,042	(15,958)			(15,958)	(15,958)				(266,923)
PSH001 Private Sector Housing Grants	100,000	85,600	81,247	(4,353)			(4,353)	(4,353)				137,101
PSH003 Disabled Facilities Grants	64,300	81,000	81,000	0			0	0				57,554
SPP002 Community Alarms	(44,600)	(6,000)	(11,064)	(5,064)			(5,064)	(5,064)				(54,728)
BUC004 Land Charges	(67,250)	(31,350)	(51,480)	(20,130)			(20,130)	(20,130)				(65,469)
SUP040 Built Environment	(393,500)	(1,111,400)	(1,066,305)	45,095	34,400		45,095	45,095				1,111,400
ECD001 Economic Development	85,900	357,400	222,259	(135,141)		118,900	(16,241)	(135,141)				(140,653)
ENF101 Cheltenham Environmental Fund- Townscape	0	37,200	14,941	(22,259)			(59)	(22,259)				(22,259)
ENF106 Community Pride Fund	0	20,000	0	(20,000)		38,500	18,500	(20,000)				(20,000)
FLD001 Flood Defence and Land Drainage	151,600	245,100	243,834	(1,266)			(1,266)	(1,266)				(52,710)
PLP004 Conservation	99,000	160,700	146,159	(14,541)			(14,541)	(14,541)				(75,903)
PLP006 Trees	70,300	150,500	151,812	1,312			1,312	1,312				(33,467)
PUB101 Public Art	0	0	25	25			25	25				25
URB101 Urban Design	0	6,000	14,441	8,441		10,400	18,441	8,441				8,441
CPK001 Car Parks - Off Street Operations	(1,269,300)	(1,728,300)	(1,680,468)	47,832	19,674		85,206	47,832				(32,827)
CPK011 On Street Civil Parking Enforcement	(100)	0	0	0			0	0				0
CPK012 On Street Car Parking	(100)	0	0	0			0	0				0
CPK021 Residents Parking Schemes	(100)	0	0	0			0	0				0
CPK102 Brewery Car Park	0	0	0	0			0	0				0
CPK103 Sandford Lido car park	0	0	0	0			0	0				0
ENF103 Cheltenham Environmental Fund- Transport	0	12,500	3,065	(9,435)		9,400	(35)	(9,435)				(9,435)
ENF105 Cheltenham Environmental Fund- Public Protection	0	15,000	723	(14,277)		14,500	323	(14,277)				(14,277)
ESR001 Highways Agency Verges & Trees	109,500	125,200	70,884	(54,316)			(54,316)	(54,316)				(54,816)
PUT001 Concessionary Travel	26,300	0	0	0			0	0				0
PUT101 Royal Well Bus Node	13,400	17,200	18,139	939			939	939				1,239

## SERVICE LEVEL OUTTURN PERFORMANCE POSITION 2012-13

## APPENDIX 3

REVENUE OUTTURN 2012/13	Budget Book 12/13 £	Revised Budget 12/13 £	Actual 2012/13 £	(Under) / Overspend before SerCOP Adjustment £	Transfers to to (from) reserves £	Carry Forwards £	Adjusted (Under) / Overspend £	(Under) / Overspend before SerCOP Adjustment £	Code / IFRS Adjustments £	IAS19 Pension Adjustments £	SerCOP Adjustment £	SOA - Code Adjusted (Under) / Overspend £
PUT102 Shopmobility	87,850	79,250	74,817	(4,433)			(4,433)	(4,433)		(6,490)	(100)	(11,023)
TMR101 CBC Highways works	97,800	106,400	86,196	(20,204)		10,900	(9,304)	(20,204)	157,127	(3,477)	(2,700)	130,747
<b>Built Environment</b>	<b>300,450</b>	<b>702,650</b>	<b>265,961</b>	<b>(436,689)</b>	<b>176,178</b>	<b>287,300</b>	<b>26,789</b>	<b>(436,689)</b>	<b>418,636</b>	<b>(343,512)</b>	<b>68,231</b>	<b>(293,335)</b>
ECDD002 Markets	6,350	(1,000)	(2,984)	(1,984)			(1,984)	(1,984)				(1,984)
SUP017 Business Improvement/Transformation	137,300	132,100	34,294	(97,806)	17,000	60,600	(20,206)	(97,806)		(17,448)	(42,675)	(157,929)
CCC001 Climate Change/Agenda 21	23,100	52,700	52,700	0			0	0	0		(600)	(600)
COM001 Community Development	135,300	2,000	(54,379)	(56,379)		56,400	21	(56,379)			(200)	(56,579)
COR003 Corporate Policy Making	(29,500)	(32,100)	(57,193)	(25,093)		21,800	(3,293)	(25,093)		(22,823)	81,114	33,198
COR101 Former Employee Dispute	0	26,000	34,541	8,541			8,541	8,541				8,541
DRM011 Twinning Expenses	43,300	41,800	39,657	(2,143)			(2,143)	(2,143)		(2,270)	(2,210)	(6,623)
GBD001 Community Welfare Grants	238,950	434,350	315,485	(118,865)		109,000	(9,865)	(118,865)				(137,665)
GBD103 SLA Single Advice Contract	176,100	112,600	112,310	(290)			(290)	(290)				(18,800)
GBD104 Citizens Advice Bureau	37,400	30,000	30,000	0			0	0				(290)
PLP103 Cheltenham Strategic partnership	10,200	137,900	122,003	(15,897)		7,900	(7,997)	(15,897)				(33,312)
SUP018 Press & PR/Communications	82,800	(31,200)	(33,045)	(1,845)			(1,845)	(1,845)		(15,821)	48,866	31,200
SUP037 Equal Opportunities	1,700	2,500	200	(2,300)		7,000	(2,300)	(2,300)			(200)	(2,500)
DRM001 Democratic Representation and Management	512,850	636,350	611,534	(24,816)			(17,816)	(24,816)				(63,226)
DRM006 Cabinet Expenditure	82,800	38,600	38,600	0			0	0				(38,410)
DRM007 O & S Committees	64,900	69,800	69,800	0			0	0			140	140
DRM009 Civic Expenses	60,600	31,600	29,876	(1,724)			(1,724)	(1,724)				(1,724)
DRM010 Civic Car	32,900	24,300	21,249	(3,051)			(3,051)	(3,051)				(3,051)
DRM012 Civic Events	30,600	63,400	53,801	(9,599)			(9,599)	(9,599)				(9,599)
SUP007 Committee Services	(2,700)	(800)	(520)	280			280	280		(16,170)	16,690	800
DRM008 Corporate Subscriptions	23,700	22,800	19,359	(3,441)			(3,441)	(3,441)				(3,441)
EMP002 Emergencies	162,600	0	2,238	2,238	30		2,238	2,238			5,450	5,450
REG019 Public Conveniences	0	131,100	156,789	25,689			25,689	25,689				(19,474)
RYC002 Green Waste	(42,700)	(3,500)	(118,374)	(114,874)			(114,874)	(114,874)				(114,874)
RYC004 Recycling Centres	249,700	540,100	408,492	(131,608)	(21,935)		(153,543)	(131,608)			4,600	(4,600)
RYC005 Bring Sites	74,700	50,700	(1,029)	(51,729)			(51,729)	(51,729)			(100)	(51,729)
RYC006 Recycling Collection Schemes	348,350	505,150	650,180	145,030		11,900	156,930	145,030			(800)	(800)
SRM001 Street Verges	0	0	0	0			0	0				0
STC001 Street Cleaning	832,900	873,400	786,663	(86,737)			(86,737)	(86,737)			(100)	(86,837)
SUP004 Legal	(26,600)	(10,000)	(28,119)	(18,119)		15,500	(2,619)	(18,119)			28,119	10,000
SUP034 Fleet Management	0	(28,800)	11,410	40,210			40,210	40,210				40,210
SUP102 Sourcing Strategies	117,700	37,000	0	(37,000)			(37,000)	(37,000)				(37,000)
SUP104 L & C Trust set up costs	0	0	12,574	12,574	(12,574)		0	12,574				12,574
TRW001 Trade Waste	0	3,600	(210,266)	(213,866)		14,500	(199,366)	(213,866)				(213,866)
WST001 Household Waste	976,900	1,194,000	1,251,273	57,273		51,800	109,073	57,273			(14,824)	42,448
ELE001 Registration of Electors	183,000	148,250	160,312	12,062			12,062	12,062			(14,106)	(2,044)
ELE002 District Elections	204,800	237,500	233,984	(3,516)			(3,516)	(3,516)		(181)		(16,403)
ELE003 Elections Support/Overheads	(1,350)	(9,100)	(12,551)	(3,451)			(3,451)	(3,451)		(10,812)	23,363	9,100
ELE005 Parish Elections	0	4,000	4,010	10			10	10		(596)		(586)
ELE008 Police & Crime Commissioner Elections	0	0	(2,998)	(2,998)			(2,998)	(2,998)				(2,998)
HOM001 Homelessness	585,200	314,500	95,091	(219,409)		190,000	(29,409)	(219,409)		(32,623)	(100)	(252,131)
HOS001 Housing Strategy	20,300	43,100	43,100	0			0	0			(6,000)	(6,000)
HOS002 Housing Partnerships	0	0	194	194			194	194				194
SPP001 Supporting People	15,900	96,100	96,100	0			0	0			(47,900)	(47,900)
SUP036 Project Management	187,700	(45,100)	(66,449)	(21,349)		22,000	651	(21,349)		(22,225)	88,675	45,100
Ubico	0	0	0	0		170,000	170,000	0			0	0
<b>Commissioning</b>	<b>5,557,750</b>	<b>5,875,700</b>	<b>4,909,911</b>	<b>(965,789)</b>	<b>(17,479)</b>	<b>738,400</b>	<b>(244,868)</b>	<b>(965,789)</b>	<b>0</b>	<b>(140,970)</b>	<b>73,561</b>	<b>(1,033,198)</b>
SUP010 Internal Audit	16,950	0	8,923	8,923			8,923	8,923				0
ADB102 Custodians	(7,100)	0	(7,953)	(7,953)			(7,953)	(7,953)		(5,348)	13,301	0
CPK002 Car Park Income Collection	1,500	(10,000)	(12,910)	(2,910)			(2,910)	(2,910)		(8,842)	21,752	10,000
SUP008 Reception/Customer Services	(68,700)	26,800	(3,006)	(29,806)			(29,806)	(29,806)			(30,518)	(26,800)
SUP014 Cashiers	(5,000)	0	(678)	(678)			(678)	(678)			12,085	0
SUP024 Postal Services	(3,200)	0	(3,223)	(3,223)			(3,223)	(3,223)		(11,407)	10,454	0
AIR101 Gloucestershire Airport	22,200	(2,700)	(2,264)	436			436	436			200	636
COR001 Corporate Management (excl bad debt prov R8910)	960,550	1,115,450	1,061,621	(33,829)			(33,829)	(33,829)		(65,900)	(180,023)	(302,826)
COR006 Treasury Management	72,800	78,600	88,310	9,710			9,710	9,710				9,710

## SERVICE LEVEL OUTTURN PERFORMANCE POSITION 2012-13

## APPENDIX 3

REVENUE OUTTURN 2012/13	Budget Book 12/13 £	Revised Budget 12/13 £	Actual 2012/13 £	(Under) / Overspend before SerCOP Adjustment £	Transfers to to (from) reserves £	Carry Forwards £	Adjusted (Under) / Overspend £	(Under) / Overspend before SerCOP Adjustment £	Code / IFRS Adjustments £	IAS19 Pension Adjustments £	SerCOP Adjustment £	SOA - Code Adjusted (Under) / Overspend £
HAV001 Housing Advances	0	0	211	211			211	211				211
SUP009 Accountancy	61,150	47,300	10,161	(37,139)		15,000	(22,139)	(37,139)			(10,161)	(47,300)
SUP011 Creditors	0	(16,200)	(1,628)	14,572			14,572	14,572			39,816	16,200
SUP012 Debtors	48,400	(31,200)	(39,816)	(8,616)			(8,616)	(8,616)			20,543	31,200
SUP033 Central Purchasing	8,650	(1,200)	(20,543)	(19,343)			(19,343)	(19,343)			12,783	1,200
SUP035 Insurances	(4,100)	(2,300)	(12,783)	(10,483)			(10,483)	(10,483)				2,300
SUP038 Pensions Backfunding	1,470,800	1,472,000	1,473,108	1,108			1,108	1,108		384,000		365,108
SUP003 Human Resources	(1,300)	10,500	(11,281)	(21,781)		30,000	8,219	(21,781)		(1,301)		(10,500)
SUP013 Payroll	0	(18,800)	5,166	23,966			23,966	23,966				(18,800)
SUP019 Health & Safety	2,000	7,700	(5,482)	(13,182)			(13,182)	(13,182)			(5,166)	18,800
SUP020 Training & Development	(23,800)	92,500	67,570	(24,930)		5,000	(19,930)	(24,930)			5,482	(7,700)
HBA001 Housing Benefit Admin	99,200	21,100	23,190	2,090			2,090	2,090			(67,014)	(92,500)
HBP001 Rent Allowances	(47,100)	(46,900)	30,992	77,892			77,892	77,892				(71,474)
HBP002 Rent Rebates	(99,000)	(105,700)	(162,550)	(56,850)			(56,850)	(56,850)				77,892
HBP003 Local Housing Allowance	(70,500)	(70,500)	(70,500)	0			0	0				(56,850)
LTC002 Council Tax Benefit	(332,800)	(26,000)	(44,754)	(18,754)	61,200		(18,754)	(18,754)		(55,958)	41,615	(18,754)
ICT	(276,150)	75,750	14,343	(61,407)			(207)	(61,407)				(75,750)
SUP006 Telephones	0	0	0	0			0	0				0
SUP022 Printing Services	0	0	0	0			0	0				0
SUP101 GO ICT Centre of Excellence	293,625	46,925	32,841	(14,084)			(14,084)	(14,084)				(14,084)
ADB101 Cheltenham Municipal Offices	26,500	6,800	(34,502)	(41,302)	433		(40,869)	(41,302)		(5,450)	39,952	(6,800)
ADB103 Cheltenham Depot	(17,200)	(30,800)	19,357	50,157	4,243		54,400	50,157			(12,185)	37,972
CUL002 War Memorials	12,300	18,900	4,165	(14,735)	14,900		165	(14,735)				(14,735)
EC0101 Xmas in Cheltenham	41,700	50,400	54,724	4,324	47		4,371	4,324				4,324
ENF104 Cheltenham Environmental Fund- Property	0	63,000	(400)	(63,400)		60,000	(3,400)	(63,400)			400	63,400
FIE004 Income and Expenditure on Investment Properties and Changes in	(364,800)	(339,850)	(515,552)	(175,702)	148,911		(26,791)	(175,702)			146,215	(26,791)
SUP025 Property Services	60,350	219,900	335,474	115,574	(80,618)		34,956	115,574		(48,430)	(260,915)	219,900
LTC001 Council Tax	965,800	626,400	594,353	(32,047)	0		(32,047)	(32,047)		(45,557)	(11,009)	(32,047)
LTC003 Council Tax Leaflet	0	0	0	0			0	0				0
LTC011 NNDR	(119,300)	(72,200)	112,570	184,770		59,200	184,770	184,770		(5,575)	(1,950)	177,245
LTC012 NNDR Relief	12,100	77,100	17,856	(59,244)			(44)	(59,244)				(59,244)
<b>Resources</b>	<b>2,706,325</b>	<b>3,282,775</b>	<b>3,025,112</b>	<b>(257,663)</b>	<b>149,116</b>	<b>169,200</b>	<b>60,653</b>	<b>(257,663)</b>	<b>(23,074)</b>	<b>5,470</b>	<b>(152,122)</b>	<b>(23,074)</b>
CUL001 Arts Development	186,000	24,700	22,338	(2,362)		1,500	(82)	(2,362)				(2,362)
CUL106 Art Gallery & Museum grant funded projects	0	6,200	(22,093)	(28,293)	(5,831)		(1,024)	(28,293)				(28,293)
CUL107 Art Gallery & Museum Operations	1,076,100	1,160,700	995,299	(165,401)	227,400	4,700	66,699	(165,401)		(67,611)	3,574	(229,438)
CUL108 Everyman Theatre	144,600	144,200	139,894	(4,306)			(4,306)	(4,306)				(4,306)
CUL109 Playhouse Theatre	24,100	8,800	8,810	10			10	10				10
TAC101 AGM Trading Account	0	0	0	0			0	0				0
TOU002 Tourist/Visitor Information Centre	88,450	86,250	74,266	(11,984)			(11,984)	(11,984)			(3,650)	(15,634)
CUL102 Town Hall Operations	693,800	829,200	796,326	(32,874)	(10,720)	23,000	(20,594)	(32,874)		(73,542)	5,923	(100,483)
CUL103 Pitville Pump Room Operations	276,400	184,300	161,811	(22,489)	9,194		(13,295)	(22,489)			440	(22,049)
CUL110 Entertainment Events - detail coded	(45,900)	(73,100)	(96,758)	(23,658)			(23,658)	(23,658)				(23,658)
CUL112 Town Hall Repairs & Maintenance	0	0	5	5			5	5				5
REC101 Recreation Centre Operations	1,739,100	1,663,100	1,611,407	(51,693)	1,460		(50,233)	(51,693)		(85,238)	9,183	(127,748)
REC102 Prince of Wales Stadium	162,500	162,400	162,396	(4)	7,277		7,272	(4)				(4)
REC001 Sports Development	91,000	99,900	100,148	248			248	248		(4,200)	(800)	(4,752)
REC005 Active Lifestyles	55,500	65,100	64,446	(654)			(654)	(654)		(2,724)	(2,114)	(5,482)
REC007 Holiday Recreation Programme	111,700	100,800	101,230	430			430	430			(300)	130
REC008 Support To External Sports Organisations	4,000	8,300	8,300	0			0	0				(1,250)
CSM001 Cultural - Service Management and Support Services	12,000	(4,400)	14,363	18,763			18,763	18,763		(21,117)	6,754	4,400
CUL111 Cheltenham Festivals	136,500	236,500	236,500	0			0	0				0
<b>Wellbeing &amp; Culture</b>	<b>4,755,850</b>	<b>4,702,950</b>	<b>4,378,688</b>	<b>(324,262)</b>	<b>228,779</b>	<b>62,300</b>	<b>(33,183)</b>	<b>(324,262)</b>	<b>0</b>	<b>(254,431)</b>	<b>17,760</b>	<b>(560,933)</b>
<b>COR001 Bad Debt</b>	<b>40,000</b>	<b>40,000</b>	<b>21,842</b>	<b>(18,158)</b>	<b>0</b>	<b>0</b>	<b>(18,158)</b>	<b>(18,158)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(18,158)</b>
<b>COR001 Target Savings</b>	<b>(480,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL ALL SERVICES</b>	<b>15,800,275</b>	<b>17,658,675</b>	<b>15,252,042</b>	<b>(2,406,633)</b>	<b>727,303</b>	<b>1,320,600</b>	<b>(358,729)</b>	<b>(2,406,633)</b>	<b>395,562</b>	<b>(1,047,000)</b>	<b>(0)</b>	<b>(3,058,071)</b>

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## PLANNED MAINTENANCE PROGRAMME 2012/13

Code	Scheme	Description	Budget Book 2012/13	Revised Budget 2012/13	Outturn 2012/13	Under/(Over) spend on Projects	Comments
<b>REVENUE</b>							
ADB101	Municipal Offices	General repairs.	28,000	15,000	14,567	433	
ADB103	Central Depot	Replacement of roof coverings,wirings and electric water heaters.	8,000	8,000	3,757	4,243	Electric heaters will be replaced in the new financial year - £5,000.
CCM001	Cemetery & Crematorium	Refurbishment of public conveniences, grave / memorial maintenance, general repairs to macadam drives / paths.	38,000	38,000	39,783	(1,783)	
CPK001	Car Parks - Off Street	Remedial repairs to boundary wall, structural concrete repairs, structural inspections, renew bollard protection at Royal Well Bus Station.	245,000	25,000	5,326	19,674	Works at Royal Well Bus Station will be completed in 13/14 - £7,000.
CUL002	War memorials	Re-etch names on central memorials, general cleaning / minor repair work.	5,000	18,900	4,000	14,900	Re-etch on central memorial will be completed in 13/14 - £11,900
CUL102	Town Hall	Refurbishment of public conveniences, replacement of floor finishes, refurbishment of wooden flooring.	50,000	50,000	60,720	(10,720)	
CUL103	Pittville Pump Room	Refurbishment of chandeliers, resurfacing of ballroom flooring, refurbishment of public conveniences.	43,500	43,500	34,306	9,194	
CUL107	Art Gallery & Museum	Replacement of main boilers, instalation of cold fusion membrane to flat roofs, security / fire alarm interface to new building upgrade, replacement of floor finishes, redecorations to office areas and public areas.	171,000	174,900	1,000	173,900	£169,000 has been transferred to the A&M Redevelopment Reserve.
ECD101	Xmas in Cheltenham	Christmas illuminations	0	8,000	7,954	47	
FIE040	Income & Expenditure on Investment Properties	Power perceptors, electrical testing, Berkley Mews communal redecoration, 5 year state & condition surveys, various other general repairs.	101,500	176,900	27,889	148,911	To be completed in 2013/14: 5 year state & condition surveys (£48,000) and Power Perceptors (£75,900).
OPS001	Parks & Gardens	Repairs to Central Nursery	86,000	0	(400)	400	
OPS002	Sports & Open Spaces	Redecoration to decorative canopy metalwork, redecoration to doors / servery.	0	4,000	4,451	(451)	
REC101	Recreation Centre	Surface marking re-lining to car park, replacement of sheet steel roof deck, refurbishment of wooden sprung floor, bird control measures, replacement of lighting lamps to main & learning pool halls.	89,000	75,000	28,540	46,460	The replacement of sheet steel roof deck (£45,000) will be completed in 2013/14.
REC102	Prince of Wales Stadium	Resurfacing and relining of running track surface, annual maintenance of track high lighting, irrigation pump house & equipment maintenance.	189,000	149,000	141,723	7,277	
REG019	Public Conveniences	General running repairs and redecorations.	5,000	5,000	4,970	30	
RYC004	Recycling Centres	Renew drainage provision to spotting compound.	20,000	0	21,935	(21,935)	Budget should have been carried forward from 2011/12.
SUP025	Property Services	Grosvenor Terrace Car Park: Deck resurfacing to levels 8 & 9, concrete repairs to lower decks, repairs to deck surfaces.	0	220,000	223,500	(3,500)	
<b>TOTAL PROGRAMMED MAINTENANCE</b>			<b>1,079,000</b>	<b>1,011,100</b>	<b>624,021</b>	<b>387,079</b>	

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

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BRIDGING THE GAP STRATEGY							
	Approved Savings	2013/14	2014/15	2015/16	2016/17	2017/18	Total
MTFS Gap		1,244,800	963,118	693,455	447,948	294,756	3,644,077
<b>Total Current MTFS Funding Deficit</b>		<b>1,244,800</b>	<b>963,118</b>	<b>693,455</b>	<b>447,948</b>	<b>294,756</b>	<b>3,644,077</b>
<b>Organisational changes</b>							
Staff restructures							
- Public Protection		35,000					35,000
- Parks & Gardens (reduction of p/t post)		10,000					10,000
- Building Control (offset by inflation on income - see Appendix 3)		9,800					9,800
Built Environment Management Restructure		52,700					52,700
Economic Development Restructure		20,000					20,000
Revenues & Benefits Service Review		88,000					88,000
Car park retained organisation savings post GCC - car park income collectors		23,000					23,000
Retained organisation savings post GCC - target		150,000					150,000
Senior Management Team review			100,000	50,000	50,000		200,000
<b>Shared Services</b>							
Establishing Ubico with Cotswold District Council	*	91,700					91,700
Additional waste target			45,400				45,400
GO shared services							
- staff savings	*	221,800					221,800
- licensing savings	*	32,600					32,600
- ICT support and hosting costs	*	(53,200)					(53,200)
- retained organisation saving	*		30,000				30,000
- procurement savings							
1. Treasury management	*	4,500					4,500
2. CIPFA Publications	*	1,000					1,000
3. Audit fee	*	35,000					35,000
Shared Project Management with Forest of Dean		19,600					19,600
Shared GIS with Forest of Dean		30,000					30,000
<b>Commissioning</b>							
L&C Review - AGM savings	*	50,000					50,000
L&C Review - trust savings		40,000	175,600	174,100	111,700	131,800	633,200
L&C Review - reduction in retained organisation				33,900	33,800		67,700
ICT Review - per business case to Cabinet 11/12/12				159,500			159,500
Trade Waste service review				50,000			50,000
Review of Arle Nursery						50,000	50,000
Revenues & Benefits Review						50,000	50,000
Joint Management Unit for Waste						100,000	100,000
<b>Income</b>							
Planning fee income rise 15%		60,000					60,000
Townscape/Conservation planning advice		5,000					5,000
Fees & Charges Review inc. concessions				30,000			30,000
Provision of mortgages - interest					20,000		20,000
<b>Asset Management</b>							
Remove annual increase contribution to Programme Maintenance Reserve **		200,000					200,000
Rationalisation of asset portfolio				30,000		30,000	60,000
Accommodation Strategy					100,000	100,000	200,000
<b>Other</b>							
Supplies & services savings							
1. Corporate training budget	*	2,000	2,000				4,000
2. LGA - reduced membership costs	*	300		300			600
3. Building Control		6,000					6,000
4. Target saving			10,000	10,000	10,000	10,000	40,000
Additional recharge to HRA / CBH post HRA reform & revision to SLAs		69,000					69,000
Single Advice Contract tender saving		22,000					22,000
Reduction in Everyman Grant	*		5,000	5,000			10,000
Reduction in grant to Oakley & Hesters Way Regeneration Partnerships	*	4,000	4,000	4,000			12,000
Community Development - reduction in operational budget		15,000					15,000
Additional allotment sites	*		5,000				5,000
Reduction in grants				30,000			30,000
<b>Efficiency savings Target yet to be identified</b>			<b>586,118</b>	<b>116,655</b>	<b>122,448</b>	<b>-177,044</b>	<b>648,177</b>
<b>Total Savings/Income over MTFS</b>		<b>1,244,800</b>	<b>963,118</b>	<b>693,455</b>	<b>447,948</b>	<b>294,756</b>	<b>3,644,077</b>
<b>shortfall / (surplus) against MTFS Funding Gap</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
* Denotes savings previously approved. <span style="float: right;">NB: traffic lights denote risk associated with delivery</span>							
** Make one-off contributions to Programme Maintenance reserve from New Homes Bonus							
<b>Summary of Savings</b>							
Approved savings	*	1,244,800	41,000	9,300	0	0	1,295,100
Savings to be approved			336,000	567,500	325,500	471,800	1,700,800
Savings target yet to be identified			586,118	116,655	122,448	-177,044	648,177
		<b>1,244,800</b>	<b>963,118</b>	<b>693,455</b>	<b>447,948</b>	<b>294,756</b>	<b>3,644,077</b>





**SIGNIFICANT VARIANCES IN REVENUE OUTTURN FOR 2012/13  
(OVER £50,000) BY SERVICE**

**STRATEGIC DIRECTORS**

There is a net underspend of £150k within the Strategic Directors Directorate for 2012/13 including the following significant variances:-

There is a net underspend of £186k in the parks and gardens and schools contract services, mainly as a result of an underspend in operations carried out by Ubico Ltd on behalf of the council as detailed below.

**BUILT ENVIRONMENT**

There is a net underspend of £27k within the Built Environment Directorate for 2012/13 including the following significant variances:-

**Off Street Car Parking**

There is a net overspend of £85k within Off Street Car Parking for 2012/13. This has arisen from a continued drop in car parking income over the later end of the financial end, totalling £47k short of target. This was further exacerbated by overspend on supplies and services totalling £38K. This was partly to do with a renegotiation of the service charges paid for Regent Arcade Car Park which resulted in additional cost of around £16k being incurred in year. Further to this, increased credit card charges from increased take-up of credit / debit card payments have added to the cost of service.

Highways Agency Verges & Trees was £54k underspend following the final review of the cost of service delivery from Ubico Ltd which resulted in a saving being passed back to the council at year-end.

**COMMISSIONING**

There is a net underspend of £245k within the Commissioning Directorate for 2012/13 including the following significant variances:-

The net Ubico Ltd position on all commissioning areas, including parks & gardens, schools contract services and highways agency, is an underspend of £224k. This is partly due to the bad weather over the winter, which disrupted service provision particularly on grass cutting and refuse collection, but also due to efficiency savings by Ubico Ltd across the board during its first year of operation.

**WELLBEING & CULTURE**

There is a net underspend of £33k within the Wellbeing & Culture Directorate for 2012/13 including the following significant variances:-

There is an underspend in the Entertainments service of £57,547. This is due to an increase in sales for promoted events and agency tickets during the final two quarters and prudent management of budgets.

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## 2012/13 CARRY FORWARD REQUESTS

Ref	Amount £ (Net of VAT)	Expenditure Code	Cost Centre	Reason for carry forward	A (i) Base Budgets Amounts agreed by S151 Officer under delegated powers	A (ii) One-Off Budgets Amounts agreed by S151 Officer under delegated powers	B Amounts for member approval
1	10,000	R4400-CUL102	Town Hall operations	Town Hall Feasibility study - carry forward to fund a Quantity Surveyor to verify the costs of the capital investment project, an artists impression of what the possible future development and contract budget management training for staff.			10,000
2	13,000	R1003-CUL102	Town Hall operations	Town Hall - To supplement sickness backfill for Operations Department.	13,000		
3	23,200	R9061-CUL106-AGM002	AG&M funded projects	Carry forward of Arts Council funding received to fund IT and mobile applications - project expenditure to be completed 2013/14.		23,200	
4	1,700	R9061-CUL106-AGM007	AG&M funded projects	Carry forward of funding received to fund Jonathon Ruffer education project expenditure (in partnership with Bristol Museum and Archives) on potential links towards an exhibition on our chinese collection - to be spent in 13/14.		1,700	
5	5,500	R9061-CUL106-AGM010	AG&M funded projects	Carry forward of balance of funding received to fund "your future" project expenditure working with disadvantaged families to increase access to culture - to be spent in 13/14.		5,500	
6	2,300	R9061-CUL106-AGM003	AG&M funded projects	Carry forward of funding received to fund "new expressions" educational project expenditure (funded by new expressions) working with an artist on the Edward Wilson collection creating a piece of art to be included in the collection - to be spent in 13/14.		2,300	
7	400	R9061-CUL106-AGM001	AG&M funded projects	Carry forward of balance of funding received to fund educational "film studios" project expenditure - to be spent in 13/14.		400	
8	4,700	R4000-CUL107-AGM009	AG&M Operations	Carry forward of equipment, displays and exhibition budgets for Casting Brilliance exhibition 2013/14 which is the major opening show for the re-opening of the new galleries on 5th October 2013. The exhibition has been part-funded by the Arts Council - and this element of the AG&M's exhibitions budget was match-funding towards the Arts Council grant. The carry-over request required due to a delay in building / making the display plinths and cases which are now in production and will be installed on site soon.	4,700		
9	1,500	R6280-CUL001-GRA021	Arts Development	Carry forward of arts development grant committed expenditure - to be spent in 2013/14. This element of the Arts Development budget was allocated towards a banner project in partnership with the Jazz Festival - promoting the re-opening of the Art Gallery & Museum in October. The order however was delayed, due to waiting for confirmation on the announcement of the re-opening dates. The banners have subsequently been made and installed at this year's Jazz Festival and will be used on the hoardings around the AG&M construction site and / or within the new gallery windows	1,500		
10	62,300			<b>Total Wellbeing &amp; Culture</b>	<b>19,200</b>	<b>33,100</b>	<b>10,000</b>
11	5,000	R4531-DRM001-NA	Democratic Services	Related to ICT strategy for members. This is to undertake a needs analysis with members & pilot new equipment arising from the review. A decision can then be made as part of the 2014-15 budget for the future provision of ICT for members.			5,000

## 2012/13 CARRY FORWARD REQUESTS

Ref	Amount £ (Net of VAT)	Expenditure Code	Cost Centre	Reason for carry forward	A (i) Base Budgets Amounts agreed by S151 Officer under delegated powers	A (ii) One-Off Budgets Amounts agreed by S151 Officer under delegated powers	B Amounts for member approval
12	2,000	R4401-DRM001-NA	Democratic Services	To support the members in enhancing the new scrutiny arrangements, to engage the public by facilitating meetings in external venues, holding enquiry days, publicity and producing producing new guides for members, officers and co-optees involved in the process.			2,000
13	20,000	R4400-SUP017-BUS001	Business Improvement/Transformation	To be used to support the appointment of two business administration apprentices for 12 months. These appointments will enable two young people to have the opportunity to gain new skills and develop their career potential, whilst at the same time releasing capacity for officers within the commissioning division to support the ongoing commissioning work, community engagement and culture change.		20,000	
14	40,600	R4400-SUP017-BUS003	Business Improvement/Transformation	The set up costs for Ubico were jointly funded with CDC. It is proposed that the balance will be carried forward to fund work which will identify potential additional savings following the establishment of Ubico including a piece of work on vehicle asset ownership.		40,600	
15	22,000	R4400-SUP036-NA	Project Management	To support the demand for programme and project management of CBC projects, including ongoing projects, upcoming commissioning projects and especially the accommodation strategy.		22,000	
16	26,000	R6280-HOM001-HGR012	Homelessness	Used as a loan scheme for Supporting People, so is recyclable. It is a one-off grant and the aim is to keep the money running for as long as possible. Is anticipated that this funding will run out towards the end of 2013-14.		26,000	
17	30,000	R6280-HOM001-HGR013	Homelessness	Mortgage Rescue (HGR013) and Preventing Repossession (HGR020):- These are one-off grant pots, and again are intended to be recycled so that they go as far, and last, as long as possible. We are using these as repayable loans and intend to continue to ring fence these for arrears cases for as long as the economy remains precarious. In particular, the preventing repossession money could be extended to support those hit by the new bedroom tax, in appropriate cases.		30,000	
18	27,000	R6280-HOM001-HGR020	Homelessness			27,000	
19	24,000	R6280-HOM001-HGR015	Homelessness	Youth Homelessness Prevention Fund - a conditional offer of grant is now in place, with the final tranche due to be paid in the Autumn.		24,000	
20	83,000	R6280-HOM001-HGR016	Homelessness	CLG Homelessness Prevention Fund - we are looking to make some investments in a social lettings agency /service and anticipate this carry forward to reduce in future years because of this. We are also reaching a stage whereby we are looking to improve the service provided. We will therefore be spending some time this year reviewing existing and developing new spending priorities.		83,000	
21	12,000	R4000-WST001-NA	Household Waste	The delivery of 180L plastic green wheeled bins, although ordered in February, were not delivered prior to the financial year end hence this needs to be carried forward into 2013-14.	12,000		
22	14,300	R4000-WST001-NA	Household Waste	The delivery of 360L plastic communal wheeled bins, ordered in March for delivery in May needs to be carried forward into 2013-14.	14,300		
23	51,900	R4000-RYC006 / TRW001-R4000 / WST001-R4000	Recycling Collection Schemes / Trade Waste / Household Waste	An analysis has been undertaken to capture future demand for recycling bins including those in communal properties and the underspend will be used to meet this demand in 2013/14 which will help drive up the recycling levels and minimise recycling contamination.	51,900		

## 2012/13 CARRY FORWARD REQUESTS

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24	8,500	R9060-COM001-NA	Community Development	Government grant funding for Community Right to Challenge, to be spent in 2013-14.		8,500	
25	47,900	R9100-COM001-CPN001	Community Development	Government grant funding for Children & Young People's Partnership and Health & Wellbeing Partnership which are managed by CBC. The grant funding will be spent in 2013-14.		47,900	
26	8,900	R1000-COR003	Corporate Policy Making	GIS project officer salary, to support the implementation of the new statmap GIS platform in CBC. NB - the budget was reduced in 2012-13 revised.			8,900
27	12,900	R4531-COR003-NA	Corporate Policy Making	IT purchase of software: GIS and TEN, to support the implementation of the new statmap GIS platform in CBC.	12,900		
28	4,600	R6280-GBD001-CPN003	Community Welfare Grants	To support community pride grants committed in 2012-13.		4,600	
29	3,200	R6280-GBD001-CPN010	Community Welfare Grants	Hate Crime - to create a budget for the Cheltenham ASB working group to respond to issues of hate crime.		3,200	
30	7,300	R6280-GBD001-CPN011	Community Welfare Grants	To continue to support neighbourhood management in Cheltenham.	7,300		
31	13,200	R6280-GBD001-GRA003	Community Welfare Grants	Community Development Strategy (Fiesta) - to fund community pride grants plus Midsummer Fiesta		13,200	
32	10,000	R6280-GBD001-GRA005	Community Welfare Grants	Resource Centre: to fund the last year of additional funding for GAVCA to provide commissioning advice and support to CBC.		10,000	
33	67,100	R6280-GBD001-GRA007	Community Welfare Grants	Youth Affairs: to fund the remaining contract with CCP and positive activity grants.		67,100	
34	3,600	R4617-GBD001-NA	Community Welfare Grants	To fund Midsummer Fiesta 2013.		3,600	
35	7,900	R6280-PLP103-CPN007	Cheltenham Strategic Partnership	Remainder of grant funding from GCC allocated to support delivery of the Inspiring Families project		7,900	
36	15,500	R4400-SUP004	One Legal	To enable implementation of Microsoft 2010 and thin client reporting module for One Legal Management and client reporting and additional remote access for staff; CPD for legal staff; and maternity cover for senior solicitor (planning) and interim cover for solicitor (general) recruitment and consideration of expansion opportunities.			15,500
37	<b>568,400</b>			<b>Total Commissioning</b>	<b>98,400</b>	<b>438,600</b>	<b>31,400</b>
38	8,000	DEV001-R4400	Development Management	To support the resourcing of the Conservation team after a back log of work has built up following staff absences, which is impacting upon the planning process.	8,000		
39	10,400	R1000-URB101	Urban Design	To fund temporary landscape assistant to deliver Cheltenham Development Task Force projects - primarily on landscape related projects, particularly St. Marys.		10,400	
40	36,700	ENA001-R4400	Housing Enabling	To continue to support grant funded works in respect of Travellers Needs Assessment and Housing Needs Assessment		36,700	
41	16,200	ECD001-R4400-HS001	High Street Innovation Fund - Economic Development	To provide skills training to help new and existing businesses, by providing Skillsmart retail workshops - funds to be spent in 2013/14.		16,200	

## 2012/13 CARRY FORWARD REQUESTS

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42	10,900	TMR101-R4400	Staff Car Parking - Green Travel Initiatives	2011/12 funding towards Green Travel Initiatives as agreed with Unions	10,900		
43	17,700	CPK001-R6352-CAR000	Staff Car Parking - Green Travel Initiatives	2012/13 income in excess of budget - agreement to carry forward to support Green Travel Initiatives		17,700	
44	<b>99,900</b>			<b>Total Built Environment</b>	<b>18,900</b>	<b>81,000</b>	<b>0</b>
45	15,000	SUP009-R4400-GOSS01	GOSS Finance & Procurement	To fund CBC's contribution towards UNIT4 time supporting improvements to Agresso, as agreed by Client Officer Group.	15,000		
46	30,000	SUP003-R4400-GOSS01	GOSS HR & Payroll	To support the implementation of Agresso HR Self Service (to include annual leave, expense claims, sickness absence recording).	30,000		
47	5,000	SUP020-R1650-BUS001	GOSS Training & Development	To support training and development needs following implementation of Agresso and other organisational and development work.	5,000		
48	59,200	LTC012-R6260-HSI001	Council Tax Discretionary Rate Relief - High Street Innovation Fund	Unspent funding allocated for Council Tax Discretionary Rate Relief from High Street Innovation Fund, to be utilised as set out in section 8 of the report.		59,200	
49	<b>109,200</b>			<b>Total Resources</b>	<b>50,000</b>	<b>59,200</b>	<b>0</b>
50	7,000	EMP001-R5001-EMER02 / EMER03 / EMER06	Emergency Planning	To continue planned works in respect of Emergency Planning funded from Flood Alleviation Reserve		7,000	
51	5,000	R4400-REG018	Pest Control	To support the egg oiling programme for the reduction of urban gulls - training and awareness work, focus group meetings and a public-led dummy egg trial of 150 properties.			5,000
52	<b>12,000</b>			<b>Total Strategic Directors</b>	<b>0</b>	<b>7,000</b>	<b>5,000</b>
53	102,700	ECD001-R6280-CPN012	Promoting Cheltenham Fund 2011 & 2012	To fund organisations bidding into the Promoting Cheltenham Fund - there are timing differences between bidding process and funds being released to the successful organisations.		102,700	
54	9,000	PLP102-R4000-HSI001	High Street Innovation Fund - Cheltenham Development Task Force	To fund to provide cameras to measure footfall in different parts of the town centre - funds to be spent in 2013/14		9,000	
55	<b>111,700</b>			<b>Promoting Cheltenham Fund</b>	<b>0</b>	<b>111,700</b>	<b>0</b>
56	187,100	Various	Cheltenham Environmental Fund	Funding has been allocated but the projects will be completed over forthcoming months requiring the budget to be made available in the next financial year.		187,100	
57	<b>187,100</b>			<b>Cheltenham Environmental Fund</b>	<b>0</b>	<b>187,100</b>	<b>0</b>
58	170,000	Various	Ubico Ltd	See attached note			170,000
59	<b>170,000</b>			<b>Cheltenham Environmental Fund</b>	<b>0</b>	<b>0</b>	<b>170,000</b>
60	<b>1,320,600</b>			<b>Total Carry Forward Requests</b>	<b>186,500</b>	<b>917,700</b>	<b>216,400</b>

**Note: Ubico – use of carry forward request £170,000**

Purchase of new vehicles

In some services, scheduled vehicle replacements were not undertaken according to the planned vehicle replacement programme. This was for two reasons, either the asset could continue to be efficiently and economically utilised beyond its replacement date therefore delivering a short-term saving, or because the impact of upcoming service changes could not be fully understood until implemented, therefore it was not felt prudent to purchase an expensive asset which may not be fit for purpose in the longer term.

Round Rationalisation and In-Cab Technology

It is anticipated that significant improvements in communication between front-line staff and office / customer services staff could be delivered with the use of in-cab technology. This is due to the ability to send and receive real-time information to the front-line staff which would reduce waste which currently exist within the system. This was highlighted as a recommendation following the recent Systems Thinking Review of CBC's Customer Services and Ubico's Waste and Recycling Division.

Round rationalisation across all front line services could also deliver significant efficiencies, potential additional financial savings and better customer service, however investment in both officer time and software are needed to further develop the options.

Technology and Equipment

Some investment is needed in small pieces of equipment, such as office equipment (new digital cameras, a stand-alone PC, a further networked PC, shelving, up to date wall maps), welfare facilities for staff (lockers, drying facilities etc) and the replacement of old pieces of plant and equipment for H&S reasons (e.g. strimmers, hedge cutters, blowers).

Management Training

The Company would like to review its membership of professional organisations to ensure its officers have access to the best and most up-to-date guidance and support.

As the Company is responsible for grounds maintenance at the Cemetery & Crematorium in Bouncers Lane, consideration needs to be given to membership of the Institute for which membership may benefit the Company in terms of training and knowledge.

The Ubico MD together with other relevant staff members also need formal training regarding their new roles and responsibilities which they now undertake and perform at and for the Board. This item has been identified in the Company risk register.

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## Use of Balances and Reserves

## DETAILED RESERVE MOVEMENTS

RSVE REF:		BUDGETBOOK 2012/13 £	REVISED 2012/13 £	ACTUAL 2012/13 £	VARIANCE 2012/13 £	NOTE
<b>USE OF BALANCES &amp; RESERVES - SUMMARY</b>						
7301	Contributions to reserves - see detail below*	1,701,070	896,647	2,694,921	1,798,274	
8240	Contributions from reserves - see detail below **	(1,797,025)	(3,186,602)	(2,725,981)	460,621	
8248	Contributions from reserves to fund one off revenue - see detail below***	0	0	-36,091	-36,091	
		<b>(95,955)</b>	<b>(2,289,955)</b>	<b>(67,151)</b>	<b>2,222,804</b>	
<b>* CONTRIBUTIONS TO RESERVES</b>						
RES002	Pension Reserve	150,000	150,000	150,000	0	Contribution to pension reserve to fund future pension and augmentation costs
RES008	House Survey Reserve	7,500	7,500	7,500	0	Contribution towards survey every 3 years
RES104	Interest Equalisation	0	0	211,292	211,292	Icelandic banks
RES011	Art Gallery & Museum Development Reserve	0	0	220,000	220,000	Contribution to fund Art Gallery & Museum capital scheme
RES102	Planning Appeals Reserve	62,277	62,277	62,277	0	Contribution to Planning reserve to fund future fluctuations in service levels
RES019	Land Charges Reserve	0	0	34,400	34,400	Contribution to Land Charges reserve to fund future fluctuations in service levels
RES103	Licensing fees equalisation reserve	0	0	11,200	11,200	Contribution to Licensing reserve to fund future licensing related activity
RES105	Local Plan Equalisation reserve	0	0	127,200	127,200	Contribution to Local Plan reserve to fund future costs
RES016	Joint Core Strategy	120,000	127,200	127,200	0	Contribution to fund Joint Core Strategy costs 2012/13 to 2015/16
RES101	Rent Allowances Equalisation Reserve	29,300	0	0	29,300	Contribution to fund future costs in lieu of additional administration grant
RES205	Property Repairs & Renewals Reserve	693,000	218,100	296,300	78,200	Contribution to fund Planned Maintenance programme
RES204	IT Repairs & Renewals Reserve	0	0	1,104,200	1,104,200	Contribution to fund IT infrastructure
RES301	Carry forward requests approved by CFO under delegated powers	0	0	1,104,200	1,104,200	Carry forward of budgets to fund expenditure in line with original budget - Appendix 6
RES301	Carry forward requests approved by Members	0	0	216,400	216,400	Carry forward of budgets to fund expenditure to be approved by members - Appendix 6
RES402	Revenue Contribution to Capital Outlay (RCCO)	700,000	330,300	252,863	(77,418)	Contribution to capital reserve (subject to future review of capital financing strategy)
	General Reserve	1,270	1,270	1,270	0	Transfer to General Balances
		<b>1,701,070</b>	<b>896,647</b>	<b>2,694,921</b>	<b>1,798,274</b>	
<b>** CONTRIBUTIONS FROM RESERVES</b>						
RES002	Pension Reserve	(50,000)	(50,000)	(50,000)	0	Contribution to fund increased pension costs as a result of the 2004 triennial revaluation
RES007	Business Growth Incentive Scheme (LABGI) Reserve	(10,000)	(10,000)	(10,000)	0	Contribution to fund economic and cultural development as agreed by Council in previous financial years
RES009	Twinning reserve	(10,000)	(10,000)	(10,000)	0	Contribution to fund future twinning costs
RES010	Flood Alleviation Reserve	(50,000)	(50,000)	(17,186)	32,815	Contribution to fund flood alleviation works
RES012	Pump Room Insurance Reserve	0	0	(3,331)	(3,331)	Insurance reserve for stolen jewellery
RES014	GF Insurance Reserve	(42,000)	(42,000)	(42,000)	0	To fund risk management initiatives / excess / premium increases
RES201	Commuted Maintenance	(39,000)	(39,000)	(39,000)	0	Use of developers contributions to fund maintenance costs
RES006	Cultural Developments Reserve	(15,000)	0	0	15,000	Contribution to fund Playhouse Theatre development
RES101	Rent Allowances Equalisation Reserve	(68,400)	(68,400)	(26,000)	103,529	Contribution to fund IT infrastructure
RES204	IT Repairs & Renewals Reserve	(6,300)	(6,300)	(26,000)	0	Contribution to fund increased net cost compared to budget
RES018	Civic Pride Reserve	(261,900)	(261,900)	(158,371)	103,529	Contribution to fund Project Manager
RES101	Rent Allowances Equalisation Reserve	(30,000)	(30,000)	(60,896)	122,104	Contribution to fund increased net cost compared to budget
RES016	Joint Core Strategy reserve	(72,700)	(72,700)	(72,700)	0	Contribution to fund JCS costs 2012/13 to 2015/16
RES106	Elections Reserve	(1,079,000)	(1,079,000)	(700,000)	0	Contribution to fund future election costs
RES104	Interest Equalisation	0	0	(700,000)	700,000	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
RES205	Property Repairs & Renewals Reserve	(308,800)	(308,800)	(90,721)	218,079	Contribution to fund Programmed Maintenance
RES301	General Reserve	(114,725)	(369,725)	(369,725)	0	Contribution to fund the one off staffing costs associated with the 2010/11 budget proposals
RES301	2010/11 carry forward reserves created at 31.3.11	(1,797,025)	(3,186,602)	(1,063,477)	(12,574)	Approved carry forwards
		<b>(1,797,025)</b>	<b>(3,186,602)</b>	<b>(2,725,981)</b>	<b>460,621</b>	
<b>*** CONTRIBUTIONS FROM RESERVES TO FUND ONE OFF REVENUE</b>						
RES402	Capital Reserve	0	0	(36,091)	(36,091)	Capital reserve to fund revenue expenditure

DETAILED RESERVE MOVEMENTS

RSVE  
REF:

BUDGETBOOK 2012/13 £	REVISED 2012/13 £	ACTUAL 2012/13 £	VARIANCE 2012/13 £
0	0	(36,091)	(36,091)

NOTE

**Cheltenham Borough Council**  
**Treasury Outturn Report for 2012/13**  
**Report of the Director, Resources**

**Purpose**

This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2012/13. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

During 2012/13 the minimum reporting requirements were that the full Council should receive the following reports:

- an annual treasury strategy in advance of the year (Council 10/02/2012)
- a mid-year (minimum) treasury update report (Council 17/12/2012)
- an annual review following the end of the year describing the activity compared to the strategy (this report)

The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Treasury Management Panel and Cabinet before they were reported to the full Council.

**Executive Summary**

During 2012/13, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

Prudential and treasury indicators	2011/12 Actual £000	2012/13 Original £000	2012/13 Actual £000
Capital Expenditure:			
• General Fund	7,094	8,943	6,883
• HRA	4,740	5,492	4,742
• Total	<b>11,834</b>	<b>14,435</b>	<b>11,625</b>
Capital Financing Requirement:			
• General Fund	28,302	28,522	28,732
• HRA	46,142	44,750	44,750
• Total	<b>74,444</b>	<b>73,272</b>	<b>73,482</b>
Net borrowing	72,472	69,077	64,424
External debt	61,809	58,577	58,702
Investments			
• Longer than 1 year	3,927	2,655	2,985
• Under 1 year	5,810	5,570	6,184
• Total	<b>9,737</b>	<b>8,225</b>	<b>9,169</b>

Other prudential and treasury indicators are to be found in the main body of this report. The Director of Resources also confirms that borrowing was only undertaken for a capital purpose and the statutory borrowing limit (the authorised limit) was not breached.

The financial year 2012/13 continued the challenging investment environment of previous years, namely low investment returns.

**Recommendations**

The Council is recommended to:

1. Approve the actual 2012/13 prudential and treasury indicators in this report
2. Note the annual treasury management outturn report for 2012/13

## Introduction and Background

This report summarises the following:-

- Capital activity during the year;
- Impact of this activity on the Council's underlying indebtedness (the Capital Financing Requirement);
- The actual prudential and treasury indicators;
- Overall treasury position identifying how the Council has borrowed in relation to this indebtedness, and the impact on investment balances;
- Summary of interest rate movements in the year;
- Detailed debt activity; and
- Detailed investment activity.

### 1. The Council's Capital Expenditure and Financing 2012/13

The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

£m General Fund	2011/12 Actual	2012/13 Estimate	2012/13 Actual
Capital expenditure	7,094	8,943	6,883
Financed in year	7,094	8,943	6,883
Unfinanced capital expenditure	0	0	0

£m HRA	2011/12 Actual	2012/13 Estimate	2012/13 Actual
Capital expenditure	4,740	5,492	4,742
Financed in year	4,740	5,492	4,742
Unfinanced capital expenditure	0	0	0

## 2. The Council's Overall Borrowing Need

The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's debt position. The CFR results from the capital activity of the Council and what resources have been used to pay for the capital spend. It represents the 2012/13 unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board [PWLB] or the money markets), or utilising temporary cash resources within the Council.

Reducing the CFR – the Council's (non HRA) underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision – MRP, to reduce the CFR. This is effectively a repayment of the non-Housing Revenue Account (HRA) borrowing need (there is no statutory requirement to reduce the HRA CFR). This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

The total CFR can also be reduced by:

- the application of additional capital financing resources (such as unapplied capital receipts); or
- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

The Council's 2012/13 MRP Policy (as required by CLG Guidance) was approved as part of the Treasury Management Strategy Report for 2012/13 on 10/02/2012.

The Council's CFR for the year is shown below, and represents a key prudential indicator. It includes PFI and leasing schemes on the balance sheet, which increase the Council's borrowing need.

### Net borrowing and the Capital Financing Requirement (CFR)

In order to ensure that borrowing levels are prudent over the medium term, the Council's external borrowing, net of investments, must only be for a capital purpose. This essentially means that the Council is not borrowing to support revenue expenditure. Net borrowing should not therefore, except in the short term, have exceeded the CFR for 2012/13 plus the expected changes to the CFR over 2013/14 and 2014/15 from financing the capital programme. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2012/13. The table below highlights the Council's net borrowing position against the CFR. The Council has complied with this prudential indicator.

It should be noted that this indicator is changing to compare gross borrowing to the CFR with effect from 2013/14; this is expected to provide a more appropriate indicator.

	31 March 2012 Actual	31 March 2013 Budget	31 March 2013 Actual
Net borrowing position	£62.735m	£60.852m	£55.267m
CFR	£74.444m	£73.272m	£73.482m

The authorised limit - the authorised limit is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. The Council does not have the power to borrow above this level. The table below demonstrates that during 2012/13 the Council has maintained gross borrowing within its authorised limit.

The operational boundary – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary is acceptable subject to the authorised limit not being breached.

Actual financing costs as a proportion of net revenue stream - this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

	2012/13
Authorised limit	£109m
Maximum gross borrowing position	£64,424m
Operational boundary	£96m
Average gross borrowing position	£58.283m
Financing costs as a proportion of net revenue stream	4.06%

### 3. Treasury Position as at 31 March 2013

The Council's debt and investment position is organised by the treasury management team in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices. At the beginning and the end of 2012/13 the Council's treasury position was as follows:

TABLE 1	31 March 2012 Principal	Rate/ Return	31 March 2013 Principal	Rate/ Return
Fixed rate funding:				
-PWLB	£40.81m	3.83%	£40.78m	3.81%
-Market	£15.90m	4.00%	£15.90m	4.00%
-Temporary	£5.10m	0.35%	£2.00m	0.30%
Total debt	£61.81m	3.59%	£58.68m	3.74%
CFR	£74.444m		£73.482	
Over / (under) borrowing	(£12.634m)		(£14.802m)	
Investments:				
- in house	£5.81m	0.51%	£3.84m	0.75%
Total investments	£5.81m	0.51%	£3.84m	0.75%

#### 4. The Strategy for 2012/13

The expectation for interest rates within the strategy for 2012/13 anticipated low but rising Bank Rate (starting in quarter 4 of 2014), with similar gradual rises in medium and longer term fixed borrowing rates over 2012/13. Variable or short-term rates were expected to be the cheaper form of borrowing over the period. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.

The actual movement in gilt yields meant that PWLB rates fell during the first quarter of the year to historically low levels. This was caused by a flight to quality into UK gilts from EU sovereign debt, and from shares, as investors became concerned about the potential for a Lehman's type crisis of financial markets, if the Greek debt crisis were to develop into a precipitous default and exit from the Euro. During the second and third quarters, rates rose gradually and agreement of a second bail out for Greece in December saw the flight to quality into gilts reverse somewhat, as confidence rose that the Eurozone crisis was finally subsiding. However, gilt yields then fell back again during February and March as Eurozone concerns returned, with the focus now shifting to Cyprus, and flight to quality flows into gilts resumed. This was a volatile year for PWLB rates, driven by events in the Eurozone which oscillated between crises and remedies.

#### 5. The Economy and Interest Rates

##### Sovereign debt crisis

The EU sovereign debt crisis was an ongoing saga during the year. However, the ECB statement in July that it would do "whatever it takes" to support struggling Eurozone countries provided a major boost in confidence that the Eurozone was (at last) beginning to get on top of its problems. This was followed by the establishment of the Outright Monetary Transactions Scheme in September. During the summer, a €100bn package of support was given to Spanish banks. The crisis over Greece blew up again as it became apparent that the first bailout package was insufficient. An eventual very protracted agreement of a second bailout for Greece in December was then followed by a second major crisis, this time over Cyprus,



towards the end of the year. In addition, the Italian general election in February resulted in the new Five Star anti-austerity party gaining a 25% blocking vote; this has the potential to make Italy almost ungovernable if the grand coalition formed in April proves unable to agree on individual policies. This could then cause a second general election – but one which could yield an equally ‘unsatisfactory’ result! This result emphasises the dangers of a Eurozone approach heavily focused on imposing austerity, rather than promoting economic growth, reducing unemployment, and addressing the need to win voter support in democracies subject to periodic general elections. This weakness leaves continuing concerns that this approach has merely postponed the ultimate debt crisis, rather than provide a conclusive solution. These problems will, in turn, also affect the financial strength of many already weakened EU banks during the expected economic downturn in the EU. There are also major questions as to whether the Greek Government will be able to deliver on its promises of cuts in expenditure and increasing tax collection rates, given the hostility of much of the population.

The UK coalition Government maintained its tight fiscal policy stance against a background of warnings from two credit rating agencies that the UK could lose its AAA credit rating. Moody’s followed up this warning by actually downgrading the rating to AA+ in February 2013 and Fitch then placed their rating on negative watch, after the Budget statement in March. Key to retaining the AAA rating from Fitch and S&P will be a return to strong economic growth in order to reduce the national debt burden to a sustainable level, within a reasonable timeframe.

### **UK growth**

2012/13 started the first quarter with negative growth of -0.4%. This was followed by an Olympics boosted +0.9% in the next quarter, then by a return to negative growth of -0.3% in the third quarter and finally a positive figure of +0.3% in the last quarter. This weak UK growth resulted in the Monetary Policy Committee increasing quantitative easing (QE) by £50bn in July to a total of £375bn on concerns of a downturn in growth and a forecast for inflation to fall below the 2% target. QE was targeted at further gilt purchases. In the March 2013 Budget, the Office of Budget Responsibility yet again slashed its previously over optimistic growth forecasts, for both calendar years 2013 and 2014, to 0.6% and 1.8% respectively.

### **UK CPI inflation**

It has remained stubbornly high and above the 2% target, starting the year at 3.0% and still being at 2.8% in March; however, it is forecast to fall to 2% in three years time. The MPC has continued its stance of looking through temporary spikes in inflation by placing more importance on the need to promote economic growth.

Gilt yields oscillated during the year as events in the ongoing Eurozone debt crisis ebbed and flowed, causing corresponding fluctuations in safe haven flows into / out of UK gilts. This, together with a further £50bn of QE in July and widely expected further QE still to come, combined to keep PWLB rates depressed for much of the year at historically low levels.

### **Bank Rate**

Was unchanged at 0.5% throughout the year, while expectations of when the first increase would occur were pushed back to quarter 1 2015 at the earliest.

### **Deposit rates**

The Funding for Lending Scheme, announced in July, resulted in a flood of cheap credit being made available to banks and this has resulted in money market investment rates falling sharply in the second half of the year. However, perceptions of counterparty risk have improved after the ECB statement in July that it would do “whatever it takes” to support struggling Eurozone

countries. This has resulted in some return of confidence to move away from only very short term investing.

## 6. Borrowing Outturn for 2012/13

For 2012/13 the Council's actual debt management costs (borrowing) were £2,131,018 compared to a revised budget of £2,130,300, a deficit of £718. The weighted average rate on all loans for 2012/13 was 3.77% (2011/12 3.25%) against a revised estimated rate of 3.33%.

The HRA repaid the General Fund £1.737m interest for the use of debt balances it holds since the HRA reforms at the start of this financial year began.

Loans were drawn down in 2012/13 from the PWLB for £2m to fund capital expenditure for Cheltenham Borough Homes. This loan was taken on an annuity basis in which CBH are repaying back in full to the Council based on the loan term taken with the PWLB, ensuring the GF is cost neutral.

The loans drawn were:

Lender	Principal	Type	Interest Rate	Maturity
PWLB	£2m	Fixed interest rate	3.91%	40 years

No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

### Repayments

On 13/02/2013 the Council repaid a PWLB £2m loan at an average rate of 4.35%. This was funded by using internal resources.

## 7. Investment Rates in 2012/13

Bank Rate remained at its historic low of 0.5% throughout the year; it has now remained unchanged for four years. Market expectations of the start of monetary tightening were pushed back during the year to early 2015 at the earliest. The Funding for Lending Scheme resulted in a sharp fall in deposit rates in the second half of the year.

## 8. Investment Outturn for 2012/13

Investment Policy – the Council's investment policy is governed by CLG guidance, which has been implemented in the annual investment strategy approved by the Council on 10/02/2013. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc)

The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

The Council maintained an average balance of £6.98m of internally managed funds. The internally managed funds earned an average rate of return of 1.05%. The comparable performance indicator is the average 7-day LIBID rate, which was 0.39%. This compares with a budget assumption of £3.2m of investment balances at an average rate of 1.13%.

The Council budgeted for £58,400 investment interest for 2012/13 but made an actual return of £74,128 a surplus of £15,728.

## 9. Icelandic Bank Deposits

The Council had £11m deposited with three Icelandic Banks when the banking system in Iceland collapsed in October 2008.

The Icelandic Government has stated its intention to honour all of its commitments as a result of their banks being placed into receivership. The U.K. Government, Administrators and other agencies continue to work with the Icelandic Government to help bring this about. The Local Government Association is co-ordinating the efforts of all UK councils with Icelandic investments.

At the current time, the process of recovering assets is still ongoing with the administrators. In the case of Kaupthing, Singer and Friedlander Ltd, the administrators have made a number of dividend payments to date, with further payments and updates anticipated during 2013/14. To date 76p in the pound has been recovered. It is estimated that total dividends will be between 84p to 86.5p in the pound.

Investments outstanding with the two Iceland – domiciled banks (Glitnir Bank hf and Landsbanki Islands hf) have been subject to decisions of the Icelandic Courts. Following the successful outcome of legal test cases in the Icelandic Supreme Court in late-2011, the Administrators have now commenced the process of dividend payments in respect of both of these banks. Members will be periodically updated on the latest developments on these efforts. It is expected that 100% will be recovered from these two banks over the coming years.

The table below shows the detailed repayments in respect of the specific Icelandic investments held in administration:

<b>Icelandic Deposits Held</b>	<b>Original Deposits</b>	<b>Amount Received to date</b>	<b>Amount Outstanding</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Kaupthing Singer & Friedlander	2,000,000	1,520,000	480,000
Kaupthing Singer & Friedlander	1,000,000	760,000	240,000
Glitnir	3,000,000	2,427,600	572,400
Landsbanki	2,000,000	973,684	1,026,316
Landsbanki	2,000,000	973,826	1,026,174
Landsbanki	1,000,000	502,468	497,532
<b>TOTAL</b>	<b>11,000,000</b>	<b>7,157,578</b>	<b>3,842,422</b>

## **10. Treasury Management Advisors**

At the start of 2012/13 financial year the Council were advised by Arlinglose Ltd which had the contract until 30<sup>th</sup> November 2012. The Council tendered in October 2012 with the GO Shared Service Councils and Gloucestershire County Council to try to drive out savings. The contract was awarded to Sector for three years saving Cheltenham Borough Council £13,500 over the next three years.

## Appendix 1: Prudential and treasury indicators

1. PRUDENTIAL INDICATORS	2011/12	2012/13	2012/13
Extract from budget and rent setting report	actual	original	actual
	£'000	£'000	£'000
Capital Expenditure			
Non - HRA	£7,094	£8,943	£6,883
HRA	£4,740	£5,492	£4,742
TOTAL	£11,834	£14,435	£11,625
Ratio of financing costs to net revenue stream			
Non - HRA	%	%	%
HRA	%	%	%
Net borrowing requirement			
brought forward 1 April	£	£62,735	£62,735
carried forward 31 March	£62,735	£60,852	£55,267
in year borrowing requirement	(£	(£1,883)	(£7,468)
Net debt	£	£	£
CFR			
Non – HRA	£28,302	£28,522	£28,732
HRA	£46,142	£44,750	£44,750
TOTAL	£74,444	£73,272	£73,482
Incremental impact of capital investment decisions	£	£	£
Increase in council tax (band D) per annum *	£nil	£nil	£nil
Increase in average housing rent per week **	£nil	£nil	£nil
* Council Tax Freeze for 2012/13			
<p>** Decisions on annual rent increases are subject to rent restructuring guidelines set by Central Government. As a consequence rent levels will only rise by RPI Index plus 0.5% and this should cover all additional capital expenditure.</p>			

2. TREASURY MANAGEMENT INDICATORS	2011/12	2012/13	2012/13
	actual	original	actual
	£'000	£'000	£'000
Authorised Limit for external debt - borrowing	£109,000	£109,000	£109,000
other long term liabilities	£0	£0	£0
TOTAL	£109,000	£109,000	£109,000
Operational Boundary for external debt - borrowing	£99,000	£96,000	£96,000
other long term liabilities	£0	£0	£0
TOTAL	£99,000	£96,000	£96,000
Actual external debt	£61,809	£58,577	£58,702
Upper limit for fixed interest rate exposure			
Net principal re fixed rate borrowing / investments :-	0-100 %	0-100 %	0-100 %
Upper limit for variable rate exposure			
Net principal re variable rate borrowing / investments :-	0-100 %	0-100 %	0-100 %

Maturity structure of fixed rate borrowing during 2012/13	upper limit	lower limit
under 12 months	50%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

**COUNTERPARTY LIST as at 2nd July 2013 (row with Sector, TM advisors):**

Counterparty	Country /Domicile	Max CP Limit £m	Max Group Limit £m	Max Duration	Fitch Long-Term Rating
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**UK Financial Institutions:**

UK	Bank of New York Mellon (International) Ltd	7.0	-	12 months	AA-
UK	Barclays Bank Plc	7.0	-	3 months	A
UK	Credit Suisse International	7.0	-	6 months	A
UK	HSBC Bank Plc (HSBC Group)	7.0	-	12 months	AA-
UK	MBNA Europe Bank	7.0	-	6 months	A
UK	Santander	7.0	-	3 months	A
UK	Standard Chartered Bank	7.0	-	12 months	AA-
UK	Sumitomo Mitsui Banking Corporation Europe Ltd	7.0	-	3 months	A-
UK	UBS Ltd	7.0	-	6 months	A
UK	Nationwide Building Society	7.0	-	3 months	A+
UK	Bank of Scotland (Lloyds Banking Group)	7.0	7.0	12 months	A
UK	Lloyds TSB Bank (Lloyds Banking Group)	7.0	7.0	12 months	A
UK	Nat West Bank (RBS Group)	7.0	7.0	12 months	A
UK	Royal Bank of Scotland (RBS Group)	7.0	7.0	12 months	A
UK	Ulster Bank Ltd (RBS Group)	7.0	7.0	12 months	A-

All the above banks are UK based and are authorised by the FSA

**Others:**

UK	Local Authorities	7.0	-	Non-Specified	-
	Money Market Funds (MMFs)	10% total Investment	-	1 year	AAA

**Policy Investments:**

UK	Cheltenham Festivals Ltd	0.1		12 months	-
UK	The Gloucestershire Everyman Theatre	0.1		12 months	-
UK	Ubico Ltd (wholly owned LA company - 50/50 CBC & Cotswold DC)	0.5	-	1 year	-
UK	Cheltenham Borough Homes	5		Non-Specified	-
UK	Gloucestershire Airport Ltd - 50/50 CBC & Glos City Council	1.55		10 Years	-

**Investments:**

Specified      Maximum maturity of one year  
Non-Specified   Over one year

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## RESERVES AT 31ST MARCH 2013

<u>Purpose of Reserve</u>		<u>2012/13</u> <u>Movement</u> <u>Revenue</u> <u>Out</u> <u>£</u>	<u>2012/13</u> <u>Movement</u> <u>Capital</u> <u>IN</u> <u>£</u>	<u>2012/13</u> <u>Movement</u> <u>Capital</u> <u>Out</u> <u>£</u>	<u>31/3/13</u> <u>£</u>
<b><u>EARMARKED RESERVES</u></b>					
<b><u>Other</u></b>					
RES002 Pension Reserve	To fund future pension liability	50,000			-178,373
RES003 Economic Development Reserve	To fund future economic studies		-150,000		-14,200
RES004 IBS License Reserve	To fund cost of IBS license paid up front				-148,700
RES005 Keep Cheltenham Tidy Reserve	Keep Cheltenham Tidy campaign - scheme contributions				-626
RES006 Cultural Development Reserve	To fund future arts facilities/activity				-22,361
RES007 LABGI Reserve	To fund future economic / cultural development	10,000			0
RES008 House Survey Reserve	To fund cyclical housing stock condition surveys		-7,500		-88,025
RES009 Twinning Reserve	Twining towns civic visits to Cheltenham	10,000			-7,400
RES010 Flood Alleviation Reserve	working group for allocation	71,935	-48,399		-223,048
RES011 Art Gallery & Museum Development Reserve	To fund capital scheme		-220,000	1,578,489	-618,232
RES012 Pump Room Insurance Reserve	Insurance reserve for stolen jewellery	5,831	-2,500		-13,735
RES013 TIC Shop Reserve	Accumulated profits held for TIC shop improvements				-29
RES014 GF Insurance Reserve	increases	42,000			-79,371
RES015 Vehicle Leasing Equalisation Reserve	Purchase of vehicles and equipment				-116,085
RES016 Joint Core Strategy Reserve	To fund Joint Core Strategy	198,584	-234,633		-274,295
RES018 Civic Pride Reserve	To pump prime civic pride initiative / match funding	270,900		139,000	-526,698
RES019 Land Charges Reserve	Cushion impact of fluctuating activity levels	0	-34,400		-34,400
		<b>659,250</b>	<b>-697,431</b>	<b>1,717,489</b>	<b>-2,345,580</b>
<b><u>Repairs &amp; Renewals Reserves</u></b>					
RES201 Commuted Maintenance Reserve	Developer contributions to fund maintenance	39,000			-185,629
RES202 Highways Insurance Reserve	County highways - insurance excesses				-15,000
RES203 Revs & Benefits IT Reserve	Replacement fund to cover software releases				-30,000
RES204 I.T. Repairs & Renewals Reserve	Replacement fund	6,300	-302,600		-349,965
RES205 Property Repairs & Renewals Reserve	20 year maintenance fund	1,020,008	-950,225	110,151	-534,043
		<b>1,065,308</b>	<b>-1,262,825</b>	<b>110,151</b>	<b>-1,114,637</b>

## RESERVES AT 31ST MARCH 2013

		<u>Purpose of Reserve</u>		<u>31/3/12</u>		<u>Movement</u>		<u>Movement</u>		<u>31/3/13</u>	
				<u>Revenue</u>		<u>Capital</u>		<u>Revenue</u>		<u>Capital</u>	
		<u>£</u>		<u>Out</u>		<u>IN</u>		<u>Out</u>		<u>£</u>	
				<u>£</u>		<u>£</u>		<u>£</u>		<u>£</u>	
<u>EARMARKED RESERVES</u>											
<u>Equalisation Reserves</u>											
RES101	Rent Allowances Equalisation	Cushion impact of fluctuating activity levels		-159,256	68,400	-42,400				-133,256	
RES102	Planning Appeals Equalisation	Funding for one off appeals cost in excess of revenue budget		-38,955		-62,277				-101,232	
RES103	Licensing Fees Equalisation	Past income surpluses to cushion impact of revised legislation		-11,355		-11,200				-22,555	
RES104	Interest Equalisation	deposits and/or to reduce the borrowing arising from the		-912,720	714,050	-225,342				-424,012	
RES105	Local Plan Equalisation	Fund cyclical cost of local plan inquiry		-30	30,000	-157,200				-127,230	
RES106	Elections Equalisation	Fund cyclical cost of local elections		-72,700	72,700					0	
				-1,195,015	885,150	-498,419				-808,284	
<u>Reserves for commitments</u>											
RES301	Carry Forwards Reserve	Approved budget carry forwards		-1,367,577	1,336,551	-1,581,100				-1,612,126	
<u>CAPITAL</u>											
RES401	Housing Capital Reserve	To fund Housing General Fund capital expenditure		-902,476		-700,000			123,872	-902,476	
RES402	Capital Reserve - GF	To fund General Fund capital expenditure		-1,270,758	482,211	-700,000			123,872	-1,364,674	
				-2,173,234	482,211	-700,000			123,872	-2,267,150	
<u>TOTAL EARMARKED RESERVES</u>											
				-9,797,985	4,428,471	-4,729,775			1,951,512	-8,147,777	
<u>GENERAL FUND BALANCE</u>											
B8000 -	General Balance - RR	General balance		-2,253,037	-1,224,835	2,083,338			-626,589	-2,021,123	
B8240				-2,253,037	-1,224,835	2,083,338			-626,589	-2,021,123	
<u>TOTAL GENERAL FUND RESERVES AND BALANCES</u>											
				-12,051,022	3,203,636	-2,646,437			1,324,923	-10,168,899	
<u>CAPITAL RECEIPTS</u>											
B8700 -											
B8740	Capital Receipts Reserve	To fund General Fund capital expenditure		-1,190,500					-1,755,899	498,516	-2,447,883

GENERAL FUND CAPITAL PROGRAMME

Code	Fund	Scheme	Scheme Description	Original Scheme Cost	Payments to 31/03/12	Revised Budget 2012/13	Outturn 2012/13	Underspend/ (Overspend) 2012/13	Approved Budget 2013/14	Revised Budget 2013/14	Comments
				£	£	£	£	£	£	£	
		<b>RESOURCES</b>									
		<b>Property Services</b>									
CAP001	C/R	Programmed Maintenance	New cremators	655,000	517,552	137,500	110,151	27,349		27,300	
		<b>Financial Services</b>									
CAP010	C	GO ERP	Development of ERP system within the GO Partnership	421,700	376,713	80,000	65,260	14,740		14,700	
CAP011	C	Gloucestershire Airport	Contribution towards the redevelopment project - £1.2m loan	1,200,000	1,190,595	9,415	3,255	6,160		6,100	
		<b>ICT</b>									
CAP024	C	IT Infrastructure	Upgrade of Microsoft Office required as version currently used is an end of life product and no longer supported by Microsoft - moved to 5 year ICT Infrastructure strategy.			22,000		22,000		22,000	
CAP025	C	IT Infrastructure	Virtual e-mail appliance licence -setting up of e-mail connection between all GO Partner authorities.			156,000	156,785	(785)		409,500	
CAP012	C	IT Infrastructure	Upgrade of Civica system to ensure PCI compliancy.								
CAP026	C	IT Infrastructure	5 year ICT Infrastructure strategy								
		<b>Revenues</b>									
CAP013	G	Localisation of Business Rates	Software changes required in order to introduce the Localisation of Business Rates as required by legislation and funded by grant	35,000		35,000		35,000		35,000	
		<b>WELLBEING &amp; CULTURE</b>									
		<b>Parks &amp; Gardens</b>									
CAP101	S	S.106 Play area refurbishment	Developer Contributions			50,000	81,694	(31,694)	50,000	50,000	
CAP102	C	Play Area Enhancement	Ongoing programme of maintenance and refurbishment of play areas to ensure they improve and meet safety standards			80,000	57,300	22,700	80,000	80,000	Scheme to be completed in 2013-14 and to be Partnership Funded
CAP106	P	Pittville Gates	Restoration of Pittville Gates - Partnership Funding				118,009	(118,009)			Scheme to be completed in 2013-14 and to be funded by Developer Contributions
CAP108	S	King George V Playing Field Cycletrack	Developer Contributions				36,069	(36,069)			
		<b>Cultural Services</b>									
CAP121	R/P	Art Gallery & Museum Development Scheme	Council's commitment to new scheme as agreed by Council 20th July 2008	6,300,000	1,013,448	3,857,350	3,283,516	573,834	729,202	1,303,000	The main contractors commenced work on the AG&M development in August 2011 and work is progressing well, with an expected open from Summer 2013. The remaining capital budget is needed to support the committed expenditure in 2013/14
CAP141	C	Community Safety	Expansion of on street CCTV in the town centre to increase safety and secure the environment			53,800	54,940	(1,140)	50,000	50,000	

## GENERAL FUND CAPITAL PROGRAMME

Code	Fund	Scheme	Scheme Description	Original Scheme Cost	Payments to 31/03/12	Revised Budget 2012/13	Outturn 2012/13	Underspend/ (Overspend) 2012/13	Approved Budget 2013/14	Revised Budget 2013/14	Comments
				£	£	£	£	£	£	£	
		<b>BUILT ENVIRONMENT</b>									
		<b>Integrated Transport</b>									
CAP105	S	Gardners Lane Reconstruction	A part council owned unadopted lane which provides access to the animal shelter, Gardners Lane Primary School, the University's playing field and Midwinter allotments required major repair prior to Gloucestershire County Council being willing to adopt it. To negate the council's ongoing maintenance responsibility the road has been repaired to adoptable standards in partnership with the other organisations using the access lane. The council has responsibility for managing the project and investing the partners funding contributions.			18,127		(18,127)			The road has been repaired but further payments were required in 2012/13 to cover the final contractor payments and retention. These costs were funded by the partners.
CAP150	C	Civic Pride	CBC contribution to East Promenade repaving by GCC, plus street furniture costs.			145,000	139,000	6,000	100,000	100,000	6,000
CAP151	C	Civic Pride	CBC contribution to West Promenade repaving by GCC.						100,000	100,000	
CAP152	C	Civic Pride	Upgrade of Promenade pedestrianised area including remodelling of tree pits, providing seating, re-pointing existing Yorkstone.						100,000	100,000	
CAP153	C	Civic Pride	Remodelling of Sherborne Place Car Park into a Green car park for short stay bus use.						100,000	100,000	
CAP154	C	Civic Pride	Scheme for St Mary's churchyard						50,000	50,000	
CAP204	C	Civic Pride	Improvements to Grosvenor Terrace Car Park (Town Centre East) including making a Green car park, improving linkages to the High Street, improved sustainability - rainwater harvesting, PV cells etc.			30,000	9,350	20,650	120,000	140,600	
CAP201	C	CCTV in Car Parks	Additional CCTV in order to improve shopping areas and reduce fear of crime			64,300	19,470	44,830	50,000	99,800	
CAP202	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	26,192	120,000	76,465	43,535		43,500	
		<b>Housing</b>									
CAP221	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.			671,848	485,202	186,646	600,000	786,600	Additional Disabled Facilities Grants funding was made available in 2012/13
CAP222	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	13,288	12,712	26,000	38,700	
CAP223	PSDH	Health & Safety Grant / Loans	A new form of assistance available under the council's Housing Renewal Policy 2003-06			303,674	8,172	295,502		295,500	The resource is being used for the long term benefit of private sector housing, focusing on the worst properties and most vulnerable individuals. There has also been a change in approach to bringing vacant properties back into use to allow for better long term use of this limited funding. The balance of this funding will be used over coming years to meet these aims.
		Vacant Property Grant	A new form of assistance available under the council's Housing Renewal Policy 2003-06								
	PSDH	Renovation Grants	Grants provided under the Housing Grants, Construction and Regeneration Act 1996								
CAP224	LAA / C	Warm & Well	A Gloucestershire-wide project to promote home energy efficiency, particularly targeted at those with health problems			60,000	20,000	40,000	60,000	100,000	
CAP225	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			400,000		400,000		400,000	The CPO process for Crabtree Place has commenced, however it is not likely to complete until 2013/14 due to the timeframe for moving through the process.
CAP226	C/S	Housing Enabling	Transformational improvements to private households in St. Pauls to assist them in raising the standard of their dwellings in line with new build council housing stock.			130,000	126,710	3,290		3,300	
CAP227	C/S	Housing Enabling	Expenditure in support of enabling the provision of new affordable housing in partnership with Cheltenham Borough Homes			2,200,000	2,000,000	200,000	1,300,000	1,500,000	

GENERAL FUND CAPITAL PROGRAMME

Code	Fund	Scheme	Scheme Description	Original Scheme Cost	Payments to 31/03/12	Revised Budget 2012/13	Outturn 2012/13	Underspend/ (Overspend) 2012/13	Approved Budget 2013/14	Revised Budget 2013/14	Comments
				£	£	£	£	£	£	£	
CAP301	C	<b>OPERATIONS</b> Vehicles and recycling caddies	Replacement vehicles and recycling equipment			250,000		250,000		250,000	
CAP111		<b>BUDGET PROPOSALS FUTURE CAPITAL PROGRAMME:</b> Gym Equipment	To replace worn out equipment and ensure that we retain a successful and competitive publicly accessible fitness provision						211,000	211,000	
CAP123		Café Art Gallery & Museum	To refurbish new café area as part of the Art Gallery & Museum redevelopment including fitting out						170,000	170,000	
CAP112		Carbon reduction scheme	Replacement of Pool Hall lighting to LEDs at leisure@ - subject to business case						30,000	30,000	
		<b>CAPITAL SCHEMES RECLASSIFIED AS REVENUE:</b>									
CAP002	C	Burial Chapel	Invest to save scheme to convert burial chapel to handle cremations, Deliver council services at a time and place which suit the customer, implementation of C19x environment to deliver business applications to the home / remote users desktop	110,000	100,642	9,300	1,692	7,608		7,600	
CAP021	C	Working Flexibly Infrastructure	Match funded with Natural England to construct dry stone walling on Leckhampton Hill site of special scientific interest (SSSI)	35,300	26,576	8,700	1,098	7,602		7,600	
CAP104	C	Leckhampton Hill Dry Stone Wall	Re-joining works required to improve safety and appearance of the core commercial area	60,000	52,171	7,500	1,030	(1,030)		7,500	
CAP203	C	Re-joining High Street/Promenade pedestrianised area	Property & Legal costs associated with the developments				26,129	(26,129)			
CAP401	C	Land & Property presale costs	Allotment Enhancements - new footpaths, path surfacing, fencing, signage, and other improvements to infrastructure								
CAP501	C	Allotments	Costs associated with incorporating Tewkesbury Borough Council within the Depot site at Swindon Road	353,100	342,843	10,200		10,200		10,200	
CAP502	C	Depot Rationalisation		300,000	274,031	25,900	26,365	(465)			
		<b>TOTAL CAPITAL PROGRAMME</b>				<b>8,943,487</b>	<b>6,939,077</b>	<b>2,004,410</b>	<b>4,235,702</b>	<b>6,455,500</b>	
		<b>Funded by:</b> G Government Grants SCG Specified Capital Grant (DFG) LAA LAA Performance Reward Grant P Partnership Funding PSDH Private Sector Decent Homes Grant HLF Heritage Lottery Funding HRA Housing Revenue Account Contribution R Property Planned Maintenance Reserve R IT Repairs and Renewals Reserve R AG&M Development Reserve S Developer Contributions S106 C General Balances C Revenue Contributions C HRA Capital Receipts C GF Capital Receipts C HIP Capital Reserve C Civic Pride Reserve C Prudential Borrowing C GF Capital Reserve									
						35,000	377,848		306,000	35,000	
						377,848	20,000		306,000	306,000	
						60,000	1,342,278		654,832	654,832	
						1,205,000	7,445		296,229	296,229	
						303,674	488,885		50,000	50,000	
						750,000	110,151		221,765	221,765	
						137,500	1,578,489		74,370	398,231	
						1,902,350	117,763		50,000	50,000	
						50,000	65,260		14,700	14,700	
						80,000	96,314				
						130,000	488,516			130,000	
						400,000				400,000	
						145,000	139,000		350,000	350,000	
						2,459,415	2,003,256		1,300,000	1,796,100	
						907,700	123,872		1,168,735	1,408,228	
						<b>8,943,487</b>	<b>6,939,077</b>		<b>4,235,702</b>	<b>6,455,500</b>	

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AGRESSO - BAL101 A/c	Detail	Developer Contributions (S106)	YEAR	Balance @ 1/4/12 £	Receipts/ Refunds in year £	Amounts		Applied to fund REFCUS £	Amounts transferred to revenue £	Usable Developer Contributions @ 31/3/13 £
						Applied to fund fixed assets £	£			
B7410	DEV401	Courts-Kingsditch-Bond Sum Indexed Linked	06/07	(19,800.00)						(19,800.00)
B7410	DEV402	St James South-Bond Sum Indexed Linked	06/07	(63,000.00)						(63,000.00)
				<b>(82,800.00)</b>						<b>(82,800.00)</b>
B7420	DEV403	Cold Pool Lane Grounds Maintenance	11/12	(53,303.83)						(53,303.83)
B7420	DEV404	Gloscat Park Grounds Maintenance	11/12	(34,083.00)						(34,083.00)
B7420	DEV405	Benhall Grounds Maintenance	11/12	(96,564.03)						(96,564.03)
				<b>(183,950.86)</b>						<b>(183,950.86)</b>
B8900/20	DEV001	Market Street-Affordable Housing 07/08		(17,621.50)						(17,621.50)
				<b>(17,621.50)</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(17,621.50)</b>
B8900/20	DEV101	Dunalley St-Public Art	10/11	(7,000.00)						(7,000.00)
B8900/20	DEV102	Rosemullion-Public Art	07/08	(3,362.32)	(27,740.00)					(31,102.32)
B8900/20	DEV103	75-79 Rowanfield Road-Public Art	08/09	(5,342.50)						(5,342.50)
B8900/20	DEV104	Hatherley Lane (ASDA) - Public Art	10/11	(25,000.00)						(25,000.00)
B8900/20	DEV106	12/13 Hatherley Lane (B&Q) - Public Art	12/13	(53,100.00)						(53,100.00)
B8900/20	DEV109	79 The Park	12/13	(2,557.00)						(2,557.00)
				<b>(40,704.82)</b>	<b>(83,397.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(124,101.82)</b>
B8900/20	DEV201	S106 Playspace-Adult/Youth	07/08 - 11/12	(39,075.07)						(95,001.21)
B8900/20	DEV202	Market Street-Adult/Youth	07/08	(15,876.94)	(57,707.00)		1,780.86			(0.00)
B8900/20	DEV203	58-60 St Pauls-Adult/Youth	09/10	(3,756.13)			15,876.94			(3,756.13)
B8900/20	DEV204	Dunalley Street-Adult/Youth	10/11	(2,720.00)						(2,720.00)
B8900/20	DEV205	75-79 Rowanfield Road-Adult/Youth	08/09 - 09/10	(3,529.26)			3,529.26			0.00
B8900/20	DEV206	Merrowdown-Adult/Youth	10/11	(201.98)						(201.98)
B8900/20	DEV207	Charlton Lane-Adult/Youth	10/11	(1,840.00)						(1,840.00)
B8900/20	DEV208	S106 Playspace Arle Farm	11/12	(495.01)						(495.01)
B8900/20	DEV209	S106 Playspace-Beeches	08/09 + 11/12	(470.50)						(470.50)
B8900/20	DEV211	Market Street-Elmfield	07/08	(27,803.00)			27,759.69			(43.31)
B8900/20	DEV212	07/08 S106 Playspace Fairview	12/13		(1,690.00)					(1,690.00)
B8900/20	DEV214	S106 Playspace-Lansdown Crescent	10/11 + 11/12	(1,340.50)	(178.00)					(1,518.50)
B8900/20	DEV215	S106 Playspace-Leckhampton Lanes	08/09	(43.00)						(43.00)
B8900/20	DEV217	S106 Playspace-Priors Farm	10/11	(182.00)	(7,038.50)					(7,220.50)
B8900/20	DEV218	S106 Playspace-Whaddon Road	Pre 07/08	(5.49)						(5.49)
B8900/20	DEV219	S106 Playspace-Prestbury	09/10	(759.67)						(759.67)
B8900/20	DEV220	S106 Playspace-Benhall	10/11	(150.50)						(150.50)
B8900/20	DEV221	75-79 Rowanfield Road-Benhall	08/09 + 09/10	(1,284.19)						(1,284.19)
B8900/20	DEV222	S106 Playspace - OE2	11/12	(182.00)						(182.00)
B8900/20	DEV223	S106 Winston Churchill Gardens	11/12	(216.00)						(216.00)
B8900/20	DEV224	12/13 King George V PF S106	12/13	(54,200.00)			36,069.34			(18,130.66)
				<b>(99,931.24)</b>	<b>(120,813.50)</b>	<b>85,016.09</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(135,728.65)</b>

AGRESSO - BAL101		Developer Contributions (S106)	YEAR	Balance @ 1/4/12 £	Receipts/ Refunds in year £	Amounts		Applied to fund REFCUS £	Amounts transferred to revenue £	Usable Developer Contributions @ 31/3/13 £
A/c	Detail					Applied to fund fixed assets £	Applied to fund £			
B8900/20	DEV301	Barbridge Nursery-Community Facilities		(32,746.86)		32,746.86		0.00	0.00	0.00
				(32,746.86)	0.00	32,746.86		0.00	0.00	0.00
		<b>SUSTAINABLE TRANSPORT</b>								
B6170		Merrowdown-Sustainable Transport		(99.34)	99.34					0.00
B6170		2 Devon Avenue-Sustainable Transport		(19,803.50)	19,803.50					0.00
B6170		Priors Road Sainsburys-Sustainable Transport		(17,778.00)	17,778.00					0.00
B6170		GCC-Sustainable Transport		(35,205.13)	35,205.13					0.00
				(72,885.97)	72,885.97	0.00		0.00	0.00	0.00
<b>TOTAL DEVELOPERS CONTRIBUTIONS</b>				(530,641.26)	(131,324.53)	117,762.95		0.00	0.00	(544,202.83)



## Council Tax and Business Rates Collection Rates 2012 - 2013

### Business Rates 2012/2013

Current Year Charges - 2012/2013			
	% Collected	2012/2013 Target	Revised 2012/2013 Target
Period	As at 31.03.13	As at 31.03.13	As at 31.03.13
	98.0%	98.85%	98.0%
Comparison with 2011/2012	As at 31.03.12		Top Quartile
	98.8%		N/A
The end of year collection rate is lower than last year but is in line with the revised target and it is above the national average which is 97.7%			

Previous Years Charges Outstanding in Current Year (2012/2013)			
	Previous Year Debts Outstanding	2012/2013 Target	Revised 2012/2013 Target
Period	As at 31.03.13	As at 31.03.13	As at 31.03.13
	£349,567	£255,000	£350,000
Comparison with 2011/2012	As at 31.03.12		Top Quartile
	£264,699		N/A
The arrears outstanding are in line with the revised target. We continue to monitor the position closely and are working with any businesses having difficulty in paying.			

### Council Tax 2012/2013

Current Year Charges - 2012/2013			
	% Collected	2012/2013 Target	Revised 2012/2013 Target
Period	As at 31.03.13	As at 31.03.13	As at 31.03.13
	98.2%	98.2%	N/A
Comparison with 2011/2012	As at 31.03.12		Top Quartile
	98.2%		N/A
The end of year collection rate is in line with the target and higher than the national average which is 97.4% for all councils and 98.1% for shire districts			

Previous Years Charges Outstanding in Current Year (2012/2013)			
	Previous Year Debts Outstanding	2012/2013 Target	Revised 2012/2013 Target
Period	As at 31.03.13	As at 31.03.13	As at 31.03.13
	£933,015	£790,000	£930,000
Comparison with 2011/2012	As at 31.03.12		Top Quartile
	£802,330		N/A
The arrears are slightly higher than the revised target. We are working with council tax payers having difficulty in paying and the arrears are being collected slightly slower than anticipated.			

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## Sundry Debtor Invoices Outstanding 2012/13

**Sundry Debt 2012/13**

Current Year Invoices - 2012/13									
	Current Year Invoices Raised		Current Year Invoices Outstanding		Invoices outstanding more than a month (Exc Instalment Invoices)		% of invoices outstanding more than one month	Target	Comments
Period	As at 31.03.13		As at 31.03.13		As at 31.03.13		As at 31.03.13	As at 31.03.13	
General Fund Invoices	7,877	£10,527,370	2,464	£2,582,229	596	£512,941	24%	Less than 20%	A large number of invoices are raised between January and March which has resulted in proportionately more invoices than usual being outstanding for more than a month.
HRA Invoices	1,160	£388,174	504	£104,761	368	£68,164	73%	Less than 60%	The development of the Accounts Receivable Shared Service and move to Agresso has taken time away from debt recovery in 2012/13 - it was anticipated recovery standards would drop as a result. However, as the service has now been established this will be rectified in 2013/14 and renewed focus will be placed on recovery.

Previous Year Invoices Outstanding in 2012/13									
	Previous Year Invoices Outstanding		Target						
Period	As at 31.03.13		As at 31.03.13						
General Fund Invoices	201	£111,419	£60,000						
HRA Invoices	988	£311,232	£170,000						

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## **I9 Write off of unrecoverable Debts**

### **I9.1 The limits on the council to write off individual debts are:-**

- The Section 151 Officer can write off any debt for which notice of bankruptcy, Liquidation or any Insolvency Procedure has been received and a claim submitted
- The Section 151 Officer can write off any debt of a deceased person where there are insufficient assets in the estate.
- The Section 151 Officer can write off any debt where despite exhaustive enquiries the debtor cannot be traced. The debt will be written back should the debtor be found
- The Section 151 Officer can write off any debt where a court has ordered that the amount be remitted
- The Section 151 Officer can write off any debt where a company has ceased trading leaving no assets
- The Section 151 Officer can write off any debt which cannot be legally enforced eg debtor moved abroad
- The Section 151 Officer can write off any debt in respect of which a hardship application in respect of business rates has been approved
- The Section 151 Officer can write off any other individual debt to a maximum amount of £5,000, where the amount is unlikely to be recovered or where proceedings are inappropriate or unjustified. This authority cannot be delegated.
- All other individual debts, in excess of £5,000 can only be written off with the approval of Cabinet or other delegated Committee.

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	<b>2012/13</b>	
	<b>Revised</b>	<b>Actual</b>
	<b>£</b>	<b>£</b>
<b><u>EXPENDITURE</u></b>		
General & Special Management	1,817,700	1,724,334
ALMO Management Fee	4,514,500	4,514,500
Rents, Rates, Taxes and Other Charges	34,800	27,524
Repairs and Maintenance	3,844,900	3,776,899
Provision for Bad Debts	225,000	91,235
Interest Payable	1,737,500	1,737,437
Depreciation of Dwellings	5,032,000	5,032,000
Depreciation of Other Assets	94,400	94,442
Impairment of Other Assets		102,376
Debt Management Expenses	46,500	46,500
Rent Rebate Subsidy Limitation	64,200	65,000
Housing Revenue Account Subsidy	-5,100	-5,089
<b>TOTAL</b>	<b>17,406,400</b>	<b>17,207,158</b>
<b><u>INCOME</u></b>		
Dwelling Rents	17,727,900	17,705,732
Non Dwelling Rents	437,200	433,425
Charges for Services and Facilities	735,900	746,054
Supporting People Grant	150,000	144,955
<b>TOTAL</b>	<b>19,051,000</b>	<b>19,030,166</b>
<b>NET INCOME FROM SERVICES</b>	<b>-1,644,600</b>	<b>-1,823,008</b>
Amortised Premiums / Discounts	6,200	6,245
Interest Receivable	-35,200	-40,516
<b>NET OPERATING INCOME</b>	<b>-1,673,600</b>	<b>-1,857,279</b>
<b><u>Appropriations</u></b>		
Revenue Contributions to Capital	360,000	0
Transfer from Major Repairs Reserve	-94,400	0
<b>HRA Surplus / (Deficit) carried to reserve</b>	<b>1,408,000</b>	<b>1,857,279</b>
<b>Revenue Reserve brought forward</b>	<b>3,097,000</b>	<b>3,096,539</b>
<b>Repayment of Debt</b>	<b>-1,392,000</b>	<b>-1,392,000</b>
<b>Revenue Reserve carried forward</b>	<b>3,113,000</b>	<b>3,561,818</b>

**MAJOR REPAIRS RESERVE**

	<b>2012/13</b>	
	<b>Revised £</b>	<b>Actual £</b>
<b>Balance brought forward</b>	0	0
Depreciation of Dwellings	5,032,000	5,032,000
Depreciation of Other Assets	94,400	94,442
	<b>5,126,400</b>	<b>5,126,442</b>
Utilised in Year	-5,032,000	-4,727,295
Transfer to HRA re Other Assets	-94,400	0
<b>Balance carried forward</b>	<b>0</b>	<b>399,147</b>

**HRA CAPITAL PROGRAMME**

	<b>2012/13</b>	
	<b>Revised £</b>	<b>Actual £</b>
<b><u>EXPENDITURE</u></b>		
Property Improvements & Major Repairs (incl fees)	5,032,000	4,411,878
Adaptations for the Disabled	350,000	265,503
Environmental Works (Tenant Selection)	60,000	49,914
Repurchase of Shared Ownership Dwellings	50,000	14,500
	<b>5,492,000</b>	<b>4,741,795</b>
<b><u>FINANCING</u></b>		
Capital Receipts	100,000	14,500
HRA Revenue Contribution	360,000	0
Major Repairs Reserve	5,032,000	4,727,295
	<b>5,492,000</b>	<b>4,741,795</b>



## Cheltenham Borough Council

**Cabinet – 16 July 2013**

**Council-22 July 2013**

### Imperial Gardens – Reinstatement of Historic Railings

<b>Accountable member</b>	<b>Cabinet Member Sustainability, Councillor Roger Whyborn</b>
<b>Accountable officer</b>	<b>David Roberts, Head of Property &amp; Asset Management</b>
<b>Ward(s) affected</b>	<b>Lansdown Ward</b>
<b>Key Decision</b>	<b>Yes</b>
<b>Executive summary</b>	<p>The Friends of Imperial Square Heritage and Conservation (FISHAC) have started to raise the substantial funds required to restore the historic railings to Imperial Gardens. The intention is that Cheltenham Borough Council will then procure and subsequently deliver the works, in three phases, each of which is a separate stand alone scheme. The proposed elevations, layout and phases to be constructed are as shown in Appendices 2-4 of this report.</p> <p>In order for the project to progress to its construction phases it is a requirement that FISHAC enter into a legal agreement with Cheltenham Borough Council which will require funding raised by them to be provided to the Authority.</p> <p>Works will commence at a time to be agreed between the Authority and FISHAC .</p> <p>The project is likely to cost around £500k. As this is a key decision and is one which is outside the current budget and policy framework, it will require both Cabinet and Council approval.</p>
<b>Recommendations</b>	<p><b>That Cabinet approves:</b></p> <ol style="list-style-type: none"> <li>1. The reinstatement of the historic railings at Imperial Gardens</li> <li>2. The authorisation of the Head of Property and Asset Management to carry out the procurement to appoint the contractor to carry out the works to Imperial Gardens and a project manager to manage the construction project</li> <li>3. The Authority entering into an agreement with The Friends of Imperial Square Heritage and Conservation for the restoration of the railings, to include provision for funding to be transferred to the Authority prior to commencement of each stage of the scheme.</li> </ol> <p><b>That Council be recommended to:</b></p> <ol style="list-style-type: none"> <li>4. Allocate the budget for the project and the budget for the external funding within the Authority's capital programme.</li> </ol>

<p><b>Financial implications</b></p>	<p>The Friends of Imperial Gardens will not be able to seek grant funding until it has a decision from the council to agree to have the railings reinstated..</p> <p>The Authority will be procuring the work to reinstate the railings but there will be a contractual commitment from FISHAC to fund the project. The Authority will be contractually required to pay the sums under the works contracts but there is the potential for this to take place before money is received from FISHAC i.e. external grant being paid after various conditions are met e.g. works completed etc. and, as such, this potentially places the Authority at risk financially.</p> <p>However, FISHAC's promises of grant funding and statements regarding funds raised will be verified to mitigate the risk and the works for each phase will not commence until the council are satisfied that FISHAC have the necessary funding in place. As FISHAC receive funding they will be expected to pay this over to the Authority including funds collected in advance of the project starting.. Any overruns / overspends on the project will have to be discussed with FISHAC before they are committed to ensure sufficient funds can be made available and the Authority is not financially liable.</p> <p>The project is expected to cost around £500k. The Authority has not committed itself to fund a proportion of these works apart from a grant allocated through the Cheltenham Environmental Fund and therefore will not be budgeting to make a further financial contribution.</p> <p>Whilst the project will be funded from external sources, as it is a key decision and one which is outside the current budget and policy framework, it will require both Cabinet and Council approval.</p> <p>Officer time to deliver the project has not been costed and accounted for within the project costs.</p> <p>Responsibility for the ongoing maintenance of the railings must be determined as no specific base budget provision has been made.</p> <p>Contact officer: Nina Philippidis, <a href="mailto:nina.philippidis@cheltenham.gov.uk">nina.philippidis@cheltenham.gov.uk</a>, 01242 775221</p>
<p><b>Legal implications</b></p>	<p>The Authority's contract procedure rules must be complied with when carrying out the procurement for this project.</p> <p>As the Authority will be undertaking the procurement for this project, the agreement with The Friends of Imperial Square Heritage and Conservation must make provision for the funding raised by FISHAC to be paid to the Authority when received.</p> <p>Contact officer: Donna Ruck, <a href="mailto:donna.ruck@teWKesbury.gov.uk">donna.ruck@teWKesbury.gov.uk</a>, 01684 272696</p>

<p><b>Corporate and community plan implications</b></p>	<p><b>Cheltenham's natural and built environment is enhanced and protected</b></p> <ol style="list-style-type: none"> <li>1. The railings were formerly part of the town's heritage. Historically they formed an attractive boundary to Imperial Gardens and reinforced the importance of the gardens in the town centre. Reinstatement of the railings will further enhance the architecture of the surrounding area and bring enjoyment to residents and visitors to the town.</li> <li>2. The re-instatement of the railings will restore and replace, where necessary, the existing stone plinth, thus protecting it from any further deterioration</li> <li>3. The railings form an important part of the gardens development and their reintroduction will play an important part in helping people to understand the gardens as a heritage asset.</li> </ol>
<p><b>Environmental and climate change implications</b></p>	<p><b>Cheltenham has a clean and well-maintained environment</b></p> <p>The existing stone plinths merely serve to remind people that the original railings are missing.</p> <ol style="list-style-type: none"> <li>1. Stone plinths will be renovated and reused where possible and iron work leaded in to original holes.</li> <li>2. The only remaining section of original railings located next to the Town Hall will be used to replicate the accurate metal work detail and be renovated</li> <li>3. The original alignment of grass and path can be restored to the section fronting the garden bar.</li> </ol> <p>The proposed works will have a significant improvement to this historic structure and its setting and re-establish clear definition to the edge of the gardens.</p>

## **2. Background**

- 2.1 Friends of Imperial Square Heritage and Conservation (FISHAC) was established in 2011 as a Registered Charity to raise funds to reinstate and repair the heritage and conservation assets in Imperial Square and Gardens. The current appeal is raising funds to reinstate the railings lost to the war effort.
- 2.2 Trustees have so far raised sufficient funds to appoint a specialist consultant to produce detailed drawing and make a planning application on their behalf which was successfully consented by Cheltenham Borough Council in 2012. An amendment to the application reducing the height of the railings from 1.8m to 1.5 metres was subsequently made, again successfully, in May 2013.
- 2.3 Imperial Square was established, along with the Promenade, in 1817-18 as part of the botanical pleasure grounds of the Sherborne Spa. By the time the new Town Hall was completed in 1903, Imperial Square and Gardens had become the hub and focus of the town's social scene, and often referred to as 'the jewel in Cheltenham's crown'. In June 1940, the railings surrounding Imperial Gardens were scrapped and recycled as armaments for the war effort.
- 2.4 The project will reinstate the railings (not gates) to the original boundary to a height of 1.5m utilising the original stone plinth where it still exists.
- 2.5 The project will be managed in partnership with the Authority employing a project management company used to heritage projects. In order to achieve improvement to the site as soon as possible the project has been divided into three separate phases, so that the first phase can begin when funding is available while fundraising continues for the later phases. The first phase will involve the replacement of the railings on the western (Promenade) edge.
- 2.6 The total project costs are anticipated to be in the region of £500,000
- 2.7 FISHAC will raise the necessary funds for the restoration works but Cheltenham Borough Council will contract with those doing the works and it will be the council's obligation to make the payments.
- 2.8 The Friends of Imperial Square Heritage and Conservation will be required to enter into a legal agreement prepared by One Legal which will set out the obligations of each party.
- 2.9 It is Cheltenham Borough Council's intention, subject to consultation and formal written agreement, for The Friends of Imperial Square Heritage and Conservation to raise funds for any future maintenance works.

## **3. Reasons for recommendations**

- 3.1 FISHAC are still at an early stage in fundraising and some way off reaching an amount sufficient to trigger the first stage. In order to progress the project though, and give them the confidence to continue with their efforts it is recommended that Cabinet agree to enter into an agreement with FISHAC.
- 3.2 As expenditure on the scheme will exceed £100,000 it is a key decision which requires Cabinet approval. Council approval is required to allocate the budget and funding streams since it is outside the current budget and policy framework.

## **4. Alternative options considered**

None

**5. Consultation and feedback**

- 5.1 The members of FISHAC have obtained planning consent for the project and in doing so have demonstrated public support for the scheme
- 5.2 Local ward councillors support the project.

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

- 6.1 Contract management, construction activities and expenditure will be monitored by Property & Asset Management.
- 6.2 Financial monitoring will be carried by Cheltenham Borough Council's Head of Finance.

Report author	Contact officer: Tom Mimmagh Adam Reynolds 01242 264151
Appendices	1. Risk Assessment 2. Proposed elevation 3. Proposed elevation illustration 4. Layout and phasing.

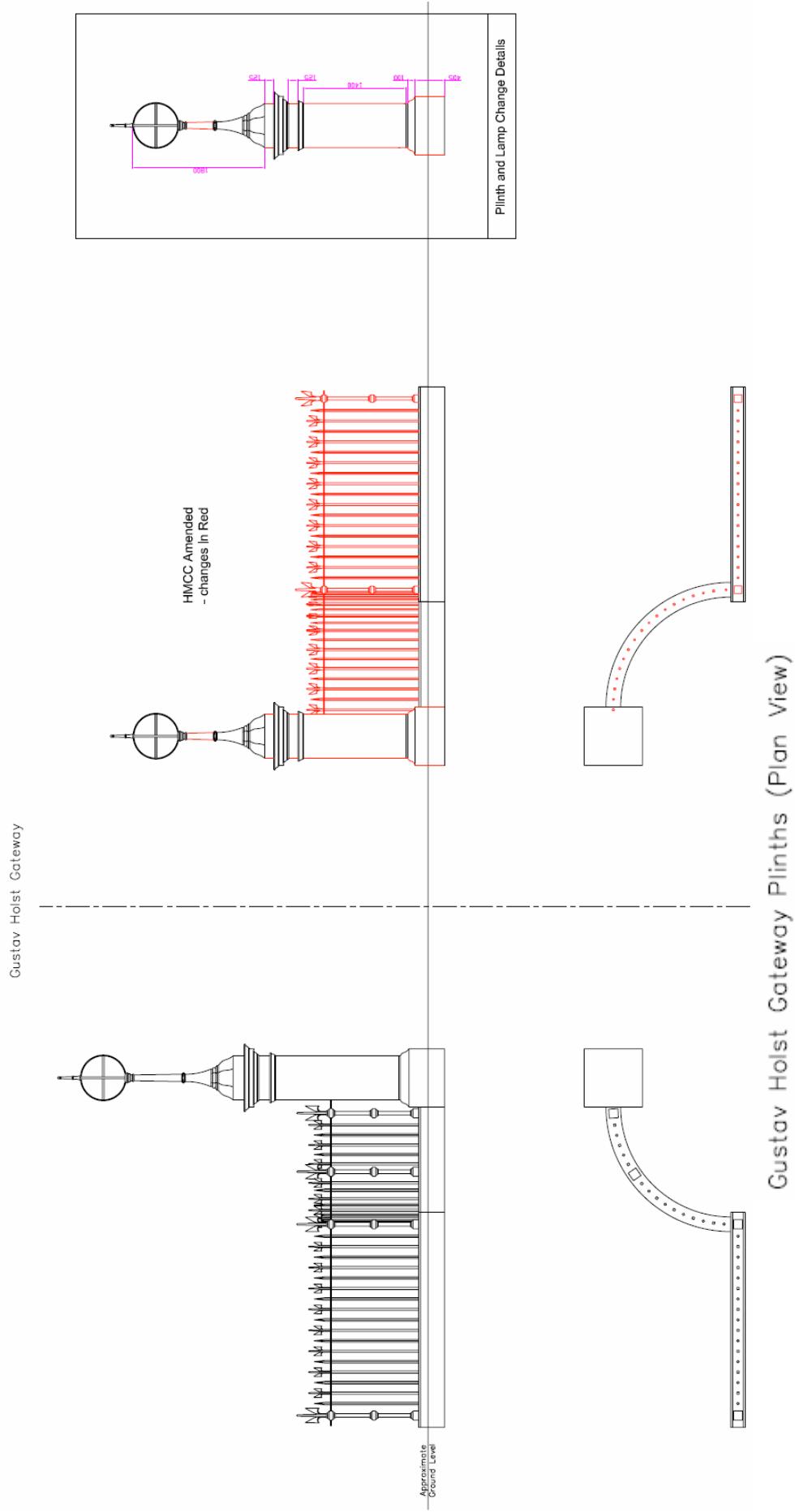
## Risk Assessment

## Appendix 1

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1	If the current stone plinth, whilst not considered dangerous, continues to weather and deteriorate then it could be a potential hazard.	David Roberts	2013	2	3	6	none	Reinstatement of the railings and refurbishment of the stone plinth will eliminate this.	ongoing	David Roberts	
2	If the council's project managing and approving works role fails to deliver then there could be contractual/financial implications	David Roberts	2013	2	3	6	none	Programme into annual staff work programme and include finance department officer as part of the project board	ongoing	David Roberts	
3	If external funding is not raised then the council may be liable for the cost of the project	Mark Sheldon	1/6/13	3	3	9	Reduce	The council will ensure funding stream is in place before committing to works.  The project will be undertaken in phases only when funding is secured.	ongoing	Mark Sheldon	

Elevation

Appendix 2

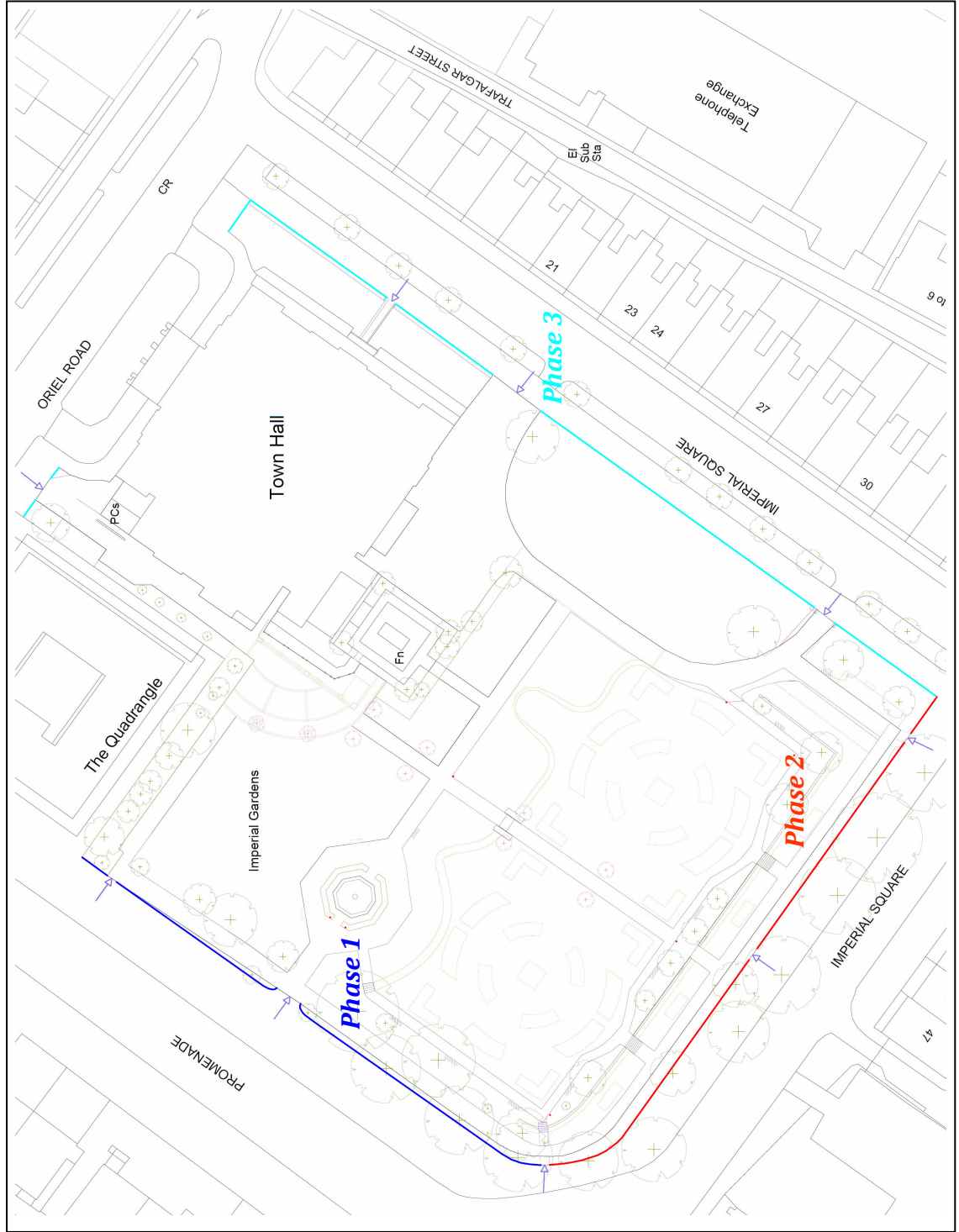






Montage illustrating the approximate scale.





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